FEDERAL REGISTER

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TITLE 4—ACCOUNTS

Chapter I—General Accounting Office

[General Regs. 123, Supp. 2]

PART 7—PASSENGER TRANSPORTATION SERVICES FOR THE ACCOUNT OF THE UNITED STATES

PROCUREMENT OF TRANSPORTATION SERVICES THROUGH UTILIZATION OF TRAVEL AGENCIES

1. Section 7.4 is amended to read:

§ 7.4 *Procurement of passenger transportation services from carriers.* Passenger transportation services by air, bus, rail or water should be procured directly from carriers. Travel agencies may be utilized only as provided in § 7.5. They may not be utilized to secure air, rail, water, and bus transportation services, or any combination thereof, (a) within the United States, Canada or Mexico; (b) between the United States and Canada or Mexico; (c) from the United States or its possessions to foreign countries; and (d) between the United States and its possessions, and between and within its possessions.

2. A new § 7.4a is added as follows:

§ 7.4a *Use of American flag carriers.* Attention of administrative agencies as well as officials and employees of the United States is directed to section 901 of Merchant Marine Act of 1936, 46 U. S. C. 1241, relative to use of American flag vessels for travel on official business. In this connection, compliance with the proviso in section 901, supra, should be required by administrative agencies of officers and employees of the United States traveling on official business whether the transportation expenses are borne directly by the United States or reimbursed to the traveler.

3. Section 7.5 is revised to read:

§ 7.5 *Use of travel agencies.* Travel agencies may be utilized, when authorized under administrative regulations, to secure passenger transportation services by air, bus, rail, or water, or any combination thereof, for travel:

(a) Within foreign countries (except Canada or Mexico);

(b) Between foreign countries; or

(c) From foreign countries to the United States and its possessions, providing:

(1) The request for transportation be made first to a company branch office or a general agent of an American flag air or ocean carrier if the travel originates in a city or its contiguous carrier-servicing area in which such branch office or general agent is located and through ticketing arrangements for the transportation authorized cannot be secured, or

(2) It is determined that a company branch office or a general agent of an American flag air or ocean carrier is not located in the city or its contiguous carrier-servicing area in which the official travel originates. (Information as to branch offices and general agents of American flag air and ocean carriers is available at overseas offices of The Department of State.)

No payment is to be made to a travel agency in addition to that which would be properly chargeable had the service requested been obtained directly from the carrier or carriers involved.

(Sec. 311, 42 Stat. 25, as amended; 31 U. S. C. 52. Interpret or apply sec. 309, 42 Stat. 25, as amended; 31 U. S. C. 49)

[SEAL] JOSEPH CAMPBELL,
Comptroller General of the United States.

[F. R. Doc. 57-3234; Filed, Apr. 19, 1957; 8:49 a. m.]

TITLE 6—AGRICULTURAL CREDIT

Chapter IV—Commodity Stabilization Service and Commodity Credit Corporation, Department of Agriculture

Subchapter B—Loans, Purchases, and Other Operations

[1956 C. C. C. Grain Price Support Bulletin 1, Supp. 3, Oats]

PART 421—GRAINS AND RELATED COMMODITIES

SUBPART—1956-CROP OATS RESEAL LOAN PROGRAM

A reseal loan program has been announced for 1956-crop oats. The 1956 C. C. C. Grain Price Support Bulletin 1 (21 F. R. 3997) issued by the Commodity Credit Corporation and containing the general requirements with respect to price support operations for grains and related commodities produced in 1956,

(Continued on p. 2755)

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FEDERAL REGISTER

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CODIFICATION GUIDE

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

CODIFICATION GUIDE—Con.

supplemented by Supplements 1 and 2 Oats (21 F. R. 4007, 4792, 5566 and 6746), containing the specific requirements for the 1956-crop oats price support program, is hereby further supplemented as follows:

Sec.

AUTHORITY: §§ 421.1886 to 421.1897 issued under sec. 4, 62 Stat. 1070, as amended; 15 U. S. C. 714b. Interpret or apply sec. 5, 62 Stat. 1072, secs. 301, 401, 63 Stat. 1054; 15 U. S. C. 714c, 7 U. S. C. 1421, 1447.

§ 421.1886 *Applicable sections of 1956 C. C. C. Grain Price Support Bulletin 1 and Supplements 1 and 2, Oats.* The following sections of the 1956 C. C. C. Grain Price Support Bulletin 1, as amended, and Supplements 1 and 2, Oats, published in 21 F. R. 3997, 4007, 4792, 5566 and 6746 shall be applicable to the 1956 Oats Reseal Loan Program: § 421.1601 *Administration;* § 421.1608 *Liens;* § 421.1610 *Set-offs;* § 421.1611 *Interest rate;* § 421.1613 *Safeguarding the commodity;* § 421.1614 *Insurance on farm-storage loans;* § 421.1615 *Loss or damage to the commodity;* § 421.1616 *Personal liability of the producer;* § 421.1617 *Release of the commodity under loans;* § 421.1620 *Foreclosure;* § 421.1880 *Determination of quantity;* § 421.1881 *Determination of quality.* Other sections of the 1956 C. C. C. Grain Price Support Bulletin 1, as amended, and Supplements 1 and 2, Oats, shall be applicable to the extent indicated in this subpart.

§ 421.1887 *Availability*—(a) *Area and scope.* The reseal program will be available in areas in the following States where ASC State Committees determine that there may be a shortage of storage space, that the oats can be safely stored on farms for the period of the reseal loan and that it will be advantageous to producers and CCC to permit producers to obtain reseal loans: Arizona, California, Colorado, Idaho, Illinois, Indiana, Iowa, Kansas, Maine, Michigan, Minnesota, Missouri, Montana, Nebraska, Nevada, New York, North Dakota, Ohio, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, Wisconsin, and Wyoming. This program provides, under certain circumstances, for the extension of 1956-crop farm-storage loans and the making of farm-storage loans on 1956-crop oats covered by purchase agreements. Neither warehouse-storage loans nor purchase agreements will be available to producers under this program.

(b) *Time.* (1) The producer who desires to participate in the reseal loan program must file an application for a farm-storage reseal loan at the office of the ASC county committee.

(2) In the case of a farm-storage loan, the producer will be required to apply for extension of his loan before the final date for delivery specified in the delivery instructions issued to him by the office of the ASC county committee.

(3) The producer who signed a purchase agreement on farm-stored oats is required under the 1956 Oats Price Support Program to notify the office of the ASC county committee not later than April 30, 1957, in the case of oats stored in any of the States listed in paragraph (a) of this section, if he intends to sell the oats to CCC. If the producer has notified the office of the ASC county committee on or before April 30, 1957, of his intention to sell the oats to CCC or to participate in this program, he may obtain a farm-storage loan on the oats. The loan documents must be executed by the producer on or before the final date for delivery specified in the delivery instructions, or on or before June 30, 1957, if the producer has not requested or received delivery instructions. Disbursement of the loan proceeds will be made to producers by ASC county offices by means of sight drafts drawn on CCC within 15 days after execution of the loan document. The drawing of draft shall constitute disbursement. Disbursement shall not be made unless the oats are in existence and in good condition. If the oats were not in existence and in good condition at the time of disbursement, the total amount disbursed under the loan shall be promptly refunded by the producer. In the event the amount disbursed exceeds the amount authorized under this subpart, the producer shall be personally liable for repayment of the amount of such excess.

(c) *Source.* A producer desiring to participate in the reseal loan program should make application to the office of the ASC county committee which approved his loan or purchase agreement. Disbursements of the proceeds of loans completed on oats covered by purchase agreements shall be made to producers by ASC county offices by means of sight drafts drawn on CCC. Any farm-storage loans to be resealed and held by approved lending agencies shall be purchased and transferred to county office custody on or before the maturity date for the loan as provided in § 421.1882.

§ 421.1888 *Eligible producer.* An eligible producer shall be an individual, partnership, association, corporation, estate, trust, or other business enterprise, or legal entity, and wherever applicable, a State, political subdivision of a State, or any agency thereof producing oats in 1956 as landowner, landlord, tenant, or sharecropper, who either completed a farm-storage loan or signed a purchase agreement covering oats of the 1956-crop.

§ 421.1889 *Eligible oats*—(a) *Requirements of eligibility.* The oats must meet the requirements set forth in § 421.1878 (a), (b) and (c).

(b) *Inspection*—(1) *Extended farm-storage loans.* If a producer makes application to extend his farm-storage loan, the commodity loan inspector shall, with the producer, reinspect the oats and the farm-storage structure in which the oats are stored. If recommended by either the commodity loan inspector or the producer, a sample of the oats shall be taken and submitted for grade analysis.

(2) *Oats covered by purchase agreement.* If a producer makes application for a farm-storage loan on oats covered by a purchase agreement, the commodity loan inspector shall inspect the oats and storage structure, obtain a sample if the oats and structure appear eligible, and proceed in the regular manner for the inspection of a commodity to be placed under loan.

§ 421.1890 *Approved storage.* Oats covered by any loans extended and any new loans completed must be stored in structures which meet the requirements for farm-storage loans as provided in § 421.1606 (a). Consent for storage for any loans extended or new loans completed must be obtained by the producer for the period ending June 30, 1958, if the structure is owned or controlled by someone other than the producer, or if the lease expires prior to June 30, 1958.

§ 421.1891 *Approved forms.* (a) The approved forms, which together with the

provisions of this subpart govern the rights and responsibilities of the producer, shall consist of a Producer's Note and Supplemental Loan Agreement secured by a Commodity Chattel Mortgage and such other forms and documents as may be prescribed by CCC. Notes and chattel mortgages must have State and documentary revenue stamps affixed thereto where required by law. Loan documents executed by an administrator, executor or trustee will be acceptable only where legally valid.

(b) Where required by State law, a new producer's note and chattel mortgage shall be completed when a farm-storage loan is extended.

§ 421.1892 *Quantity eligible for reseal.* (a) The quantity of oats eligible for reseal on an extended farm-storage loan will be the quantity shown on the original note and the chattel mortgage, less any quantity delivered or redeemed.

(b) A producer may obtain a loan on not in excess of the quantity of oats specified in the purchase agreement, minus any quantity of the oats under such purchase agreement (1) which has been previously placed under a loan or (2) on which he exercises his option to sell to CCC.

§ 421.1893 *Additional service charges.* (a) When a farm-storage loan is extended, the producer will not be required to pay an additional service charge.

(b) At the time a farm-storage loan is made to the producer on oats covered by a purchase agreement, the producer shall pay an additional service charge of ½ cent per bushel on the number of bushels placed under loan, or $1.50, whichever is greater. No refund of service charges will be made, except if the amount collected is in excess of the correct amount.

§ 421.1894 *Transfer of producer's equity.* The producer shall not transfer either his remaining interest in or his right to redeem the oats mortgaged as security for a loan under this program. A producer who wishes to liquidate all or part of his loan by contracting for the sale of the oats must obtain written prior approval of the county committee on Commodity Loan Form 12 to remove the oats from storage when the proceeds of the sale are needed to repay all or any part of the loan. Any such approval shall be subject to the terms and conditions set out in Commodity Loan Form 12, copies of which may be obtained by producers or prospective purchasers at the office of the ASC county committee.

§ 421.1895 *Storage and track-loading payments*—(a) *Storage payment.* A reseal storage payment will be made as follows:

(1) *Storage payment for full reseal period.* A storage payment computed at the rate of 12 cents per bushel will be made to the producer on the quantity involved if he (i) redeems the oats from the loan on or after April 30, 1958, (ii) delivers the oats to CCC on or after April 30, 1958, or (iii) delivers the oats to CCC prior to April 30, 1958, pursuant to demand by CCC for repayment of the loan solely for the convenience of CCC if the oats were not damaged or otherwise impaired due to negligence on the part of the producer.

(2) *Prorated storage payment.* (i) A storage payment computed at the rate of $0.00039 per bushel a day (but to exceed 12 cents per bushel) according to the length of time the quantity of oats involved was in store after June 30, 1957, will be made to the producer; (*a*) in the case of loss assumed by CCC under the provisions of the loan program; (*b*) in the case of oats redeemed from the loan prior to April 30, 1958, and (*c*) in the case of oats delivered to CCC pursuant to its demand and not solely for the convenience of CCC, or upon request of the producer and with the approval of CCC, prior to April 30, 1958: *Provided, however,* That no storage payment will be made where the delivered oats are damaged or otherwise impaired due to negligence on the part of the producer. In the case of losses assumed by CCC, the period for computing the storage payment shall end on the date of the loss; and in the case of redemptions, on the date of repayment.

(ii) In no case will any storage payment be made where the producer has made any false representation in the loan documents or in obtaining the loan, or where the oats have been abandoned or where there has been conversion on the part of the producer.

(b) *Track-loading payment.* A track-loading payment of 3 cents per bushel will be made to the producer on oats delivered to CCC, in accordance with instructions of the county committee, on track at a country point.

§ 421.1896 *Maturity and satisfaction.* (a) Loans will mature on demand but not later than April 30, 1958. The producer must pay off his loan, plus interest, on or before maturity or deliver the mortgaged oats in accordance with the instructions of the county committee. Credit will be given at the applicable settlement value according to grade and quality for the total quantity eligible for delivery. Delivery of oats will be accepted only from bin(s) in which the oats under reseal loan are stored. The provisions of § 421.1618 (a), (c), (e), and (f) and of § 421.1885 (a) (1) shall be applicable thereto: *Provided,* That, if upon delivery, the oats contain mercurial compounds or other substances poisonous to man or animals, the oats shall be sold for seed (in accordance with applicable State seed laws and regulations), fuel, or industrial uses where the end product will not be consumed by man or animals, and the settlement value shall be the same as the sales price: *Provided further,* That if CCC is unable to sell such oats for the use specified above, the settlement value shall be the market value, if any, as determined by CCC, as of the date of delivery.

§ 421.1897 *Support rates.* The support rate for an extended farm-storage loan shall remain the same as for the original loan. The support rate for oats covered by a purchase agreement placed under a farm-storage loan shall be the support rate established for the oats in § 421.1883 (c).

Issued this 16th day of April 1957.

[SEAL] CLARENCE L. MILLER,
Acting Executive Vice President,
Commodity Credit Corporation.

[F. R. Doc. 57-3259; Filed, Apr. 19, 1957; 8:53 a. m.]

TITLE 7—AGRICULTURE

Chapter III—Agricultural Research Service, Department of Agriculture

[P. Q. 609, Revised]

PART 319—FOREIGN QUARANTINE NOTICES

SUBPART—FRUITS AND VEGETABLES

ADMINISTRATIVE INSTRUCTIONS PRESCRIBING METHOD OF FUMIGATION OF MANGOES AND PLUMS FROM MEXICO

Pursuant to the authority conferred on him by § 319.56–2 of the regulations supplemental to the Fruit and Vegetable Quarantine (Notice of Quarantine No. 56, 7 CFR and Supp. 319.56) under section 5 of the Plant Quarantine Act of 1912 (7 U. S. C. 159), and Administrative Memorandum No. 101.1 of February 21, 1957 issued by the Administrator of the Agricultural Research Service, the Director of the Plant Quarantine Division hereby issues amended administrative instructions to appear as § 319.56–2j in Title 7, Code of Federal Regulations, as follows:

§ 319.56–2j *Administrative instructions prescribing method of fumigation of mangoes and plums from Mexico.* Approved fumigation with ethylene dibromide at normal atmospheric pressure, in accordance with the following procedure, is hereby prescribed as a condition of entry under permit for all shipments of mangoes and plums from Mexico.

(a) *Approved fumigation.* (1) The approved fumigation shall consist of fumigation with ethylene dibromide at normal atmospheric pressure, in a fumigation chamber which has been approved for that purpose by the Plant Quarantine Division. Such chambers must be equipped with a gas-tight glass window to permit a view inside the chamber while fumigation is in progress. The Plant Quarantine Division will approve only those fumigation plants that are properly constructed and adequately equipped to handle and treat mangoes and plums at locations acceptable to the inspector, in areas where required supervision can be furnished. The dosage shall be applied at the rate of 1 pound of ethylene dibromide per 1,000 cubic feet of space for 2 hours at a minimum temperature of 77° F. Cubic feet of space shall include the load. The 2-hour period of exposure shall begin when all of the fumigant has been introduced into the chamber. The required temperature applies to both air and fruit. The ethylene dibromide must be applied in the liquid state and volatilized within the sealed fumigation chamber by direct contact with a highly heated metal surface over an electric hot plate or other suitable heating medium. The gas shall be circulated within the chamber con-

tinuously for the 2-hour period by an electric fan or blower.

(2) Mangoes to be fumigated may be packed in export flats with wood excelsior before treatment. Plums to be fumigated may be prepacked in slatted containers and wood excelsior used if desired. Paper wrappings for individual fruits may not be used for mangoes and plums unless authorized in advance by the Plant Quarantine Division. Fruit to be fumigated may also be placed in open field boxes. When loaded in the fumigation chamber the boxes or containers shall be separated by at least 2 inches on all sides by wooden strips or other means. The chamber shall not be loaded to more than one-third capacity.

(b) *Supervision of fumigation.* (1) Inspectors of the Plant Quarantine Division will supervise the fumigation of mangoes and plums and will prescribe such safeguards as may be necessary for the handling, packing, and transportation of the fruit from the time it leaves the treating plant until it reaches the United States port of entry. The final release of the fruit for entry into the United States will be conditioned upon compliance with the prescribed safeguards.

(2) Supervision of fumigation at places in Mexico contiguous to ports of entry where inspectors are regularly stationed will, if practicable, be carried out as a part of normal inspection activities and when so available will be furnished without cost to the owner of the fruit or his representative.

(c) *Costs.* All costs of constructing, equipping, maintaining and operating fumigation plants and facilities, and carrying out precautions prescribed for post-treatment safeguards shall be borne by the owner of the fruit or his representative. Where normal inspection activities preclude the furnishing of supervision during regularly assigned hours of duty, supervision will be furnished on a reimbursable overtime basis and the owner of the fruit or his representative will be charged in accordance with §§ 354.1 and 354.2 of this chapter.

(d) *Approval of fumigation plants.* Approval of fumigation plants in the interior of Mexico or at places removed from ports of entry where inspectors are regularly stationed will be contingent upon compliance with the provisions of paragraph (a) (1) of this section and upon the availability of qualified personnel for assignment to supervise the treatment and post-treatment handling of mangoes and plums. Those in interest must make advance arrangements for approval of the fumigation plant and for supervision, and furnish the Director of the Plant Quarantine Division with acceptable assurances that they will provide, without cost to the United States Department of Agriculture, all salaries, transportation, per diem, and other incidental expenses for the supervising inspectors, including the payment to the inspectors of additional compenastion for their services in excess of 40 hours weekly, according to the rates established for the payment of inspectors of the Plant Quarantine Division.

(e) *Department not responsible for damage.* While the prescribed treatment is judged from experimental tests to be safe for use with mangoes and plums, the Department assumes no responsibility for any damage sustained through or in the course of treatment, or because of post-treatment safeguards.

These administrative instructions shall be effective and replace the provisions now in 7 CFR 319.56–2j on and after April 20, 1957.

The purpose of this amendment is to extend to all varieties of mangoes and to plums, from Mexico, the privileges of importation after fumigation heretofore restricted to Manila mangoes only.

Experimental dosage-mortality data indicate that the treatment now prescribed for Manila mangoes may be safely extended to the other varieties of mangoes and to plums grown in Mexico. Other tests have shown that the prescribed treatment is effective when used with mangoes packed in export flats with wood excelsior and with plums prepacked in slatted containers, also with wood excelsior. Authorization of fumigation of mangoes when so packed will reduce the amount of supervision of packing after treatment now required, thereby reducing demands on the inspector's time and expediting the owner's handling of shipments. The only treatment heretofore available for plums from Mexico was the cold treatment. The newly authorized procedure provides an alternative treatment for plums that may be applied in a much shorter time and at less expense.

The amendment therefore is a relieving of restrictions previously imposed. In order to be of maximum benefit to mango and plum importers, the newly authorized procedure should be made available as soon as possible. Therefore, pursuant to section 4 of the Administrative Procedure Act (5 U. S. C. 1003) it is found upon good cause that notice and public procedure on the foregoing administrative instructions are unnecessary, impracticable, and contrary to the public interest, and since these instructions relieve restrictions they may be made effective under said section 4 less than thirty days after publication in the FEDERAL REGISTER.

(Sec. 3, 33 Stat. 1270, sec. 9, 37 Stat. 318; 7 U. S. C. 143, 162. Interprets or applies sec. 5, 37 Stat. 316; 7 U. S. C. 159)

Done at Washington, D. C., this 17th day of April 1957.

[SEAL] E. P. REAGAN,
Director, Plant Quarantine Division.

[F. R. Doc. 57-3257; Filed, Apr. 19, 1957; 8:53 a. m.]

Chapter IX—Agricultural Marketing Service (Marketing Agreements and Orders), Department of Agriculture

[Navel Orange Reg. 115]

PART 914—NAVEL ORANGES GROWN IN ARIZONA AND DESIGNATED PART OF CALIFORNIA

LIMITATION OF HANDLING

§ 914.415 *Navel Orange Regulation 115*—(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 14, as amended (7 CFR Part 914; 21 F. R. 4707), regulating the handling of navel oranges grown in Arizona and designated part of California, effective September 22, 1953, under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.; 68 Stat. 906, 1047), and upon the basis of the recommendation and information submitted by the Navel Orange Administrative Committee, established under the said amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of handling of such navel oranges, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (60 Stat. 237; 5 U. S. C. 1001 et seq.) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. The Navel Orange Administrative Committee held an open meeting on April 18, 1957, after giving due notice thereof to consider supply and market conditions for navel oranges and the need for regulation; interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after such meeting was held; the provisions of this section, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such navel oranges; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period herein specified; and compliance with this section will not require any special preparation on the part of persons subject thereto which cannot be completed on or before the effective date hereof.

(b) *Order.* (1) The quantity of navel oranges grown in Arizona and designated part of California which may be handled during the period beginning at 12:01 a. m., P. s. t., April 21, 1957, and ending at 12:01 a. m., P. s. t., April 28, 1957, is hereby fixed as follows:

(i) District 1: Unlimited movement;
(ii) District 2: 924,000 cartons;
(iii) District 3: Unlimited movement;
(iv) District 4: Unlimited movement.

(2) All navel oranges handled during the period specified in this section are subject also to all applicable size restrictions which are in effect pursuant to this part during such period.

(3) As used in this section, "handled," "District 1," "District 2," "District 3," "District 4," and "carton" have the same

meaning as when used in said amended marketing agreement and order.

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

Dated: April 19, 1957.

[SEAL] S. R. SMITH,
Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F. R. Doc. 57-3304; Filed, Apr. 19, 1957; 11:46 a. m.]

[Valencia Orange Reg. 97]

PART 922—VALENCIA ORANGES GROWN IN ARIZONA AND DESIGNATED PART OF CALIFORNIA

LIMITATION OF HANDLING

§ 922.397 *Valencia Orange Regulation 97*—(a) *Findings.* (1) Pursuant to the marketing agreement and Order No. 22, as amended (7 CFR Part 922; 21 F. R. 4392), regulating the handling of Valencia oranges grown in Arizona and designated part of California, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.; 68 Stat. 906, 1047), and upon the basis of the recommendations and information submitted by the Valencia Orange Administrative Committee, established under the said marketing agreement and order, and upon other available information, it is hereby found that the limitation of handling of such Valencia oranges, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (60 Stat. 237; 5 U. S. C. 1001 et seq.) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. The Valencia Orange Administrative Committee held an open meeting on April 18, 1957, after giving due notice thereof, to consider supply and market conditions for Valencia oranges and the need for regulation; interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation during the period specified herein was promptly submitted to the Department after such meeting was held; the provisions of this section, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such Valencia oranges; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period herein specified; and compliance with this section will not require any special preparation on the part of persons subject thereto which cannot be completed on or before the effective date hereof.

(b) *Order.* (1) The quantity of Valencia oranges grown in Arizona and designated part of California which may be handled during the period beginning at 12:01 a. m., P. s. t., April 21, 1957, and ending at 12:01 a. m., P. s. t., April 28, 1957, is hereby fixed as follows:

(i) District 1: 138,600 cartons;

(ii) District 2: Unlimited movement;

(iii) District 3: Unlimited movement.

(2) All Valencia oranges handled during the period specified in this section are subject also to all applicable size restrictions which are in effect pursuant to this part during such period.

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

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

Dated: April 19, 1957.

[SEAL] S. R. SMITH,
Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F. R. Doc. 57-3305; Filed, Apr. 19, 1957; 11:46 a. m.]

[Lemon Reg. 683]

PART 953—LEMONS GROWN IN CALIFORNIA AND ARIZONA

LIMITATION OF SHIPMENTS

§ 953.790 *Lemon Regulation 683*—(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 53, as amended (7 CFR Part 953; 20 F. R. 8451; 21 F. R. 4393), regulating the handling of lemons grown in the State of California or in the State of Arizona, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.; 68 Stat. 906, 1047), and upon the basis of the recommendation and information submitted by the Lemon Administrative Committee, established under the said amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of the quantity of such lemons which may be handled, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (60 Stat. 237; 5 U. S. C. 1001 et seq.) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. Shipments of lemons, grown in the State of California or in the State of Arizona, are currently subject to regulation pursuant to said amended marketing agreement and order; the recommendation and supporting information for regulation during the period specified herein were promptly submitted to the Department after an open meeting of the Lemon Administrative Committee on April 17, 1957; such meeting was held, after giving due notice thereof to consider recommendations for regulation, and interested persons were afforded an opportunity to submit their views at this meeting; the provisions of this section, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such lemons; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period hereinafter specified; and compliance with this section will not require any special preparation on the part of persons subject thereto which cannot be completed by the effective time thereof.

(b) *Order.* (1) The quantity of lemons grown in the State of California or in the State of Arizona which may be handled during the period beginning at 12:01 a. m., P. s. t., April 21, 1957, and ending at 12:01 a. m., P. s. t., April 28, 1957, is hereby fixed as follows:

(i) District 1: 6,510 cartons;

(ii) District 2: 272,490 cartons;

(iii) District 3: Unlimited movement.

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

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

Dated: April 18, 1957.

[SEAL] S. R. SMITH,
Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F. R. Doc. 57-3276; Filed, Apr. 19, 1957; 9:34 a. m.]

TITLE 13—BUSINESS CREDIT AND ASSISTANCE

Chapter II—Small Business Administration

[Amdt. 2]

PART 103—SMALL BUSINESS SIZE STANDARDS

MISCELLANEOUS AMENDMENTS

The Small Business Administration Size Standards Regulation, as amended (21 F. R. 9709, 22 F. R. 2121) is hereby amended by:

1. Deleting § 103.3 (b) in its entirety and substituting the following in lieu thereof:

(b) *Status of non-manufacturer.* Anyone who submits bids or offers in his own name, except for construction or service-type contracts, but who proposes to furnish a product not manufactured by said bidder or offerer, is deemed to be a small business concern when:

(1) He is a small business concern within the meaning of paragraph (a) of this section, and

(2) He is a regular dealer as defined by the regulations promulgated by the Secretary of Labor (41 CFR Part 201, as amended) pursuant to the Walsh-Healey Public Contracts Act, and

(3) In the case of Government procurement reserved for or involving the preferential treatment of small businesses or one involving equal bids, such non-manufacturer shall furnish in the performance of the contract the products of a small business manufacturer or producer which products are manufactured or produced in the United States or its Territories or possessions.

2. Deleting § 103.3 (c) in its entirety and substituting the following in lieu thereof:

(c) *Status through certification.* Any business concern may apply to the Regional or Branch Office of SBA nearest to such concern's principal place of business for a Small Business Certificate. In certain industries or fields of operation as determined by SBA, if the applicant, together with all its affiliates, is not dominant and is otherwise determined to be a small business in its industry or field of operation, even though it has in excess of 500 employees, a certificate may be issued certifying that the applicant is a small business concern within the meaning of the act. The holder of such a certificate will then qualify, subject to the terms of the certificate, as a small business concern for Government procurement purposes. If the applicant is dominant, even though together with all its affiliates it employs fewer than 500 persons, the application for a certificate shall be denied.

3. Adding to Schedule B the following industries or fields of operation:

3. Aircraft parts and assemblies (specified classes).
4. Cotton broad woven fabrics.
5. Motor-vehicle parts and assemblies (specified classes).
6. Rubber footwear including rubber-soled canvas shoes.
7. Tires and inner tubes.
8. Trucks, heavy duty off-the-road.
9. Steel pipes and tubes.
10. Steel wire (high carbon).
11. Wire rope and galvanized strand.

(Sec. 205, 67 Stat. 234, as amended; 15 U. S. C. 634)

Dated: March 29, 1957.

WENDELL B. BARNES,
Administrator.

[F. R. Doc. 57-3223; Filed, Apr. 19, 1957; 8:47 a. m.]

TITLE 14—CIVIL AVIATION

Chapter II—Civil Aeronautics Administration, Department of Commerce

[Amdt. 6]

PART 570—WASHINGTON NATIONAL AIRPORT PARKING

In the interest of maintaining proper control over motor vehicles authorized to park in restricted or reserved areas at the Airport it has been determined that § 570.27 (e) should be amended to require that parking permits issued by the Airport Director be displayed on the windshields of the vehicles concerned. A proprietary function of the Government is involved. Therefore, compliance with the notice, procedures, and effective date provisions of section 4 of the Administrative Procedure Act is not required.

Section 570.27 (e) is amended to read:

(e) No person shall park a motor vehicle in any restricted or reserved area so marked unless a parking permit issued by the Airport Director for the particular area is displayed on the windshield behind the rear view mirror of such vehicle.

(Sec. 205, 52 Stat. 984, as amended, sec. 2, 54 Stat. 688; 49 U. S. C. 425, 2 D. C. Code 1602)

This amendment shall become effective upon publication in the FEDERAL REGISTER.

[SEAL] JAMES T. PYLE,
Administrator of Civil Aeronautics.

APRIL 16, 1957.

[F. R. Doc. 57-3212; Filed, Apr. 19, 1957; 8:45 a. m.]

TITLE 19—CUSTOMS DUTIES

Chapter I—Bureau of Customs, Department of the Treasury

[T. D. 54342]

PART 8—LIABILITY FOR DUTIES; ENTRY OF IMPORTED MERCHANDISE

CRUDE PETROLEUM; INVOICE REQUIREMENTS AND EXEMPTIONS

An exemption from special customs and commercial invoices for crude petroleum imported by pipeline or in bulk is provided for in § 8.15 (c) (31) of the Customs Regulations since no duties based upon or regulated by the value of the oil are involved and the import tax is assessed on the exact quantity imported as determined by customs. The commercial invoices, which serve no substantial customs purpose in any event, are usually unavailable at the time of entry. In order to round out the description of oils and derivatives with respect to which substantially the same conditions as to invoicing are applicable, § 8.15 (c) (31) of the Customs Regulations is hereby amended to read as follows:

(31) Crude petroleum and liquid derivatives of crude petroleum which are not subject to a rate of duty based upon or regulated in any manner by value, imported by pipeline or in bulk.

(Sec. 624, 46 Stat. 759; 19 U. S. C. 1624. Interprets or applies sec. 484, 46 Stat. 722, as amended; 19 U. S. C. 1484)

[SEAL] RALPH KELLY,
Commissioner of Customs.

Approved: April 16, 1957.

DAVID W. KENDALL,
Acting Secretary of the Treasury.

[F. R. Doc. 57-3228; Filed, Apr. 19, 1957; 8:48 a. m.]

TITLE 24—HOUSING AND HOUSING CREDIT

Chapter I—Federal Home Loan Bank Board

Subchapter C—Federal Savings and Loan System

[No. 10657]

PART 145—OPERATIONS

LIBERALIZING PERCENTAGE-OF-ASSETS LIMITATION BEYOND LENDING AREA

APRIL 16, 1957.

Resolved that, pursuant to Part 108 of the general regulation of the Federal Home Loan Bank Board (24 CFR Part 108) and § 142.1 of the rules and regulations for the Federal Savings and Loan System (24 CFR 142.1), § 145.6-6 is amended by striking "15-percent-of-assets" from the second sentence in said section and inserting in lieu thereof "20-percent-of-assets".

Resolved further that, as this amendment only relieves restriction, the Board hereby finds that notice and public procedure thereon are unnecessary under the provisions of § 108.12 of the general regulations of the Federal Home Loan Bank Board (24 CFR 108.12) or section 4 (a) of the Administrative Procedure Act and, as such amendment relieves restriction, deferment of the effective date thereof is not required under section 4 (c) of said act.

(Sec. 5, 48 Stat. 132, as amended; 12 U. S. C. 1464)

This amendment shall be effective April 20, 1957.

By the Federal Home Loan Bank Board,

[SEAL] HARRY W. CAULSEN,
Secretary.

[F. R. Doc. 57-3252; Filed, Apr. 19, 1957; 8:51 a. m.]

TITLE 32—NATIONAL DEFENSE

Chapter XVII—Federal Civil Defense Administration

PART 1701—CONTRIBUTIONS FOR CIVIL DEFENSE EQUIPMENT

MISCELLANEOUS AMENDMENTS

1. In § 1701.4, paragraph (a) *Matching State funds* is amended to read as follows:

(a) *Certifications.* The State's share of the cost of civil defense equipment to which Federal contributions are made

may be derived from any source it determines consistent with its laws. The making of a request for a contribution shall constitute a certification by the State (and the political subdivision, if applicable) that the necessary funds to provide for the State's share are available; that the equipment to be acquired is required for civil defense purposes, and that the State (and political subdivision, if applicable) will comply with FCDA regulations covering "Contributions for Civil Defense Equipment," "United States Civil Defense Corps," and "Official Civil Defense Insigne," and that similar or equally satisfactory material is not available from Federal Surplus Property under Pub. Law 655, 84th Congress.

2. In § 1701.4, paragraph (d) *Cancellation or breach* is amended to read as follows:

(d) *Cancellation or breach.* If for any reason the State (or the political subdivision, if applicable) should revoke or cancel its request for financial contribution after approval by FCDA, or breaches any condition of this regulation or the project application by which the contribution was approved, it shall promptly reimburse the Federal Government for any loss, as determined by FCDA, occasioned to the Federal Government.

3. In § 1701.4 paragraph (e) *Inspection and accounting* is amended to read as follows:

(e) *Inspection and accounting.* Civil defense equipment shall be controlled in accordance with accepted or prescribed methods of accounting, identification, and administrative responsibility provided that the Administrator may make special provisions for training and education courses conducted on a program basis. FCDA representatives shall have access to the equipment at all reasonable times for purposes of inspection. The FCDA shall also be granted ready access to the books and records of the State and political subdivision relating to such equipment.

4. In § 1701.7 *Billing and payment* paragraph (b) is amended to read as follows:

(b) When civil defense equipment procured by a State has been delivered to the State, FCDA, upon receipt of proper billing, shall make payment, by check drawn against the Treasury of the United States, to the properly authorized State official.

5. In § 1701.8 *Advances of Federal funds for State procurement* paragraphs (a) and (b) are amended to read as follows:

(a) Advances of funds may be made to States to be applied to the Federal share of the cost of State-procured items under the conditions set forth in subparagraphs (1), (2) and (3) of this paragraph.

(1) The State law requires funds on deposit, in addition to its own, available for obligation and expenditure to cover the estimated cost of equipment.

(2) The State is precluded from expending State funds in excess of the State's share of the estimated cost of the equipment subject to reimbursement by the Federal Government.

(3) Procurement is to be made by a local political subdivision which is subject to either of the two limitations above.

(b) In requesting an advance under the conditions set forth in paragraph (a) of this section, the State must agree to:

(1) Deposit the advanced funds in a separate fund or account, under the sole custody of the Treasurer or other authorized fiscal officer of the State.

(2) Withdraw such funds only upon the certification of the Governor or other authorized State official, and then only for the payment of items covered by the project application against such funds as are advanced, or to be advanced to local political subdivisions.

(3) Keep such central records and accounts as are in accordance with accepted or prescribed methods of accounting, showing the receipt and expenditure of the Federal funds advanced to it. Representatives of FCDA and the General Accounting Office shall be granted ready access to such records and accounts.

6. Section 1701.9 *Retroactive contributions* is amended to read as follows:

§ 1701.9 *Retroactive contributions.* The FCDA, upon the enactment by the Congress of appropriations for contributions, may after FCDA requirements are met, make retroactive contributions for civil defense equipment contracted for by the State (or political subdivision, if applicable) after the date of such appropriation enactment. Normally, this will be the first day of the fiscal period.

7. Section 1701.10 *State procurement* is amended to read as follows:

§ 1701.10 *State procurement.* All civil defense equipment (other than that which may be approved for Federal purchase under the succeeding section) must be procured by the State or its political subdivision and in accordance with the following requirements, provided, however, that the Administrator may specify that the provisions of this section do not apply to training and education courses conducted on a program basis and may make special provisions therefor in the Contributions Manual M25–1.

8. In § 1701.10, paragraph (b) *Purchase procedures* is amended to read as follows:

(b) *Purchase procedures.* Procurement of any item of civil defense equipment by the State (or political subdivision, if applicable) must comply with all statutes, regulations, and ordinances covering purchasing by such State or the political subdivision thereof. In addition, if the Federal share of the total estimated cost for all similar or identical items exceeds $500, procurement must be by invitation to bid through public advertisement, and FCDA contributions will be limited to its share of the amount of the lowest acceptable bid. The State or political subdivision, if applicable, must be prepared to furnish FCDA, upon its request, with proper documentation that the above prescribed procedures have been followed for any item of equipment.

(Sec. 401, 64 Stat. 1254; 50 U. S. C. App. 2253)

These amendments shall take effect upon publication in the FEDERAL REGISTER.

VAL PETERSON,
Administrator,
Federal Civil Defense Administration.

[F. R. Doc. 57–3216; Filed, Apr. 19, 1957; 8:46 a. m.]

TITLE 36—PARKS, FORESTS, AND MEMORIALS

Chapter I—National Park Service, Department of the Interior

PART 20—SPECIAL REGULATIONS

GLACIER NATIONAL PARK

Paragraph (a) *Fishing* of § 20.3, *Glacier National Park,* is amended by the addition of the following subparagraphs:

(4) Hidden Creek is closed at all times.

(5) Hidden Lake, open to fishing July 1–October 15, inclusive.

(6) Logging Creek, from the head of Logging Lake and including Grace Lake, open July 1–October 15, inclusive.

(7) Quartz Creek, between Lower Quartz Lake and Quartz Lake, open July 1–October 15, inclusive.

(8) Kintla Creek, between Kintla Lake and Upper Kintla Lake, open July 1–October 15, inclusive.

(Sec. 3, 39 Stat. 535, as amended; 16 U. S. C. 3)

Issued this 2d day of April 1957.

J. W. EMMERT,
Superintendent,
Glacier National Park.

[F. R. Doc. 57–3214; Filed, Apr. 19, 1957; 8:45 a. m.]

PART 20—SPECIAL REGULATIONS

YELLOWSTONE NATIONAL PARK

Subparagraph (4) *Closed waters* of paragraph (e) *Fishing,* of § 20.13 *Yellowstone National Park,* is amended to read as follows:

(4) *Closed waters.* The following waters of the Park are closed to fishing:

Indian Creek, Panther Creek, Duck Lake. Arnica Creek, a tributary of Yellowstone Lake. Obsidian Creek, upstream from the bridge at the entrance to Indian Creek Campground. Cascade Creek. Mammoth Water Supply Reservoir. Yellowstone River for a distance of 250 yards on either side of the center of the Yellowstone Cascades. Firehole River from the Old Faithful water supply intake to the Shoshone Lake Trail crossing above Lone Star Geyser. Gardner River and Glen Creek for their entire length above the Mammoth water supply intake.

(Sec. 3, 39 Stat. 535, as amended; 16 U. S. C. 3)

Issued this 22d day of March 1957.

WARREN F. HAMILTON,
Acting Superintendent,
Yellowstone National Park.

[F. R. Doc. 57–3215; Filed, Apr. 19, 1957; 8:45 a. m.]

TITLE 49—TRANSPORTATION

Chapter I—Interstate Commerce Commission

Subchapter B—Carriers by Motor Vehicle

[Ex Parte No. MC–19]

PART 176—TRANSPORTATION OF HOUSEHOLD GOODS IN INTERSTATE OR FOREIGN COMMERCE

PRACTICES OF MOTOR COMMON CARRIERS OF HOUSEHOLD GOODS

At a session of the Interstate Commerce Commission, Division 1, held at its office in Washington, D. C., on the 28th day of March A. D. 1957.

Upon consideration of the record in the above-entitled proceeding, of the rules and regulations heretofore prescribed herein, and of the representations filed pursuant to the notice of proposed rule making dated January 23, 1956 (21 F. R. 841);

And it appearing, that the said Division, on the date hereof, has made and filed its report on further proceedings herein setting forth the basis for its conclusions and findings therein, which report and the prior reports in 17 M. C. C. 467, 47 M. C. C. 119, and 51 M. C. C. 247, are hereby referred to and made a part hereof:

1. *It is ordered,* That § 176.3 be, and it is hereby, revised so as to read as follows:

§ 176.3 *Determination of weights—*(a) *Loaded weight, tare weight, and constructive weight.* (1) Each common carrier by motor vehicle shall determine the tare weight of each vehicle used in the transportation of household goods by having it weighed prior to the transportation of each shipment, without the crew thereon, by a certified weighmaster or on a certified scale, and when so weighed the gasoline tank on such vehicle shall be full and the vehicle shall contain all pads, chains, dollies, hand trucks, and other equipment needed in the transportation of such shipment. After the vehicle has been loaded, it shall be weighed, without the crew thereon, at point of origin of the shipment, and the net weight of the shipment shall be obtained by deducting the tare weight from the loaded weight. Where no adequate scale is available at point of origin, the loaded weight shall be obtained at the nearest certified scale in the direction of the movement of the shipment.

(2) If no adequate scale is available at any point en route or at destination, a constructive weight based upon 7 pounds per cubic foot of properly loaded van space, may be used.

(b) *Part loads.* In the transportation of part loads, this section shall apply in all respects, except that the gross weight of a vehicle containing one or more part loads may be used as the tare weight of such vehicle as to part loads subsequently loaded thereon. A part load for any one shipper not exceeding 1,000 pounds may be weighed on a certified scale prior to being loaded on the vehicle.

(c) *Weight ticket.* Whenever weights are required to be obtained pursuant to this part, the carrier shall cause to be executed a weight ticket, in the form specified below, and such weight ticket shall be maintained by the carrier as part of its record of shipment.

HOUSEHOLD GOODS UNIFORM WEIGHT TICKET

Date _____

Name of carrier _____
Vehicle identification _____
Name of shipper _____
Origin of shipment _____
Destination of shipment _____
List of shipments, if any, on vehicle at time tare weight was obtained:

Shipper	*Net Weight*
_____	_____
_____	_____
_____	_____
_____	_____

_____
(Driver)

_____

Date _____

Location of scales _____
Owner of scales _____
Gross weight of loaded vehicle without the crew thereon _____ pounds.
Tare weight of vehicle, without the crew thereon, including full gasoline tank and all necessary pads, chains, dollies, hand trucks, and other equipment _____ pounds.
Net weight of the shipment _____ pounds.

2. *It is further ordered,* That § 176.10 *Estimates of charges* be, and it is hereby, amended by the insertion therein of paragraph (a) *Estimates by the carrier,* as follows:

(a) *Estimates by the carrier.* Whenever an estimate of the charges for a proposed service shall be given by a carrier to a prospective shipper of household goods, the estimate shall be made only after a visual inspection of the goods by the estimator, shall be in writing, and shall contain the following:

(1) The name and address of the carrier which is to perform the service and the name and title of the person preparing the estimate.

(2) The origin and destination of the proposed movement, and the mileage between such points.

(3) The applicable rate to be applied.

(4) A list of the articles upon which the estimate is based, showing for each article listed the estimated cubic footage thereof.

(5) The estimated total weight of the shipment, based upon a conversion formula of no less than 7 pounds per cubic foot.

(6) An itemized statement of all known accessorial services to be performed, and the charges therefor.

(7) An estimate of the transportation tax.

(8) An estimate of the total charges, including transportation charges, charges for accessorial services, and transportation tax.

(9) A printed statement (in contrasting lettering) on the face thereof, in not less than eight-point bold or full-faced type, the following:

IMPORTANT NOTICE

This estimate covers only the articles and services listed. It is not a warranty or representation that the actual charges will not exceed the amount of the estimate. Common carriers are required by law to collect transportation and other incidental charges computed on the basis of rates shown in their lawfully published tariffs, regardless of prior rate quotations or estimates made by the carrier or its agents. Transportation charges are based upon the weight of the goods transported, and such charges may not generally be determined prior to the time the goods are loaded on the van and weighed.

No guarantee can be made as to the specific dates of pickup or delivery of your shipment, unless you make special arrangements with the carrier for expedited service, for which an additional charge will normally be made.

3. *It is further ordered,* That Part 176 be, and it is hereby, amended by adding thereto the following sections:

§ 176.12 *Information to shipper.* Whenever a written estimate is submitted to a prospective shipper, the carrier shall furnish such shipper a printed statement, in not less than eight-point bold or full-faced type, as set forth below, and the carrier shall make an appropriate notation, on the face of the estimate, that such printed statement has been furnished. Where no estimate is given, the statement shall be furnished to the shipper prior to the time the goods are moved, and a notation that such statement has been furnished shall appear on the bill of lading.

GENERAL INFORMATION FOR SHIPPERS OF HOUSEHOLD GOODS BY MOTOR CARRIERS IN INTERSTATE OR FOREIGN COMMERCE

This statement is of importance to you as a shipper of household goods and is being furnished by the carrier pursuant to a requirement of the Interstate Commerce Commission. It relates to the transportation of household goods in interstate or foreign commerce by motor carriers frequently called "Movers" but hereinafter referred to as carriers. Some carriers perform the transportation themselves. Others act as agents for the carriers which do the actual hauling. In some instances, the transportation is arranged by brokers. You should be sure to obtain the complete and correct name, home address, and telephone number of the carrier which is to transport your shipment, and keep that carrier informed as to how and where you may be reached at all times until the shipment is delivered.

Before completing arrangements for the shipment of your household goods, all of the information herein should be considered carefully by you.

Estimates. Regardless of any prior estimate received, for the carriage of your shipment, you will be required to pay transportation charges and other charges computed in accordance with tariffs filed by the carrier with the Interstate Commerce Commission, plus transportation tax. The total charges which you will be required to pay may be more, or less, than the estimate received from the carrier.

Tariffs. These are publications, in book form, containing the rates, charges, and rules of the carriers. The tariffs of all carriers are not the same, but all of them are open to public inspection and may be examined at the carrier's office. All tariffs contain rules and regulations, and those in the tariff of the carrier serving you must be considered in determining the charges on your shipment. Among the rules and regulations normally appearing in published tariffs will be found special provisions applicable to "Shipments picked up or delivered at more than one place"; "Packing and marking"; "Diversion of shipments en route"; and "Additional services", the charges for which are called accessorial charges, and which include services such as packing, unpacking, the

furnishing of boxes or other containers, and carrying pianos up or down steps. The tariff of the carrier serving you will also probably have rules relating to the subjects which follow.

Preparing articles for shipment. If your shipment includes a stove, refrigerator, washing machine, or some other article requiring special servicing, including disconnection, prior to movement, such special servicing should be performed by a person employed by you who is especially trained to perform the work. Such servicing is not the responsibility of the carrier. Similarly, you should arrange to take down all blinds, draperies, window cornices, mirrors, and other items attached to the walls, and to take up carpets which are tacked down. The charge for such service is not included in the transportation charge and will be performed by the carrier only at an extra per-hour charge. Under no circumstances should you pack jewelry, money, or valuable papers with your belongings or matches, inflammables, or other dangerous articles.

Transportation rates and released values. Rates are stated in amounts per hundred pounds, depending upon the distance involved. Carriers generally maintain rates varying according to the released or declared value of the shipment. The lowest rate usually applies when the shipper releases the goods to a value not exceeding 30 cents per pound per article. For example, you may agree that the value of any article weighing 10 pounds is only $3.00. This value may not be what the article is worth, but it is the amount which you agree to as the released value and it will be the basis for the settlement of any claim for loss or damage which you might later file. You may declare a higher value on some or all of your goods, but if you do, the transportation charges will be higher.

Cargo protection. A carrier's liability for loss or damage is limited by the bill of lading, its tariffs, and the value declared by the shipper. If you desire the benefit of the lowest transportation rate, but seek greater protection than afforded thereunder, you may purchase cargo insurance or other protection. If such protection is purchased through the carrier, you should require the deliverance to you of evidence of such protection prior to the time your goods are moved, and such evidence should show the amount of such additional protection, the cost thereof, and the risks included or excluded, whichever is more appropriate.

Weights. The transportation charges will be determined on the basis of the weight of your shipment. Ordinarily, the carrier will weigh its empty or partially loaded vehicle prior to the loading of your goods. After loading, it will again weigh the vehicle and determine the weight of your shipment. If your shipment weighs less than 1,000 pounds, the carrier may weigh it prior to loading.

If you so request, the carrier will notify you of the weight of your shipment and the charges as soon as the weight has been determined. Further, if you question the weight reported by the carrier, you may request that the shipment be reweighed prior to delivery. Reweighing will be accomplished only where it is practicable to do so. An extra charge may be made for reweighing, but only if the difference between the two net weights obtained does not exceed 100 pounds (if your shipment weighs 5,000 pounds or less) or does not exceed 2 percent of the lower net weight (if your shipment weighs more than 5,000 pounds). The lower of the two net weights must be used in determining the charges.

Exclusive use of the vehicle. If you do not desire to have the goods belonging to someone else transported with your shipment, you may direct the carrier to grant you the exclusive use of the vehicle. In such event, however, the charges will probably be much greater.

Expedited service. Carriers are not ordinarily required to make delivery on a certain date or within a definite period of time. However, their tariffs generally contain a rule to the effect that, upon request of the shipper, goods weighing less than a designated weight—usually 5,000 pounds—will be delivered on or before the date specified by the shipper. The transportation charges for such expedited service are based upon the higher weight (5,000 pounds), and, of course, are greater than the charges on shipments hauled at the carrier's convenience.

Small shipments. If your shipment weighs less than the minimum weight prescribed in the carrier's tariff, it will be subject to the minimum charge provided therein. If your shipment weighs substantially less than the minimum weight prescribed by the carrier, you should give consideration to the possibility that it may be shipped more reasonably by other means of transportation, even if the expense of crating the items are taken into consideration.

Storage in transit. In case you desire that your household goods be stored in transit, and delivered at a later date, you may usually obtain such service upon specific request. The length of time a shipment may be stored in transit is limited by the carrier's tariff, and additional charges are normally made for such service. At the end of the designated storage-in-transit period, and in the absence of final delivery instructions, the shipment will be placed in permanent storage, and the carrier's liability in respect thereof will cease. Any further service must be made the subject of a separate contract with the warehouseman. If you do not specifically request storage-in-transit from the carrier, but arrange with someone other than the carrier to pick up your goods for storage, you will be required to pay such other person for such service. Some warehouses make separate charges for checking goods out of storage, and collect dock charges from carriers for the space occupied by their vehicles while being loaded. Such charges are passed on to the shipper.

Bill of lading. Before your shipment leaves point of origin, you should obtain from the carrier a bill of lading or receipt, signed by you and the carrier, showing the date of shipment, the names of the consignor and consignee, the points of origin and destination, a description of the goods, and the declared or released valuation thereof.

Payment of charges—freight bill. You probably will have to pay all charges in cash, by money order, or by certified check before your shipment will be finally delivered. Therefore, when the shipment arrives at destination, you should be prepared to make such payment.

When paying charges, you should obtain a receipt for the amount paid setting forth the gross and tare weights of the vehicle; the net weight of your shipment; the mileage; the applicable rate per 100 pounds; and the charges for transportation, tax, additional protection, and any accessorial services performed. Such receipt is called a freight bill or expense bill. In the event of loss or damage to the shipment, be sure to have the driver place appropriate notations on the freight bill. If the driver will not make such notations, you should have some disinterested party inspect the damage in the driver's presence and report same in writing to the home office of the carrier.

Loss or damage. All claims for loss or damage must be filed with the carrier, in writing. Although the carriers are subject to the rules and regulations of the Interstate Commerce Commission, the Commission has no authority to compel the carriers to settle claims for loss or damage and will not undertake to determine whether the basis for, or the amount of such claims is proper, nor will it attempt to determine the carrier liable for such loss or damage. If the carrier will not voluntarily pay such claims, the only recourse of the shipper is the filing of a suit in a Court of Law. The names of the carrier's agents for service of process in each State may be obtained by writing the Interstate Commerce Commission, Washington 25, D. C.

§ 176.13 *Minimum weight shipments.* No common carrier shall accept a shipment of household goods for transportation which appears to be subject to the minimum weight provisions of the carrier's tariff without first having advised the shipper of such minimum weight provisions.

It is further ordered, That the rules herein prescribed be, and they are hereby, prescribed to become effective on June 17, 1957.

And it is further ordered, That notice of this order shall be given to the general public by depositing a copy thereof in the office of the Secretary of the Commission at Washington, D. C., and by filing a copy with the Division of the Federal Register.

(49 Stat. 546, as amended; 49 U. S. C. 304. Interpret or apply 49 Stat. 558, as amended; 560, as amended; 49 U. S. C. 316, 317)

By the Commission, Division 1.

[SEAL] HAROLD D. McCOY,
Secretary.

[F. R. Doc. 57-3219; Filed, Apr. 19, 1957; 8:46 a. m.]

TITLE 50—WILDLIFE

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

PART 33—CENTRAL REGION

SUBPART—ARROWWOOD NATIONAL WILDLIFE REFUGE, NORTH DAKOTA

FISHING

Basis and purpose. On the basis of observations and reports of field representatives of the Bureau of Sport Fisheries and Wildlife, it has been determined that additional fishing privileges may be allowed on the Arrowwood National Wildlife Refuge, North Dakota, without interfering with the primary purpose of the area.

Inasmuch as the following regulations are relaxations of existing restrictions applicable to the Arrowwood National Wildlife Refuge, notice and public procedure thereon are unnecessary, and they shall become effective immediately upon publication in the FEDERAL REGISTER (60 Stat. 237; 5 U. S. C. 1001 et seq.).

Sections 33.2, 33.3, and 33.6 are revised to read as follows:

§ 33.2 *Fishing permitted.* In accordance with the provisions of Parts 18 and 21 of this chapter, and subject to the requirements and limitations of §§ 33.3 to 33.8, inclusive, noncommercial fishing in accordance with the laws and regulations of the State of North Dakota is permitted during the daylight hours during the period May 10 (or such later date as may be established by the laws and regulations of North Dakota for the opening of the fishing season) to September 15, inclusive, in the waters of the

Arrowwood National Wildlife Refuge as set forth in § 33.3.

§ 33.3 *Waters open to fishing.* The waters designated by suitable posting by the refuge officer in charge on Arrowwood Lake in the S½ of sec. 7, SW¼ of sec. 8, and sec 30, T. 144 N., R. 64 W, fifth principal meridian, and sec. 25, T. 144 N., R. 65 W., and on Jim Lake south and east of the east-west centerline of sec. 19, T. 143 N., R. 64 W., fifth principal meridian, shall be open to fishing: *Provided,* That fishing is prohibited within 100 yards of any island and within 100 feet of the Jim Lake dam.

§ 33.6 *Routes of travel.* Persons entering the refuge for any purpose shall follow such routes of travel as are designated by suitable posting by the refuge officer in charge.

(Sec. 10, 45 Stat. 1224; 16 U. S. C. 715i)

Issued at Washington, D. C., and dated April 17, 1957.

ROBERT H. JOHNSON,
Acting Director,
Bureau of Sport
Fisheries and Wildlife.

[F. R. Doc. 57-3213; Filed, Apr. 19, 1957; 8:45 a. m.]

PROPOSED RULE MAKING

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[7 CFR Part 944]

[Docket No. AO-105-A11]

MILK IN QUAD CITIES MARKETING AREA

DECISION WITH RESPECT TO PROPOSED AMENDMENT TO TENTATIVE MARKETING AGREEMENT AND TO ORDER

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and the applicable rules of practice and procedure, as amended, governing proceedings to formulate marketing agreements and marketing orders (7 CFR Part 900), a public hearing was conducted at Rock Island, Illinois, on June 11-13, 1956, pursuant to notice thereof issued on May 15, 1956 (21 F. R. 3291).

Upon the basis of the evidence introduced at the hearing and the record thereof, the Deputy Administrator, Agricultural Marketing Service, on February 25, 1957 (22 F. R. 1220) filed with the Hearing Clerk, United States Department of Agriculture, his recommended decision containing notice of the opportunity to file written exceptions thereto.

The material issues relate to:

(1) Expansion of the marketing area;

(2) Qualifications for attaining pool plant status;

(3) Modification of the producer definition;

(4) Level of the Class I price;

(5) Class II and Class III milk; classification and pricing;

(6) Reduction of the Class I butterfat differential;

(7) The application of location differentials on class prices and in paying producers;

(8) Payments on unpriced milk disposed of in the marketing area from a nonpool plant;

(9) Discontinuing the requirement for making payment on milk distributed in the marketing area by a handler subject to another Federal order;

(10) Allocation of producer milk moved to a nonpool plant for custom bottling;

(11) Utilizing a base and excess plan or a "Louisville plan" for distributing returns to producers;

(12) Requiring a handler making payment to a producer of more than the uniform price to make such payments uniformly to all producers; and

(13) Miscellaneous administrative and conforming changes.

Findings and conclusions. The following findings and conclusions on the material issues are based upon the evidence in the record of hearing:

1. The marketing area as defined in the order should not be changed at this time.

As now set forth in the order the marketing area contains (1) in Iowa: the cities of Davenport, Bettendorf, Clinton, and Commanche, the townships of Davenport, Rockingham, and Pleasant Valley in Scott County, and part of Commanche township (in addition to the city of Commanche) in Clinton County; and (2) in Illinois: the cities of Rock Island, Moline, East Moline, and Silvis, and the Rock Island County townships of South Moline, Moline, Black Hawk, Coal Valley, Hampton, and South Rock Island.

Proposals made by the major producer associations in the market would expand the marketing area to include all the territory within (1) the Iowa counties of Clinton, Scott, Jackson, and Muscatine; and (2) the Illinois counties of Rock Island, Mercer, Carroll, Whiteside, and Lee.

At the hearing, producer organizations abandoned their proposals. However, various handler representatives testified that the area should be enlarged to include the suburban communities adjacent to the various cities in the market and much of the expanse of territory between Clinton and the Quad Cities. In support of their position, handlers cited the population increase in recent years in the suburban communities, the desirability of having a more contiguous marketing area and the fact that no additional handlers would be regulated by the expansion which they proposed.

Testimony in support of enlarging the marketing area was general in nature. Although there might be some justification for enlarging the area, the specific data and relevant statistics which are needed in order to take action on such a proposal were not presented at the hearing. Moreover, while handlers claimed that expansion of the area would not result in the extension of regulation to any handler not now regulated, neither did they show what benefits, if any, would accrue by enlarging the Quad Cities marketing area at this time.

2. The order should be revised to prescribe standards based on association with the market for qualifying a plant as a pool plant. As now provided in the order, a pool plant is (a) any plant from which Grade A milk is disposed of on a route or through a plant store in the marketing area, (b) a plant which is owned and operated by a cooperative association and which is located in the marketing area, and (c) a plant which "regularly" disposes of Grade A milk to a pool plant from which milk is distributed in the marketing area.

The basis for determining which plants shall be pool plants under the Quad Cities order, and thereby fully subject to regulation, should be clearly set forth in the order and apply uniformly to all plants, wherever located. Pool plant status should not be determined solely on an occasional shipment of milk to the market, or on approval by a specified health authority. Such a method for determining which plants shall be subject to regulation would not provide a workable basis for administering the order in conjunction with the other provisions recommended in the decision.

Since a marketwide pool, such as is contained in the Quad Cities order, results in payment to all producers on an average utilization for the market, individual handlers are relieved of any responsibility for maintaining a high Class I utilization in order to support their pay rates to producers. Whatever utilization of milk a handler may have, his rate of payment to producers will be the same as that of all other handlers in the market. Thus, it is possible that status with respect to the pool may become a determining factor in guiding a handler's operation.

The scope of pooling or the rules for distributing the returns from Class I sales under the order must be such that the differentials over manufacturing milk values paid by users of Class I milk will serve the purpose for which they are intended. Class I milk prices of the order represent a level which exceeds the value of the milk for manufacturing uses by stated amounts. This premium, or differential, over the manufactured milk price is essential as an incentive to producers for producing milk of the quality and volume required by the market. Extra costs are involved in meeting the sanitary requirements relative to the maintenance of a dairy herd for the production of Grade A milk and in providing milk during the fall and winter months when feed and housing costs are high. Extra costs are involved also on farms since milk for fluid use must be handled

through sanitary utensils and facilities, refrigerated and marketed promptly.

The extra costs thus involved for Grade A or fluid milk producers must be borne by that share of the milk which is marketed as Class I milk. Excess or "surplus" milk, although an essential part of a fluid milk business, cannot be expected to return more to producers than a manufactured milk value. The only outlet for reserve milk not needed for fluid use is in the form of manufactured products. Such products must be marketed in competition with similar products made throughout the country.

Since the production of high quality milk involves extra expenses, it is important that the amount of milk produced under Grade A inspection be no more than the minimum necessary to provide the market with an adequate and dependable supply of quality milk. To encourage more than enough production of such milk would represent an economic waste, since the expenditures involved in producing Grade A milk not an essential part of the market supply would result in no extra value to consumers.

One of the primary problems in a marketwide pool is to establish rules which will provide for the sharing of Class I sales (Class I differentials) among the producers who are an essential and regular part of the milk supply for the marketing area.

Class I prices must first be set as nearly as possible at the minimum levels which will encourage the necessary amount of milk production and the resulting returns should be distributed in such a way as to assure the market of the maximum dependable supply of quality milk which can be obtained at these prices. In order to do this, provision is made that equalization of market sales should be only to plants meeting reasonable performance standards with respect to supplying their producer milk to the market.

Performance standards should apply uniformly to all plants. Any plant, regardless of its location, should have equal opportunity to comply with the standards and thereby to participate in the marketwide pool and have its producers share in the Class I sales of the market. Any producer who meets the necessary health department requirements should be permitted, under the order, to sell his milk to plants meeting the standards of qualification. Whether or not plants and producers choose to supply the Quad Cities market will depend on the economic circumstances with which they are confronted, such as prices, transportation costs, and alternative outlets.

Performance standards should be such that any plant which has as its major function the supplying of milk to the market would pool its sales and share in the marketwide equalization. On the other hand, plants only casually, or incidentally, associated with the market should not be subject to complete regulation, nor should they be permitted or required to equalize their sales with all handlers in the market. If a milk plant were to be permitted to share on a pro rata basis the Class I utilization of the entire market without being genuinely associated with the market, then the premiums or differentials paid by users of Class I milk would be dissipated without accomplishing their intended purpose. If a plant were to be qualified and fully regulated merely by making a token shipment of milk or cream into the market for sale as Class I milk, then any milk plant which found itself in a position where it was selling a smaller share of its milk in Class I than the average for all regulated handlers might make such shipment and receive equalization payments from the pool. The only qualification such a plant would be required to meet would be compliance with the necessary health department standards.

The mere circumstance of having obtained health department approval, plus the token shipment of milk, is not sufficient justification for equalizing the sales of such plant with the market. There are many plants having milk of suitable quality for sale in the marketing area which are in no way, or are only incidentally, associated with the market. Different health authorities have jurisdiction in various parts of the marketing area. In the absence of performance standards, approval by any one of these authorities or reciprocal acceptance of permits by them would entitle a plant to participate in the equalization pool. A health officer gives his approval to a plant in terms of sanitary consideration. There is no reason to think that he would make his determination of approval only on the economic bases contemplated by the Agricultural Marketing Agreement Act of 1937. Consequently, the standards appropriate to the act for determining pool plant qualification must be set out in the order.

Since reserve milk is an essential part of any fluid milk business there will always be some excess milk in the plants of handlers supplying other markets. This will be particularly true in the months of flush production. Plants selling primarily to other markets, or plants shipping milk on an opportunity basis to any market where supplies happen to be short, do not represent sources of milk on which the Quad Cities market may depend. If such plants were allowed to sell a token quantity of milk in the marketing area and pool their surplus whenever Class I outlets were not available to them, the result would be that such handlers could gain an advantage in paying producers through receipt of equalization payments from the Quad Cities pool.

The Quad Cities market, however, would gain no advantage from the payment of equalization to such a handler. Such a distribution of equalization payments would, in fact, reduce the blend price to producers regularly supplying the market, thereby having an adverse effect on the milk supplies upon which the market depends. This could result in the need for higher Class I prices than would otherwise be required to supply the market adequately.

Performance standards must be flexible enough to allow a plant which is primarily associated with the market to maintain its association with the pool under the changing conditions which occur from year to year, and yet not permit the distribution of equalization payments to plants not part of the essential supply. The performance standards herein provided are such that these objectives should be accomplished.

Because of the difference in marketing practices and in demands for supply of milk from distributing plants as related to supply plants, two sets of performance standards have been provided. A "distributing plant" under the order would be defined as a plant in which milk is processed or packaged and from which any fluid milk product (as hereinafter defined) is disposed of during the month on routes (including routes operated by vendors) or through plant stores to retail or wholesale outlets (except pool plants) located in the marketing area. "Supply plant" would be defined to mean a plant (except a distributing plant) from which milk, skim milk or cream which is acceptable to the appropriate health authority for distribution in the marketing area under a Grade A label is shipped during the month to a distributing plant which is qualified as a pool plant.

In order to qualify as a pool plant, a distributing plant should be required to distribute at least 15 percent of its milk from producers and other plants during the month as Class I milk on retail or wholesale routes to outlets in the marketing area.

A distributing plant having more than 85 percent of its business outside the marketing area or in other outlets should not be considered as essentially associated with the market. It is not considered advisable to bring such a plant under full regulation because of the minor share of its business which is in the marketing area. Full regulation in such case would not be necessary to accomplish the purposes of the order, and might well place such plant at a competitive disadvantage in relation to its competitors in supplying the unregulated market.

Such a minimum is necessary also to avoid the possibility that a plant otherwise not associated with the market might qualify itself for equalization payments to its own advantage, and to the disadvantage of the market, by means of minor sales in the marketing area.

It is contemplated that only plants primarily engaged in route distributions of fluid milk products should be qualified as pool plants under this definition. In order to preserve this distinction, a further condition is placed on distributing plants that their total distribution of Class I milk on routes to wholesale or retail outlets, both inside and outside the marketing area, must amount during the month to at least 35 percent of their receipts of milk from dairy farmers and from other plants. Any plant which does not qualify on this basis should be deemed to be primarily a supply plant and its status under the pool should be judged by the standards applied to such plants.

A plant from which milk for Class I uses is distributed regularly in the marketing area may under normal circumstances be expected to dispose of its milk in such a way as to exceed by a reasona-

ble margin the minimum performance standards necessary to qualify as a pool plant. There may from time to time be plants supplying milk to the marketing area which would not qualify for pool status. Such plants would be subject to payments hereinafter discussed if they are not fully subject to regulation.

The performance standards for supply plants to qualify for pool plant status should reflect the fact that currently the quantity of milk produced for the Quad Cities market is adequate on an annual basis for the needs of the market. At times, especially during the months of seasonally high production, distributors in the market have not needed all of the milk available from producers in order to keep their Class I outlets fully supplied. In order to assure that all the producers' milk which is pooled with the market will be available for Class I, supply plant standards should be set at levels which require that the milk will be available. However, if conditions in the market should change so that the percentage standards herein recommended are not necessary to assure the availability of such producer milk for Class I sales, the recommended standards should be subject to further review.

Under present circumstances it is concluded that in order to qualify for pool plant status a supply plant should ship to distributing plants at least 35 percent of its receipts of milk from dairy farmers in any month in the form of supplemental supplies of fluid milk products, as hereinafter defined. A supply plant from which a proportionately lesser quantity of milk is disposed of in this manner should not, under the present conditions in the Quad Cities market, be considered as primarily associated with the regulated market.

It is recognized that the demand for milk from supply plants may vary seasonally and will be greatest during the season of low production. For sustained periods during the months of flush production supplies of milk received at plants located in or near the marketing area may be sufficient to supply the Class I outlets. During this part of the year, it would be more economical to leave the most distant milk in the country for manufacture, and use local supplies for Class I use. The performance provisions should not force milk to be transported to distributing plants in the summertime in order to maintain the eligibility of supply plants to pool.

To avoid this, provision should be made whereby a supply plant may maintain pool plant status throughout the year if it supplies a substantial portion of its producer milk to distributing plants during the months when milk production tends to be lowest. The proposed standards require that a supply plant provide distributing plants with milk to the extent of 50 percent of its producer milk receipts during the period of September through November to maintain automatic pool status for the months of March through June.

It is probable that the proposed order set forth below will become effective during the spring months of flush production. Accordingly, provision should be made to enable those plants which are presently associated with the market as pool plants, such as those which supplied the market during the preceding fall and winter months, to be designated as pool plants from the effective date of the attached order through June 1957. In this manner, transition to the revised pool plant standards will be facilitated and equitably effectuated.

Any distributing plant or supply plant which does not meet the standards for a pool plant should be required to file reports and submit to audits by the market administrator to verify the status of such plant.

A finding is made elsewhere in this decision (Issue No. 9) that when milk distributed in the marketing area is from plants which dispose of a major portion of their receipts in another regulated area and which are fully subject to the classification, pricing and pooling provisions of another Federal milk marketing order, it is not necessary to extend full regulation under this order to such plants. To do so would subject such plants to duplicate regulation. However, in order that the market administrator may be fully apprised of the continuing status of such a plant, the operator thereof should, with respect to the total receipts and utilization or disposition of skim milk and butterfat at the plant, make reports to the market administrator at such time and in such manner as the market administrator may require and allow verification of such reports by the market administrator.

A proposal at the hearing would define as a "reload point" a location at which milk received at producers' farms in a tank truck is transferred to another truck for delivery to a milk plant and would give the status of a plant location to the reload point. Such a provision, besides being of doubtful value for the Quad Cities market, would tend to make unnecessarily complex the application of the pool plant provisions herein recommended. Accordingly, the proposal made regarding a reload point is denied.

3. Producer should be defined as any person, except a producer-handler, who produces milk in compliance with the Grade A inspection requirements of a duly constituted health authority, which milk is (a) received at a pool plant or (b) diverted from a pool plant to a nonpool plant for the account of either the operator of the pool plant or a cooperative association (1) any day during the months of April through June, and (2) on not more than one-half the days on which milk was delivered from a farm during any of the other months.

As now provided in the order, to qualify as a producer a dairy farmer must ship to a pool plant and have the approval of the health authority of a municipality in the marketing area or meet the requirements for "Illinois Grade A". Once a person has qualified as a producer his production may be diverted from a pool plant to a nonpool plant at any time during the year and for any period of time. In effect, it is now possible for a dairy farmer to be a producer under the order even though his milk is delivered continuously to a nonpool plant.

Findings are made elsewhere in this decision justifying the establishment of pool plant qualifications based on standards of association with the market and for requiring compensatory payments on unpriced milk received at a pool plant or distributed in the marketing area from a nonpool plant. Accordingly, the producer definition in the order should be revised so as to complement these other provisions.

Whether a farmer qualifies as a producer under the order is based on whether the plant to which he ships is qualified as a pool plant. Under the pool plant definition herein proposed, a plant's qualification as a pool plant is determined on the basis of a minimum specified percentage of the milk received at such plant being distributed as Class I in the marketing area or, in the case of a supply plant, on the basis of a minimum specified percentage of its milk receipts having been shipped to a distributing plant which is a pool plant. If a handler were permitted to divert producer milk in any month and for any length of time to a nonpool plant as now permitted in the order, it would be extremely difficult, if not impossible, to effectuate properly the intent of the pool plant provisions and the provisions relative to payments on unpriced milk.

When producer milk is not needed in the market for Class I purposes the movement of such milk to nonpool plants for manufacturing purposes should be facilitated. Allowing for unlimited diversion only during those months when reserve supplies of milk are heaviest will contribute to this end. Unlimited diversion is neither necessary nor desirable during the months of the year when milk of producers regularly associated with the market is needed to supply the Class I needs of the market. It is necessary, however, to provide for limited diversion during such months to enable handlers to divert producer milk on such occasions as week-ends or holidays when milk is not needed in the market for Class I purposes.

Provision should be made so that milk of producers regularly received at a pool plant may be diverted for the account of a handler to a nonpool plant any day during the months of flush production and with respect to not more than one-half of the days on which milk was delivered from a farm during any of the other months and still retain producer status under the order. As heretofore provided in the order, diverted milk shall be deemed to have been received at the plant from which it was diverted.

Several of the proposals made at the hearing would require that only those dairy farmers who are under the inspection of specified health authorities would be eligible to qualify as producers under the order. One such proposal would revise the present provision of the order so that a shipper under "Illinois Grade A" inspection could not qualify as a producer. Another proposal would revise the scope of the producer definition to include dairy farmers meeting the standards for Grade A of the State of Iowa

Health Department. The limitations that would be imposed by designating specified health jurisdictions which shall have the authority to determine which milk shall be subject to regulation under the Quad Cities order would be incompatible with the various other provisions contained in the attached order. The proposals with respect to such limitations are hereby denied.

4. The Class I price should be related directly to the Chicago order Class I price and be fixed each month at the level of the Chicago Class I price plus 20 cents.

The order currently provides that the Class I price shall be the higher of either (a) the Class II price for the preceding month plus a differential of 75 cents for May and June, 95 cents December through April, and $1.15 July through November; or (b) the Chicago order Class I price plus 20 cents.

The Chicago milkshed is one of the principal milk production areas in the United States. At various times throughout the year, especially during the months of low production, milk from this area is shipped great distances to many markets throughout the country. The Chicago order Class I price is used extensively as a recognized price quotation both locally and nationally. It is not uncommon to fix Class I prices in a market on the basis of the price in a major milk marketing area, such as Chicago, or on the basis of obtaining alternative sources of supply from such major market.

Portions of the production area for the Quad Cities and Chicago markets overlap and producers in such localities may shift from one market to the other. Likewise, handlers in the Quad Cities market compete in some localities with handlers under the Chicago order as well as with handlers regulated by other Federal milk marketing orders. In order to insure the maintenance of an adequate supply of milk for the Quad Cities market, it is necessary that an appropriate alignment of prices between markets prevail and that the level of such prices be equitable among handlers whose sales area overlap but who are regulated by different orders.

For June 1956, the Quad Cities order Class I price of $4.34 (Chicago Class I price plus 20 cents) was 59 cents above the price obtained by using the other alternative Class I formula (based on the Quad Cities Class II price for the preceding months). In March 1956, the most recent month for which the Class I price was that based on the Class II price, it was 9 cents above the formula which uses the Chicago Class I price. In the 54 months from January 1952 through June 1956, the Chicago Class I price plus 20 cents averaged $4.31 and was used in 44 months as the Quad Cities order Class I price. The alternative formula based on the Quad Cities order Class II price averaged $4.21 and was used in 10 months as the Class I price.

The Class II price under the Quad Cities order, which is based on the prices paid by local manufacturing plants for ungraded milk, is a measure of the value of milk for manufacturing locally. The Chicago order, on the other hand, does not use the prices paid by these local manufacturing plants to arrive at its Class I price, but uses instead a "basic formula price" which reflects the value of milk for manufacturing purposes nationally. Such a basic formula price is utilized widely in determining Class I prices in many of the other Federal order markets. As such, it may be expected to be a most appropriate determinant for use in establishing the Class I price each month in the Quad Cities market, especially since handlers in this market must compete in various localities with handlers whose Class I prices are fixed by other orders. Unless handlers regulated by the Quad Cities order are able to anticipate and project the prices they will be required to pay for Class I milk in relation to recognized and established price quotations used in major markets, they will be at a disadvantage with handlers from other markets in competing for Class I sales beyond the confines of the marketing area. Determining the Quad Cities order Class I price on a direct relationship with the Chicago order Class I price and deleting the provision for the alternative Class I formula which uses the prices paid by local manufacturing plants (i. e. the Class II price) will provide a more economically sound basis for determining the Quad Cities order Class I price and thereby contribute toward insuring the maintenance of orderly and stable marketing conditions.

A proposal made by producers would maintain the two alternative formulas now used in arriving at the Class I price and would fix the differential over the Class II price at $1.15 throughout the year, a rate 15 cents more annually than the order now provides. In connection with their request for discontinuing seasonal pricing, producers proposed the incorporation of a "Louisville plan" provision in the order (Issue No. 11). Such a plan provides for setting aside a portion of the payments made by handlers for producer milk received in the spring months of heavy production for distribution to producers for milk produced in the fall months.

Seasonal pricing of Class I milk is provided in the nearby Federal order markets. Quad Cities order handlers must compete with handlers under such other orders in various localities in the procurement of supplies and in the sale of Class I milk. It would be impracticable to eliminate seasonal pricing in the Quad Cities order when the other regulated nearby markets retain such seasonal pricing.

Currently, supplies of milk for the Quad Cities market in relation to its Class I needs are adequate. Producer deliveries of 101.5 million pounds of milk in the first five months of 1956 were 12 million pounds, or 14 percent, above that for the corresponding months of 1955. Class I disposition of 53.3 million pounds in the same 1956 period increased by 3 million pounds, or 6 percent, over the previous year.

Producers cited as their principal reasons for requesting a higher Class I price, (1) rising production costs, and (2) declining uniform prices resulting from larger volumes of milk being pooled. The fact of increasing supplies in relation to Class I sales in this market is adequate proof that Class I prices should not be increased at this time. Accordingly, the proposal to increase the level of the Class I price is denied.

5. Class II milk should include all the butterfat and skim milk heretofore defined as Class II and Class III milk.

As now provided in the order, Class II milk includes all skim milk and butterfat (a) used to produce evaporated milk, condensed milk, ice cream, ice cream mixes, frozen desserts, yogurt, aerated cream products, cottage cheese and any other milk product not specifically mentioned as a Class I or Class III disposition, and (b) disposed of to wholesale bakeries, candy manufacturers, or soup companies. Class III milk is skim milk and butterfat (a) used to produce butter, cheddar cheese, animal feed, casein, and non-fat dry milk solids, and (b) in shrinkage up to 2 percent of the milk received from producers and shrinkage in other source milk.

The Class II price under the order is the average of the prices paid by 7 nearby manufacturing plants (6 in Illinois and 1 in Iowa), for milk received from dairy farmers from the 16th day of the preceding month to the 15th day of the current month. The Class III price is the higher of the prices obtained from two separate formulas which use as their basis (a) the price of "Cheddars" on the Wisconsin Cheese Exchange, and (b) the 92-score Chicago butter price and the price of non-fat dry milk solids, f. o. b. manufacturing plants in the Chicago area.

The amount by which the Class II price exceeds the Class III price varies from month to month. On infrequent occasions, the Class III price has exceeded the Class II price. From 1952 through 1955 the average Class II price of $3.20 was 13 cents above that for Class III. The May 1956 Class II and Class III prices were $3.00 and $2.84, respectively.

The skim milk and butterfat components of Class II and Class III milk are priced by adjusting the announced prices, which are on a 3.5 percent butterfat basis, by their respective butterfat differentials. The Class II butterfat differential is obtained by multiplying the Chicago butter price for the month by 0.120 and that for Class III is calculated by subtracting 6 cents from Chicago butter price, and multiplying the resultant value by 0.120. The Class III butterfat differential for May 1956 was equivalent to 0.108 times the Chicago butter price.

The average difference between the Class II and Class III butterfat differentials from 1952 through 1955 was 0.8 cents per point. The spread of 0.7 cents per point between the May 1956 Class II and Class III butterfat differentials of 7.1 and 6.4 cents, respectively, is equivalent to 7 cents per pound of butterfat and 24.5 cents per hundredweight of 3.5 percent milk. Since the announced Class II price for May 1956 exceeded the Class III price by less than 24.5 cents, the skim classified in Class II was priced at a lesser rate than the skim milk in Class III—51.5 cents compared to 62.4 cents per hundredweight. For 1955 the

Class II skim milk price under the order averaged 56.5 cents and that for Class III 63.7 cents.

Various proposals were made to revise the order with respect to assigning different proportionate values to the skim milk and butterfat in Class II and Class III milk. Producers proposed that a separate classification be established for skim milk utilized in the manufacture of cottage cheese and that such skim be priced 25 cents per hundredweight above the skim utilized in Class II. Another proposal would fix the price of skim milk in Class II utilizations at not less than the equivalent of the Class II price for skim milk. There were no proposals to raise the over-all level of the Class II price, but both producer and handler representatives testified that some upward adjustment should be made in the level of the Class III price.

Utilization of pooled milk in Class III is highest in the spring months of heavy production. Of the 8.2 million pounds of producer milk classified in Class III in 1955, 5.2 million pounds, or 63 percent, were thus classified in the months of April, May and June. Although Class III represented only 4 percent of the volume of milk pooled in 1955, the pounds of butterfat in Class III was 17.5 percent of the total butterfat classified.

Revising the Class III price in accordance with some of the proposals made at the hearing would result in its being higher than the Class II price much of the time. It was not established, however, that milk utilized for Class III purposes in the lower valued outlets, such as butter and cheese, could find ready markets throughout the year at a significantly increased price level.

It is recognized that some milk in excess of Class I requirements is necessary to maintain an adequate supply of fluid milk for the market on an annual basis. The price for such milk should be maintained at the highest level consistent with facilitating its movement to manufacturing outlets when it is not needed in the market for Class I purposes. The price, however, should not be so low that handlers will be encouraged to procure milk supplies solely for the purpose of converting them into manufacturing products. Moreover, the price for such excess milk should not be so unreasonably high as to impede or preclude its acceptance at the usually available outlets or so as not to be competitive with milk for manufacturing purposes from alternative sources of supply.

The utilization of skim milk for manufacturing purposes in the Quad Cities market is predominantly in the higher valued manufacturing products, such as cottage cheese. Skim milk thus utilized has heretofore been classified as Class II. As indicated above, however, producers have been receiving a lesser price for such skim than for skim utilized in the production of nonfat dry milk solids (Class III).

Health authorities in the marketing area do not require that skim milk utilized in other than Class I products be obtained from milk or milk products from approved Grade A sources. The prices received by handlers in the Quad Cities market for such products as skim milk powder is established on the basis of quotations at nationally recognized exchanges for trading. Prices thus established are not quoted on the basis of whether a manufactured milk product is made from Grade A or ungraded milk. This is also true with respect to skim milk utilized in the manufacture of cottage cheese, one of the major dispositions of skim milk in the Quad Cities market.

Handlers in the market who distribute cottage cheese over a wide geographic area compete with handlers selling cottage cheese made from ungraded milk. If the price of skim milk utilized in the manufacture of cottage cheese were raised 25 cents per hundredweight, as proposed, it could result in skim milk from ungraded sources displacing pooled skim in such outlets. Moreover, in supplying the various retail or wholesale outlets both inside and outside the marketing area, handlers utilizing pooled skim milk in the manufacture of cottage cheese would be at an economic disadvantage with competitors using ungraded skim milk in the manufacturing of cottage cheese.

The value of skim milk for manufacturing purposes in the Quad Cities area, irrespective of its source, is above the Class II value of skim milk now provided in the order. During May 1956, when the Class II value of skim milk under the order was 51.5 cents, the Kraft Food Company at one of its nearby plants was paying 90 cents per hundredweight for skim milk. While it was not established that an unlimited market for skim milk would be available at 90 cents per hundredweight, or at a similar level, evidence at the hearing indicated that the proportion of the Class II price now assigned to skim milk results in a price below the market value in the area for skim milk from graded or ungraded milk.

Since skim milk from any source may be used in the various dispositions heretofore contained in Class II or Class III, it is concluded that the price of skim milk in all such dispositions should be fixed at the same level and be classified in Class II.

In reapportioning the Class II price between the skim milk and butterfat thus classified, in conjunction with combining Class II and Class III milk into one class, it is necessary to fix a price for butterfat which will, insofar as is practicable, return the highest price obtainable to producers for such butterfat and at the same time be sufficiently competitive with butterfat from alternative sources of supply so as to maintain a ready and dependable market for excess butterfat throughout the year. This will be best effectuated by pricing butterfat in producer milk classified in Class II at 115 percent of the Chicago butter price in the months of July through March and at 110 percent of the Chicago butter price in April, May and June.

Historically, utilization of butterfat in the manufacture of butter and American type Cheddar cheese in the Quad Cities market has been greatest in the months of heavy production. During these months the lower butterfat differential herein provided (about 3 cents per pound of butterfat less than in other months and about 1.2 cents per pound of butterfat above the Class III price for butterfat now in the order) will facilitate the movement of butterfat in the reserve supplies of milk to manufacturing outlets and thereby eliminate the potentialities of unstable marketing conditions which milk without a market tends to create. In other months of the year the butterfat value of 115 percent of the Chicago butter price should be high enough so as not to give an unnatural incentive to the movement of butterfat to the manufacture of butter and Cheddar cheese at the expense of preferred outlets such as for condensed milk and frozen desserts. Moreover, at a rate of 115 percent of the Chicago butter price during the months of July through March, the cost of butterfat in the Quad Cities market will be competitive with butterfat from alternative sources of supply.

The pricing of skim milk which would be obtained in reapportionment of the Class II price between skim milk and butterfat as herein recommended would be 13 and 5 cents per hundredweight, respectively, above the Class II and Class III prices for skim milk now provided in the order. This change together with that applicable to the assignment of a lower proportionate value of the Class II price to the butterfat classified therein gives recognition to the value of skim milk and butterfat for manufacturing purposes in the Quad Cities area and will be helpful in maintaining stability in the market.

Handlers have inventories of milk and milk products at the beginning and end of each month which enter into the accounting for current receipts and utilization. It has been the practice under the Quad Cities order to classify in the lowest class (usually Class III) the differences by which the volume of butterfat and skim milk in fluid milk products at the end of the month exceed the inventory at the beginning of the month. This practice of classifying inventory variations in the lowest price class should be continued and provision therefor should be clearly set forth in the order.

The accounting procedure will be facilitated by providing that month-end inventories of all fluid milk products be classified in Class II milk, regardless of whether such products are held in bulk or in packages. Inventories of such products on hand will then be subtracted under the allocation procedure from any available Class II milk in the following month. The higher use value of any fluid milk products in inventory which are allocated to Class I milk in the following month should be reflected in returns to producers. The mechanics of the attached order provide for the reclassification of inventories on that basis.

Inventories of products designated as Class I milk on hand at a pool plant at the beginning of any month during which such plant becomes a pool plant for the first time should likewise be allocated to any available Class II utilization of the plant during the month. This will preserve the priority of assignment of current producer receipts to current Class I use.

6. The rate of the Class I butterfat differential should be changed. The differential is now computed by multiplying the average of the daily quotations for 92-score butter at Chicago for the preceding month by 0.140. As provided herein, the factor of 0.140 would be replaced by 0.125.

The Class I butterfat differential in the Quad Cities order is high in relation to the Class I butterfat differential in other markets. As an example, under the Chicago order (with which market Quad Cities handlers have overlapping supply and sales areas) handlers pay a butterfat differential on Class I milk approximating the Chicago 92-score butter price times 0.120.

The high Class I butterfat differential, it was claimed, has been one of the principal reasons for the rapid and continuing decline in the proportion of butterfat contained in the Class I disposition in the market. This decrease of butterfat in Class I utilizations is reflected in the declining fluid cream sales and in a low butterfat content of fluid milk distributed in the market.

A high butterfat differential tends to be a deterrent to increasing the butterfat content of fluid milk products distributed by Quad Cities handlers. The declining proportion of butterfat in the various products in the market is indicated by the average butterfat content of all Class I disposition of 3.75 percent in 1952, 3.63 percent in 1953, 3.60 percent in 1954, and 3.59 percent in 1955.

In the Quad Cities, as in other markets, whole milk in fluid form is the most significant item making up the Class I sales in the market. In May 1956 (the most recent month for which information was available at the hearing) 8.8 of the 10.7 million pounds of the Class I disposition was in the form of whole milk. The average test of this whole milk disposition was 3.425 percent.

The change proposed herein gives recognition to the increasing value of the non-fat solids portion of the milk for fluid purposes in relation to the butterfat portion. The lower rate of the butterfat differential should give some encouragement to the sale of higher fat milk and of cream.

7. It was proposed at the hearing that handlers be allowed a location differential with respect to milk moved from the plant at which it is received from producers to a processing plant. Some of the milk normally supplied to the marketing area is received by handlers at a distance from the plant at which the milk is processed and distributed.

The principal supply plants which are currently pool plants under the order are located at Coggon, Iowa, Mt. Carroll, Illinois, and Manlius, Illinois, and are approximately 95, 62, and 60 miles, respectively, from Rock Island, Illinois, one of the larger cities in the marketing area.

At the present time, all handlers are required to pay the same minimum class prices for milk received from producers regardless of the location of the pool plant at which the milk is received. Consequently, milk received at a supply plant and moved to a plant in the marketing area for processing and packaging may be expected to be more costly to a handler than milk received directly from producers at his processing plant in the marketing area. Likewise, producers delivering milk to supply plants located at some distance from the marketing area are, in accordance with the present provisions of the order, paid the same uniform price as producers delivering directly to processing plants in the marketing area. On the average, producers shipping to country plants, or supply plants, are significantly closer to the plants to which they deliver than are producers shipping directly to plants in the marketing area. The hauling charges paid by producers shipping to the country plants are less than are paid by producers delivering to marketing area plants and also are below that which the country plant shippers would be required to pay to have milk delivered directly to the marketing area. In effect, therefore, supply plant producers who are farther away from the market receive a better net return for their milk than direct delivery shippers.

Periodically throughout the year, when milk is not needed in the market for fluid use, it is kept at the supply plant in the country for manufacturing purposes. This practice should be encouraged since it is economically more feasible to meet the needs of the market for fluid purposes from those farms or plants nearest the market before bringing in milk from the more distant supply plants. The value of milk to the market for fluid purposes is greater at the location of a plant in the marketing area which packages it for distribution than at a country plant in the production area from which milk must be moved to the city plant for processing and packaging. Recognition in the order, through the medium of a location differential, should be given to this difference in value.

So as to be equitable to all handlers, the minimum Class I price to be paid for producer milk should not be dependent upon the type of plant receiving the milk. However, to the extent that milk is received elsewhere from producers and brought to the marketing area by a handler, the handler has assumed a transportation cost which might otherwise be borne by producers. Accordingly, the Class I price should be adjusted downward in the case of a plant which assumes the cost of hauling milk to the marketing area.

Producers proposed that the Class I price at a pool plant be reduced 2.5 cents for each 15 miles or fraction thereof that such plant is more than 40 miles from the city hall of Rock Island, Illinois. This rate is somewhat below the actual cost of hauling milk by tank truck. Testimony at the hearing indicated a cost of 14 cents per hundredweight for hauling milk in a 35,000 pound capacity tanker the 62 miles from Mt. Carroll to Rock Island. A rate of 12 cents per hundredweight was paid for moving milk in a 21,500 pound tanker over the 60 mile route from Manlius to Rock Island. The rate charged for a haul of 60 miles by the Dairyland Transport Corporation, Springfield, Missouri, a company specializing in hauling milk and milk products in tank trucks, is 13 cents per hundredweight.

The various supply plants now associated with the Quad Cities market are in some instances located much nearer to other markets. The plant at Coggon, Iowa, for example, which is about 95 miles from Rock Island, is less than 25 miles from Cedar Rapids. It was emphasized at the hearing that the location differential should not be established at so high a rate that milk from these plants, which are now under the order, would be lost to other markets.

Producers admitted that the location differential proposed would not generally cover the full cost of bringing milk into the market. In justification of this, they stated that too large an adjustment would affect adversely returns to producers delivering to the supply plants in relation to the price in adjoining markets.

It is customary in both regulated and unregulated markets for handlers to pay producers delivering milk to country receiving stations a lesser price per hundredweight than is paid producers delivering directly to bottling plants. To the extent that this represents a lower price because of the location of the milk, such difference in value should be recognized under the order. It is concluded, therefore, that the Class I price should be reduced by 10 cents for the first 65 miles and by 1.5 cents for each additional 10 miles or fraction thereof with respect to producer milk received at a plant which is not less than 50 miles from a central place in the primary center of consumption in the marketing area. Rock Island, Illinois, is such a place in the Quad Cities marketing area.

The location differential herein recommended is economically sound and will be equitable to all handlers wherever located. The proposed rates are representative of the cost of hauling milk by an efficient means to the market.

Prices paid producers supplying plants to which location differentials apply should be reduced to reflect the lower value of such milk f. o. b. the point to which delivered.

No adjustment should be made in the Class II price because of the location of the plant to which the milk is delivered. There is little difference in the value of milk for manufactured uses associated with the location of the plant receiving the milk. This is true because of the low cost per hundredweight of milk involved in transporting manufactured products. The prices paid for ungraded milk received at various sections of the milkshed do not indicate any difference in value associated with location.

After a handler receives milk for Class II use, he should be expected to handle and dispose of the milk in the most advantageous possible manner. Prices paid producers for such milk should not be made dependent upon the method employed by the handler in disposing of such milk. To do otherwise would remove part of the incentive for keeping handling costs at a minimum. To insure that milk will not be moved unnecessarily at the expense of producers under the marketwide pool, the order should contain a provision to determine

whether milk transferred between plants may receive the location differential credit. This should provide that any milk transferred be assigned to any Class II use remaining in the transferee plant after a maximum assignment of 5 percent of the direct producer receipts to Class II milk at such plant.

8. The order should provide that payments be made into the producer settlement fund with respect to milk not priced under the order which is allocated to Class I milk in a pool plant.

Receipts of milk in excess of actual Class I disposition is necessary to operate a fluid milk business. Because of seasonal fluctuations in production not matched by seasonal changes in consumption, this excess is particularly large in certain months of the year. Such excess or reserve milk is surplus to the fluid operation, and can be marketed only in manufactured form in competition with products made from ungraded milk. Thus, such reserve milk yields a considerably lower return than is necessary to sustain graded milk production for the Quad Cities market. Likewise, it yields a lower price than would be necessary to purchase graded milk on a regular basis in other supply areas and pay the cost of transportation to the marketing area.

The existence of this reserve Grade A milk, which must be marketed at a lower price, is the primary cause of the instability which may affect all fluid milk markets. If a handler is able to use milk he purchases at Class II prices for Class I use, he stands to gain advantage, but in so doing he demoralizes the Class I market price.

An important function of the order is to insure that the position of handlers paying producers a Class I price for fluid milk will not be undermined by other handlers using the market's excess or surplus producer milk for Class I use. It is equally important that the Class I market be protected from the use of seasonal or other excess milk from other markets as well as from its own surplus. If the order failed to provide such protection, a handler could curtail purchases of producer milk to his own advantage and secure low cost reserve supplies from other markets for Class I use.

Seasonal supplies are easily and cheaply acquired during the months of flush production when most markets are receiving milk greatly in excess of their current fluid needs. If adjacent milksheds dispose of seasonal surplus in each other's Class I markets, the result will soon be market chaos, particularly in the spring months. Class I prices would be demoralized and the rate of milk production for both markets on a permanent basis would be seriously impaired. Such marketing conditions would be contrary to the stated purpose of the act. It is necessary, therefore, in order to insure the effectiveness of the classified pricing program and to promote orderly marketing, that some measure be taken to remove the incentive which handlers have to acquire unpriced milk and undermine the Class I pricing structure.

One possible alternative would be to extend price regulation in accordance with order provisions to all milk plants which supply milk either directly or indirectly to the Quad Cities market. This alternative is both economically and administratively unacceptable within the framework of the order. It would open the market pool to anyone who supplied merely a token quantity of milk to a plant serving the marketing area. The objections to such distribution of pooled funds was discussed earlier in the decision in connection with the recommendations for standards of pool participation.

Such regulation would have the further disadvantage of being cumbersome, expensive, difficult to enforce, and it would interfere with the acquisition of needed supplemental milk supplies for the market. It would not be possible or desirable to limit the number of plants or area from which milk might be purchased. However, in order to bring such plants under regulation, it would be necessary to establish individually tailored transfer and allocation rules according to the various plant locations, markets and supplies. Milk would have to be accounted for in its disposition from these plants to its various destinations and uses to determine classification. Also, it would be necessary to ascertain sources of supply other than receipts directly from farmers and determine what priority should be given such supplies in the allocation of Class I milk. In the case of a plant which made an incidental shipment of milk, perhaps at the end of the month, or in the case of such items as storage cream, additional complications would be involved. Earlier inventories as well as sales would have to be ascertained and classified. Classification might depend upon transactions made in the past concerning which adequate records were not kept. Producer prices would be fixed for milk already purchased and sold. Required record keeping and auditing problems would be greatly multiplied with such regulation.

It is concluded that it is not feasible to price all milk which may enter the market and that provision is necessary in the order which will insure against the displacement of producer milk by such unpriced milk for the purpose of cost advantage. There is no choice as to what type of provision can be used for this purpose. The only alternative available under the order is to levy a charge against unpriced milk used in Class I to whatever extent is necessary to remove the advantage there may be in using such milk instead of priced milk from producers.

Several problems are involved in formulating the provisions for any charge or payment designed to bring about the removal of the advantage of using unregulated milk. The rate of payment for this purpose must not be so low that it will permit a handler to have temporary or permanent advantage through sale of unpriced milk as Class I in the marketing area. It should not be so high that it will penalize suppliers of unpriced milk who offer milk needed by the market and who are not in a position of gaining an unfair advantage by such sale of milk. The payment must be provided for in a manner which is administratively feasible and which does not bring about unjustified administrative inconvenience or expense.

One method of setting the rate of payment would be to ascertain the actual cost to the regulated handler of milk which he purchases from unregulated plants and charge as a compensation payment any amount by which the Class I price exceeded the cost of the unregulated milk used in Class I. Such a scheme is not sound from the standpoint of administrative feasibility and it would not necessarily remove the advantage in using unregulated milk even though it were feasible. Rates at which milk sales are billed may not represent actual cost to the purchaser. In the case of a firm which owns or controls pool plants under the proposed order as well as unregulated plants, the rate of payment from one plant to another, if any were made, would have little or no significance.

If such a provision were to be adopted, the billing rate might be deliberately set in each instance at a level which would avoid any payments without regard to the value of the milk. Thus, the intended effect of this provision might be circumvented by merely adjusting the bookkeeping procedure.

A handler having no unregulated plants would no doubt find it possible to arrange a billing price on purchased milk which would avoid any compensatory payments. If a handler had the choice of paying money to the market-wide pool or to a person from whom he was buying milk, he would probably choose the latter. A kick-back arrangement or offsetting purchase and sale might readily be arranged, perhaps through a third party. Since the billing price for milk would be self-serving figure for both parties to the transaction, it would be virtually impossible to ascertain that it represented the true cost to the purchaser.

If the stated purchase price were a true cost, it would still not fulfill the purpose of removing the advantage to unregulated milk to base compensation payments on the difference between such price and the Class I price. Sales of priced milk between regulated handlers ordinarily take place at the class price plus a handling charge. This handling charge varies according to circumstances, but represents a payment to the receiver of the milk to offset his purchasing and receiving costs, such as dumping, weighing, testing, and cooling the milk, paying producers, and other costs of doing business. The cost of receiving the milk in bulk form is somewhat less than receiving it from producers. Thus, in order to remove the advantage to unregulated milk, it would be necessary to provide that the cost of bulk unregulated milk be somewhat more than the Class I price. It would be exceedingly difficult to determine what this rate should be, particularly in the case of products such as condensed skim milk and cream, where the allocation of additional processing costs among

more than one end product is involved. This scheme for removing the advantage in using unregulated milk is rejected for these reasons.

Another suggested method is to determine the price actually paid dairy farmers by the unregulated milk dealer who first received the milk, and base the compensation payment thereon. This method has several shortcomings. The various payment plans which are used in paying farmers for milk would make the determination of pay rates to individual farmers an exceedingly difficult task. For example, unregulated milk dealers may use varying rates of butterfat differentials, different types of base rating plans, or payments based on volume of deliveries. Various devices such as these for paying farmers often make it impossible to determine actual rate of payment per hundredweight of milk. In this case as with bulk milk purchases stated prices are often illusory. The cost of the milk itself may be modified by unrealistic charges for various items of supplies and services. A milk dealer affected by such a provision might increase his producer price and increase hauling rates an offsetting amount. Whatever payment plan an unregulated milk dealer may use is a matter of his own choice and it can be changed readily. Pricing or paying arrangements he may have with farmers are not subject to regulation. Calculation of compensation payments according to this suggestion would give any affected dealer special incentive to resort to these special payment plans suggested here or others he might devise for purposes of evading payments.

The further problem of establishing the rate of payment to be required would in itself preclude use of the actual cost of the milk purchased from farmers by unregulated handlers as a basis for calculating the payment to be required. If a payment were to be required on the unregulated milk based on the difference between prices paid farmers and some other price, the unregulated handler could avoid payments by increasing his prices to farmers. This would give an unregulated handler the advantage over regulated handlers in that a regulated handler has no choice as to what he is required to pay producers nor how this money is to be distributed. Likewise, it would enable unregulated suppliers to dispose of Class I milk in the marketing area with no obligation to equalize such sales with other suppliers of the market.

Even though the rate of payment to producers for all milk might be known, it would still be impossible to ascertain the rate of payment on that portion of the milk disposed of in the marketing area. Since milk marketed outside the marketing area would represent most of the total supply in the unregulated plant, it would be necessary to determine payment for milk marketed to the various outlets. When handlers have both surplus as well as Class I milk in their plants, it is not realistic to assume that the purchase price for milk for each use is the same.

It has been suggested that in order to overcome this objection the plant of the unregulated handler be subject to audit and that the rate of compensation payment be based on the difference between the average utilization value at order prices in the unregulated plant and the average rate of payment to producers. This method would not remove the entire advantage of selling surplus milk as Class I in the marketing area. This method has not only the disadvantages associated with other schemes which assume the determination of actual pay rates to producers, but it would involve, in the case of the Quad Cities market, an extremely complicated and administratively impractical system of accounting and determination in such plants. The unregulated plants which are potential sources of supply of supplemental milk and milk products are numerous and widely scattered. Determination of utilization value in these plants would involve the same complications and administrative expense and difficulties as discussed earlier which would be involved in complete regulation of such plants. To make the detailed accounting necessary to establish classification, such unregulated dealers would need to maintain the same detailed records as wholly regulated handlers.

An alternative method for determining the rate of compensation payments would be to base the rate of payment on the difference between blend prices prevailing in an area and the Class I price. This method has been suggested because it is assumed that unregulated handlers will be forced by competition to pay farmers approximately average blend prices. While this approach eliminates the need for attempting to determine actual pay rates, it could not be used without modification and still prevent the displacement of regulated milk with surplus milk from other markets at all times throughout the year. Unregulated plants, as well as regulated plants, may have some surplus milk at all times and particularly during the seasons of flush production. As a result, prices paid farmers are, in fact, blend prices made up of returns from the sale of milk in Class I outlets, as well as sales to the surplus market. If an unregulated plant were in a position to sell its surplus milk for Class I use in the marketing area and maintain its regular Class I outlets, it would have a competitive advantage over regulated handlers who found it necessary to dispose of part of their milk as surplus.

None of these suggestions presents an acceptable approach to the problem of compensation payments to be applied to other source milk allocated to Class I in pool plants. It is necessary, therefore, to resort to a different procedure. The only sound method of dealing with this problem is one based on a recognition of the economics involved as they affect producers and handlers. This approach resolves itself primarily into a question of market values of milk.

Fully regulated handlers under the order seeking to purchase unregulated milk will naturally resort to the lowest cost source from which suitable milk is available. In fixing the rate of compensation payment, it is necessary, therefore, to determine what the lowest cost source may be and to base the payment on the difference between the cost of such milk and the cost of milk priced under the order for similar use. Milk supplies are larger in spring and summer than in fall and winter, and because of relatively constant sales of fluid milk, the excess increased production must be marketed largely as manufactured products. This outlet represents the opportunity cost of the surplus milk since it is the highest price at which the milk can otherwise be sold. It is this opportunity cost or value of such milk which would be effective in determining the price at which the unregulated plant would sell such milk.

Since considerable volumes of Grade A milk must be disposed of as surplus by various unregulated plants from which the Quad Cities market may obtain milk, it is evident that handlers under the order could obtain such milk at prices reflecting its value as surplus milk. In short, the actual value of seasonal or reserve milk is not the blend price paid to dairy farmers but rather the price which can be obtained for it in the market when disposed of as surplus milk.

Therefore, for the months of December through June, during which period surplus milk may be available in substantial volumes to the Quad Cities market from nonpool sources, the compensation payment on the receipts of other source fluid milk products which are allocated to Class I milk should be based on the difference between the minimum price of producer milk used for surplus and the applicable Class I price under the Quad Cities order. The Class II price established by the order is a fair and economic measure of the value of milk in surplus uses in the Quad Cities area.

During the months of July through November the milk supplies for the Quad Cities market tend to be shorter than in other months of the year. It is not likely that other source fluid milk products will be available to the market at surplus prices. The compensation payment during these months should be the difference between the marketing area uniform price to producers and the Class I price adjusted to the location of the plant from which such fluid milk products are supplied. The relationship between the supply of milk and the demand for milk in the Quad Cities market during the July through November period tends to fluctuate from year to year according to marketing conditions. These conditions will generally prevail also in surrounding markets which are potential sources of supply for unpriced milk. Thus, the rate of compensation payment based on the difference between Class I and uniform prices will adjust itself automatically in these months according to the changes in the demand for and the price of outside supplies. If supplies of producer milk are relatively plentiful, unpriced milk can be expected to be cheaper. Therefore, in order to equalize costs of milk the rate of compensation payment should be somewhat higher. On the other hand, as milk supplies in the area tend to be shorter, it is

to be expected that the cost of unregulated milk will increase. Under these circumstances, the rate of compensation payment will be correspondingly less.

In some instances there will be no and in all cases insignificant transportation charges per hundredweight experienced by handlers on other source milk used in the form of concentrated milk products under the skim milk equivalent basis of accounting provided for in the order. For this reason, other source milk from such products should be considered to be from a source at the location of the pool plant where it is used. In other words, the compensation payment on such other source milk derived from concentrated products, such as condensed milk or nonfat dry milk solids, which is allocated to Class I milk will be equal to the difference between the market area Class I price and the corresponding uniform blend price or Class II price, as the case may be. By following this procedure, other source milk derived from Grade A manufactured products which may be made from producer milk in handlers' plants or purchased from outside sources will be subject to identical reclassification charges. This will remove to the greatest extent that it is administratively possible, any advantage there may be utilizing the products from unregulated sources for producer milk.

By choosing a rate of compensation payment which reflects the cost of the cheapest other source milk which may be expected to be available to regulated handlers, any advantage to one handler relative to the others in obtaining such cheap milk and substituting it for producer milk in Class I, is removed insofar as is administratively possible. No handler is given the clear opportunity to gain an unfair advantage over his competitors which otherwise would exist. However, if other source milk is to be purchased, the incentive for purchasing the cheapest of such milk remains, because the lower the price which a handler pays for other source milk, the lower will be his total cost of purchasing such milk. This follows from the fact that the measure of the compensation payment is an objective one and does not depend upon the particular price which the handler paid for the other source milk.

As indicated elsewhere in this decision, the process of marketwide pooling creates special incentive for milk to come into the market to gain certain advantages. Such milk would not be associated with the market in the absence of regulation.

The act requires that prices fixed under the order for milk purchased from producers or associations of producers be uniform as to all handlers, subject only to usual adjustments, such as those for butterfat content and location of the milk. The only prices fixed under the order are those for producer milk, and it is hereby determined that they are uniform as required by the act. Class prices for pool milk under the order are for raw milk as received from farmers, f. o. b. the loading platform at the plant where first received.

In calculating the payments on other source milk the Class I price must relate to and be fixed as of the point where the milk is received from farmers at the first receiving plant, so as to be properly comparable with the minimum Class I price for producer milk at the level of marketing. No allowance should be made for subsequent handling costs and profits in this farm level comparison between producer and other source milk because such costs and profits attach at stages of marketing subsequent to the basing point to which minimum Class I prices for producer milk refer. They are in no way regulated by the order with respect to producer milk. Neither the act nor the proposed order contemplates, authorizes or provides for the regulation of subsequent handling charges or profits or the establishment of uniform resale prices between handlers, whether the milk be from producers or other sources.

The compensation payments herein provided are not only incidental, but necessary to sustain the classification and pricing of milk according to its use in the market. The rates of payment specified are those which are necessary and appropriate to accomplish this purpose.

The rate of payment recommended will tend to remove the competitive advantage for unpriced milk, and will avoid displacement of producer milk for reasons of cost. However, if experience proves that milk is available to handlers in the future at prices different than those now indicated, or that such payments otherwise interfere with the purposes of the order, then it will be necessary to reconsider the rate of compensation payment on the basis of that experience.

In addition to that other source milk which would enter the marketing area through pool plants, some nonpool milk may be distributed within the marketing area from nonpool plants. It would not be possible to stabilize the market under the classified pricing program if distribution in the marketing area of unpriced milk from nonpool plants without compensation payments were allowed. Such milk should be classified and priced the same as unpriced milk distributed through any other channels.

Handlers distributing such unpriced milk in the marketing area from nonpool distributing plants have the same opportunity to buy milk at the opportunity cost level as do the operators of pool plants who purchase other source milk. Such milk may be purchased and distributed in the marketing area. In addition, however, the operator of the nonpool plant in all probability has surplus milk in his own plant which he would want to dispose of on any basis which would yield a higher return than the surplus value. It would be particularly easy to dispose of such milk for Class I use in the marketing area by supplying contract business such as hospitals and defense establishments. With surplus outlets as the alternative, and no compensation payments to make, the nonpool handlers would have considerable incentive or margin to underbid the seller of priced milk for such sales. A nonpool plant might also use such price advantage in selling his surplus milk to Class I outlets for the purpose of establishing a regular trade on retail or wholesale routes to homes and stores in the marketing area. The nonpool plant might sell up to 15 percent of its milk into the marketing area as Class I without becoming subject to regulation. To allow a nonpool plant to use its surplus milk in this manner for establishing a regular trade in the marketing area without compensation payments would mean that such plant would have a marked competitive advantage over regulated handlers selling priced milk. Such conditions could readily lead to disorderly marketing conditions.

It is considered inappropriate also to subject a plant to full regulation if only a small share of its milk is sold in the marketing area. Such regulation might place a plant of this kind at a distinct disadvantage in relation to its unregulated competition. In some cases, a nonpool plant may be disposing of a larger share of its milk as Class I than the average utilization for the market. In such cases, the compensation payments herein provided might cost the handler less than the equalization payments such plant would pay into the marketwide pool if fully regulated as a pool plant. In these instances, the sale of small quantities of milk in the marketing area would be more likely to take place under the compensation payment provisions herein provided than if full regulation were extended to all plants.

The rate of compensation payment provided for nonpool plants making distribution directly in the marketing area, therefore, should be the same as that for pool plants which obtain and use unpriced milk in Class I. Moreover, the administrative feasibility of any other method of levying compensation payments is substantially the same as that described in the case of unpriced milk distributed in the marketing area by pool plants.

Any funds collected in the form of compensatory payments should be added to the producer-settlement fund. It is the purpose of the order to insure that a sufficient and dependable supply of quality milk be available for Class I needs of the market. To the extent that Class I sales are displaced through the disposition of surplus milk from unpriced sources, producers stand to lose income from the sale of milk to the market which they are expected to supply. This loss of income would mean that the prices contemplated under the order would not be realized by producers. As a result, production might suffer, in which case consumers would stand to lose because of the disappearance of milk supplies from the regular and dependable sources which have provided milk to the market on a year-round basis. Otherwise, Class I prices would have to be increased to offset the loss of income to producers. There is no alternative source of dependable milk supplies which would cost consumers less over a period of time than the milk supplied by the regular producers. Thus, there is justification in terms of overall benefit to the market for returning to producers the difference between the value of such milk at its opportunity cost, which would otherwise be its value to the seller, and the Class I price. There is no alternative disposition of funds from compensa-

tion payments under the authority of the act other than that herein provided.

It is necessary that the order specify the handler who is obligated to make the compensation payments. If the unpriced milk is distributed in the marketing area from a nonpool plant, the operator of such plant should make the payment. In the case of supplemental milk received at pool plants from unpriced sources, either the buying or selling plant might be assessed. From the standpoint of the economics involved, it would make no difference, since the amount of payment would be the same in both cases.

From the standpoint of administration and enforcement, it would be much easier and simpler for the regulated plant to make the payment. The market administrator has regular dealings with the pool plant handler. Such handler would be expected to know and understand the terms and provisions of the order. He is the handler who assumes the responsibility for distributing the milk in the regulated market. Whether or not a compensation payment would be required would depend upon the application of the allocation provisions of the order to the pool plant of the receiving handler.

The seller, on the other hand, would not be aware until later whether a compensation payment would be required, and might not even know at the time of the sale, particularly if the sale took place through a broker, whether or not his milk would be moved to a regulated market for disposition. If enforcement proceedings were to be required, it would be more convenient and logical to bring the case to court in the area of the regulated market where the problem arose.

The compensation payments herein provided will not prohibit the marketing of milk nor limit the marketing of milk products from any production area of the United States. The rate of payment required would be uniform for all plants similarly situated with respect to their location in relation to the marketing area.

The quantity of milk and milk products which may be sold in any regulated market is dependent at least to some extent upon the price fixed under the order for the particular class of utilization. Such influence should not be construed, however, as a limitation of the type precluded under the act. No price can be fixed without influencing, to some extent, the quantity of milk and milk products which may be sold from either regulated or unregulated sources. No quantitative limitations are imposed in the proposed order on the amounts of unpriced milk which may be disposed of in the marketing area nor does it prohibit such use or any other use of unpriced nonpool milk or milk products. The compensation payment herewith provided will not discriminate against producers by areas, but will provide for equalization of competitive prices by type of transaction with respect to regulated and unregulated milk.

The payment will not deprive suppliers of unpriced milk of a high priced market which they would otherwise enjoy. The alternative sale value of the unpriced milk is recognized, and this value is returned to these sources when sale is made to the Quad Cities market. If marketing facilities and outlets are such that it is advantageous for nonpool plants to dispose of their surplus milk in the Quad Cities Class I market, under the provisions of the attached order, they may be expected to and undoubtedly will do so, and the returns they receive should be the full surplus value for such milk.

The compensation payment herewith provided has as its primary purpose the elimination of economic incentives for handlers to use unpriced milk to displace minimum priced milk in Class I sales. The rate of payment found to be appropriate for this purpose is one which recognizes general competitive conditions in the purchase and sale of regulated and unregulated milk. It is recognized, however, that general competitive conditions do not prevail in all cases. Each handler is situated differently and each individual transaction is made under different circumstances. It is not possible, however, to adjust prices or payments to individual circumstances or transactions. Such an individual approach would not be administratively or economically feasible. Compensatory payments must therefore be applied at a definite and specified rate applicable to all handlers similary situated. No single rate of payment can be determined, however, which would result in complete equality of cost to all handlers. Consequently, instances will undoubtedly arise which will appear to indicate that the objectives of the compensatory payments are not being achieved in particular cases. In some cases, the payments required may seam harsh.

It is necessary in seeking an overall solution to problems of this nature to adopt provisions which will be reasonable and as liberal as possible, and at the same time will still guarantee the integrity of regulation. To provide inadequate payments would leave the door open to practices which would render the program ineffective. Commerce in milk is entirely at the option of handlers. They are free to complete only those transactions which are most favorable to themselves. Order provisions must recognize this fact. They must recognize, also, that the varying conditions under which milk transactions occur give rise to great complexity and some doubtful circumstances. Where marginal problems arise, they must be resolved in favor of maintaining the integrity under the order, otherwise the advantage may go to unregulated milk with consequent disadvantage to the handlers and producers of regulated milk.

9. The requirement for a compensatory payment on Class I milk disposed on a route in the marketing area by a handler regulated under another Federal order should be discontinued. The payment on such milk is now required when the Class I price under this order is above that of the other Federal order and is made to the producer-settlement fund at the rate of the difference between this order's Class I price and the Class I price under the other Federal order.

In proposing that this provision be deleted from the order proponents contended that if milk is properly priced under the provisions of a Federal order, the addition of transportation costs from the supplying market to the other market equalizes the cost to a point where the receiving handler pays a price that is at least equal to that paid for locally produced milk.

The provision for compensatory payments on other Federal order milk distributed in the marketing area is not needed under current marketing conditions in the Quad Cities market. Provisions, herein recommended, regarding pool plant qualifications and compensatory payments on unpriced milk disposed of in the marketing area, adequately provide an equitable basis for pricing milk at plants regularly associated with the market and those which may make irregular shipments to, or be only incidentally associated with, the market by reason of having a relatively negligible portion of their distribution business in the marketing area.

There is no indication that the relationship of the level of the Class I prices between that in the Quad Cities and other nearby Federally regulated markets is such as to offer handlers under the other orders either an unnatural incentive for the distribution of milk in the Quad Cities market or an advantage over Quad Cities order handlers on such distribution.

In establishing Class I prices in the Quad Cities order consideration is given to the Class I prices in other Federal order markets. This is necessary since Quad Cities handlers compete in various communities outside the marketing area with such handlers. To continue the provision for assessing handlers under other Federal orders for milk sold in the Quad Cities market could give Quad Cities order handlers a significant price advantage over such competitors, which competitors are required to pay prices comparable to that under the Quad Cities order by the orders which regulate them.

10. A proposal was made at the hearing which would permit producer milk to move from a pool plant to a nonpool plant to be packaged and then be returned to the pool plant without, in effect, being considered as having been handled at the nonpool plant.

The purpose of the proposal, described by proponents as custom-bottling, is to allow such handling of milk without its being considered as a receipt of other source milk from a nonpool plant. It was argued that some pool plants in the market are not large enough to support the expensive machines which are needed to package milk in the various sized paper containers and it would be more practicable for them to obtain such packaged milk from nearby nonpool plants.

There is no problem in the market at the present time which the provision to accommodate custom-bottling at a nonpool plant is proposed to remedy. No milk is now being custom-bottled at a nonpool plant for the account of a pool plant under the Quad Cities order. It was not indicated that the proponent

handler or any other pool plant operator contemplates such an arrangement in the near future.

Elsewheres in this decision provision is made for discontinuance of the compensatory payment charge on Class I milk disposed on a route in the marketing area by a handler regulated by another Federal order. Also, the provision herein proposed relative to payments on unpriced milk received at a pool plant would not be applicable to milk classified and priced as Class I milk under another Federal milk marketing order.

If there should be any need for a Quad Cities order handler to have milk packaged outside the marketing area, availability of plants under other orders, which are relatively nearby, affords ample opportunity to meet this need. At such plants it would not be impracticable, within the framework of the attached proposed order, to custom-bottle for handlers regulated by the Quad Cities order.

As indicated at the hearing, the custom-bottling proposal was not addressed to any existing market problem and is, admittedly, directed at liberalizing the provisions of the order for situations which may arise in the future. Accordingly, the data submitted at the hearing in connection with the proposal were speculative and, necessarily, incomplete.

In view of the above stated considerations, the proposal to modify the provisions of the order with respect to the movement of milk to an unregulated plant for custom-bottling is hereby denied.

11. The proposal to provide for a base and excess plan for distributing returns to producers was abandoned at the hearing. Instead, producers proposed a fall incentive payment plan (sometimes referred to as "Louisville plan") for distributing returns to producers. As proposed, the Market Administrator would withhold a specified percentage of the value of pooled milk during the spring months of heavy production for distribution to producers during the fall months of low production.

In connection with their proposal for the fall incentive payment plan, producers proposed that the Class I price, which is now adjusted seasonably by varying the Class I differential monthly be superseded by a Class I price which would be fixed throughout the year at the level obtained by using the seasonally higher Class I differential now in the order. Elsewhere in this decision provision is made for continuing to adjust the Class I price seasonally. Since the fall incentive payment plan, as proposed, is predicated on replacing the seasonally adjusted Class I price with a constant Class I differential throughout the year, it would not be practicable to give consideration to providing for a fall incentive payment plan at this time. Accordingly, the proposal to provide for such a plan within the framework of the order is hereby denied.

12. Producers proposed that a handler making payment to a producer at more than the uniform price should make such an additional payment uniformly to all producers.

The Quad Cities order fixes minimum prices which handlers shall pay for milk received from producers. In some instances, handlers pay producers premiums for milk received on bulk tank pickup routes and for milk sold as a special milk such as Guernsey or kosher milk. The order does not in any way restrict producers from bargaining with handlers for such premiums or for any other premiums above order prices.

It was not shown what benefit, if any, would acrue to the market by specifying in the order the conditions under which or the manner in which premiums should be paid to producers. Moreover, there was no evidence that there are currently any abuses of the order which would be corrected by the proposal. Accordingly, the proposal is hereby denied.

13. The entire order should be redrafted to incorporate therein conforming and clarifying changes made necessary by the amendments recommended in this decision.

(a) In connection with the proposed changes designating which persons would be subject to regulation and application of order provisions to them, new or revised definitions are provided in the attached order, including those for: "fluid milk product", "producer milk", "other source milk", "nonpool plant", "handler", and "Chicago butter price". The definitions for "producer", "pool plant", distributing plant", and "supply plant" are discussed elsewhere in this decision.

"Fluid milk product" would mean milk, skim milk, buttermilk, milk drinks (plain or flavored) cream or any mixture in fluid form of skim milk and cream (except aerated cream products, yogurt, ice cream mix, evaporated or condensed milk, and sterilized products packaged in hermetically sealed containers). The items defined as fluid milk products pursuant to this definition are those products which when disposed of by handlers are considered as Class I milk.

"Producer milk" would mean only that skim milk and butterfat contained in milk received at a pool plant directly from producers or diverted from a pool plant to a nonpool plant in accordance with the conditions prescribed in a producer definition (Issue No. 3).

"Other source milk" would be defined as all skim milk and butterfat contained in fluid milk products utilized by the handler in his operations except milk received from producers, fluid milk products received from other plants, and inventory at the beginning of the month. Thus, other source milk would represent skim milk and butterfat which may not be subject to the pricing provisions of this order. It would include all milk products from plants other than pool plants and all manufactured dairy products from any source which are reprocessed or converted into another product during the month. It would include those manufactured products from a plant's own production which are made and are reprocessed or converted into another product during the same or a later month.

"Nonpool plant" would mean any milk manufacturing, processing, or bottling plant other than a pool plant.

"Handler" would be defined as any person in his capacity as the operator of one or more distributing or supply plants. The definition would also include a cooperative association in its capacity as the operator of a pool plant or with respect to milk from producers diverted for its account from a pool plant to a nonpool plant.

"Chicago butter price" would represent the simple average as computed by the market administrator of the daily wholesale selling prices (using the midpoint of any range as one price) per pound of 92-score bulk creamery butter at Chicago as reported during the month by the Department.

(b) Reference in the order with respect to the accounting and classification of "emergency milk" should be deleted. In the attached proposed order provision is made in a comprehensive manner for the accounting and classification of all unpriced milk, including that heretofore defined as emergency milk. In view of this, no useful purpose would be served by continuing any reference in the order to emergency milk.

(c) As now provided in the order, a handler receiving milk from producers who are members of a cooperative association which operates a pool plant is required to make payment to the cooperative for such milk at the applicable class prices, and the classification of such milk is deemed to be the same as all other producer milk at the handler's plant. A cooperative association which does not operate a pool plant and which is authorized to collect for its members' milk may collect for producer milk delivered to a pool plant at the uniform price value of such milk.

In connection with the provision for compensatory payments on unpriced milk, which is recommended in this decision, it is determined that the handler of such unpriced milk shall be responsible for remitting such payments to the market administrator. With regard to the provisions herein recommended for basing pool plant status on standards of association with the market, it is possible for a plant to qualify as a pool plant in one month and not in another. In a month when such plant did not qualify as a pool plant, the operator of such plant would be subject to a compensatory payment on the unpriced milk which was delivered in the marketing area from his plant.

It would not be administratively feasible for the market administrator to bill a cooperative association for a compensatory payment charge on unpriced milk due the producer-settlement fund from a handler because it supplies such handler with producer milk. Neither would it be feasible under the Quad Cities order to have a cooperative association collect at the class prices for milk delivered by its producer members to a pool plant, participate in the producer-settlement fund for such milk, and have the operator of the pool plant deal separately with the producer-settlement fund with respect to payments due on unpriced milk. A handler, whose plant did not qualify as a pool plant in any month because of a minimum specified percentage of its receipts from dairy farmers not having

been distributed in the marketing area, would be required to make payment directly to the producer-settlement fund on the quantity of Class I milk distributed in the marketing area. This would be required whether or not he customarily paid a cooperative association for milk received from dairy farmers. If the plant of such handler became a pool plant in some months, it would be more practicable and administratively more feasible to have him participate in the producer-settlement fund directly instead of through a cooperative association. It is the operator of a plant who is primarily responsible for any payments on unpriced milk or on other milk which may be due the producer-settlement fund.

In the interest of orderly marketing, it is desirable that a cooperative association be free to market and collect for the milk of its members to the fullest extent that it is so authorized by its members. The effectiveness of a cooperative under the Quad Cities order in marketing the milk of its members would not be impeded whether payment to such cooperative by a handler is at the uniform price or at the class prices in the order.

In view of the considerations stated above, it is concluded that the best interest of the market would be served by holding a handler responsible for dealing with the producer-settlement fund with respect to all milk received at his plant directly from producers and from other sources.

General findings (a) The tentative marketing agreement and the order as hereby proposed to be amended and all of the terms and conditions thereof will tend to effectuate the declared policy of the act;

(b) The parity prices of milk as determined pursuant to section 2 of the act are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply and demand for milk in the marketing area, and the minimum prices specified in the proposed marketing agreement and the order as hereby proposed to be amended are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest; and

(c) The tentative marketing agreement and the order as hereby proposed to be amended, will regulate the handling of milk in the same manner as, and will be applicable only to persons in the respective classes of industrial and commercial activity specified in, a marketing agreement upon which a hearing has been held.

Rulings on exceptions. In arriving at the findings and conclusions and the regulatory provisions of this decision, each of the exceptions received was carefully considered in conjunction with the record evidence pertaining thereto. To the extent that the findings and conclusions and the regulatory provisions of this decision are at variance with any of the exceptions, such exceptions are hereby overruled.

Marketing agreement and order amending the order. Annexed hereto and made a part hereof are two documents entitled, respectively, "Marketing Agreement Regulating the Handling of Milk in the Quad Cities Marketing Area" and "Order Amending the Order Regulating the Handling of Milk in the Quad Cities Marketing Area", which have been decided upon as the detailed and appropriate means of effectuating the foregoing conclusions.

It is hereby ordered, That all of this decision, except the attached marketing agreement, be published in the FEDERAL REGISTER. The regulatory provisions of said marketing agreement are identical with those contained in the order as hereby proposed to be amended by the attached order which will be published with this decision.

Determination of representative period. The month of February 1957 is hereby determined to be the representative period for the purpose of ascertaining whether the issuance of the attached order amending the order, regulating the handling of milk in the Quad Cities marketing area, is approved or favored by producers, as defined under the terms of the order as hereby proposed to be further amended, and who, during such representative period, were engaged in the production of milk for sale within the aforesaid marketing area.

Issued at Washington, D. C., this 17th day of April 1957.

[SEAL] EARL L. BUTZ,
Assistant Secretary.

Order[1] Amending the Order, as Amended, Regulating the Handling of Milk in the Quad Cities Marketing Area

AUTHORITY: §§ 944.0 to 944.101 issued under sec. 5, 49 Stat. 753 as amended; 7 U. S. C. 608c.

§ 944.0 *Findings and determinations.* The findings and determinations hereinafter set forth are supplementary and in addition to the findings and determinations previously made in connection with the issuance of the aforesaid order and of the previously issued amendments thereto; and all of said previous findings and determinations are hereby ratified and affirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

(a) *Findings upon the basis of the hearing record.* Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), a public hearing was held upon certain proposed amendments to the tentative marketing agreement and to the order regulating the handling of milk in the Quad Cities marketing area. Upon the basis of the evidence introduced at such hearing and the record thereof, it is found that:

(1) The said order, as amended, and as hereby further amended, and all of the

[1] This order shall not become effective unless and until the requirements of § 900.14 of the rules of practice and procedure, as amended, governing proceedings to formulate marketing agreements and orders have been met.

terms and conditions thereof, will tend to effectuate the declared policy of the act;

(2) The parity prices of milk, as determined pursuant to section 2 of the act, are not reasonable in view of the price of feeds, available supplies of feeds and other economic conditions which affect market supply and demand for milk in said marketing area, and the minimum prices specified in the order, as hereby amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk and be in the public interest; and

(3) The said order, as hereby amended, regulates the handling of milk in the same manner as, and is applicable only to persons in the respective classes of industrial and commercial activity specified in, a marketing agreement upon which a hearing has been held.

Order relative to handling. It is therefore ordered, that on and after the effective date hereof, the handling of milk in the Quad Cities marketing area shall be in conformity to and in compliance with the terms and conditions of the aforesaid order, as hereby amended, and the aforesaid order is hereby amended as follows:

DEFINITIONS

§ 944.1 *Act.* "Act" means Public Act No. 10, 73d Congress, as amended, and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.).

§ 944.2 *Secretary.* "Secretary" means the Secretary of Agriculture of the United States or any other officer or employee of the United States authorized to exercise the powers or to perform the duties of the said Secretary of Agriculture.

§ 944.3 *Department.* "Department" means the United States Department of Agriculture or any other Federal agency authorized to perform the price reporting functions of the United States Department of Agriculture.

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

§ 944.5 *Cooperative association.* "Cooperative association" means any cooperative marketing association which the Secretary determines, after application by the association:

(a) To be qualified under the provisions of the act of Congress of February 18, 1922, as amended, known as the "Capper-Volstead Act"; and

(b) To have full authority in the sale of milk of its members and to be engaged in making collective sales of or marketing milk or its products for its members.

§ 944.6 *Quad Cities marketing area.* "Quad Cities marketing area", hereinafter called the "marketing area", means the territory lying within the boundaries of the corporate limits of the City of Clinton, Iowa, and that part of Camanche Township, including the City of Camanche, lying east of sections 2, 11, 14, 23, 26, and 35 all in Clinton County, Iowa; the territory lying within the corporate limits of the cities of Davenport and Bettendorf, Iowa; and Rock Island, Moline, East Moline and Silvis, Illinois; together with the territory lying within the following townships: Davenport, Rockingham, and Pleasant Valley in Scott County, Iowa; and South Moline, Moline, Blackhawk, Coal Valley, Hampton, and South Rock Island in Rock Island County, Illinois.

§ 944.7 *Producer.* "Producer" means any person, except a producer-handler, who produces milk in compliance with Grade A inspection requirements of a duly constituted health authority, which milk is (a) received at a pool plant, or (b) diverted from a pool plant to a nonpool plant for the account of either the operator of the pool plant or a cooperative association (1) any day during the months of April through June, and (2) on not more than one-half the days on which milk was delivered from a farm during any of the months of July through March: *Provided,* That milk diverted pursuant to this section shall be deemed to have been received at the location of the plant from which diverted.

§ 944.8 *Distributing plant.* "Distributing plant" means a plant which is approved by an appropriate health authority for the processing or packaging of Grade A milk from which any fluid milk product is disposed of during the month on routes (including routes operated by vendors) or through plant stores to retail or wholesale outlets (except pool plants) located in the marketing area.

§ 944.9 *Supply plant.* "Supply plant" means a plant from which milk, skim milk or cream which is acceptable to the appropriate health authority for distribution in the marketing area under a Grade A label is shipping during the month to a pool plant qualified pursuant to § 944.10 (a).

§ 944.10 *Pool plant.* "Pool plant" means:

(a) A distributing plant from which a volume of Class I milk equal to not less than 35 percent of the Grade A milk received at such plant from dairy farmers and from other plants is disposed of during the month on routes (including routes operated by vendors) or through plant stores to retail or wholesale outlets (except pool plants) and not less than 15 percent of such receipts are so disposed of to such outlets in the marketing area.

(b) A supply plant from which the volume of fluid milk products shipped during the month to pool plants qualified pursuant to paragraph (a) of this section is equal to not less than 35 percent of the Grade A milk received at such plant from dairy farmers during such month: *Provided,* That if such shipments are not less than 50 percent of the receipts of Grade A milk at such plant during the immediately preceding period of September through November, such plant may, upon written application to the market administrator on or before March 1 of any year, be designated as a pool plant for the months of March through June of such year.

(c) A plant which is owned and operated by a cooperative association and which is located in the marketing area.

(d) From the effective date hereof through June 1957, a plant which was a pool plant in April 1957: *Provided,* That the operator thereof may, upon written application to the market administrator on or before the last day of the month, have such plant designated a nonpool plant for the month.

§ 944.11 *Nonpool plant.* "Nonpool plant" means any milk manufacturing, processing or bottling plant other than a pool plant.

§ 944.12 *Handler.* "Handler" means:

(a) Any person in his capacity as the operator of one or more distributing or supply plants.

(b) A cooperative association which is the operator of a pool plant pursuant to § 944.10 (c).

(c) Any cooperative association with respect to the milk from producers diverted by the association for the account of such association from a pool plant to a nonpool plant.

§ 944.13 *Producer-handler.* "Producer-handler" means any person who operates a dairy farm and a distributing plant but who receives no milk from other dairy farmers.

§ 944.14 *Producer milk.* "Producer milk" means only that skim milk or butterfat contained in milk (a) received at the pool plant directly from producers, or (b) diverted from a pool plant to a nonpool plant in accordance with the conditions set forth in § 944.7.

§ 944.15 *Fluid milk product.* "Fluid milk product" means milk, skim milk, buttermilk, milk drinks (plain or flavored), cream or any mixture in fluid form of skim milk and cream (except aerated cream products, yogurt, ice cream mix, evaporated or condensed milk, and sterilized products packaged in hermetically sealed containers).

§ 944.16 *Other source milk.* "Other source milk" means all skim milk and butterfat contained in:

(a) Receipts during the month in the form of fluid milk products except (1) fluid milk products received from pool plants, (2) producer milk, or (3) inventory at the beginning of the month; and

(b) Products other than fluid milk products from any source (including those produced at the plant) which are reprocessed or converted to another product in the plant during the month.

§ 944.17 *Chicago butter price.* "Chicago butter price" means the simple average as computed by the market administrator of the daily wholesale selling prices (using the midpoint of any range as one price) per pound of 92-score bulk creamery buttery at Chicago as reported during the month by the Department.

MARKETING ADMINISTRATOR

§ 944.20 *Designation.* The agency for the administration of this part shall be a market administrator, selected by the Secretary, who shall be entitled to such compensation as may be deter-

mined by, and shall be subject to removal at the discretion of, the Secretary.

§ 944.21 *Powers.* The market administrator shall have the following powers with respect to this part:

(a) To administer its terms and provisions;

(b) To receive, investigate, and report to the Secretary complaints of violations;

(c) To make rules and regulations to effectuate its terms and provisions; and

(d) To recommend amendments to the Secretary.

§ 944.22 *Duties.* The market administrator shall perform all duties necessary to administer the terms and provisions of this part, including but not limited to the following:

(a) Within 30 days following the date on which he enters upon his duties, or such lesser period as may be prescribed by the Secretary, execute and deliver to the Secretary a bond, effective as of the date on which he enters upon his duties and conditioned upon the faithful performance of such duties, in an amount and with surety thereon satisfactory to the Secretary;

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

(c) Obtain a bond in a reasonable amount, and with reasonable surety thereon, covering each employee who handles funds entrusted to the market administrator;

(d) Pay out of the funds provided by § 944.87: (1) the cost of his bond and of the bonds of his employees, (2) his own compensation, and (3) all other expenses, except those incurred under § 944.88, necessarily incurred by him in the maintenance and functioning of his office and in the performance of his duties.

(e) Keep such books and records as will clearly reflect the transactions provided for in this part, and upon request by the Secretary, surrender the same to such other person as the Secretary may designate;

(f) Publicly announce, unless otherwise directed by the Secretary, by posting in a conspicuous place in his office and by such other means as he deems appropriate the name of any person who within 10 days after the date upon which he is required to perform such acts, has not made reports pursuant to §§ 944.30 and 944.31, or payments pursuant to §§ 944.80, 944.84, 944.86, 944.87, and 944.88;

(g) Submit his books and records to examination by the Secretary and furnish such information and reports as may be required by the Secretary;

(h) Verify all reports and payments of each handler by audit of such handler's records and of the records of any other handler or person upon whose utilization the classification of skim milk or butterfat for such handler depends, or by such investigation as the market administrator deems necessary;

(i) Prepare and disseminate to the public such statistics and such information as he deems advisable and as do not reveal confidential information;

(j) Publicly announce on or before:

(1) The 5th day of each month, the minimum price for Class I milk pursuant to § 944.50 (a) and the Class I butterfat differential, pursuant to § 944.51 (a) both for the current month; and the minimum price for Class II milk, pursuant to § 944.50 (b), and the Class II butterfat differential, pursuant to § 944.51 (b) both for the preceding month; and

(2) The 10th day after the end of each month the uniform price pursuant to § 944.71 and the producer butterfat differential pursuant to § 944.81; and

(k) On or before the 10th day after the end of each month, report to each cooperative association, which so requests the percentage of the milk caused to be delivered by the cooperative association or its members to the pool plant(s) of each handler during the month, which was utilized in each class. For the purpose of this report, the milk so delivered shall be allocated to each class for each handler in the same ratio as all producer milk received by such handler during the month.

REPORTS, RECORDS AND FACILITIES

§ 944.30 *Reports of receipts and utilization.* On or before the 7th day after the end of each month, each handler, except a producer-handler, shall report for such month to the market administrator in the detail and on forms prescribed by the market administrator:

(a) The quantities of skim milk and butterfat contained in receipts of producer milk;

(b) The quantities of skim milk and butterfat contained in fluid milk products received from other pool plants;

(c) The quantities of skim milk and butterfat contained in other source milk;

(d) The quantities of skim milk and butterfat contained in producer milk diverted to nonpool plants pursuant to § 944.7;

(e) Inventories of fluid milk products on hand at the beginning and end of the month;

(f) The utilization of all skim milk and butterfat required to be reported pursuant to this section, including a separate statement of the disposition of Class I milk outside the marketing area; and

(g) Such other information with respect to his utilization of butterfat and skim milk as the market administrator may prescribe.

§ 944.31 *Other reports.* Each producer-handler shall make reports to the market administrator at such time and in such manner as the market administrator may prescribe.

§ 944.32 *Records and facilities.* Each handler shall maintain and make available to the market administrator or to his representative during the usual hours of business such accounts and records of his operations, together with such facilities as are necessary for the market administrator to verify or establish the correct data with respect to:

(a) The receipt and utilization of all skim milk and butterfat handled in any form during the month;

(b) The weights and butterfat and other content of all milk, skim milk, cream and other milk products handled during the month;

(c) The pounds of skim milk and butterfat contained in or represented by all milk products on hand at the beginning and end of each month; and

(d) Payments to producers and cooperative associations.

§ 944.33 *Retention of records.* All books and records required under this subpart to be made available to the market administrator shall be retained by the handler for a period of three years to begin at the end of the month to which such books and records pertain: *Provided,* That if, within such three-year period, the market administrator notifies the handler in writing that the retention of such books and records is necessary in connection with a proceeding under section 8c (15) (A) of the act or a court action specified in such notice the handler shall retain such books and records, or specified books and records, until further written notification from the market administrator. In either case, the market administrator shall give further written notification to the handler promptly upon the termination of the litigation or when the records are no longer necessary in connection therewith.

CLASSIFICATION

§ 944.40 *Skim milk and butterfat to be classified.* The skim milk and butterfat which are required to be reported pursuant to § 944.30 shall be classified each month by the market administrator, pursuant to the provisions of §§ 944.41 through 944.46.

§ 944.41 *Classes of utilization.* Subject to the conditions set forth in § 944.44 the classes of utilization shall be as follows:

(a) *Class I milk.* Class I milk shall be all skim milk (including concentrated and reconstituted skim milk) and butterfat (1) disposed of in the form of a fluid milk product (except as provided in paragraph (b) (2) of this section), and (2) not accounted for as Class II milk;

(b) *Class II milk.* Class II milk shall be all skim milk and butterfat (1) used to produce any product other than a fluid milk product; (2) disposed of to wholesale bakeries, candy manufacturers, soup companies, or for livestock feed; (3) contained in inventory of fluid milk prducts on hand at the end of the month; (4) in shrinkage allocated to recepits of producer milk (except milk diverted to a nonpool plant pursuant to § 944.7) but not in excess of 2 percent of such receipts of skim milk and butterfat, respectively; and (5) in shrinkage of other source milk.

§ 944.42 *Shrinkage.* The market administrator shall allocate shrinkage over a handler's receipts as follows:

(a) Compute the total shrinkage of skim milk and butterfat for each handler; and

(b) Prorate the resulting amounts between the receipts of skim milk and butterfat contained in producer milk and in other source milk.

§ 944.43 *Responsibility of handlers and reclassification of milk.* (a) All skim milk and butterfat shall be Class I milk unless the handler who first receives such skim milk or butterfat can prove to the market administrator that such skim milk or butterfat should be classified otherwise.

(b) Any skim milk or butterfat shall be reclassified if verification by the market administrator discloses that the original classification was incorrect.

§ 944.44 *Transfers.* Skim milk or butterfat disposed of each month from a pool plant shall be classified:

(a) As Class I milk, if transferred in the form of a fluid milk product to the pool plant of another handler, except a producer-handler, unless utilization as Class II milk is claimed by both handlers in their reports submitted for the month to the market administrator pursuant to § 944.30: *Provided,* That the skim milk or butterfat so assigned to Class II milk shall be limited to the amount thereof remaining in Class II milk in the plant of the transferee-handler after the subtraction of other source milk pursuant to § 944.46 and any additional amounts of such skim milk or butterfat shall be classified as Class I milk: *And provided further,* That if either or both handlers have received other source milk, the skim milk or butterfat so transferred shall be classified at both plants so as to allocate the greatest possible Class I utilization to the producer milk of both handlers;

(b) As Class I milk, if transferred to a producer-handler in the form of a fluid milk product; and

(c) As Class I milk, if transferred or diverted in the form of a fluid milk product in bulk to a nonpool plant unless:

(1) The transferring or diverting handler claims classification in Class II milk in a written statement submitted to the market administrator by the operators of both the pool plant and the nonpool plant on or before the 7th day after the end of the month within which such transaction occurred;

(2) The operator of such nonpool plant maintains books and records showing the utilization of all skim milk and butterfat received at such plant which are made available if requested by the market administrator for the purpose of verification; and

(3) An equivalent amount of skim milk and butterfat had been used at the nonpool plant during the month in the indicated utilization.

§ 944.45 *Computation of the skim milk and butterfat in each class.* For each month, the market administrator shall correct for mathematical and for other obvious errors the reports of receipts and utilization for the pool plant(s) of each handler and shall compute the pounds of butterfat and skim milk in Class I milk and Class II milk for such handlers: *Provided,* That if any of the water contained in the milk from which a product is made is removed before the product is utilized or disposed of by a handler, the pounds of skim milk disposed of in such product shall be considered to be an amount equivalent to the nonfat milk solids contained in such products, plus all of the water reasonably associated with such solids in the form of whole milk.

§ 944.46 *Allocation of skim milk and butterfat classified.* After making the computations pursuant to § 944.45 the market administrator shall determine the classification of producer milk received at the pool plant(s) of each handler each month as follows:

(a) Skim milk shall be allocated in the following manner:

(1) Subtract from the total pounds of skim milk in Class II milk the pounds of skim milk assigned to producer milk pursuant to § 944.41 (b) (4);

(2) Subtract from the remaining pounds of skim milk in each class, in series beginning with Class II milk, the pounds of skim milk in other source milk received in the form of fluid milk products which were not subject to the Class I pricing provisions of an order issued pursuant to the act;

(3) Subtract from the remaining pounds of skim milk in each class, in series beginning with Class II milk, the pounds of skim milk in other source milk other than that received in the form of fluid milk products;

(4) Subtract from the remaining pounds of skim milk in Class II milk an amount equal to such remainder, or the product obtained by multiplying the pounds of skim milk in producer milk by 0.05, whichever is less;

(5) Subtract from the remaining pounds of skim milk in each class in series beginning with Class II milk, the pounds of skim milk in other source milk received in the form of fluid milk products which are subject to the Class I pricing provisions of another order issued pursuant to the act;

(6) Add to the pounds of skim milk remaining in Class II milk the pounds of skim milk subtracted pursuant to subparagraph (4) of this paragraph;

(7) Subtract from the remaining pounds of skim milk in each class the skim milk in fluid milk products received from the pool plants of other handlers according to the classification of such products as determined pursuant to § 944.44 (a);

(8) Subtract from the remaining pounds of skim milk in each class, in series beginning with Class II milk, the pounds of skim milk contained in inventory of fluid milk products on hand at the beginning of the month;

(9) Add to the pounds of skim milk remaining in Class II milk the pounds of skim milk subtracted pursuant to subparagraph (1) of this paragraph and if the remaining pounds of skim milk in both classes exceed the pounds of skim milk contained in producer milk, subtract such excess from the remaining pounds of skim milk in series beginning with Class II. Any amount of excess so subtracted shall be called "overage".

(b) Butterfat shall be allocated in accordance with the same procedure prescribed for skim milk in paragraph (a) of this section.

(c) Determine the weighted average butterfat content of producer milk remaining in each class computed pursuant to paragraphs (a) and (b) of this section.

MINIMUM PRICES

§ 944.50 *Class prices.* Subject to the provisions of §§ 944.51 and 944.52 the class prices per hundredweight for the month shall be as follows:

(a) *Class I milk price.* The Class I milk price shall be the price for Class I milk established under Federal Order No. 41, as amended, regulating the handling of milk in the Chicago, Illinois, marketing area, plus 20 cents.

(b) *Class II milk price.* The Class II milk price shall be the average of the basic or field prices reported to have been paid or to be paid per hundredweight for milk of 3.5 percent butterfat content received from farmers during the period from the 16th day of the preceding month through the 15th day of the current month at the following plants or places for which prices have been reported to the market administrator or to the Department:

Present Operator and Plant Location

Amboy Milk Products Co., Amboy, Ill.
Borden Co., Dixon, Ill.
Borden Co., Sterling, Ill.
Carnation Co., Morrison, Ill.
Carnation Co., Oregon, Ill.
Carnation Co., Waverly, Iowa.
United Milk Products Co., Argo Fay, Ill.

§ 944.51 *Butterfat differentials to handlers.* For milk containing more or less than 3.5 percent butterfat, the class prices for the month calculated pursuant to § 944.50 shall be increased or decreased, respectively, for each one-tenth percent butterfat at the appropriate rate, rounded to the nearest one-tenth cent, determined as follows:

(a) *Class I price.* Multiply the Chicago butter price for the preceding month by 0.125.

(b) *Class II price.* Multiply the Chicago butter price for the current month by 0.110 for the months of April, May, and June, and by 0.115 for all other months.

§ 944.52 *Location differentials to handlers.* For that milk which is received from producers at a pool plant located 50 miles or more from the City Hall, Rock Island, Illinois, by the shortest hard surfaced highway distance, as determined by the market administrator, and which is classified as Class I milk, the price specified in § 944.50 (a) shall be reduced at the rate set forth in the following schedule according to the location of the pool plant where such milk is received from producers:

Distance from the Rock Island City Hall (miles):	*Rate per hundredweight (cents)*
50 but less than 65	10.0
For each additional 10 miles or fraction thereof additional	1.5

Provided, That for the purpose of calculating the location differential adjustment applicable pursuant to this section, fluid milk products which are transferred between pool plants shall be assigned to

any remainder of Class II milk in the transferee-plant after making the calculations prescribed in § 944.46 (a) (5) and the comparable steps in (b) for such plant, such assignment to transferor plants to be made in sequence according to the location differential applicable to each plant, beginning with the plant having the largest differential.

§ 944.53 *Use of equivalent prices.* If for any reason a price quotation required by this order for computing class prices or for other purposes is not available in the manner described, the market administrator shall use a price determined by the Secretary to be equivalent to the price which is required.

APPLICATION OF PROVISIONS

§ 944.60 *Producer-handler.* Sections 944.40 through 944.46, 944.50 through 944.52, 944.70, 944.71, and 944.80 through 944.88, shall not apply to a producer-handler.

§ 944.61 *Plants subject to other Federal orders.* The provisions of this part shall not apply to a distributing plant or a supply plant during any month in which such plant would be subject to the classification and pricing provisions of another order issued pursuant to the act unless such plant is qualified as a pool plant pursuant to § 944.10 and a greater volume of fluid milk products is disposed of from such plant to retail or wholesale outlets and to pool plants in the Quad Cities marketing area than in the marketing area regulated pursuant to such other order: *Provided,* That the operator of a distributing plant or a supply plant which is exempt from the provisions of this order pursuant to this section shall, with respect to the total receipts and utilization or disposition of skim milk and butterfat at the plant, make reports to the market administrator at such time and in such manner as the market administrator may require (in lieu of the reports required pursuant to § 944.30) and allow verification of such reports by the market administrator.

§ 944.62 *Handlers operating nonpool plants.* None of the provisions from §§ 944.44 through 944.52, inclusive, or from §§ 944.70 through 944.85, inclusive, shall apply in the case of a handler in his capacity as the operator of a nonpool plant, except that such handler shall, on or before the 13th day after the end of each month pay to the market administrator for deposit into the producer-settlement fund an amount calculated by multiplying the total hundredweight of butterfat and skim milk disposed of as Class I milk from such plant to retail or wholesale outlets (including sales by vendors and plant stores) in the marketing area during the month, by the rate determined pursuant to § 944.63.

§ 944.63 *Rate of payment on unpriced milk.* The rate of payment per hundredweight to be made by handlers on unpriced other source milk allocated to Class I milk shall be any plus amount calculated as follows:

(a) During the months of December through June, subtract from the Class I price adjusted by the Class I butterfat and location differentials applicable at a pool plant of the same location as the nonpool plant supplying such other source milk, the Class II price adjusted by the Class II butterfat differential; and

(b) During the months of July through November subtract from the Class I price f. o. b. such nonpool plant the uniform price to producers adjusted by the Class I butterfat differential.

DETERMINATION OF UNIFORM PRICE

§ 944.70 *Computation of value of milk for each handler.* The value of producer milk received during each month by each handler shall be a sum of money computed by the market administrator as follows:

(a) Multiply the pounds of milk in each class by the applicable class price and add together the resulting amounts;

(b) Add the amounts computed by multiplying the pounds of overage deducted from each class pursuant to § 944.46 (a) (9) and the corresponding step of (b) by the applicable class prices;

(c) Add the amount obtained in multiplying the difference between the Class II price for the preceding month and the Class I price for the current month by the hundredweight of producer milk classified in Class II less shrinkage during the preceding month, or the hundredweight of milk subtracted from Class I pursuant to § 944.46 (a) (8) and the corresponding step of (b), whichever is less; and

(d) Add an amount calculated by multiplying the hundredweight of skim milk and butterfat subtracted from Class I milk pursuant to § 944.46 (a) (2) and (3) and the corresponding step of (b) by the rate of payment on unpriced milk determined pursuant to § 944.63 at the nearest nonpool plant(s) from which an equivalent amount of other source skim milk or butterfat was received: *Provided,* That if the source of any such fluid milk product received at a pool plant is not clearly established, such product shall be considered to have been received from a source at the location of the pool plant where it is classified.

§ 944.71 *Computation of uniform price.* For each of the months the market administrator shall compute a uniform price for producer milk of 3.5 percent butterfat content f. o. b. pool plants located within 50 miles of the City Hall of Rock Island, Illinois, as follows:

(a) Combine into one total the values computed pursuant to § 944.70 for all handlers who made the reports prescribed in § 944.30 for such month, except those in default of payments required pursuant to § 944.84 for the preceding month;

(b) Add or subtract for each one-tenth percent that the average butterfat content of producer milk represented by the values included under paragraph (a) of this section is less or more, respectively, than 3.5 percent, an amount computed by multiplying such differences by the butterfat differential to producers, and multiplying the result by the total hundredweight of producer milk;

(c) Add an amount equal to the sum of the location differential deductions to be made pursuant to § 944.82;

(d) Add an amount equal to one-half of the unobligated cash balance in the producer-settlement fund;

(e) Divide the resulting amount by the total hundredweight of producer milk included in these computations; and

(f) Subtract not less than 4 cents nor more than 5 cents from the price computed pursuant to paragraph (e) of this section. The resulting figure shall be the uniform price for producer milk.

PAYMENT FOR MILK

§ 944.80 *Time and method of payment for producer milk.* Each handler shall make payment as follows:

(a) On or before the 15th day after the end of each month during which the milk was received, to each producer for milk received from him and for which payment is not made to a cooperative association pursuant to paragraph (b) of this section, at not less than the uniform price computed in accordance with § 944.71, subject to the butterfat differential computed pursuant to § 944.81 and less location differential deductions pursuant to § 944.82.

(b) On or before the 12th day after the end of each month during which the milk was received, to a cooperative association for milk which it caused to be delivered to such handler from producers, if such cooperative association is authorized to collect such payments for its member producers and exercises such authority, an amount equal to the sum of the individual payments otherwise payable to such producers.

§ 944.81 *Butterfat differentials to producers.* The applicable uniform prices to be paid each producer pursuant to § 944.80 shall be increased or decreased for each one-tenth of one percent which the butterfat content of his milk is above or below 3.5 percent, respectively, at the rate determined by multiplying the total pounds of butterfat in the producer milk allocated to Class I and Class II milk during the month pursuant to § 944.46 by the respective butterfat differential for each class, dividing the sum of such values by the total pounds of such butterfat, and rounding the resultant figure to the nearest one-tenth of a cent.

§ 944.82 *Location differentials to producers.* In making payment pursuant to § 944.80 the uniform price pursuant to § 944.71 for milk which is received from producers at a pool plant located 50 miles or more from the City Hall, Rock Island, Illinois, by the shortest hard-surfaced highway distance as determined by the market administrator shall be reduced at the rate set forth in the following schedule according to the location of the pool plant where such milk is received from producers:

Distance from the Rock Island City Hall (miles):	*Rate per hundredweight (cents)*
50 but less than 65	10.0
For each additional 10 miles or fraction thereof an additional	1.5

§ 944.83 *Producer-settlement fund.* The market administrator shall establish and maintain a separate fund known as the "producer-settlement fund" into which he shall deposit all payments made by handlers pursuant to §§ 944.62, 944.84 and 944.86, and out of which he shall make all payments to handlers pursuant to §§ 944.85 and 944.86.

§ 944.84 *Payments to the producer-settlement fund.* On or before the 13th day after the end of each month, each handler shall pay to the market administrator the amount by which the value of milk for such handler pursuant to § 944.70 for such month exceeds the obligation pursuant to § 944.80 of such handler to producers for milk received during the month.

§ 944.85 *Payments out of the producer-settlement fund.* On or before the 15th day after the end of each month the market administrator shall pay to each handler the amount by which the obligation, pursuant to § 944.80, of such handler to producers for milk received during the month exceeds the value of milk for such handler computed pursuant to § 944.70: *Provided,* That if the balance in the producer-settlement fund is insufficient to make all payments pursuant to this paragraph, the market administrator shall reduce uniformly such payments and shall complete such payments as soon as the necessary funds are available. A handler who has not received the balance of such payments from the market administrator shall not be considered in violation of § 944.80 if he reduces his payments to producers by not more than the amount of the reduction in payment from the producer-settlement fund.

§ 944.86 *Adjustment of accounts.* Whenever audit by the market administrator of any handler's reports, books, records, or accounts discloses errors resulting in moneys due (a) the market administrator from such handler, (b) such handler from the market administrator, or (c) any producer or cooperative association from such handler, the market administrator shall promptly notify such handler of any amount so due; and payment thereof shall be made on or before the next date for making payment set forth in the provisions under which such error occurred.

§ 944.87 *Expense of administration.* As his pro rata share of the expense of the administration of the order, each handler shall pay to the market administrator, on or before the 15th day after the end of each month 3 cents per hundredweight or such lesser amount as the Secretary may prescribe, with respect to butterfat and skim milk contained in (a) producer milk (b) other source milk at a pool plant which is allocated to Class I milk pursuant to § 944.46, and (c) Class I milk disposed of in the marketing area (except to a pool plant) from a nonpool plant not subject to the classification and pricing provisions of another order issued pursuant to the act.

§ 944.88 *Marketing services.* (a) Except as set forth in paragraph (b) of this section, each handler in making payments to each producer pursuant to § 944.80, shall deduct 6 cents per hundredweight or such lesser amount as the Secretary may prescribe with respect to all milk received by such handler from such producer (except such handler's own farm production), during the month, and shall pay such deductions to the market administrator not later than the 15th day after the end of the month. Such money shall be used by the market administrator to verify or establish weights, samples, and tests of milk received by handlers from such producers during the month and to provide such producers with market information.

(b) In the case of producers for whom a cooperative association is actually performing, as determined by the Secretary, the services set forth in paragraph (a) of this section, each handler shall make in lieu of the deductions specified in paragraph (a) of this section, such deductions as are authorized by such producers and, on or before the 15th day after the end of each month, pay over such deductions to the association rendering such services.

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

(a) The obligation of any handler to pay money required to be paid under the terms of this subpart shall, except as provided in paragraphs (b) and (c) of this section, terminate two years after the last day of the calendar month during which the market administrator receives the handler's utilization report on the milk involved in such obligation, unless within such two-year period the market administrator notifies the handler in writing that such money is due and payable. Service of such notice shall be complete upon mailing to the handler's last known address, and it shall contain but need not be limited to, the following information:

(1) The amount of the obligation;

(2) The month(s) during which the milk, with respect to which the obligation exists, was received or handled; and

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

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

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

(d) Any obligation on the part of the market administrator to pay a handler any money which such handler claims to be due him under the terms of this subpart shall terminate two years after the end of the calendar month during which the milk involved in the claim was received if an underpayment is claimed, or two years after the end of the calendar month during which the payment (including deduction or set-off by the market administrator) was made by the handler if a refund on such payment is claimed, unless such handler, within the applicable period of time, files pursuant to section 8c (15) (A) of the act, a petition claiming such money.

EFFECTIVE TIME, SUSPENSION OR TERMINATION

§ 944.90 *Effective time.* The provisions of this subpart, or any amendment to this subpart, shall become effective at such time as the Secretary may declare and shall continue in force until suspended or terminated.

§ 944.91 *Suspension or termination.* The Secretary shall, whenever he finds this subpart, or any provision hereof, obstructs or does not tend to effectuate the declared policy of the act, terminate or suspend the operation of this subpart or any such provision of this subpart.

§ 944.92 *Continuing obligations.* If, upon the suspension or termination of any or all provisions of this subpart, there are any obligations hereunder the final accrual or ascertainment of which require further acts by any person (including the market administrator), such further acts shall be performed notwithstanding such suspension or termination.

§ 944.93 *Liquidation.* Upon the suspension or termination of the provisions of this subpart, except this section, the market administrator, or such other liquidating agent as the Secretary may designate, shall, if so directed by the Secretary, liquidate the business of the market administrator's office, dispose of all property in his possession or control, including accounts receivable, and execute and deliver all assignments or other instruments necessary or appropriate to effectuate any such disposition. If a liquidating agent is so designated all accounts, books, and records of the market administrator shall be transferred promptly to such liquidating agent. If, upon such liquidation the funds on hand exceed the amounts required to pay outstanding obligations of the office of the market administrator and to pay necessary expenses of liquidation and distribution, such excess shall be distributed

to contributing handlers and producers in an equitable manner.

MISCELLANEOUS PROVISIONS

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

§ 944.101 *Separability of provisions.* If any provision of this subpart or its application to any person or circumstance, is held invalid, the application of such provision, and of the remaining provisions of this subpart, to other persons or circumstances shall not be affected thereby.

[F. R. Doc. 57-3256; Filed, Apr. 19, 1957; 8:52 a. m.]

[7 CFR Part 978]

[Docket No. AO-184-A15]

MILK IN NASHVILLE, TENNESSEE, MARKETING AREA

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

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

Preliminary statement. The hearing on the record of which the proposed amendments to the tentative marketing agreement and to the order, as amended, were formulated was conducted at Nashville, Tennessee, on March 21 and 22, 1957, pusuant to notice thereof which was issued on March 8, 1957 (22 F. R. 1613).

The material issues of the hearing related to:

(1) Supply-demand provisions;
(2) Base and excess provisions;
(3) Reports to cooperative associations;
(4) Classification of shrinkage;
(5) Diversion of producer milk; and
(6) Clarification.

Findings and conclusions. Upon the evidence adduced at the hearing and the record thereof, it is hereby found and determined that:

1. *Supply-demand provisions.* The supply-demand provisions should be amended to limit their effect on the Class I differential to: 20 cents during the months of May, June and July 1957; 34 cents during the months of August through November 1957; and 50 cents during December 1957, and any month thereafter.

Producers proposed that the supply-demand provisions of the Nashville order be eliminated. Failing approval by the Secretary of this action, producers proposed that the 12-month ratio of producer receipts to gross Class I sales ending with the third preceding month be suspended until the supply-demand provisions can be revised. Several possible revisions were proposed by producers. These include:

(1) Recognize handlers' utilization of producer milk for the processing of certain Class II products by including this milk as a fluid demand of the market;

(2) The inclusion of producer receipts and Class I sales of the nearby Tennessee Federal markets of Knoxville, Chattanooga, and Memphis, in computing the supply-demand ratio in the Nashville order;

(3) Change the rate of adjustment to 4 cents per percentage point when producer receipts are below Class I needs, and to 1 cent when producer receipts are above Class I needs; and

(4) Limit the suply-demand adjustor to a maximum of 20 cents.

The purpose of the supply-demand provisions is to automatically adjust the level of Class I differentials as changes occur in relationships of producer milk to Class I sales. A review of market statistics discloses a continuous upward trend in producer receipts as compared to Class I sales. Producer receipts in the year 1955 were 125 percent of Class I sales and increased to 133 percent in 1956. During the last three months of 1955, producer receipts were 108 percent of Class I sales while in the corresponding period of 1956 they increased to 129 percent. During the first two months of 1957 the relationship was 142 percent as compared with only 118 percent during the corresponding period of 1956. It is apparent that the price prevailing during recent months has been more than sufficient to attract an adequate supply of producer milk for the fluid needs of the Nashville area. The current decline in the Class I differential is precisely the effect for which the supply-demand provisions were designed. In view of the current supply conditions in the Nashville market, the elimination of the supply-demand provisions in the order cannot be justified in accordance with the declared policy of the Agricultural Marketing Agreement Act of 1937.

As a result of a hearing held in Nashville on September 22 and 23, 1955, the order was amended to provide that the 12-month ratio be adjusted by the amount that it changes within the most recent 3-month period. By giving added weight to supply-demand relationships in this 3-month period, the adjustor became more responsive to current conditions. Previous to that proceeding, experience with a 2-month moving average indicated that its effect was too erratic. The supply-demand amendment action following the September 1955 hearing produced an effect somewhere between the slow action of the 12-month moving average and the comparatively sensitive action of the 2-month moving average. Because the 3-month mover is now depressing the Class I price, this does not indicate that it is not performing its designed function. The evidence fails to show that the mover is acting abnormally or is not reflecting actual conditions in the market.

Producers testified that handlers prefer to use producer milk to manufacture certain Class II products and, therefore, the milk needed to produce these products should be included with Class I sales in computing the demand for fluid milk. Handlers testified they did prefer to use producer milk for these products. However, since they are not considered fluid products and are not included in Class I (nor was any proposal to that effect made) it is inappropriate to include their weight in supply-demand provisions which are designed to reflect Class I prices in relation to producer deliveries and the fluid needs of the market.

The order should not be amended in accordance with the association's proposal to include the receipts and sales in nearby Federal markets in computing the Nashville utilization ratio. The record reveals that there is very little movement of milk between Nashville and these markets, particularly at the retail and wholesale levels. To include these markets with Nashville in computing the utilization ratio would defeat a major objective of supply-demand adjustments, namely, to facilitate by price action the movement of milk from common supply areas to the market in relative short supply. To the extent that milk so moves the supply-demand adjustor will force the prevailing prices in various markets to an equilibrium level.

The proposed revision to provide a 4-cent adjustment for each percentage point that the market is undersupplied and a 1-cent adjustment for each point that the market is oversupplied should not be incorporated into the order. As the principal basis for this revision, producers claimed that a shortage of milk is a much more serious condition than is an oversupply. Since the Nashville market is now experiencing a condition of heavy oversupply, this is an academic point and cannot be considered as a fact which can be accorded any weight in this decision. The suggested revision would reduce by one-half the minus adjustment in the supply-demand computation. The evidence does not substantiate such a reduction.

The weight of evidence does not support the producer proposal to limit the impact of the supply-demand adjustor to 20 cents. However, the unlimited functioning of the adjustor in the immediately forthcoming months will precipitate milk marketing problems in the Nashville area which are of greater consequence than the problems posed by present conditions.

It is extremely difficult to evaluate what production response will be to any

given level of price. Obviously, the price producers have been receiving has been at such a level as to attract substantial numbers of new producers and to encourage a relatively large increase in the daily average production per farm. In view of the market's past history of premium payments and other price adjustments, and the fact that the supply-demand provisions of the order have not functioned appreciably because of previous amendment or suspension action, all of which have contributed to the present condition of oversupply, a transitional period is necessary which will afford producers an opportunity to recognize the implications of oversupply and to adjust production accordingly. This transitional period should allow for the impact of the supply-demand provisions but should also afford some measure of stability by providing advance information as to the lowest possible limit of the Class I differential.

The twofold objective of this transitional phase can be obtained by allowing the minus adjustment in the differential to seek its level in two successive stages.

The first stage should limit the minus adjustment during the months of May, June and July 1957 to the 20 cents prevailing in April. Present relationships indicate that the average Class I differential in these months will be 90 cents as compared with the average differential of $1.52 in the same months of 1956.

At the hearing, producers estimated the minus adjustment which would prevail during the coming months. These estimates, although extremely helpful in evaluating prospective supply and sales relationships, by their very nature do not give any weight to the fact that weather and grazing conditions in the coming months may not be as optimum for milk production as they were in 1956. Nor do they give any weight to the possibility that the lower prices currently prevailing will have any effect on production. While recognizing the limitations of the estimates, they do serve to provide the second stage in the transitional period.

According to the estimates, the supply-demand provisions will dictate a minus 34 cents to the Class I differential in July. This should be the lower limit of the minus (or plus) adjustor during the months of August through November 1957. While it is impossible to foretell if the supply-demand provisions will be minus this much during these months, if they should, the average Class I differential prevailing will be $1.05 as compared with the average differential of $1.41 in the same months of 1956.

This 7-month period should be sufficient for producers to fully appraise and adjust production in accordance with the prospective adjustment in the level of prices. In December 1957, and the months thereafter, the supply-demand adjustor should be allowed to function on the basis of the standard prescribed in the order. However, a limit of 50 cents should be placed on the addition to, or the subtraction from, the Class I differential. This upper and lower limit will serve to provide producers an added degree of certainty as to the extent of maximum price adjustments. Should the adjustor plus or minus the Class I differential the full 50 cents for several consecutive months, consideration should then be given to the need for a hearing to examine the entire Class I pricing mechanism.

2. *Base and excess provisions.* Producers proposed that the base-forming months be September through January, and the base-paying months February through July, with August neither a base-forming nor a base-paying month. They also proposed that the same number of days be used in computing the base of new producers coming on the market during the base-forming period as is used in computing the base of producers on the market at the beginning of the period, namely, 153 days.

Producers in the main objected to the inclusion of August in the base-forming period. Climatic conditions in July and August are not conducive to freshening cows. The base plan will be acceptable to producers if August is neither a base-forming nor base-operating month. It is advantageous to have a free month between the base-operating and base-forming periods to provide producers an opportunity to adjust their production programs without the influence of either period. Handlers were neutral on this aspect of the proposal and testified that this was mainly a matter of producer concern.

Handlers did oppose the use of the total number of days in the base-forming period in computing earned bases for all producers. They contended that the elimination of the 120-day option would unduly restrict their attempts to bring new producers to the market. Analysis of the record of the hearing discloses that handlers have been successful in obtaining new producers in every month of the year. Some of these producers had no base and, as far as the order is concerned, received only the excess price for deliveries for several months. Handlers have also been successful in obtaining producers during the latter part of the base-forming period when the producers could not possibly establish a full base under the 120-day option.

A dual purpose of the base plan is to encourage all producers to arrange their production programs and to encourage new producers to enter the market so as to adequately supply the market during the fall months when production is seasonally low and Class I sales are at a seasonally high level. Proper planning on the part of the new producers will make it possible for them to enter the market during August or at least during the early part of the base-forming period. Furthermore, the free transfer of bases as provided in the order makes it possible for new producers to acquire a base if they do not arrange to enter the market prior to the beginning of the base-forming period.

The 120-day option affords new producers an undue opportunity to maximize production during the last 120 days of the base-forming period when production normally increases. Thus, they are given a relatively higher base than the producers supplying the market during the entire base-forming period. The elimination of the 120-day option also will preclude inflation of bases by two or more producers who may manipulate deliveries during different 120-day portions of the base-forming period.

The proposal to eliminate the provision for determining bases for new producers on less than the full number of days in the base-forming period should be adopted. However, some consideration should be given to those producers whose deliveries during the base-forming period are interrupted because of disaster, degrading, or other circumstances. This can be accomplished by making provision for a producer who is on the market at the start of the base-forming period, and whose deliveries are interrupted, to establish his base on a minimum of 138 days' deliveries. This offers a desired degree of flexibility in the base rules and, for all practical purposes, eliminates the weaknesses inherent in the present plan.

3. *Reports to cooperative associations.* Producers proposed that the order should contain a provision directing the market administrator to furnish cooperative associations qualified under the order with the percentage of milk delivered by member producers which was used in each class by each handler. This provision was formerly contained in the order but was inadvertently omitted in a previous amendment action. Producers testified its reinsertion would facilitate the marketing of member milk.

Handlers opposed the reinsertion of this provision on the basis that this information was of a confidential nature. The Nashville market has individual handler pooling and only two classes of utilization; therefore, it is relatively easy to compute the utilization percentage of each handler. Since the proposed provision does not require disclosure of actual amounts disposed of in each class, it is difficult to foresee how the dissemination of percentages will disclose confidential information.

The inclusion of this provision in the order will not involve any additional reports to the market administrator. It is a simple matter for him to compute the percentage utilization of deliveries by association members from information already supplied to him.

This provision should be reinserted in the order.

4. *Classification of shrinkage.* Producers proposed that all shrinkage should be priced as a Class I use of milk. The Nashville order presently allows shrinkage not in excess of three percent to be classified as Class II milk.

The change in classification concomitant with this proposal would have the same effect as an increase in the level of prices and in returns to producers. Since it has been concluded that the Class I pricing provisions, as proposed to be amended, as applied to that milk now classified as Class I will result in an appropriate return to producers, a reclassification of allowable shrinkage from Class II to Class I would necessitate a corresponding reduction in the Class I price. It is therefore concluded that

this reclassification proposal should be denied.

However, testimony and exhibits reveal that the three percent allowable shrinkage as contained in the Nashville order is in excess of reasonably expected shrinkage in relatively efficient plants. Market averages show that shrinkage has not been as high as three percent in any of the 26 months previous to March 1957. In only two of these months has shrinkage exceeded two percent. While certain handlers have experienced shrinkage in excess of three percent in these months, the order should not accommodate shrinkage which is above a level for reasonably efficient plants. Since, in recent months, shrinkage on a market-wide basis has seldom exceeded two percent, the order should be amended to provide that two percent shall be the maximum allowable Class II shrinkage.

5. *Diversion of producer milk.* Handlers proposed that the order be amended to remove the 10-day limitation on diversion of any one producer's milk during the months of September through February. Producers did not oppose the amendment.

Because of the location of certain milk collection routes, handlers find it convenient and relatively inexpensive to divert these routes when producer receipts are in excess of their fluid needs. They testified that on occasion, in complying with the 10-day limitation, they have brought milk into their plants and then transferred it to another plant.

The present excess of producer receipts in relation to fluid demand has intensified the frequency of necessary diversion of producer milk to nonpool manufacturing plants. To accommodate the handling of surplus producer milk and to minimize the cost to handlers of such necessary diversions, it is concluded that this proposal should be adopted.

6. *Clarification.* It was proposed that the transfer provisions be amended so that they would be more comparable in sequence to the allocation provisions. Neither producers nor handlers opposed the amendment.

The sequence of Class II utilization in the allocation provisions to determine classification of producer milk is (1) shrinkage, (2) other source milk, (3) opening inventory, and (4) transfers to other handlers. The transfer section of the order omits any reference to milk in inventory or shrinkage. The proposed amendment will facilitate the administration of the order and will tend to reduce the frequency of necessary reclassifications of inventories.

To facilitate administration, the order should be amended as proposed.

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

General findings. (a) The proposed marketing agreement and the order, as amended, and as hereby proposed to be further amended, and all of the terms and conditions thereof will tend to effectuate the declared policy of the act;

(b) The parity prices of milk as determined pursuant to section 2 of the act are not reasonable in view of the price of feeds, available supplies of feeds and other economic conditions which affect market supply of and demand for milk in the marketing area, and the minimum prices specified in the proposed marketing agreement and the order, as amended, and as hereby proposed to be further amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk, and be in the public interest; and

(c) The proposed order, as amended, and as hereby proposed to be further amended, will regulate the handling of milk in the same manner as, and will be applicable only to persons in the respective classes of industrial and commercial activity specified in a marketing agreement upon which a hearing has been held.

Recommended marketing agreement and order, amending the order, as amended. The following order regulating the handling of milk in the Nashville marketing area is recommended as the detailed and appropriate means by which the foregoing conclusions may be carried out. The recommended marketing agreement is not included in this decision because the regulatory provisions thereof would be identical with those contained in the order, as amended, and as hereby proposed to be further amended.

1. Delete the proviso as it appears in § 978.11 and insert a new proviso as follows: *"Provided,* That if such milk is diverted for his account by a handler from a fluid milk plant to any other milk plant any day during the month, the milk so diverted shall be deemed to have been received by the diverting handler at a fluid milk plant at the location of the plant from which it was diverted."

2. Add a new § 978.34 as follows:

§ 978.34 *Reports to cooperative associations.* On or before the 15th day after the end of each delivery period, the market administrator shall report to each cooperative association, as described in § 978.86 (b), upon request by such association, the percentage of milk caused to be delivered by such association or by its members which was used in each class by each handler receiving any such milk. For the purpose of this report, any milk so received shall be prorated to each class in the proportion that the total receipts of milk from producers of such handler are used in such class.

3. In § 978.41 (b) (4) and in the proviso thereof, delete "3 percent" and substitute therefor "2 percent".

4. Delete the proviso as it is in § 978.43 (a) and substitute therefor the following proviso: *"Provided,* That skim milk or butterfat so assigned to Class II milk for any month shall be limited to the amount thereof remaining in Class II milk in the fluid milk plant(s) of the transferee for such month after the computations pursuant to § 978.45 (a) (1), (2) and (3), and the corresponding steps of § 978.45 (b), and any additional amounts of such skim milk or butterfat shall be assigned to Class I milk."

5. In § 978.51 (a) (2), delete the period and substitute therefor a colon and add the following: *"Provided,* That any subtraction or addition shall be limited to: 20 cents during the months of May through July 1957; 34 cents during the months of August through November 1957; and 50 cents during December 1957, and any month thereafter."

6. Delete § 978.60 and substitute therefor the following:

§ 978.60 *Computation of daily average base for each producer.* Subject to the rules set forth in § 978.61, the daily average base for each producer shall be an amount calculated by dividing the total pounds of producer milk received from such producer at all fluid milk plants during the months of September through January immediately preceding by 153: *Provided,* That the base of a producer, who delivers milk during August and whose deliveries are temporarily discontinued during the base-forming period, shall be determined by dividing by the number of days for which deliveries are made or by 138, whichever is higher.

7. Delete § 978.62 and substitute therefor the following:

§ 978.62 *Announcement of established bases.* On or before February 25 of each year, the market administrator shall notify each producer and the handler receiving milk from such producer of the daily average base established by such producer.

8. In § 978.72, delete the language preceding paragraph (a) and substitute therefor the following:

§ 978.72 *Computation of the uniform price for base milk and for excess milk for handlers.* For each of the months of February through July, the market administrator shall compute for each handler, with respect to his producer milk, a uniform price for base milk and for excess milk as follows:

* * * * *

Issued at Washington, D. C., this 18th day of April 1957.

[SEAL] ROY W. LENNARTSON,
Deputy Administrator.

[F. R. Doc. 57-3269; Filed, Apr. 19, 1957; 8:54 a. m.]

[7 CFR Part 1014]

[AO–287]

TOMATOES GROWN IN LOWER RIO GRANDE VALLEY IN TEXAS

DETERMINATION ON BASIS OF RESULTS OF REFERENDUM ON PROPOSED MARKETING AGREEMENT AND ORDER

Pursuant to the Agricultural Marketing Agreement Act of 1937, as amended (48 Stat. 31 as amended U. S. C. 601 et seq.; 68 Stat. 906, 1047), the applicable rules of practice and procedure governing proceedings to formulate marketing agreements and marketing orders (7 CFR Part 900), a public hearing was held at Edinburg, Texas, on September 24–27, 1956, pursuant to notice thereof which was published in the FEDERAL REGISTER (21 F. R. 6612), upon proposed Marketing Agreement No. 124 and Order No. 114 regulating the handling of tomatoes grown in the Lower Rio Grande Valley of Texas. The recommended decision (22 F. R. 301, 452) of the Acting Deputy Administrator, Agricultural Marketing Service, and the decision (22 F. R. 1237) of the Assistant Secretary of Agriculture setting forth the proposed marketing agreement and order were published in the FEDERAL REGISTER on January 16, 1957, and February 28, 1957, respectively. The Assistant Secretary also issued an order (22 F. R. 1255) directing that a referendum be conducted among producers of tomatoes grown in the Lower Rio Grande Valley of Texas to determine whether the requisite majority of such producers favors or approves issuance of the proposed marketing order.

It is hereby determined that on the basis of the results of the referendum conducted April 2 through April 4, 1957, pursuant to the aforesaid referendum order, that the issuance of proposed Marketing Order No. 114, regulating the handling of tomatoes grown in the Lower Rio Grande Valley of Texas, is not approved or favored (1) by at least two-thirds of the producers of tomatoes who participated in such referendum and who, during the determined representative period (March 1, 1956 to March 1, 1957), were engaged, within the Lower Rio Grande Valley production area (i. e., Cameron, Hidalgo, Starr and Willacy Counties in Texas), in the production for market of tomatoes grown therein, or (2) by producers of tomatoes who participated in the aforesaid referendum and who during the aforesaid representative period of March 1, 1956 to March 1, 1957, produced for market at least two-thirds of the volume of tomatoes produced for market within the Lower Rio Grande Valley production area during such period.

It is hereby further determined that this proposed marketing order set forth in the Assistant Secretary's decision of February 21, 1957, (22 F. R. 1237) should not be made effective and, in view of the circumstances, that proposed Marketing Agreement No. 124 should not be entered into.

Dated: April 17, 1957.

[SEAL] EARL L. BUTZ,
Assistant Secretary.

[F. R. Doc. 57–3255; Filed, Apr. 19, 1957; 8:52 a. m.]

FEDERAL COMMUNICATIONS COMMISSION

[47 CFR Parts 7, 8]

[Docket No. 11374; FCC 57M–354]

STATIONS ON LAND AND SHIPBOARD IN MARITIME SERVICES

ORDER CONTINUING HEARING CONFERENCE

In the matter of amendment of Parts 7 and 8 of the Commission's rules and to delete the frequencies 6240 kc and 6455 kc and to make the frequency 4372.4 kc available on a full-time basis for ship and coast stations using radiotelephony on the Mississippi River and connecting inland waterways (except the Great Lakes); Docket No. 11374.

On the oral request of counsel for American Waterways Operators, Inc., and without objection by counsel for the other parties: *It is ordered,* This 12th day of April, 1957, that the prehearing conference now scheduled for April 22, 1957, is continued to Tuesday, April 23, 1957, at 1:30 p. m., in the offices of the Commission, Washington, D. C.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] BEN F. WAPLE,
Acting Secretary.

[F. R. Doc. 57–3243; Filed, Apr. 19, 1957; 8:50 a. m.]

NOTICES

DEPARTMENT OF COMMERCE

Federal Maritime Board

MEMBER LINES OF CALCUTTA/U. S. A. CONFERENCE AND HELLENIC LINES LTD.

NOTICE OF AGREEMENT FILED FOR APPROVAL

Notice is hereby given that the following described agreement has been filed with the Board for approval pursuant to section 15 of the Shipping Act, 1916, (39 Stat. 733, 46 U. S. C. 814):

Agreement No. 6500–8, between the member lines of the Calcutta/U. S. A. Conference and Hellenic Lines Limited, provides for the admission of Hellenic Lines to membership in that conference, which covers the trade from Calcutta to United States Atlantic ports in the Portland, Maine/Hampton Roads Range, and and to other United States points and possessions outside this range by transhipment or direct as required by the trade.

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

Dated: April 17, 1957.

By order of the Federal Maritime Board.

GEO. A. VIEHMANN,
Assistant Secretary.

[F. R. Doc. 57–3250; Filed, Apr. 19, 1957; 8:51 a. m.]

MEMBER LINES OF PERSIAN GULF OUTWARD FREIGHT CONFERENCE

NOTICE OF AGREEMENT FILED FOR APPROVAL

Notice is hereby given that the following described agreement has been filed with the Board for approval pursuant to section 15 of the Shipping Act, 1916 (39 Stat. 733, 46 U. S. C. 814):

Agreement No. 7700–3, between the member lines of the Persian Gulf Outward Freight Conference, modifies the basic agreement of that conference (No. 7700, as amended) by the addition of a new provision giving the Secretary, or such person as he may designate, access to the records of the member lines and permission to make such copies of, and extracts and transcripts from, such records as he may deem advisable and necessary in order to determine that the member lines are abiding by the terms and conditions of the conference agreement, provided the information so acquired shall not be used in violation of section 20 of the Shipping Act, 1916. Agreement No. 7700, as amended, covers the trade from United States Atlantic and Gulf of Mexico ports to ports in the Persian Gulf and adjacent waters in the range west of Karachi and northeast of Aden, excluding both Aden and Karachi.

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

Dated: April 17, 1957.

By order of the Federal Maritime Board.

[SEAL] GEO. A. VIEHMANN,
Assistant Secretary.

[F. R. Doc. 57–3251; Filed, Apr. 19, 1957; 8:51 a. m.]

Office of the Secretary

HAROLD LARSEN

STATEMENT OF CHANGES IN FINANCIAL INTERESTS

In accordance with the requirements of section 710 (b) (6) of the Defense Production Act of 1950, as amended, and Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests as reported in the FEDERAL REGISTER of November 6, 1956, 21 F. R. 8514.

A. Deletions: No change.
B. Additions: No change.

This statement is made as of April 11, 1957.

Dated: April 11, 1957.

HAROLD LARSEN.

[F. R. Doc. 57-3240; Filed, Apr. 19, 1957; 8:50 a. m.]

OLIVER J. GREENWAY

STATEMENT OF CHANGES IN FINANCIAL INTERESTS

In accordance with the requirements of section 710 (b) (6) of the Defense Production Act of 1950, as amended, and Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests as reported in the FEDERAL REGISTER of April 25, 1956, 21 F. R. 2666 and October 23, 1956, 21 F. R. 8123.

A. Deletions: None.
B. Additions:
1. Lincoln National Bank & Trust Co., Syracuse, N. Y.
2. General Electric Co.
3. General Public Utilities Co.
4. American Stores.

This statement is made as of April 10, 1957.

Dated: April 10, 1957.

OLIVER J. GREENWAY.

[F. R. Doc. 57-3241; Filed, Apr. 19, 1957; 8:50 a. m.]

ROBERT D. JAMES

STATEMENT OF CHANGES IN FINANCIAL INTERESTS

In accordance with the requirements of section 710 (b) (6) of the Defense Production Act of 1950, as amended, and Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests as reported in the FEDERAL REGISTER of November 7, 1956, 21 F. R. 8545.

A. Deletions: No change.
B. Additions: No change.

This statement is made as of April 10, 1957.

Dated: April 10, 1957.

ROBERT D. JAMES.

[F. R. Doc. 57-3242; Filed, Apr. 19, 1957; 8:50 a. m.]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Public Health Service

COMPREHENSIVE PROGRAMS FOR WATER POLLUTION CONTROL TREATMENT WORKS NEEDS OF STATES, MUNICIPAILTIES, INTERSTATE AND INTERMUNICIPAL AGENCIES

AMENDMENT OF LIST OF LOCATIONS

Notice is hereby given that the list of locations of treatment works needs, included in comprehensive programs prepared or developed pursuant to section 2 of the Federal Water Pollution Control Act (70 Stat. 498, 33 U. S. C. 466a) which was published at 21 F. R. 8670 on November 9, 1956 and amended and published at 22 F. R. 678 on February 1, 1957, is hereby revised as set forth below. This list may be further revised from time to time by the Surgeon General of the Public Health Service. Copies of such comprehensive programs are available for inspection at the regional offices of the Department of Health, Education, and Welfare.

Dated: April 10, 1957.

[SEAL] L. E. BURNEY,
Surgeon General.

Approved: April 16, 1957.

M. B. FOLSOM,
Secretary.

ARKANSAS

Add:
Arkadelphia.
Bentonville.
Bryant.
Buckner.
Burdette.
Conway.
Cove City.
Forrest City.
Harrison.
Hoxie.
Manila.
Marianna.
Marked Tree.
Norman.
Rogers.
Siloam Springs.
Watson.

CALIFORNIA

Add:
Alameda (City).
Camarillo Sanitary District.
Davis (City).
Encinitas Sanitary District.
International Outfall Sewer.
North Burbank Public Utility District.
Ripon (City).
Santa Barbara (City).
Shasta County Hospital (Redding).
Sunset Beach Sanitary District.
Winter Gardens.

FLORIDA

Add: North Beach Area of Dade County.

INDIANA

Add: Holland. Salem.

KENTUCKY

Change: Cadin to Cadiz.

LOUISIANA

Add:
Basile.
Calcasieu Sewerage District #2.
Church Point.
New Llano.
Palmetto.
Pearl River.
Port Barre.

MASSACHUSETTS

Add: Lunenburg.

MISSOURI

Add: Lincoln.

NEW JERSEY

Add:
Hanover Township.
Lawnside.
Newark.
North Bergen Township.
Peapack-Gladstone.
Plainfield.
Ridgewood.
Wanaque.

NEW MEXICO

Add: Anapra.

NEW YORK

Add:
Alfred.
Richmondville.

OHIO

Add:
East Liverpool.
Xenia.
Steubenville.

OKLAHOMA

Add: City of Forgan.

OREGON

Add:
Fairview Sewer District.
North Bend.
Toledo.

PENNSYLVANIA

Add:
Allegheny County Sanitary District.
Bethlehem.
Corry.
Derry Borough.
Derry Township.
Dover.
Downingtown.
East Butler.
Ebensburg.
Edinboro.
Fairview.
Hanover (York Co.).
Hawley.
Hemfield.
Jefferson.
Lake City.
Lancaster.
Lititz.
Manchester.
Mifflin.
Milton.
Muhlenberg Township.
Norristown.
Parker City (Parkers Landing).
Pittsburgh.
Polk.
Radnor Township.
Richland Township.
Roscoe.
Sandy Lake.
Saxonburg.
Shillington.
Springboro.
Springettsbury Township.
Springfield Township.
Sykesville.
Titusville.
Towanda.
Upper Chichester Township.
Upper Merion Township.
Warrington Township.
Waterford.
West Grove Borough.
West Lawn.
Whitemarsh Township.
Winton.
Yardley.

RHODE ISLAND

Add: Bristol.

SOUTH DAKOTA

Add: Volga.

TENNESSEE

Add:
Adamsville.
Henning.
Medina.
Portland.

TEXAS

Add:
Abbott.
Alamo Heights.
Annona.
Asherton.
Austwell.
Avery.
Bailey.
Balcones Heights.
Bardwell.
Barstow.
Belcherville.
Bellevue.
Beverly Hills.
Big Wells.
Blanco.
Blanket.
Bloomburg.
Blue Ridge.
Boerne.
Boyd.
Brandon.
Bronte.
Brownsboro.
Buda.
Campbellton.
Camp Wood.
Carbon.
Carrizo Springs.
Carrollton.
Castroville.
Catarina.
Cedar Hill.
Christine.
Clifton.
Cockrell Hill.
Collinsville.
Como.
Crawford.
Dalworthington Gardens.

TEXAS—Continued

Add:
Dawson.
Deport.
De Soto.
Dilley.
Dodd City.
Dodson.
Duncanville.
Eagle Ford.
Easton.
Eden.
Eldorado.
Elgin.
Ellinger.
Emhouse.
Enloe.
Everman.
Fairfield.
Falls City.
Farmers Branch.
Fate.
Fayetteville.
Florence.
Forest Hills.
Fredericksburg.
Fruitdale.
Godley.
Goldthwaite.
Gordon.
Grandfalls.
Granger.
Grapeland.
Gunter.
Gustine.
Harwood.
Hermleigh.
Highland Park.
Hollard.
Hondo.
Hutchins.
Hutto.
Italy.
Jewett.
Kennedale.
Kirvin.
Kosse.
Kyle.
Lacy-Lakeview.
Lake Jackson.
Lake June.
Lake Worth.
Lampasas.
Lancaster.
Lawn.
Livingston.
Llano.
Lometa.
Lone Oak.
Lueders.
Lyford.
Madisonville.
Marfa.
Marque.
Maypearl.
Melvin.
Mertens.
Miles.
Mineral Heights.
Mingus.
Moran.
Mullin.
Nolanville.
Normangee.
North Pleasanton.
North Texarkana.
Novice.
Oakwood.
Odell.
Olmos Park.
Pearsall.
Pecan Gap.
Penelope.
Pentego.
Plano.
Port Aransas.
Port Isabell.
Poteet.
Pottsboro.
Princeton.
Prosper.
Purdon.
Putman.
Queen City.
Quinlan.
Ravenna.
Red Water.
Rice.
Richland.
Richland Springs.
River Oaks.
Roanoke.
Robert Lee.
Rocksprings.
Roma-Los Saenz.
Roundtop.
Sabinal.
Saginaw.
San Augustine.
San Felipe.
Santa Rosa.
Smiley.
Smithville.
Sonoma.
Sonora.
Sour Lake.
Southland.
South Texarkana.
Spofford.
Sudan.
Talpa.
Terrell Hills.
Texhoma.
Tioga.
Tolar.
Tom Bean.
Toyah.
Tredell.
Trenton.
Tuscola.
University Park.
Valentine.
Van.
Van Horn.
Venus.
Walnut Springs.
Weimar.
Westminster.
Westover Hills.
Westworth Village.
White Settlement.
Wills Point.
Wilmer.
Windom.
Winfield.
Winters.
Ysleta.

UTAH

Add:
Central Weber Sewer Improvement District (Ogden).
Granger-Hunter Improvement District (Salt Lake County).
Midvale.
North Davis County.
Salem.
Salt Lake City Suburban Sanitary District.
Salt Lake County Cottonwood Sanitary District.
Taylorsville-Bennion.
West Jordan Town.

VIRGINIA

Add:
Front Royal.
Vinton.

WASHINGTON

Add:
Kalama.
Long Beach.
Moses Lake.
Warden.
West Richland.

Change:
Cowiche to Cowiche (SD).
Des Moines to Des Moines (SD).
East Mercer Island to East Mercer Island (SD).
Keyport to Keyport (SD).
Lakhaven (SD) to Lake Haven (SD).
Lakehills (SD) to Lake Hills (SD).

Change:
McMicken Heights to McMicken Heights (SD).
Rusten to Ruston.
Silverdale to Silverdale (SD).

WISCONSIN

Add:
Algoma.
Balsam Lake.
Centuria.
Clayton.
Devil's Lake State Park.
Fairchild.
Hales Corner.
Hurley.
Kenosha (Town of Somers Sanitary District No. 2).
Lennon.
Port Washington (Town of Port Washington Sanitary District).
West Baraboo.
Woodville.

WYOMING

Add: Saratoga.

HAWAII

Add:
North Kona District, Hawaii.
South Hilo District, Hawaii.
Kawaihau District, Hawaii.
Koloa District, Hawaii.
Lihue District, Hawaii.
Waimea District, Hawaii.
Lanai District, Lanai.
Lahaina, Maui.
Makawao, Maui.
Wailuku District, Maui.
Molokai District, Molokai.
Ewa District, Oahu.
Honolulu District, Oahu.
Koolauloa District, Oahu.
Koolaupoko District, Oahu.
Wahiawa District, Oahu.
Waialua District, Oahu.
Waianae District, Oahu.

[F. R. Doc. 57-3225; Filed, Apr. 19, 1957; 8:47 a. m.]

ATOMIC ENERGY COMMISSION

[Docket No. 50-64]

UNIVERSITY OF AKRON

NOTICE OF APPLICATION FOR UTILIZATION FACILITY LICENSE

Please take notice that the University of Akron, Akron, Ohio, on April 5, 1957, filed an application under section 104 of the Atomic Energy Act of 1954 for a license to acquire, possess and operate on its campus a 100-milliwatt research reactor designated by the manufacturer, Aerojet-General Nucleonics, as Model AGN-201, Serial No. 108. A copy of the application is on file in the AEC Public Document Room located at 1717 H Street NW., Washington, D. C.

Dated at Washington, D. C., this 11th day of April 1957.

For the Atomic Energy Commission.

FRANK K. PITTMAN,
Deputy Director,
Division of Civilian Application.

[F. R. Doc. 57-3227; Filed, Apr. 19, 1957; 8:47 a. m.]

CIVIL AERONAUTICS BOARD

[Docket No. 8178]

LOS ANGELES AIRWAYS, INC.

NOTICE OF HEARING

In the matter of the application of Los Angeles Airways, Inc. under section 401 of the Civil Aeronautics Act of 1938, as amended, for renewal of its temporary certificate of public convenience and necessity for route No. 84 and for renewal of its exemption authority.

Notice is hereby given, pursuant to the provisions of the Civil Aeronautics Act of 1938, as amended, particularly sections 401 and 1001 of said act, that a hearing in the above-entitled proceeding is assigned to be held on May 1, 1957, at 10:00 a. m., local time, in Room 1412, U. S. Post Office and Court House Building, 312 North Spring Street, Los Angeles, California, before Examiner Joseph L. Fitzmaurice.

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

1. Whether the public convenience and necsssity require renewal for a temporary or permanent period of the temporary certificate of public convenience and necessity of Los Angeles Airways, Inc. for route No. 84.

2. Whether the public interest requires that Los Angeles Airways, Inc. be exempt from the requirements of Title IV of the Civil Aeronautics Act of 1938, as amended, so as to enable the carrier to engage in air transportation of persons, property and mail between points within a 50-mile radius from the Post Office Terminal Annex Building in Los Angeles, California, and between such points and the additional point San Bernardino, California, except that the periphery of the area shall not include Santa Catalina Island.

3. Is Los Angeles Airways, Inc. fit, willing and able to perform such transportation properly and to conform to the provisions of the act and the rules, regulations and requirements of the Board thereunder.

For further details of the proposed service and the authorizations requested, interested parties are referred to the application, Board's orders No. E-10760 and E-10911, and the prehearing conference report which are on file with the Civil Aeronautics Board.

Notice is further given that any other person of record desiring to be heard in support of or opposition to questions involved in this proceeding must file with the Board on or before May 1, 1957, a statement setting forth matters of fact

or law which he desires to advance or controvert. Any person filing such a statement may appear at the hearing in accordance with Rule 14 of the Board's rules of practice in Economic Proceedings.

Dated at Washington, D. C., April 16, 1957.

[SEAL] FRANCIS W. BROWN,
Chief Examiner.

[F. R. Doc. 57-3253; Filed, Apr. 19, 1957; 8:52 a. m.]

[Docket No. 8406]

EXPRESO AEREO INTER-AMERICANO, S. A.

NOTICE OF POSTPONEMENT OF HEARING

In the matter of Expreso Aereo Inter-Americano, S. A., enforcement proceeding.

Notice is hereby given that the hearing in the above-entitled proceeding heretofore assigned for April 16, 1957, has been postponed and will be held on May 1, 1957, at 10:00 a. m., e. d. s. t., in Room 1032, Temporary Building No. 5, 16th Street and Constitution Avenue NW., Washington, D. C., before Examiner John A. Cannon.

Dated at Washington, D. C. April 16, 1957.

[SEAL] FRANCIS W. BROWN,
Chief Examiner.

[F. R. Doc. 57-3254; Filed, Apr. 19, 1957; 8:52 a. m.]

FEDERAL COMMUNICATIONS COMMISSION

[Docket Nos. 11946, 11947; FCC 57M-358]

VIDEO INDEPENDENT THEATRES, INC., AND KSOO TV, INC.

ORDER CONTINUING HEARING CONFERENCE

In re application of Video Independent Theatres, Inc., Sioux Falls, South Dakota, Docket No. 11946, File No. BPCT-2188; KSOO TV, Inc., Sioux Falls, South Dakota, Docket No. 11947, File No. BPCT-2195; for construction permits for new television stations.

At the request of the parties and with the consent of the Broadcast Bureau; *It is ordered,* This 15th day of April 1957, that the further prehearing conference in the above-entitled matter, heretofore scheduled for April 16, 1957 is postponed to 10:00 a. m., April 30, 1957, to be held in the Commission's offices in Washington, D. C.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] MARY JANE MORRIS,
Secretary.

[F. R. Doc. 57-3244; Filed, Apr. 19, 1957; 8:50 a. m.]

[Docket Nos. 11948, 11949; FCC 57M-355]

DENVER T. BRANNEN AND MEL WHEELER

ORDER CONTINUING HEARING CONFERENCE

In re applications of Denver T. Brannen, Panama City, Florida, Docket No. 11948, File No. BP-10562; Mel Wheeler, Panama City Beach, Florida, Docket No. 11949, File No. BP-10885; for construction permits.

Because of negotiations being conducted by the parties in the above-entitled matter, looking toward the dismissal of one of the applications: *It is ordered,* This 12th day of April 1957, that the prehearing conference heretofore scheduled for April 15, 1957 be continued without date.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] BEN F. WAPLE,
Acting Secretary.

[F. R. Doc. 57-3245; Filed, Apr. 19, 1957; 8:50 a. m.]

[Docket No. 11956; FCC 57M-357]

AMERICAN TELEPHONE AND TELEGRAPH CO.

ORDER CONTINUING HEARING

In the matter of American Telephone and Telegraph Company, Docket No. 11956; charges, classifications, regulations and practices for and in connection with channels for off-the-air pickup and relay of television program material.

The Hearing Examiner having under consideration a motion for continuance filed by the Chief of the Commission's Common Carrier Bureau on April 12, 1957;

It appearing, that all parties have agreed to the continuance and to a waiver of § 1.745 of the Commission's rules;

It is ordered, This 15th day of April 1957, that the motion is granted, and the hearing now scheduled for April 22, 1957, is continued until June 12, 1957.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] MARY JANE MORRIS,
Secretary.

[F. R. Doc. 57-3246; Filed, Apr. 19, 1957; 8:50 a. m.]

[Docket No. 11971; FCC 57M-361]

MOON ELECTRIC CO.

STATEMENT AND ORDER AFTER PREHEARING CONFERENCE AND CONTINUANCE OF HEARING

In the matter of the application of George Moon, Jr., d/b as Moon Electric Company, Docket No. 11971, File Nos. 477-C2-P-57, 1800-C2-L-57; for authorizations to establish a new station for two-way communications in the Domestic Public Land Mobile Radio Service at Clearwater, Florida (KIJ-357).

A prehearing conference was held on April 15, 1957. The transcript of the conference, when available, will be incorporated by reference.

The hearing now scheduled for May 6, 1957, has been continued to May 28, 1957, to be held at a place to be designated by subsequent order.

So ordered, this 15th day of April 1957.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] MARY JANE MORRIS,
Secretary.

[F. R. Doc. 57-3247; Filed, Apr. 19, 1957; 8:51 a. m.]

[Docket No. 11977; FCC 57M-359]

SOUTHERN BROADCASTING CO. (KCLH)

ORDER SCHEDULING PREHEARING CONFERENCE

In re application of D. R. James, Jr., tr/as Southern Broadcasting Company (KCLH) Camden, Arkansas, Docket No. 11977, File No. BP-10376; for construction permit.

It is ordered, This 15th day of April 1957, that a prehearing conference in the above-entitled matter will be held commencing at 10:00 a. m., April 24, 1957, in the Commission's offices in Washington, D. C.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] MARY JANE MORRIS,
Secretary.

[F. R. Doc. 57-3248; Filed, Apr. 19, 1957; 8:51 a. m.]

[Docket Nos. 11982 etc.; FCC 57M-360]

ENTERPRISE BROADCASTING CO. ET AL.

ORDER SCHEDULING PREHEARING CONFERENCE

In re applications of Enterprise Broadcasting Co., Fresno, California, Docket No. 11982, File No. BP-10319; Amelia Schuler, Lester Eugene Chenault and Bert Williamson, d/b as Radio KYNO, the Voice of Fresno (KONG) Visalia, California, Docket No. 11983, File No. BP-10432; Radio Dinuba Company (KRDU) Dinuba, California, Docket No. 11984, File No. BP-10735; for construction permits.

It is ordered, This 15th day of April 1957, that a prehearing conference in the above-entitled matter will be held commencing at 10:00 a. m., April 29, 1957, in the Commission's offices in Washington, D. C.

FEDERAL COMMUNICATIONS COMMISSION,
[SEAL] MARY JANE MORRIS,
Secretary.

[F. R. Doc. 57-3249; Filed, Apr. 19, 1957; 8:51 a. m.]

FEDERAL POWER COMMISSION

[Docket No. G-9557 etc.]

SUN OIL CO.

NOTICE OF CONTINUANCE OF HEARING

APRIL 15, 1957.

In the matter of Sun Oil Company, Docket Nos. G-9557, G-9647, G-11287, G-11288, G-11354 and G-11513.

Upon consideration of the motion filed April 10, 1957, by Counsel for Sun Oil Company for continuance of the hearing

now scheduled for May 13, 1957, in the above-designated matter;

Notice is hereby given that said hearing is postponed to be held at 10:00 a. m., e. d. s. t., on May 27, 1957, in a hearing room of the Federal Power Commission, 441 G Street NW., Washington, D. C.

[SEAL] JOSEPH H. GUTRIDE, *Secretary.*

[F. R. Doc. 57-3230; Filed, Apr. 19, 1957; 8:48 a. m.]

[Docket No. G-2503 etc.]

TEXAS EASTERN TRANSMISSION CORP. AND TEXAS EASTERN PENN-JERSEY TRANSMISSION CORP.

ORDER FIXING DATE FOR ORAL ARGUMENT, REOPENING RECORD, AND GRANTING AND DENYING REQUESTS TO INCORPORATE ADDITIONAL EVIDENCE INTO RECORD

APRIL 16, 1957.

In the matters of Texas Eastern Transmission Corporation, Docket Nos. G-2503, G-9784, G-9785, G-9786; and Texas Eastern Penn-Jersey Transmission Corporation Docket No. G-9787.

The Chotin Towing Corporation, et al. (Barge Interveners),[1] on February 6, 1957, at the close of the hearing in the above entitled matters, requested oral argument in connection therewith, which request was certified to the Commission by the Trial Examiner on February 11, 1957.

The intermediate decision procedure in the above captioned proceeding has been omitted by our order issued March 11, 1957, after consideration by us of the record, on motion made at the close of the hearing by Texas Eastern Transmission Corporation (Texas Eastern).

Thereafter, on March 26, 1957, the Barge Interveners filed a petition for a rehearing of the Commission's order above referred to omitting the intermediate decision procedure. In relation thereto the Secretary of the Commission rejected on March 29, 1957, said petition for rehearing and in so doing advised counsel for the Barge Interveners that the Commission's rules of practice and procedure does not provide for the filing of said petition.[2]

On April 1, 1957, the Barge Interveners by their counsel filed an appeal from the action of the Secretary of the Commission requesting: (a) That the Commission reverse the action of its Secretary dated March 29, 1957, and proceed to accept and consider the petition for rehearing filed by barge interveners on March 26, 1957, and (b) that in any event the Commission, upon further consideration of its order issued March 11, 1957, reverse that order and direct the Presiding Examiner to file his report containing an initial decision, or if the Commission so orders, containing a recommended decision.

Commission staff counsel on March 22, 1957, filed a petition to reopen the record and receive in evidence as a part thereof certain letters contained in the Commission's files bearing upon national defense planning.

American Pipe Line Corporation (American), an intervener herein, on March 21, 1957, filed a motion to reopen the record and receive "new evidence" relating to its proposed petroleum pipeline project with respect to the transportation of oil.

Barge interveners on April 2, 1957, filed a pleading which was entitled: "Combined Petitions and Responses of Barge Intervenors Pertinent to Subject of Reopening the Record * * *."[3]

The petition of staff counsel to reopen the record has not been opposed by the various parties participating in this proceeding who have expressed any views in that regard.

Motion of American is opposed by staff counsel, Texas Eastern, and Public Service Electric and Gas Company.

Staff counsel's motion refers to a letter written by the Chairman of this Commission to the Honorable Arthur S. Flemming, Director of the Office of Defense Mobilization, and a reply thereto by Mr. Flemming with which answer was enclosed a copy of a letter reflecting the views of the Honorable Fred A. Seaton, Secretary of the Department of Interior, regarding the abandonment of the Little Inch line from gas service and its reconversion and utilization as a carrier of petroleum products.

The motion of American relates to a memorandum issued March 14, 1957, by the Office of Defense Mobilization, entitled "Memorandum of American Pipe Line Corporation's Application for Loan Guarantee" (Release No. 575). The memorandum referred to deals principally with the proposal of American to construct a petroleum pipeline project and the potential conversion by Texas Eastern of the Big Inch pipeline. The matter here for consideration, among other things, is the abandonment of the Little Inch line from gas transportation to its utilization as a carrier of petroleum products, and is not the subject matter of the aforementioned memorandum.

Barge Interveners, by its combined "Petition and Responses", filed April 2, 1957, agree that the data referred to in the petition of staff counsel, namely, the letter of the Secretary of Interior, dated February 16, 1957, and the letter of the Director of Defense Mobilization dated February 21, 1957, should be admitted in evidence, acquiesces in the request that the release issued March 14, 1957, No. 575 over the signature of Mr. Flemming, Director of the Office of Defense Mobilization, referred to in the motion of American, be made a part of the record and in addition the Barge Interveners seek to have incorporated into the record certain monthly reports of the Department of Interior, Office of Oil and Gas, entitled "Summary of Tanker and Barge Commercial Shipments (OCR-1) in Barrels from Gulf Coast" for the months of December 1956, January 1957, and February 1957.

Further, the Barge Interveners seek to have introduced into evidence a tabulation derived from the aforementioned reports designated "Appendix A." Barge Interveners also request opportunity to file a supplementary brief or memorandum in relation to the aforementioned matter.

Texas Eastern on April 9, 1957, filed its answer to the pleading above filed by the Barge Interveners on April 2, and objects to the reopening of the record for the purpose of admitting the monthly reports of the Department of Interior (OCR-1) for the months of December 1956, January 1957, and February 1957. In addition, Texas Eastern is opposed to the request of Barge Interveners for permission to file supplementary briefs. In said answer Texas Eastern also reiterated that it opposes the admission in evidence of the release of the Director of Defense Mobilization dated March 14, 1957, heretofore referred to.

Texas Eastern in its answer filed on April 1, 1957, to the petition of staff counsel to reopen the record, it requests that the petition of staff counsel be granted or, in the event any objection to said petition be filed by any other party to the proceedings, said petition be denied. No objection has been filed.

In the light of the importance of these proceeedings and their relation to a proper administration of the Natural Gas Act, we are of the opinion that oral argument should be had and we will so order and grant such other relief as hereinafter provided. Further, in view of the fact that we are affording opportunity for oral argument before the Commission, we will deny Barge Interveners' request for permission to file supplementary briefs.

The Commission orders:

(A) Oral argument be had before the Commission on May 9, 1957, at 10:00 a. m., e. d. s. t., in a hearing room of the Federal Power Commission, 441 G Street NW., Washington, D. C., concerning the matters involved and the pending issues presented in the above-entitled consolidated proceedings.

(B) Each party to the proceedings desiring to participate in the oral argument shall notify the Secretary of the Commission, on or before April 24, 1957, of such intention and of the amount of time requested for presentation of argument.

(C) The motion of American Pipe Line Corporation, filed on March 21, 1957, be and the same is hereby denied.

(D) The petitions of staff counsel and Barge Interveners to reopen the record for the purpose of receiving additional evidence be and the same are hereby granted.

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[1] Chotin Towing Corporation; Greenville Towing Company, Inc.; The Comet River Company; G. W. Gladders Towing Company, Inc.; Walter G. Houghland, Inc.; Industrial Marine Service, Inc.; Ingram Barge Co.; Lea River Lines, Inc.

[2] See paragraph (e) of § 1.30 and paragraph (a) of § 1.34 of the Commission's rules of practice and procedure.

[3] Consisting of:

(1) Supplement to response to petition of staff counsel.

(2) Acquiescence in petition of American Pipe Line Co.

(3) Petition to include Interior Department reports of barge movement for December 1956 through February 1957.

(4) Application for order permitting supplementary briefs to consider evidence received.

(E) The record in these proceedings be reopened for the limited purpose of receiving into the record the following designated documents contained in the formal files in Docket Nos. G–2503, et al., by reference to the files of the Commission:

(i) The Commission's letter of November 16, 1956, to the Honorable Arthur S. Flemming, and his reply of February 21, 1957, and the enclosure in connection therewith from the Honorable Fred A. Seaton, Secretary of the Department of Interior, dated February 16, 1957.

(ii) Appendix A attached to the petition of Barge Interveners filed April 2, 1957, entitled: "Barge Movements of Clean Petroleum Products from District 3 Origins to Mississippi River Districts 1 and 2 Derived from Attached Reports of Department of Interior for Months of December, 1956-February 1957 Inclusive"; also, three sheets, being the monthly reports of the Department of Interior, Office of Oil and Gas, for December 1956, January 1957, and February 1957, captioned: "Summary of Tanker and Barge Commercial Shipments (OCR–1) in Barrels from Gulf Coast."

(F) The request by Barge Interveners to file supplementary briefs or memorandum in relation to the documents referred to in subparagraph (ii) of paragraph (E) be and the same is hereby denied.

(G) The appeal of the Barge Interveners filed April 1, 1957, from the action of the Secretary of the Commission be and the same is hereby denied, and the action of the Secretary is affirmed.

By the Commission.

[SEAL] JOSEPH H. GUTRIDE, *Secretary.*

[F. R. Doc. 57–3229; Filed, Apr. 19, 1957; 8:48 a. m.]

[Docket Nos. G–11488, G–11549]

M. B. CHASTAIN ET AL.

NOTICE OF APPLICATIONS AND DATE OF HEARING

APRIL 16, 1957.

In the matters of M. B. Chastain, (Operator) et al.,[1] Docket No. G–11488; Texas Gas Transmission Corporation, Docket No. G–11549.

Take notice that M. B. Chastain as operator, an independent producer, with offices at 415 Petroleum Building, Shreveport, Louisiana, filed on November 15, 1956, an application for a certificate of public convenience and necessity, authorizing him to sell natural gas in interstate commerce to Texas Gas Transmission Corporation for resale, pursuant to the provisions of section 7 of the Natural Gas Act, all as more fully described in the application.

On November 29, 1956, Texas Gas Transmission Corporation (Texas Gas) a Delaware corporation, with its principal office at Owensboro, Kentucky, filed an application in Docket No. G–11549, pursuant to section 7 (c) of the Natural Gas Act, authorizing the construction and operation of approximately 9 miles of 8⅝-inch O. D. pipeline extending southwesterly from The Chicago Corporation's gasoline plant located in the Carthage Field, Panola County, Texas, to a point within leasehold of M. B. Chastain, above named. The proposed facilities will enable Texas Gas to take delivery of the natural gas produced by Chastain and the estimated total costs of the said facilities is $295,000, which cost will be financed from company funds.

Both applications are on file with the Commission and open for public inspection.

These matters should be heard on a consolidated record and disposed of as promptly as possible under the applicable rules and regulations and to that end.

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing will be held on May 6, 1957, at 9:30 a. m., e. d. s. t., in a hearing room of the Federal Power Commission, 441 G. Street NW., Washington, D. C., concerning the matters involved in and the issues presented by such applications: *Provided, however,* That the Commission may after a non-contested hearing, dispose of the proceedings pursuant to the provisions of § 1.30 (c) (1) or (2) of the Commission's rules of practice and procedure. Under the procedure herein provided for unless otherwise advised, it will be unnecessary for Applicants to appear or be represented at the hearing.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before April 30, 1957. Failure of any party to appear at and participate in the hearing shall be construed as a waiver of and concurrence in omission herein of the intermediate decision procedure in cases where a request therefor is made.

[SEAL] JOSEPH H. GUTRIDE, *Secretary.*

[F. R. Doc. 57–3231; Filed, Apr. 19, 1957; 8:48 a. m.]

[Docket No. G–12191]

SHELL OIL CO.

NOTICE OF CONTINUANCE OF HEARING

APRIL 15, 1957.

Upon consideration of the motion filed April 11, 1957, by Counsel for Shell Oil Company for continuance of the hearing now scheduled for April 22, 1957, in the above-designated matter;

Notice is hereby given that said hearing is postponed to be held at 10:00 a. m., e. d. s. t., on April 29, 1957, in a hearing room of the Federal Power Commission, 441 G Street NW., Washington, D. C.

[SEAL] JOSEPH H. GUTRIDE, *Secretary.*

[F. R. Doc. 57–3232; Filed, Apr. 19, 1957; 8:48 a. m.]

[Docket No. G–12414]

AMERICAN LOUISIANA PIPE LINE CO.

ORDER SUSPENDING PROPOSED TARIFF CHANGES

APRIL 16, 1957.

On March 18, 1957, American Louisiana Pipe Line Company (American Louisiana) tendered for filing First Revised Sheets Nos. 5 and 6 to its FPC Gas Tariff, Original Volume No. 1. In the tender, American Louisiana proposes a Rate Schedule CD–1 to be effective for sales to its affiliates, Michigan Wisconsin Pipe Line Company and Michigan Consolidated Gas Company. Rate Schedule CD–1 comprises a two-part demand and commodity rate of $2.66 per Mcf (demand) and 29 cents per Mcf (commodity), and a monthly minimum bill equal to the charges for 75 percent load factor use of the contract demand. The tendered filing would be in substitution for American Louisiana's cost-of-service Rate Schedule CS–1, which was prescribed by the Commission in its order issued July 20, 1956, in docket No. G–2306, pursuant to rate conditions contained in the certificate of public convenience and necessity issued to American Louisiana in opinion No. 291 and the accompanying order issued May 7, 1956, and in opinion No. 276 and the accompanying order issued October 1, 1954.[1] American Louisiana tendered the revised tariff sheets in compliance with the filing requirements of section 4 (d) of the Natural Gas Act. An effective date of April 15, 1957, is requested, although statutory notice would require an effective date of April 18, 1957. No reasons were given in support of waiver of any part of the 30-day notice period required by section 4 (d) of the act.

It is noted that the tendered changes in rates are based, among other things, upon year-end balances of plant accounts, adjustments in (1) cost and volume of gas purchased, and (2) other operating expenses, taxes, and depreciation expense. These items have not been shown to be justified, and the tendered changes in rates may be unjust, unreasonable, unduly discriminatory or preferential, or otherwise unlawful. It is appropriate, therefore, that the effectiveness of First Revised Sheets Nos. 5 and 6 to American Louisiana's FPC Gas Tariff, Original Volume No. 1, should be suspended for a period of five months from April 18, 1957.

The Commission finds: (1) It is necessary and proper in the public interest and in aid of the enforcement of the provisions of the Natural Gas Act that the Commission enter upon a hearing, pursuant to the authority contained in sections 4 and 15 of the Natural Gas Act, concerning the lawfulness of the rates, charges, classifications, and services contained in American Louisiana's FPC Gas Tariff, Original Volume No. 1, as pro-

[1] Includes Vincent A. Hughes, John P. Costello and Bennett L. Woolley.

[1] See paragraph (D) (1) of the order accompanying opinion No. 291 In the Matters of American Louisiana Pipe Line Company et al., docket Nos. G–2306, et al., and paragraph (B) (iv) of the order accompanying opinion No. 276 issued October 1, 1954, In the Matters of American Louisiana Pipe Line Company et al., docket Nos. G–2306, et al.

posed to be amended by First Revised Sheets Nos. 5 and 6, and that said proposed revised tariff sheets and the rates and charges contained therein be suspended as hereinafter provided and their use thereof deferred pending hearing and decision herein.

(2) No good cause has been shown for waiver of the 30-day notice requirement provided by section 4 (d) of the act.

The Commission orders:

(A) A public hearing be held at a date to be set by further order concerning the lawfulness of the rates, charges, classifications, and services contained in American Louisiana's FPC Gas Tariff, Original Volume No. 1, as proposed to be amended by First Revised Sheets Nos. 5 and 6.

(B) Pending such hearing and decision thereon, the proposed rates and charges contained in First Revised Sheets Nos. 5 and 6 to American Louisiana's FPC Gas Tariff, Original Volume No. 1, are hereby suspended and their use deferred until September 18, 1957, unless otherwise ordered by the Commission, and until such further time thereafter as they may be made effective in the manner prescribed by the Natural Gas Act.

(C) Request for waiver of the 30-day notice requirement of section 4 (d) of the act is hereby denied.

(D) Interested state commissions may participate as provided by §§ 1.8 and 1.37 (f) (18 CFR 1.8 and 1.37 (f)) of the Commission's rules of practice and procedure.

By the Commission.

[SEAL] JOSEPH H. GUTRIDE, *Secretary.*

[F. R. Doc. 57-3233; Filed, Apr. 19, 1957; 8:48 a. m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 24SF-1830]

BAPAY MINERALS, INC.

ORDER TEMPORARILY SUSPENDING EXEMPTION, STATEMENT OF REASONS THEREFOR, AND NOTICE OF OPPORTUNITY FOR HEARING

APRIL 15, 1957.

I. Bapay Minerals, Inc. (Bapay) a Nevada corporation, Tungstonia, White Pine County, Nevada, filed with the Commission on October 8, 1953, a Notification on Form 1-A and other materials, and subsequently filed an Offering Circular relating to a proposed offering of 800,889 shares of common stock 10 cents par value at 25 cents per share, or $200,222.25 in the aggregate for the purpose of obtaining an exemption from the registration requirements of the Securities Act of 1933, as amended, pursuant to the provisions of section 3 (b) thereof and Regulation A promulgated thereunder; and

II. The Commission having reasonable cause to believe that:

A. The terms and conditions of Regulation A have not been complied with in that:

(1) The offering circular fails to contain a statement of cash receipts and disbursements or income and expense as required by Rule 219 (c) (6) and fails to contain a financial statement of Bapay's condition of the type required by Rule 219 (c) (6); and

(2) Bapay has failed to file reports on Form 2-A as required by Rule 224; and

B. The offering circular contains untrue statements of material facts and omits to state material facts necessary in order to make the statements made in the light of the circumstances under which they are made, not misleading concerning, among other things:

(1) The quantity, quality and value of ore to be found on Bapay's leased properties; and

(2) The financial condition of Bapay in that the financial statement contains extensions for dollar amounts for non-cash transactions notwithstanding that Bapay as of the date of the statement and the date of the offering circular was an industrial or extractive company in the promotional, exploratory or development state; and

C. The offering would be made in such a manner as to operate as a fraud or deceit upon the purchasers in that use would be made of an offering circular which contains false and misleading statements as specified hereinabove and which fails to contain the required financial statements and which fails to disclose that Bapay failed to make certain payments as required by certain contracts under which it was acquiring its properties and thereby or otherwise lost its properties.

III. *It is ordered*, Pursuant to Rule 223 (a) of the general rules and regulations under the Securities Act of 1933, as amended, that the exemption under Regulation A be, and it hereby is, temporarily suspended.

Notice is hereby given, that any persons having any interest in the matter may file with the Secretary of the Commission a written request for hearing; that, within 20 days after receipt of such request, the Commission will, or at any time upon its own motion may, set the matter down for hearing at a place designated by the Commission for the purpose of determining whether this order of suspension should be vacated or made permanent, without prejudice, however, to the consideration and presentation of additional matters at the hearing; and that notice of the time and place of said hearing will be promptly given by the Commission.

By the Commission.

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

[F. R. Doc. 57-3220; Filed, Apr. 19, 1957; 8:46 a. m.]

[File No. 24D-1652]

MACK-LANG URANIUM CORP.

ORDER TEMPORARILY SUSPENDING EXEMPTION, STATEMENT OF REASONS THEREFOR, AND NOTICE OF OPPORTUNITY FOR HEARING

APRIL 15, 1957.

I. Mack-Lang Uranium Corporation ("Mack-Lang"), a Delaware corporation, 340 Lincoln Street, Lander, Wyoming, filed with the Commission on March 29, 1955, a notification on Form 1-A and offering circular, and subsequently filed various amendments thereto, relating to an offering of 300,000 shares of $1.00 par value common stock at $1.00 per share for an aggregate of $300,000 for the purpose of obtaining an exemption from the registration requirements of the Securities Act of 1933, as amended, pursuant to the provisions of section 3 (b) thereof and Regulation A promulgated thereunder; and

II. The Commission having reasonable cause to believe that:

A. The terms and conditions of Regulation A have not been complied with, in that:

(1) The aggregate offering price of all securities required to be included in the computation under Rule 217 (a) exceeds $300,000;

(2) The notification failed to contain the information required by Item 3 with respect to unregistered securities of the issuer sold on its behalf and on the behalf of its affiliates within one year prior to the date of the filing of the notification; and

(3) Mack-Lang has failed to file reports on Form 2-A as required by Rule 224; and

B. The notification and offering circular contain untrue statements of material facts and omit to state material facts necesary in order to make the statements made not misleading, concerning, among other things:

(1) The stock of Mack-Lang owned by its promoters, organizers and affiliates;

(2) The intentions of the promoters, organizers and affiliates with respect to the distribution of the stock of Mack-Lang which they had received; and

(3) The interests and investments of the promoters, organizers and affiliates in Mack-Lang; and

C. The use of the offering circular would operate as fraud and deceit upon the purchasers in that, among other things, the offering circular contains false and misleading statements as specified hereinabove and fails to disclose the nature and status of certain material litigation in which Mack-Lang is a defendant and in which a judgment is sought against Mack-Lang for a material amount.

III. *It is ordered*, Pursuant to Rule 223 (a) of the general rules and regulations under the Securities Act of 1933, as amended, that the exemption under Regulation A be, and it hereby is, temporarily suspended.

Notice is hereby given that any person having any interest in the matter may file with the Secretary of the Commission a written request for a hearing; that, within 20 days after receipt of such request, the Commision will, or at any time upon its own motion may, set the matter down for hearing at a place to be designated by the Commission for the purpose of determining whether this order of suspension should be vacated or made permanent, without prejudice, however, to the consideration and presentation of additional matters at the hearing; and that notice of the time and

place of said hearing will be promptly given by the Commission.

By the Commission.

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

[F. R. Doc. 57-3221; Filed, Apr. 19, 1957; 8:46 a. m.]

[File No. 70-3580]

NATIONAL FUEL GAS CO. ET AL.

NOTICE OF PROPOSED ISSUE AND SALE OF PRINCIPAL AMOUNT OF DEBENTURES; PROPOSED BANK BORROWINGS AND PROPOSED ISSUE AND SALE OF INSTALLMENT NOTES

APRIL 15, 1957.

In the matter of National Fuel Gas Company, Iroquois Gas Corporation, United Natural Gas Company, Pennsylvania Gas Company (File No. 70-3580).

Notice is hereby given that National Fuel Gas Company ("National"), a registered holding company, and its gas utility-company subsidiaries Iroquois Gas Corporation ("Iroquois"), United Natural Gas Company ("United"), and Pennsylvania Gas Company ("Pennsylvania"), have filed with this Commission a joint application-declaration pursuant to the Public Utility Holding Company Act of 1935 ("act"), designating sections 6 (a), 7, 9 (a), 10, 12 (b), and 12 (f) thereof and Rules U-43, U-45, and U-50 promulgated thereunder as applicable to the proposed transactions.

It is stated that National has outstanding notes payable to The Chase Manhattan Bank ("Chase Bank") amounting to $11,100,000 and maturing July 15, 1957; that Iroquois, United, and Pennsylvania have substantial expansion programs for 1957, involving the construction of plant facilities at an estimated cost of $11,819,000, and the purchase of inventory gas for underground storage at an estimated cost of $2,100,000; that Iroquois also has promissory notes due in 1957 aggregating $1,136,794, which it proposes to pay.

To provide the new money required for these financial needs, the following transactions are proposed:

Transaction No. 1. National proposes to sell to the public through competitive bidding, pursuant to Rule U-50, $15,000,000 principal amount of its Sinking Fund Debentures due 1982, dated June 1, 1957. The interest rate on the Debentures (which shall be a multiple of ⅛ of 1 percent) and the price (exclusive of accrued interest) to be paid for the Debentures (which shall be not less than the principal amount nor more than 102¾ percent thereof) will be fixed by the bidding.

Part of the net proceeds from the sale of the Debentures will be used to retire National's present indebtedness of $11,100,000 to Chase Bank; the balance will be added to the general funds of the company for purposes hereinafter stated.

Transaction No. 2. National has entered into a Credit Agreement with Chase Bank dated March 15, 1957 which provides that, subject to the approval of this Commission, the Chase Bank agrees to make loans to National up to an aggegate amount of $10,000,000 from July 1, 1957 to and including December 31, 1957.

Each loan will be made against delivery to Chase Bank of one of National's promissory notes, maturing on July 15, 1959, with interest at the bank's prime commercial rate currently in force on the date of the issue of each such note.

National reserves the right to prepay any note in whole at any time, or in part from time to time, without penalty, provided that if any such prepayment results directly or indirectly from the proceeds of, or in anticipation of, any bank borrowing other than from Chase Bank, National will pay at the same time a premium of ½ of 1 percent on the principal sum so prepaid.

Transaction No. 3. Iroquois proposes to issue and sell to National, from time to time during 1957, promissory notes aggregating in principal amount not to exceed $8,800,000. Such notes will be unsecured, and each will be in the principal amount of $400,000. The first note will mature March 1, 1961, and each succeeding note will mature on March 1 of the calendar year following the maturity date of the next prior note in the series. The notes will bear interest at the coupon rate of National's aforesaid Debentures, payable semi-annually on March 1 and September 1 of each year until paid in full.

Iroquois proposes to use the net proceeds, together with funds available from current operations, to make needed additions to its utility plant during 1957 estimated to cost $7,500,000, to purchase additional gas for underground storage, and to discharge short-term bank borrowings due in 1957.

Transaction No. 4. United proposes to issue and sell to National, from time to time during 1957, promissory notes aggregating in principal amount not to exceed $2,000,000. Such notes will be unsecured, and each will be in the principal amount of $100,000. The other terms of these notes will be the same as in Transaction No. 3.

United proposes to use the net proceeds, together with funds available from current operations, to make needed additions to its utility plant during 1957, estimated to cost $1,905,000, and to purchase additional gas for underground storage.

Transaction No. 5. Pennsylvania proposes to issue and sell to National, from time to time during 1957, promissory notes aggregating in principal amount not to exceed $3,000,000. Such notes will be unsecured and each will be in the principal amount of $150,000. The other terms of these notes will be the same as in Transaction No. 3.

Pennsylvania proposes to use the net proceeds, together with funds available from current operations, to make needed additions to its utility plant during 1957, estimated to cost $2,414,000, and to purchase additional gas for underground storage.

It is stated that Iroquois must obtain an order of approval from the Public Service Commission of New York as to Transaction No. 3, and that United and Pennsylvania must obtain orders of approval from the Pennsylvania Public Utility Commission as to Transactions Nos. 4 and 5. The applicable State commission orders will be filed by amendment.

National estimates its fees and expenses in connection with its proposed Debenture issue (Transaction No. 1) as follows:

Federal Stamp Tax	$16,500
Filing fee, this Commission	1,541
Fees of trustee	7,500
Fees of counsel:	
Stryker, Tams and Hunter	5,250
Kenefick, Letchworth, Baldy, Phillips, and Emblidge	250
Gifford, Graham, MacDonald, and Illig	750
Frampton and Courtney	250
Auditor's fees (Price, Waterhouse, and Co.)	3,000
Fee of Ralph E. Davis, engineer	10,000
Printing and engraving	17,000
Charges of Ebasco Services, Inc.	3,500
Miscellaneous	4,459
Total	70,000

The fee of Cahill, Gordon, Reindel, and Ohl, counsel for the underwriter, is estimated at $7,500.

The fees and expenses in connection with Transactions Nos. 2-5 are estimated as follows:

	National	Iroquois	United	Pennsylvania	Total
Filing fee	-------	$1,280	$10	$10	$1,300
Fees and expenses of counsel [1]	$1,000	1,200	500	500	3,200
Expenses	1,000	1,900	500	500	3,900
	2,000	4,380	1,010	1,010	8,400

[1] National—Stryker, Tams, and Horner. Iroquois—Kenefick, Letchworth, Baldy, Phillips and Emblidge. United and Pennsylvania—Gifford, Graham, Macdonald, and Illig.

Notice is further given that any interested person may, not later than May 1, 1957 at 5:30 p. m., request in writing that a hearing be held on such matter, stating the nature of his interest, the reasons for such request, and the issues of fact or law, if any, raised by said application-declaration which he desires to controvert; or he may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington 25, D. C. At any time after said date the application-declaration, as filed or as amended, may be granted and permitted to become effective, in whole or in part, as provided in Rule U-23 of the rules and regulations promulgated under the act, or the Commission may exempt such transactions, or any of them, as provided in Rules U-20 (a) and U-100 thereof.

By the Commission.

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

[F. R. Doc. 57-3222; Filed, Apr. 19, 1957; 8:47 a. m.]

DEPARTMENT OF JUSTICE

Office of Alien Property

FERDINANDO BORDONI

NOTICE OF INTENTION TO RETURN VESTED PROPERTY

Pursuant to section 32 (f) of the Trading With the Enemy Act, as amended, notice is hereby given of intention to return, on or after 30 days from the date of publication hereof, the following property located in Washington, D. C., including all royalties accrued thereunder and all damages and profits recoverable for past infringement thereof, after adequate provision for taxes and conservatory expenses:

Claimant, Claim No., and Property

Ferdinando Bordoni, Rome, Italy, Claim No. 44916; Vesting Order No. 201; property described in Vesting Order No. 201 (8 F. R. 625, January 16, 1943) relating to United States Letters Patent No. 1,921,805.

Executed at Washington, D. C., on April 15, 1957.

For the Attorney General.

[SEAL] DALLAS S. TOWNSEND,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 57-3235; Filed, Apr. 19, 1957; 8:49 a. m.]

HANS BRODBECK

NOTICE OF INTENTION TO RETURN VESTED PROPERTY

Pursuant to section 32 (f) of the Trading With the Enemy Act, as amended, notice is hereby given of intention to return, on or after 30 days from the date of publication hereof, the following property, subject to any increase or decrease resulting from the administration thereof prior to return, and after adequate provision for taxes and conservatory expenses:

Claimant, Claim No., Property, and Location

Hans Brodbeck, Schibiweg 4, Lucerne, Switzerland, Claim No. 60283; Vesting Order No. 17903; $179.00 in the Treasury of the United States.

Executed at Washington, D. C., on April 15, 1957.

For the Attorney General.

[SEAL] DALLAS S. TOWNSEND,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 57-3236; Filed, Apr. 19, 1957; 8:49 a. m.]

ANNA SEIDEL-ZIEGLER

NOTICE OF INTENTION TO RETURN VESTED PROPERTY

Pursuant to section 32 (f) of the Trading With the Enemy Act, as amended, notice is hereby given of intention to return, on or after 30 days from the date of publication hereof, the following property, subject to any increase or decrease resulting from the administration thereof prior to return, and after adequate provision for taxes and conservatory expenses:

Claimant, Claim No., Property, and Location

Anna Seidel-Ziegler, Vienna, Austria, Claim No. 61399; Vesting Order No. 17128; $2,800—Kingdom of the Serbs, Croats and Slovenes, National External Gold Loan of 1922, 40 year, 8% Secured External Gold Bonds, due May 1, 1962, with November 1, 1939 and subsequent coupons attached, evidenced by Certificate Nos.: 13565 and 2265 @ $1,000 each, 270 @ $500, and 990, 995 and 73 @ $100 each.

The above certificates are presently in the custody of the Federal Reserve Bank, New York.

Executed at Washington, D. C., on April 15, 1957.

For the Attorney General.

[SEAL] DALLAS S. TOWNSEND,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 57-3238; Filed, Apr. 19, 1957; 8:49 a. m.]

ALICE FOEHR

REVOCATION OF NOTICE OF INTENTION TO RETURN VESTED PROPERTY

It appearing that claimant, Alice Foehr, Claim 39388, has died, the Notice of Intention to Return Vested Property published in that matter August 4, 1956, 21 F. R. 5859, is hereby revoked.

Claimant, Claim No., and Property

Alice Foehr, Stuttgart, Germany, Claim No. 39388; cash in the Treasury of the United States: $5,000.00.

Executed at Washington, D. C. on April 15, 1957.

For the Attorney General.

[SEAL] DALLAS S. TOWNSEND,
Assistant Attorney General,
Director, Officer of Alien Property.

[F. R. Doc. 57-3239; Filed, Apr. 19, 1957; 8:49 a. m.]

DEPARTMENT OF AGRICULTURE

Commodity Stabilization Service

UPLAND COTTON

NOTICE OF FURTHER REDELEGATION OF FINAL AUTHORITY BY ALABAMA AGRICULTURAL STABILIZATION AND CONSERVATION STATE COMMITTEE

Section 722.829 (c) of the regulations pertaining to acreage allotments for the 1957 crop of upland cotton (21 F. R. 7817) provides that any authority delegated to a State Agricultural Stabilization and Conservation Committee by the regulations in §§ 722.817 to 722.829 (b) may be redelegated by the State committee. In accordance with section 3 (a) (1) of the Administrative Procedure Act (60 Stat. 238; 5 U. S. C. 1002) which requires that delegations of final authority be published in the FEDERAL REGISTER, there are set forth herein the redelegations of final authority made by the Alabama Agricultural Stabilization and Conservation State Committee in addition to the redelegations previously published in the FEDERAL REGISTER (22 F. R. 127) which remain in effect. Shown below are the sections of the regulations in which such authority appears and the persons, designated by name, to whom such authority has been redelegated.

ALABAMA

Section 722.829 (b)—Fred M. Acuff; J. A. Jones.

Issued at Washington, D. C., this 16th day of April 1957.

[SEAL] CLARENCE L. MILLER,
Associate Administrator.

[F. R. Doc. 57-3258; Filed, Apr. 19, 1957; 8:53 a. m.]

Rural Electrification Administration

[Administrative Order T-1024]

MISSOURI

AMENDMENT TO LOAN ANNOUNCEMENT

MARCH 27, 1957.

I hereby amend: (a) Administrative Order No. T-666, dated August 24, 1955, by rescinding the loan of $270,000 therein made for "Golden City Telephone Company—Missouri 504-A Golden City."

[SEAL] DAVID A. HAMIL,
Administrator.

[F. R. Doc. 57-3192; Filed, Apr. 18, 1957; 8:53 a. m.]

[Administrative Order T-1025]

KANSAS

LOAN ANNOUNCEMENT

MARCH 27, 1957.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation:	*Amount*
W. E. G. Dial Telephone, Inc., Kansas 513-D W. E. G	$450,000

[SEAL] DAVID A. HAMIL,
Administrator.

[F. R. Doc. 57-3193; Filed, Apr. 18, 1957; 8:53 a. m.]

[Administrative Order T-1026]

TEXAS

LOAN ANNOUNCEMENT

MARCH 27, 1957.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation:	*Amount*
Garrison Telephone Company, Inc., Texas 604-B West Columbia	$50,000

[SEAL] DAVID A. HAMIL,
Administrator.

[F. R. Doc. 57-3194; Filed, Apr. 18, 1957; 8:53 a. m.]

[Administrative Order T-1027]

KENTUCKY

LOAN ANNOUNCEMENT

MARCH 28, 1957.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation:	Amount
Thacker-Grigsby Telephone Company, Incorporated, Kentucky 536-A Hindman	[1] $467,000

[1] Simultaneous allocation and loan.

[SEAL] FRED H. STRONG,
Acting Administrator.

[F. R. Doc. 57-3195; Filed, Apr. 18, 1957; 8:53 a. m.]

[Administrative Order T-1028]

ALABAMA

LOAN ANNOUNCEMENT

MARCH 28, 1957.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation:	Amount
Union Springs Telephone Company, Inc., Alabama 536-A Union Springs	[1] $372,000

[1] Simultaneous allocation and loan.

[SEAL] FRED H. STRONG,
Acting Administrator.

[F. R. Doc. 57-3196; Filed, Apr. 18, 1957; 8:53 a. m.]

[Administrative Order T-1029]

TEXAS

LOAN ANNOUNCEMENT

MARCH 28, 1957.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation:	Amount
Romain Telephone Company, Inc., Texas 583-B Plains	$53,000

[SEAL] FRED H. STRONG,
Acting Administrator.

[F. R. Doc. 57-3197; Filed, Apr. 18, 1957; 8:53 a. m.]

[Administrative Order T-1030]

OREGON

LOAN ANNOUNCEMENT

MARCH 29, 1957.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation:	Amount
Fossil Telephone Exchange, Oregon 517-B Fossil	$29,000

[SEAL] FRED H. STRONG,
Acting Administrator.

[F. R. Doc. 57-3198; Filed, Apr. 18, 1957; 8:54 a. m.]

INTERSTATE COMMERCE COMMISSION

FOURTH SECTION APPLICATIONS FOR RELIEF

APRIL 17, 1957.

Protests to the granting of an application must be prepared in accordance with Rule 40 of the general rules of practice (49 CFR 1.40) and filed within 15 days from the date of publication of this notice in the FEDERAL REGISTER.

LONG-AND-SHORT HAUL

FSA No. 33576: *Cement from, to and between points in W. T. L. and S. W. territories.* Filed by W. J. Prueter, Agent, for interested rail carriers. Rates on cement, concrete mixture and dry building mortar, straight or mixed carloads from points in western trunk line territory to points in southwestern territory, and between points in western trunk line territory and points in southwestern territory.

Grounds for relief: Short-line distance formula and circuitous routes.

Tariff: Agent Prueter's tariff I. C. C. A-4188.

FSA No. 33577: *Cement between points in Illinois territory.* Filed by W. J. Prueter, Agent, for interested rail carriers. Rates on cement, hydraulic, natural or portland, masonry or mortar; concrete mixture, dry, consisting of cement, sand or gravel aggregate; and dry mortar, straight or mixed carloads between points in Illinois, Indiana, Iowa, Kentucky, Missouri, and Wisconsin included in Illinois territory.

Grounds for relief: Short-line distance formula and circuitous routes.

Tariffs: Agent W. J. Prueter's tariff I. C. C. A-4188 and supplement 1 thereto.

FSA No. 33578: *Cement—Milwaukee, Wis., to Illinois territory.* Filed by W. J. Prueter, Agent, for interested rail carriers. Rates on cement, masonry or mortar, straight carloads; cement, hydraulic, natural or portland, carloads; and cement, hydraulic masonry mortar, natural or portland, mixed carloads from Milwaukee, Wis., and points grouped therewith to destinations in Illinois territory within 240 miles from point of origin.

Grounds for relief: Short-line distance formula and circuitous routes.

Tariffs: Agent Prueter's tariff I. C. C. A-4188 and supplement 1 thereto.

FSA No. 33579: *Sulphuric acid—El Dorado, Ark., to Texas City, Tex.* Filed by F. C. Kratzmeir, Agent, for interested rail carriers. Rates on sulphuric acid, tank-car loads from El Dorado, Ark., to Texas City, Tex.

Grounds for relief: Circuitous routes.

Tariff: Supplement 192 to Agent Kratzmeir's tariff I. C. C. 4115.

FSA No. 33580: *Cotton—Helena, Ark., to Memphis, Tenn., and West Memphis, Ark.* Filed by F. C. Kratzmeir, Agent, for interested rail carriers. Rates on cotton, carload from Helena, Ark., to Memphis, Tenn., and West Memphis, Ark.

Grounds for relief: Competition with Lexa, Ark., and circuity.

Tariff: Supplement 117 to Agent Kratzmeir's tariff I. C. C. 4014.

FSA No. 33581: *Iron and steel articles—Missouri City. Tex., to the South.* Filed by F. C. Kratzmeir, Agent, for interested rail carriers. Rates on iron and steel articles, carloads from Missouri City, Tex., to specified points in southern states.

Grounds for relief: Short-line distance formula and circuitous routes.

Tariff: Supplement 108 to Agent Kratzmeir's tariff I. C. C. 4170.

FSA No. 33582: *Nitric acid—Arkansas and Louisiana points to St. Louis, Mo., and East St. Louis, Ill.* Filed by F. C. Kratzmeir, Agent, for interested rail carriers. Rates on nitric acid, tank-car loads from El Dorado, Ark., Boutte, Luling, Sterlington, Lake Charles, and West Lake Charles, La., to St. Louis, Mo., and East St. Louis, Ill.

Grounds for relief: Circuitous routes.

Tariffs: Supplement 61 to Agent Kratzmeir's tariff I. C. C. 4187. Supplement 213 to Agent Kratzmeir's tariff I. C. C. 4087.

FSA No. 33583: *Cement—Minnesota and Wisconsin to Iowa, Minnesota and North Dakota.* Filed by Great Northern Railway Company, for itself and on behalf of The Duluth, Missabe and Iron Range Railway Company. Rates on cement (hydraulic masonry, mortar, natural or portland), straight or mixed carloads from Duluth, Minneapolis, Minn., Minnesota Transfer, St. Paul and Steelton (Duluth), Minn., and Superior, Wis., to specified points on the Great Northern Railway in Iowa, Minnesota, and South Dakota.

Grounds for relief: Short-line distance formula, motor truck competition and circuitous routes.

Tariff: Supplement 1 to Great Northern Railway Company's tariff I. C. C. A-8871.

By the Commission.

[SEAL] HAROLD D. MCCOY,
Secretary.

[F. R. Doc. 57-3217; Filed, Apr. 19, 1957; 8:46 a. m.]