FEDERAL REGISTER

VOLUME 7 NUMBER 47

Washington, Tuesday, March 10, 1942

The President

EXECUTIVE ORDER

PRESCRIBING REGULATIONS CONCERNING CIVILIAN DEFENSE

By virtue of the authority vested in me by the act entitled "An Act to provide protection of persons and property from bombing attacks in the United States, and for other purposes", approved January 27, 1942, and as President of the United States and Commander in Chief of the Army and Navy, I hereby prescribe the following regulations concerning civilian defense:

1. Such funds as may be available to enable the Director of Civilian Defense to carry out the provisions of the aforementioned act of January 27, 1942, shall be used only for acquiring facilities, equipment and supplies necessary to provide for the adequate protection of persons and property from bombing attacks, sabotage and other war hazards in the United States, its territories and possessions; for providing services necessary to facilitate effective use of all such facilities, equipment and supplies; for defraying expenses of procurement (including research and development), inspection, transportation, storage, maintenance, protection, distribution, recovery and return of facilities, equipment and supplies; and for accounting and administration with respect to such facilities, equipment and supplies, services and expenses.

2. The Director of Civilian Defense from time to time within the limitations of such funds as may be available to the Office of Civilian Defense shall determine the general types and respective quantities of equipment which he shall deem necessary and desirable to be purchased. In making such determinations, the Director shall be afforded the advice and assistance of the War Department and may make use of any other technical assistance, studies, reports or information which may be available to him.

3. The Director of Civilian Defense shall notify the Secretary of War, or such chiefs of services, bureaus or divisions of the War Department as the Secretary may direct, of each determination by the Director of the necessity of and desirability for the purchase of equipment in accordance with paragraph 2 of this order. The War Department shall thereupon undertake all steps necessary for the procurement as promptly as possible of equipment of the type and in the quantity specified by the Director of Civilian Defense.

4. In connection with the procurement of items of equipment for the Office of Civilian Defense the War Department shall undertake all necessary research, development and standardization of such equipment; shall contract for the purchase of such equipment; shall conduct all necessary inspections during and upon completion of manufacture or assembly; and shall see that all equipment conforms to specifications prior to acceptance.

5. The War Department shall keep the Director of Civilian Defense informed of specific items of equipment being procured and of the approximate or probable dates for delivery thereof, and the Director of Civilian Defense shall furnish to the War Department timely instructions as to the place or places at which such equipment shall be delivered to the Office of Civilian Defense or upon its order. The War Department shall make all necessary and appropriate arrangements for the shipment of such equipment to the place or places so designated and shall be responsible for such equipment until delivery at such place or places. Thereafter the Office of Civilian Defense shall be responsible for such equipment, including its storage, maintenance, protection, issue and distribution.

6. There shall be made available to the War Department, from time to time, within the limitations of such funds as may be available to the Office of Civilian Defense, sufficient funds to cover all proper expenses incurred by the War Department in pursuance of this order, including costs of research, development, procurement, inspection, transportation, and furnishing of facilities and services. The War Department shall have au-

CONTENTS

THE PRESIDENT

RULES, REGULATIONS, ORDERS

(Continued on next page)

FEDERAL REGISTER

Published daily, except Sundays, Mondays, and days following legal holidays by the Division of the Federal Register, The National Archives, pursuant to the authority contained in the Federal Register Act, approved July 26, 1935 (49 Stat. 500), under regulations prescribed by the Administrative Committee, approved by the President.

The Administrative Committee consists of the Archivist or Acting Archivist, an officer of the Department of Justice designated by the Attorney General, and the Public Printer or Acting Public Printer.

The daily issue of the FEDERAL REGISTER will be furnished by mail to subscribers, free of postage, for $1.25 per month or $12.50 per year; single copies 10 cents each; payable in advance. Remit money order payable to the Superintendent of Documents directly to the Government Printing Office, Washington, D. C.

CONTENTS—Continued

CONTENTS—Continued

NOTICES

CONTENTS—Continued

thority to pay all such expenses out of the funds so made available to it. The War Department shall keep the Office of Civilian Defense informed from time to time of all expenditures made from, and obligations incurred against, the funds so made available to it.

7. In addition to facilities, equipment and supplies provided for the Office of Civilian Defense through the War Department as hereinbefore authorized, the Director of Civilian Defense may accept equipment or supplies transferred from any other department or agency of the Federal Government in conformity with applicable law, and may accept donations of, or may borrow or lease facilities equipment or supplies from, states, municipalities or other political subdivisions, or from private individuals or corporations. The Office of Civilian Defense shall maintain at all times full and accurate records of all property received by it and of the disposition thereof. The Director of Civilian Defense shall make adequate arrangements for the storage, maintenance and protection of all equipment, facilities and supplies of the Office of Civilian Defense in its possession.

8. Within the limitations of such funds as may be available to the Office of Civilian Defense, the Director may arrange with other public or private agencies for such research or development work, in addition to that of the War Department in connection with the procurement of equipment, as he may deem advisable in order better to provide for the adequate protection of persons and property from bombing attacks, sabotage or other war hazards.

9. The Director of Civilian Defense shall make available the facilities, sup-

plies, and services of the Office of Civilian Defense in such localities in the United States, its territories and possessions as he shall determine to be in need of, but unable to provide, adequate protection of persons and property from bombing attacks, sabotage or other war hazards. The Director shall have full discretionary authority from time to time (a) to define localities on the basis of existing political subdivisions or on such other bases as he may deem appropriate in view of areas of population density, the location of vital war activities, or other factors giving rise to particular risks from bombing attacks, sabotage or other war hazards, (b) to allocate, under such priorities as he may establish facilities, supplies and services to or among localities in need of, but unable to provide, adequate protection of persons and property from bombing attacks, sabotage or other war hazards, and (c) to recall any facilities or supplies, or discontinue any services so allocated to any locality. In allocating facilities, supplies or services to any particular locality the Director may rely upon certificates of duly constituted civil authorities of any state, territory, municipality or other political subdivision comprising or situated within such locality, setting forth the particular facilities, supplies or services which such state, territory, municipality or other political subdivision is unable to provide for the protection of persons and property from bombing attacks, sabotage, or other war hazards.

10. All equipment, facilities and supplies which shall at any time be provided by the Director of Civilian Defense for any locality shall be at the disposition of the United States Government, and the United States Government shall retain in full its rights in such property as owner, lessee or borrower, as the case may be. To such extent as may be practicable, all such property shall be clearly and distinctly marked as the property of, or property under the control of, the United States Government, Office of Civilian Defense. It shall be the duty of the Director of Civilian Defense to report to the Attorney General for appropriate prosecution under the applicable provisions of the Federal Criminal Code any theft, unlawful use, injury to or depredation committed against any such property.

11. The equipment, facilities and supplies of, or under the control of, the Office of Civilian Defense shall be made available in any locality only by loan to duly constituted civil authorities of any state, territory, municipality or other political subdivision comprising or situated within such locality, and any such authority may distribute the same to responsible and qualified individuals or organizations, in accordance with regulations issued by the Director of Civilian Defense; provided that it shall be a condition of all such loans that the civil authority to which each loan is made shall give assurance to the Director that the property loaned shall be adequately protected and maintained, that it shall not be used otherwise than for the protection of persons or property from bombing attacks, sabotage or other war hazards or for training or instruction incidental to such use, and that such property unless lost, destroyed or consumed in the course of such use shall be returned to the United States Government at any time upon order of, or pursuant to rules or regulations prescribed by, the Director of Civilian Defense.

12. The Director of Civilian Defense may prescribe insignia, arm bands and other distinctive articles which may be worn by persons engaged in civilian defense activities and may establish rules and regulations for the wearing thereof. The wearing of any such insignia, arm band or other distinctive article otherwise than in accordance with such rules or regulations by any person having knowledge thereof shall subject such person to the penalties provided in section 2 of the act of January 27, 1942.

13. The Director of Civilian Defense may make and issue such rules, regulations and orders, may prescribe and adopt such forms, and may make and enter into such agreements, leases and arrangements, not inconsistent with the act of January 27, 1942, the terms of any appropriations thereunder, and the regulations prescribed in this order, as he may deem necessary or desirable to carry out the purposes of such act. The Director may exercise any of the powers or duties conferred upon him by this order or by the act of January 27, 1942, through any responsible person in the employ of the Office of Civilian Defense that he may designate.

14. All purchases and contracts for supplies or services made pursuant to this order shall be exempt from the requirements of section 3709 of the Revised Statutes to the extent permitted by law.

FRANKLIN D ROOSEVELT

THE WHITE HOUSE,
March 6, 1942.

[No. 9088]

[F. R. Doc. 42-1982; Filed, March 6, 1942; 3:34 p. m.]

EXECUTIVE ORDER

PRESCRIBING REGULATIONS GOVERNING THE USE, CONTROL, AND CLOSING OF STATIONS AND FACILITIES FOR WIRE COMMUNICATIONS

WHEREAS section 606 (d) of the Communications Act of 1934 (48 Stat. 1104; U.S.C., title 47, sec. 606), as amended by the act of January 26, 1942, Public Law 413, 77th Congress, provides, in part, as follows:

> Upon proclamation by the President that there exists a state or threat of war involving the United States, the President, if he deems it necessary in the interest of the national security and defense, may, during the period ending not later than six months after the termination of such state or threat of war and not later than such earlier date as the Congress by concurrent resolution may designate * * * (2) cause the closing of any facility or station for wire communication and the removal therefrom of its apparatus and equipment, or (3) authorize the use or control of any such facility or station and its apparatus and equipment by any department of the Government under such regulations as he may prescribe, upon just compensation to the owners.

WHEREAS the United States is now at war with the Empire of Japan, Germany, and Italy; and

WHEREAS it is necessary in the interest of the national security and defense, and for the successful prosecution of the war, that the Government of the United States take over, use, and operate certain facilities for wire communication, or parts thereof, within the jurisdiction of the United States, and inspect, supervise, control, or close certain facilities for wire communication, or parts thereof, within the jurisdiction of the United States:

NOW, THEREFORE, by virtue of the authority vested in me by the aforementioned section 606 (d), as amended, of the Communications Act of 1934, and as President of the United States, it is hereby ordered that from and after this date the Defense Communications Board (hereinafter referred to as the Board) created by Executive Order No. 8546 [1] of September 24, 1940, shall exercise the power and authority vested in me by section 606 (d) of the said Communications Act of 1934, as amended, pursuant to and under the following regulations:

1. The Board shall determine and prepare plans for the allocation of such portions of governmental and non-governmental wire facilities as may be required to meet the needs of the armed forces, due consideration being given to the needs of other governmental agencies, of industry, and of other civilian activities.

2. The Board shall, if the national security and defense and the successful conduct of the war so demand, designate specific facilities for wire communication or portions thereof for the use, control, supervision, inspection or closure by the Department of War, Department of Navy or other agency of the United States Government.

3. The Board shall, if the national security and defense and the successful conduct of the war so demand, prescribe classes and types of facilities for wire communication or portions thereof which shall be subject to use, control, supervision, inspection or closure, in accordance with such prescription, by the Department of War, Department of Navy or other agency of the United States Government designated by the Board.

4. Every department and independent agency of the Government shall submit to the Defense Communications Board, at such time and in such manner as the Board may prescribe, full information with respect to all use made or proposed to be made of any facility for wire communication and of any supervision, control, inspection or closure which has been or is proposed to be effected pursuant to paragraph 3 hereof.

5. No facility for wire communication shall be taken over and operated in whole or in part or subjected to governmental supervision, control or closure unless such action is essential to national de-

[1] 5 F.R. 3817.

fense and security and the successful conduct of the war. So far as possible, action taken pursuant to this Order shall not interfere with the procurement needs of civilian governmental agencies, the normal functioning of industry or the maintenance of civilian morale.

6. Until and except so far as said Board shall otherwise provide, the owners, managers, boards of directors, receivers, officers and employees engaged in wire communication shall continue the operation thereof in the usual and ordinary course of business, in the names of their respective companies, associations, organizations, owners or managers, as the case may be.

7. The head of any department or agency which uses or controls any facility for wire communication pursuant to the terms of this Order shall ascertain the just compensation for the use or control of such facility and recommend such just compensation in each such case to the President for approval and action by him in accordance with the provisions of subsection (e) of Section 606, as amended, of the Communications Act of 1934.

8. By subsequent order of the Board, the use, control, or supervision of any facility for wire communication or class or type thereof assumed under the provisions of this Order may be relinquished in whole or in part to the owners thereof and any restrictions placed on any station or facility for wire communication pursuant hereto may be removed in whole or in part.

9. All terms herein used shall have the meanings ascribed to such terms in Section 3, as amended, of the Communications Act of 1934.

10. All regulations of general applicability issued by the Secretary of War, the Secretary of the Navy, or any other governmental agency under these Presidential regulations shall be published in the FEDERAL REGISTER.

FRANKLIN D ROOSEVELT

THE WHITE HOUSE,
March 6, 1942.

[No. 9089]

[F. R. Doc. 42-2034; Filed, March 9, 1942; 11:23 a. m.]

EXECUTIVE ORDER

ESTABLISHING AN AIRSPACE RESERVATION OVER PORTIONS OF ULSTER AND DUTCHESS COUNTIES, NEW YORK

By virtue of the authority vested in me by section 4 of the Air Commerce Act of May 20, 1926 (44 Stat. 570), the air space above the following-described portions of Ulster and Dutchess Counties, New York, is hereby reserved and set apart for national defense and other governmental purposes and for public safety purposes as an airspace reservation within which no person shall navigate a civil aircraft except by special permission of the Administrator of Civil Aeronautics:

All that area within Ulster and Dutchess Counties, New York, lying within the following-described boundary:

Beginning at the River Landing on the West Bank of Hudson River at East Kingston, Ulster County; thence in an East-Northeasterly direction to the center line of the Central New England Railroad Bridge over Shehomeko Creek at Pine Plains, Dutchess County; thence South-Southeast to the center line of the New York Central Railroad Bridge over Ten-Mile River at Dover Plains, Dutchess County; thence West-Southwest to the Southeast corner of the Mid-Hudson Bridge at Poughkeepsie, New York, and continuing on this line to the West Bank of the Hudson River, Ulster County; thence along the West Bank of the Hudson River to the point of origin.

Any person navigating an aircraft within this airspace reservation in violation of the provisions of this order will be subject to the penalties prescribed in the Civil Aeronautics Act of 1938 (52 Stat. 973), as amended.

FRANKLIN D ROOSEVELT

THE WHITE HOUSE,
March 6, 1942.

[No. 9090]

[F. R. 42-2037; Filed, March 9, 1942; 11:24 a. m.]

EXECUTIVE ORDER

ESTABLISHING THE BELTRAMI WILDLIFE MANAGEMENT AREA

MINNESOTA

WHEREAS certain lands, hereinafter described, in the State of Minnesota, together with the improvements thereon, have been, or are in process of being, acquired by the United States in connection with the Beltrami Island Land Utilization Project under the authority of Title II of the National Industrial Recovery Act, approved June 16, 1933 (48 Stat. 200), the Emergency Relief Appropriation Act of 1935, approved April 8, 1935 (49 Stat. 115), and Title III of the Bankhead-Jones Farm Tenant Act, approved July 22, 1937 (50 Stat. 522, 525); and

WHEREAS by Executive Order No. 7908,[1] of June 9, 1938, all the right, title, and interest of the United States in such lands as were acquired, or are in process of acquisition, under Title II of the said National Industrial Recovery Act and the said Emergency Relief Appropriation Act of 1935 were transferred to the Secretary of Agriculture for use, administration, and disposition in accordance with the provisions of Title III of the said Bankhead-Jones Farm Tenant Act, and the related provisions of Title IV thereof; and immediately upon acquisition of legal title to those lands now in process of acquisition under the said acts, the said Executive order, under the terms thereof, will become applicable to all the additional right, title, and interest thereby acquired by the United States; and

WHEREAS the Secretary of Agriculture has recommended that jurisdiction over such lands be transferred to the Department of the Interior, and that such lands be reserved as a refuge and breeding ground for native birds and other wildlife, under the conditions hereinafter stated:

NOW, THEREFORE, by virtue of the authority vested in me by section 32, Title III, of the said Bankhead-Jones Farm Tenant Act, and as President of the United States, it is ordered that, subject to valid existing rights, jurisdiction over 81,049.33 acres, more or less, of lands, together with the improvements thereon, acquired, or in process of acquisition, by the United States within the following-described area in Beltrami, Lake of the Woods, and Roseau Counties, Minnesota, be, and it is hereby, transferred to the Department of the Interior, together with such equipment in use in connection with such lands as may be designated by the Secretary of Agriculture; and the lands hereby transferred are hereby reserved as a refuge and breeding ground for native birds and other wildlife and for research relating to wildlife and associated forest resources, under such conditions of use and administration as will best carry out the purposes of the land-conservation and land-utilization program for which such lands have been, or are being acquired: *Provided, however,* (1) That such lands shall remain available to the State of Minnesota for use and management by its Department of Conservation, under the custody of the Fish and Wildlife Service, of the Department of the Interior, so long as there remains in force and effect a cooperative and license agreement between the United States of America and the State of Minnesota providing for such use and management; and (2) that the Secretary of Agriculture shall retain such jurisdiction over the lands now in process of acquisition by the United States as may be necessary to enable him to complete their acquisition:

FIFTH PRINCIPAL MERIDIAN

T. 155 N., R. 31 W.,
sec. 21, S½SE¼;
sec. 22, E½;
sec. 23, NE¼;
sec. 24, E½NE¼ and S½S½;
sec. 25, NW¼NW¼, E½SW¼, NW¼SE¼, and S½SE¼;
sec. 26, SE¼NE¼, S½NW¼, SW¼, and E½SE¼;
sec. 27, SW¼NE¼, SE¼NW¼, E½SW¼, and W½SE¼;
sec. 28, SW¼NE¼, SW¼SW¼, and W½SE¼;
sec. 29, NE¼NE¼, S½NE¼, and SE¼;
fractional sec. 32, lots 1 and 2;
fractional sec. 33, all;
fractional sec. 34, W½ of lot 2, and lots 3 and 4;
fractional sec. 35, lots 1, 3, and 4;
fractional sec. 36, lot 3;
T. 155 N., R. 32 W.,
fractional sec. 25, SE¼SW¼;
sec. 27, SW¼SE¼;
fractional sec. 32, lot 2;
fractional sec. 34, lots 3 and 4;
fractional sec. 36, lot 1;
T. 157 N., R. 32 W.,
fractional sec. 3, SE¼NW¼, NE¼SW¼, and N½SE¼;
sec. 10, NE¼NE¼ and N½SE¼;
sec. 15, SE¼NE¼, NW¼, and NW¼SE¼;
sec. 17, SW¼ and S½SE¼;
fractional sec. 18, lot 4, SE¼SW¼, and SW¼SE¼;
sec. 24, SW¼NE¼, NE¼NW¼, S½NW¼, and NW¼SW¼;
fractional sec. 30, NE¼;
T. 158 N., R. 32 W.,
T. 157 N., R. 33 W.,
fractional sec. 19, lots 2 and 3;
sec. 9, E½NE¼;
sec. 10, W½NW¼;
sec. 13, SE¼SE¼;

[1] 3 F.R. 1389.

fractional sec. 18, lot 1, E½NE¼, and NE¼SE¼;
fractional sec. 19, lots 2 and 3, and NE¼NW¼;
sec. 20, N½NE¼ and SE¼NE¼;
sec. 21, SW¼NW¼;
sec. 24, W½NE¼ and SE¼NE¼;
sec. 25, NE¼;

T. 158 N., R. 33 W.,
fractional sec. 1, SW¼SW¼;
fractional sec. 2, SE¼NW¼, N½SW¼, SE¼SW¼, and S½SE¼;
fractional sec. 3, SW¼NW¼, W½SW¼, SE¼SW¼, and S½SE¼;
fractional sec. 4, SE¼NE¼, NW¼SW¼, S½SW¼SW¼SW¼, and S½SE¼;
fractional sec. 5, lot 4, SW¼NW¼, S½SW¼, NE¼SE¼, and S½SE¼;
fractional sec. 6, lots 1, 2, and 4, S½NE¼, SE¼SW¼, and SE¼;
fractional sec. 7, lots, 1, 2, 3, and 4, N½NE¼, SE¼NE¼, and NE½NW¼;
sec. 8, N½NE¼, SW¼NE¼, NW¼, W½SW¼, and NW¼SE¼;
sec. 9, NE¼, NW¼NW¼, S½NW¼, E½SW¼, and SE¼;
sec. 10, N½, E½SW¼, and SE¼;
sec. 11, W½NW¼, SE¼NW¼, SW¼, and SW¼SE¼;
sec. 13, SW¼NE¼, N½SE¼, and SW¼SE¼;
sec. 14, S½NE¼, NE¼NW¼, S½NW¼, N½SW¼, and W½SE¼;
sec. 15, W½NE¼ and E½NW¼;
sec. 16, N½N½;
sec. 17, E½NE¼;
fractional sec. 18, SE¼NW¼, NE¼SW¼, and NW¼SE¼;
fractional sec. 19, lots 1, 2, 3, and 4, SW¼NE¼, E½W½, and NW¼SE¼;
sec. 20, E½SE¼;
sec. 21, SW¼;
sec. 22, SE¼NE¼, SE¼SW¼, NE¼SE¼, and S½SE¼;
sec. 23, NW¼NE¼, S½NW¼, N½SW¼, SW¼SW¼, N½SE¼, and SE¼SE¼;
sec. 24, NW¼NE¼, SE¼NE¼, NE¼NW¼, S½NW¼, and NE¼SE¼;
sec. 25, N½N½, SW¼NW¼, and NW¼SW¼;
sec. 26, E½NE¼, NE¼SE¼, and S½SE¼;
sec. 27, W½NE¼, N½NW¼, SE¼NW¼, E½SW¼, and W½SE¼;
sec. 28, NE¼NE¼, S½NE¼, W½, NE¼SE¼, and W½SE¼;
sec. 29, W½NE¼, SE¼NE¼, N½NW¼, and S½;
fractional sec. 30, lots 1, 2, 3, and 4, W½NE¼, E½NW¼, and SE¼;
fractional sec. 31, lots 1, 2, and 4, NE¼, E½NW¼, and N½SE¼;
sec. 32, E½NE¼ and N½NW¼;
sec. 33, N½;
sec. 34, NW¼NE¼, NE¼NW¼, and W½NW¼;

T. 159 N., R. 33 W.,
fractional sec. 1, W½SW¼;
fractional sec. 2, lots 3 and 4, S½N½, and S½;
fractional sec. 3, lots 1 and 4, SE¼NE¼, SW¼NW¼, and E½SE¼;
fractional sec. 4, lot 1 and SE¼NE¼;
fractional sec. 5, SW¼SW¼;
fractional sec. 6, lots 2, 3, and 4, SW¼NE¼, NE¼SE¼, and S½SE¼;
fractional sec. 7, lots 1, 2, and 4, E½NW¼, SE¼SW¼, and SW¼SE¼;
sec. 12, NW¼;
sec. 15, NW¼SW¼;
sec. 16, NE¼SE¼;
fractional sec. 18, lots 1 and 2, and SW¼SE¼;
fractional sec. 19, lots 1, 2, and 3, W½NE¼, SE¼NE¼, and SE¼NW¼;
sec. 20, SE¼;
sec. 23, SE¼;
sec. 24, NW¼;
sec. 26, NE¼;
sec. 27, NE¼NE¼ and S½NE¼;
fractional sec. 30, E½SW¼ and W½SE¼;
fractional sec. 31, lots 1 and 2, NE¼, and E½NW¼;
sec. 32, S½NE¼;

T. 160 N., R. 33 W.,
fractional sec. 31, lots 3 and 4, and E½SW¼;

T. 157 N., R. 34 W.,
sec. 9, NE¼SW¼ and S½SW¼;
sec. 12, S½NE¼ and E½SE¼;
sec. 13, NE¼NE¼;
sec. 16, NE¼NW¼;
sec. 25, NE¼;
fractional sec. 30, S½SE¼;

T. 158 N., R. 34 W.,
fractional sec. 1, lots 1, 2, and 4, S½NE¼, NW¼SW¼, and S½S½;
fractional sec. 2, lots 1, 2, and 3, SE¼NE¼, NW¼SW¼, S½SW¼, and E½SE¼;
fractional sec. 3, SE¼;
fractional sec. 4, S½SW¼ and SW¼SE¼;
fractional sec. 5, lots 3 and 4;
fractional sec. 6, lots 1, 2, 3, 4, and 7, SE¼NE¼, and SE¼SW¼;
fractional sec. 7, lots 1 and 2, NE¼NE¼, S½NE¼, E½NW¼, and SE¼SE¼;
sec. 8, N½NE¼ and NW¼NW¼;
sec. 9, NW¼NE¼, W½NW¼, and SE¼;
sec. 10, E½NW¼, N½SW¼, SW¼SW¼, and SE¼;
sec. 11, NE¼NE¼, S½N½, SW¼, and E½SE¼;
sec. 12, N½, SW¼, N½SE¼, and SE¼SE¼;
sec. 13, N½NW¼;
sec. 14, SE¼SW¼;
sec. 15, W½NE¼, and W½;
sec. 16, N½, and SE¼;
sec. 17, NE¼, SE¼NW¼, and NE¼SW¼;
sec. 20, SW¼NE¼, N½NW¼, SE¼NW¼, and NE¼SE¼;
sec. 21, N½NE¼, SE¼NE¼, NW¼, and N½SW¼;
sec. 22, NW¼NE¼, S½NE¼, and NW¼;
sec. 23, NE¼, NE¼NW¼, S½NW¼, and N½SW¼;
sec. 24, SE¼NE¼, S½NW¼, and SE¼;
sec. 25, N½, NE¼SW¼, S½SW¼, NE¼SE¼, and W½SE¼;
sec. 26, N½, N½SE¼, and SE¼SE¼;
sec. 27, NE¼, NE¼SW¼, S½SW¼, and W½SE¼;
sec. 28, NW¼SW¼ and S½S½;
fractional sec. 31, N½SE¼;
sec. 33, NE¼NE¼;
sec. 34, NW¼NW¼;
sec. 35, N½NE¼ and NW¼;
sec. 36, NE¼, NE¼SW¼, and N½SE¼;

T. 159 N., R. 34 W.,
fractional sec. 2, lot 4;
fractional sec. 3, lots 2 and 3;
fractional sec. 4, lot 1, SE¼NE¼, and E½SE¼;
fractional sec. 6, SE¼NE¼ and NE¼SE¼;
sec. 10, SW¼;
sec. 11, SE¼NE¼ and SE¼;
fractional sec. 12, N½NW¼, SW¼NW¼, N½SW¼, and SE¼SW¼;
fractional sec. 13, lots 1 and 3, and that part of lot 4 described by metes and bounds as follows: Beginning at the southeast corner of sec. 13; thence west, 20 rods; thence north, 16 rods; thence east, 20 rods; thence south, 16 rods, to the place of beginning; W½NE¼, E½W½, and W½SE¼;
sec. 15, NW¼;
sec. 22, N½ and SE¼;
sec. 23, NE¼;
sec. 24, lots 1, 2, 3, and 4, W½NE¼, NW¼NW¼, and W½SE¼;
sec. 25, NW¼;
sec. 27, NW¼;
sec. 29, S½NE¼ and NW¼;
fractional sec. 30, lots 1 and 2, E½NW¼, and N½SE¼;
sec. 33, SW¼NW¼ and W½SW¼;
sec. 36, lots 1, 2, 3, and 4, and W½E½;

T. 160 N., R. 34 W.,
fractional sec. 1, N½SW¼;
fractional sec. 2, N½SE¼;
fractional sec. 3, lots 3 and 4, S½NW¼, and SW¼;
fractional sec. 4, lots 3 and 4, S½NW¼, and N½SW¼;
fractional sec. 5, N½SE¼ and SE¼SE¼;
fractional sec. 6, lots 3, 4, and 5, and SE¼NW¼;
fractional sec. 9, SW¼NE¼, SE¼NW¼, and E½SW¼;
sec. 10, NE¼ and SW¼SW¼;
sec. 11, SE¼;
fractional sec. 12, lots 1, 2, 3, and 4, W½NE¼, S½SW¼, and SW¼SE¼;
fractional sec. 13, lots 1, 2, 3, and 4, and W½NW¼;
sec. 14, NW¼NW¼ and S½;
sec. 15, NE¼, N½NW¼, SW¼NW¼, N½SW¼, SE¼SW¼, and SE¼;
fractional sec. 16, E½;
sec. 22, NE¼NE¼, W½NE¼, N½NW¼, SE¼NW¼, NW¼SE¼, and S½SE¼;
sec. 23, NE¼NE¼, S½NE¼, NW¼, S½SW¼, and SE¼;
fractonal sec. 24, lot 4, SW¼, and SW¼SE¼;
sec. 25, NW¼NW¼;
sec. 27, NE¼NE¼, S½NW¼, and NW¼SW¼;
sec. 28, S½NE¼, SE¼NW¼, N½SE¼, and SW¼SE¼;
sec. 33, N½NE¼;
sec. 34, SE¼SW¼ and SW¼SE¼;
sec. 35, SW¼ and SW¼SE¼;

T. 156 N., R. 35 W.,
fractional sec. 5, SE¼SE¼;
fractional sec. 6, lots 6 and 7, E½SW¼, and E½SE¼;
fractional sec. 7, lots 1 and 2, and E½NW¼;
sec. 9, NW¼NW¼ and SW¼SW¼;
sec. 21, N½NE¼;

T. 157 N., R. 35 W.,
sec. 17, SW¼;
fractional sec. 36, lot 3;

T. 158 N., R. 35 W.,
sec. 11, NE¼;
sec. 12, SW¼;
sec. 29, SE¼;
sec. 34, S½SW¼ and W½SE¼;

T. 159 N., R. 35 W.,
fractional sec. 4, S½N½, N½SW¼, and W½SE¼;
fractional sec. 5, SE¼NE¼ and NE¼SE¼;
fractional sec. 6, N½SE¼;
sec. 9, S½NW¼;
sec. 15, SW¼;
sec. 17, SW¼;
fractional sec. 18, NE¼SE¼;
fractional sec. 19, N½NE¼ and NE¼NW¼;
sec. 20, NE¼, N½NW¼, SE¼NW¼, NE¼SW¼, and W½SE¼;
sec. 21, N½, N½SW¼, and SE¼SW¼;
sec. 22, W½NW¼;
sec. 25, N½NW¼;
sec. 28, NE¼NW¼ and SE¼;
sec. 29, NW¼NE¼ and NE¼NW¼;
fractional sec. 30, SE¼;
fractional sec. 32, lots 3 and 4;

T. 160 N., R. 35 W.,
fractional sec. 1, lots 3 and 4;
fractional sec. 2, lot 1, SE¼NE¼, and SE¼SE¼;
fractional sec. 3, lots 2 and 3, SW¼NE¼, and SE¼NW¼;
fractional sec. 4, lots 1, 2, and 3, and S½NE¼;
fractional sec. 7, lots 3 and 4, and SE¼SW¼;
sec. 11, NE¼NE¼;
sec. 14, W½;
sec. 15, E½SW¼ and SE¼;
sec. 16, SE¼;
sec. 17, SE¼;
fractional sec. 18, lot 1, W½NE¼, and NE¼NW¼;
sec. 20, N½SE¼;

sec. 22, N½NW¼;
sec. 32, NW¼ and SE¼;
sec. 33, W½SW¼;
T. 161 N., R. 35 W.,
sec. 20, SW¼SW¼;
sec. 22, E½W½ and SE¼;
sec. 23, NW¼NE¼, SE¼NE¼, E½W½, and SE¼;
sec. 24, NW¼NE¼, SW¼NW¼, and NW¼SW¼;
sec. 25, NW¼NE¼, N½NW¼, SW¼NW¼, W½SW¼, and SE¼SW¼;
sec. 26, W½NE¼, NE¼NW¼, W½NW¼, and N½SW¼;
sec. 27, N½ and SE¼;
sec. 28, NE¼, E½NW¼, and S½;
sec. 29, N½NE¼, SE¼NE¼, and NW¼;
fractional sec. 30, lots 3 and 4, and E½SW¼;
sec. 33, N½NE¼, SE¼NE¼, and NE¼NW¼;
sec. 34, NE¼NE¼, S½NE¼, NW¼, and NE¼SE¼;
sec. 35, NW¼, S½S½S½NW¼SW¼, and S½SW¼;
sec. 36, NW¼;
T. 157 N., R. 36 W.,
sec. 6, NE¼;
T. 158 N., R. 36 W.,
fractional sec. 4, SE¼SW¼;
fractional sec. 5, lot 4;
sec. 9, NW¼NE¼ and NW¼;
sec. 10, N½NW¼;
sec. 19, S½SE¼;
sec. 20, W½W½;
sec. 30, N½NE¼;
T. 159 N., R. 36 W.,
fractional sec. 7, lots 2, 3, and 4, S½NE¼, SE¼NW¼, E½SW¼, and SE¼;
sec. 8, SE¼SE¼;
sec. 9, S½S½;
sec. 10, S½SW¼ and SW¼SE¼;
sec. 13, SE¼;
sec. 14, NW¼ and S½SW¼;
sec. 15, NE¼ and E½NW¼;
sec. 16, E½NE¼, W½NW¼, and S½;
sec. 17, N½, W½SW¼, and SE¼SW¼;
fractional sec. 18, NE¼;
fractional sec. 19, NE¼ and SE¼SW¼;
sec. 20, NW¼;
sec. 21, NE¼;
sec. 22, NE¼ and SE¼SE¼;
sec. 23, NE¼, SE¼NW¼, and S½SE¼;
sec. 24, NE¼, NE¼SW¼, and S½SW¼;
sec. 25, NW¼;
sec. 26, S½NE¼;
sec. 28, N½NW¼;
sec. 29, E½NE¼;
fractional sec. 30, NW¼NE¼, S½NE¼, E½NW¼, NE¼SW¼, and NE¼SE¼;
fractional sec. 31, lots 3 and 4, and E½SW¼;
sec. 32, W½SW¼;
T. 160 N., R. 36 W.,
fractional sec. 3, lots 2 and 3, SW¼NE¼, and SE¼NW¼;
fractional sec. 4, SE¼;
fractional sec. 5, SE¼;
fractional sec. 6, lots 6 and 7, and E½SW¼;
fractional sec. 7, lots 1, 3, and 4, and NE¼NW¼;
sec. 8, all;
sec. 9, NW¼ and W½SW¼;
sec. 17, N½NW¼;
fractional sec. 18, lots 1 and 2, and E½NW¼;
fractional sec. 19, lots 1, 2, and 3, SE¼NW¼, NE¼SW¼, and N½SE¼;
sec. 20, SW¼;
sec. 22, SE¼;
sec. 23, NE¼ and SW¼;
sec. 24, NW¼;
sec. 26, SW¼NE¼, N½NW¼, SW¼NW¼, N½SW¼, and NW¼SE¼;
sec. 27, NE¼NE¼, S½NE¼, and W½;
sec. 28, SW¼;
sec. 29, NE¼SE¼ and SW¼SE¼;
fractional sec. 30, lots 2 and 3, SE¼NW¼, NE¼SW¼, and SW¼SE¼;
fractional sec. 31, lots 1, 2, 3, and 4, N½NE¼, and E½W½;
sec. 32, W½NE¼, SE¼NE¼, and W½;
T. 161 N., R. 36 W.,
fractional sec. 19, that part of SE¼SE¼ lying east of State Road No. 7;
sec. 20, E½;
sec. 21, NW¼ and SE¼;
sec. 22, S½SW¼;
sec. 24, NW¼;
sec. 26, SW¼;
sec. 27, all;
sec. 28, W½SW¼SW¼;
sec. 29, NE¼SW¼; that part of NW¼SW¼ described by metes and bounds as follows: Beginning at a point 29 rods south of the northwest corner of the NW¼SW¼, sec. 29; thence south, 10 rods; thence east, 16 rods; thence north, 10 rods; thence west, 16 rods, to the place of beginning; S½SW¼, and NW¼SE¼;
fractional sec. 30, lot 1, NE¼, NE¼NW¼, and NW¼SE¼;
sec. 32, S½NE¼, N½NW¼, and SE¼NW¼;
sec. 35, NE¼;
T. 158 N., R. 37 W.,
fractional sec. 1, lot 4;
fractional sec. 3, lots 1, 2, and 3;
fractional sec. 5, lots 1 and 2;
T. 159 N., R. 37 W.,
fractional sec. 1, lots 1, 2, 3, and 4, W½NE¼, SW¼, and W½SE¼;
sec. 2, W½ and SE¼;
sec. 3, NE¼, S½NW¼, and S½;
sec. 4, NE¼, N½NW¼, and SW¼;
fractional sec. 6, lots 1, 2, 3, and 4, NW¼NE¼, and E½NW¼;
fractional sec. 7, lots 1, 2, 3, and 4, S½NE¼, E½SW¼, and SE¼;
sec. 8, S½;
sec. 9, SW¼;
sec. 10, N½, N½SW¼, and SE¼;
sec. 11, NW¼NE¼, S½NE¼, NW¼, W½SW¼, and SE¼;
fractional sec. 12, lots 3 and 4, NW¼, and W½SE¼;
fractional sec. 13, all;
sec. 14, NE¼, E½NW¼, NE¼SW¼, and S½SW¼;
sec. 15, S½NW¼, SW¼, W½SE¼, and SE¼SE¼;
sec. 16, NE¼ and W½;
sec. 17, all;
fractional sec. 18, E½;
fractional sec. 19, E½;
sec. 20, SW¼NE¼, NW½, NW¼SE¼, and S½SE¼;
sec. 21, NE¼, N½NW¼, and E½SE¼;
sec. 22, N½NW¼;
sec. 23, E½;
fractional sec. 24, lots 1 and 2, and W½NE¼;
fractional sec. 25, lots 2 and 3, SW¼NE¼, SW¼, and NW¼SE¼;
sec. 26, S½SW¼ and SE¼;
sec. 27, S½N½ and N½S½;
sec. 28, NE¼ and N½SE¼;
sec. 29, S½NE¼, NW¼, and S½;
fractional sec. 30, NE¼;
fractional sec. 32, lots 1, 2, 3, and 4, N½, N½SW¼, and NW¼SE¼;
fractional sec. 33, lots 3 and 4, S½SE¼, and N½SE¼;
fractional sec. 34, lots 1, 2, 3, and 4, NW¼, and N½S½;
fractional sec. 35, N½ and N½S½;
fractional sec. 36, lots 2 to 7, inclusive, SW¼NE¼, SW¼NW¼, NW¼SW¼, and NW¼SE¼;
T. 160 N., R. 37 W.,
fractional sec. 2, lots 3 and 4, S½NW¼, and SW¼;
fractional sec. 4, W½SW¼ and N½SE¼;
fractional sec. 5, E½SE¼;
sec. 9, NE¼NE¼;
fractional sec. 13, lots 1 and 2, and W½NE¼;
sec. 14, SW¼;
fractional sec. 18, lot 4;
fractional sec. 19, lot 1;
sec. 23, NW¼;
fractional sec. 24, lots 1 and 2, W½NE¼, and E½NW¼;
sec. 25, E½NE¼ and SE¼;
sec. 29, NW¼ and W½SW¼;
fractional sec. 30, NE¼ and E½SE¼;
fractional sec. 31, NE¼;
sec. 32, E½SE¼;
sec. 33, W½SW¼;
sec. 34, SE¼SW¼;
sec. 35, SW¼;
sec. 36, SW¼;
T. 161 N., R. 37 W.,
sec. 13, SW¼NW¼, NW¼SW¼, and SE¼;
sec. 14, W½NE¼, SE¼NE¼, E½NW¼, and NE¼SE¼;
sec. 17, N½ and N½SW¼;
fractional sec. 18, NE¼ and N½SE¼;
fractional sec. 19, NE¼SE¼;
sec. 20, N½SW¼ and SE¼SW¼;
sec. 22, N½NE¼;
sec. 23, NW¼NW¼;
sec. 24, SW¼;
sec. 25, N½, NW¼SW¼, S½SW¼, and SE¼;
sec. 26, N½NE¼, SW¼NE¼, SE¼NW¼, and E½SE¼;
sec. 27, NE¼NW¼ and S½NW¼;
sec. 29, N½NE¼, SE¼NE¼, NE¼NW¼, and S½SW¼;
sec. 32, N½NW¼;
sec. 35, NE¼NE¼;
T. 159 N., R. 38 W.,
sec. 1, N½SE¼ and SE¼SE¼;
sec. 3, N½NW¼;
sec. 4, N½NE¼;
sec. 12, E½NE¼;
T. 160 N., R. 38 W.,
fractional sec. 1, lot 4;
fractional sec. 2, lots 1, 2, 3, and 4, S½N½, and SW¼;
fractional sec. 3, lots 1, 2, 3, and 4, and S½NE¼;
sec. 10, NE¼, SE¼NW¼, N½SW¼, and NW¼SE¼;
sec. 11, NW¼;
sec. 14, W½NE¼, E½NW¼, and S½SW¼;
sec. 23, S½NE¼, NW¼, N½SW¼, and SE¼SW¼;
sec. 24, N½NE¼ and S½SW¼;
sec. 25, N½NW¼;
sec. 26, NE¼NW¼ and SW¼SW¼;
sec. 27, NE¼, SE¼SW¼, and SE¼SE¼;
sec. 28, E½SW¼;
sec. 33, E½NW¼ and S½SE¼;
sec. 34, N½N½ and S½SW¼;
sec. 35, SW¼NE¼ and NW¼.

This reservation shall be known as the Beltrami Wildlife Management Area.

FRANKLIN D ROOSEVELT

THE WHITE HOUSE,
March 6, 1942.

[No. 9091]

[F. R. Doc. 42-2035; Filed, March 9, 1942; 11:23 a. m.]

EXECUTIVE ORDER

DESIGNATING THE HONORABLE A. CECIL SNYDER AS ACTING JUDGE OF THE DISTRICT COURT OF THE UNITED STATES FOR PUERTO RICO

By virtue of the authority vested in me by section 41 of the act entitled "An Act to provide a civil government for Puerto Rico, and for other purposes", approved March 2, 1917, as amended by section 2 of the act of March 26, 1938, 52 Stat. 118 (U.S.C., title 48, sec. 863), I hereby designate and authorize the Honorable A. Cecil Snyder, Associate Jus-

tice of the Supreme Court of Puerto Rico, to perform and discharge the duties of Judge of the District Court of the United States for Puerto Rico and to sign all necessary papers and records as Acting Judge of the said Court, without extra compensation, during the absence, illness, or other legal disability of the Judge thereof during the current calendar year.

FRANKLIN D ROOSEVELT

THE WHITE HOUSE,
March 6, 1942.

[No. 9092]

[F. R. Doc. 42-2036; Filed, March 9, 1942; 11:23 a. m.]

[SOLID FUELS COORDINATOR FOR NATIONAL DEFENSE]

THE WHITE HOUSE
Washington, Nov. 5, 1941

MY DEAR MR. SECRETARY:

As the defense effort progresses it becomes increasingly urgent to assure that the supply of solid fuels will be adequate and that they will be readily available at consuming points when required for military, industrial, and civilian purposes. Difficult problems are already arising with respect to their supply and availability for such uses. These problems require the efficient and carefully coordinated development, production, distribution, utilization, transportation and handling of solid fuels.

You have in your Department extensive information and facilities with respect to solid fuels. I refer particularly to the Bituminous Coal Division, the Bureau of Mines, and the Geological Survey. In addition, in your capacity as Petroleum Coordinator for National Defense you have important functions with respect to oil and gas. It is essential that the handling of solid fuel and of oil and gas problems should be closely coordinated in the present emergency.

I am, therefore, requesting that you as the Secretary of the Interior shall act as solid fuels coordinator for national defense in performing the following duties:

1. Obtain currently from the appropriate defense and other Federal agencies, from the various States and their subdivisions, and from any other sources, private or governmental, information as to the military and civilian needs for solid fuels;

2. Obtain currently from the solid fuels industries and from any other sources, governmental or private, information relating to development, production, supply, availability, distribution, utilization, transportation and handling of solid fuels;

3. Make recommendations to the Supply Priorities and Allocations Board, the Office of Production Management, the Office of Price Administration, the transportation agencies of the Federal Government and to any other appropriate Federal departments and agencies concerning measures relating to the production, storage, pooling, transportation, distribution, marketing and consumption of solid fuels for the purpose of promoting the maintenance of a ready and adequate supply at reasonable prices;

4. In cooperation with the solid fuels and related industries and with consumers of solid fuels, and in coordination with the Office of Production Management, carry on such programs as will promote economy and efficiency in the development, production, distribution, utilization, transportation and handling of solid fuels, and as will facilitate the operation of the solid fuels industries so as to meet the requirements of the national defense program;

5. Advise and make recommendations to the Supply Priorities and Allocations Board, the Office of Production Management, and other appropriate defense agencies with respect to the material, equipment and supplies which will be required by the solid fuels industries in producing, transporting, and distributing the tonnage needed for civilian and defense purposes;

6. Make other recommendations to appropriate Federal departments and agencies concerning measures affecting the supply and availability of solid fuels as may seem necessary from time to time.

In carrying out these responsibilities, the determinations of the Supply Priorities and Allocations Board and of the Office of Production Management will, of course, govern as to the requirements for national defense, direct and indirect, and as to the establishment and administration of priorities and allocations.

The heads of the agencies and departments concerned are being informed of this designation and I am requesting that they inform you in advance of any action proposed which may affect the maintenance of an adequate supply of solid fuels and of all meetings or conferences dealing with these problems.

I anticipate that you will use your present staff in the discharge of these responsibilities to the fullest extent possible. Within the limits of such funds as may be made available, you may make provision for the necessary services and facilities and you may employ necessary additional personnel, including the appointment or designation, with my approval, of an assistant to whom you may make any necessary delegation of functions.

Sincerely yours,

FRANKLIN D ROOSEVELT

The Honorable
THE SECRETARY OF THE INTERIOR.

[F. R. Doc. 42-2016; Filed, March 9, 1942; 9:46 a. m.]

Rules, Regulations, Orders

TITLE 10—ARMY: WAR DEPARTMENT

CHAPTER II—AIRCRAFT

PART 22—ASSISTANCE TO CIVIL AIRCRAFT [1]

§ 22.8 *Use of Army Air Forces bases by commercial airlines.* Bases and fields of the Army Air Forces may be used as alternate airports by commercial airlines when weather or other emergency conditions prevail, making scheduled airline terminal airports unsafe; or when required under the military situation; subject to the following conditions:

(a) Authority must be obtained from the commanding officer of the base or field, and a complete flight plan filed with him prior to the time of departure of the aircraft involved.

(b) The commanding officer must be notified immediately upon the decision to use his base or field and advised of the estimated time of arrival of the aircraft thereat.

(c) The pilot of the aircraft involved must be made familiar, prior to take-off for the scheduled airport, with the communications and radio aids facilities, the air and ground traffic regulations, and the general rules and regulations currently in effect at the alternate airport.

(d) The commanding officer of the alternate airport must be notified immediately in the event the aircraft is landed at the scheduled terminal airport instead of the alternate as planned.

(e) No services or supplies will be furnished, except in emergencies. See §§ 22.4 to 22.7, inclusive.)

(f) The United States Government will assume no liability or responsibility arising by reason of the condition of the landing area, radio aids, or adjacent establishment; or by the acts of its agents in connection with the control of flight or flights involved; or in connection with the granting of the right to use such Army Air Forces base or field as an alternate airport. (44 Stat. 570; 49 U.S.C. 175) [AAF Regs. 85-4, January 29, 1942]

[SEAL] J. A. ULIO,
Major General,
The Adjutant General.

[F. R. Doc. 42-1999; Filed, March 7, 1942; 10:08 a. m.]

[1] § 22.8 is added.

CHAPTER VII—PERSONNEL

PART 73—APPOINTMENT OF COMMISSIONED OFFICERS, WARRANT OFFICERS, AND CHAPLAINS [1]

APPOINTMENT OF WARRANT OFFICERS

§ 73.318 *General scope of final examination (technical); administrative—*(a) *General.*

* * * * *

(2) *Scope of final examination in specific arms and services.*

* * * * *

(ii) *Clerical (Judge Advocate General's Department, with typing and dictation optional).* Important subject matter covered in the Manual for Courts-Martial, United States Army (1928), including the current circulars and memoranda pertaining thereto, and the Articles of War and other appendices; military personnel; management and records; recruiting; wearing of the uniform; efficiency reports; designation of beneficiaries; awards; leaves; furloughs; passes, delays, transfers, details, assign-

[1] § 73.318(a)(2)(ii) is amended.

ments, traveling, and separation from the service; general provisions relating to pay; prisoners; the deceased; organization of the Army; general duties with which The Adjutant General is charged; organization and operation of The Adjutant General's Department; staff data; general provisions for warrant officers; expenses of courts martial, courts of inquiry, military commissions, and retirement boards; administration of posts, camps, and stations; exchanges.

This examination will also include a practical demonstration of the applicant's ability to type at a speed of 40 words per minute and to take dictation at a speed of 120 words per minute for those who have chosen typing and dictation as an optional subject. (Act of August 21, 1941, Public Law 230, 77th Congress) [Par. 29b, AR 610–10, September 13, 1941, as amended by Cir. 60, W.D., March 2, 1942]

* * * * *

[SEAL] J. A. ULIO,
Major General,
The Adjutant General.

[F. R. Doc. 42-1998; Filed, March 7, 1942; 10:08 a. m.]

TITLE 14—CIVIL AVIATION

CHAPTER I—CIVIL AERONAUTICS BOARD

[Amendment 01-1, Civil Air Regs.]

PART 01—AIRWORTHINESS CERTIFICATES

AIRCRAFT ACCIDENTS

At a session of the Civil Aeronautics Board held at its office in Washington, D. C., on the 6th day of March, 1942.

Acting pursuant to sections 205 (a) and 601 of the Civil Aeronautics Act of 1938, as amended, the Civil Aeronautics Board amends the Civil Air Regulations as follows:

Effective March 6, 1942, Part 01 of the Civil Air Regulations is amended by adding a new § 01.33 immediately following § 01.32 to read as follows:

§ 01.33 *Aircraft accidents.* An accident involving aircraft is an occurrence involving either or both of the following conditions:

(a) an accident which results in serious injury or death to an occupant of an aircraft, or to any other person by direct contact with the aircraft;

(b) an accident which results in damage to an aircraft sufficiently serious to render it unairworthy. Defects or damage first discovered during routine maintenance, inspection or overhaul shall not be considered as constituting damage under this definition regardless of its nature or extent.

By the Civil Aeronautics Board.

[SEAL] DARWIN CHARLES BROWN,
Secretary.

[F. R. Doc. 42-2049; Filed, March 9, 1942; 12:04 p. m.]

[Regulations, Serial No. 207]

PART 239—CHARTER TRIPS AND SPECIAL SERVICES

AMENDMENT OF ECONOMIC REGULATIONS—AIR CARRIERS HOLDING CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY

At a session of the Civil Aeronautics Board held at its offices in Washington, D. C., on the 6th day of March 1942.

The Civil Aeronautics Board, acting pursuant to the Civil Aeronautics Act of 1938, particularly sections 205 (a) and 401 (f) thereof and deeming its action necessary to carry out the provisions of said act and to exercise its powers and perform its duties thereunder, hereby makes and promulgates the following regulation:

§ 239.1 *Charter trips and special services by air carriers holding certificates of public convenience and necessity.* (a) No air carrier holding a certificate of public convenience and necessity shall operate any charter trip or other special service, either between points named in its certificate or otherwise, unless it shall have first secured approval thereof by the Military Director of Civil Aviation or his designee, or unless authorized by such further regulations as the Board may from time to time promulgate.

(b) This section shall become effective on March 12, 1942. (Sec. 205 (a), 401 (f), 52 Stat. 984, 988; 49 U.S.C., 425 (a), 481 (f).)

By the Civil Aeronautics Board.

[SEAL] DARWIN CHARLES BROWN,
Secretary.

[F. R. Doc. 42-2033; Filed, March 9, 1942; 10:44 a. m.]

TITLE 16—COMMERCIAL PRACTICES

CHAPTER I—FEDERAL TRADE COMMISSION

[Docket No. 3735]

PART 3—DIGEST OF CEASE AND DESIST ORDERS

IN THE MATTER OF WESTERN CHEMICALS, INC., ET AL.

§ 3.6 (t) *Advertising falsely or misleadingly—Qualities or properties of product:* § 3.6 (x) *Advertising falsely or misleadingly—Results:* § 3.6 (y) *Advertising falsely or misleadingly—Safety:* § 3.71 (e) *Neglecting, unfairly or deceptively, to make material disclosure—Safety.* In connection with offer, etc. of respondents' "Alcoban," or other similar preparations, disseminating, etc., any advertisements by means of the United States mails, or in commerce, or by any means, to induce, etc., directly or indirectly, purchase in commerce, etc., of their preparation, which advertisements represent, directly or through inference (1) that said preparation constitutes a competent or effective treatment for alcoholism; or that said preparation may be used with safety or without danger of ill effects upon the body; or which advertisements fail to reveal that the use of said preparation may produce toxic conditions in the body, and may result in serious injury to the nerves, heart and lungs; prohibited. (Sec. 5, 38 Stat. 719, as amended by sec. 3, 52 Stat. 112; 15 U.S.C., Sup. IV, sec. 45b) [Cease and desist order, Western Chemicals, Inc., et al., Docket 3735, March 2, 1942].

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 2nd day of March, A. D. 1942.

In the Matter of Western Chemicals, Inc., a Corporation; Maffett Sales Corporation, a Corporation; Bartell Drug Company, a Corporation; and Frank L. Wilson, N. B. Wilson, and Reuel K. Yount, Individuals

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission, the answer of respondents, testimony and other evidence taken before trial examiners of the Commission theretofore duly designated by it, in support of and in opposition to the allegations of the complaint, report of the trial examiners upon the evidence and the exceptions to such report, and brief in support of the complaint (no brief having been filed by respondents and oral argument not having been requested); and the Commission having made its findings as to the facts and its conclusion that the respondents have violated the provisions of the Federal Trade Commission Act;

It is ordered, That the respondents, Western Chemicals, Inc., a corporation; Maffett Sales Corporation, a corporation; Bartell Drug Company, a corporation; and their officers, and Frank L. Wilson, N. B. Wilson, and Reuel K. Yount, individuals, and respondents' representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of respondents' preparation "Alcoban", or any other preparation of substantially similar composition or possessing substantially similar properties, whether sold under the same name or under any other name, do forthwith cease and desist from directly or indirectly:

1. Disseminating or causing to be disseminated any advertisement by means of the United States mails or by any means in commerce, as "commerce" is defined in the Federal Trade Commission Act, which advertisement represents, directly or by implication, that said preparation constitutes a competent or effective treatment for alcoholism; or that said preparation may be used with safety or without danger of ill effects upon the body; or which advertisement fails to reveal that the use of said preparation may produce toxic conditions in the body, and may result in serious injury to the nerves, heart and lungs;

2. Disseminating or causing to be disseminated any advertisement by any

means for the purpose of inducing or which is likely to induce, directly or indirectly, the purchase in commerce, as "commerce" is defined in the Federal Trade Commission Act, of said preparation, which advertisement contains any of the representations prohibited in paragraph 1 hereof, or which fails to reveal that the use of said preparation may produce toxic conditions in the body, and may result in serious injury to the nerves, heart and lungs.

It is further ordered, That the respondents shall, within ten (10) days after service upon them of this order, file with the Commission an interim report in writing stating whether they intend to comply with this order and, if so, the manner and form in which they intend to comply; and that within sixty (60) days after service upon them of this order, said respondents shall file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with this order.

By the Commission.

[SEAL] OTIS B. JOHNSON,
Secretary.

[F. R. Doc. 42-2007; Filed, March 7, 1942; 11:18 a. m.]

TITLE 18—CONSERVATION OF POWER

CHAPTER I—FEDERAL POWER COMMISSION

PART 160—MISCELLANEOUS ACCOUNTING ORDERS

[Order No. 69-A]

PRESCRIBING ACCOUNTING WITH RESPECT TO ACCOUNT 100.5, GAS PLANT ACQUISITION ADJUSTMENTS

MARCH 3, 1942.

The Commission, having under consideration the matter of uniform systems of accounts, particularly the text of Account 100.5,[1] Gas Plant Acquisition Adjustments, of the Commission's Uniform System of Accounts Prescribed for Natural Gas Companies by order of the Commission adopted November 3, 1939; and

It appearing to the Commission that:

(a) Gas Plant Accounts Instruction 2-A of the said Uniform System of Accounts provides that each utility[2] shall classify its gas plant in accordance with the Gas Plant Accounts as prescribed in said Uniform System of Accounts;

(b) Instruction 2-C of said Gas Plant Accounts provides that the detailed Gas Plant Accounts of each utility shall be stated on the basis of cost to the utility of gas plant constructed by it and on the basis of original cost, estimated if not known, of gas plant acquired by it as an operating unit or system; and further, that the difference between the original cost as above, and the cost to the utility of gas plant includible in Accounts 100.1 to 100.4, inclusive, after giving effect to the depreciation, depletion, or amortization recorded by the accounting utility at the time of acquisition, shall be recorded in Account 100.5, Gas Plant Acquisition Adjustments;

(c) Subdivision C of Account 100.5, Gas Plant Acquisition Adjustments, provides as follows:

The amounts recorded in this account with respect to each property acquisition shall be depreciated, amortized, or otherwise disposed of, as the Commission may approve or direct.

The Commission *finds* that:

(1) Studies of original cost, as provided for in paragraph (a) above, are being completed by utilities and amounts entered in the appropriate primary Gas Plant Accounts in accordance with Instruction 2-C above referred to, or will be so entered in said accounts in the near future;

(2) It is appropriate to consider the matter of disposition of such amounts as may be lodged in said Account 100.5 Gas Plant Acquisition Adjustments; and

The Commission *orders* that:

§ 160.2 *Accounting with respect to account 100.5, gas plant acquisition adjustments.* (a) Debit amounts in Account 100.5, Gas Plant Acquisition Adjustments, may be charged to Account 414, Miscellaneous Debits to Surplus, in whole or in part, or may be amortized over a reasonable period by charges to Account 537, Miscellaneous Amortization, without further order of the Commission;

(b) Should a utility desire to account for debit amounts in Account 100.5, Gas Plant Acquisition Adjustments, in any manner different from that indicated in (a) above, it shall petition the Commission for authority to do so;

(c) Debit balances shall not be determined by application of credit amounts thereto;

(d) Credit amounts in Account 100.5, Gas Plant Acquisition Adjustments, shall be accounted for as directed by the Commission;

(e) Where a utility, subject to both Federal and State regulations, petitions the Commission in accordance with paragraph (b) above, the cooperative procedure heretofore adopted between Federal and State Commissions shall be invoked;

(f) Disposition of amounts in Account 100.5, Gas Plant Acquisition Adjustments, as above directed, is for accounting purposes only and such disposition shall not be construed as determining or controlling the consideration to be accorded these items in rate or other proceedings, nor shall anything contained herein prevent the Commission from subsequently ordering the amounts to be charged directly to Account 414, Miscellaneous Debits to Surplus, or from modifying the adopted amortization period.

By the Commission.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 42-2045; Filed, March 9, 1942; 11:32 a. m.]

[1] Account 100.5 for Classes A and B Natural Gas Companies as hereinafter used refers also to Accounts 1100.5 and 2100.5 for Classes C and D Natural Gas Companies. Likewise other account references for Classes A and B Natural Gas Companies apply also to comparable accounts for Classes C and D Natural Gas Companies.

[2] The term "utility" as used herein means any natural gas company to which the Commission's Uniform System of Accounts is applicable.

TITLE 24—HOUSING CREDIT

CHAPTER IV—HOME OWNERS' LOAN CORPORATION

[Administrative Order No. 374]

PART 403—PROPERTY MANAGEMENT DIVISION

RECONDITIONING IN CONNECTION WITH SALES

Section 403.10-33 is amended by the addition, at the end thereof, of a paragraph reading as follows:

§ 403.10-33 *Reconditioning by purchaser.* Any agreement for sale obligating the purchaser to perform reconditioning shall specify the time in which the work is to be completed.

Section 403.10-34 is amended to read as follows:

§ 403.10-34 *Supervision of reconditioning to be performed by the purchaser.* When an offer to purchase is accepted by the Corporation which requires the purchaser to perform reconditioning, the work will be supervised by the Loan Service Division, as provided in Part 402 of the Code of Federal Regulations.

(Effective March 9, 1942)

(Above procedure promulgated by the General Manager and General Counsel pursuant to authority vested in them by the Federal Home Loan Bank Board acting pursuant to Secs. 4 (a) and 4 (k) of Home Owners' Loan Act of 1933, 48 Stat. 129, 132, as amended by Sections 1 and 13 of the Act of April 27, 1934, 48 Stat. 643 and 647: 12 U.S.C. 1463 (a), (k).)

[SEAL] J. FRANCIS MOORE,
Secretary.

[F. R. Doc. 42-2047; Filed, March 9, 1942; 11:46 a. m.]

[Administrative Order No. 536]

PART 405—RECONDITIONING SECTION

RECONDITIONING IN CONNECTION WITH SALES

Section 405.01-66 is amended to read as follows:

§ 405.01-66 *Reconditioning by purchaser at his expense.* In cases where the agreement for sale provides for reconditioning to be performed by the purchaser at his expense, inspection of the property shall be made as may be advisable in the particular case and a report shall be made concerning completion or non-completion by a Loan Service Representative, except where the Control

Supervisor determines that a technical inspection is advisable, in which event he shall refer the case to the Reconditioning Section for an inspection report.

Reports to Regional Managers. In the event the work is not being satisfactorily performed or has not been satisfactorily completed, such fact, together with any recommendation as to the action, if any, to be taken by the Corporation with respect to such default, shall be promptly reported to the Regional Manager for further action in accordance with the provisions of Part 402 of the Code of Federal Regulations.

(Effective March 9, 1942)

(Above procedure promulgated by the General Manager and General Counsel pursuant to authority vested in them by the Federal Home Loan Bank Board acting pursuant to Secs. 4 (a) and 4 (k) of Home Owners' Loan Act of 1933, 48 Stat. 129, 132, as amended by Sections 1 and 13 of the Act of April 27, 1934, 48 Stat. 643 and 647: 12 U.S.C. 1463 (a), (k).)

[SEAL] J. FRANCIS MOORE, *Secretary.*

[F. R. Doc. 42-2046; Filed, March 9, 1942; 11:46 a. m.]

TITLE 26—INTERNAL REVENUE

CHAPTER I—BUREAU OF INTERNAL REVENUE

SUBCHAPTER A—INCOME AND EXCESS PROFITS TAXES

[T. D. 5127]

PART 23—CONSOLIDATED RETURNS OF AFFILIATED RAILROAD CORPORATIONS AND PAN AMERICAN TRADE CORPORATIONS

Income Tax—Regulations 104, Amended

Regulations 104 [Part 23,[1] Title 26, Code of Federal Regulations, 1940 Sup.] are amended as follows:

PARAGRAPH 1. Section 23.2 is amended as follows:

(A) By striking from (b) the last sentence in the second paragraph and inserting in lieu thereof the following:

* * * The option to treat such foreign corporation as a domestic corporation so that it may be included in a consolidated return must be exercised at the time of making the consolidated return, and cannot be exercised at any time thereafter. If the election is exercised to treat such foreign corporation as a domestic corporation, it must be included in the consclidated return of the affiliated group of which it is a member for each year thereafter for which such group makes or is required to make a consolidated return.

(B) By striking from (b) the last sentence in the fourth paragraph and inserting in lieu thereof the following:

* * * A corporation ceases to be a member of an affiliated group when the members of the group cease to own directly at least 95 percent, or, in the case of Pan-American trade corporation, the parent corporation ceases to own directly 100 percent, of its stock.

(C) By changing paragraph (e) to read as follows:

(e) *Tax.* The term "tax" means the income tax imposed by the Code, and includes any interest, penalty, additional amount, or addition to the tax, payable in respect thereof.

(D) By changing paragraph (f) to read paragraph (g), and by inserting in such paragraph immediately preceding the expression "'net income,' section 21" the following: "'corporation surtax net income,' section 15;".

(E) By inserting immediately after paragraph (e) the following:

(f) *Consolidated return.* The term "consolidated return" means a consolidated income tax return.

PAR. 2. Section 23.13 (a) is amended by striking the period at the end, and by inserting in lieu thereof: "of the affiliated group."

PAR. 3. Section 23.14 is amended to read as follows:

§ 23.14 *Accounting period of an affiliated group.* The taxable year of an affiliated group which makes a consolidated income tax return shall be the same as the taxable year of the common parent corporation; and, upon having elected to file consolidated returns, each subsidiary corporation shall, not later than the close of the first consolidated income tax taxable year ending thereafter, adopt an annual accounting period, fiscal year or calendar year as the case may be, in conformity with that of the common parent.

If a change of accounting period is made by a subsidiary in order to conform with that of the common parent and if the requirements of § 19.46–1, Regulations 103, relating to notice of change, cannot otherwise be complied with, such notice shall be furnished at or before the time of filing the consolidated return.

With respect to computations for years involved in the change to the consolidated basis, see § 23.32.

PAR. 4. Section 23.15 is amended by changing paragraphs (b), (c), and (d) to read, respectively, (c), (d), and (e), and by inserting immediately after paragraph (a) the following:

(b) *Liability of a corporation in bankruptcy or receivership.* If, at the time of filing a consolidated return, one or more, but not all, of the members of the affiliated group are in bankruptcy under the laws of the United States or in receivership in any court of the United States or of any State, Territory, or the District of Columbia, then the liability under paragraph (a) of each such member of the group with respect to the period covered by such return shall not exceed such portion of the consolidated tax liability for such period as the several corporations included in the consolidated return may, subject to the approval of the Commissioner, agree upon, or, in the absence of such an agreement, an amount equal to its liability for such year computed as if a separate return had been filed.

PAR. 5. Section 23.16 (a) is amended as follows:

(A) By inserting immediately after the second semicolon in the third sentence the following:

* * * notice and demand for payment of taxes will be given only to the common parent, and such notice and demand shall be considered as a notice and demand to each such corporation; * * *

(B) By striking from the fourth sentence that portion following the semicolon and by inserting in lieu thereof the following:

* * * any notice and demand for payment will name each corporation which was a member of the affiliated group during any part of such period (but a failure to include the name of any such corporation will not affect the validity of the notice and demand as to the other corporations); and any distraint (or warrant in respect thereof), any levy (or notice in respect thereof), any notice of a lien, or any other proceeding to collect the amount of any assessment, after the assessment has been made, will name the corporation from which such collection is to be made.

PAR. 6. Section 23.30 is amended as follows:

(A) By changing the heading of paragraph (b) to read: *"Years beginning in 1940."*

(B) By striking the asterisk at the end of paragraph (b), and by inserting immediately after such paragraph the following:

(c) *Years beginning after December 31, 1940.* In the case of an affiliated group which makes, or is required to make, a consolidated return for any taxable year beginning after December 31, 1940, the tax liability of each corporation for the period during such year that it was a member of such group shall be computed upon the consolidated normal-tax net income and the consolidated corporation surtax net income of the group, determined in accordance with these regulations. (See, however, § 23.15, relating to the liability of the members of the group.)

PAR. 7. Section 23.31 (a) is amended as follows:

(A) By striking out the heading and that portion of the paragraph preceding the numbered subparagraphs, and by inserting in lieu thereof the following:

(a) *Definitions—Years beginning prior to January 1, 1941*—(1) *In general.* In the case of an affiliated group of corporations which makes or is required to make a consolidated return for any taxable year beginning prior to January 1, 1941, and except as otherwise provided in these regulations— * * *

(B) By changing the subparagraph formerly designated as (1) to read as follows:

(i) The consolidated net income shall be the combined net income of the sev-

[1] 5 F.R. 7; 6 F.R. 525.

eral affiliated corporations, reduced, in the case of a taxable year beginning in 1940, by the consolidated net operating loss deduction;

(C) By changing the subparagraph formerly designated as (2) to read as follows:

(ii) The consolidated adjusted net income shall be the consolidated net income minus the combined credit of the several affiliated corporations provided in section 26 (a), relating to interest on certain obligations of the United States and Government corporations;

(D) By renumbering as (ix) the subparagraph formerly designated (9), by inserting immediately after the second parentical expression in such subparagraph the following: "of the several affiliated corporations having net income", and by inserting immediately preceding the semicolon at the end of such subparagraph the following: "computed without regard to the qualification expressed in paragraph (c) relating to net operating loss deductions".

(E) By renumbering as (x) the subparagraph formerly designated (10), and by renumbering as (aa) and (bb), respectively, of inferior subdivision (A) the inferior subdivisions formerly designated (i) and (ii).

(F) By renumbering as (iii), (iv), (v), (vi), (vii), and (viii), respectively, the subparagraphs formerly designated as (3), (4), (5), (6), (7), and (8).

PAR. 8. Section 23.31 (aa) is amended as follows:

(A) By striking out the heading and inserting in lieu thereof the following:

(2) *Years beginning in 1939.* * * *

(B) By changing the subparagraph formerly designated as (1) to read as follows:

(i) The consolidated special class net income shall be the consolidated adjusted net income minus the consolidated credit for dividends received;

(C) By renumbering as (ii) and (iii), respectively, the subparagraphs formerly designated as (2) and (3).

PAR. 9. Section 23.31 (aaa) is amended as follows:

(A) By striking out the heading and that portion of the paragraph preceding the numbered subparagraphs, and by inserting in lieu thereof the following:

(3) *Years beginning in 1940.* In the case of an affiliated group of corporations which makes or is required to make a consolidated return for taxable years beginning after December 31, 1939, and before January 1, 1941, and except as otherwise provided in these regulations— * * *

(B) By changing the subparagraph formerly designated as (1) to read as follows:

(i) The consolidated normal-tax net income shall be the consolidated adjusted net income minus the consolidated credit for dividends received;

(C) By renumbering as (iv) the subparagraph formerly designated as (4), and by inserting immediately after the second parenthetical expression in such subparagraph the following:

* * * of the several affiliated corporations having net income.

(D) By renumbering as (ii) and (iii), respectively, the subparagraphs formerly designated as (2) and (3).

PAR. 10. Section 23.31 is further amended by inserting immediately after paragraph (a) (3) (iv) (C) the following:

(b) *Definitions; years beginning after December 31, 1940.* In the case of an affiliated group of corporations which makes or is required to make a consolidated return for any taxable year beginning after December 31, 1940, and except as otherwise provided in these regulations—

(1) The consolidated net income shall be the combined net income of the several affiliated corporations—

(i) Minus any consolidated net operating loss deduction,

(ii) Plus any consolidated net short-term capital gain, and

(iii) Plus or minus, as the case may be, any consolidated net long-term capital gain or consolidated net long-term capital loss;

(2) The consolidated net short-term capital gain shall be the excess of the sum of the short-term capital gains of the several affiliated corporations over the sum of the short-term capital losses of such corporations;

(3) The consolidated net long-term capital gain shall be the excess of the sum of the long-term capital gains of the several affiliated corporations over the sum of the long-term capital losses of such corporations;

(4) The consolidated net long-term capital loss shall be the excess of the sum of the long-term capital losses of the several affiliated corporations over the sum of the long-term capital gains of such corporations;

(5) The consolidated net operating loss deduction shall be an amount equal to the consolidated net operating loss carry-over reduced by the amount, if any, by which the consolidated net income (computed with the exceptions and limitations provided in section 122 (d)) exceeds the consolidated normal-tax net income (computed without any net operating loss deduction);

(6) The consolidated net operating loss carry-over shall be the sum of—

(i) The amount of the consolidated net operating loss, if any, for the first preceding taxable year,

(ii) The amount of the consolidated net operating loss, if any, for the second preceding taxable year reduced by the excess, if any, of the consolidated net income (computed with the exceptions and limitations provided in section 122 (d)) for the first preceding taxable year over the consolidated net operating loss for the third preceding taxable year,

and, with respect to net operating losses sustained by a corporation for taxable years prior to the first taxable year in respect of which its income is included in the consolidated return—

(iii) The amount of the net operating loss, if any, sustained by such corporation for the first preceding taxable year, and

(iv) The amount of the net operating loss, if any, sustained by such corporation for the second preceding taxable year reduced by the excess, if any, of the net income of such corporation for the first preceding taxable year or, if the income of such corporation is included in the consolidated return for the first preceding taxable year, either the net income of such corporation increased by the separate net short-term and long-term capital gains of such corporation or the consolidated net income for such year (computed in either case with the exceptions and limitations provided in section 122 (d), whichever is the lesser, over the net operating loss of such corporation for the third preceding taxable year;

(7) The consolidated net operating loss shall be an amount equal to the excess of the combined net operating losses of the several affiliated corporations having net operating losses (computed subject to the exceptions and limitations provided in section 122 (d)) over the sum of—

(i) The combined net income of the several affiliated corporations having net income (adjusted with respect to the exceptions and limitations provided in section 122 (d) in connection with the computation of net operating losses), and

(ii) The consolidated net short-term capital gain and the consolidated net long-term capital gain;

(8) The consolidated normal-tax net income shall be the consolidated adjusted net income minus the consolidated credit for dividends received;

(9) The consolidated adjusted net income shall be the consolidated net income minus the consolidated credit relating to interest on certain obligations of the United States and Government corporations;

(10) The consolidated credit for dividends received shall be an amount equal to 85 percent of the aggregate dividends, of the class with respect to which credit is allowed by section 26 (b), received by the several affiliated corporations, but not in excess of 85 percent of the consolidated adjusted net income;

(11) The consolidated credit relating to interest on certain obligations of the United States and Government corporations shall be an amount equal to the aggregate of the interest, of the class with respect to which credit is allowed by section 26 (a), received by the several affiliated corporations;

(12) The consolidated corporation surtax net income shall be the consolidated net income minus the consolidated credit for dividends received, computed by limiting such credit to 85 percent of the

consolidated net income in lieu of 85 percent of the consolidated adjusted net income;

(13) The consolidated dividends paid credit shall be the sum of—

(i) The consolidated basic surtax credit, and

(ii) The consolidated dividend carry-over;

(14) The consolidated basic surtax credit shall be the sum of—

(i) The aggregate amount of dividends paid by the several affiliated corporations during the taxable year,

(ii) The combined consent dividends credits of the several affiliated corporations provided in section 28, and

(iii) The consolidated net operating loss credit;

(15) The consolidated dividend carry-over shall be the sum of—

(i) The amount, if any, by which the consolidated basic surtax credit for the first preceding taxable year exceeds the consolidated adjusted net income for such year, and

(ii) The amount of the consolidated basic surtax credit for the second preceding taxable year reduced by the consolidated adjusted net income for such year, and further reduced by the amount, if any, by which the consolidated adjusted net income for the first preceding taxable year exceeds the sum of—

(A) The consolidated basic surtax credit for such year, and

(B) The excess, if any, of the consolidated basic surtax credit for the third preceding taxable year over the consolidated adjusted net income for such year,

and, with respect to the unused basic surtax credit of a corporation for taxable years prior to the first taxable year in respect of which its income is included in the consolidated return—

(iii) The amount, if any, by which the basic surtax credit of such corporation for the first preceding taxable year exceeds the adjusted net income of such corporation for such year, and

(iv) The amount of the basic surtax credit of such corporation for the second preceding taxable year reduced by the adjusted net income of such corporation for such year, and further reduced by—

(A) The excess, if any, of the adjusted net income of such corporation for the first preceding taxable year over the sum of—

(aa) The basic surtax credit of such corporation for such year, and

(bb) The amount, if any, by which the basic surtax credit of such corporation for the third preceding taxable year exceeds the adjusted net income of such corporation for such year, or

(B) If the income of such corporation is included in the consolidated return for the first preceding taxable year, the lesser of the amount of the excess computed under (A) or the excess, if any, of the consolidated adjusted net income for the first preceding taxable year over the sum of—

(aa) The consolidated basic surtax credit for such year, and

(bb) The amount, if any, by which the basic surtax credit of such corporation for the third preceding taxable year exceeds the adjusted net income of such corporation for such year;

(16) The consolidated net operating loss credit shall be an amount equal to the consolidated net operating loss, computed for the purposes of the net operating loss credit, for the preceding taxable year, but not in excess of the consolidated adjusted net income for the taxable year;

(17) The consolidated net operating loss, computed for the purposes of the net operating loss credit, shall be the sum of—

(i) The excess of the combined net operating losses of the several affiliated corporations having net operating losses, computed subject to the exceptions and limitations provided in section 26 (c) (2), over the combined net income, adjusted with respect to the exceptions and limitations provided in such subsection in connection with the computation of net operating losses, of the several affiliated corporations having net income, and

(ii) With respect to the net operating loss sustained by a corporation for the taxable year prior to the first taxable year in respect of which its income is included in the consolidated return, the amount of such net operating loss for such prior taxable year, subject to the exceptions and limitations provided in section 26 (c) (2), in an amount not in excess of the adjusted net income of such corporation for the taxable year computed without regard to the qualifications expressed in (d) (1) (ii) and (iii).

PAR. 11. The section formerly designated § 23.31 (b) is amended as follows:

(A) By changing the heading thereof to read as follows:

(c) *Computations—Years beginning prior to January 1, 1941.*

(B) By striking the period at the end of the first sentence of the first paragraph, and by inserting in lieu thereof the following:

* * *, and without taking into account any net operating loss deduction. * * *

(C) By striking from the second paragraph thereof the following:

* * * the special class net income, the normal-tax net income, * * *

(D) By striking from the second paragraph thereof the expression, "section 22 (a)" and inserting in lieu thereof: "section 122 (a)".

(E) By striking the word "and" from the expression, "and the credit provided by section 27 (a) (4) relating to amounts used or irrevocably set aside to pay or to retire indebtednes," appearing in that portion of the second paragraph preceding the numbered subparagraphs, and by inserting immediately after such expression the following: "and gains or losses from sales or exchanges of capital assets,".

(F) By striking from subparagraph (6) the word "and"; by striking the period at the end of subparagraph (7) and inserting a semicolon and the word "and" in lieu thereof; and by inserting the following new subparagraph:

(8) In the computation of gains or losses from sales or exchanges of capital assets, there shall be eliminated any gains or losses arising in intercompany transactions.

PAR. 12. Section 23.31 is further amended by renumbering as (e) and (g), respectively, the paragraphs formerly designated (c) and (e), and by inserting immediately preceding the paragraph renumbered (e) the following:

(d) *Computations—Years Beginning After December 31, 1940.* In the case of affiliated corporations which make, or are required to make, a consolidated return for a taxable year beginning after December 31, 1940, and except as otherwise provided in these regulations—

(1) The net income of such corporations shall be computed in accordance with the provisions covering the determination of net income of separate corporations, except—

(i) There shall be eliminated unrealized profits and losses in transactions between members of the affiliated group and dividend distributions from one member of the group to another member of the group (referred to in these regulations as intercompany transactions),

(ii) No net operating loss deduction shall be taken into account, and

(iii) No capital gains or losses shall be taken into account.

Intercompany profits and losses which have been realized by the group through final transactions with persons other than members of the group, and intercompany transactions which do not affect the consolidated taxable net income, shall not be eliminated. As used in this paragraph, the term "net income" includes the case in which the allowable deductions of a member (not including any net operating loss deduction) exceed its gross income.

(2) The adjusted net income, the dividends received of a class with respect to which credit is allowed by section 26 (b), the interest received of a class with respect to which credit is allowed by section 26 (a), the short-term capital gains and losses and the long-term capital gains and losses as defined in section 117 (a), the net operating loss as defined in section 26 (c) (2) for the purpose of the net operating loss credit, the net operating loss as defined in section 122 (a) for the purpose of the net operating loss deduction, the amount of dividends paid, and the consent dividends credit allowed pursuant to section 28 shall be computed and determined in the case of each affiliated corporation in the same

manner and subject to the same conditions as if a separate return were filed, except—

(i) The net income used in any such computation shall be the net income of the corporation determined in accordance with the provisions of this section;

(ii) In the computation of the dividends received, there shall be excluded all dividends received from other members of the affiliated group;

(iii) In the computation of short-term capital gains and losses and long-term capital gains and losses, there shall be eliminated any gains or losses arising in intercompany transactions;

(iv) In the computation of the net operating loss as defined, either in section 26 (c) (2) or in section 122 (a), the provisions of this section pertaining to the determination of net income shall apply;

(v) In the computation of dividends paid, there shall be excluded all dividends paid by one member of the group to another; and

(vi) In the computation of the consent dividends credit, no amounts shall be included with respect to consents given by other members of the group.

(3) In no case shall there be included in the consolidated net operating loss carry-over under (b) (6) (iii) and (iv) of this section (relating to net operating losses sustained by a corporation in years prior to the first taxable year in respect of which its income is included in the consolidated return) an amount in excess of the net income of such corporation (computed with the exceptions and limitations provided in section 122 (d)) included in the computation of the consolidated net income for the taxable year increased by the separate net short-term and long-term capital gains of such corporation.

(4) If a portion of the consolidated net operating loss carry-over arises pursuant to the provisions of (b) (6) (iii) or (iv) of this section (relating to losses sustained by a corporation prior to the first taxable year in respect of which its come is included in the consolidated return), the consolidated net operating loss deduction shall not be less than the amount of such portion reduced by the amount, if any, by which the net income of such corporation (computed with the exceptions and limitations provided in section 122 (d)) exceeds the normal-tax net income of such corporation (computed without any net operating loss deduction but taking into account any net long-term capital loss), or, in the case of two or more such corporations, the sum of such portions so reduced.

(5) If, in the computation of the consolidated net operating loss carry-over for the second consolidated return period in respect of which the income of a corporation is included in the consolidated returns of the group, there is involved the net operating loss separately sustained by such corporation for the second preceding taxable year together with a consolidated net operating loss for the second preceding taxable year, or if, for the second consolidated return period in respect of which the income of two or more members of the affiliated group is included in the consolidated returns of the group, there are involved the net operating losses separately sustained by such corporations for the second preceding taxable year, no portion of the consolidated net income for the first preceding taxable year shall be taken into account more than once in giving effect to the provisions of (b) (6) (ii) and (iv) of this section (relating to the computation of that part of the consolidated net operating loss carry-over attributable to losses of the second preceding taxable year).

(6) If, in the computation of the consolidated dividend carry-over for the second consolidated return period in respect of which the income of a corporation is included in the consolidated return of the group, there is involved a separate unused basic surtax credit of such corporation for the second preceding taxable year together with a consolidated unused basic surtax credit for the second preceding taxable year, or if, for the second consolidated return period in respect of which the income of two or more members of the affiliated group is included in the consolidated return of the group, there are involved the separate unused basic surtax credits of such corporations for the second preceding taxable year, no portion of the excess of the consolidated adjusted net income over the consolidated basic surtax credit for the first preceding taxable year shall be taken into account more than once in giving effect to the provisions of (b) (15) (ii) and (iv) of this section relating to the computation of that part of the dividend carry-over attributable to the unused basic surtax credit of the second preceding taxable year.

PAR. 13. Section 23.31 is further amended by striking out the paragraph formerly designated as (d) and inserting in lieu thereof the following:

(f) *Net operating loss deduction, net operating loss credit, and dividend carry-over after consolidated return period.* The consolidated net operating loss (whether computed for the purpose of the deduction or the credit) or the unused consolidated basic surtax credit of an affiliated group for any consolidated return period of the group shall be used in computing the net operating loss deduction, the net operating loss credit, or the dividend carry-over, as the case may be, in the return of the common parent corporation (or the consolidated net operating loss deduction, the consolidated net operating loss credit, or the consolidated dividend carry-over in the consolidated return of another affiliated group of which such common parent becomes a member) for a taxable year subsequent to the last consolidated return period of the group in the same manner, to the same extent, upon the same conditions, and subject to the same limitations as if, during the taxable year in which such loss or such unused basic surtax credit originated and continuing to the date of the termination of the group, the group had been a single corporation, the common parent corporation; and no net operating loss or unused basic surtax credit attributable to a consolidated return period of a group shall be used in computing the net operating loss deduction, the net operating loss credit, or the dividend carry-over of a subsidiary (or the consolidated net operating loss deduction, the consolidated net operating loss credit, or the consolidated dividend carry-over of another affiliated group of which such subsidiary becomes a member) for any taxable year subsequent to the last consolidated return period of the group. No part of any unused basic surtax credit of a corporation for a year prior to the first consolidated return period of the affiliated group of which such corporation becomes a subsidiary shall be used in computing the dividend carry-over of such corporation (or the consolidated dividend carry-over of another affiliated group of which such subsidiary becomes a member) for any taxable year subsequent to the last consolidated return period, but any part of such unused basic surtax credit which, except for this restriction, might be so used shall be treated as attributable to the common parent corporation of the group for a year in which such common parent had no adjusted net income and no other basic surtax credit. No part of any net operating loss sustained by a corporation prior to the first consolidated return period of the affiliated group of which such corporation becomes a subsidary shall be used in computing the net operating loss deduction of such corporation (or the consolidated net operating loss deduction of another affiliated group of which such corporation becomes a member) for any taxable year subsequent to the last consolidated return period, but any part of such net operating loss which, except for this restriction, might be so used shall be treated as having been sustained by the common parent corporation of the group.

PAR. 14. Section 23.33 is amended as follows:

(A) By changing the title thereof to read: *"gain or loss from sale of stock, or bonds or other obligations."*

(B) By striking out the expression, "any bond or obligation issued by another corporation" and inserting in lieu thereof the following: "any bond or other obligation issued or incurred by another corporation".

(C) By renumbering as (a) the paragraph formerly designated (1), and by striking out the first parenthetical expression appearing therein and inserting in lieu thereof the following:

* * * (by sale, or in complete or partial liquidation not involving cash in an amount in excess of the adjusted basis of both the stock and the bonds and other indebtedness liquidated, or otherwise) * * *

(D) By renumbering as (b) the paragraph formerly designated (2).

(E) By renumbering as (c) the paragraph formerly designated (3), and by striking from the parenthetical expression appearing therein the last three

words and inserting in lieu thereof the following: "stock, or bonds or other obligations".

PAR. 15. Section 23.34 is amended as follows:

(A) By striking from paragraph (b) the parenthetical expression and by inserting in lieu thereof: "But see § 23.38 (b)."

(B) By striking from paragraph (c) (1) the last parenthetical expression and by inserting in lieu thereof the following:

* * *, but without regard to any adjustment under the last sentence of section 113 (a) (11) with respect to losses of the issuing corporation sustained by such corporation after it became a member of the affiliated group and included in a consolidated income tax return of the group.

(C) By striking paragraph (e) and inserting in lieu thereof the following:

(e) *Definition of "loss," "consolidated loss," and "net loss" or "net operating loss."* As used in this section the term "loss" means the excess over the gross income of the issuing corporation of the sum of its allowable deductions (not including any net loss or net operating loss deduction) plus the proportionate part properly attributable to such corporation of the credits relating to interest on certain Government obligations and dividends received allowable in computing consolidated normal-tax net income, the consolidated special class net income, or consolidated net income subject to tax; the term "consolidated loss" means the excess of the sum of the losses, separately computed, over the sum of the normal-tax net income, the special class net income, or the net income subject to tax, separately computed, of the several members of the affiliated group, determined in accordance with the provisions of the Code, or the Revenue Act, and pursuant to the provisions of consolidated returns regulations, applicable to the period; and the term "net loss" or "net operating loss" means the net loss or net operating loss, as the case may be, determined in accordance with the provisions of the Code, or the Revenue Act, and pursuant to the provisions of consolidated returns regulations, applicable to the period.

PAR. 16. Section 23.35 is amended to read as follows:

§ 23.35 *Sale of bonds or other obligations—Basis for determining gain or loss.* In the case of a sale or other disposition by a corporation, which is (or has been) a member of an affiliated group which makes (or has made) a consolidated income tax return for the taxable year 1929 or any subsequent taxable year, of bonds or other obligations issued or incurred by another member of such group (whether or not issued or incurred while it was a member of the group and whether issued or incurred before, during, or after the taxable year 1929), the basis of each bond or obligation, for determining the gain or loss upon such sale or other disposition, shall be determined in accordance with the Code (see, particularly, section 113), but the amount of any loss otherwise allowable shall be decreased by the excess (if any) of the aggregate of the deductions computed under paragraph (c) (2) of § 23.34 over the sum of the aggregate bases of the stock of the debtor corporation as computed under paragraph (c) (1) or (d), as the case may be, held by the members of the group. (See, also, § 23.40, relating to disallowance of loss upon intercompany bad debts.)

PAR. 17. Section 23.36 is amended by changing the title thereof to read: "*Limitation on allowable losses on sale of stock, or bonds or other obligations.*"

PAR. 18. Section 23.37 (a) is amended by striking out the first paragraph and inserting in lieu thereof the following:

Gain or loss thall not be recognized upon a distribution during a consolidated return period, by a member of an affiliated group to another member of such group, in cancellation or redemption of all or any portion of its stock, except—

(1) Where such distribution is in complete liquidation and redemption of all of its stock (whether in one distribution or a series) and of its bonds and other indebtedness, if any, falls without the provisions of section 112 (b) (6), and is the result of a bona fide termination of the business and operations of such member of the group, in which case it shall be treated as a sale of the stock, or bonds or other indebtedness, the adjustments specified in §§ 23.34 and 23.35 will be made, and § 23.36 will be applicable; or

(2) Where such a distribution without the provisions of section 112 (b) (6) is one made in cash in an amount in excess of the adjusted basis of the stock, and bonds and other indebtedness, in which case gain shall be recognized to the extent of such excess.

PAR. 19. Section 23.38 (c) is amended as follows:

(A) By striking out that portion of subparagraph (3) preceding the numbered subdivisions and by inserting in lieu thereof the following:

Where property is acquired during a taxable year beginning after December 31, 1938, upon a distribution (not a complete liquidation within the provisions of section 112 (b) (6)) in which gain or loss to the distributee is not recognized as provided in § 23.37 (a), the basis of such property shall be the same as the basis (determined in accordance with sections 111 to 115, inclusive, and §§ 23.34 and 23.35) of the stock and the bonds and other obligations exchanged therefor, adjusted—

(B) By renumbering as (3) (i), (ii); and (iii), respectively, the subparagraphs formerly designated (3) (A), (B), and (C).

(C) By renumbering as (4) (i), (ii), (iii), and (iv), respectively, the subparagraphs formerly designated as (4) (A), (B), (C), and (D).

PAR. 20. Section 23.39 is amended as follows:

(A) By renumbering as subparagraph (1) the paragraph formerly designated (a), and by inserting immediately preceding such subparagraph the following new paragraph heading:

(a) *Years beginning prior to January 1, 1941.*

(B) By renumbering as subparagraph (2) the paragraph formerly designated (b), and by striking the asterisk at the end and inserting in lieu thereof the following:

(b) *Years beginning after December 31, 1940*—(1) *Consolidated return for first year of affiliation.* If the income of an affiliated corporation is included in a consolidated return for the period immediately following the date upon which such corporation became a member of the affiliated group, the value of its opening inventory to be used in computing the consolidated net income shall be the proper value of the closing inventory used in computing its net income for the preceding taxable year.

(2) *Consolidated return after separate return by affiliates.* If a corporation which is a member of the affiliated group for the first consolidated return period was a member of the group in the preceding taxable year, the value of its opening inventory to be used in computing the consolidated net income for the first consolidated return period shall be the proper value of the closing inventory used in computing its net income for the preceding taxable year decreased in the amount of profits or increased in the amount of losses reflected in such inventory which arose in transactions between members of the affiliated group and which have not been realized by the group through final transactions with persons other than members of the group.

(3) *Separate returns made after consolidated returns.* If a corporation which was a member of an affiliated group in a consolidated return period makes or is required to make a separate return for the succeeding taxable year, the value of its opening inventory to be used in computing its net income for such succeeding taxable year shall be the proper value of its closing inventory used in computing consolidated net income for the last consolidated return period.

PAR. 21. Section 23.40 (a) is amended by striking at the end thereof the words, "any other member of the group." and by inserting in lieu thereof the following:

* * * any other corporation which was a member of the group as of the last day of the taxable year or which was liquidated by the group during such year except as a loss in connection with a liquidation of such other member in which losses are recognized pursuant to section 23.37 (a).

PAR. 22. Section 23.41 (b) is amended by inserting immediately preceding the words "in determining the gain or loss to the issuing company" the following:

* * * and in a transaction other than a distribution in a liquidation in which gain or loss to the distributee is recognized pursuant to § 23.37 (a), * * *

PAR. 23. Section 23.42 is amended as follows:

(A) By inserting the following new paragraph heading immediately after the section heading: "(a) *Years Beginning Prior to January 1, 1941.*"

(B) By striking "and 117 (d)" and inserting in lieu thereof the following: ", 117 (d) and (e), and 122 (d)".

(C) By inserting immediately after the words "consolidated return period" the following: "beginning prior to January 1, 1941".

(D) By striking the asterisk at the end and inserting in lieu thereof the following:

(b) *Years beginning after December 31, 1940.* The provisions of sections 23 (g) and (k), 117 (d) and (e), and 122 (d) with respect to gains and losses from sales or exchanges of capital assets shall be applied, in respect of such gains and losses sustained during a consolidated return period beginning after December 31, 1940, as if the affiliated group were the taxpayer.

With respect to a net short-term capital loss sustained by a corporation in a year prior to the first consolidated return period in respect of which the income of such corporation is included in the consolidated return, such loss (in an amount not in excess of the net income of such corporation for such year or in excess of the net short-term capital gain of such corporation for the first consolidated return period) shall, for the purposes of section 117 (e), relating to a net short-term capital loss carry-over, be treated as if such net short-term capital loss had been sustained by the affiliated group.

A consolidated net short-term capital loss sustained by the affiliated group during the last consolidated return period of the group (in an amount not in excess of the consolidated net income for such year) shall be treated in the succeeding taxable year, subject to the exception provided in section 117 (e), as a short-term capital loss of the common parent corporation. No portion of any consolidated net short-term capital loss sustained during a consolidated return period of an affiliated group shall be used in computing short-term capital losses of a subsidiary for any subsequent taxable year.

PAR. 24. Section 23.43 is amended as follows:

(A) By inserting the following new paragraph heading immediately after the section heading: "(a) *Years beginning prior to January 1, 1941.*"

(B) By striking from that portion of the section preceding the numbered subparagraphs the words "the consolidated return period" and by inserting in lieu thereof the following: "a consolidated return period beginning prior to January 1, 1941".

(C) By striking from subparagraphs (1) and (2) the expression "§ 23.31 (b)" and by inserting in each case in lieu thereof the following: "§ 23.31 (c)".

(D) By striking the asterisk at the end and inserting in lieu thereof the following:

(b) *Years beginning after December 31, 1940.* The credit allowed to an affiliated group for taxes paid or accrued during a consolidated return period beginning after December 31, 1940, to any foreign country or to any possession of the United States (under section 131) shall be computed and allowed as if the affiliated group were the taxpayer.

(This Treasury decision is issued under the authority contained in section 141 of the Internal Revenue Code (53 Stat. 58), as amended by section 210 of the Revenue Act of 1939 (53 Stat. 866), section 152 of the Internal Revenue Code (53 Stat. 880), and sections 104 and 118 of the Revenue Act of 1941 (Public Law 250, 77th Congress).)

[SEAL] NORMAN D. CANN,
Acting Commissioner of Internal Revenue.

Approved: March 5, 1942.

JOHN L. SULLIVAN,
Acting Secretary of the Treasury.

[F. R. Doc. 42-1986; Filed, March 6, 1942; 4:00 p. m.]

[T. D. 5126]

PART 33—CONSOLIDATED RETURNS OF AFFILIATED CORPORATIONS PRESCRIBED UNDER SECTION 730 (b) OF THE EXCESS PROFITS TAX ACT OF 1940

Regulations 110, Relating to Consolidated Excess Profits Tax Returns, Amended

Regulations 110 [Part 33,[1] Title 26, Code of Federal Regulations, 1941 Sup.] are amended as follows:

PARAGRAPH 1. Section 33.16 (a) is amended as follows:

(A) By inserting immediately after the second semicolon in the third sentence the following:

* * * notice and demand for payment of taxes will be given only to the common parent, and such notice and demand shall be considered as a notice and demand to each such corporation; * * *

(B) By striking from the fourth sentence that portion following the semicolon and by inserting in lieu thereof the following:

* * * any notice and demand for payment will name each corporation which was a member of the affiliated group during any part of such period (but a failure to include the name of any such corporation will not affect the validity of the notice and demand as to the other corporations); and any distraint (or warrant in respect thereof), any levy (or notice in respect thereof), any notice of a lien, or any other proceeding to collect the amount of any assessment, after the assessment has been made, will name the corporation from which such collection is to be made.

PAR. 2. Section 33.30 is amended as follows:

(A) By changing the heading of paragraph (c) to read:

(c) *In case of profits from mining strategic metals for years beginning prior to January 1, 1941.* * * *

(B) By striking "for any taxable year" from the first sentence of paragraph (c) and inserting in lieu thereof "for any taxable year beginning prior to January 1, 1941".

PAR. 3 Section 33.31 (a) is amended as follows:

(A) By striking out subparagraph (16) and inserting in lieu thereof the following:

(16) The consolidated excess profits credit based on invested capital—

(i) For a taxable year beginning prior to January 1, 1941, shall be 8 percent of the consolidated invested capital for such year, and

(ii) For a taxable year beginning after December 31, 1940, shall be 8 percent of the consolidated invested capital for such year not in excess of $5,000,000, plus 7 percent of that portion of the consolidated invested capital for such year in excess of $5,000,000; * * *

(B) By striking out "and" at the end of subdivision (i) of subparagraph (18) and inserting in lieu thereof "or any amount under section 718 (a) (6) for new capital,"; by striking out the semicolon at the end of subdivision (ii) of such subparagraph and inserting in lieu thereof a comma and the word "and"; and by inserting at the end of such subparagraph the following:

(iii) For a taxable year beginning after December 31, 1940, an amount equal to 25 percent of the consolidated new capital for such year;

(C) By renumbering as (24) the subparagraph formerly designated (23), and by striking therefrom the expression "(a) (22) (ii)" and inserting in lieu thereof "(a) (23) (ii)".

(D) By changing subparagraphs (21), (22), (24), (25), (26), (27), (28), (29), (30), (31), (32), and (33) to read, respectively, (22), (23), (25), (26), (27), (28), (29), (30), (31), (32), (33), and (34), and by inserting immediately after subparagraph (20), the following:

(21) The consolidated new capital for a taxable year beginning after December 31, 1940, shall be an amount equal to the aggregate new capital of the several affiliated corporations for each day of such year (subject to the limitations imposed by section 718 (a) (6) (D), (E), and (F) of the Code) divided by the number of days in such year; the limitations imposed by section 718 (a) (6) (D), (E), and (F) with respect to increases in inadmissible assets, maximum new capital allowable, and reductions on account of distributions out of pre-1941 accumulated earnings and profits shall be determined by reference to aggregate

[1] 6 F.R. 1463, 5251.

equity invested capital (computed without regard to (b) (2) (iv) (A) of this section), the aggregate accumulated earnings and profits; the aggregate inadmissible assets, the aggregate borrowed capital, the aggregate money or property paid in but excluded by reason of section 718 (a) (6) (A) or (B), and the aggregate distributions, of the several affiliated corporations, computed in each case pursuant to the provisions of these regulations, both with respect to the taxable year for which the computation is being made and with respect to the beginning of the first taxable year beginning after December 31, 1940, and intervening years (regardless of whether or not such corporations were affiliated and regardless of whether or not consolidated returns were made or were required prior to the current year, except that no elimination of intercompany profits or losses shall be made for separate return years) in the same manner and to the same extent as if such aggregates were, respectively, the equity invested capital, the accumulated earnings and profits, the inadmissible assets, the borrowed capital, the money or property paid in, and the distributions, of a separate corporation.

PAR. 4. Section 33.31 (b) is amended as follows:

(A) By inserting immediately after the words "the accumulated earnings and profits or deficit in accumulated earnings and profits as of the beginning of the taxable year," appearing in that portion of subparagraph (2) preceding subdivision (i), the following: "the new capital for any day of a taxable year beginning after December 31, 1940, the equity invested capital, the borrowed capital, the amount of distributions from earnings and profits for the purposes of new capital computations."

(B) By changing subdivisions (iv) (B), (C), (D), (E), (G), and (H) of subparagraph (2) to read, respectively, (iv) (C), (D), (E), (F), (H), and (I), and by inserting immediately after subdivision (iv) (A) of subparagraph (2) the following:

(B) For a taxable year beginning after December 31, 1940, there shall be excluded any amount under section 718 (a) (6) for new capital.

(C) By inserting in subdivision (iv) (E) of subparagraph (2), renumbered (iv) (F) by this Treasury decision, immediately after the words, "by reference to the basis of such stock" the following: ", or of other property," and by striking from such subdivision the parenthetical expression appearing therein and inserting in lieu thereof the following:

* * * (not including as a preceding owner a member of former member of the group from which such stock or other property was acquired during a consolidated income or excess profits tax return period, whether in complete or partial liquidation or otherwise, and not including as such stock the stock acquired from another member with a basis determined under section 113 (a) (7) of the Code, or a corresponding section of prior revenue laws, if, immediately prior to the transfer, such stock was held by such other member with a basis by reference to which this inferior subdivision (§ 33.31 (b) (2) (iv) (F)) would be inapplicable, and not including as such stock the stock acquired in a liquidation subject to the provisions of section 112 (b) (6) of the Code, or a corresponding section or prior revenue laws, if, immediately prior to such liquidation, the stock of the liquidated corporation was held by the distributee, or the stock acquired in such liquidation was held by the liquidated corporation, with a basis by reference to which this inferior subdivision would be inapplicable) * * *

and by striking from (aa) of such inferior subdivision "(C) and (D)" and inserting in lieu thereof "(D) and (E)".

(D) By striking out the inferior subdivision formerly designated (F) of subparagraph (2) (iv), and by inserting in lieu thereof the following:

(G) In the case of a member of the affiliated group the stock of which is held by other members of such group with a basis for determining loss upon a sale or exchange not fixed, either directly or indirectly, by reference to the basis of such stock, or of other property, in the hands of any preceding owner (not including as a preceding owner a member or former member of the group from which such stock or other property was acquired during a consolidated income or excess profits tax return period, whether in complete or partial liquidation or otherwise, but including as such stock the stock acquired from another member with a basis determined under section 113 (a) (7) of the Code, or a corresponding section of prior revenue laws, if, immediately prior to the transfer, such stock was held by such other member with a basis by reference to which this inferior subdivision (§ 33.31 (b) (2) (iv) (G)) would be applicable, and including as such stock the stock acquired in a liquidation subject to the provisions of section 112 (b) (6) of the Code, or a corresponding section of prior revenue laws, if, immediately prior to such liquidation, the stock of the liquidated corporation was held by the distributee, or the stock acquired in such liquidation was held by the liquidated corporation, with a basis by reference to which this inferior subdivision would be applicable), there shall be excluded as of the date on which such corporation became a member of the group within the meaning of section 730 (d) that portion of its average invested capital attributed to the shares of stock so held; there shall also be excluded, as of the date of any subsequent acquisition, that portion of its average invested capital attributable to shares of stock similarly acquired and held by other members of the group; no addition shall be made on account of money or property (not including stock of another member of the group held with a basis by reference to which (F) is applicable) thereafter paid in for stock held by any other member of the group or as paid-in surplus or a contribution to capital paid in with respect to shares of stock subject to the provisions of this paragraph; and no reduction shall be made on account of any distribution thereafter made to any other member of the group; stock of one member of the group indirectly acquired or held through the acquisition or ownership of stock of another member of the group (not including stock indirectly acquired or held through the acquisition or ownership of stock in a member which owns, directly or indirectly, stock in the acquiring corporation) shall, to the extent the stock of such other member is of the character described in this paragraph, be deemed to be of the same character; thus, if the P Corporation acquires for cash all the stock of the S^1 Corporation which in turn owns all the stock of the S^2 Corporation, the consolidated average invested capital of the P–S^1–S^2 group will be the average invested capital of the P Corporation (plus its accumulated earnings and profits and any earnings and profits accumulated by S^1 and S^2 after acquisition by P) regardless of the manner in which S^1 acquired the stock of S^2;

(E) By striking out inferior subdivision (A) of subparagraph (2) (v), and by inserting in lieu thereof the following:

(A) In the case of a member of the affiliated group the stock of which is held by other members of such group with a basis for determining loss upon a sale or exchange not fixed, either directly or indirectly, by reference to the basis of such stock, or of other property, in the hands of any preceding owner (not including as a preceding owner a member or former member of the group from which such stock or other property was acquired during a consolidated income or excess profits tax return period, whether in complete or partial liquidation or otherwise, but including as such stock the stock acquired from another member with a basis determined under section 113 (a) (7) of the Code, or a corresponding section of prior revenue laws, if, immediately prior to the transfer, such stock was held by such other member with a basis by reference to which this inferior subdivision (§ 33.31 (b) (2) (v) (A)) would be applicable, and including as such stock the stock acquired in a liquidation subject to the provisions of section 112 (b) (6) of the Code, or a corresponding section of prior revenue laws, if, immediately prior to such liquidation, the stock of the liquidated corporation was held by the distributee, or the stock acquired in such liquidation was held by the liquidated corporation, with a basis by reference to which this inferior subdivision would be applicable), there shall be excluded as of the date on which such corporation became a member of the group within the meaning of section 730 (d) that portion of its earnings and profits, or deficit in earnings and profits, previously accumulated and properly allocable to the shares of stock so held; there shall also be excluded, as of the date of any subsequent

acquisition, any earnings and profits, or deficit in earnings and profits, previously accumulated and properly allocable to any shares of stock similarly acquired and held by other members of the group; and stock of one member of the group indirectly acquired or held through the acquisition or ownership of stock of another member of the group (not including stock indirectly acquired or held through the acquisition or ownership of stock in a member which owns, directly or indirectly, stock in the acquiring corporation) shall, to the extent the stock of such other member is of the character described in this paragraph, be deemed to be of the same character;

(F) By striking out subdivision (v) (C) of subparagraph (2) and inserting in lieu thereof the following:

(C) With respect to distributions from such accumulated earnings and profits made during the taxable year by one member of the affiliated group to another member of the group, such accumulated earnings and profits of the distributee shall be increased in an amount equal to that by which such accumulated earnings and profits of the distributor are decreased.

(G) By striking from subdivision (v) (F) of subparagraph (2) the expression "(b) (iv) (F)" and inserting in lieu thereof "(b) (2) (iv) (G)".

(H) By changing subdivisions (vi), (vii), (viii), and (ix) of subparagraph (2) to read, respectively, (x), (xi), (xii), and (xiii), and by inserting immediately after subdivision (v) (G) of such subparagraph the following:

(vi) In the computation of new capital for any day of a taxable year beginning after December 31, 1940, the adjustments provided in section 718 (a) (6) (D), (E), and (F) shall be disregarded;

(vii) In the computation of equity invested capital (which, under this section, may be a minus amount), effect shall be given to the adjustments prescribed in (B) (2) (iv) of this section (relating to the computation of average invested capital) to the extent that such adjustments pertain to the computation of equity invested capital;

(viii) In the computation of borrowed capital, there shall be excluded the amount of any outstanding indebtedness of the corporation owing to another member of the affiliated group;

(ix) In the computation of distributions from earnings and profits for the purposes of new capital computations, intercompany distributions shall be disregarded;

(I) By striking from subparagraph (6) the expression "(a) (31) (iii)" and inserting in lieu thereof "(a) (32) (iii)", and by inserting immediately preceding the period at the end of such subparagraph the following: "but with its net income computed subject to the provisions of (b) (1) (i) of this section".

(J) By striking from subparagraph (7) the expression "(a) (31) (ii) and (iv)" and inserting in lieu thereof "(a) (32) (ii) and (iv)".

PAR. 5. Section 33.33 is amended as follows:

(A) By changing the title thereof to read: *Gain or loss from sale of stock, or bonds or other obligations.*

(B) By striking out the expression, "any bond or obligation issued by another corporation" and inserting in lieu thereof the following: "any bond or other obligation issued or incurred by another corporation".

(C) By striking out the first parenthetical expression appearing in paragraph (a) and inserting in lieu thereof the following:

* * * (by sale, or in complete or partial liquidation not involving cash in an amount in excess of the adjusted basis of both the stock and the bonds and other indebtedness liquidated, or otherwise) * * *

(D) By striking from the parenthetical expression appearing in paragraph (c) the last three words and inserting in lieu thereof the following: "stock, or bonds or other obligations".

PAR. 6. Section 33.34 (c) is amended by striking from subparagraph (1) the words "or excess profits".

PAR. 7. Section 33.35 is amended to read as follows:

§ 33.35 *Sale of bonds or other obligations—Basis for determining gain or loss.* In the case of a sale or other disposition by a corporation, which is (or has been) a member of an affiliated group which makes (or has made) a consolidated income or excess profits tax return for the taxable year 1929 or any subsequent taxable year, of bonds or other obligations issued or incurred by another member of such group (whether or not issued or incurred while it was a member of the group and whether issued or incurred before, during, or after the taxable year 1929), the basis of each bond or obligation, for determining the gain or loss upon such sale or other disposition, shall be determined in accordance with the Code (see, particularly, section 113), but the amount of any loss otherwise allowable shall be decreased by the excess (if any) of the aggregate of the deductions computed under § 33.34 (c) (2) over the sum of the aggregate bases of the stock of the debtor corporation as computed under paragraph (c) (1) or (d), as the case may be, held by the members of the group. (See, also, § 33.40, relating to disallowance of loss upon intercompany bad debts.)

PAR. 8. Section 33.36 is amended by changing the title thereof to read: *Limitation on allowable losses on sale of stock, or bonds or other obligations.*

PAR. 9. Section 33.37 (a) is amended by striking out the first paragraph and inserting in lieu thereof the following:

Gain or loss shall not be recognized upon a distribution during a consolidated return period, by a member of an affiliated group to another member of such group, in cancellation or redemption of all or any portion of its stock, except—

(1) Where such distribution is in complete liquidation and redemption of all of its stock (whether in one distribution or a series) and of its bonds and other indebtedness, if any, falls without the provisions of section 112 (b) (6), and is the result of a bona fide termination of the business and operations of such member of the group, in which case it shall be treated as a sale of the stock, or bonds or other indebtedness, the adjustments specified in §§ 33.34 and 33.35 will be made, and § 33.36 will be applicable; or

(2) Where such a distribution without the provisions of section 112 (b) (6) is one made in cash in an amount in excess of the adjusted basis of the stock, and bonds and other indebtedness, in which case gain shall be recognized to the extent of such excess.

* * * * *

PAR. 10. Section 33.38 (c) (3) is amended by striking out the portion preceding the numbered subdivisions and by inserting in lieu thereof the following:

* * * Where property is acquired during a taxable year beginning after December 31, 1939, upon a distribution (not a complete liquidation within the provisions of section 112 (b) (6)) in which gain or loss to the distributee is not recognized as provided in § 33.37 (a), the basis of such property shall be the same as the basis (determined in accordance with sections 111 to 115, inclusive, and §§ 33.34 and 33.35) of the stock and the bonds and other obligations exchanged therefor, adjusted. * * *

PAR. 11. Section 33.40 is amended as follows:

(A) By striking at the end of paragraph (a) the words "any other member of the group." and inserting in lieu thereof the following:

* * * any other corporation which was a member of the group as of the last day of the taxable year or which was liquidated by the group during such year except as a loss in connection with a liquidation of such other member in which losses are recognized pursuant to § 33.37 (a) * * *

(B) By striking the parenthetical expression at the end of paragraph (b) and inserting in lieu thereof: "(See § 33.35.)"

PAR. 12. Section 33.41 (b) is amended by inserting immediately preceding the words "in determining the gain or loss to the issuing company" the following:

* * * and in a transaction other than a distribution in a liquidation in which gain or loss to the distributee is recognized pursuant to § 33.37 (a), * * *

(This Treasury decision is issued under the authority contained in section 730 (b) of the Internal Revenue Code,

added by the Excess Profits Tax Act of 1940 (54 Stat. 989), and sections 201, 203, 204, and 205 of the Revenue Act of 1941 (Public Law 250, 77th Congress).)

[SEAL] NORMAN D. CANN,
Acting Commissioner of Internal Revenue.

Approved: March 5, 1942.

JOHN L. SULLIVAN,
Acting Secretary of the Treasury.

[F. R. Doc. 42-1985; Filed, March 6, 1942; 4:00 p. m.]

TITLE 32—NATIONAL DEFENSE

CHAPTER IX—WAR PRODUCTION BOARD

SUBCHAPTER A—GENERAL PROVISIONS

PART 903—DELEGATIONS OF AUTHORITY

Supplementary Directive No. 1D

§ 930.5 *Further delegation of authority to the Office of Price Administration with reference to rationing of typewriters:*

(a) The authority delegated to the Office of Price Administration by Directive No. 1 (§ 903.1) is hereby extended to the exercise of rationing control over the sale, transfer or other disposition of used typewriters by or to any person. The exercise of such authority shall be subject to the terms and conditions specified in said Directive No. 1.

(b) The authority delegated to the Office of Price Administration by Directive No. 1 (§ 903.1) is hereby extended and limited to the exercise of rationing control over the sale, transfer or other disposition of new typewriters, in such quantities only as may be expressly allocated for rationing by the Director of Industry Operations from time to time, by or to any person except the following:

(1) Any agency of the government of the United States; and

(2) Government agencies or other persons acquiring such products for export to and consumption or use in any foreign country. The exercise of such authority shall be subject to the terms and conditions specified in said Directive No. 1.

(c) As used in this Supplementary Directive the term "used typewriter" means any portable or non-portable typewriter (including noiseless and electric types) which at any time has been delivered to any person acquiring it for use, and shall include rebuilt typewriters; and the term "new typewriter" means any portable or non-portable typewriter (including noiseless and electric types) which has not been delivered to any person acquiring it for use, but does not include rebuilt typewriters. (E.O. 9024, Jan. 16, 1942, 7 F.R. 329, E.O. 9040, Jan. 24, 1942, 7 F.R. 567; Sec. 2(a), Pub. Law 671, 76th Cong., 3d Sess., as amended by Pub. Law 89, 77th Cong., 1st Sess.; W. P. B. Dir. No. 1, Jan. 24, 1942, 7 F.R. 562)

Issued this 5th day of March 1942.

DONALD M. NELSON,
Chairman.

[F. R. Doc. 42-1992; Filed, March 6, 1942; 4:47 p. m.]

SUBCHAPTER B—DIVISION OF INDUSTRY OPERATIONS

PART 976—MOTOR TRUCKS, TRUCK TRAILERS AND PASSENGER CARRIERS

Extension No. 4 to Limited Preference Rating Order No. P-54 as Amended[1]*—Material Entering Into the Production of Defense Products*

It is hereby ordered, That:

Section 976.2 (*Limited Preference Rating Order No. P-54,* issued September 12, 1941, as amended by Amendments No. 1 and 2 thereto) shall, insofar as concerns Passenger Carriers, Truck Trailers, and the bodies and cabs for Medium and/or Heavy Motor Trucks as defined therein, but not insofar as concerns Medium and/or Heavy Motor Trucks (excluding the bodies or cabs therefor) as defined therein, continue in effect until the 30th day of April, 1942, unless sooner revoked by the Director of Industry Operations.

In order to make this extension effective it is hereby ordered that § 976.2 (e) (3) be amended to read as follows:

(3) *By a producer or a supplier.*

(i) Unless the material to be delivered cannot be obtained when required without such rating,

(ii) To obtain deliveries earlier than required,

(iii) To deliveries of materials on purchase orders placed after April 1, 1942,

(iv) To deliveries of materials on purchase orders calling for delivery after April 30, 1942. (P.D. Reg. 1, amended December 23, 1941, 6 F.R. 680; W.P.B. Reg. 1, Jan. 26, 1942, 7 F.R. 561; E.O. 9024, Jan. 16, 1942, 7 F.R. 329; E.O. 9040, Jan. 24, 1942, 7 F.R. 527; sec. 2 (a), Pub. Law 671, 76th Cong., 3d Sess., as amended by Pub. Law 89, 77th Cong., 1st Sess.)

This order shall take effect immediately.

Issued this 6th day of March 1942.

J. S. KNOWLSON,
Director of Industry Operations.

[F. R. Doc. 42-1989; Filed, March 6, 1942; 4:47 p. m.]

Amendment No. 1 to Supplementary General Limitation Order L-7-a

It is hereby ordered that:

Subparagraph (a) (1) of Supplementary General Limitation Order L-7-a[2] (§ 993.2) is hereby amended to read as follows:

(a) (1) Except as provided in subparagraph (2), during the period of three months from January 1, 1942, to March 31, 1942, no manufacturer of domestic ice refrigerators shall use in the production of such refrigerators more steel than the greater of the following two limits:

(i) Three times 60 percent of the monthly average of steel used by him during the twelve months' period ending June 30, 1941.

(ii) Three times 60 percent of the monthly average of steel used by him during the three years' period ending June 30, 1941. (P.D. Reg. 1, amended Dec. 3, 1941, 6 F.R. 6680; W. P. B. Reg. 1, Jan. 26, 1942, 7 F.R. 561, E.O. 9024, Jan. 16, 1942, 7 F.R. 329; E.O. 9040, Jan. 24, 1942, 7 F.R. 527; sec. 2 (a), Pub. Law 671, 76th Cong., 3d Sess., as amended by Pub. Law 89, 77th Cong., 1st Sess.)

This amendment shall take effect immediately.

Issued this 6th day of March 1942.

J. S. KNOWLSON,
Director of Industry Operations.

[F. R. Doc. 42-1988; Filed, March 6, 1942; 4:47 p. m.]

PART 962—STEEL

Supplementary Order M-21-c—Plates

Section 962.4[1] (General Allocation Order No. 1—Plates) is hereby amended to read as follows:

§ 962.4 *Supplementary Order M-21-c*—(a) *Definitions.* For the purposes of this Order:

(1) When applied to carbon steel and alloy steel (except stainless steel), the term "plates" means flat hot rolled steel products, including skelp and floor plates:

Over 6 inches wide and ¼ inch or more thick, or

Over 6 inches wide and weighing 10.2 pounds or more per square foot, or

Over 48 inches wide and $\frac{3}{16}$ inch or more thick, or

Over 48 inches wide and weighing 7.65 pounds or more per square foot.

(2) When applied to stainless steel, the term "plates' means flat hot rolled steel products:

10 inches or more wide and $\frac{3}{16}$ inch or more thick, or

10 inches or more wide and weighing 7.65 pounds or more per square foot.

(b) *Customers' reports.* Each person desiring to obtain plates from a Producer shall file with such Producer and with the War Production Board monthly reports of requirements on form PD-298, and shall file with the War Production Board monthly reports of inventory and consumption on form PD-299.

(c) *Producers' reports.* Each Producer shall file with the War Production Board monthly schedules on forms PD-169 and PD-169A showing all plates requested by cusotmers on form PD-298 for shipment by the Producer during the following month. The Director of Industry Operations may make such changes in such schedules as to him shall seem appropriate, and may from time to time issue supplementary instructions with respect thereto.

(d) *Restrictions on deliveries.* (1) No Producers shall deliver plates and no person shall accept delivery thereof from a Producer, except pursuant to a prefer-

---

[1] 6 F.R. 4731, 5273, 5677; 7 F.R. 30, 515.

[2] 7 F.R. 114.

[1] 6 F.R. 6144.

ence rating of A–10 or higher or a specific allocation issued by the Director of Industry Operations.

(2) No Producer shall deliver plates except in accordance with such Producer's schedule on form PD–169 as modified, or with such supplementary instructions as may from time to time be issued by the Director of Industry Operations.

(3) After March 31, 1942, no Producer shall deliver plates to any person, and no person shall accept delivery thereof from a Producer, unless such plates have been reported on form PD–298 filed by such person or have been specifically allocated to such person by the Director of Industry Operations.

(e) *Effective date.* This Order shall take effect immediately. (P.D. Reg. 1, amended Dec. 23, 1941, 6 F.R. 6680; W. P. B. Reg. 1, Jan. 26, 1942, 7 F.R. 561; E.O. 9024, Jan. 16, 1942, 7 F.R. 329; E.O. 9040, Jan. 24, 1942, 7 F.R. 527; sec. 2 (a), Pub. Law 671, 76th Cong., 3d Sess., as amended by Pub. Law 89, 77th Cong., 1st Sess.)

This amendment shall take effect immediately. Issued this 7th day of March 1942.

J. S. KNOWLSON,
Director of Industry Operations.

[F. R. Doc. 42–2002; Filed, March 7, 1942; 11:13 a. m.]

PART 977—MANILA FIBER AND MANILA CORDAGE

Interpretation No. 1 of Amendment No. 3 to General Preference Order No. M–36 to Conserve the Supply and Direct the Distribution of Manila Fiber and Manila Cordage

The following official Interpretation is hereby issued by the Director of Industry Operations with respect to § 977.1, General Preference Order No. M–36,[1] as amended by Amendment No. 3,[2] issued February 20, 1942:

"Manila cordage" as defined in paragraph (b) (2) and as restricted in paragraph (e) includes all Manila Cordage located in the United States of America, regardless of where such Manila Cordage was manufactured. (P.D. Reg. 1, amended December 23, 1941, 6 F.R. 6680; W. P. B. Reg. 1, Jan. 26, 1942, 7 F.R. 561; E.O. 9024, Jan. 16, 1942, 7 F.R. 329; E.O. 9040, Jan. 24, 1942, 7 F.R. 527; sec. 2 (a), Pub. Law 671, 76th Cong., 3d Sess., as amended by Pub. Law 89, 77th Cong., 1st Sess.)

Issued this 7th day of March 1942.

J. S. KNOWLSON,
Director of Industry Operations.

[F. R. Doc. 42–2004; Filed, March 7, 1942; 11:13 a. m.]

[1] 6 F.R. 4534, 5217, 6614; 7 F.R. 1127.
[2] 7 F.R. 1127.

PART 977—MANILA FIBER AND MANILA CORDAGE

Amendment No. 4 to General Preference Order No. M–36[1] to Conserve the Supply and Direct the Distribution of Manila Fiber and Manila Cordage

Section 977.1 (General Preference Order No. M–36, as amended) is hereby amended as follows:

Paragraphs (e) (1) and (e) (2) are combined and amended to read as follows:

(1, 2) Unless specifically authorized by the Director of Industry Operations, from March 2, 1942 until August 1, 1942, no Cordage Processor shall sell or deliver more Manila Cordage than five times his basic monthly poundage, and after July 31, 1942, no Cordage Processor shall sell or deliver in any one month more Manila Cordage than his basic monthly poundage. (P.D. Reg. 1, amended December 23, 1941, 6 F.R. 6680; W. P. B. Reg. 1, Jan. 26, 1942, 7 F.R. 561, E.O. 9024, Jan. 16, 1942, 7 F.R. 329; E.O. 9040, Jan. 24, 1942, 7 F.R. 527; sec. 2 (a), Pub. Law 671, 76th Cong., 3d Sess., as amended by Pub. Law 89, 77th Cong., 1st Sess.)

This Amendment shall take effect immediately. Issued this 7th day of March 1942.

J. S. KNOWLSON,
Director of Industry Operations.

[F. R. Doc. 42–2003; Filed, March 7, 1942; 11:13 a. m.]

PART 1076—PLUMBING AND HEATING SIMPLIFICATION

Schedule III to Limitation Order No. L–42[2]—Low Pressure Heating Boilers

§ 1076.4 *Schedule III to Limitation Order L–42*—(a) *Definitions.* For the purposes of this Schedule:

(1) "Producer" means any person who manufactures, processes, fabricates, or assembles low pressure heating boilers, or metal jackets for such boilers, as the case may be.

(2) "Low pressure heating boiler" means any cast iron or steel boiler with a maximum working pressure of fifteen pounds for steam boilers or thirty pounds for water boilers, and boiler-burner units, fired by solid or liquid fuel.

(b) *Simplified practices.* Pursuant to Limitation Order No. L–42 the following simplified practices are hereby established for low pressure heating boilers:

(1) Elimination of metal jackets.
(2) Elimination of fusible plugs.
(3) Elimination of tri-cocks (compression cocks).

(c) *Effective date of simplified practices; exceptions.* (1) On and after June 1, 1942, no low pressure heating boilers which do not conform to the practices established by paragraph (b) of this section shall be produced or delivered by any producer or accepted by any person from any such producer, except with the express permission of the Director of Industry Operations: *Provided, however,* That the foregoing shall not prohibit the delivery by any producer of such boilers as were in his stock in finished form on June 1, 1942, or which had, on said date, been cast, machined or otherwise processed in such manner that their manufacture in conformity with this Schedule would be impractical, nor the receipt of such boilers from such producer;

(2) On and after March 16, 1942, no metal jackets for low pressure heating boilers shall be produced or delivered by any producer or accepted by any person from any such producer except with the express permission of the Director of Industry Operations: *Provided, however,* That the foregoing shall not prohibit the delivery by any producer of such jackets as were in his stock in finished form on March 16, 1942, or which had on said date been cast, machined, or otherwise processed so that the use of the metal therein for any other purpose would be impractical, nor the receipt of such jackets from such producer.

(d) *Records covering excepted articles.* (1) Each producer (of low pressure boilers) shall retain in his files records showing his inventory of excepted low pressure heating boilers as of June 1, 1942, and such records shall be kept readily available and open to audit and inspection by duly authorized representatives of the War Production Board;

(2) Each producer (of metal jackets) shall retain in his files records showing his inventory of excepted metal jackets as of March 16, 1942, and such records shall be kept readily available and open to audit and inspection by duly authorized representatives of the War Production Board. (P.D. Reg. 1, amended December 23, 1941, 6 F.R. 6680; W. P. B. Reg. 1, Jan. 26, 1942, 7 F.R. 561, E.O. 9024; Jan. 16, 1942, 7 F.R. 329; E.O. 9040, Jan. 24, 1942, 7 F.R. 527; sec. 2 (a), Pub. Law 671, 76th Cong., 3d Sess., as amended by Pub. Law 89, 77th Cong., 1st Sess.)

Issued this 7th day of March 1942.

J. S. KNOWLSON,
Director of Industry Operations.

[F. R. Doc. 42–2005; Filed, March 7, 1942; 11:14 a. m.]

[1] 6 F.R. 4534, 5217, 6614; 7 F.R. 1127.
[2] 7 F.R. 951, 1571.

PART 1077—RADIO RECEIVERS AND PHONOGRAPHS

Supplementary General Limitation Order L–44–a Further Restricting and Finally Prohibiting the Production of Radio Receivers and Phonographs

In accordance with the provisions of § 1077.1[1] (*General Limitation Order L–44*), which the following Order supplements,

[1] 7 F.R. 520.

It is hereby ordered, That:

§ 1077.2 *Supplementary General Limitation Order L–44–a*—(a) *Definitions.* For the purposes of this Order:

(1) "Manufacturer" means any person who puts into production any set.

(2) All the definitions contained in paragraph (a) of Limitation Order L–44 shall apply to this Order.

(b) *Prohibition of production of sets after April 22, 1942.* Effective April 23, 1942, no manufacturer shall put into production any sets.

(c) *Limit on use of materials.* From the effective date of this Order, no Manufacturer shall use in any manner in the production of sets more than $500 worth of materials and parts obtained under contracts or orders executed or placed after February 11, 1942, except that nothing in this paragraph shall impose any limit or restrictions on the use of wooden cabinets or materials for making such cabinets.

(d) *Appeal.* Any Manufacturer who considers that relief from the specific provisions of this Order will affirmatively facilitate his program of conversion from civilian to war work, may apply for relief by addressing a letter to the War Production Board, Washington, D. C. Ref: L–44–a, setting forth the pertinent facts and the reasons why he considers he is entitled to relief. The Director of Industry Operations may thereupon take such action as he deems appropriate.

(e) *Effective date.* This Order shall take effect on the date of its issuance, and shall continue in effect until revoked. (P.D. Reg. 1, amended December 23, 1941, 6 F.R. 6680; W.P.B. Reg. 1, Jan. 26, 1942, 7 F.R. 561, E.O. 9024, Jan. 16, 1942, 7 F.R. 329; E.O. 9040, Jan. 24, 1942, 7 F.R. 527; sec. 2 (a), Pub. Law 671, 76th Cong., 3d Sess., as amended by Pub. Law 89, 77th Cong., 1st Sess.)

Issued this 7th day of March 1942.

J. S. KNOWLSON,
Director of Industry Operations.

[F. R. Doc. 42–2001; Filed, March 7, 1942; 11:13 a. m.]

PART 1112—OFFICE MACHINERY

Amendment No. 1 to General Limitation Order L–54 [1]

Paragraph (a) (2) of § 1112.1 (*General Limitation Order L–54*) is hereby amended by amending subdivision (ii) thereof, and adding subdivision (vi) as follows:

* * * * *

(ii) To any person for repair, to return a repaired typewriter to the owner, and to lend another used typewriter to the user, pending the repair of the damaged typewriter;

* * * * *

(vi) To any person for the specific purpose of taking a Civil Service examination, provided the typewriter is returned immediately thereafter. (P.D. Reg. 1, amended Dec. 23, 1941, 6 F.R. 6680; W.P.B. Reg. 1, Jan. 26, 1942, 7 F.R. 561, E.O. 9024, Jan. 16, 1942, 7 F.R. 329; E.O. 9040, Jan. 24, 1942, 7 F.R. 527; sec. 2 (a), Pub. Law 671, 76th Cong., 3d Sess., as amended by Pub. Law 89, 77th Cong., 1st Sess.)

Issued this 7th day of March 1942.

J. S. KNOWLSON,
Director of Industry Operations.

[F. R. Doc. 42–2010; Filed, March 7, 1942; 12:22 p. m.]

PART 958—REPAIRS, MAINTENANCE, AND OPERATING SUPPLIES

Amendment No. 2 to Preference Rating Order No. P–100 as Amended

Section 958.2 (paragraph (b) (1) (iii) of Preference Rating Order (P–100 [1]) is hereby amended to read as follows:

(iii) Any person located in the United States, its territories and possessions, using tools or equipment to repair or maintain agricultural machinery, refrigerating equipment located in stores or restaurants, or the property of any Producer as defined in paragraph (b) (1) (i) and (ii).

Section 958.2 (paragraph (b) (5) (i) of Preference Rating Order P–100) is hereby amended to read as follows:

(i) Any Material which is physically incorporated, in whole or in part, into any Material which the Producer manufactures, distributes, sells, stores, or transports, excepting Material used by a Producer to repair or maintain refrigerating equipment located in stores or restaurants, agricultural machinery, or the property of another Producer, or

* * * * *

This amendment shall take effect immediately. Issued this 9th day of March 1942. (P.D. Reg. 1, amended Dec. 23, 1941, 6 F.R. 6680; W.P.B. Reg. 1, Jan. 26, 1942, 7 F.R. 561, E.O. 9024, Jan. 16, 1942, 7 F.R. 329; E.O. 9040, Jan. 24, 1942, 7 F.R. 527; sec. 2 (a), Pub. Law 671, 76th Cong., 3d Sess., as amended by Pub. Law 89, 77th Cong., 1st Sess.)

J. S. KNOWLSON,
Director of Industry Operations.

[F. R. Doc. 42–2038; Filed, March 9, 1942; 11:26 a. m.]

PART 960—CHLORINE AND PRODUCTS CONTAINING AVAILABLE CHLORINE

Amendment No. 1 to General Preference Order No. M–19 as Amended February 25, 1942

Section 960.1 (General Preference Order No. M–19 [2] as amended February 25, 1942) is hereby amended to read as follows:

Present paragraph (r) is hereby amended to read as follows:

(r) *Effective date.* This Order, as and to the extent amended February 25, 1942, shall take effect April 1, 1942, and shall continue in effect until revoked by the Director of Industry Operations. (P.D. Reg. 1, amended Dec. 23, 1941, 6 F.R. 6680; W.P.B. Reg. 1, Jan. 26, 1942, 7 F.R. 561, E.O. 9024, Jan. 16, 1942, 7 F.R. 329; E.O. 9040, Jan. 24, 1942, 7 F.R. 527; sec. 2 (a), Pub. Law 671, 76th Cong., 3d Sess., as amended by Pub. Law 89, 77th Cong., 1st Sess.)

Issued this 9th day of March 1942.

J. S. KNOWLSON,
Director of Industry Operations.

[F. R. Doc. 42–2040; Filed, March 9, 1942; 11:27 a. m.]

PART 981—PASSENGER AUTOMOBILES

Supplementary Limitation Order No. L–2–i To Prevent the Dispersal of Inventories of Automotive Manufacturers

Whereas limitations have been placed upon the manufacture of automobiles which will result in inventories of critical materials becoming idle and it is necessary to prevent dispersal of such inventories so as to conserve them for essential civilian and war uses:

Now, therefore, it is hereby ordered, That:

§ 981.10 *Supplementary Limitation Order L–2–i*—(a) *Restrictions on dispersal of inventories.* After the effective date hereof, no manufacturer of passenger automobiles or of parts therefor shall sell any part of his inventory of steel except

(1) On orders bearing the following preference ratings which have been duly assigned pursuant to regulations, orders, or certificates:

As to alloy steel (including stainless), A–1–k or higher.

As to all other steel, A–3 or higher.

Such orders must be accompanied by letter from the prospective purchaser, signed in duplicate and certifying material and quantity ordered and preference rating applied. Each automotive manufacturer must forward duplicate letter to Distressed Stocks Unit, Iron and Steel Branch, War Production Board, Washington, D. C., at the time shipment is made, or

(2) To Defense Supplies Corporation, Metals Reserve Company, or any other corporation organized under section 5 (d) of the Reconstruction Finance Corporation Act as amended, or any person acting as agent for any such Corporation, or

(3) With specific consent of the Director of Industry Operations.

(b) *Effect on other orders.* This Order shall not be deemed to limit or prevent the processing by a manufacturer of any part of his own inventory to the extent that such processing is not restricted or prohibited by any other Order of the Director of Industry Operations.

(c) *Effective date.* This Order shall take effect immediately. (P.D. Reg. 1, amended Dec. 23, 1941, 6 F.R. 6680; W.P.B.

---

[1] 7 F.R. 1755.

[1] 6 F.R. 6548; 7 F.R. 925, 1009, 1626.

[2] 6 F.R. 3730, 6645; 7 F.R. 1567.

Reg. 1, Jan. 26, 1942, 7 F.R. 561, E.O. 9024, Jan. 16, 1942, 7 F.R. 329; E.O. 9040, Jan. 24, 1942, 7 F.R. 527; sec. 2 (a), Pub. Law 671, 76th Cong. 3d Sess., as amended by Pub. Law 89, 77th Cong., 1st Sess.)

Issued this 9th day of March, 1942.

J. S. KNOWLSON,
Director of Industry Operations.

[F. R. Doc. 42-2042; Filed, March 9, 1942; 11:28 a. m.]

PART 1029—FARM MACHINERY AND EQUIPMENT AND ATTACHMENTS AND REPAIR PARTS THEREFOR

Supplementary Limitation Order No. L-26-a Restricting the Manufacture of Farm Tractors Requiring Rubber Tires

In accordance with the provisions of paragraph (c) (2) of § 1029.1 (Limitation Order L-26, issued December 31, 1941), which the following order supplements,

It is hereby ordered, That:

§ 1029.2 *Supplementary Limitation Order L-26-a*—(a) *Limitation on manufacture of farm tractors requiring rubber tires.* No producer shall: (1) During the calendar month of March, 1942, manufacture any quantity of Farm Tractors of each of the types hereinafter mentioned requiring rubber tires which is in excess of 55% of the average monthly number of each of such types requiring rubber tires manufactured by him during the base period of January and February, 1942; namely: Wheel Type Tractors of under 30 Belt Horse Power, Wheel Type Tractors of 30 Belt Horse Power and over, and Garden Tractors; nor

(2) During the calendar month of April, 1942, manufacture any quantity of such types of Tractor requiring rubber tires which is in excess of 40% of the average monthly number of each such type manufactured by him during such base period.

(b) After May 1, 1942, no producer shall manufacture any such Tractors which require rubber tires. (P.D. Reg. 1, amended Dec. 23, 1941, 6 F.R. 6680; W.P.B. Reg. 1, Jan. 26, 1942, 7 F.R. 561, E.O. 9024, Jan. 16, 1942, 7 F.R. 329; E.O. 9040, Jan. 24, 1942, 7 F.R. 527; sec. 2 (a), Pub. Law 671, 76th Cong., 3d Sess., as amended by Pub. Law 89, 77th Cong., 1st Sess.)

This order shall take effect immediately. Issued this 9th day of March 1942.

J. S. KNOWLSON,
Director of Industry Operations.

[F. R. Doc. 42-2039; Filed, March 9, 1942; 11:27 a. m.]

PART 1059—PRODUCTION AND DELIVERY OF LAND TURBINES

General Preference Order M-76

Whereas orderly scheduling of production and delivery of land turbines is necessary in order that maximum productive efficiency and capacity can be maintained and the most important war requirements for same fulfilled.

Now therefore, it is hereby ordered, That:

§ 1059.1 *General Preference Order M-76*—(a) *Production and delivery of land turbines.* (1) Each producer of land turbines shall schedule its production and make deliveries of land turbines in accordance with such specific directions as may be issued from time to time by the Director of Industry Operations.

(2) The production and delivery schedules established by any specific direction which may be issued from time to time pursuant to paragraph (a) (1) of this section shall be maintained without regard to any preference ratings already assigned or hereafter assigned to particular contracts, commitments, or purchase orders and may be altered only upon specific directions of the Director of Industry Operations.

(3) If it becomes impossible for any producer to maintain production and delivery of land turbines in accordance with any such schedule, he shall immediately notify the Director of Industry Operations, and, unless otherwise directed by the Director of Industry Operations, he shall continue to produce and deliver land turbines in the order set forth in such schedule and shall postpone production and delivery of any such turbines only to the extent required by the circumstances causing his failure to maintain production and delivery as required by such schedule.

(b) *Effective date.* This Order shall take effect immediately and shall continue in full force and effect until revoked by the Director of Industry Operations. (P.D. Reg. 1, amended Dec. 23, 1941, 6 F.R. 6680; W.P.B. Reg. 1, Jan. 26, 1942, 7 F.R. 561, E.O. 9024, Jan. 16, 1942, 7 F.R. 329; E.O. 9040, Jan. 24, 1942, 7 F.R. 527; sec. 2 (a), Pub. Law 671, 76th Cong., 3d Sess., as amended by Pub. Law 89, 77th Cong., 1st Sess.)

Issued this 9th day of March 1942.

J. S. KNOWLSON,
Director of Industry Operations.

[F. R. Doc. 42-2041; Filed, March 9, 1942; 11:27 a. m.]

CHAPTER XI—OFFICE OF PRICE ADMINISTRATION

PART 1306—IRON AND STEEL

AMENDMENT NO. 1 TO REVISED PRICE SCHEDULE NO. 100 [1]—CAST IRON SOIL PIPE AND FITTINGS

A statement of the considerations involved in the issuance of this Amendment has been prepared and is issued simultaneously herewith.[2]

Section 1306.304 is amended by designating the paragraph therein as (a) and adding a new paragraph (b). A new § 1306.308a is added, and § 1306.309 (b) (1) and (b) (2) are amended to read as set forth below:

§1306.304 *Records and reports.*

* * * * *

(b) Every manufacturer, jobber or wholesaler who sells cast iron soil pipe and fittings for shipment originating from some place other than a foundry shall file with the Office of Price Administration before April 1, 1941, a notarized document containing a description and explanation of the free delivery zone or zones recognized by the seller on October 1, 1941, or a notarized statement that no such zone or zones were recognized.

§1306.309 *Appendix A: Maximum prices for cast iron soil pipe and fittings.*

* * * * *

(b) * * *

(1) Where a carload shipment by rail moves directly from foundry to purchaser (regardless of whether the seller is a manufacturer, jobber, or wholesaler), the delivery charge may not exceed the transportation charge at the railroad carload rate from Birmingham, Alabama, to the railroad siding nearest to the point of delivery designated by the purchaser.

(2) Where shipment to a purchaser originates from some place other than a foundry (as where shipment originates at a distribution warehouse operated by a manufacturer, jobber, or wholesaler), the delivery charge may not exceed the transportation charge at the railroad carload rate from Birmingham, Alabama, to the place at which the shipment originates. A further delivery charge for transportation from the place at which shipment originates to the location designated by the purchaser may be made if (i) the seller on October 1, 1941 did not recognize a free delivery zone for a shipment of the size ordered by the purchaser; or (ii) the delivery location designated by the purchaser is outside of the free delivery zone, if any, recognized by the seller on October 1, 1941, for a shipment of the size ordered by the purchaser. The further charge may not exceed (i) the actual cost incurred by the seller for such transportation; or (ii) in the event transportation is by carrier other than a common carrier, the further delivery charge may not exceed the charge which would be applicable had the carrier been a common carrier.

§ 1306.308a *Effective dates of amendments.* (a) Amendment No. 1 (§§ 1306.304 (b), 1306.308a and 1306.309 (b) (1) and (b) (2)) to Revised Price Schedule No. 100 shall become effective March 7, 1942.

(Pub. No. 421, 77th Cong., 2d Sess.)

Issued this 6th day of March, 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-1991; Filed, March 6, 1942; 4:40 p. m.]

---

[1] 7 F.R. 1394.

[2] The statement of considerations has been filed with the Division of the Federal Register.

PART 1312—LUMBER AND LUMBER PRODUCTS

AMENDMENT NO. 1 TO REVISED PRICE SCHEDULE NO. 94 [1]—WESTERN PINE LUMBER

A statement of the considerations involved in the issuance of this amendment has been prepared and is issued simultaneously herewith.[2]

Sections 1312.255, 1312.260, 1312.261 and 1312.262 are amended to read as follows and a new section, § 1312.259a, is added as set forth below:

§ 1312.255 *Enforcement.* (a) Persons violating any provision of this Revised Price Schedule No. 94 are subject to the criminal penalties, civil enforcement actions, and suits for treble damages provided for by the Emergency Price Control Act of 1942.

(b) Persons who have evidence of any violation of this Revised Price Schedule No. 94 or any other price schedule, regulation or order issued by the Office of Price Administration or of any acts or practices which constitute such a violation are urged to communicate with the nearest field or regional office of the Office of Price Administration or its principal office in Washington, D. C.

§ 1312.260 *Appendix A: Maximum prices for ponderosa pine lumber.* (a) The maximum prices f. o. b. mill per 1,000 feet board measure, surfaced, air dried or kiln dried, in mixed or straight load shipments, shall be as follows:

[1] 7 F.R. 1381.

[2] The statement of considerations has been filed with the Division of the Federal Register.

SELECT GRADES

	4/4 RL S2S or S4S	5/4 RL S2S	6/4 RL S2S	8/4 RL S2S	10/4 RL S2S	12/4 RL S2S	16/4 RL S2S
1 and 2 clear (B and better):							
Random widths 1 x 4 and up	$71.00	$72.00	$72.00	$78.00	$103.00	$108.00	$116.00
2" inc. bdl	69.00	76.00	76.00	82.00			
3" inc. bdl	71.00	76.00	76.00	82.00			
4"	65.00	72.00	72.00	78.00	103.00	108.00	116.00
5"	71.00	82.00	82.00	88.00	113.00	118.00	126.00
6"	67.00	72.00	72.00	78.00	103.00	108.00	116.00
8"	69.00	77.00	77.00	83.00	108.00	113.00	121.00
10"	71.00	82.00	82.00	88.00	113.00	118.00	126.00
12"	90.00	92.00	92.00	98.00	123.00	128.00	136.00
C selects:							
Random widths 1 x 4 and up	67.00	66.00	66.00	71.00	92.00	96.00	105.00
2" inc. bdl	65.00	70.00	70.00	75.00			
3" inc. bdl	67.00	70.00	70.00	75.00			
4"	61.00	66.00	66.00	71.00	92.00	96.00	105.00
5"	67.00	76.00	76.00	81.00	102.00	106.00	115.00
6"	63.00	66.00	66.00	71.00	92.00	96.00	105.00
8"	65.00	71.00	71.00	76.00	97.00	101.00	110.00
10"	67.00	76.00	76.00	81.00	102.00	106.00	115.00
12"	86.00	86.00	86.00	91.00	112.00	116.00	125.00
D selects:							
Random widths 1 x 4 and up	54.00	52.00	52.00	57.00	73.00	78.00	86.00
2" inc. bdl	52.00	56.00	56.00	61.00			
3" inc. bdl	54.00	56.00	56.00	61.00			
4"	48.00	52.00	52.00	57.00	73.00	78.00	86.00
5"	54.00	62.00	62.00	67.00	83.00	88.00	96.00
6"	50.00	52.00	52.00	57.00	73.00	78.00	86.00
8"	52.00	57.00	57.00	62.00	78.00	83.00	91.00
10"	54.00	62.00	62.00	67.00	83.00	88.00	96.00
12"	68.00	72.00	72.00	77.00	93.00	98.00	106.00

Specified lengths:
4/4, 6', 8', 10', 12', and 14', add $2.00 (Includes bundling 2" and 3").
4/4, 16', add $5.00 (Includes bundling 2" and 3").
4/4, 18', and 20', add $10.00.
5/4 and thicker, 16', and shorter, add $5.00.
5/4 and thicker, 18' and 20', add $10.00.
Random lenghts, 10' and longer, add $2.00.
Special random widths, S2S:
8" and wider, RW, add $2.00 to RW price.
10" and wider, RW, add $7.00 to RW price.
13" and wider, RW, same as 12" price.
Special random widths, S2S—Continued.
14" and wider, RW, add $5.00 to 12" price.
16" and wider, RW, add $10.00 to 12" price.
18" and wider, RW, add $15.00 to 12" price.
20" and wider, RW (except drainboards), add $20.00 to 12" price.
22" and wider, RW (except drainboards), add $25.00 to 12" price.
Specified widths:
Specified widths over 12", for each inch over 12", add $2.00 to 12" price.
Specified widths—Continued.
Odd widths, 7", 9", 11", add $1.00 to 8", 10", 12" and so scaled.
Rough, all thicknesses, deduct $2.00.
Stained selects, deduct $5.00 from price of appropriate grade.
Australian Clears, same price as D select.
Short Selects 5' to 9', RL:
1 x 4 and wider, RW, D and better, $44.00.
5/4 and thicker, 4" and wider, RW, D and better, $47.00.
Select strips, 2" and 3", not bundled, deduct $1.00.

SHOP LUMBER

S2S RW and RL	4/4	5/4	6/4	8/4	10/4	12/4	16/4
4/4 shop common	$30.50						
No. 3 clears	42.00	$56.00	$56.00	$70.00	$81.00	$89.00	$98.00
No. 1 shop		43.00	43.00	51.00	65.00	69.00	78.00
No. 2 shop		35.00	35.00	38.00	47.00	49.00	56.00
No. 3 shop		28.00	28.00	28.00	33.00	35.00	39.00

Rough 4/4, No. 3 clears and thicker, deduct $2.00.
Rough 4/4 shop common, deduct $1.00.
Rough 5/4 and thicker No. 1 shop, deduct $2.00.
Rough 5/4 and thicker No. 2 and No. 3 shop, deduct $1.00.

DRAINBOARD STOCK

5/4 and 6/4, 1 and 2 clear S2S selected: 20" and wider RW RL, $110.00. 22" and wider SW RL, $125.00. For rough, deduct $2.00. For 8/4, add $5.00.

BEVEL SIDING

	½"x4"	½"x5"	½"x6"
B & Btr., 3' and longer	$29.50	$32.00	$31.50
C, 3' and longer	28.00	30.50	30.00
D, 3' and longer	20.50	23.50	23.00
E	16.00		16.50

B & Btr., C & D may contain 20% 3' to 8½' in multiples of 6".
E Siding may contain up to 35% of 8½' and shorter.
Shorts when sold separately 8' and shorter in B and Btr., C & D, deduct $8.00.
For 9' and longer, add $3.00.

MOULDING LUMBER

4/4 RW RL S2S, $43.00.
5/4 to 8/4 RW RL S2S, $45.00.
For rough, deduct $1.00.

MOULDING LUMBER & BETTER

(Product of log above No. 1 shop producing 50% rip 10' and longer 1" width)

4/4 RW RL rough, dry, $48.00.
5/4 and thicker RW RL rough, dry, $50.00.

MILL RUN BOX

(Product of log below No. 2 shop as produced by the mill)

Rough 5/4, 6/4 and thicker RL, air dried, $25.50.
S2S—add to rough, $1.00.
4/4 stock, rough, deduct from 5/4, $2.00.
Specified widths, no additions.

DIMENSION

RL S1S1E HM 1⅝" x standard widths or S4S HM 1½" x standard widths.

Scaled as 2"	2x4"	2x6"	2x8"	2x10"	2x12"
No. 1 dimension	$28.00	$27.00	$26.50	$27.00	$27.00
No. 2 dimension	25.00	24.00	24.00	24.00	24.00
No. 3 dimension	18.50	17.50	17.50	17.50	17.50

Specified lengths:
14' and under 14', add $1.00 to RL.
16', add $0.50 to RL.
18' and 20', add $2.00 to RL.
For rough, deduct $1.00.
For 1⅝ dimension, add 1/6 to 1⅝" prices.
For 1¾ dimension, add ¼ to 1¾" prices.

COMMON BOARDS

(Random lengths—6' and longer)

S2S or S4S (13" and wider RW S2S only)	1 x 4"	1 x 6"	1 x 8"	1 x 10"	1 x 12"	1 x 14"	1 x 16"	1 x 18"	1 x 20"
No. 1 common	$43.00	$43.00	$43.00	$44.00	$49.00				
No. 2 common	37.00	36.00	35.00	35.00	37.00	$40.00	$44.00	$48.00	$52.00
No. 3 common	32.00	32.00	31.00	31.00	31.00	32.00	34.00	36.00	38.00
No. 4 common	21.00	22.00	23.00	23.00	23.00				
No. 5 common	14.00								

Additions for thickness:
No. 1 common:
for 5/4, 6/4 and 8/4, add $5.00.
for 10/4 and 12/4 add $12.00.
No. 2 common:
for 5/4, 6/4 and 8/4, add $4.00.
for 10/4 and 12/4, add $8.00.
No. 3 common:
for 5/4, 6/4 and 8/4, add $3.00.
for 10/4 and 12/4, add $6.00.
No. 4 common, for 5/4, 6/4 and 8/4, add $2.00.
No. 5 common, for 5/4, 6/4 and 8/4, add $2.00.
Specified lengths:
No. 1, 2, and 3 common:
4" and 6" widths, 16', 18', and 20', add $2.00.
8" and wider, 8', 10', 12', 18', and 20', add $2.00.
all widths, 6', deduct $3.00.
No. 4 and 5 common, all specified lengths, add $2.00.
All common, R/L 10' and longer, add $1.00.
N. 4 and 5 common, RW and RL, may contain 20% 4' to 8' and 20% 4".
Odd widths, 7", 9", & 11", add $1.00 to 8", 10", & 12" price, and so scaled.
Special random widths:
No. 4 common:
1 x 4 and wider, $22.00.
1 x 6 and wider, $22.50.
No. 5 common, 1 x 4 and wider, $14.00.
Rough, 4/4 and thicker, deduct $1.00.
Knotty pine paneling stock, add $5.00 to price of regular grade from which selected.
For 11/16", use price of corresponding grade and width of 6/4" plus $2.50, less 25% for surface measure price.

DIFFERENTIALS AND RULES APPLICABLE TO ALL GRADES OF PONDEROSA PINE

Ordinary resawing, add $1.00.
Resawing and S2S, all grades, all rates, add $2.00.
Ripping, per rip, add $1.00.
Novelty-Saw Ripping, add $2.00
Ripping and S4S, add $3.00
Cross Cutting, per cut, add $1.00.
Cleating (ordinary), add $1.50
Bundling (ordinary), add $1.00.
Bundling (export), add $5.00.
4/4 and thicker stock dressed thicker than standard, for each 1/32", add $1.00.
For stock run S4S wider than standard width (may be hit or miss), add $1.00.
Standard Casing and Base, Jambs, Sill Stock, Pulley Stiles, Log Cabin Siding, Bungalow Siding, Dolly Varden Siding and all similar patterns (not mouldings) 8" or 10" Beveled Siding, all grades, to price of grade desired, add $5.00.
All other patterns except those conforming to Association Standard Patterns, add $2.50
All Standard patterns other than S2S or S4S, T & G or Shiplap, add $2.00.
Cutting to specified exact length, add $1.00.
All stock shipped in inter-divisional stopover cars, add $1.00.
Random lengths are 6 feet and longer, unless otherwise provided in list.

§ 1312.261 *Appendix B: Maximum prices for Idaho white pine lumber.* (a) The maximum prices f. o. b. mill per 1,000 feet board measure, surfaced, air dried or kiln dried, in mixed or straight load shipments, shall be as follows:

SELECT GRADES

RL S2S or S4S including bundling 2" and 3"	1 x 2"	1 x 3"	1 x 4"	1 x 5"	1 x 6"	1 x 8"	1 x 10"	1 x 12"	13" and wider RW
B and better	$79.00	$80.00	$76.00	$79.00	$77.00	$77.00	$81.00	$100.00	$100.00
C select	72.00	73.00	69.00	72.00	70.00	70.00	74.00	90.00	90.00
D select	55.50	55.50	52.50	57.50	52.50	52.50	61.00	77.00	77.00
RL S2S including bundling 2" and 3"	5/4 x 2"	5/4 x 3"	5/4 x 4" or 5/4 x 4" and wider	5/4 x 5"	5/4 x 6"	5/4 x 8"	5/4 x 10"	5/4 x 12"	13" and wider RW
B and better	$93.00	$95.00	$89.00	$99.00	$91.00	$94.00	$99.00	$109.00	$109.00
C select	83.00	85.00	79.00	89.00	81.00	84.00	89.00	99.00	99.00
D select	71.00	73.00	67.00	77.00	69.00	72.00	77.00	87.00	87.00

Additions for thickness:
B & Btr. and C S2S RL 6/4, same as 5/4 price.
B & Btr. and C S2S RL 8/4, add $14.00 to 5/4 price.
6/4 D Select, same as 5/4 price.
8/4 D Select, add $5.00 to 5/4 price.
Specified lengths:
4/4:
8', 10', 12' and 14', net.
16', 18', and 20', add $10.00.
5/4 and thicker:
16' and shorter, add $5.00.
18' and 20', add $10.00.
Random lengths 10' and longer, add $2.00.
4/4 14' and shorter RL (when no 16' included), deduct $3.00.
Special random widths 5/4 and thicker S2S:
6" and wider RW, add $2.00 to 4" and wider price.
8" and wider RW, add $5.00 to 4" and wider price.
Odd widths, 7", 9", and 11", add $1.00 to 8", 10" and 12" price, and so scaled.
Rough, all thicknesses selects, deduct $2.00.
Stained selects, deduct $5.00 from price of appropriate grade.
Short selects 5' to 9' inclusive:
4/4, 4" and wider, D and Btr. (35% 4"), $46.00.
4/4, all 4", $44.00.
4/4, all 6", $45.00.
4/4, all 8", $48.00.
Select strips, 2" and 3", not bundled, deduct $1.00.
Random length may contain 5% shorter than 8' and 15% odd lengths.
Knotty pine panel stock, add $5.00.

SHOP LUMBER

RW & RL S2S	4/4	5/4	6/4	8/4	10/4	12/4
4/4 shop common	$32.00					
No. 1 shop		$57.50	$57.50	$72.50	$97.50	$107.50
No. 2 shop		39.00	39.00	44.00	64.50	66.50
No. 3 shop		29.50	29.50	30.50	44.50	46.50

When sold as No. 3 and better pile run on grade prices, deduct $5.00 from the No. 1 shop price and $2.00 from the No. 2 shop price.
Rough:
4/4 shop common, deduct $1.00.
5/4 and thicker No. 1 shop, deduct $2.00.
5/4 and thicker, No. 2 or No. 3 shop, deduct $1.00.

BEVEL SIDING

7/16" x 3 1/16" SM

3' and longer	1/2" x 4"	1/2" x 5"	1/2" x 6"
B and Btr	$32.25	$37.50	$37.00
C	29.00	34.25	33.75
D	20.75	25.00	24.75
E	15.00		16.50

May contain odd lengths, and 20% 3' to 8 1/2' in multiples of 6", except that E siding may contain up to 35% of 8 1/2' and shorter.
For all 9' and longer add $3.00:
Short Siding 8' and shorter (when sold separately).
Grade B and Btr., or C., deduct $7.50.
Grade D, deduct $5.00.

COMMON BOARDS

S4S or S2S RL	1 x 4" and wider	1 x 4"	1 x 5"	1 x 6"	1 x 8"	1 x 10"	1 x 12"	13" and wider RW, S2S
No. 1 (Colonial) common		$47.50	$45.50	$45.50	$45.50	$51.75	$73.00	$78.00
No. 2 (Sterling) common		43.50	44.00	41.50	41.50	43.00	47.00	52.00
No. 3 (Standard) common		32.00	32.00	34.50	33.50	33.50	33.50	38.50
No. 3 and Better common shorts (5' to 8' RL)	$28.00	24.00		27.50	29.50	29.50	29.50	
No. 4 (Utility) common	25.50	23.00		26.00	27.00	26.00	26.00	
No. 4 and Better common shorts (6' to 8' RL), deduct $1.00 from No. 3 and better common shorts.								
No. 5 (Industrial) common	19.00	17.50		18.50	19.50	19.50	19.50	

Additions for thickness:
No. 1 common:
5/4, 6/4 and 8/4 RL or all 16', 10" and 12", add $9.00 to 4/4 RL price.
4", 6" and 8", add $12.00 to 4/4 RL price.
Specified lengths other than 16', add $5.00 to 5/4 and thicker RL price.
5/4 x 5", add $1.00 to 5/4 x 10" price.
No. 2 common, 5/4, 6/4 and 8/4:
RL or all 16', add $7.00 to 4/4 RL price.
Specified lengths other than 16', add $12.00 to 4/4 RL price.
No. 3 common, 5/4, 6/4 and 8/4:
RL or all 16', add $3.00 to 4/4 RL price.
Specified lengths other than 16', add $8.00 to 4/4 RL price.
No. 4 and 5 common, 5/4, 6/4 and 8/4, RL, add $2.00 to 4/4 RL price.
Specified lengths:
No. 1, 2, and 3 common:
4" and 6"—10', 12' and 14', deduct $1.00.
4" and 6"—16', 18', and 20', add $1.00.
8", 10", and 12"—10', 12', 18' and 20', add $1.00.
8", 10", and 12"—14' and 16', deduct $1.00.
All widths—6', deduct $3.00.
No. 4 and 5 common:
All specified lengths, add $2.00.
All common RL 10' and longer, add $1.
No. 4, 1 x 6" and wider, 4' and longer, $27.00.
Odd widths, 7", 9", and 11", add $1.00 to 8", 10", and 12" price and so scaled.
Rough 4/4 and thicker, all commons, deduct $1.00.
No. 4 and 5 common RW and RL, may contain 20% 4' to 8', and 20% 4".

DIFFERENTIALS AND RULES APPLICABLE TO ALL GRADES OF IDAHO WHITE PINE

Ordinary resawing, add $1.00.
Resawing and S2S, all grades, all rates, add $2.00.
Ripping, per rip, add $1.00.
Novelty-saw ripping, add $2.00.
Ripping and S4S, add $3.00.
Cross cutting, per cut, add $1.00.
Cleating (ordinary), add $1.50.
Bundling (ordinary), add $1.00.
Bundling (export), add $5.00.
4/4 and thicker stock dressed thicker than standard, for each 1/32", add $1.00.
Per stock run S4S wider than standard width (may be hit or miss), add $1.00.
Standard Casing and Base, Jambs, Sill Stock, Pully Stiles, Log Cabin Siding, Bungalow Siding, Dolly Varden Siding and all similar patterns (not mouldings), 8" or 10" Beveled Siding, all grades, to price of grade desired, add $5.00.
All other patterns except those conforming to Association Standard Patterns, add $2.50.
All standard patterns other than S2S or S4S, T and G or Shiplap, add $2.00.
Cutting to specified exact length, add $1.00.
All stock shipped in inter-divisional stopover cars, add $1.00.
Specified widths, all grades, wider than 12", add $2.00 for each inch over 12" to price of 13" and wider.
Random lengths are 6 feet and longer, unless otherwise provided in list.

§ 1312.262 *Appendix C: Maximum prices for sugar pine lumber.* (a) The maximum prices f. o. b. mill per 1,000 feet board measure, surfaced, air dried or kiln dried, in mixed or straight load shipments, should be as follows:

SELECT GRADES

S2S or S4S, RW and RL	4/4	5/4	6/4	8/4	10/4	12/4	16/4
1 and 2 clear (S and str.)	$77.00	$79.00	$78.00	$92.00	$108.00	$117.00	$127.00
C select	75.00	76.00	75.00	88.00	105.00	112.00	122.00
D select	62.00	64.00	63.00	78.00	89.00	97.00	106.00

Stained Selects, deduct $5.00 from price of appropriate grade.
Australian Clears, same price as D select.

SHOP LUMBER

	4/4 x 5" and wider	5/4 x 5" and wider	6/4 x 5" and wider	8/4 x 5" and wider	10/4 x 5" and wider	12/4 x 5" and wider	16/4 x 5" and wider
No. 3 clear	$47.00	$62.00	$61.00	$82.00	$94.00	$98.00	$106.00
No. 1 shop		49.00	48.00	59.00	72.00	77.00	87.00
No. 2 shop		39.00	38.00	44.00	54.00	55.00	61.00
No. 3 shop		31.00	31.00	32.00	33.00	33.00	38.00
4/4 shop common RW	35.00						

MOULDING LUMBER, AND MOULDING AND BETTER

Moulding lumber:
4/4 RW and RL, $50.00.
5/4—6/4 RW and RL, $52.00.
8/4 RW and RL, $55.00.
For rough deduct $1.00

Moulding Lumber and Better (Product of log above #1 Shop producing 50% rip 10′ and longer 1″ width):
4/4 RW and RL Rough, $55.00.
5/4 and thicker RW and RL Rough, $59.00.

COMMON BOARDS

S2S, RL and RW	4/4	5/4	6/4	8/4	10/4	12/4	16/4
No. 2 and Better Common	$39.00	$42.00	$42.00	$43.00	$44.00	$45.00	$45.00
No. 3 Common	30.00	33.00	33.00	33.00	36.00	36.00	36.00

MILL RUN BOX

(Product of log below #2 shop as produced by mill)

Rough 5/4, 6/4 and thicker RL, $25.50.
S2S, add $1.00 to rough.

One inch stock, rough, deduct $2.00 from 5/4.

DIFFERENTIALS FOR WIDTHS AND LENGTHS

Narrow widths:
2⅝″ and less, S4S all grades, add $3.00.

Random widths:
4 to 7″ (D Select and Btr. only), deduct $5.00.
10″ and wdr. (Shop and Btr.), add $5.00.
12 or 13″ and wdr. (Shop and Btr.), add $15.00.
14″ and wdr. (Shop and Btr.), add $20.00.
16″ and wdr. (Shop and Btr.), add $25.00.
18″ and wdr. (Shop and Btr.), add $30.00
20″ and wdr. (Shop and Btr.) (except Drainboard Stock), add $35.00.
22″ and wdr. (Shop and Btr.) (except Drainboard Stock), add $45.00.

Additions for specified widths:
4, 6, and 8″ (D Select and Btr. only), net.
5, 7, and 10″ (D Select and Btr. only), add $5.00.
12 and 13″ (Shop and Btr.), add $15.00.
14 and 15″ (Shop and Btr.), add $25.00.
16 and 17″ (Shop and Btr.), add $30.00.
18 and 19″ (Shop and Btr.), add $35.00.
20 and 21″ (Shop and Btr.), add $45.00.
22″ and wdr. (Shop and Btr.), add $55.00.

Additions for specified lengths:
4/4 8′ to 16′ Select and Shop grades, add $5.00.
5/4 and thicker, 8′ to 16′ Select and Shop grades, add $5.00.
4/4 and thicker, 18′ to 20′ Select and Shop grades, add $10.00.
4/4 and thicker, 8′ to 16′ Common grades, add $2.00.

DIMENSIONS

RL, S1S1E HM 1-9/16″ x standard widths or S4S HM 1½″ x standard widths scaled as 2″	2x4″	2x6″	2x8″	2x10″	2x12″
No. 1 dimension	$28.00	$27.00	$26.50	$27.00	$27.00
No. 2 dimension	25.00	24.00	24.00	24.00	24.00
No. 3 dimension	18.50	17.50	17.50	17.50	17.50

Specified lengths:
14′ and under 14′, add $1.00 to RL.
16′, add $.50 to RL.
18′ and 20′, add $2.00 to RL.
For rough, deduct $1.00.
For 1⅜″ dimension, add 1/16 to 1 9/16″ prices.
For 1¼″ dimension, add ¼ to 1 5/16″ prices.

DRAINBOARDS

5/4 and 6/4, S2S 1 and 2 clear selected:
20″ and wider, RW, RL 5/4 and 6/4, $125.00.
20″ and wider, RW, RL 8/4, $130.00.
22″ and wider, SW, RL 5/4 and 6/4, $135.00.
22″ and wider, SW, RL 8/4, $140.00.
For rough, deduct $3.00.

OTHER DIFFERENTIALS, ALL GRADES

Rough 4/4 and thicker No. 1 shop and btr, deduct $3.00.
Rough 5/4 and thicker No. 2 shop, deduct $2.00.
Rough 4/4 and thicker common, dimension and No. 3 shop, deduct $1.00.
Rough inch shop, deduct $2.00.
Ordinary resawing, add $1.00.
Resawing and S2S, all grades, all rates, add $2.00.
Ripping, per rip, add $1.00.
Novelty-saw ripping, add $2.00.
Ripping and S4S, add $3.00.
Cross cutting, per cut, add $1.00.
Cleating (ordinary), add $1.50.
Bundling (ordinary), add $1.00.
Bundling (export), add $5.00.
Random lengths are 6 ft. and longer, unless otherwise provided in list. Stock dressed thicker than standard, for each 1/32″, add $1.00.
For stock run S4S wider than standard width (may be hit or miss), add $1.00.
Standard casing and base, jambs, sill stock, pulley stiles, log cabin siding, bungalow siding, Dolly Varden siding and all similar patterns (not mouldings), to price of grade desired, add $5.00.
All other patterns except those conforming to Association Standard Patterns, add $2.50.
All standard patterns other than S2S or S4S, T & G or shiplap, add $2.00.
Cutting to specified exact length, add $1.00.
All stock shipped in inter-divisional stopover cars, add $1.00.

§ 1312.259a *Effective dates of amendments.* (a) This amendment No. 1 (§§ 1312.255, 1312.259a, 1312.260, 1312.261 and 1312.262), to Revised Price Schedule No. 94 shall become effective March 9, 1942. Until such date Revised Price Schedule No. 94 continues in effect as if not amended by this amendment No. 1. Firm commitments entered into before March 9, 1942 at prices not exceeding the maximum prices established by Revised Price Schedule No. 94 prior to the effective date of this amendment No. 1 may be completed at contract prices.

(Pub. No. 421, 77th Cong. 2d Sess.)

Issued this 6th day of March, 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-1990; Filed, March 6, 1942; 4:38 p. m.]

PART 1330—CONTAINERS

IN THE MATTER OF GODCHAUX SUGARS, INC., NEW ORLEANS

Correction

The section headnote of F. R. Doc. 42-1954 appearing on page 1756 of the issue for Saturday, February 7, 1942, should read as follows:

"§ 1330.151 *Order 1 under Revised Price Schedule 55.*"

PART 1340—FUEL

AMENDMENT NO. 1 TO REVISED PRICE SCHEDULE NO. 88 [1]—PETROLEUM AND PETROLEUM PRODUCTS

A statement of the considerations involved in the issuance of this amend-

[1] 7 F.R. 1371.

ment has been prepared and is issued simultaneously herewith.[2]

Section 1340.154 is amended by designating the first four paragraphs thereof (a), (b), (c) and (e), respectively, and adding after (c) a new paragraph (d), and two new sections, §§ 1340.158a and 1340.160 are added, as set forth below:

§ 1340.154 *Records and reports.*

* * * * *

(d) Duly authenticated copies of all contracts entered into after the issuance of this amendment involving the sale, purchase or exchange of the commodities exempted from §§ 1340.151 and 1340.159 of Price Schedule No. 88, shall be filed in this Office within fifteen days after the signing of such contracts, except as otherwise authorized by the Price Administrator or persons designated by him.

* * * * *

§ 1340.160 *Exceptions.* The following petroleum products shall be exempt from §§ 1340.151 and 1340.159:

(a) All aviation gasoline of 91 octane rating or higher;

(b) The following to the extent purchased or sold for use in the manufacture of aviation gasoline of 91 octane rating or higher: components of aviation gasoline of 91 octane rating or higher, including alkylate, neohexane, iso-octane, hydrocodimers, isomate and hot acid octanes; iso-pentane, iso-butane, normal butane and butylenes, and mixtures of iso-butane, normal butane and butylenes; and aromatic hydrocarbons and base stocks or fractions to the extent manufactured for and used in aviation gasoline of 91 octane rating or higher.

1340.158a *Effective dates of amendments.* (a) Amendment No. 1 (§§ 1340.154 (d), 1340.158a, 1340.160) to Revised Price Schedule No. 88 shall become effective March 7, 1942. Until such date Revised Price Schedule No. 88 continues in effect as if not amended by Amendment No. 1. (Pub. Law 421, 77th Cong., 2d Sess.)

Issued this 7th day of March 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-2012; Filed, March 7, 1942; 12:46 p. m.]

PART 1340—FUEL

AMENDMENT NO. 2 TO REVISED PRICE SCHEDULE NO. 88[1]—PETROLEUM AND PETROLEUM PRODUCTS

A statement of the considerations involved in the issuance of this amendment has been prepared and is issued simultaneously herewith.[2]

§ 1340.154 is amended by the addition of a new paragraph (e), and § 1340.158a is amended by the addition of a new paragraph (b), as set forth below:

§ 1340.154 *Records and reports.*

* * * * *

(e) Reports required to be filed with this Office under paragraphs (a) and (b) above may be filed up to and including March 23, 1942, notwithstanding the time limitations contained in said paragraphs.

§ 1340.158a *Effective dates of amendments.*

* * * * *

(b) Amendment No. 2 (§§ 1340.154 (e), 1340.158a (b)) to Revised Price Schedule No. 88 shall become effective as of March 4, 1942. Until such date Revised Price Schedule No. 88 continues in effect as if not amended by Amendment No. 2. (Pub. Law 421, 77th Cong., 2d Sess.)

Issued this 7th day of March 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-2011; Filed, March 7, 1942; 12:48 p. m.]

PART 1352—FLOOR COVERINGS

MAXIMUM PRICE REGULATION NO. 65—RESALE OF FLOOR COVERINGS

In the judgment of the Price Administrator resale prices of wool floor coverings have risen and are threatening further to rise to an extent and in a manner inconsistent with the purposes of the Emergency Price Control Act of 1942. The Price Administrator has ascertained and given due consideration to resale prices of wool floor coverings prevailing between October 1 and October 15, 1941, and has made adjustments for such relevant factors as he has determined and deemed to be of general applicability. So far as practicable, the Price Administrator has advised and consulted with representative members of the industry which will be affected by this Regulation. Price Schedule No. 65, which was issued by the Price Administrator on January 2, 1942, and was effective until March 5, 1942, dealt with the same subject matter as this Regulation.

In the judgment of the Price Administrator the maximum prices established by this Regulation are and will be generally fair and equitable and will effectuate the purposes of said Act. A statement of the considerations involved in the issuance of this Regulation has been prepared and is issued simultaneously herewith.[1]

Therefore, under the authority vested in the Price Administrator by the Emergency Price Control Act of 1942, and in accordance with Procedural Regulation No. 1,[2] issued by the Office of Price Administration, Maximum Price Regulation No. 65 is hereby issued.

§ 1352.51 *Maximum distributors' prices for wool floor coverings.* On and after March 9, 1942, regardless of any contract, agreement, lease, or other obligation, no distributor shall sell or deliver any unit of wool floor covering at a price higher than the maximum price. The provisions of this section shall not be applicable to sales or deliveries of wool floor coverings to a purchaser, if prior to March 9, 1942 such wool floor coverings had been received by a carrier, other than a carrier owned or controlled by the seller, for shipment to such purchaser.

(a) The maximum price for any unit of wool floor covering purchased and received by the distributor prior to January 2, 1942 shall be:

(1) the highest net price received by the distributor for the sale or delivery during the period October 1–October 13, 1941, inclusive, of an identical unit (or of a unit differing therefrom only in color or pattern) to the same person or a person in the same general class, or if there is no such person, to any person;

(2) or if no sale or delivery of an identical unit (or of a unit differing therefrom only in color or pattern) was made during such period, the maximum price shall be the highest net price received by the distributor for the sale or delivery during the period January 1–September 30, 1941, inclusive, of an identical unit (or of a unit differing therefrom only in color or pattern) to the same person or a person in the same general class, or if there is no such person, to any person;

(3) or if no sale or delivery of an identical unit (or of a unit differing therefrom only in color or pattern) was made during either of such periods, the maximum price shall be a price in line with the maximum price as determined by subparagraphs (1) or (2) of paragraph (a) of this Section, for related types, qualities and grades of wool floor coverings sold by such distributor during the period January 1–October 13, 1941, inclusive, to the same person or a person in the same general class, or if there is no such person, to any person:

Provided, That whenever the aggregate value (upon the basis of actual cost) of the undelivered portion of the units of wool floor coverings purchased and received by the distributor on or before January 1, 1942, becomes reduced to 10% or less of the aggregate value (upon the basis of actual cost) of the undelivered portion thereof on January 1, 1942, the distributor, after mailing to the Office of Price Administration a sworn statement on Form 165:3 (copies of which can be obtained from the Office of Price Administration) setting forth such facts, may sell or deliver any of such units of wool floor coverings at a price not in excess of the maximum price as determined in accordance with paragraph (b) of this section.

(b) The maximum price for any other unit of wool floor covering shall be:

(1) the price quoted by the manufacturer of such unit in his current low-basis price list;

(2) or if the maximum price cannot be determined under subparagraph (1) of paragraph (b) of this section, it shall be the price approved in writing by the Office of Price Administration, after the distributor has submitted to it an application containing (i) the name or other

[1] 7 F.R. 1371.

[2] The statement of considerations has been filed with the Division of the Federal Register.

[1] 7 F.R. 971.

designation and the manufacturer of such unit, (ii) the proposed selling price of such unit, and (iii) such other data as the Office of Price Administration may request; and no sale or delivery of such unit shall be made until such approval shall have been given.*

*§§ 1352.51 to 1352.62, inclusive, issued pursuant to Pub. Law 421, 77th Cong., 2d Sess.

§ 1352.52 *Deductions from maximum prices.* The maximum price for any unit of wool floor covering, upon which the distributor has received a discount from the manufacturer because such unit is a drop, second, imperfect, trial-run, remnant, mill end, or other similar unit, shall be adjusted by deducting therefrom any such discount.*

§ 1352.53 *Sales for export.* In the case of sales for export, the maximum price for any unit of wool floor covering shall be determined in accordance with §§ 1352.51 and 1352.52, to apply f. o. b. port of exit, except as provided in paragraphs (a), (b), (c), and (d) of this section.

(a) Where sales are made f. a. s. vessel, f. o. b. vessel, c. & f. destination, c. i. f. destination, or f. o. b. foreign destination, the maximum price may be increased by an amount not in excess of the cost of ocean freight, marine insurance, war risk or other standard charges legally authorized under the terms of sale, to the extent actually incurred by the distributor.

(b) The maximum price for any unit of wool floor covering may be increased by the actual cost of packing for export, if customarily charged as a separate item or where, because of the special character of the packing, additional expense is customarily necessary in order to provide for the safe carriage of the shipment: *Provided,* That such charge is authorized by the sales contract. In no event shall such charge exceed the actual cost for such packing.

(c) A distributor who sells or delivers for export, any unit of wool floor covering for his own account and risk, may add to the maximum price thereof an amount not in excess of the customary mark-up for a sale or delivery of a similar quality, type, quantity, and packing to the same or a comparable foreign market and to a purchaser of the same general class.

(d) A distributor who sells or delivers any unit of wool floor covering as an export agent, export commission house or export merchant, acting on behalf of and for the account of a foreign principal domiciled abroad and doing business out of headquarters abroad, may add to the maximum price thereof, commissions for buying or usual mark-ups, or charges for documentary and shipping services, not in excess of customary commissions or charges for similar services.*

§ 1352.54 *Less than maximum prices.* Lower prices than those set forth in § 1352.51 may be charged, demanded, paid, or offered.*

§ 1352.55 *Conditional agreements.* No distributor shall enter into an agreement permitting the adjustment of the prices to prices which may be higher than the maximum prices provided by § 1352.51, in the event that this Maximum Price Regulation No. 65 is amended or is determined by a court to be invalid or upon any other contingency: *Provided,* That if a petition for amendment (or for adjustment or for exception under § 1352.60) has been duly filed, and such petition requires extensive consideration, and the Administrator determines that an exception would be in the public interest pending such consideration, the Administrator may grant an exception from the provisions of this Section permitting the making of contracts adjustable upon the granting of the petition for amendment (or for adjustment or exception, as the case may be). Requests for such an exception may be included in the aforesaid petition for amendment (or for adjustment or for exception under § 1352.60).*

§ 1352.56 *Evasion.* The price limitations set forth in this Maximum Price Regulation No. 65 shall not be evaded, whether by direct or indirect methods, in connection with an offer, solicitation, agreement, sale, or delivery of or relating to wool floor coverings, alone or in conjunction with any other commodity or by way of commission, service, transportation, or other charge, or discount, premium or other privilege, or by tying-agreement or other trade understanding, or otherwise.*

§ 1352.57 *Records.* Every distributor making a sale of wool floor coverings in the course of trade or business or otherwise dealing therein, after March 8, 1942, shall keep for inspection by the Office of Price Administration for a period of not less than two years complete and accurate records of each sale, showing the date thereof, the name and address of the buyer, the name, number, or other designation and the manufacturer of each unit, the net price received for each unit and the quantity sold.*

§ 1352.58 *Reports.* (a) On or before March 25 and on or before the twentieth day of each month thereafter every distributor of wool floor coverings shall submit to the Office of Price Administration a report on Form 165: 4 showing in the detail required by such Form a complete schedule of his inventory and sales of wool floor coverings. Copies of Form 165:4 may be obtained from the Office of Price Administration.

(b) Such distributors shall submit such other reports to the Office of Price Administration as the Office of Price Administration may, from time to time, require.*

§ 1352.59 *Enforcement.* (a) Persons violating any provision of this Maximum Price Regulation No. 65 are subject to the civil and criminal penalties provided for by the Emergency Price Control Act of 1942.

(b) Persons who have evidence of any violation of this Maximum Price Regulation No. 65 or any price schedule, regulation or order issued by the Office of Price Administration or of any acts or practices which constitute such a violation are urged to communicate with the nearest field or regional office of the Office of Price Administration or its principal office in Washington, D. C.*

§ 1352.60 *Petitions for amendment.* Persons seeking any modification of this Maximum Price Regulation No. 65 or an adjustment or exception not provided for therein may file petitions for amendment in accordance with the provisions of Procedural Regulation No. 1, issued by the Office of Price Administration.*

§ 1352.61 *Definitions.* (a) When used in this Maximum Price Regulation No. 65, the term:

(1) "Person" includes an individual, corporation, partnership, association, or any other organized group of persons, or legal successor or representative of any of the foregoing, and includes the United States or any agency thereof, or any other government, or any of its political subdivisions, or any agency of any of the foregoing.

(2) "Distributor" means a person who resells wool floor coverings to any person other than the ultimate consumer, whether he resells such wool floor coverings as a distributor, jobber, agent or broker, and includes a person who resells wool floor coverings to both ultimate consumers and others, but does not include a person who regularly purchases wool floor coverings from the manufacturer at no discount from the manufacturer's low-basis price list (with the exception of cash discounts and discounts for seconds, drops, imperfects, trial-runs, remnants, mill ends, or other similar units).

(3) "Wool floor covering" means a woven floor covering in a manufactured state, the pile of which consists in whole or in part of wool, used as a rug, mat, carpet, or other floor decoration, excluding floor coverings manufactured outside the United States.

(4) "Unit" means a wool floor covering offered for sale as a distinct item.

(5) "Manufacturer's low-basis price list" means the manufacturer's price list which quotes net prices for wool floor coverings to retailers and includes price lists designated as "mill A", "mill net" and "jobber" price lists.

(6) "For export" means to a person outside the United States.

(7) "Export agent" means any exporter who performs the duties of an agent directly to and for a foreign purchaser in a sale between any seller in the United States and such foreign purchaser, and who does not (i) take title to the goods being exported, nor (ii) assume a risk of loss because of demurrage, failure to secure shipping space, credits, or otherwise.

(8) "Export commission house" means any exporter who acts as a principal, and (i) buys for his own account only upon his foreign customers' direct orders, at a fixed price or at a previously agreed upon commission, (ii) takes title to the goods directly or through an agent, and (iii) assumes all risk of loss or expense until the title of goods passes to his foreign buyers according to named terms of sales.

(9) "Export merchant" means any exporter who acts as a principal, and (i) buys for his own account in anticipation of foreign orders in general, (ii) takes title to the goods, and (iii) sells them direct, or through customary trade channels, to any or all buyers in the foreign country, and (iv) assumes all risks of loss or expense until title to the goods passes to a foreign buyer according to terms of sales.

(b) Unless the context otherwise requires, the definitions set forth in section 302 of the Emergency Price Control Act of 1942 shall apply to other terms used herein.*

§ 1352.62 *Effective date.* This Maximum Price Regulation No. 65 (§§ 1352.51 to 1352.62, inclusive) shall become effective March 9, 1942.*

Issued this 6th day of March, 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-1993; Filed, March 6, 1942; 4:38 p. m.]

CHAPTER XIII—OFFICE OF PETROLEUM COORDINATOR FOR NATIONAL DEFENSE

[Recommendation No. 33, Amendment]

PART 1500—ADMINISTRATIVE: GENERAL

SPECIAL SUBCOMMITTEES FOR STATISTICAL INFORMATION

To the District Industry Committees, and to all persons in the petroleum industry:

The Congress of the United States has declared the existence of a state of war between the Government and the people of the United States and the Imperial Japanese Government, the Government of Germany, and the Government of Italy.

The diversion, for war and other essential purposes, of a part of the American tanker fleet normally providing transportation of petroleum and petroleum products for the needs of various areas of the United States has resulted in a shortage of tanker tonnage to serve those needs. The exigencies of warfare result in added imperative requirements for petroleum and petroleum products in many areas, reduce the efficiency of operations of tankers remaining in service, and impair the regularity of sailing schedules. These factors threaten, unless counteracted, to result in periods of scarcity of petroleum and petroleum products for essential needs in various areas of the United States dependent on or affected by tanker transportation.

It is imperative in the national interest that all possible steps be taken to avert or alleviate the serious adverse effects on the progress of the war effort and the public generally which such periods of scarcity of petroleum and petroleum products would occasion.

Therefore, pursuant to the President's letter of May 28, 1941, establishing the Office of Petroleum Coordinator for National Defense, Recommendation No. 33[1] (§§ 1508.17 to 1508.24, inclusive, of this chapter) is hereby amended to read, and the section numbering thereof changed, as follows:

§ 1500.22 *Designation of special subcommittees; statistical information.* When the General Committee for any District of the Office of Petroleum Coordinator for National Defense shall find that a problem of petroleum supply or distribution exists which affects two or more of the natural divisions of the industry and therefore does not fall entirely within the jurisdiction of a single district functional committee, or affects two or more of the districts and therefore does not fall entirely within the jurisdiction of a single district, and shall further find that, for these reasons, it is necessary or desirable to designate special committees to analyze facts concerning the problem and to devise and carry into effect plans for the solution of the problem, then the Chairman of the General Committee shall, with the approval of the General Committee and of the Petroleum Coordinator for National Defense or the Deputy Petroleum Coordinator, designate such special committee with a title descriptive of the functions it is to perform and the area in which it is to operate. Any such special committee may be organized as a subcommittee of the District General Committee, or as a joint subcommittee so designated by the Chairman of the General Committees for two or more districts. Each subcommittee so designated shall obtain, analyze, and keep current all pertinent and available facts, figures, and other data with respect to the available supplies of and the demand for petroleum and petroleum products in the area for which it is designated and with respect to transportation facilities serving said area, and the information obtained by each such subcommittee shall be furnished currently to any other subcommittee so designated.*

*§§ 1500.22 to 1500.29, inclusive, issued under the authority contained in the President's letter of May 28, 1941, to the Secretary of the Interior (6 F.R. 2760).

§ 1500.23 *Plans.* (a) Each subcommittee designated pursuant to § 1500.22 shall devise and submit, with the approval of the District General Committee, to the Chief Counsel of the Office of Petroleum Coordinator for National Defense, from time to time as may be necessary or advisable, plans designed to facilitate and assure the distriution of supplies of petroleum and petroleum products available to the area in which such subcommittee is to operate, to meet in such area and in the order of statement, the needs of (1) the military forces of the United States, (2) the war industries, (3) the essential civilian requirements, and (4) other reasonable civilian requirements.

(b) Any plan prepared pursuant to this section may, without limitation as to other necessary or appropriate provisions:

(1) Analyze and determine the amounts of petroleum and petroleum products and the transportation facilities available to the area involved to meet the needs hereinabove described in such area;

(2) Provide for the exchange, loan, sale, lease, or pooling of petroleum products and of the physical facilities for the production and handling thereof whereever and to whatever extent may be necessary to supply in the area involved the amounts of petroleum and petroleum products prescribed pursuant to subparagraph (1) of this paragraph.*

§ 1500.24 *Effectuating plans.* The subcommittees designated pursuant to § 1500.22 and all persons affected by any plan formulated in accordance with § 1500.23 shall, upon the approval of any such plan by the Chief Counsel of the Office of Petroleum Coordinator for National Defense and pursuant to the direction of the Petroleum Coordinator for National Defense or the Deputy Petroleum Coordinator, carry into effect such plan according to its terms, conditions and intent.*

§ 1500.25 *Sale, exchange, and loan of petroleum products under emergency conditions.* In cases of an emergency character which may arise pending approval of appropriate plans pursuant to § 1500.23 or which may not be adequately provided for under any such plan, any subcommittee designated pursuant to § 1500.22 or the executive secretary of such subcommittee shall, subject to the direction of the appropriate functional district director of the Office of Petroleum Coordinator for National Defense, coordinate and arrange for the sale, exchange or loan of petroleum and petroleum products among the various operators in said area to accomplish the objectives of §§ 1500.22 to 1500.29, inclusive.*

§ 1500.26 *Distribution and division of available petroleum.* Sales, exchanges, and loans of petroleum and petroleum products among the several operators pursuant to § 1500.25 shall be made in such manner, at such times, and in such amounts, as will result in the most efficient method of assuring a continuous supply of petroleum and petroleum products to meet war, defense, and essential civilian demands as they arise, and at the same time, so far as is not inconsistent therewith, will provide equal treatment for all operators affected thereby. The operators affected thereby shall comply with such arrangements and shall carry into effect such sales, exchanges, or loans of petroleum and petroleum products. The appropriate functional district director of each district shall promptly submit to the Chief Counsel of the Office of Petroleum Coordinator for National Defense a full report on any action taken under the provisions of § 1500.25.*

§ 1500.27 *Meetings.* Meetings of subcommittees designated pursuant to § 1500.22, and other persons who may

[1] 7 F.R. 1069.

be affected, may be held from time to time for the purpose of preparing plans in the manner provided in § 1500.23 and of effectuating the provisions of §§ 1500.25 and 1500.26. The said subcommittees and persons affected may, after receipt of approval of any of the aforesaid plans by the Chief Counsel of the Office of Petroleum Coordinator for National Defense and of the direction of the Petroleum Coordinator or Deputy Petroleum Coordinator to carry such plan into effect, meet from time to time for the purpose of doing all things necessary to carry into effect any such plan in accordance with the purposes of §§ 1500.22 to 1500.29.

In carrying out their duties, responsibilities and functions, the subcommittees shall consult with the other committees and subcommittees in their respective Districts and in other Districts to the extent that proposals or activities hereunder may effect such other Districts, and to this end all such committees and subcommittees shall supply the said subcommittees with such information, material and assistance as may be necessary and desirable to carry into effect the purposes and intent hereof.*

§ 1500.28 *Administration.* The subcommittees designated pursuant to § 1500.22 of this chapter may maintain such staff and appoint such persons as they find necessary to carry out their duties, responsibilities and functions. The General Committees of the several Districts and the subcommittees may, from time to time, propose to the Petroleum Coordinator for National Defense or to the Deputy Petroleum Coordinator changes in the membership of the said subcommittees and may submit nominations for new members. Operating expenses of the subcommittees shall be met as provided in § 1500.7 (j).*

§ 1500.29 *Conflicting provisions.* The provisions of §§ 1500.22 to 1500.28 shall supersede and cancel Recommendation No. 5 to the extent that there is any conflict therewith.*

R. K. DAVIES,
Deputy Petroleum Coordinator for National Defense.

[F. R. Doc. 42-1996; Filed, March 7, 1942; 10:07 a. m.]

[Recommendation No. 32]

PART 1503—PRODUCTION

FORMATION OF DRILLING UNITS

To the State regulatory agencies having jurisdiction over the exploration, development, production, or conservation of petroleum, to the respective Production Committees of the several Districts, to all producers of crude petroleum or natural gas and to all producers of liquid and gaseous hydro-carbons from condensate pools:

In order to facilitate the administration of paragraphs (c) (7) and (c) (8) of § 1047.1 (Conservation Order M-68, as amended[1]), the War Production Board has issued Amendment No. 3[2] of Conservation Order M-68, as amended, which defines the term "uniform well-spacing pattern." Such amendment, as well as the provisos included within such paragraphs, provides that separate property interests within the borders of drilling units of the prescribed size must be first consolidated before wells can be drilled thereon.

In order to avoid the creation of tracts within fields whose owners do not have the opportunity to participate in production, it is necessary that such tracts be consolidated with the adjoining tracts or drilling units within which they would most logically fall, irrespective of whether such consolidations occur prior or subsequent to the formation of such adjoining tracts into drilling units upon which wells are or are to be located. If a portion of the owners in a field fail or refuse to afford the remainder of such owners a reasonable opportunity to participate in the development thereof or the production derived therefrom, those who have been so deprived may apply for exceptions to those Orders which prohibit the use of material to drill wells except in specified instances, by reason of their own willingness to enter into reasonable consolidation agreements and the failure or refusal of the adjoining owners to undertake such consolidations.

To assure the development of the respective fields pursuant to uniform well-spacing patterns and, at the same time, to assure that the drilling units therein be so constructed as to afford all owners a reasonable opportunity to participate in development and production, it is necessary that the formation of drilling units be accomplished in such manner as will effectuate such policy.

Therefore, pursuant to the President's letter of May 28, 1941, establishing the Office of Petroleum Coordinator for National Defense, I do hereby recommend that immediately and until further notice:

§ 1503.25 *Formation of drilling units.* All persons, natural or artificial, engaged in the exploration for, or development or production of petroleum, shall, in the construction or formation of drilling units pursuant to paragraphs (c) (7) and (c) (8) of Conservation Order M-68, as amended, upon which wells have been or are to be drilled, so construct or form such units as to afford all owners within each field a reasonable opportunity to participate in the development thereof and production derived therefrom. Whenever such participation can only be accomplished by consolidating all or parts of two or more adjoining tracts into a drilling unit or drilling units, such tracts or portions thereof as would not otherwise participate in the development of or production from a field shall be consolidated with the adjoining tracts or drilling units within which they would most logically fall. (President's letter, May 28, 1941, 6 F.R. 2760)

§ 1503.26 *Applications for exceptions.* Whenever a portion of the owners in a field refuse or fail to afford the remainder of such owners a reasonable opportunity to participate in the development thereof or the production derived therefrom, irrespective of whether such participation would be accomplished by consolidations occurring prior or subsequent to the formation of drilling units within adjoining tracts, those who have been so deprived should file, with the Petroleum Coordinator for National Defense, applications for consideration by the Division of Industry Operations of the War Production Board, requesting exceptions to those Orders which prohibit the use of material except in specified instances, setting forth, in addition to the information required by the appropriate Form, not only their willingness to enter into reasonable consolidation agreements but the circumstances surrounding the refusal of the adjoining owners to undertake such consolidations. (President's letter, May 28, 1941, 6 F.R. 2760)

R. K. DAVIES,
Deputy Petroleum Coordinator for National Defense.

FEBRUARY 24, 1942.

[F. R. Doc. 42-1995; Filed, March 7, 1942; 10:07 a. m.]

[Amendments to Recommendation No. 8 and Supplement]

PART 1504—PROCESSING AND REFINING

AVIATION GASOLINE

Pursuant to the President's letter of May 28, 1941, to the Secretary of the Interior (6 F.R. 2760) establishing the Office of Petroleum Coordinator for National Defense, § 1504.2 (Recommendation No. 8 dated August 23, 1941, 6 F.R. 5017) and § 1504.4 (Supplement dated December 2, 1941, to Recommendation No. 8, 6 F.R. 6329) are hereby amended, effective immediately and until further notice, to read as follows:

§ 1504.2 *Use of blending agents.* All persons, natural or artificial, engaged directly or indirectly in the production or manufacture of aviation gasoline or in the production or manufacture of gasolines containing blending agents of a petroleum origin, such as but not limited to, Iso-octanes, including alkylates, hot acid octanes, and hydrocodimers, Iso-pentanes, and Neo-hexanes, shall cease to use such blending agents except for the production and manufacture of 100-octane aviation gasoline or such other aviation gasolines as may hereafter be designated by the Office of the Petroleum Coordinator generally or in specific instances which, in the opinion of said Office, do not adversely affect or conflict with the war effort. (President's letter, May 28, 1941, 6 F.R. 2760)

§ 1504.4 *Base stock of aviation gasoline of 85.0 octane number or less.* All grades of gasoline used for aviation purposes having an octane number of 85.0 or less, as determined by the 1-C aviation method, shall be produced by the addition of tetraethyl lead to a clear gasoline having an octane number not greater than 67.0 as determined by the 1-C aviation method, except as may otherwise be designated by the Office of Petroleum Coordinator for National Defense in special cases which, in the opinion of said Office, do not adversely affect or

[1] 6 F.R. 6667; 7 F.R. 281, 601, 1088.
[2] 7 F.R. 1089.

conflict with the war effort. (President's letter, May 28, 1941)

R. K. DAVIES,
Deputy Petroleum Coordinator for National Defense.

FEBRUARY 28, 1942.

[F.R. Doc. 42-1994; Filed, March 7, 1942; 10:07 a. m.]

[Recommendation No. 36]

PART 1505—TRANSPORTATION

ALLOCATION OF TANKER TONNAGE, DISTRICT ONE

To the Transportation Committee for District One and to all persons, natural or artificial, owning, operating, chartering tankers or otherwise utilizing tanker space in District One:

The diversion for war and other essential purposes of a part of the American tanker fleet normally in Atlantic Coast service and the loss through war action of other tankers of that fleet has resulted in a shortage of tanker tonnage available for the transportation of petroleum and pertoleum products on the Atlantic Coast. Because of the exigencies of warfare, the efficiency of operation of the tankers remaining in this service has been reduced and the regularity of sailing schedules has been impaired. These factors threaten, unless abated, to result in a scarcity of petroleum and petroleum products in areas of the Atlantic Coast states dependent chiefly upon tanker transportation for petroleum.

It is imperative in the national interest that all steps be taken which will cause the most efficient utilization and operation of available tanker tonnage in order to render such threatened shortage less acute and, in so far as is not inconsistent therewith, to provide equitable sharing of available tanker tonnage among all affected units of the petroleum industry.

Therefore, pursuant to the President's letter of May 28, 1941, establishing the Office of Petroleum Coordinator for National Defense, I do hereby recommend that immediately and until further notice:

§ 1505.55 *Plan for allocation of tanker tonnage.* The Transportation Committee for District One shall obtain and analyze all pertinent and available facts, figures, and other data with respect to the operation and utilization of tankers in District One, including facts, figures, and other data with respect to the past and present utilization by specific persons, natural or artificial, of tanker tonnage for the transportation of petroleum and petroleum products to points of discharge in District One, and shall prepare therefrom a plan for submission to the Chief Counsel of the Office of Petroleum Coordinator for National Defense for the efficient and equitable distribution among all persons, natural or artificial, affected, of the tanker tonnage available for the transportation of petroleum and petroleum products in and to District One.*

*§§ 1505.55 to 1505.59, inclusive, issued under the authority contained in the President's letter of May 28, 1941, to the Secretary of the Interior (6 F.R. 2760).

§ 1505.56 *Appointment of Tanker Managing Subcommittee.* A Tanker Managing Subcommittee shall be designated by the Transportation Committee for District One, the membership of which shall be subject to the approval of the Petroleum Coordinator for National Defense or the Deputy Petroleum Coordinator, to execute and administer the provision of any approved plan prepared pursuant to the provisions of § 1505.55.*

§ 1505.57 *Meetings.* Meetings of the Transportation Committee, the Tanker Managing Subcommittee, representatives of the persons, natural or artificial, engaged in the petroleum industry in District One and other persons wherever located who may be affected, may be held from time to time for the purpose of gathering information and preparing the plans provided for in § 1505.55. The said Committee, Subcommittee, representatives and persons may, upon the approval of any plan by the Chief Counsel of the Office of Petroleum Coordinator for National Defense, meet from time to time for the purpose of doing all things necessary to carry into effect any such plan in accordance with the provisions of this Recommendation.*

§ 1505.58 *Effectuating plans.* The Tanker Managing Subcommittee and all persons, natural or artificial, affected by any plan formulated in accordance with § 1505.55 shall, upon the approval of any such plan by the Chief Counsel of the Office of Petroleum Coordinator for National Defense, and pursuant to the direction of the Petroleum Coordinator for National Defense or the Deputy Petroleum Coordinator, carry into effect such plan according to its terms, conditions and intent.*

§ 1505.59 *Administration.* In carrying out the duties, responsibilities, and functions under this Recommendation and any approved plan authorized herein, the Tanker Managing Subcommittee shall consult with the other committees and subcommittees in District One and with the committees in the other Districts to the extent that plans or activities hereunder may affect such other Districts, and to this end all such committees and subcommittees shall supply the Tanker Managing Subcommittee with such information, material and assistance as may be necessary and desirable to carry into effect the provisions of this Recommendation. The Tanker Managing Subcommittee shall maintain such staff and appoint such persons as it finds necessary to carry out its duties, responsibilities and functions under this Recommendation. The Transportation Committee or the said Subcommittee may propose from time to time to the Petroleum Coordinator for National Defense or to the Deputy Petroleum Coordinator changes in the membership of the said Subcommittee and may submit nominations for new members. The Tanker Managing Subcommittee shall coordinate its activities under this Recommendation with the policies of the Tanker Coordinating Board established by the Petroleum Coordinator for National Defense.*

R. K. DAVIES,
Deputy Petroleum Coordinator for National Defense.

FEBRUARY 16, 1942.

[F. R. Doc. 42-1997; Filed, March 7, 1942; 10:07 a. m.]

TITLE 34—NAVY

CHAPTER I—DEPARTMENT OF THE NAVY

PART 7—UNITED STATES MARINE CORPS[1]

ORGANIZATION AND MISSION

Section 7.3 is amended to read as follows:

§ 7.3 *Recruit depots.* This distribution of recruits from the various recruiting divisions to the recruit depots will be as directed by the Commandant of the Marine Corps. [Art. 2–71, M.C.M.]

The reference to M.C.M. cited at the end of § 7.6, Fleet Marine Force, is changed from art. 1–52 to art. 5–71.

Section 7.7 is added:

§ 7.7 *Authorized strength.* The authorized enlisted strength of the active list of the Marine Corps shall be 20 per cent of the authorized enlisted strength of the active list of the Navy. (Act of April 22, 1941, Public No. 39—77th Congress)

Section 7.11 is amended by amending paragraph (b) and adding paragraphs (c), (d) and (e).

§ 7.11 *Commissioned personnel.*

* * * * * *

(b) The number of appointments from civil life is limited to the vacancies remaining after appointments are made from the Naval Academy and ranks. Appointees from civil life must be more than twenty but less than twenty-five years of age on appointment. They are selected from (1) graduates of the Platoon Leaders' Class, Marine Corps Reserve; (2) commissioned officers of the Marine Corps Reserve; (3) naval aviators in the Marine Corps Reserve; (4) graduates of approved colleges and universities having Navy or Army ROTC courses. Persons in the Reserve will be separated therefrom prior to appointment in the Regular Marine Corps. (30 Stat. 1003–09, 32 Stat. 1198, 35 Stat. 155, 37 Stat. 73, 38 Stat. 103, 39 Stat. 610–11; 34 U.S.C. 634 to 637) [Art. 2–1, M.C.M.]

(c) The officers of the Marine Corps shall be, in relation to rank, on the same

[1] The regulations contained in these sections are also published in the Marine Corps Manual, as approved by the Secretary of the Navy, June 3, 1940, the particular article numbers appearing in brackets at the end of the codified paragraphs or sections.

footing as officers of similar grades in the Army. (4 Stat. 713; 34 U.S.C. 651)

(d) Commissions by brevet may be conferred upon commissioned officers of the Marine Corps upon the same conditions, and in the same manner, as are or may be provided by law for officers of the Army. (R.S. 1604; 34 U.S.C. 652)

(e) Any officer of the Marine Corps may, by and with the advice and consent of the Senate, be advanced one grade, if, upon the recommendation of the President by name, he receives the thanks of Congress for highly distinguished conduct in conflict with the enemy, or for extraordinary heroism in the line of his profession. (R.S. 1607; 34 U.S.C. 672)

Section 7.12 is amended by designating the present section as paragraph (a) and by adding a new paragraph (b).

§ 7.12 *Warrant officers.*

* * * * *

(b) The number of commissioned warrant, and warrant officers and the distribution in the grades of commissioned warrant and warrant officers shall be as the President from time to time may deem necessary. (54 Stat. 400)

Section 7.13 is amended by adding new paragraphs (e), (f) and (g).

Section 7.13 *Enlisted men.* (a) Add reference to M.C.M., Art. 2–95 (2).

(b) Add reference Art. 2–31 M.C.M.

(c) Change reference to M.C.M. from Art. 2–110 to 2–114.

(d) Change reference R.S. 1612, 1620; 34 U.S.C. 971, 714 to 37 U.S.C. 13 as amended by 54 Stat. 885, and to M.C.M. from Arts. 2–45, 2–46 and 2–49 to Chapter 25.

§ 7.13 *Enlisted men.*

* * * * *

(e) The Secretary of the Navy is authorized, in his discretion, to establish such grades and ratings as may be necessary for the proper administration of the enlisted personnel of the Marine Corps, and to distribute such personnel among the various grades as he deems to be for the best interests of the naval service. (41 Stat. 836, 54 Stat. 865; 34 U.S.C. 176)

(f) An enlisted man discharged from the Marine Corps, except by way of punishment for an offense, shall receive 5 cents per mile for the distance from the place of his discharge to the place of his acceptance for enlistment. (39 Stat. 217, 40 Stat. 1203, 42 Stat. 1021; 34 U.S.C. 895) [Art. 25–181 M.C.M.]

(g) Marines shall be exempt, while enlisted in said service, from all personal arrest for debt or contract (R.S. 1610; 34 U.S.C. 695)

Sections 7.14 to 7.19 are added.

§ 7.14 *Naval aviators.* (a) Naval aviators of the Marine Corps Reserve, who are former aviation cadets, are eligible for appointment to the Regular Marine Corps, under the provisions of the Naval Aviation Personnel Act of 1940, in such numbers as the President may authorize and the authorized number of commissioned officers of the Marine Corps is increased accordingly.

(b) Such officers, on 30 June of the calendar year in which appointed, must have completed not less than 18 months of continuous active service next following the completion of their active duty as aviation cadets undergoing training and be less than twenty-six years of age. They must also establish their moral, physical, mental and professional qualifications to the satisfaction of the Secretary of the Navy. They will be appointed in the Regular Marine Corps in the same grade occupied by them in the Marine Corps Reserve at the time of such appointment and will take precedence in such grade in accordance with the provisions of Article 13–41 (2), M.C.M.

(c) A board will be convened each year at Headquarters Marine Corps for the purpose of selecting recommended applicants for appointment in the Regular Marine Corps under the provisions of the Naval Aviation Personnel Act of 1940.

(d) To be eligible for consideration each applicant must meet the age and service requirements stated above and must be recommended therefor by his present commanding officer. Such recommendation must include a specific notation as to the moral and mental fitness of the applicant as determined from personal interviews. No applicant selected shall be appointed in the Marine Corps until he shall have successfully passed a physical examination before a board of naval medical examiners.

(e) In computing the pay of officers so appointed, credit for longevity shall be given them for all service, including service as aviation cadets, with which they have heretofore been credited.

(f) Each officer so appointed to the grade of second lieutenant and each officer so appointed to a grade above that of second lieutenant, shall, respectively, become eligible for promotion or for consideration by a selection board as of the date the line officer next junior to him at the date of appointment becomes so eligible.

(g) In applying the provisions of General Order No. 117 to officers so appointed, the phrase "marriage within two years subsequent to original commission" in paragraph 1 (b) shall be interpreted to mean two years from the date entering upon active duty undergoing training as aviation cadets. (54 Stat. 865) [Art. 13–182 M.C.M.]

§ 7.15 *Duty on aircraft.* The number of officers and enlisted men of the Marine Corps detailed to duty in aircraft shall after July 12, 1921 be in accordance with the requirements of naval aviation as determined by the Secretary of the Navy. (42 Stat. 141; 34 U.S.C. 732)

§ 7.16 *Oath.* The officers and enlisted men of the Marine Corps shall take the same oaths, respectively, which are provided by law for the enlisted men of the Army. (R.S. 1609; 34 U.S.C. 694)

§ 7.17 *Care of insane.* The Secretary of the Navy may cause persons in the Marine Corps who become insane while in the service to be placed in such hospital for the insane as in his opinion will be most convenient and best calculated to promise a restoration of reason. (R.S. 155; 39 Stat. 309; 34 U.S.C. 595)

§ 7.18 *Marine band.* The band of the United States Marine Corps shall consist of one leader with pay and allowances of a captain, one second leader, ten principal musicians, 25 first class, 20 second class, and ten third-class musicians. A member of the band shall not as an individual furnish music or accept an engagement to furnish music when such furnishing of music places him in competition with any civilian musician or musicians, and shall not accept or receive remuneration for furnishing music except under special circumstances when authorized by the President. (39 Stat. 612, 43 Stat. 1724, 44 Stat. 565; 34 U.S.C. 701) [Art. 25–131 M.C.M.]

§ 7.19 *Deserters.* (a) It shall be lawful for any civil officer having authority under the laws of the United States or of any State, Territory, or District to arrest offenders, to summarily arrest a deserter from the Marine Corps and deliver him into the custody of the naval authorities. (35 Stat. 622; 34 U.S.C. 1011)

(b) The President is authorized to remove the charge of desertion from the record of an enlisted man where he had subsequent honorable service in the World War, but no back pay or allowance or pension for service prior to the World War shall thereby accrue. (42 Stat. 1270; 34 U.S.C. 1017)

Sections 7.21 to 7.25 are amended to read as follows:

§ 7.21 *Establishment and mission.* The Marine Corps Reserve was established under the Act of August 29, 1918 (39 Stat. 593), reestablished under the Act of February 28, 1925 (sec. 2, 43 Stat. 1080; 34 U.S.C. 753) and again reestablished under the Act of June 25, 1938 (sec. 2, 52 Stat. 1175; 34 U.S.C. 853a). It is a component part of the Marine Corps, and is organized and administered by the Commandant of the Marine Corps. The mission of the Marine Corps Reserve is to provide a trained force of officers and enlisted men available to serve as reinforcements to the Regular Marine Corps in time of war or national emergency. [Art. 13–2 M.C.M.]

§ 7.22 *Classes.* The Marine Corps Reserve is divided into the Fleet, Organized, Volunteer, and Limited Service Marine Corps Reserve. (52 Stat. 1175; 34 U.S.C. 853a; Public Law 408, approved Jan. 20, 1942) [Art. 13–20 M.C.M.] The Fleet Marine Corps Reserve is composed of enlisted men transferred thereto after 16 or 20 years naval service and ex-officers and ex-enlisted men of the Regular Marine Corps who have been honorably discharged therefrom after not less than four years' service therein. (52 Stat. 1178; 34 U.S.C. 854 [Art. 13–20 M.C.M.] The Organized Marine Corps Reserve consists of officers and enlisted men required to perform annual training and other duties and be available for immediate mobilization, and assigned to organized units. (52 Stat. 1185; 34 U.S.C. 855p) [Art. 13–20 M.C.M.] The Volunteer Marine Corps Reserve is composed of those members of the Marine Corps Reserve not assigned to the Fleet, Organized or Limited Service Reserve, and who are qualified or partially qualified for prescribed mobilization duties. (52 Stat. 1185; 34 U.S.C. 855s) [Art. 13–20 M.C.M.] The Limited Service Marine

Corps Reserve consists of men enlisted for duty as guards at naval shore activities within the continental limits of the United States to replace men qualified for combat duty. Men so enlisting are required to be physically qualified although they are not required to measure up in all respects to standards required for men subject to combat duty. (Public Law 408, approved January 20, 1942)

§ 7.23 *Citizenship.* Members of the Reserve must be male citizens of the United States or of the insular possessions. (52 Stat. 1176; 34 U.S.C. 853b) [Art. 13–50 M.C.M.]

§ 7.24 *Rank and grade.* There are allowed in the Reserve the various ranks and grades corresponding to those in the Regular Marine Corps, plus the rank of aviation cadet. (49 Stat. 156, 52 Stat. 1175, 53 Stat. 820; 34 U.S.C. 842 and 853a)

§ 7.25 *Appointments as commissioned officers* — (a) *Meritorious noncommissioned officers.* Meritorious noncommissioned officers of the Regular Marine Corps and Marine Corps Reserve may be commissioned second lieutenants in the Marine Corps Reserve, depending on the needs of the service, provided they meet the following conditions:

(1) Be over 20 and not over 27 years of age when commissioned.

(2) Have served one year in the Marine Corps on the date of appointment. Only service in the Regular Marine Corps or on active duty in the Marine Corps Reserve will be credited in computing this length of service.

(3) Be a citizen of the United States or of its insular possessions and a noncommissioned officer.

(4) Be recommended for a reserve commission by his commanding officer.

(5) Be qualified for a commission as established by standing in his community, character, appearance, manner and bearing, and capacity for leadership.

(6) Have the physical qualifications prescribed for officers of the Regular Marine Corps.

(7) Present satisfactory evidence of educational qualifications as prescribed for noncommissioned officer applicants for regular commissions.

(b) *Graduates of platoon leaders' classes.* Graduates of platoon leaders' classes may qualify for commission by the successful completion of the senior course and:

(1) Make application, in writing, for appointment to commissioned rank in the Marine Corps Reserve.

(2) Furnish documentary evidence of graduation with a degree from college. Graduates who do not possess a degree from college must meet the educational qualifications prescribed for noncommissioned officer applicants for regular commissions.

(3) Furnish birth certificate or sworn affidavit of parents showing date and place of birth.

(4) Furnish a report of physical examination.

(c) Any specially desirable or qualified candidates for commission who do not meet the foregoing requirements, and whose services are required, may be appointed not above the rank of major, upon specific recommendation of the Commandant of the Marine Corps for assignment to the special duty for which qualified. [Art. 13–51 M.C.M.]

Section 7.27 (*Enlistments*) is amended by amending paragraphs (c) and (d), deleting paragraphs (h) and (k) and renumbering (i) and (j), to (h) and (i) respectively.

§ 7.27 *Enlistments.*

* * * * *

(c) The physical requirements for enlistment in or assignment to the Fleet, Organized, or Volunteer Marine Corps Reserve will be the same as those prescribed for enlistment in the Regular Marine Corps, except that waivers may be granted by the Commandant of the Marine Corps for enlistment in the Volunteer and Limited Service Marine Corps Reserve in the case of applicants whose physical defects are not such as to prevent them from performing limited duty on shore in the United States.

(d) To be acceptable for first enlistment in the Marine Corps Reserve, applicants must not be less than 17 or more than 35 years of age, except that in cases where the applicant has served honorably in the Regular Marine Corps and in other exceptional cases, the upper age limit may be waived by the Commandant of the Marine Corps. An applicant under 21 years of age is required to furnish the written consent of his parent(s) or guardian(s). With the exception of men enlisted for the Limited Service Marine Corps Reserve, men over 35 years of age will not be reenlisted after 3 months expiration from date of discharge, unless in special cases, the age limit is waived by the Commandant of the Marine Corps.

* * * * *

Section 7.28 (*Aviation cadets*) is added.

§ 7.28 *Aviation cadets.* (a) Aviation cadets shall be appointed by the Secretary of the Navy from male citizens of the United States under such regulations as he may prescribe. (49 Stat. 156, 53 Stat. 820; 34 U.S.C. 842) An applicant must be not less than 20 years at the time of appointment in the Marine Corps Reserve, and not over 27 years of age at the time the training course is completed; be unmarried during the first two years of training; agree to remain on active duty for four years; agree to maintain flying efficiency by associating himself with a Marine Corps Reserve aviation unit, after completing his training and required active duty; be physically, mentally, morally, and psychologically qualified; and submit five letters of recommendation signed by persons of recognized standing in the community in which the applicant resides.

(b) While on active duty undergoing training, aviation cadets will receive pay at the rate of $75 per month, which pay shall include extra pay for flying risk as provided by law, plus a subsistence allowance at the rate of $1 per diem. (49 Stat. 157; 34 U.S.C. 843) During their period of active duty aviation cadets will be issued Government life insurance in the amount of $10,000, the premiums of which shall be paid by the Government. Upon discharge or completion of active duty aviation cadets will have the option of continuing such policies at their own expense. (49 Stat. 157; 34 U.S.C. 849).

The following new sections are added:

SUPPLIES AND SERVICES

Sec.
7.50 Authorized purchases.
7.51 Specification of proposals.
7.52 Specification of supplies.
7.53 Repairs to motor vehicles and other mechanical devices.
7.54 Bidders for labor.
7.55 Duplicate proposals.
7.56 Method of signing proposals.
7.57 Unit price of proposals.
7.58 Erasures or interlineations.
7.59 Guarantying proposals.
7.60 Delivery of proposals.
7.61 Right to withdraw bids.
7.62 Items involving tax.
7.63 Opening of proposals.
7.64 No award.
7.65 Substantial compliance.
7.66 To lowest responsible bidder.
7.67 Entries to be made on abstract.
7.68 Purchases of less than $500.
7.69 Purchases over or under $500.

AGREEMENTS

7.70 Purchase of supplies or engagement for services.

CONTRACTS

7.71 Forms used.
7.72 Public utility services.
7.73 With regular dealer.
7.74 By whom made.
7.75 How signed.
7.76 Distribution of copies.

BONDS

7.77 When required.
7.78 Not required.
7.79 How executed.
7.80 Individual sureties.
7.81 A firm as surety.
7.82 Sufficiency of individual guarantors or sureties.
7.83 Payment of subcontractors.
7.84 Suit by subcontractors.
7.85 Corporations as individual sureties.
7.86 Authority to do business with the United States.

EMERGENCIES

7.87 Emergency purchases.
7.88 Obtaining of proposals.
7.89 Minor emergency repairs to machinery.
7.90 An exigency must be shown to exist.
7.91 Certificate required.

DEFAULTING CONTRACTORS

7.92 Purchases against accounts of defaulting contractors.

DECEASED PERSONS

7.93 Shipment of body and effects.
7.94 Burial expenses.

DESERTERS AND STRAGGLERS

7.95 Payment of reward.

SUPPLIES AND SERVICES

§ 7.50 *Authorized purchases.* (a) No contract or purchase shall be made unless it is authorized by law, or is under an appropriation adequate to its fulfillment, except for clothing, subsistence, forage, fuel, quarters, or transportation, which, however, shall not exceed the necessities of the current year. (R.S. 3732; 34 Stat. 255; 41 U.S.C. 11) No officer of

the Marine Corps shall accept voluntary service for the Government or employ personal service in excess of that authorized by law, except in case of emergency involving loss of life or destruction of property. (R.S. 3679; 33 Stat. 1257, 34 Stat. 48; 31 U.S.C. 665)

(b) *Persons from whom purchases not authorized.* Officers will not purchase supplies for the Marine Corps from any other person in the military or naval service, nor contract with any such person to furnish supplies or service to the Corps, nor make any Government purchase or contract in which such person shall be admitted to share or receive benefit except as a member of an incorporated company. (34 U.S.C. 1200, Art. 11) [Art. 18–2 M.C.M.]

(c) *Advance of public moneys.* No advance of public money shall be made in any case whatever. And in all cases contracts for the performance of any service, or the delivery of articles of any description, for the use of the United States, payment shall not exceed the value of the service rendered, or of the articles delivered previous to such payment. Partial payments not in excess of value of work done may be made during progress of work on contracts. (37 Stat. 32; 34 U.S.C. 582)

§ 7.51 *Specifications of proposals.* Information in regard to supplies or services for which proposals have been invited will be furnished, on application, to all persons desiring it, but no person belonging to or employed in the military or naval service will render assistance in the preparation of proposals. (R.S. 3716; 26 Stat. 197, 27 Stat. 243, 27 Stat. 724; 34 U.S.C. 561)

§ 7.52 *Specifications of supplies.* (a) Bidders for supplies will be informed of the kind, quantity, quality, sizes, dimensions, etc., of articles desired, the place, time, and rate of delivery, conditions of payment, and the date, hour, and place appointed for the opening of proposals. They will be furnished with such specifications as have been adopted and will be permitted to examine the standard samples at the places where deposited. [Art. 18–21 M.C.M.]

(b) In order that bidders may be fully informed of the basis on which the purchasing officer intends to make the award, there will be indicated on each request for proposals by entering thereon "Award will be made by item" or "Award will be made either by item or for the lot, as may be most advantageous to the Government," according to which of these methods it is intended to follow.

(c) *Time of delivery.* When proposals for bids inform prospective bidders that time of delivery will be considered an important factor in making awards, and a higher bidder is awarded the contract because of proposing to make delivery within a shorter period of time than the low bidder, and the contractor is delinquent in making delivery within the specified time, there will be deducted from the contract price a proportionate amount of the difference between the low bid and the accepted bid, based on the ratio between the number of days' delay in making delivery to the difference in time stated in the accepted figure and the low figure. For example: John Doe Co. bids $50 on an item and proposes to effect delivery within 10 days; James Smith Co. bids $60 on the same item and proposes to effect delivery within 4 days. The bid of the latter is accepted, but this firm effected delivery 5 days beyond the specified time. There should be deducted five-sixths of $10 as actual damages, there being a difference of $10 in price and 6 days in time of delivery, and the contractor was 5 days delinquent. (9 Comp. Gen. 65) [Art. 18–21 M.C.M.]*

*§§ 7.52 to 7.92, inclusive, issued under the authority contained in R.S. 1621; 34 U.S.C. 715; R.S. 3714; 34 U.S.C. 560.

§ 7.53 *Repairs to motor vehicles and other mechanical devices.* Bids for repairs to motor vehicles which involve both spare parts and labor should be drawn to include an itemized list of prices of spare parts which it is estimated will be required, with the understanding that only such parts as are actually used will be paid for, and an hourly rate for the labor not exceeding an aggregate maximum therefor. No aggregate amount will be stated for spare parts and only such of the repair parts listed as are actually used will be vouchered for payment. (Comp. Gen. A–30702, Feb. 28, 1930.) The same method will be followed in connection with obtaining bids and vouchering accounts covering repairs to electric refrigerators and other mechanical devices. Bids must include the provisions of the 8-hour-labor law in accordance with an act approved June 19, 1912. (37 Stat. 137–38, 39 Stat. 1192; 40 U.S.C. 324–26) [Art. 18–22 M.C.M.]*

§ 7.54 *Bidders for labor.* Bidders for labor will be informed of the nature and extent of the services required and where they are to be performed. They will be furnished with or allowed to examine plans and specifications of all work upon which they desire to bid and in general will be furnished with any information needed to enable them to act understandingly. [Art. 18–24 M.C.M.]*

§ 7.55 *Duplicate proposals.* When the amount involved will probably exceed $500, the purchasing officer will require bidders to submit their proposals in duplicate, in strict accordance with the requirements of the advertisement or specifications. When the amount involved is not likely to exceed $500, bidders need not be required to submit their proposals in duplicate. However, a duplicate copy, complete except as to signature of the bidder, will be prepared by the purchasing officer in all cases to be attached to the memorandum copy of the voucher when forwarded to the disbursing officer for payment. Proposals should make specific reference to the advertisements, if any, and to any plans or specifications which may have been furnished. [Art. 18–25 M.C.M.]*

§ 7.56 *Method of signing proposals.* Each proposal should give the full business address of the bidder and be signed by him with his usual signature. Proposals by partnerships should be signed with the partnership name by one of the members of the partnership, followed by the signature and designation of the person signing. Proposals by corporations should be signed with the name of the corporation, followed by the signature and designation of the president, secretary, or other person authorized to bind it in the matter. A proposal signed by a person who affixes to his signature the word "president," "secretary," "agent," or other designation, without disclosing his principal, may be held to be the proposal of the individual signing. If the signature to a proposal is that of an officer, attorney, or agent of a corporation, or of an attorney or agent of a firm or individual, the officer who opens such proposal should, before considering it, satisfy himself that the signer is vested with sufficient authority to act for his principal, and unless fully satisfied on this point should require him to file evidence of his authority to do so. [Art. 18–26 M.C.M.]*

§ 7.57 *Unit price of proposals.* In proposals numbers and prices will be expressed in figures, and will ordinarily provide for both unit price and extension of each item. The unit price will govern in case of error. It will be sufficient if specifications are referred to and are declared to form a part of the proposal. [Art. 18–27 M.C.M.]*

§ 7.58 *Erasures or interlineations.* Erasures or interlineations should be explained by the bidder, in the proposal, over his signature. [Art. 18–28 M.C.M.]*

§ 7.59 *Guarantying proposals.* (a) Every proposal exceeding $500 in total amount shall be accompanied by a guaranty (in duplicate) executed by an authorized bonding company or two responsible persons, or in lieu of such guaranty, by a certified check payable to the order of the Secretary of the Navy, for 25 percent of the full amount of the proposal, unless the bidder has an approved annual guaranty on file in the office of the Quartermaster, and no such proposal unaccompanied by the required guaranty or certified check will be considered. The guaranty must be made out and executed, with the proper justification, in the form shown on Standard Form 24 or Standard Form 31. Neither bidders nor their employees, agents, or partners will be accepted as guarantors. (R.S. 3719–20; 29 Stat. 136, 34 Stat. 841, 36 Stat. 951; 34 U.S.C. 562 to 564)

(b) *Custody and disposition of United States bonds, notes, and certified checks.* (1) Certified checks furnished in lieu of other form of guaranty shall be retained in the custody of the purchasing officer and shall not be negotiated even in case of default, nor taken into the official Treasury accounts, except by direction of the Quartermaster. United States bonds or notes furnished in lieu of other form of guaranty shall be forwarded immediately to the Quartermaster for deposit with the Treasurer of the United States.

(2) If the officer who opens the bids does not consummate the purchase, such guaranties will be forwarded with the proposals to the office actually consummating the purchase.

(3) Certified checks received with bids which are rejected shall be returned to

the unsuccessful bidders without delay after award of the items on their bids.

(4) A certified check received with the bid which is accepted shall be retained by the purchasing officer until the covering contract and surety bond are in hand; then it shall be returned without delay to the proper bidder. However, if the bidder so requests, such certified check may be retained and be applied as part of the requisite bond on his contract, provided the regulations promulgated by the Secretary of the Treasury, as set forth in Treasury Department Circular No. 154, are complied with.

(5) Certified checks may be returned to bidders by hand-to-hand delivery, receipts to be taken therefore, and in case of delivery by mail, proper record will be maintained. Certified checks returned by mail need not be registered. [Art. 18–29 M.C.M.*]

§ 7.60 *Delivery of proposals.* (a) Proposals, with their guaranties, will be securely sealed in suitable envelopes, endorsed and addressed as required by the advertisement, and must be in the possession of the officer addressed before the hour appointed for the opening.

(b) Proposals received prior to the time of opening will be securely kept. The officer whose duty it is to open them will decide when that time has arrived. No proposals received thereafter will be considered, except that when a proposal arrives by mail after the time fixed for the opening, but before the award is made, and it is clearly shown that the nonarrival on time was due solely to delay in the mails, for which the bidder was not responsible, such proposal will be received and considered. (R.S. 3718, R.S. 3714; 19 Stat. 249, 26 Stat. 197, 27 Stat. 243, 27 Stat. 724, 42 Stat. 24; 34 U.S.C. 560–61) [Art. 18–30 M.C.M.]*

§ 7.61 *Right to withdraw bid.* A bidder has a right to withdraw his bid at any time prior to the time fixed for opening. Where there is a mistake in a proposal submitted and notice thereof is given and request for withdrawal made by the bidder after bids have been opened, but before award is made, and the difference in the bids received is sufficient to put the contracting officer on notice as to the probability of a mistake in the low bid, the request for withdrawal may not be granted and award made to the next lowest bidder. For the purpose of determining the correction of withdrawal of such bid before acceptance on the basis of a mistake alleged after the opening of bids the evidence of mistake must be such as to show conclusively that a mistake was made, of what it consists, and how it occurred, requiring the immediate presentation of such convincing proof of the existence and character of the error as to leave no room for doubt that there was in fact a bona fide mistake in the bid sought to be corrected or withdrawn and to remove any reasonable suspicion that the claim of error is for the purpose of obtaining some undue advantage or of avoiding the consequence of an ill-advised bid. Such facts will be submitted to the General Accounting Office via the Quartermaster for determination as to whether the erroneous bid may be withdrawn, but in urgent cases where the Government's needs will not permit of the delay incident to such procedure the bid should be accepted and the bidder instructed to perform services, leaving the matter of price to be determined subsequently by the Comptroller General. (8 Comp. Gen. 397) [Art. 18–31 M.C.M.]*

§ 7.62 *Items involving tax.* (a) Proposals for the purchase of motor fuels, lubricants, and other items which usually involve a tax will contain the following clause: "The prices herein quoted are net prices exclusive of any State or local tax imposed on the purchase or sale of the product herein named, the United States not being liable directly or indirectly for the payment of such tax." (*Panhandle Oil Co.* v. *State of Mississippi*, 277 U. S. 218)

(b) In the purchase, for exclusive Government use, of motor fuels, lubricants, or other commodities which are subject to Federal, State, or local taxes, the following standard forms have been prescribed and will be used by personnel traveling on official business in Government-owned motor vehicles; No. 1094—United States Government Tax Exemption Certificate; No. 1094a—Cover of United States Government Tax Exemption Certificate Book; No. 1094b— Tabulation sheet; and No. 1094c—United States Government Tax Exemption Identification Card. If the merchandise purchased is not subject to any tax, or if subject only to the Federal tax and such tax is included in the price paid, these forms should not be used; nor should they be used by officers, enlisted men, or civilian employees when performing travel by their personally owned motor vehicles for which a mileage allowance is authorized.

(c) In order to secure exemption from a tax in the purchase of motor fuels, etc., for exclusive Government use, the purchaser should be properly identified by means of Standard Form 1094c, United States Government Tax Exemption Identification Card.

(d) Standard Form 1094 will be used in all cases where a State or local tax is attached at the time of sale, and will indicate, in the space provided for such purpose, whether the tax is included or excluded from the purchase price. If excluded, the form will be properly completed and given to the vendor for his use in claiming exemption from payment of the tax to the State or local taxing agency. If included, the signature of the vendor will be obtained and the form transmitted with the cash-payment voucher, Form NMC–727, to the disbursing officer who advanced funds for the purchase. Standard Form 1094 may also be used when the merchandise purchased is subject to Federal Tax and such tax is excluded from the price paid. A separate certificate will be prepared for each kind of tax involved (Federal, State, local, etc.).

(e) When Standard Form 1094 is received by a disbursing officer because of payment of a State or local tax, as provided by paragraph (d) of this section the disbursing officer will bill the State or local taxing agency for refund of the taxes paid. Upon receipt of refund, the amount involved will be taken up in the disbursing officer's accounts and credited to the appropriation charged with the expenditure, making proper reference on the collection voucher to the voucher on which payment for the merchandise was made. In the event the disbursing officer fails to secure refund of the amount of taxes paid, he will insert the number of the voucher covering payment for the merchandise in the space provided in the lower right-hand corner of the tax-exemption certificate and transmit the form, with all correspondence relating thereto, to the General Accounting Office, for use by that office in securing refund.

(f) The above forms may be obtained by requisition to the Quartermaster, and care will be exercised to prevent their unauthorized use. A strict record of the forms by serial number will be maintained, and semi annual reports will be made to the Quartermaster on September 30 and March 31, showing the balance of United States Government Tax Exemption Certificates and United States Government Tax Exemption Identification Cards on hand at the beginning of the period, the number of each received during the period, the number of each issued during the period, and the balance on hand at the end of the period.

(g) In addition to the above forms, receipts in triplicate on Form NMC–867 will be obtained in connection with all cash purchases, the original to be attached in support of the original cash payment voucher, Form NMC–727, and the duplicate and triplicate copies attached to the duplicate and triplicate copies of the cash payment voucher.

(h) Standard Form 1094 may also be used where purchases are made under contract providing for deliveries extending over a period of time, in which case a certificate may be issued by the purchasing officer and given to the contractor to support invoices covering actual deliveries of the commodity and in the quantity stated. [Art. 18–32 M.C.M.]*

§ 7.63 *Opening of proposals.* Proposals will be opened and read aloud at the time and place appointed for the opening (bidders having the right to be present), and each proposal will then and there be numbered and entered on an abstract, the items being entered in the order in which they appear on the proposals. If the number of proposals is large, those relating to specific articles or classes of articles may be entered on separate abstracts. The number of each proposal, with the quantities and prices of articles offered and dates of delivery, will appear in the proper columns, and a copy of the advertisement or notice under which the proposals are received, with a copy of the specifications, if any, will be attached to the upper left-hand corner of the abstract. When two or more sheets are used for the abstract they will be prop-

erly fastened together and paged on the upper right-hand corner. (R.S. 3710; 41 U.S.C. 8) [Art. 18–33 M.C.M.]*

§ 7.64 *No award.* In case the Government desires to change the specifications in any manner after proposals have been received and opened, all proposals shall be rejected and new proposals, embodying the changed specifications advertised for. [Art. 18–34 M.C.M.]*

§ 7.65 *Substantial compliance.* Slight failures by a bidder to comply strictly with the terms of an advertisement should not necessarily lead to the rejection of his bid, but the best interests of the Government will be fully considered in making the award. Delivery of supplies of an inferior quality, under a previous agreement, by a firm, does not in itself constitute sufficient grounds for the rejection of a low bid from such firm under subsequent opening of bids and the acceptance of a higher bid. (Comp. Gen. MS. Dec. A–7852, March 16, 1925) [Art. 18–35 M.C.M.]*

§ 7.66 *To lowest responsible bidder.* Except in rare cases, when the United States elects to exercise the right to reject proposals, awards will be made to the lowest responsible bidder, provided that his bid is reasonable, is in accordance with specifications, and that it is in the interest of the Government to accept it. The awarding officer will, when necessary, prior to making an award, satisfy himself that the low bidder is qualified and in a position to complete the contract satisfactorily. The determination of award where discounts are offered in bids is a matter for decision by the purchasing officer. If, by reason of the offered discount, a bid is low and there appears, in the judgment of the purchasing officer, reasonable certainty that the performance of the necessary administrative duties in connection with the receipt, inspection, and payment is practicable of accomplishment, the bid should be accepted; if not, the bid should not be regarded as low. [Art. 18–38 M.C.M.]*

§ 7.67 *Entries to be made on abstract.* A notation indicating the accepted bids will be made on the abstract of proposals. If a bid is rejected and one at a higher price accepted, the reason for the rejection will also be noted on the abstract. When no award requiring the execution of a contract is made on a set of proposals, the reasons for rejection must be certified on rejected proposals. When contracts are made, the fact will be stated on the abstract. [Art. 18–37 M.C.M.]*

§7.68 *Purchases of less than $500.* (a) The purchase of supplies and the procurement of services for all branches of the naval service may be made in open market in the manner common among business men, without formal contract or bond, when the aggregate of the amount required does not exceed $500, and when, in the opinion of the proper administrative officers, such limitation of amount is not designed to evade purchase under formal contract or bond, and equally or more advantageous terms can thereby be secured. (34 Stat. 1193; 34 U.S.C. 571)*

(b) *Purchases in the manner common among business men.* (1) Officers appointed for Assistant Quartermaster duty only, officers serving under their direct supervision, and such other officers as are specifically designated by the Quartermaster, are authorized to make purchases of articles and to procure services on approved requisitions in a direct manner such as is common among business men.

(2) No article, material, or services may be purchased in this manner which, under other instructions, require procurement thereof from or through some other department or establishment of the Government.

(3) Services of continuous nature, such as water, electric power, etc., required from month to month will be procured under written contract in the usual manner.

(4) The limit of cost of any one item or group of items of similar material that may be so purchased is $500.

(5) The authority contained herein is not intended to be used as a means to circumvent the established methods of procurement nor to obtain special or nonstandard material in contravention of existing regulations and orders. The methods of purchase provided in § 7.70 (a) (2) and (3) will be used in all cases except those in which it is to the best interests of the Government to make the purchases in the manner common among business men.

(6) *Procedure.* Under this authority, the purchasing officer may purchase articles or services without advertisement and without formal bids or written awards. Bids may be obtained orally (over the counter), by telephone, by telegraph, or by written invitations. Competition should be secured whenever it is practicable to do so without delaying procurement, unduly increasing the work involved in the procurement, or otherwise obviating the benefits derived by this method of purchase. A written record showing the form of bids (oral, telephonic, telegraphic, or written) will be made of bids received and kept in files of the purchasing officer. When competition is obtained, the order will be placed with the dealer quoting the lowest price for satisfactory delivery. The order may be placed in writing, or orally (over the counter), by telephone, or by telegraph, and written confirmation is not required. Public voucher (Standard Form 1034) will be prepared, based on dealer's invoice in the prescribed manner. In the administrative certificate on the face of the public voucher, in the blank following "No." enter the figure "4"; on back of the public voucher, the "Method or absence of advertising," enter opposite "4" the words "Act of March 2, 1907 (34 Stat. 1193)." Purchases of articles of small value in the manner common among business men are not covered by written agreement, therefore, neither proposal form (NMC–26), purchase order (NMC–18 (Revised)), nor statement and certificate of award (Standard Form 1036), will be required. [Art. 18–38 M.C.M.]*

§ 7.69 *Purchase over or under $500.* (a) With the exception of those stations where officers are empowered to execute contracts, and unless otherwise directed, when proposals are received for one or more items and the amount of any award thereunder exceeds $500, all proposals will be forwarded to the Quartermaster with suitable recommendations for awards. The Quartermaster will make all awards thereunder and will prepare formal contract and bond for awards exceeding $500. In placing orders for deliveries under schedules where both formal and informal contracts are involved, the Quartermaster will use letters of award in making awards in all cases where the amount involved is $500 or less and the quantities covered are approximate, and will use the purchase orders (Form NMC–18), where the amount is $500 or less and the quantities covered are definite. Under such awards where it is necessary to assign contract symbol numbers the Statement and Certificate of Awards (Standard Form 1036), will be prepared, attached to the purchase order or letter of award, and forwarded direct to the General Accounting Office. Where it is not necessary to number such awards, the original order or copy of letter of award with the Statement and Certificate of award will be forwarded direct to the disbursing officer concerned for attaching to voucher and transmittal to the General Accounting Office. In such cases where awards are made by the Quartermaster, it will not be necessary for the post to attach copies of the purchase orders or letters of award in vouchering accounts for payment. These copies are to be retained for the records of the post.

(b) When no award exceeds $500, the purchasing officer is authorized to place orders. In such cases a signed copy of the purchase order prepared on NMC–18, will be sent to the successful bidder by the purchasing officer, and the original signed purchase order will be kept with the proposal or agreement.

(c) In urgent cases when the amount of any award exceeds $500 and where immediate award is necessary, the officer receiving the bids should obtain telegraphic authority from the Quartermaster to make awards, and should then forward all bids received, together with abstract of bids, and copies of all awards, to the Quartermaster for the preparation of formal contracts where required. Such letters of award involving more than $500 should state that formal contract will be forwarded by the Quartermaster.

(d) At stations, other than Headquarters, where purchasing officers are empowered to execute contracts, awards amounting to $500 or less under a schedule or set of proposals involving the execution of a contract in connection with any other item or items on the same schedule or set of proposals will be made by letter if the quantities are approximate, and by purchase order if the quantities are definite. If such awards involve more than one payment, contract symbol numbers will be assigned at the time awards are made. Copies of the letters of award, or original signed purchase orders, together

with properly accomplished statement and certificate of award (Standard Form 1036), will be forwarded by letter direct to the General Accounting Office at least once a month where contract symbol numbers have been assigned, and those proposals or statement and certificates of awards which do not involve contract numbers will be attached to the vouchers covering the awards.

(e) Where several awards are made under one set of proposals covering purchases not in excess of $500, all of the proposals received from bidders will be forwarded to the disbursing officer paying the accounts immediately upon placing orders; each accepted proposal to be supported by the original signed purchase order and a statement and certificate of award (Standard Form 1036). The approved open purchase requisition or authority for purchase will be forwarded with the first set of proposals. Where only one award is made, all proposals, together with the purchase order and statement and certificate of award will be attached to the voucher when forwarded for payment.

(f) Each set of proposals with the papers pertaining thereto will be securely fastened together with a paper fastener (not pasted or otherwise permanently fastened together) before being forwarded to the disbursing officer.

(g) *Purchase order.*—The purchase order, Form NMC–18, when properly executed, constitutes the acceptance in cases of purchases made under written proposals and acceptance not involving the execution of a formal contract, as well as the order for the articles or services offered by the successful bidder, except where in certain cases the use of a letter of award has been authorized. It will be prepared in quadruplicate, addressed to the bidder whose bid has been accepted, and the original and duplicate signed by the purchasing officer. The original and quadruplicate must be attached to the agreement, or first voucher submitted for payment, the duplicate forwarded to the person, firm, or corporation to whom it is addressed (the vendor), and the triplicate retained. This form will also be used when emergency purchases are made on bids obtained orally, either in person or by telephone. (See sec. 7.86)

(h) In placing orders for supplies or services, the letters of award, or purchase orders, will make request on contractors that their bills be rendered in quadruplicate, or in accordance with the number of copies of the bills required. [Art. 18–39 M.C.M.]*

FORMS OF AGREEMENT

§ 7.70 *Purchase of supplies or engagement for services.* (a) A purchase of supplies or engagement of services will be made:

(1) By contract, reduced to writing and signed by the contracting parties with their names at the end thereof. Agreements of this character only are termed "contracts" in these regulations for supplies and services. This method will, subject to such exceptions as may be duly authorized by regulations, be used when the amount involved exceeds $500, or when delivery, or performance does not immediately follow the award. (R.S. 3744; 40 Stat. 198; 41 U.S.C. 16)

(2) By less formal agreement. By written proposal and written acceptance. This method may be resorted to when delivery, or performance immediately follows award, or when specifically authorized, and when the amount involved is $500, or less.

(3) By informal agreement. This method may be used under circumstances indicated in the following paragraph if delivery, or performance immediately follows the agreement, and will include oral agreements immediately executed. (17 Comp. Gen. 302)

(b) An open-market purchase of supplies or engagement of services is one made without advertising, in the manner in which one person in civil life ordinarily purchases from another in private business, and is authorized in the following cases:

(1) In an emergency, as when the public exigencies require immediate delivery or performance, and there is not time to advertise by newspapers, posters, or circulars. (§§ 7.85 and 7.87)

(2) When it is impracticable to secure competition.

(3) When proposals have been invited, and none have been received.

(4) When proposals are above the market price, or otherwise unreasonable.

(5) As authorized by Act of March 2, 1907. (34 Stat. 1193; 34 U.S.C. 571) [Art. 18–40 M.C.M.]*

CONTRACTS

§ 7.71 *Forms used.* Contracts for supplies and services will be made on forms furnished by the Quartermaster's Department in cases where such forms are applicable. No deviation will be made from these standard forms, except as provided for in the directions, without prior approval of the Director of the Bureau of the Budget obtained via the Quartermaster, through the Procurement Division, Treasury Department. Where interlineations, deletions, additions or other alterations are permitted, specific notation of the same shall be entered in the blank space following the article entitled "Alterations" before signing. All conditions of the contract will be stated therein as fully and clearly as possible. [Art. 18–42 M.C.M.]*

§ 7.72 *Public utility services.* Contracts, whether formal or informal, will be entered into for public utility services such as telephone, gas, electric current, steam, power, and water. Standard Form 40 will be used in contracting for telephone services at all posts and stations, except those obtaining such services under agreements entered into by other departments or establishments of the Federal Government, the form to be prepared strictly in accordance with the instructions printed on the reverse thereof. Formal contracts will be executed to cover utility services when the amount during the fiscal year is likely to exceed $500 (§ 7.69 (a)), and informal contracts will be made in all cases when the amount involved is less than $500 during the fiscal year. The informal transactions may be accomplished by obtaining letters of quotation or contract forms of utility concerns properly filled in and signed by duly authorized representatives of such concerns, except in the case of telephone services which will be handled as herein explained. [Art. 18–43 M.C.M.]*

§ 7.73 *With regular dealer.* No person shall be received as a contractor who is not a manufacturer of, or regular dealer in, the articles which he offers to supply. A person to be a regular dealer, within the meaning of the law, must be regularly engaged in the business of buying the articles and selling the same to the general public. (R.S. 3722; 34 U.S.C. 572) [Art. 18–44 M.C.M.]*

§ 7.74 *By whom made.* Contracts for supplies and services will be made in the name of the United States, and will be signed by the Quartermaster or other officer designated by him. They will not be made at posts unless authorized by the Quartermaster. [Art. 18–45 M.C.M.]*

§ 7.75 *How signed.* (a) When a contract is entered into with a partnership, the firm name should be given in the body of the instrument, and it may be signed with the name of the firm by one of the partners, who will append his own signature over the remark "Member of firm."

(b) A contract with a corporation should have the name of the corporation written in the body of the instrument, as one of the parties thereto, and should be signed by the officer or person authorized to contract in its behalf, who should sign the corporate name and his own, followed by his official designation. Evidence of his authority to sign contracts on behalf of the corporation must be furnished and filed in the office of the contracting officer (unless already on file there) whenever the contracts amount to $500 or over. In all such cases the contract will be indorsed or stamped immediately following the signature thereto, "Authority for signature on file in the office of (official designation of contracting officer.)"

(c) When the contract amounts to less than $500, and in cases of service contracts with public-service corporations, such as telegraph and telephone companies, etc., executed by officers or officials thereof who are authorized to and do sign service contracts on behalf of such corporations with the public generally, it is not necessary to file with the contract the evidence of authority to sign called for in the preceding paragraph. In all such cases the contracting officer must satisfy himself that the person signing on behalf of the corporation is authorized to do so, and place on or attach to the contract the following certificate:

I certify that I have satisfied myself that the (officer, or official, as the case may be), who signed this contract has authority to do so, being an (officer, or official, as the case may be) who signs similar contracts on behalf of the corporation with the public generally.

[Art. 18–46 M.C.M.]*

§ 7.76 *Distribution of copies.* (a) After the contract has been executed the necessary copies will be prepared the distribution thereof made as follows: The original will be forwarded immediately to the General Accounting Office, audit division; but where it is accompanied by a bond on which an approved surety company appears as surety, it will be forwarded to the Judge Advocate General, Navy Department, for transmission by him through the section of surety bonds to the General Accounting Office; one copy will be forwarded to the Quartermaster, one to the contractor, one to the contracting officer (or officer at the place where the services are to be performed or supplies delivered, when the Quartermaster is the contracting officer), and one to the Returns Office of the General Accounting Office. Drawings or blueprints forming a part of a contract will be omitted from all contracts sent to the Returns Office of the General Accounting Office.

(b) Whenever leases, agreements, or other instruments are executed under which property is to be occupied by the Marine Corps, such leases, agreements, or other instruments will be executed in duplicate, when the lessor desires an executed copy, the original to be forwarded for file in the General Accounting Office and the executed copy, if one is required, to be retained by the owner of the property affected. Copies (not necessarily signed and executed) shall be forwarded to the Judge Advocate General, Navy Department, the Quartermaster, and the disbursing officer making payments under the leases. Such additional copies as are required for local use of the office preparing the lease should also be made. The copies for the Returns Office, General Accounting Office, will be filed by the executing officer. When practicable, copy of the instrument which is forwarded for file with the Judge Advocate General shall be accompanied by a map showing in greater or less detail the location of the property affected.

(c) Whenever non-Government property is to be occupied by the Marine Corps within the continental limits of the United States, leases will be forwarded to the Quartermaster for approval, and clearance through proper channels if required. Leases, or renewals thereof, for the east coast will be executed by the Quartermaster, Headquarters. Leases and renewals for the west coast will be cleared by the Quartermaster, Headquarters, and executed by the Depot Quartermaster, San Francisco, Calif.

(d) In the case of lease of a building or part of a building, the annual rental of which is in excess of $2,000, a signed and certified statement will be furnished giving satisfactory evidence that the proposed annual rental is not in excess of 15 per centum of the fair market value of the rented premises at the date of the lease. (47 Stat. 412, 47 Stat. 1517; 40 U.S.C. 40a)

(e) Leases of property outside the continental limits of the United States will be executed without clearance, by the quartermaster officer concerned, and copies thereof will be distributed in accordance with paragraph (b) of this section.

(f) All leases will be prepared on standard form of Government lease No. 2, and renewals thereof on Form NMC–886. [Art. 18–47 M.C.M.] *

BONDS

§ 7.77 *When required.* (a) Bonds for the faithful performance of contracts for supplies will be required when the consideration exceeds $500, or, in lieu thereof, a certified check payable to the order of the Secretary of the Navy, the check to be held by the officer mentioned until the requirements of the contract shall be complied with and as a guaranty for compliance with the same. (R.S. 3719; 34 U.S.C. 562)

(b) *Penalty.* The amount of penalty in a contractor's bond will be fixed by the contracting officer and will be in accordance with the following table:

(1) Contract over $500 up to $50,000—25 percent of the amount of the contract (but not more than $10,000).

(2) Contract over $50,000 up to $100,000—20 percent of the amount of the contract (but not more than $15,000).

(3) Contract over $100,000 up to $200,000—15 percent of the amount of the contract (but not more than $20,000). [Art. 18–49 M.C.M.] *

§ 7.78 *Not required.* No bond will be required when the contract is for furnishing lodging and meals to recruits and recruiting parties and rent of recruiting offices and building for other purposes. [Art. 18–50 M.C.M.] *

§ 7.79 *How executed.* When bonds with individual sureties are given for the faithful performance of contracts they will be made and executed with the necessary justification and certification of sufficiency of sureties, in accordance with the instruction printed on the blank forms of contractors' bonds furnished by the Quartermaster's Department. Such bonds must be executed by the contractor as principal, and by at least two responsible persons, who must be citizens of the United States, as sureties. Each must affix to his signature a seal, and each signature must be attested by at least one witness. When practicable, there will be a separate witness to each signature. [Art. 18–51 M.C.M.] *

§ 7.80 *Individual sureties.* (a) Each individual surety shall justify in a sum not less than the penalty of the bond.

(b) Each individual surety must justify, under oath, according to the form appearing on the bond before a United States commissioner, a clerk of a United States court, a notary public, or some other officer having authority to administer oaths generally. If the officer has an official seal it shall be affixed, otherwise the proper certificate as to his official character shall be furnished. The certificate of sufficiency must be signed by an officer of a bank or trust company, a judge or clerk of a court of record, a United States district attorney or commissioner, a postmaster, a collector or deputy collector of internal revenue, or any other officer of the United States acceptable to the contracting officer, stating that the sureties are known to him, and that to the best of his knowledge and belief each is pecuniarily worth, over and above all his debts liabilities, and legal exemptions, the sum stated in his affidavit of justification.

(c) Sureties must be citizens of the United States, except that sureties on bonds executed in any foreign country, the Canal Zone, the Philippine Islands, Porto Rico, Hawaii, Alaska, or any possession of the United States, for the performance of contracts entered into in these places, need not be citizens of the United States, but if not citizens of the United States shall be domiciled in the place where contract is to be performed. The affidavits of justification of such sureties may be taken before a notary or other officer having a seal who by the laws of the place is authorized to administer such oaths, the official seal of the notary or other officer to be affixed. The certificate of sufficiency of such sureties may be made by a United States consul or by the judge or clerk of any court in such place having a seal, the official seal of the officer or court to be affixed. The regular blank forms of bonds when used as above will be modified accordingly and the changes will be fully explained over the signatures and seals of all parties to the bond. [Art. 18–52 M.C.M.] *

§ 7.81 *A firm as surety.* A firm will not be accepted as surety, nor will a partner be accepted as surety for a copartner or for a firm of which he is a member. An officer or stockholder of a corporation will not be accepted as surety for the corporation unless his affidavit of justification shows that he is pecuniarily worth the amount of the bond over and above his debts, liabilities, legal exemptions, and holdings of stock of such corporation. [Art. 18–53 M.C.M.] *

§ 7.82 *Sufficiency of individual guarantors or sureties.* The sufficiency of individual guarantors or sureties on a bidder's guaranty or bond should be certified in the same manner as that of individual sureties on the bond of a contractor. Guarantors may, if the offer of a bidder be accepted, become sureties on his bond as contractor if they are able to qualify as such. All bidders' guaranties and bonds are to be executed in duplicate. On contractors' bonds a single copy only need be executed. [Art. 18–54 M.C.M.] *

§ 7.83 *Payment of subcontractors.* Before any contract exceeding $2,000 in amount for the construction, alteration, or repair of any public building or public work of the United States is awarded to any person, such person shall furnish to the United States a performance bond and a payment bond. Every person who has furnished labor or material in the prosecution of the work provided for in such contract, in respect of which a payment bond is furnished and who has not been paid in full therefor, before the expiration of a period of ninety (90) days after the day on which the last of the labor was done or performed by him or material was furnished or supplied by him, for which such claim is made, shall have the right to sue on such payment bond for the amount, or the balance

thereof, unpaid at the time of institution of such suit and to prosecute said action to final execution and judgment for the sum or sums justly due him. [Art. 18–55 M.C.M.]*

§ 7.84 *Suit by subcontractors.* Any person who has furnished such labor or materials and has not been paid therefor may, under the conditions prescribed by 40 U.S.C. 270, obtain from the department a certified copy of the contract and bond and bring suit thereon against the contractor and his sureties for enforcement of his claim. [Art. 18–56 M.C.M.]*

§ 7.85 *Corporations as individual sureties.* A corporation not holding a certificate from the Secretary of the Treasury as acceptable sole surety on Federal bonds may be accepted as one of the individual sureties if guaranteeing the act of another is within its corporate powers. In such case, an excerpt from the charter granting such power, a citation of a court opinion upholding such power, or a citation of a legislative act conferring such power, should be attached to the bond. The authority of the officer executing the bond on behalf of such corporation must be shown. The requirements for justification and certificate of sufficiency, set forth in § 7.80, must be complied with. [Art. 18–57 M.C.M.]*

§ 7.86 *Authority to do business with the United States.* (a) Before a corporation will be accepted as a sole surety it must obtain authority in writing from the Secretary of the Treasury to do business with the United States (6 U.S.C. 8), and before it will be accepted as surety on the bond of a principal residing in a State or Territory other than the one in which it was incorporated it must comply with the requirements of 6 U.S.C. 7 as to the appointment of an agent on whom process may be served, etc. Lists of surety companies that have conformed to the requirements of these laws will be published from time to time by the Treasury Department. Such companies will be accepted as sole sureties on official, contract, and other bonds, subject, however, to the following limitations:

(1) Limitations. No company having authority, under the Act of Congress of August 13, 1894, as amended by the Act of March 23, 1910, above mentioned, to do business with the United States shall be accepted as sole surety on any recognizance, stipulation, bond, or undertaking under the Navy Department, which shall execute any recognizance, stipulation, bond, or undertaking on behalf of any individual, firm, association, or corporation, whether or not the United States is interested as a party thereto, the penal sum of which is greater than 10 percent of the paid-up capital and surplus of such company.

(2) Two or more companies may be accepted as sureties on any recognizance, stipulation, bond, or undertaking under the Navy Department the penal sum of which does not exceed the limit herein prescribed of their aggregate paid-up capital and surplus. In such cases each company shall limit its liability, in terms, upon the face of the bond, to a definite specified amount, such amount to be in all cases, however, within the limitations herein prescribed. In cases where the law especially requires it every such recognizance, stipulation, bond, or undertaking shall be executed by the principal and sureties jointly and severally.

(3) No portion of any recognizance, stipulation, bond, or undertaking shall be included in determining the limitations herein prescribed which shall have been reinsured at the time of execution and delivery of the original obligation, or within 20 days thereafter, in a company authorized to do business under the acts above referred to, within the limitations herein prescribed, or in such companies and under such limitations as the Secretary of the Treasury shall have approved.

(4) No portion of any recognizance, stipulation, bond, or undertaking shall be included in determining the limitations herein prescribed upon which such company shall have been secured at the time of execution and delivery of the original obligation, by the deposit in pledge, or by conveyance in trust, for its protection of property equal in value to such excess.

(5) No portion of any recognizance, stipulation, bond, or undertaking executed on behalf or on account of a fiduciary holding property in a trust capacity shall be included in determining the limitations herein prescribed, upon which such company shall have been secured by deposit or other disposition of a suitable and sufficient portion of the estate so held that no further sale, mortgage, pledge, or other disposition can be made thereof without such company's approval, except by the decree of a court having proper jurisdiction.

(6) In determining the limitations herein prescribed the full penalty of a bond will be regarded as the liability, and no setoff will be allowed on account of any estimate of risk which is less than the full penalty of the bond except in the following cases: Appeal bonds; in which cases the liability will be regarded as the amount of the judgment appealed from, plus 10 percent of said amount to cover interest and costs. Bonds of executors, administrators, trustees, guardians, and other fiduciaries; in which cases a certificate of the judge of the probate court, setting forth the measure of liability upon which he fixed the penalty of the bond, will be accepted by the department as evidence of the amount at risk when such certificate is filed with the supplement covering the bond. Credit will also be allowed for indemnifying agreements executed by sole heirs or beneficiaries of estates releasing the surety from liability: *Provided,* That a copy of such agreement shall, in each instance, be filed with the supplement covering such risk, together with satisfactory proof as to outstanding debts. Contract bonds given in excess of the amount of a contract; in which cases the amount of the contract will be regarded as the liability. Bonds for banks or trust companies as principals, conditioned to repay moneys on deposit, where by any law or decree of a court the amount to be deposited shall be less than the penalty of the bond; in which cases the maximum amount on deposit at any one time will be regarded as the liability. Each company will be required to report quarterly to the Secretary of the Treasury, as provided by subparagraph (1) of this paragraph, every such obligation the penal sum of which is greater than 10 percent of its paid-up capital and surplus, together with a full statement of the facts which tend to bring it within the provisions of this paragraph.

(b) Every such company will be required to file with the Secretary of the Treasury, on or before the last day of January of each year, a statement of its financial condition at the close of the preceding year upon the form provided by the Treasury Department. On or before the last day of April, July, and October of each year every such company will be required to file with the Secretary of the Treasury a statement of its financial condition at the close of the preceding 3 months. With each of said statements every such company will be required to file with the Secretary of the Treasury a schedule of the single obligations which it has executed during the preceding 3 months in excess of the limitations herein prescribed, showing the manner in which each of such excess has been covered under these instructions.

(1) The amount of paid-up capital and surplus of every such company will be determined by an audit of the annual and quarterly financial statements filed with the Secretary of the Treasury or by reports upon current examinations made by the insurance departments of the several States or by such examination of the companies at their own expense as the Secretary of the Treasury may deem necessary.

(2) The qualifying powers of the respective companies will be published promptly on the 1st day of March and the 15th days of May, August, and November of each year, and the ratings of companies which fail to file or to complete their statements within the time herein provided will be omitted. The Secretary of the Treasury will keep the Navy Department advised from time to time as to the status and qualifying power of the various companies under these instructions.

(3) In the event that it becomes necessary to waive the limitations herein prescribed on any recognizance, stipulations, bond, or undertaking given to the United States, notice of such waiver and the manner which the excess is required to be covered shall in each instance be immediately transmitted by letter to the head of each of the other executive departments.

(4) Failure on the part of any company to comply with the provisions of these instructions will be considered sufficient ground for refusing further to accept such company as surety on obligations under the Navy Department during the continuance of such delinquency,

and in the event of persistent failure to observe the provisions of these instructions the name of any such company will be removed from the list of sureties acceptable to the Navy Department.

(c) In case of financial embarrassment, failure, or other disqualifying cause on the part of the surety to a bond, the Secretary of the Navy will require the bond to be renewed to his satisfaction, upon notification to the principal. Official bonds may not be renewed at the will of the principal or the surety, but only with the approval of the Secretary, and the substitution of one surety for another on a bond will not be permitted except with the approval of the Secretary, or after the bond has run for a period of four years, when a renewal thereof is required by law. [Art. 18–59 M.C.M.]*

EMERGENCIES

§ 7.87 *Emergency purchases.* In order that the Quartermaster may keep himself advised of the condition of the appropriation, expenses should not be created without his approval or the approval of an officer of the Quartermaster's Department competent to give such approval. Emergencies may arise or conditions be such that the procurement of labor and material in the open market without the authority of the Quartermaster's Department is necessary. Such occasions are to be regarded as exigencies, and officers of the Corps, in preparing vouchers to cover such purchases, shall certify on the vouchers that an emergency existed and state the circumstances thereof, and that it was impracticable to communicate with the Quartermaster either by telegraph, telephone, or letter. An exigency is defined by the United States Supreme Court to be "an immediate pressing necessity and one requiring resort to unusual power and effort." When time will permit, the Quartermaster shall be communicated with previous to an expense being created, but telegraphic or telephonic communication should not be resorted to when the sum involved does not justify it. An emergency purchase will not be made when avoidable. [Art. 18–60 M.C.M.]*

§ 7.88 *Obtaining of proposals.* Before making such a purchase the officer will inform himself concerning prevailing prices by inquiry among responsible dealers in his locality, and, if practicable, obtain oral proposals either by telephone or in person. The bids should be confirmed in writing in order that the resultant agreements may be filed as required by 41 U.S.C. 20. [Art. 18–61 M.C.M.]*

§ 7.89 *Minor emergency repairs to machinery.* In cases of minor emergency repairs to machinery, plumbing and heating systems, etc., when it is intended to have the work done by the public works department, where an annual allotment for this purpose has not been authorized, the matter should be referred to the Quartermaster by letter or dispatch, requesting an allotment of the necessary funds, and stating nature and necessity of repairs and that work is to be performed by public works department. [Art. 18–62 M.C.M.]*

§ 7.90 *An exigency must be shown to exist.* (a) An exigency cannot be presumed to exist, because the statute requires evidence of its existence. An officer who has let a contract without complying with the law requiring him to advertise for bids cannot by permitting performance under it to proceed to any extent make such contract binding upon the United States.

(b) The law does not presume the continuance of the exigency, because the statute provides that it shall be met by an immediate contract. The law requiring advertisements and proposals for public contracts obviously was intended by Congress to invite competition among bidders, and to prevent favoritism and fraudulent combinations in awarding contracts. This competition in the procurement of public supplies as required by law in practice results in economy in the expenditures. [Art. 18–63 M.C.M.]*

§ 7.91 *Certificate required.* A certificate as to the number of bids solicited and received will be made on each voucher, and the bids received will accompany the first voucher, together with statement and certificate of award, Standard Form 1036, and original signed purchase order. If it is not practicable to obtain confirmation of oral or telephonic bids at the time of purchase, the statement and certificate of award will not be required; but the voucher, Standard Form 1034, on the reverse side, will be filled in to show the method of advertising. If the lowest bid has not been accepted the names of bidders and their prices should also be shown. (Sec. 7.70 (c)) [Art. 18–64 M.C.M.]*

DEFAULTING CONTRACTORS

§ 7.92 *Purchases against the accounts of defaulting contractors.* (a) The right to purchase against a contractor's account accrues at the expiration of the time limit set by the contract for the delivery of the material or performance of the services. If the right is not exercised immediately when it accrues, the effect is to extend the contract period. Thereafter, before proceeding to make purchase against the defaulting contractor's account, it will become necessary to set a new closing time for the contract and this date must allow the contractor a reasonable time in which to make delivery after notice is given. This procedure is necessary to make the contractor legally liable for any excess costs incurred in the purchase. The right of purchase should be exercised only after careful deliberation in order to avoid an injustice to the contractor and to protect adequately the interests of the Government. The following questions should be considered prior to a purchase of this nature:

(1) Is the material urgently required?

(2) Can the contractor be depended upon to deliver in time to meet the urgency?

(3) Can the materials be obtained earlier by purchase against account than from the contractor?

(b) The proposals on a purchase against an account shall bear no reference to the fact that they are to cover a purchase against an account. Proposals shall be distributed as widely as possible in order that maximum competition may be obtained, and if possible such competition shall be as wide as that on the original purchase. Where bids were invited on more than one condition of delivery in the original advertisement, supplemental bids will be invited under the same conditions of delivery.

(c) In making award the bids received should be given the same consideration as the original purchase, and care must be exercised to avoid an award without the contractor's consent, on a basis which is not in accord with the original purchases and which might relieve him from paying the excess cost.

(d) In preparation of vouchers to cover deliveries by the defaulting contractor the excess cost only of the item or items that the contractor defaulted upon will be charged to his account. The amount purchased from the contractor supplying in place of the defaulting contractor will be the actual amount that the new contractor bid.

(e) Purchasing officers shall immediately on making a purchase against account notify the defaulting contractor of the purchase and, if excess costs are involved, shall make formal request for payment, with a copy thereof to the disbursing officer paying the account. If the contractor fails to satisfy the request, the disbursing officer shall deduct the excess cost from any money due to the defaulting contractor. When money due to a defaulting contractor will not cover the excess cost of the items purchased against the contractor's account, the disbursing officer will take steps to deduct the amount from any other contracts with the contractor. When all the means described above fail to recover the excess cost, the purchasing officer will undertake collection either by depositing the guarantee furnished by the contractor or by demand on the contractor's surety.

(f) The total excess cost shall be determined on the basis of the contract class or group of items as a whole. A saving under one item or class will offset a corresponding excess cost under another item or class purchased under the same contract. Where the total cost of the purchase on account is less than the original contract price, the defaulting contractor is not entitled to a credit for the saving. (Comp. of the Treas. Dec., Sept. 6, 1913) In case of default under a contract which provides for cash discount for prompt payment, the defaulting contractor, in the absence of any provision in the contract to the effect that such discount is to be taken into account in determining the excess cost, is liable only for the amount of the open market purchase in excess of the contract unit price. (4 Comp. Gen. 807) In

cases where the dealer, from whom supplies are purchased in the open market against the account of a defaulting contractor, allows a cash discount for prompt payment, the defaulting contractor will be given the benefit of such discount and will be charged only the difference between the contract price and the amount actually paid for the supplies in the open market. (16 Comp. Dec. 533)

(g) In case a contractor defaults in delivery of a part of the supplies and it is necessary to purchase in the open market against his account the excess cost, if any, between the contract and open market prices will be deposited in the Treasury of the United States as a credit to "Miscellaneous receipts" by the disbursing officer paying the account. When adjustment is made by deduction from the amount due the defaulting contractor the voucher covering supplies actually furnished by the defaulting contractor will show that the contractor defaulted, also the name of the contractor from whom supplies were purchased against his account. There will also be entered separately on the voucher in the column "Differences" the following captions: "Difference in contract price—credit 'Miscellaneous receipts'" and "Amount payable to contractor." Opposite the first caption will be shown the excess cost of items procured in the open market, and opposite the second caption the net amount due the contractor. In the "Total" column will be shown the total amount chargeable to the appropriation, that is, the amount to be credited to "Miscellaneous receipts" plus the net amount due the contractor. Two Treasury Checks will be drawn in payment of the account, one in favor of the Treasurer of the United States in the amount of the excess cost and one in favor of the contractor to cover the net amount due. The amount of the check payable to the Treasury will be taken up in the disbursing officer's accounts in the same manner as other collections, shown on his schedule of collections for the period as a credit to "Miscellaneous receipts," and deposited in his official checking account with the Treasury on Form 6599.

(h) The voucher in favor of the contractor from whom the supplies were obtained in the open market should bear a notation that the supplies included therein for payment were obtained against account of defaulting contractor, giving name of defaulting contractor. The disbursing officer in paying these accounts will make cross reference by entering voucher number, month, and year in which payment was made, and name of disbursing officer. [Art. 18–88 M.C.M.]*

DECEASED PERSONS

§ 7.93 *Shipment of body and effects.* (a) When the unaccompanied body and effects of a deceased member of the Marine Corps are to be forwarded to the home of the deceased, shipment in the United States will be made by express, at Government expense, and the consignee notified by telegram. When men on active duty die outside the continental United States, shipment will be made via Government vessel, if practicable, otherwise by commercial carrier, and consigned to the commanding officer or the naval hospital at the post of debarkation for further shipment to destination. If there be no naval hospital at or in the immediate vicinity of that port, the shipment wil be consigned to the Marine Corps depot or post quartermaster, there, except that bodies shipped to the United States from Asiatic stations will be consigned to the Commandant of the Twelfth Naval District at San Francisco, Calif. In the case of cremated remains, shipment in the United States will be made in the most economical manner other than by ordinary freight.

(b) At the request of relatives, or in the absence of such request upon the authority of the Quartermaster, the remains of officers and enlisted men that have been interred outside of the continental United States may be subsequently disinterred and shipped to the United States for reinterment in a national cemetery or at the home of the deceased. The cost of disinterment, shipment to the United States, and reinterment in a national cemetery will be borne by the Government. The expense of reinterment at the home of the deceased will be borne by the Government, subject to the provisions of § 7.94.

(c) In cases where the remains of deceased officers and enlisted men have been buried in the United States prior to receipt of requests from next of kin for shipment of remains to home of deceased, or in cases where it is impracticable to communicate with the next of kin, or where it was impracticable to ship the remains at time of death, the remains of such deceased officers and enlisted men may be disinterred and prepared for shipment and forwarded to the home of the deceased at Government expense upon subsequent request of the next of kin, and reinterment at home of deceased will be made at Government expense, as provided in 7.94, but where the remains of deceased officers and enlisted men have been buried at the place of demise or in a national or post cemetery in the United States after the next of kin has directed that the remains be not shipped home, or after reinterment after transportation from place of demise outside of the United States to a national cemetery in the United States, subsequent disinterment and shipment to home of deceased of the remains at the request of relatives will not be made at the expense of the Government.

(d) When death occurs outside the District of Columbia and burial in the Arlington National Cemetery is desired, the body should be consigned to the officer in Charge, Arlington National Cemetery, Fort Myer, Va., and billed to Washington, D. C. This will obviate the necessity and delay of obtaining a permit for the transfer of the body through the District of Columbia. As soon as the body has been shipped a telegram will be sent to Headquarters, Marine Corps, and the Officer in Charge, Arlington National Cemetery, Fort Myer, Va., giving the date of shipment, dimensions of outside box, number of persons in funeral party, and the date, hour, and number of train on which body will reach Washington.

(e) Whenever practicable, the shipment should be so timed as to arrive in Washington between the hours of 8 a. m. and 2 p. m., because the Government hearse is available only between those hours, should the body arrive after 2 p. m., it will have to remain at the Union Station until the following morning, when it will be removed to the Arlington National Cemetery and placed in the receiving vault pending funeral arrangements. The services of an undertaker in Washington are not required in cases of this kind, nor is there any expense attached to the opening and closing of the grave in Arlington.

(f) Under no circumstances will burial be made in Arlington National Cemetery on a Sunday or national holiday, or on Saturday after 11 a. m. (34 U.S.C. 921 to 929, 1940 Ed.) [Art. 18–71 M.C.M.]

§ 7.94 *Burial expenses.* (a) (1) The following reasonable and customary services will be allowed at the time and place of burial, viz:

Embalming.
Casket.
Outside box.
Undertaker's fee.
Hearse.
Carriages or automobiles (not exceeding two).
Digging of grave.
Grave space.
Minister's fee.
Cremation (in lieu of embalming and burial).

(Comp. Gen. No. A–24771, Oct. 27, 1928)

(2) The sum of $200 will be the maximum allowed for the above services in cases where the Government has not been placed to any expense; and in cases where the Government has incurred expense, such as in the preparation of the remains and the furnishing of a casket, and additional expense is incurred at the home of the deceased, a maximum of $50 will be allowed. In cases where, through unusual circumstances, either of the above amounts is necessarily exceeded, or services other than those enumerated above are procured, authority for payment must have the approval of the Quartermaster. The above amounts are exclusive of the cost of shipment of the remains of the deceased to the place of burial.

(b) Under the Act of March 3, 1905 (33 Stat. 1196), the War Department will provide the sum of $45 in each case, exclusive of cost of grave, for the burial of all honorably discharged indigent ex-marines who die in the District of Columbia or immediate vicinity and are buried within said limits.

(c) The expenses incident to the preparation and burial of deceased men of the Marine Corps are payable from the appropriation "General expenses, Marine Corps," except in the cases of those who

die at a naval hospital, in which case the expenses are payable from the appropriation "Care of the dead."

(d) The Secretary of the Navy may, in his discretion, cause to be transferred to their home at public expense the remains of civilian employees of the Navy Department or the Naval Establishment who have been ordered from their homes in the United States to duty outside the continental limits of the United States and who die while on such duty or while performing authorized travel to or from such duty.

(e) Where burial is made at place of demise, or in a post cemetery, and other means are not available, the cost of digging grave may be paid by the Quartermaster's Department.

(f) *Pay for services of clergymen.* Pay for services of clergymen at burials of enlisted men may be allowed when the services of a Navy chaplain are not available.

(g) The funeral expenses of reservists who die while on active or training duty, or while performing authorized travel to or from such duty, are payable from the appropriation "Care of the dead." (34 U.S.C. 921 to 929, 1940 Ed.) [Art. 18–72 M.C.M.]

DESERTERS AND STRAGGLERS

§ 7.95 *Payment of reward.* (a) A reward not exceeding $50 will be paid for the apprehension and delivery of a deserter, and one not exceeding $25 for the delivery of a straggler, when offered by the Commandant of the Marine Corps, the commanding officer of a post, a recruiting officer, the commanding officer of a naval vessel, or a depot quartermaster. In special cases, when by reason of the distance to be traveled the amount of the reward would not compensate, transportation may be furnished, upon order of the Commandant of the Marine Corps, to the civil officer for round trip for himself between place of arrest and place of delivery in addition to the reward.

(b) Payment of a reward for the delivery of a deserter is not authorized where no reward was offered prior to such delivery. However, in such a case the necessary expenses incurred in such delivery by the person making the same may be paid upon approval by the Commandant of the Marine Corps. (R.S. 1547; R.S. 1621) [Art. 18–75 M.C.M.]

T. HOLCOMB,
Lieutenant General, U. S. M. C.,
The Commandant.

[F. R. Doc. 42-2017; Filed, March 9, 1942; 9:50 a. m.]

TITLE 43—PUBLIC LANDS: INTERIOR

CHAPTER III—GRAZING SERVICE

PART 505—LEASING OF STATE, COUNTY OR PRIVATELY OWNED LANDS IN GRAZING DISTRICTS

Paragraph 2b of the regulations under the act of June 23, 1938 (52 Stat. 1033), for leasing of State, county, or privately owned lands in grazing districts, approved on January 26, 1940 [43 CFR 505.2 (b)],[1] is hereby amended to read as follows:

§ 505.2 *Evidence of ownership required.*

* * * * *

(b) *Certificate of ownership for private lands.* Where privately owned lands are offered for lease, the party offering them will be required to file with the local office of the Grazing Service certificates from the proper county officials certifying that the records of their offices show that the party offering the lands for lease is the record owner thereof or in legal control of such lands under appropriate recorded lease permitting the subleasing of the property, and including an itemized statement showing the nature and extent of any liens, tax assessments, mortgages, or other encumbrances.

Dated: February 10, 1942.

JULIAN TERRETT,
Acting Director of Grazing.

Approved: February 23, 1942.

JOHN J. DEMPSEY,
Under Secretary.

[F. R. Doc. 42-2013; Filed, March 9, 1942; 9:45 a. m.]

TITLE 46—SHIPPING

CHAPTER I—BUREAU OF MARINE INSPECTION AND NAVIGATION

[T. D. 50577]

TRANSFER OF MARINE ACTIVITIES

CERTAIN ORDERS, RULES, REGULATIONS, PERMITS, AND OTHER PRIVILEGES MADE, ISSUED, OR GRANTED IN RESPECT OF CERTAIN FUNCTIONS OF THE SECRETARY OF COMMERCE AND THE BUREAU OF MARINE INSPECTION AND NAVIGATION AND THE OFFICE OF THE DIRECTOR THEREOF ADOPTED

All orders, rules, regulations, permits, or other privileges made, issued, or granted in respect of all functions of the Secretary of Commerce and the Bureau of Marine Inspection and Navigation and the office of the director thereof transferred to the Bureau of Customs by Executive Order No. 9083, dated February 28, 1942 (7 F.R. 1609), and in effect at the time of such transfer shall continue in effect to the same extent as if such transfer had not occurred.

[SEAL] W. R. JOHNSON,
Commissioner of Customs.

Approved: March 5, 1942.

HERBERT E. GASTON,
Acting Secretary of the Treasury.

[F. R. Doc. 42-1987; Filed, March 6, 1942; 4:00 p. m.]

[1] 5 F.R. 560.

Notices

WAR DEPARTMENT.

RESTRICTIONS ON CERTAIN TRANSACTIONS INVOLVING PROPERTY IN WHICH CERTAIN FOREIGN COUNTRIES, OR ANY NATIONAL THEREOF, MAY HAVE AN INTEREST[1]

SECTION I[2]

* * * * *

1c. *British Malaya.* By reason of temporary control and occupation by the military, naval, and police forces and other authority of Japan, the Treasury Department has issued a circular dated February 18, 1942 (7 Fed. Reg. 1126) calling attention to the fact that, pursuant to Executive Order No. 8389,[3] as amended, the provisions thereof have been automatically extended to all of British Malaya to the same extent as the provisions of the Executive Order, as amended, apply to any other blocked country. The circular further provides that the term "British Malaya" as used therein shall be deemed to include the Straits Settlements and the Malay States, both federated and unfederated. (R.S. 161; 5 U.S.C. 22) [Proc. Cir. 19, W. D., March 2, 1942]

* * * * *

[SEAL] J. A. ULIO,
Major General,
The Adjutant General.

[F. R. Doc. 42-2000; Filed, March 7, 1942; 10:08 a. m.]

DEPARTMENT OF THE INTERIOR.

Bituminous Coal Division.

[Docket No. B-196]

IN THE MATTER OF B. A. HOWARD (DEER CREEK COAL COMPANY), CODE MEMBER

ORDER POSTPONING AND CHANGING PLACE OF HEARING

The above-entitled matter having been heretofore scheduled for hearing on March 14, 1942, at 10:00 a. m. at a hearing room of the Bituminous Coal Division at the Federal Court House, Price, Utah; and

It appearing to the Acting Director that it is advisable to postpone said hearing and change the place thereof;

Now, therefore, it is ordered, That the hearing in the above-entitled matter be, and it hereby is postponed from March 14, 1942, at 10:00 a. m. to April 6, 1942, at 10:00 a. m. at a hearing room of the Division at Price Civic Auditorium, Price, Utah, before the Examiner heretofore designated.

Dated: March 7, 1942.

[SEAL] DAN H. WHEELER,
Acting Director.

[F. R. Doc. 42-2019; Filed, March 9, 1942; 10:14 a. m.]

[1] 6 F.R. 5701.
[2] Par. 1c is added.
[3] 6 F.R. 2897, 3715, 6348, 6785.

[Docket Nos. B-204, B-205, B-209, B-210, B-211, B-212, B-213, B-217, B-218, B-219]

IN THE MATTERS OF HERMAN J. MORRISON; BROOKWOOD SHAFT, INC.; HARRY NICKLOW; EARL MILLER, CLYDE HENRY, AND HARRY HENRY, INDIVIDUALLY AND AS CO-PARTNERS DOING BUSINESS UNDER THE NAME AND STYLE OF MILLER, HENRY AND HENRY; C. H. AMSLER AND C. W. AMSLER, INDIVIDUALLY AND AS CO-PARTNERS DOING BUSINESS AS C. H. AND C. W. AMSLER, A PARTNERSHIP; CHARLES BOWERS; THOMAS B. BLEAKNEY; LOUIS GODIN & CHARLES JOHNSON, INDIVIDUALLY AND AS CO-PARTNERS, DOING BUSINESS UNDER THE NAME AND STYLE OF GODIN & JOHNSON; FORKS COAL MINING COMPANY, A CORPORATION; AND FREEBROOK CORPORATION, CODE MEMBERS, DEFENDANTS

ORDER CHANGING PLACE OF HEARINGS

The above-entitled matters having been scheduled for hearings at a hearing room of the Bituminous Coal Division in Room 203, U. S. Post Office Building at Altoona, Pennsylvania, by Notices of and Orders for Hearings entered in each of the above-entitled matters; and

The Acting Director deeming it advisable that the place of said hearings should be changed;

Now, therefore, it is ordered, That the place of the hearings in each of the above-entitled matters be, and the same hereby is, changed from Room 203, U. S. Post Office Building at Altoona, Pennsylvania, to the Community Room of the City Hall at Altoona, Pennsylvania; and

It is further ordered, That the said Notices of and Orders for Hearings entered in each of the above-entitled matters shall, in all other respects, remain in full force and effect.

Dated: March 5, 1942.

[SEAL] DAN H. WHEELER,
Acting Director.

[F. R. Doc. 42-2020; Filed, March 9, 1942; 10:14 a. m.]

[Docket No. B-193]

IN THE MATTER OF W. R. NALL, CODE MEMBER

ORDER POSTPONING HEARING

The above-entitled matter having been heretofore scheduled for hearing on March 13, 1942, at 10:00 a. m. at a hearing room of the Division at the Federal Court Room, Federal Building, Grand Junction, Colorado; and

It appearing to the Acting Director that it is advisable to postpone said hearing;

Now, therefore, it is ordered, That the hearing in the above-entitled matter be, and it hereby is postponed from March 13, 1942, at 10:00 a. m. to April 4, 1942, at 10:00 a. m. at the place and before the Examiner heretofore designated.

Dated: March 7, 1942.

[SEAL] DAN H. WHEELER,
Acting Director.

[F. R. Doc. 42-2021; Filed, March 9, 1942; 10:14 a. m.]

[Docket No. B-8]

IN THE MATTER OF TONY CAPUTO, CODE MEMBER, DEFENDANT

ORDER POSTPONING HEARING

The above entitled matter having been heretofore scheduled for hearing on March 9, 1942, at 10 a. m. at a hearing room of the Bituminous Coal Division at the Post Office Building, Clarksburg, West Virginia; and

It appearing to the Acting Director that it is advisable to postpone said hearing;

Now therefore it is ordered, That the hearing in the above entitled matter be and the same is hereby postponed to a date and at a hearing room to be hereafter designated by an appropriate order.

Dated: March 7, 1942.

[SEAL] DAN H. WHEELER,
Acting Director.

[F. R. Doc. 42-2022; Filed, March 9, 1942 10:14 a. m.]

[Docket No. B-142]

IN THE MATTER OF SAHARA COAL COMPANY, CODE MEMBER, DEFENDANT

NOTICE OF FILING APPLICATION FOR THE DISPOSITION OF COMPLIANCE PROCEEDING WITHOUT FORMAL HEARING

Notice is hereby given that the Sahara Coal Company, code member in District No. 10, defendant in the above-entitled matter, on February 16, 1942, filed herein an application dated February 14, 1942, pursuant to § 301.132 of the Rules and Regulations Governing Practice and Procedure Before the Bituminous Coal Division for the Disposition Without Formal Hearing of Compliance Proceedings, and on February 21, 1942, filed a supplemental application dated February 19, 1942.

The Bituminous Coal Producers Board for District No. 10 on November 12, 1941, filed a complaint in the above-entitled matter pursuant to section 4 II (j) and 5 (b) of the Bituminous Coal Act of 1937 alleging that the defendant, which operates the Sahara No. 5 Mine, Mine Index No. 156, located in Saline County, Illinois, had wilfully violated the Bituminous Coal Act of 1937, the Code promulgated thereunder, and orders, rules and regulations of the Division, to wit, sections 4 II (e) and 4 II (i) 8 of the Act, Part II (e) and Part II (i) 8 of the Code, and Rule 8 of section XIII of the Marketing Rules and Regulations by selling as washed, dried 1'' stoker screenings approximately 97.7 tons of coal to Wright and Company, 407 South Dearborn Street, Chicago, Illinois, on or about February 1, 1941, and approximately 94.45 tons to J. W. Peterson Coal Company, 800 West Division Street, Chicago, Illinois, on or about February 3, 1941; and by selling as washed, dried 1½'' stoker screenings approximately 47.65 tons of coal to Eberhard Coal Company, 5619 Broadway, Chicago, Illinois, on or about February 3, 1941, at the effective minimum price of $1.80 per net ton established for Size Group No. 24 in the Schedule of Effective Minimum Prices for District No. 10 For All Shipments Except Truck, whereas the size dimensions of said coal did not warrant that designation; that said coal should have been classified in a larger size group and sold at a correspondingly higher price than that at which it was sold; and that said transactions, therefore, constituted sales of coal at sizes which were intentionally misrepresented and at prices which were below the effective minimum prices therefor.

The above application of the defendant for disposition of this proceeding without formal hearing is based, in part, upon the following admissions, agreements, and consents:

2. Defendant admits that it has wilfully violated those sections of the Bituminous Coal Code and Rules and Regulations of the Division referred to in the complaint and admits that it sold as washed, dried 1'' stoker screenings 97.7 tons of coal to Wright and Company, 407 South Dearborn Street, Chicago, Illinois, said coal having been loaded into two cars on February 1, 1941, and shipped on the same date to the purchaser; it admits that it sold as washed, dried 1'' stoker screenings 94.45 tons to J. W. Peterson Coal Company, 800 West Division Street, Chicago, Illinois, said coal having been loaded into two cars on February 1 and 2, 1941, and shipped on February 3, 1941, to the purchaser; it admits that it sold as washed, dried 1½'' stoker screenings 47.65 tons of coal to Eberhard Coal Company, 5619 Broadway, Chicago, Illinois, said coal having been loaded into a car on February 2, 1941, and shipped on February 3, 1941, to the purchaser. The above-described coal was sold from the Sahara No. 5 Mine and transported all-rail to said purchasers at the effective minimum price of $1.80 per net ton established for Size Group 24 in the Schedule of Effective Minimum Prices for District No. 10 For All Shipments Except Truck; however, due to the size dimensions of the coal, it should have been sold at not less than $1.90 per net ton, which price is the effective minimum price for Size Group No. 22 coals set forth in the Schedule of Effective Minimum Prices for District No. 10 For All Shipments Except Truck.

5. The defendant consents to the entry by the Director of an Order directing defendant to cease and desist from violations of the Code and the Regulations thereunder.

6. In the event the Director is of the opinion that proper administration of the Act requires, in addition, the entry of an order cancelling and revoking defendant's Code Membership and requiring the payment by defendant, upon restoration to Code Membership, of double the amount of the tax imposed by section 3 (b) of the Act, defendant consents to the entry by the Director of such an order.

7. In the event the Director determines to proceed in accordance with section 6 hereof, defendant states that the amount of the tax which should be imposed is $177.69 and defendant agrees to pay said tax in the sum of $177.69 within ten days after being served with an order revoking its Code Membership as a condition to restoration of such membership.

The defendant in its above supplemental application states that to the best of the defendant's knowledge and belief:

(a) It committed no other violations either before or after the violations referred to in its original application referred to in the first paragraph hereof; and

(b) No fines have been removed from 1" x 0 and 1½" x 0 screenings subsequent to October 1, 1940, and that when fines are removed resultant coal is not sold as 1" or 1½" screenings but is sold as stoker screenings in accordance with the prices specified in the price schedule.

Interested parties desiring to do so may, within twenty (20) days from the date of this notice, file recommendations or requests for informal conferences in respect to the above-described application.

Dated: March 7, 1942.

[SEAL] DAN H. WHEELER,
Acting Director.

[F. R. Doc. 42-2023; Filed, March 9, 1942; 10:14 a. m.]

[Docket No. B-30]

IN THE MATTER OF CHIARAMONTE COAL COMPANY (JOE CHIARAMONTE), DEFENDANT

CEASE AND DESIST ORDER

District Board 18 having filed a complaint with the Bituminous Coal Division on June 30, 1941, pursuant to the provisions of sections 4 II (j) and 5 (b) of the Bituminous Coal Act of 1937, alleging wilful violation by the Chiaramonte Coal Company (Joe Chiaramonte), a code member in District No. 18 of the Bituminous Coal Code and rules and regulations thereunder as follows:

1. By selling and delivering by truck subsequent to September 30, 1940, substantial quantities of dedusted slack coal produced at defendant's mine located near Gallup, New Mexico, to the Gallup Mercantile Company, Gallup, New Mexico, at a delivered price of $1.75 per net ton, whereas the effective minimum price for such coal was $3.00 per ton f. o. b. the mine, plus at least the actual cost of delivering said coal from the mine to the purchaser;

2. By selling subsequent to September 30, 1940, approximately 100 net tons of lump coal (Size Group 2), to the White Elephant Storage Company, located in Gallup, New Mexico, at an f. o. b. mine price of $4.00 per ton, the effective minimum price for such coal being $4.25 per ton f. o. b. the mine;

3. By selling subsequent to September 30, 1940, approximately 62 tons of engine coal (Size Group 4), and 2½ tons of nut coal (Size Group 6), to various purchasers at a f. o. b. mine price of $3.35 per ton, whereas the effective minimum prices for such coals were $4.00 per ton for the engine coal and $3.50 per ton for the nut coal;

Defendant having filed an answer herein denying that it wilfully violated the Code;

Pursuant to an Order of the Director and after due notice to all interested persons, a hearing in this matter having been held on December 4, 1941, before a duly designated Examiner of the Division, at a hearing room thereof in Albuquerque, New Mexico, at which all interested persons were afforded an opportunity to be present, adduce evidence, cross-examine witnesses, and otherwise be heard;

Appearances having been entered at the hearing by the complainant, District Board 18, and the defendant;

The preparation and filing of a report by the Examiner having been waived and the matter thereupon having been submitted to the undersigned;

The undersigned having made Findings of Fact and Conclusions of Law, and having rendered an Opinion in this matter, which are filed herewith;

Now, therefore, it is ordered, That the defendant, the Chiaramonte Coal Company, its representatives, agents, servants, employees, attorneys, successors or assigns, and all persons acting or claiming to act in its behalf, cease and desist, and they are hereby permanently enjoined and restrained from selling or offering to sell coal produced by the defendant at less than the applicable effective minimum prices established therefor, contrary to the Bituminous Coal Act of 1937, or any rules or regulations promulgated thereunder, the Bituminous Coal Code, and the Schedule of Effective Minimum Prices for District No. 18, for All Shipments.

It is further ordered, That, if the defendant fails to comply with this order, the Division may forthwith apply to the Circuit Court of Appeals of the United States in any district in which the defendant carries on business for the enforcement hereof, or take any other appropriate action.

Dated: March 6, 1942.

[SEAL] DAN H. WHEELER,
Acting Director.

[F. R. Doc. 42-2024; Filed, March 9, 1942; 10:15 a. m.]

APPLICATIONS FOR REGISTRATION AS DISTRIBUTORS

An application for registration as a distributor has been filed by each of the following and is under consideration by the Acting Director:

Name and address	*Date application filed*
J. B. Bell, Delmar, Ala	Feb. 13, 1942
Robert Kahn, Bituminous Coal Sales Co., 15 Park Row, Room 2311, New York, N. Y.	Feb. 25, 1942
Eastern Fuel Co., Inc., 3530 Stoneway Ave., Seattle, Wash.	Feb. 16, 1942
Dr. Peter John, Rick John Coal Co., 101 Gulf St., Laurinburg, N. C.	Feb. 18, 1942
Robert C. Loos, Bessemer Bldg., Pittsburgh, Pa.	Feb. 26, 1942
Jacob M. Goldstein, Old Colony Coal Co., 174 Vassar Ave., Newark, N. J.	Feb. 20, 1942
Albert E. Simonsen, Riverside Fuel Co., 1805 Monroe Ave., Grand Rapids, Mich.	Feb. 26, 1942

Any district board, code member, distributor, the Consumers' Counsel, or any other interested person, who has pertinent information concerning the eligibility of any of the above-named applicants for registration as distributors under the provisions of the Bituminous Coal Act and the Rules and Regulations for the Registration of Distributors, is invited to furnish such information to the Division on or before April 6, 1942. This information should be mailed or presented to the Bituminous Coal Division, 734 15th Street NW., Washington, D. C.

Dated, March 5, 1942.

[SEAL] DAN H. WHEELER,
Acting Director.

[F. R. Doc. 42-2025; Filed, March 9, 1942; 10:15 a. m.]

Bureau of Reclamation.

EDEN PROJECT, WYOMING

FIRST FORM RECLAMATION WITHDRAWAL

NOVEMBER 6, 1941.

THE SECRETARY OF THE INTERIOR.

SIR: In accordance with the authority vested in you by the Act of June 28, 1934 (48 Stat. 1269), as amended, it is recommended that the following described lands be withdrawn from public entry under the first form withdrawal, as provided in section 3, Act of June 17, 1902 (32 Stat., 388), and that departmental order of October 31, 1936, including the said lands in Grazing District No. 4, Wyoming, be modified and made subject to the withdrawal effected by this order.

EDEN PROJECT, WYOMING

Sixth Principal Meridian

T. 25 N., R. 106 W., 6th P. M.,
Sec. 34, S½NW¼, N½SW¼.

Respectfully,

H. W. BASHORE,
Acting Commissioner.

I concur: November 24, 1941.

ARCHIE D. RYAN,
Acting Director, Grazing Service.

I concur: November 26, 1941.

FRED W. JOHNSON,
Commissioner, General Land Office.

FEBRUARY 27, 1942.

The foregoing recommendation is hereby approved, as recommended, and the Commissioner of the General Land Office will cause the records of his office and the local land office to be noted accordingly.

JOHN J. DEMPSEY,
Under Secretary.

[F. R. Doc. 42-2014; Filed, March 9, 1942; 9:45 a. m.]

NASHVILLE RESERVOIR SITE, CALIFORNIA

FIRST FORM RECLAMATION WITHDRAWAL

FEBRUARY 5, 1942.

THE SECRETARY OF THE INTERIOR.

SIR: In accordance with the authority vested in you by the Act of June 28, 1934 (48 Stat. 1269), as amended, it is recom-

mended that the following described lands be withdrawn from public entry under the first form withdrawal as provided in section 3, Act of June 17, 1902 (32 Stat. 388).

NASHVILLE RESERVOIR SITE, CALIFORNIA

Mount Diablo Meridian

Township 8 North, Range 10 East
Sec. 2, Lots 11, 12, 13;
Sec. 11, Lots 4, 5, 6, 7;
Township 8 North, Range 11 East
Sec. 6, S½SE¼;
Sec. 7, Lots 1, 2, NE¼, E½NW¼, N½SE¼.

Respectfully,

JOHN C. PAGE,
Commissioner.

I concur: February 23, 1942.

FRED W. JOHNSON,
Commissioner of the General Land Office.

FEBRUARY 27, 1942.

The foregoing recommendation is hereby approved as recommended and the Commissioner of the General Land Office will cause the records of his office and the local land office to be noted accordingly.

JOHN J. DEMPSEY,
Under Secretary.

[F. R. Doc. 42-2015; Filed, March 9, 1942; 9:45 a. m.]

DEPARTMENT OF AGRICULTURE.

Agricultural Marketing Administration.

NOTICE OF REPORT AND OPPORTUNITY TO FILE WRITTEN EXCEPTIONS WITH RESPECT TO PROPOSED AMENDMENTS TO A TENTATIVELY APPROVED MARKETING AGREEMENT, AS AMENDED, AND A MARKETING ORDER, AS AMENDED, REGULATING THE HANDLING OF MILK IN THE FALL RIVER, MASSACHUSETTS, MARKETING AREA, PREPARED BY THE ADMINISTRATOR OF AGRICULTURAL MARKETING ADMINISTRATION

Pursuant to § 900.12 (a) of the General Regulations of the Surplus Marketing Administration, United States Department of Agriculture, governing proceedings to formulate marketing orders and marketing agreements, notice is hereby given of the filing with the hearing clerk of this report of the Administrator of the Agricultural Marketing Administration, with respect to proposed amendments to a tentatively approved marketing agreement, as amended, and to a marketing order, as amended, regulating the handling of milk in the Fall River, Massachusetts, marketing area. Interested parties may file exceptions to the report with the Hearing Clerk, Room 0312, Department of Agriculture, Washington, D. C., not later than the close of business on the 10th day after publication of this notice in the FEDERAL REGISTER.

Preliminary statement

The proceedings were initiated by the Surplus Marketing Administration upon receipt of a petition dated December 11, 1941, from the Fall River Milk Producers Association for a public hearing on proposals to revise upward the Class I price, to revise the Class I price applicable to milk sold outside of the marketing area, to revise the formula for the Class II price, to provide for certain changes in the classification of milk, and to revise the base-rating plan. A proposal for revision of classification was received from one handler. Following this request the Dairy Division, Surplus Marketing Administration, proposed, in addition, that the so-called new producer clause be eliminated. After consideration of the proposals, notice of the hearing was issued on January 14, 1942, and the hearing was convened on January 22, 1942.

The major issues developed in the hearing revolved around the level at which both the Class I and Class II prices should be fixed, the implications of modifying or removing the base-rating plan, the practicability of allowing milk to be transferred to Providence market as Class II, and the equity of requiring handlers to pay the Class I price for plant shrinkage associated with handling Class I milk.

It is concluded from the record that (1) the present Class I price ($3.88 per hundredweight for milk of 3.7 percent butterfat content) effectuates the policy of the act; (2) classification with respect to plant shrinkage or the transfer of milk from Fall River to Providence should not be changed; (3) revision of the base-rating plan to make it inoperative for all months of the year except April, May, and June; and (4) the deletion of the so-called new producer clause are desirable changes to make at this time.

The proposed amendments are recommended as the detailed means by which these conclusions can be carried out.

This report filed at Washington, D. C., the 5th day of March 1942.

[SEAL] ROY F. HENDRICKSON,
Administrator.

PROPOSED MARKETING AGREEMENT [1] REGULATING THE HANDLING OF MILK IN THE FALL RIVER, MASSACHUSETTS, MARKETING AREA PREPARED BY THE ADMINISTRATOR OF THE AGRICULTURAL MARKETING ADMINISTRATION, UNITED STATES DEPARTMENT OF AGRICULTURE

Whereas, the parties hereto, in order to effectuate the declared policy of the said act, desire to enter into this marketing agreement, as amended.

Now, therefore, the parties hereto agree as follows:

1. The terms and provisions of § 947.1 through § 947.12 of Order No. 47, as amended, Regulating the Handling of Milk in the Fall River, Massachusetts, Marketing Area, issued December 3, 1941, and as amended by Amendment No. 1, to said order, as amended, issued, effective ----------, 1942, shall be the terms and provisions of this marketing agreement, as amended, with the exception that wherever the word "order" is used the words "marketing agreement" shall be substituted therefor; and

2. The following sections shall also be a part of the marketing agreement, as amended, in addition to § 947.1 through § 947.12 of said order as amended:

§ 947.13 *Liability*—(a) *Liability of handlers.* The liability of the handlers hereunder is several and not joint and no handler shall be liable for the default of any other handler.

§ 947.14 *Counterparts and additional parties*—(a) *Counterparts of marketing agreement, as amended.* This agreement, as amended, may be executed in multiple counterparts, and when one counterpart is signed by the Secretary all such counterparts shall constitute, when taken together, one and the same instrument, as if all such signatures were obtained in one original.

(b) *Additional parties to the marketing agreement, as amended.* After this agreement, as amended, first takes effect, any handler may become a party to this agreement, as amended, if a counterpart hereof is executed by him and delivered to the Secretary. This agreement, as amended, shall take effect as to such new contracting parties at the time such counterpart is delivered to the Secretary, and the benefits, privileges, and immunities conferred by this agreement, as amended, shall then be effective as to such new contracting party.

§ 947.15 *Record of milk handled during the month of May 1941, and authorization to correct typographical errors*—(a) *Record of milk handled during the month of May 1941.* The undersigned certifies that he handled during the month of May 1941, ------ hundredweight of milk covered by this agreement, as amended, and disposed of within the marketing area.

(b) *Authorization to correct typographical errors.* The undersigned hereby authorizes Otie M. Reed, Chief, Dairy Division, Agricultural Marketing Administration, to correct any typographical errors which may have been made in this marketing agreement, as amended.

§ 947.16 *Signature of parties.* In witness whereof, the contracting handlers, acting under the provisions of the act, for the purposes and subject to the limitations herein contained and not otherwise, have hereunto set their respective hands and seals.

PROPOSED AMENDMENTS [1] TO THE MARKETING ORDER, AS AMENDED, REGULATING THE HANDLING OF MILK IN THE FALL RIVER, MASSACHUSETTS, MARKETING AREA

It is found upon the evidence introduced at the public hearing held in Westport, Massachusetts, on January 22, 1942, such findings being in addition to the findings made upon the evidence introduced at the hearings on the order, and being in addition to the other findings made prior to or at the time of the original issuance of the order (which findings

[1] This proposed marketing agreement is prepared by the Administrator pursuant to § 900.12 (a) of the General Regulations, Surplus Marketing Administration, and has not received the approval of the Secretary of Agriculture.

[1] These proposed amendments are prepared by the Administrator pursuant to § 900.12 (a) of the General Regulations, Surplus Marketing Administration, and have not received the approval of the Secretary of Agriculture.

are hereby ratified and affirmed save only as such findings are in conflict with the findings hereinafter set forth):

Findings

1. That prices calculated to give milk produced for sale in the marketing area a purchasing power equivalent to the purchasing power of such milk as determined pursuant to secs. 2 and 8c (50 Stat. 246; 7 U. S. C. 1940 ed. 602, 608c), are not reasonable in view of the available supplies of feeds, the price of feeds, and other economic conditions which affect the supply of and demand for such milk and that the minimum prices set forth in this amendment to said order 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 that the fixing of such prices does not have for its purpose the maintenance of prices to producers above the levels which are declared in the act to be the policy of Congress to establish;

2. That the order, as amended by this amendment, regulates the handling of milk in the same manner as and is applicable only to handlers defined in a marketing agreement, as amended, upon which a hearing has been held; and

3. That the issuance of this amendment to the order, as amended, and all of the terms and conditions of the order, as so amended, tends to effectuate the declared policy of the act.

Provisions

1. Delete § 947.3 (a) (2) (i) and substitute therefor the following:

(i) as being sold, distributed, or disposed of other than as or in milk which contains one-half of 1 percent or more, but less than 16 percent of butterfat, and other than as chocolate or flavored, whole or skim milk, buttermilk, and cultured skim milk; and

2. In § 947.4 (a) delete "1942" and substitute therefor "1943."

3. Delete part (a) of the proviso in § 947.4 (b) and substitute therefor the following:

(a) Compute the average of all the dry skim milk powder quotations for "human food products (roller process) in barrels" and for "animal feed products (hot roller) in bags," (using midpoint of any range as one quotation), published during such delivery period by the United States Department of Agriculture for New York City, subtract 4.56 cents, multiply by 7; and

4. Delete § 947.4 (d) (1) and all references in the order thereto, and renumber § 947.4 (d) (2) as § 947.4 (d) (1).

5. Delete § 947.6 (e) and substitute therefor the following:

(e) *Handlers not distributing milk in the marketing area.* No provisions hereof except § 947.1 (a) (7); § 947.3; § 947.5; § 947.9 (h); and § 947.11 shall apply to the handling of milk of a handler, except a cooperative association which causes milk to be delivered directly from producers' farms to the plant of another handler for the account of such cooperative association, whose disposition of milk in the marketing area is to other handlers only.

6. Delete § 947.6 (g) (2) and substitute therefor the following:

(2) § 947.1 (a) (7), § 947.3, and § 947.5 shall apply to the handling of milk received at a receiving plant of a handler as defined by another Federal marketing agreement or order.

7. Delete § 947.6 (g) (3).

8. Delete § 947.7 (b) and substitute therefor the following:

(b) *Computation and announcement of uniform prices.* The market administrator shall compute and announce the uniform price per hundredweight of milk received during each delivery period in the following manner:

(1) For delivery periods except April, May, and June of each year—(i) combine into one total the respective values of milk, pursuant to paragraph (a) of this section for each handler who made the reports required by § 947.5 (a), for milk received during such delivery period.

(ii) Add the total amount of the payments required of handlers pursuant to § 947.9 (h) and (i).

(iii) Add the cash balance, if any, in his hands from payments made by handlers, during the delivery period next preceding but one, to meet the obligations arising out of § 947.9 (d).

(iv) Divide by the total quantity of milk which is included in these computations.

(v) Subtract not less than 4 cents nor more than 5 cents per hundredweight for the purpose of retaining a cash balance in connection with the payments set forth in § 947.9 (d).

(vi) On or before the 10th day after the end of each delivery period, mail to all handlers and publicly announce: (a) such of these computations as do not disclose information confidential pursuant to the act; (b) the blended price per hundredweight which is the result of these computations; (c) the Class II price; and (d) the name of the handler, the Class I price, Class II price, and the blended prices of any milk paid for pursuant to § 947.9 (g).

(2) For each of the delivery periods of April, May, and June of each year—(i) combine into one total the respective values of milk, pursuant to paragraph (a) of this section, for each handler who made the reports required by § 947.5 (a), for milk received during such delivery period.

(ii) Add the total amount of the payments required of handlers pursuant to § 947.9 (h) and (i).

(iii) Subtract the amount to be paid to producers pursuant to § 947.9 (a) (2) (ii).

(iv) Add the cash balance, if any, in his hands from payments made by handlers, during the delivery period next preceding but one, to meet the obligations arising out of § 947.9 (d).

(v) Divide by the total quantity of milk which is not in excess of the delivered bases of producers and which is included in these computations.

(vi) Subtract not less than 4 cents nor more than 5 cents per hundredweight for the purpose of retaining a cash balance in connection with the payments set forth in § 947.9 (d).

(vii) On or before the 11th day after the end of such delivery period, mail to all handlers and publicly announce: (a) Such of these computations as do not disclose information confidential pursuant to the act, (b) the blended price per hundredweight which is the result of these computations, (c) the Class II price, the butterfat differential, and (d) the name of the handler, the Class I price, the Class II price, and the blended prices of any milk paid for pursuant to § 947.9 (g).

9. Delete the introductory part of § 947.8 (a) (3) and substitute therefor the following:

(3) In case reports show (a) total deliveries of milk of producers with daily bases for any two consecutive delivery periods to be less than 110 percent, and the sum of the current daily bases of the same producers multiplied by the number of days in the two delivery periods is less than 115 percent of the Class I milk of handlers who have reported pursuant to § 947.5 (a) (6) during such delivery periods, the market administrator shall add, prorata, to each producer's daily base an amount determined as follows:

10. Delete § 947.8 (a) (4) and substitute therefor the following:

§ 947.8 (a) (4) For a producer who did not regularly sell milk for a period of 30 days prior to June 1, 1940, to a handler or to persons within the marketing area, or who for other reasons is without a base, the base shall be 75 percent of the quantity of milk delivered by such producer for the first two full calendar months immediately following the first regular delivery or the date of termination of such producer's base; thereafter the daily base of such producer shall be his average daily deliveries of milk during such two full calendar months multiplied by the percentage that total reported base deliveries were to reported total deliveries of milk to the market by all daily base-holding producers during such two calendar months.

11. Delete § 947.9 (a) and substitute therefor the following:

§ 947.9 *Payments for milk*—(a) *Time and method of payment.* (1) On or before the 1st day after the end of each delivery period, each handler shall make payment to producers for the approximate value of milk received during the first 15 days of such delivery period. On or before the 17th day after the end of each delivery period, for all delivery periods except April, May, and June of each year, except as provided in paragraph (g) of this section, each handler shall make payment for the total value of milk received from producers or associations of producers during the preceding delivery period, computed pursuant to § 947.7 (a), subject to the differential set forth in paragraph (c) of § 947.4

and paragraph (f) of this section as follows:

(i) To producers, at not less than the blended price per hundredweight computed pursuant to § 947.7 (b) (1) for the quantity of milk delivered by each producer.

(ii) To an association of producers for milk which is caused to be delivered to a handler from producers by such association, and for which such association collects payment, a total amount equal to not less than the sum of the individual payments otherwise payable to such producers pursuant to subdivision (i) of this subparagraph.

(2) On or before the 17th day after the end of each delivery period for the delivery periods of April, May, and June, of each year, except as provided in paragraph (g) of this section, each handler shall make payment for the total value of milk received from producers or associations of producers during the preceding delivery period, computed pursuant to § 947.7 (a), subject to the differential set forth in paragraph (c) of § 947.4 and paragraph (f) of this section as follows:

(i) To producers, at not less than the blended price per hundredweight, computed pursuant to § 947.7 (b) (2), for that quantity of milk received from each producer not in excess of his base determined pursuant to § 947.8.

(ii) To producers at not less than the Class II price, for that quantity of milk received from each producer in excess of his base determined pursuant to § 947.8.

(iii) To an association of producers for milk which is caused to be delivered to a handler from producers by such association, and for which such association, collects payment, a total amount equal to not less than the sum of the individual payments otherwise payable to such producers pursuant to subdivisions (i) and (ii) of this subparagraph.

[F. R. Doc. 42-1983; Filed, March 6, 1942; 3:29 p. m.]

DEPARTMENT OF LABOR.

Division of Public Contracts.

IN THE MATTER OF THE DETERMINATION OF THE PREVAILING MINIMUM WAGES IN THE AVIATION TEXTILE PRODUCTS MANUFACTURING INDUSTRY

NOTICE OF HEARING

All interested parties are hereby notified that a hearing will be held before the Public Contracts Board in Room 3229, Department of Labor Building, Washington, D. C., commencing at 10 a. m. on Tuesday, March 24, 1942, to take testimony and receive evidence upon which findings of fact and recommendations shall be made by the Board to assist the Secretary of Labor in determining the prevailing minimum wages in the Aviation Textile Products Manufacturing Industry pursuant to the provisions of section 1 (b) of the Act of June 30, 1936 (49 Stat. 2036; 41 U.S.C. Sup. III 35), otherwise known as the Walsh-Healey Public Contracts Act.

The Aviation Textile Products Manufacturing Industry is that industry which manufactures articles (other than apparel) primarily of fabric for use in connection with the Aviation Industry. Among the principal products are parachutes of all types, parachute harnesses, safety belts, tow targets, and wind direction indicators of the windsock type. (Not included, however, are such canvas and duck articles as signaling panels for ground use.)

A tabulation of wage schedules voluntarily submitted by members of the industry, at the request of a committee made up of management and labor representatives, and tabulated by the Research Section of the Division of Public Contracts, Department of Labor, will be submitted in evidence at the hearing. Copies of this wage tabulation may be had on application to the Administrator, Division of Public Contracts, Washington, D. C. Any additional data indicating wage changes that may have occurred since the period covered by the tabulated schedules (October 1941) will also be received, as well as evidence for the purpose of determining what provision, if any, should be made in the prevailing minimum wage determination for the employment of apprentices and learners.

At the hearing an opportunity to be heard, either in person or by duly appointed representatives, will be given to persons engaged in the above named industry, either as employers or as employees, to groups of such persons, and to others within the discretion of the Board. Briefs or telegraphic communications may be filed with the Administrator, Division of Public Contracts, Department of Labor, and they should be received on or before the hearing date. No form for the brief is prescribed but an original and four copies must be submitted.

The entire record will be considered by the Secretary of Labor before the wage determination is made.

Dated: March 6, 1942.

L. METCALFE WALLING,
Administrator.

[F. R. Doc. 42-1984; Filed, March 6, 1942; 3:49 p. m.]

Wage and Hour Division.

[Administrative Order No. 142]

ACCEPTANCE OF RESIGNATION FROM AND APPOINTMENT TO INDUSTRY COMMITTEE NO. 42 FOR THE GRAIN PRODUCTS INDUSTRY

By virtue of and pursuant to the authority vested in me by the Fair Labor Standards Act of 1938, I, L. Metcalfe Walling, Administrator of the Wage and Hour Division, Department of Labor,

Do hereby accept the resignation of Mr. Walter Vanderploeg and Mr. J. J. Mullen from Industry Committee No. 42 for the Grain Products Industry and do appoint in their stead as representatives of the employers on such Committee, Mr. George Noxon of St. Louis, Missouri, and Mr. Ed Wilkinson, Jr., of Birmingham, Alabama.

Signed at Washington, D. C., this 6th day of March 1942.

L. METCALFE WALLING,
Administrator.

[F. R. Doc. 42-2008; Filed, March 7, 1942; 11:15 a. m.]

NOTICE OF ISSUANCE OF SPECIAL CERTIFICATES FOR THE EMPLOYMENT OF LEARNERS UNDER THE FAIR LABOR STANDARDS ACT OF 1938

Notice is hereby given that Special Certificates authorizing the employment of learners at hourly wages lower than the minimum rate applicable under section 6 of the Act are issued under section 14 thereof and § 522.5 (b) of the Regulations issued thereunder (August 16, 1940, 5 F.R. 2862) to the employers listed below effective March 9, 1942.

The employment of learners under these Certificates is limited to the terms and conditions as designated opposite the employer's name. These Certificates are issued upon the employers' representations that experienced workers for the learner occupations are not available for employment and that they are actually in need of learners at subminimum rates in order to prevent curtailment of opportunities for employment. The Certificates may be cancelled in the manner provided for in the Regulations and as indicated on the Certificate. Any person aggrieved by the issuance of these Certificates may seek a review or reconsideration thereof.

NAME AND ADDRESS OF FIRM, PRODUCT, NUMBER OF LEARNERS, LEARNING PERIOD, LEARNER WAGE, LEARNER OCCUPATIONS, EXPIRATION DATE

Art Hand Made Carriage Cover Company, 7 West 30th Street, New York, N. Y.; Infants' Bathrobes, Baby Bunting Bags, Carriage Covers; 5 learners; 320 hours for any one learner; 30 cents per hour; Machine operating, Hand sewing or pressing on carriage covers, baby blankets and all types of infants' wear; July 9, 1942.

Jose Escalante and Company, 1018 Poeyfarre Street, New Orleans, La.; Cigars; 10 percent; 6 months and 8 weeks respectively; 25 cents per hour; Handmaking, Handpacking; March 9, 1943.

Louisville Lamp Company, 724 W. Breckinridge Street, Louisville, Ky., Lamp Shades; 4 learners; 160 hours for any one learner; 35 cents per hour; Hand sewing on shades, Machine sewing on shades; September 9, 1942.

Natalie Lampshades Company, Inc., 781 River Street, Paterson, N. J.; Paper Lamp Shades and Acetate Shades; 5 learners; 160 hours for any one learner; 35 cents per hour; Hand sewing on shades, Machine sewing on shades; September 9, 1942.

R. G. Sullivan, Inc., 114 W. Central Street, Manchester, N. H.; Cigars; 10

learners; 160 hours for any one learner; 25 cents per hour; Handstripping; September 9, 1942.

Signed at New York, N. Y., this 7th day of March 1942.

MERLE D. VINCENT,
Authorized Representative of the Administrator.

[F. R. Doc. 42-2031; Filed, March 9, 1942; 10:44 a. m.]

NOTICE OF ISSUANCE OF SPECIAL CERTIFICATES FOR THE EMPLOYMENT OF LEARNERS UNDER THE FAIR LABOR STANDARDS ACT OF 1938.

Notice is hereby given that Special Certificates authorizing the employment of learners at hourly wages lower than the minimum wage rate applicable under section 6 of the Act are issued under section 14 thereof, Part 522 of the Regulations issued thereunder (August 16, 1940, 5 F.R. 2862) and the Determination and Order or Regulation listed below and published in the FEDERAL REGISTER as here stated.

Apparel Learner Regulations, September 7, 1940 (5 F.R. 3591).

Men's Single Pants, Shirts and Allied Garments and Women's Apparel Industries, September 23, 1941 (6 F.R. 4839).

Artificial Flowers and Feathers Learner Regulations, October 24, 1940 (5 F.R. 4203).

Glove Findings and Determination of February 20, 1940, as amended by Administrative Order of September 20, 1940 (5 F.R. 3748).

Hosiery Learner Regulations, September 4, 1940 (5 F.R. 3530).

Independent Telephone Learner Regulations, September 27, 1940 (5 F.R. 3829).

Knitted Wear Learner Regulations, October 10, 1940 (5 F.R. 3982).

Millinery Learner Regulations, Custom Made and Popular Priced, August 29, 1940 (5 F.R. 3392, 3393).

Textile Learner Regulations, May 16, 1941 (6 F.R. 2446).

Woolen Learner Regulations, October 30, 1940 (5 F.R. 4302).

Notice of Amended Order for the Employment of Learners in the Cigar Manufacturing Industry, July 29, 1941 (6 F.R. 3753).

The employment of learners under these Certificates is limited to the terms and conditions as to the occupations, learning periods, minimum wage rates, et cetera, specified in the Determination and Order or Regulation for the industry designated above and indicated opposite the employer's name. These Certificates become effective March 9, 1942. The Certificates may be cancelled in the manner provided in the Regulations and as indicated in the Certificates. Any person aggrieved by the issuance of any of these Certificates may seek a review or reconsideration thereof.

NAME AND ADDRESS OF FIRM, INDUSTRY, PRODUCT, NUMBER OF LEARNERS AND EXPIRATION DATE

Apparel

Goidle Neckwear Manufacturing Company, 1111 Commerce Street, Dallas, Texas; Neckties; 5 learners (T); September 9, 1942.

Randa Neckwear Corporation, 20 East Broadway, Hackensack, New Jersey; Men's Neckwear; 10 percent (T); March 9, 1943. (This certificate replaces the one bearing expiration date of May 22, 1942.)

True Value Neckwear Company, 225 62nd Street, West New York, New Jersey; Neckties; 10 learners (T); September 9, 1942.

Wyckoff Button Hole Works, 182 Wyckoff Avenue, Brooklyn, New York; Button Holes; 4 learners (T); July 9, 1942.

Single Pants, Shirts, and Allied Garments and Women's Apparel

Anthracite Shirt Company, 1 S. Franklin Street, Shamokin, Pennsylvania; Men's and Boys' Shirts; 5 percent (T); March 9, 1943.

Bardon of Hollywood, 714 S. Los Angeles Street, Los Angeles, California; Men's Sport Shirts; Men's Loafer Jackets; 10 percent (T); March 9, 1943.

Michael Berkowitz Company, Inc., Barton Mill Road, Uniontown, Pennsylvania; Men's Shirts, Ladies' Pajamas; 10 percent (T); March 9, 1943.

Bestform Foundations, Inc., 64–74 West 23rd Street, New York, N. Y.; Foundations, Brassieres, Girdles; 10 percent (T); June 22, 1942.

Buffalo Faultless Pants Company, Inc., 133 South Division Street, Buffalo, New York; Trousers, Ladies' Slacks, Allied Sportswear; 35 Learners (E); July 27, 1942. (This certificate authorizes the employment of learners on commercial work only.)

The Fitz Overall Company, 832 Commercial Street, Atchison, Kansas; Overalls and Jackets, Pants; 10 percent (T); March 9, 1943.

Fly Manufacturing Company, South Main Stret, Shelbyville, Tennessee; Work Pants, Overalls, Shirts; 10 percent (T); March 9, 1943.

J. S. Fuller, Inc., 45 Pine Grove Avenue, Kingston, New York; Men's Shirts; 17 learners (T); March 9, 1943.

The Gottfried Company, 2882 Detroit Avenue, Cleveland, Ohio; Ladies' Popular Priced Washable Dresses; 10 percent (T); March 9, 1943.

Indiana Rayon Corporation, 230 East Osage Street, Greenfield, Indiana; Woven Cotton Polo Shirts and Sportswear, Rayon Underwear; 10 percent (T); March 9, 1943.

Jack and Jill Togs, Inc., 37 West 28th Street, New York, N. Y.; Children's Outerwear; 10 learners (T); June 22, 1942.

Jalma Manufacturing Company, 801 Lucas Avenue, St. Louis, Missouri; Dresses; 10 learners (T); March 9, 1943.

Jolly Kids Garment Manufacturing Company, Kalamazoo, Michigan; Cotton Garments for Infants & Children; 10 percent (T); March 9, 1943.

Judy Frocks, 1803 8th Avenue, Seattle, Washington; Rayon Dresses; 3 learners (T); March 9, 1943.

Julius Leventhal & Brothers, Lykens, Pennsylvania; Shirts; 10 percent (T); March 12, 1943. (This certificate effective March 12, 1942.)

Mandel Manufacturing Company, 923 Washington Avenue, St. Louis, Missouri; Slacks, Blouses, Shorts; 5 learners (T); March 9, 1943.

Merit Lingerie Company, 483 Broadway, New York, N. Y.; Ladies' & Misses Gowns and Pajamas; 7 learners (T); July 27, 1942.

Midland Garment Manufacturing Company, Central Avenue, Nebraska City, Nebraska; Cotton Work Pants, Cotton Sport and Dress Shirts; 25 learners (E); July 27, 1942.

Jacob Miller and Sons Company, 16th and Reed Streets, Philadelphia, Pennsylvania; Men's Dress Shirts; 10 percent (T); March 9, 1943.

Nickols Manufacturing Company, Inc., 1521 Tenth Avenue, Seattle, Washington; Ladies' Garments; 10 learners (T); March 9, 1943. (This certificate replaces one bearing expiration date of February 23, 1943.)

Osgood and Sons, Inc., Warsaw, Illinois; Women's Apparel; 68 learners (E); September 7, 1942.

Parkesburg Dress Company, 301 First Avenue, Parkesburg, Pennsylvania; Ladies' Cotton Dresses; 10 learners (T); March 9, 1943.

Polo Garment Company, Polo, Illinois; Street and House Dresses, Army Jackets; 10 percent (T); March 9, 1943.

Practical Frocks, Inc., 1004 Elizabeth Avenue, Elizabeth, New Jersey; Cotton Housecoats and Dresses; 10 percent (T); March 9, 1943.

Radiant Shirt Company, Inc., 28–32 West 27th Street, New York, N. Y.; Men's Shirts; 40 learners (E); September 9, 1942.

Richfield Shirt Factory, Richfield, Pennsylvania; Dress Shirts; 25 learners (E); July 27, 1942.

Rebecca Schwartz Dress Company, 263 Chapel Street, New Haven, Connecticut; Pajamas, Dresses, Sportswear; 10 percent (T); March 9, 1943.

Shield Manufacturing Corporation, N. E. Cor. "D" and Ontario Streets, Philadelphia, Pennsylvania; Men's Working Clothes; 10 percent (T); March 9, 1943.

Spaide Shirt Company, 165 Brugh Avenue, Butler, Pennsylvania; Shirts, Jackets, Trousers; 10 percent (T); March 9, 1943.

Summit Garment Company, 208 Post Square, Cincinnati, Ohio; Cotton Wash Dresses; 3 learners (T); March 9, 1943.

Topps Manufacturing Company, 501–505 Main Street, Rochester, Indiana; Work Pants, Shirts, Coveralls, Army Work Suits; 10 percent (T); March 9,

1943. (This certificate replaces one bearing the expiration date of August 25, 1942.)

Louis Zupnik, New Freedom, Pennsylvania; Children's Dresses; 6 learners (T); March 9, 1943.

Gloves

Elmer Little and Son, 10 Glenwood Avenue, Johnstown, New York; Leather Dress Gloves; 5 learners (T); March 9, 1943. (This certificate replaces one bearing expiration date of October 13, 1942.)

Northern Glove and Mitten Company, Green Bay, Wisconsin; Work Gloves; 10 percent (T); September 9, 1942. (This certificate replaces one bearing expiration date of March 2, 1943.)

Reliance Knitting Mills, Inc., 640 Broadway, New York, N. Y.; Knit Wool Gloves; 25 learners (E); September 9, 1942.

Sonn Gloves, Inc., 7 West 30th Street, New York, N. Y.; Knit Fabric Gloves; 10 learners (T); March 9, 1943. (This certificate replaces one bearing expiration date of January 26, 1943.)

Topken Glove Manufacturing Corporation, 260 Fifth Avenue, New York, N. Y.; Knit Fabric Gloves; 2 learners (T); March 9, 1943.

Wells Lamont Smith Corporation, Edina, Missouri; Work Gloves; 64 learners (E); September 9, 1942.

Hosiery

Aberdeen Hosiery Mills, Inc., Aberdeen, North Carolina; Full Fashioned Hosiery; 5 learners (T); March 9, 1943.

Commonwealth Hosiery Mills, Randleman, North Carolina; Seamless Hosiery; 10 percent (T); March 9, 1943. (This certificate replaces one bearing expiration date of September 25, 1942.)

Gilbert Knitting Company, Elizabeth Street, Little Falls, New York; Seamless Hosiery; 5 learners (T); March 9, 1943.

Glenn Hosiery Company, Kivett Drive, High Point, North Carolina; Seamless Hosiery; 25 learners (E); September 9, 1942.

Herba's Hosiery Repairing, 1204 Lexington Avenue, New York, N. Y.; Mending; 5 learners (T); September 9, 1942.

National Hosiery Dyeing and Finishing Works, Inc., 460 Harrison Avenue, Boston Massachusetts; Seamless and Full Fashioned Hosiery; 10 learners (T); March 9, 1943.

Nebel Knitting Company, Inc., 101 W. Worthington Avenue, Charlotte, North Carolina; Full Fashioned Hosiery; 5 percent (T); March 9, 1943.

Propper-McCallum Hosiery Company, Inc., Northampton, Massachusetts; Full Fashioned Hosiery; 10 percent (T); March 9, 1943. (This certificate replaces one bearing expiration date of December 15, 1942.)

Thomas Mills, Inc., 319 Mallory Street, High Point, N. C.; Seamless Hosiery; 10 percent (T); March 9, 1943. (This certificate replaces one bearing expiration date of July 31, 1942.)

A. W. Wheeler and Son, Inc., Brevard, North Carolina; Full Fashioned Hosiery; 5 percent (T); March 9, 1943.

Wrightsville Hosiery Mill, Inc., Wrightsville, Pennsylvania; Full Fashioned Hosiery; 2 learners (T); March 9, 1943.

Independent Branch of the Telephone Industry

Northwestern Illinois Utilities, 214 Main Street, Savanna, Illinois; to employ learners as commercial switchboard operators at its Northwestern Illinois Utilities Exchange, West Market Street, Mt. Carroll, Illinois; until March 9, 1943.

Knitted Wear

Leininger Knitting Mills, Orwigsburg, Pennsylvania; Underwear and Outerwear; 5 learners (T); March 9, 1943.

Millinery

Slocum Straw Works, 1426 West National Avenue, Milwaukee, Wisconsin; Popular-Priced Millinery; 10 learners (E); September 2, 1942.

Textile

Aristocrat Narrow Fabric Company, 5600 Tacony Street, Philadelphia, Pennsylvania; Cotton; 3 learners (T); March 9, 1943.

Dwight Manufacturing Company, Alabama City, Alabama; Cotton Fabrics; 6 percent (T); March 9, 1943.

Georgia Webbing and Tape Company, 1340 11th Avenue, Columbus, Georgia; Narrow Woven Fabrics; 10 learners (T); July 9, 1942.

Kahn and Feldman, Inc., 360 Suydam Street, Brooklyn, New York; Thrown Rayon; 62 Learners (E); September 9, 1942.

Primrose Bedspread Corporation, 1357 Rodney French Blvd., New Bedford, Massachusetts; Bedspreads; 5 percent (T); March 9, 1943.

South Boston Weaving Corporation, Noblin Street, South Boston, Virginia; Weaving of Ribbons; 6 learners (T); March 9, 1943. (This certificate replaces the one bearing expiration date of June 5, 1942.)

Waverly Plant, East Laurinburg, North Carolina; Cotton Yarns; 6 learners (T); March 9, 1943.

Signed at New York, N. Y., this 7th day of March 1942.

MERLE D. VINCENT,
Authorized Representative of the Administrator.

[F. R. Doc. 42-2032; Filed, March 9, 1942; 10:44 a. m.]

CIVIL AERONAUTICS BOARD.

[Orders, Serial No. 1590; Docket No. 331]

IN THE MATTER OF COMPENSATION FOR THE TRANSPORTATION OF MAIL BY AIRCRAFT, THE FACILITIES USED AND USEFUL THEREFOR, AND THE SERVICES CONNECTED THEREWITH OF DELTA AIR CORPORATION UNDER SECTION 406 OF THE CIVIL AERONAUTICS ACT OF 1938, AS AMENDED

ORDER REOPENING AND ASSIGNING PROCEEDING FOR ORAL ARGUMENT

The Board's order and decision in the above-entitled proceeding instituted for the purpose of fixing and determining the fair and reasonable rate of compensation for the transportation of mail by aircraft over route Nos. 24 and 54, having been issued on the 29th day of January 1942; and

The Postmaster General having filed a petition on February 23, 1942, requesting that the Board reopen and reconsider its order and decision of January 29, 1942, with respect to the amount of net revenue allowed in the rates fixed and whether such rates take into account increased operating expenses which should not be borne by rates for the transportation of mail; and with respect to the inclusion, in fixing retroactive rates, of the operation of non-mail service on route No. 54 between April 15, 1941, and July 15, 1941, and on the Augusta-Savannah segment of route No. 24 between May 1, 1941, and July 15, 1941; and

The Board after due consideration of all the matters set forth in the said petition of the Postmaster General, and finding that its action in this matter is in the public interest and consistent with the provisions of the Civil Aeronautics Act of 1938, as amended;

It is ordered, That the above proceeding be reopened and assigned for oral argument with respect to the amount of net revenue allowed in the rates fixed and whether such rates take into account increased operating expenses which should not be borne by rates for the transportation of mail; and with respect to the inclusion, in fixing the retroactive rates, of the operation of non-mail service on route No. 54 between April 15, 1941, and July 15, 1941, and on the Augusta-Savannah segment of route No. 24 between May 1, 1941, and July 15, 1941, before the Board on March 12, 1942, at 10 o'clock a. m. (Eastern Standard) in Room 5044, Commerce Building, Washington, D. C.

By the Civil Aeronautics Board.

[SEAL] DARWIN CHARLES BROWN,
Secretary.

[F. R. Doc. 42-2050; Filed, March 9, 1942; 12:04 p. m.]

FEDERAL POWER COMMISSION.

[Docket No. G-228]

IN THE MATTER OF BORDER PIPE LINE COMPANY (DELAWARE)

ORDER FIXING DATE OF PUBLIC HEARING

MARCH 6, 1942.

Upon application filed February 2, 1942, by Border Pipe Line Company (Delaware), having its principal operating office in Houston, Texas, for an order of the Commission authorizing the exportation of natural gas from the State of Texas to the Republic of Mexico, pursuant to section 3 of the Natural Gas Act;

The Commission *orders* that: (A) A public hearing on said application be held at 9:45 a. m., March 30, 1942, in Room 416, Court of Appeals, United States Courthouse, Tenth and Lamar Streets, Fort Worth, Texas.

(B) Interested state commission may participate in the said hearing, pursuant to § 67.4 of the Commission's Provisional Rules of Practice and Regulations under the Natural Gas Act.

By the Commission.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 42-2043; Filed, March 9, 1942; 11:32 a. m.]

INTERSTATE COMMERCE COMMISSION.

[No. 4844]

ORDER IN THE MATTER OF BILLS OF LADING

DOMESTIC BILL OF LADING AND LIVESTOCK CONTRACT

At a general session of the Interstate Commerce Commission, held at its office in Washington, D. C., on the 2d day of March, A. D. 1942.

Upon further consideration of the record in the above-entitled proceeding, and upon consideration of the petition dated April 30, 1941, filed by The National Industrial Traffic League requesting that the said proceeding be reopened for further hearing and action and that the same be enlarged by making all common carriers subject to parts I and II of the Interstate Commerce Act parties thereto, and that a proceeding of inquiry or investigation be instituted into and concerning the contract terms, conditions, and form of bills of lading used and to be used by interstate common carriers by motor vehicle subject to Part II of the act, and the bills of lading used by railroad common carriers subject to part I of said act, and jointly by railroad and water carriers subject to part I, and used by any combinations of said common carriers, with a view to authorizing, requiring, and prescribing the use of common forms of domestic bills of lading with appropriate terms and conditions by all of such carriers (exclusive of water carriers under part III of the act):

It is ordered, That said proceeding be, and it is hereby, reopened for further hearing only in respect of such changes in the domestic bill of lading used by common carriers subject to part I of the act as may be necessary to make reasonable and otherwise lawful the terms, conditions, and form of such bill of lading for common use by common carriers subject to parts I and II of the Act.

It is further ordered, That the scope of said proceeding be, and it is hereby, broadened so as to embrace the lawfulness under the Interstate Commerce Act of the contract terms, conditions, and form of domestic bills of lading used by common carriers by motor vehicle subject to part II of the act, with a view to prescribing a uniform domestic bill of lading for common use by all common carriers subject to parts I and II of the Interstate Commerce Act.

It is further ordered, That all common carriers by motor vehicle subject to the Act be, and they are hereby, made additional parties respondent to this proceeding, and that notice of this order be given to all common carriers subject to parts I and II of the Interstate Commerce Act, and to the public by establishing it in the FEDERAL REGISTER, and by depositing copies thereof in the office of the Secretary of the Commission in Washington, D. C.

And it is further ordered, That this proceeding be assigned for hearing and further hearing at such time and place as the Commission may direct.

By the Commission.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 42-2048; Filed, March 9, 1942; 11:49 a. m.]

SECURITIES AND EXCHANGE COMMISSION.

[File No. 811-291]

IN THE MATTER OF INVESTORS DISTRIBUTION SHARES, INC.

NOTICE OF AND ORDER FOR HEARING

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 6th day of March, A. D. 1942.

An application having been duly filed by the above named applicant under and pursuant to the provisions of section 8 (f) of the Investment Company Act of 1940 for an order declaring that it has ceased to be an investment company.

It is ordered, That a hearing on the aforesaid application be held on March 23, 1942 at 10:00 o'clock in the forenoon of that day at the Securities and Exchange Commission Building, 18th and Locust Streets, Philadelphia, Pennsylvania. On such day the hearing room clerk in Room 318 will advise interested parties where such hearing will be held.

It is further ordered, That Charles S. Lobingier, Esquire or any other officer or officers of the Commission designated by it for that purpose shall preside at the hearing on such matter. The officer so designated to preside at such hearing is hereby authorized to exercise all the powers granted to the Commission under section 41 and 42 (b) of the Investment Company Act of 1940 and to trial examiners under the Commission's Rules of Practice.

Notice of such hearing is hereby given to the above named applicant and to any other person whose participation in such proceedings may be in the public interest or for the protection of investors.

By the Commission.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 42-2009; Filed, March 7, 1942; 11:33 a. m.]

[File No. 70-489]

IN THE MATTER OF THE LACLEDE GAS LIGHT COMPANY AND OGDEN CORPORATION

ORDER GRANTING EXEMPTION

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C. on the 6th day of March, A. D. 1942.

The Laclede Gas Light Company, a subsidiary of Ogden Corporation, a registered holding company, having filed an application pursuant to the Public Utility Holding Company Act of 1935, particularly the first sentence of section 6 (b) thereof, for exemption from the provisions of section 6 (a) thereof regarding offers proposed to be made by it to the holders of its outstanding and unpledged Refunding and Extension Mortgage 5% Gold Bonds, in the principal amount of $10,000,000, which were originally due April 1, 1934 but of which the major portion have been extended to April 1, 1942, to further extend such bonds to April 1, 1945, and to Ogden Corporation as holder of said The Laclede Gas Light Company's outstanding Collateral Trust 6% Notes, presently outstanding in the principal amount of $3,000,000, due August 1, 1942, to extend such notes to August 1, 1945, such latter offer to be made to Ogden Corporation when, and to the extent that Ogden Corporation becomes the owner of such notes as hereinafter described, and said applicant, in said application, having incorporated a declaration in respect of solicitation of acceptance of said proposed offer of extension of maturity date of the bonds above mentioned, pursuant to Rule U-62 of this Commission;

Ogden Corporation, a registered holding company, having joined in said application, as amended, of The Laclede Gas Light Company and having applied pursuant to said Act, and particularly Section 10 thereof, for the approval by this Commission of the acquisition by Ogden Corporation of such portion of those bonds of The Laclede Gas Light Company hereinabove mentioned as are not hereafter extended by other holders thereof pursuant to the terms of the offer of extension hereinabove mentioned, such bonds so to be acquired by Ogden Corporation to be by it extended in accordance with said offer, and having further applied to this Commission for authority under the section of said Act last cited to purchase such amount of the Collateral Trust Notes of The Laclede Gas Light Company, above described, from the holders thereof, as are not proposed to be paid at the present maturity date thereof by said last named company, and to extend said Collateral Trust Notes so to be acquired and also those notes of said issue presently held by Ogden Corporation, in accordance with the offer of extension hereinbefore recited, and having further incorporated in said application a declaration in respect of a proposed resale by said Ogden Corporation of said bonds, so proposed to be acquired and extended by it and said Ogden Corporation having further embodied in said application a declaration in respect of the proposed issuance and sale by it of its promissory note, or notes, in aggregate principal amount not to exceed $2,250,000 for the purpose of borrowing moneys with which to carry out its commitments in respect of said plans of extension;

Public hearings having been held on said applications and declarations, as

amended, after appropriate notice, before a Trial Examiner duly appointed by this Commission, the Commission having examined the record herein, and having made and entered its findings of fact and opinion;

It is ordered: (1) That the application of The Laclede Gas Light Company pursuant to section 6 (b) of the Public Utility Holding Company Act of 1935, for exemption from the provisions of section 6 (a) of said Act, in respect of the offers of extension of maturity dates above mentioned, and the making of such extensions, be, and it is hereby, granted;

(2) That said offer of extension of the bonds above described by said The Laclede Gas Light Company, and the extension consequent on the acceptance of said offer, be, and the same is hereby, exempted, pursuant to subdivision (a) (5) of Rule U-50 from the requirements of subdivisions (b) and (c) of said Rule;

(3) That the application of Ogden Corporation for authority to acquire by purchase and to extend bonds and notes of The Laclede Gas Light Company, as above set forth, be, and it is hereby, granted, subject to the limitation that notes so authorized to be purchased by Ogden Corporation shall not be purchased prior to the maturity date thereof at less than the principal amount thereof plus accrued interest to date of purchase;

(4) That jurisdiction be, and the same is hereby, reserved in this Commission, in respect of the declaration contained in the application of Ogden Corporation relative to the proposed issue and sale of a note, or notes, of said corporation for the purpose of the borrowing by said corporation of certain moneys for use in connection with the fulfillment of its commitments under said plan of extension of debt of The Laclede Gas Light Company;

(5) That jurisdiction be, and is hereby, reserved in this Commission with respect to the declaration of Ogden Corporation, incorporated in its application, in regard the proposed resale of said Ogden Corporation of the bonds above mentioned proposed to be acquired and extended by it;

(6) That jurisdiction be, and is hereby, reserved in this Commission for the determination of the reasonableness of all fees and expenses incurred or proposed to be incurred by Ogden Corporation in respect of the several matters and things in this proceeding involved;

(7) That in respect of the several matters jurisdiction over which is reserved in and by this order, a further hearing, or hearings, shall be held in this proceeding upon call of the Trial Examiner heretofore designated herein, or such other officer of this Commission as this Commission may hereafter designate, such hearing, or hearings, to be so called upon reasonable notice to the parties hereto, or, at such time, or times, as may be agreed upon by counsel for all parties hereto, and, thereafter, such order, or orders, may be issued by this Commission as, in the light of the record herein, as so supplemented, the Commission may deem appropriate;

Provided, That the exemptions pursuant to section 6 (b) of said Act granted to The Laclede Gas Light Company by this order are granted subject to the condition that until the further order of this Commission, no dividend shall be declared or paid on either the preferred or common stock of The Laclede Gas Light Company nor shall that company retire, redeem, or otherwise acquire any of its outstanding stock, preferred or common.

Provided further, and this order is entered upon the following express conditions:

(a) That the parties hereto, and each of them, shall comply with all those conditions set forth in Rule U-24 of this Commission.

(b) That Ogden Corporation shall consent to an extension of the period of its obligation to purchase unextended bonds, as hereinbefore mentioned, so that such obligation shall continue for a period terminating not earlier than twenty days after the plan of extension of the maturity date of said bonds shall have become operative.

By the Commission.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 42-2044; Filed, March 9, 1942; 11:44 a. m.]

WAR PRODUCTION BOARD.

Division of Industry Operations.

NOTICE OF EXTENSION OF PREFERENCE RATING ORDER No. P-40

Preference Rating Order No. P-40 (as amended by Amendment No. 1 thereto) has been extended to expire May 10, 1942. (P.D. Reg. 1, amended December 23, 1941, 6 F.R. 6680; W. P. B. Reg. 1, Jan. 26, 1942, 7 F.R. 561, E.O. 9024, Jan. 16, 1942, 7 F.R. 329; E.O. 9040, Jan. 24, 1942, 7 F.R. 527; sec. 2 (a), Public No. 671, 76th Congress, Third Session, as amended by Public No. 89, 77th Congress, First Session)

Dated: March 7, 1942.

J. S. KNOWLSON,
Director of Industry Operations.

[F. R. Doc. 42-2006; Filed, March 7, 1942; 11:14 a. m.]