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## TITLE 3—THE PRESIDENT

### PROCLAMATION 2959

#### ALLOCATING TARIFF QUOTA ON CERTAIN PETROLEUM PRODUCTS UNDER THE VENEZUELAN TRADE AGREEMENT

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA  
A PROCLAMATION

1. WHEREAS on December 29, 1950, I proclaimed such allocation among countries of production of the quantity of crude petroleum, topped crude petroleum, and fuel oil derived from petroleum, including fuel oil known as gas oil, entitled to a reduction in the rate of import tax during the calendar year 1951 not in excess of the annual amount equal to 5 per centum of the total quantity of crude petroleum processed in refineries in the continental United States during the preceding year as would be required or appropriate to carry out (1) the definitive trade agreement with Venezuela entered into on November 6, 1939 (54 Stat. 2377), particularly Article VII and Item 3422 of Schedule II thereof, and (2) the trade agreement entered into on October 30, 1947 consisting in part of the General Agreement on Tariffs and Trade (61 Stat. (Parts 5 and 6) A7, A11, and A2051), particularly Article XIII thereof;

2. WHEREAS under the terms of said proclamation of December 29, 1950 the aggregate quantity of crude petroleum, topped crude petroleum, and fuel oil derived from petroleum, including fuel oil known as gas oil, entitled to a reduction in the rate of import tax during the calendar year 1951 up to not in excess of an annual amount equal to 5 per centum of the total quantity of crude petroleum processed in refineries in continental United States during the preceding year was allocated among countries of export on the basis of the proportions of the total imports for consumption in the United States of America supplied during the calendar years 1946 through 1949, which years were representative of the trade in such products;

3. WHEREAS the proportions of total imports into the United States of America of such petroleum and fuel oil sup-

plied by countries of export during the years 1946 through 1949 were as follows:

	Per centum
Venezuela.....	59.4
Kingdom of the Netherlands (including its overseas territories).....	18.7
Other foreign countries.....	21.9

4. WHEREAS Venezuela has requested the allocation among the countries of export of the quantity of such petroleum and fuel oil entitled to a reduction in duty by virtue of the said Item 3422 of Schedule II annexed to the said definitive trade agreement with Venezuela and that the representative period specified in recital 2 hereof be retained for the calendar year 1952;

5. WHEREAS I find that, taking into account special factors affecting the trade, imports into the United States of America from all countries of such petroleum and fuel oil during the years 1946 through 1949 as specified in recitals 2 and 3 hereof are representative of the trade in such products;

NOW, THEREFORE, I, HARRY S. TRUMAN, President of the United States of America, acting under and by virtue of the authority vested in me by the Constitution and the statutes, including section 350 of the Tariff Act of 1930, as amended, do proclaim that, of the total aggregate quantity of crude petroleum, topped crude petroleum, and fuel oil derived from petroleum, including fuel oil known as gas oil, entitled, during the calendar year 1952, to a reduction in the rate of import tax by virtue of the said Item 3422 of Schedule II of the said definitive trade agreement with Venezuela, no more than 59.4 per centum shall be the produce or manufacture of the United States of Venezuela, nor more than 18.7 per centum the produce or manufacture of the Kingdom of the Netherlands (including its overseas territories), nor more than 21.9 per centum the produce or manufacture of other foreign countries.

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

DONE AT the City of Washington this fifth day of January in the [SEAL] year of our Lord nineteen hundred and fifty-two, and of the Independence of the United States of

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# FEDERAL REGISTER

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OCTOBER 1951—MARCH 1952 EDITION

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HARRY S. TRUMAN

By the President:

DEAN ACHESON,  
Secretary of State.

[F. R. Doc. 52-363; Filed, Jan. 7, 1952; 11:30 a. m.]

**PROCLAMATION 2960**

MODIFICATION OF TRADE-AGREEMENT CONCESSION AND ADJUSTMENT IN THE RATE OF DUTY WITH RESPECT TO HATTERS' FUR

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA  
A PROCLAMATION

1. WHEREAS, pursuant to the authority vested in the President by the Constitution and the statutes, including section 350 (a) of the Tariff Act of 1930, as amended, on October 30, 1947 I entered into a trade agreement with certain foreign countries, which trade agreement consists of the General Agreement on Tariffs and Trade and the related Protocol of Provisional Application thereof, together with the Final Act Adopted at

the Conclusion of the Second Session of the Preparatory Committee of the United Nations Conference on Trade and Employment (61 Stat. (Parts 5 and 6) A7, A11, and A2050), and, by Proclamation No. 2761A of December 16, 1947 (61 Stat. 1103), I proclaimed such modifications of existing duties and other import restrictions of the United States and such continuance of existing customs or excise treatment of articles imported into the United States as were then found to be required or appropriate to carry out the said trade agreement on and after January 1, 1948;

2. WHEREAS item 1520 in Part I of Schedule XX annexed to the said General Agreement reads as follows:

Tariff Act of 1930, paragraph	Description of products	Rate of duty
1520	Hatters' furs, or furs not on the skin, prepared for hatters' use, including fur skins carried.	15% ad val.

3. WHEREAS, pursuant to the said Proclamation No. 2761A, duty at the rate of 15 percent ad valorem has been applied to products described in the said item 1520 entered, or withdrawn from warehouse, for consumption since January 1, 1948, which duty reflects the concession granted in the said General Agreement with respect to such products;

4. WHEREAS the United States Tariff Commission has submitted to me its report of an investigation and hearing under section 7 of the Trade Agreements Extension Act of 1951 (Public Law 50, 82d Congress, approved June 16, 1951), on the basis of which it has found that the products described in the said item 1520 are, as a result in part of the duty reflecting the concession granted thereon in the said General Agreement, being imported into the United States in such increased quantities as to cause serious injury to the domestic industry producing like or directly competitive products, and as to threaten continuance of such serious injury;

5. WHEREAS the Tariff Commission has recommended that the concession granted in the said General Agreement with respect to the products described in the said item 1520 be modified to permit the application to such products of a rate of duty of 47½ cents per pound, but not less than 15 percent nor more than 35 percent ad valorem, which rate the Commission found and reported to be necessary to prevent the continuance of serious injury to the domestic industry producing like or directly competitive products;

6. WHEREAS section 350 (a) (2) of the Tariff Act of 1930, as amended (48 Stat. 943), authorizes the President to proclaim such modifications of existing duties as are required or appropriate to carry out any foreign trade agreement that the President has entered into under the said section 350 (a); and

7. WHEREAS, upon the modification of the concession granted in the said

**CODIFICATION GUIDE**

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

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General Agreement with respect to the products described in the said item 1520, in accordance with the recommendation of the Tariff Commission indicated in the 5th recital of this proclamation, it will be appropriate to carry out the said General Agreement, including Article XIX thereof, to apply to the said products the rate of duty specified in the said 5th recital;

NOW, THEREFORE, I, HARRY S. TRUMAN, President of the United States of America, acting under the authority vested in me by section 350 of the Tariff Act of 1930, as amended, and by section 7 (c) of the Trade Agreements Extension Act of 1951, and in accordance with the provisions of Article XIX of the said General Agreement, do proclaim—

(a) That the concession granted in the said General Agreement with respect to the products described in the said item 1520, shall be modified, effective after the close of business February 8, 1952, by changing the rate of duty specified in such item 1520 from "15% ad val." to "47½% per lb., but not less than 15% nor more than 35% ad val.;" and

(b) That the rate of duty which shall be applied to the products described in the said item 1520 entered, or withdrawn from warehouse, for consumption after the close of business February 8, 1952, and until the President otherwise proclaims, shall be 47½ cents per pound, but not less than 15 percent nor more than 35 percent ad valorem.

Proclamation No. 2761A of December 16, 1947, as amended, is modified accordingly.

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

DONE AT the City of Washington this fifth day of January in the year of our Lord nineteen hundred and [SEAL] fifty-two, and of the Independence of the United States of America the one hundred and seventy-sixth.

HARRY S. TRUMAN

By the President:

DEAN ACHESON,  
Secretary of State.

[F. R. Doc. 52-369; Filed, Jan. 7, 1952;  
3:44 p. m.]

### EXECUTIVE ORDER 10319

CREATING AN EMERGENCY BOARD TO INVESTIGATE A DISPUTE BETWEEN THE NORTHWEST AIRLINES, INC., AND CERTAIN OF ITS EMPLOYEES

WHEREAS a dispute exists between the Northwest Airlines, Inc., a carrier, and certain of its employees represented by the International Association of Machinists, a labor organization; and

WHEREAS this dispute has not heretofore been adjusted under the provisions of the Railway Labor Act, as amended; and

WHEREAS this dispute, in the judgment of the National Mediation Board, threatens substantially to interrupt interstate commerce to a degree such as to deprive a section of the country of essential transportation service;

NOW, THEREFORE, by virtue of the authority vested in me by section 10 of the Railway Labor Act, as amended (45 U. S. C. 160), I hereby create a board of three members, to be appointed by me, to investigate the said dispute. No member of the said board shall be peculiarly or otherwise interested in any organization of employees or any carrier.

The board shall report its findings to the President with respect to the said dispute within thirty days from the date of this order.

In performing its functions under this order the board shall comply with the requirements of section 502 of the Defense Production Act of 1950, as amended.

As provided by section 10 of the Railway Labor Act, as amended, from this date and for thirty days after the board has made its report to the President, no change, except by agreement, shall be made by the Northwest Airlines, Inc., or its employees in the conditions out of which the said dispute arose.

HARRY S. TRUMAN

THE WHITE HOUSE,  
January 4, 1952.

[F. R. Doc. 52-252; Filed, Jan. 5, 1952;  
10:38 a. m.]

## RULES AND REGULATIONS

### TITLE 7—AGRICULTURE

#### Chapter I—Production and Marketing Administration (Standards, Inspections, Marketing Practices), Department of Agriculture

##### Subchapter E—Naval Stores

#### PART 160—REGULATIONS AND STANDARDS FOR NAVAL STORES

##### FEE SCHEDULE

On June 30, 1951, there was published in the FEDERAL REGISTER (16 F. R. 6400) a notice of proposed amendments of the schedule of fees for request inspection of naval stores and certain other naval stores commodities (7 CFR 160.201-160.204) pursuant to section 4 of the Naval Stores Act (7 U. S. C. 94) and sections 203 and 205 of the Agricultural Marketing Act of 1946 (7 U. S. C. 1622 and 1624). After due consideration of all relevant matters presented pursuant to the notice and under the authority conferred by the above-mentioned statutory provisions and delegations thereunder by the Secretary of Agriculture, the Administrator of the Production and Marketing Administration, and the Director of the Tobacco Branch of said Administration, dated respectively, December 20, 1946, April 25, 1947, and May

23, 1947, the schedule of fees in § 160.201 et seq. is hereby amended to read as follows:

§ 160.201 Fees generally for inspecting and certifying grades and weights. The following fees shall be paid to the United States for inspection and certification service, not conducted under a cooperative agreement, with respect to grades and weights of naval stores:

(a) *Spirits of turpentine*—(1) *By inspectors licensed by the Department,*

(i) Per drum..... \$0.04  
(ii) Per tank car..... 2.00

(2) *By inspectors regularly employed by the Department.*

(i) Per drum..... \$0.08  
(ii) Per tank car..... 4.00

NOTE: The fee to be charged for inspection of turpentine loaded from bulk storage will depend on the location of point of loading and other conditions. A cost estimate will be furnished in accordance with § 160.204 before any work is done.

(b) *Rosin*—(1) *By inspectors licensed by the Department (grading only).*

(i) At eligible processing plants, per drum..... \$0.03  
(ii) At eligible processing plants, per bag of 100 pounds..... .006  
(iii) At eligible processing plants, per tank car..... 2.00

(2) *By inspectors regularly employed by the Department.*

(i) At acceptable storage yards, grading and weighing, per drum..... \$0.10  
(ii) At country stills, grading only:  
(a) Up to 400 drums, per drum..... .10  
(b) All over 400 drums, per drum..... .05  
(iii) At acceptable storage yards or country stills, weighing only, per drum..... .05

§ 160.202 Fees generally for laboratory analysis and testing. The following fees shall be paid to the United States for laboratory analysis and testing, not conducted under a cooperative agreement, with respect to naval stores:

(a) *Turpentine.*

(1) For comprehensive and involved analysis and tests to determine purity, specification conformance, or chemical and physical properties:  
Single sample..... \$18.00  
Each additional sample, same kind at same time..... 10.00  
(2) For limited laboratory testing as to kind, grade, or physical condition related to quality:  
Each sample tested..... 3.00

(b) *Rosin.*

Single sample—minimum..... 15.00  
Each additional sample, same kind at same time—minimum..... 10.00

NOTE: The charge for an analysis of rosin will depend on the type and extent of the work required to supply information desired by the person requesting the service. A cost estimate will be furnished in accordance with § 160.204 before any work is done.

§ 160.203 Fees for inspection and certification of other naval stores material. Whenever it shall be deemed practical and in the interest of the naval stores trade to sample, inspect, analyze and certify any naval stores material other than spirits of turpentine or rosin, at the request of an interested person, the fees for such inspection shall be the same as the fees prescribed for spirits of turpentine.

§ 160.204 Fees for extra cost service. The fees specified in §§ 160.201 and 160.202 apply to the routine field inspection and usual laboratory work incident to the certification of commodities covered by those sections. Should additional work be required to provide special information desired by the person requesting service, or should it be necessary for an inspector to make a special trip or to deviate from his regular schedule of travel, or should the fees prescribe in §§ 160.201 and 160.202 otherwise be insufficient to defray the cost to the Government of rendering such service, then the person requesting the service shall pay, in lieu of the prescribed fees, an amount computed by the Department as sufficient to defray the total cost thereof, including allowances for time spent in collecting and preparing samples, obtaining identification records, traveling, performing laboratory tests or other necessary work, and also any expense incurred for authorized transportation and subsistence of the inspector or analyst while in travel status. The charges for time so spent shall be computed at the rate of \$30.00 per eight hour day, or, if less than a day, \$4.00 per hour, for laboratory work, and \$24.00 per eight hour day, or, if less than a day, \$3.50 per hour, for field inspection work.

§ 160.205 Permit fees for eligible processing plants under licensed inspection.

Initial permit fee.....	\$10.00
Annual renewal permit fee.....	10.00

NOTE: The renewal permit fee shall be reduced to \$5.00 per year when the inspection fees paid by the eligible processing plant aggregate \$100 or more during the preceding fiscal year ended June thirtieth, and shall be waived when such fees aggregate \$200 or more during such fiscal year. Such reduced permit fee shall apply only in case the eligible processing plant has made continued use of the licensed inspection service.

Effective date. The foregoing amendments shall become effective on February 8, 1952.

(Sec. 4, 42 Stat. 1436, sec. 205, 60 Stat. 1090; 7 U. S. C. 94, 1624. Interpret or apply sec. 203, 60 Stat. 1087; 7 U. S. C. 1622)

Done at Washington, D. C., this 2d day of January 1952.

[SEAL] MILTON S. BRIGGS,  
Chief, Naval Stores Division,  
Tobacco Branch, Production  
and Marketing Administration.

[F. R. Doc. 52-219; Filed, Jan. 7, 1952; 8:45 a. m.]

Chapter II—Production and Marketing Administration (School Lunch Program), Department of Agriculture

PART 210—REGULATIONS AND PROCEDURE  
SECOND APPORTIONMENT OF FOOD ASSISTANCE FUNDS PURSUANT TO NATIONAL SCHOOL LUNCH ACT, FISCAL YEAR 1952

Pursuant to section 4 of the National School Lunch Act (60 Stat. 230) supplemental food assistance funds available for the fiscal year ending June 30, 1952 are apportioned among the States as follows:

State	Total	State agency	Withheld for private schools
Alabama.....	\$2,627	\$2,627	\$1,200
Arizona.....	7,876	7,452	423
Arkansas.....	31,638	28,699	639
California.....	28,617	28,617	623
Colorado.....	18,634	18,634	—
Connecticut.....	10,571	10,571	—
Delaware.....	1,455	1,455	—
District of Columbia.....	3,170	3,170	—
Florida.....	24,577	23,633	822
Georgia.....	47,115	47,115	—
Idaho.....	6,003	6,000	173
Illinois.....	48,229	48,229	—
Indiana.....	29,219	29,219	—
Iowa.....	20,237	18,227	2,670
Kansas.....	16,231	16,231	—
Kentucky.....	42,770	42,770	—
Louisiana.....	33,235	33,235	—
Maine.....	7,250	7,250	—
Maryland.....	13,829	13,829	—
Massachusetts.....	28,456	28,456	—
Michigan.....	38,488	38,488	—
Minnesota.....	24,771	24,341	3,430
Mississippi.....	44,820	44,820	—
Missouri.....	28,780	28,780	—
Montana.....	4,223	3,822	374
Nebraska.....	9,933	8,810	623
Nevada.....	863	850	12
New Hampshire.....	4,275	4,275	—
New Jersey.....	23,631	21,778	5,633
New Mexico.....	8,612	8,612	—
New York.....	70,970	70,970	—
North Carolina.....	59,175	59,175	—
North Dakota.....	6,194	6,223	231
Ohio.....	49,070	48,177	6,822
Oklahoma.....	23,855	23,855	—
Oregon.....	10,611	10,611	—
Pennsylvania.....	61,123	61,123	—
Rhode Island.....	4,733	4,733	—
South Carolina.....	37,022	37,022	—
South Dakota.....	6,433	6,445	453
Tennessee.....	44,629	44,622	1,104
Texas.....	59,723	59,723	—
Utah.....	7,201	7,200	161
Vermont.....	3,621	3,621	—
Virginia.....	35,194	34,110	1,634
Washington.....	14,633	14,678	830
West Virginia.....	23,618	23,351	237
Wisconsin.....	23,242	20,782	5,510
Wyoming.....	2,233	2,233	—
Total.....	1,220,000	1,210,723	33,237

(Sec. 2, 60 Stat. 230; 42 U. S. C. 1751-1760)

Dated: January 3, 1952.

[SEAL] CHARLES F. BRANNAN,  
Secretary of Agriculture.

[F. R. Doc. 52-157; Filed, Jan. 7, 1952; 8:46 a. m.]

Chapter IV—Federal Crop Insurance Corporation, Department of Agriculture

PART 418—WHEAT CROP INSURANCE  
SUBPART—REGULATIONS FOR THE 1953 AND SUCCEEDING CROP YEARS

EDITORIAL NOTE: In F. R. Doc. 51-11405, appearing at page 9628 of the issue of September 21, 1951, §§ 418.151-418.160 are hereby redesignated §§ 418.201-418.210.

TITLE 6—AGRICULTURAL CREDIT

Chapter III—Farmers Home Administration, Department of Agriculture

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PART 311—BASIC REGULATIONS

SUBPART B—LOAN LIMITATIONS

AVERAGE VALUES OF FARMS AND INVESTMENT LIMITS; OHIO

For the purposes of title I of Bankhead-Jones Farm Tenant Act, as amended, average values of efficient family-type farm-management units and investment limits for the counties identified below are determined to be as herein set forth. The average values and investment limits heretofore established for said counties, which appear in the tabulations of average values and investment limits under § 311.30, Chapter III Title 6 of the Code of Federal Regulations, are hereby superseded by the average values and investment limits set forth below for said counties.

Ohio		
County	Average value	Investment limit
Carroll.....	\$12,000	\$12,000
Clark.....	20,000	12,000
Greene.....	20,000	12,000
Montgomery.....	20,000	12,000
Stark.....	14,000	12,000
Washington.....	13,000	12,000

(Sec. 41 (1), 60 Stat. 1066; 7 U. S. C. 1015 (1). Interprets or applies secs. 3 (a), 44 (b), 60 Stat. 1074, 1069; 7 U. S. C. 1003 (a), 1018 (b))

Issued this 3d day of January 1952.

[SEAL] CHARLES F. BRANNAN,  
Secretary of Agriculture.

[F. R. Doc. 52-197; Filed, Jan. 7, 1952; 8:49 a. m.]

PART 311—BASIC REGULATIONS

SUBPART B—LOAN LIMITATIONS

AVERAGE VALUES OF FARMS AND INVESTMENT LIMITS; NORTH CAROLINA

For the purposes of title I of the Bankhead-Jones Farm Tenant Act, as amended, average values of efficient family-type farm-management units and investment limits for the counties identified below are determined to be as herein set forth. The average values and investment limits heretofore established for said counties, which appear in the tabulations of average values and investment limits under § 311.30, Chapter III, Title 6 of the Code of Federal Regulations, are hereby superseded by the average values and investment limits set forth below for said counties.

NORTH CAROLINA		
County	Average value	Investment limit
Alamance.....	\$15,000	\$12,000
Alleghany.....	17,500	12,000
Ashe.....	12,000	12,000
Avery.....	16,000	12,000
Beaufort.....	10,000	12,000
Bertie.....	13,000	12,000
Burke.....	15,000	12,000
Brunswick.....	14,000	12,000
Burroughs.....	12,000	12,000

NORTH CAROLINA—Continued

County	Average value	Investment limit
Camden.....	\$15,000	\$12,000
Carteret.....	12,000	12,000
Caswell.....	15,000	12,000
Catawba.....	13,000	12,000
Chatham.....	15,000	12,000
Chowan.....	15,000	12,000
Cleveland.....	14,000	12,000
Columbus.....	15,000	12,000
Craven.....	12,000	12,000
Cumberland.....	12,000	12,000
Currituck.....	12,000	12,000
Durham.....	12,000	12,000
Edgecombe.....	15,000	12,000
Franklin.....	13,000	12,000
Gates.....	14,000	12,000
Granville.....	13,500	12,000
Greene.....	15,000	12,000
Guilford.....	12,000	12,000
Hallfax.....	15,000	12,000
Harnett.....	15,000	12,000
Haywood.....	15,000	12,000
Henderson.....	15,000	12,000
Hertford.....	15,000	12,000
Hoke.....	14,000	12,000
Hyde.....	10,000	10,000
Johnston.....	14,000	12,000
Jones.....	12,500	12,000
Lee.....	15,000	12,000
Lincoln.....	12,500	12,000
Madison.....	12,000	12,000
Martin.....	16,000	12,000
Mitchell.....	10,000	12,000
Moore.....	15,000	12,000
Nash.....	15,000	12,000
Northampton.....	15,000	12,000
Onslow.....	14,000	12,000
Orange.....	12,000	12,000
Familco.....	12,000	12,000
Fasquotank.....	12,000	12,000
Ferquimans.....	15,000	12,000
Ferson.....	15,000	12,000
Fitt.....	15,000	12,000
Randolph.....	15,000	12,000
Richmond.....	12,000	12,000
Robeson.....	12,000	12,000
Rockingham.....	15,000	12,000
Sampson.....	15,000	12,000
Scotland.....	12,000	12,000
Surry.....	15,000	12,000
Transylvania.....	12,000	12,000
Tyrrell.....	12,000	12,000
Vance.....	15,000	12,000
Wake.....	15,000	12,000
Warren.....	13,500	12,000
Washington.....	12,000	12,000
Wayne.....	13,500	12,000
Wilson.....	15,000	12,000
Yancey.....	12,000	12,000

(Sec. 41 (1), 60 Stat. 1066; 7 U. S. C. 1015 (1). Interprets or applies secs. 3 (a), 44 (b), 60 Stat. 1074, 1069; 7 U. S. C. 1003 (a), 1018 (b))

Issued this 3d day of January 1952.

[SEAL] CHARLES F. BRANNAN,  
Secretary of Agriculture.

[F. R. Doc. 52-198; Filed, Jan. 7, 1952; 8:49 a. m.]

PART 333—PROCESSING SUBSEQUENT LOANS

MISCELLANEOUS AMENDMENTS

1. Section 333.1 in Title 6, Code of Federal Regulations (14 F. R. 6325), is amended to add a definition of the term "Farm Ownership indebtedness," for the purposes of §§ 333.1 to 333.10. The section as amended reads as follows:

§ 333.1 *General.* (a) A subsequent direct loan is a loan from Federal funds available under title I of the Bankhead-Jones Form Tenant Act, as amended, made to a person who is indebted to the Government on account of a direct Farm Ownership loan or a credit sale of real estate, or made to a transferee in connection with the transfer of a Farm Ownership farm in accordance with Part 372, Subpart B, of this chapter. For the purposes of this part, the term "bor-

rower" includes a person who purchased real estate from the Government on credit, as well as the recipient of a cash loan. A deferred advance to complete farm development and an advance to pay a recoverable cost charge for such items as taxes and property insurance are not subsequent loans. The term "Farm Ownership indebtedness," or the equivalent of that term, as used herein, means any debt of a type listed in § 333.3 which is secured by a first mortgage on land which is suitable for the purposes of title I of the Bankhead-Jones Farm Tenant Act, as amended.

(b) Ordinarily, a subsequent loan will not be approved if the amount of funds required is less than \$500, except for the payment of equity in a transfer case. When the amount required is less than \$500, it usually can be provided from farm income.

(c) See §§ 311.21 to 311.31 of this subchapter regarding Farm Ownership "Loan Limitations" as applied to subsequent loans.

(Secs. 1, 2, 3, 44, 60 Stat. 1072, 1062, 1074, 1069, sec. 2, Pub. Law 499, 81st Cong.; 7 U. S. C. 1001, 1001 (note), 1003, 1018)

2. Section 333.2 in Title 6, Code of Federal Regulations (14 F. R. 6325), is amended to redesignate paragraph (e) as paragraph (f) and to add a new paragraph (e) providing additional purposes for which subsequent loans may be authorized. The section is amended to read as follows:

§ 333.2 *Purposes.* A subsequent loan may be made to a Farm Ownership borrower under the provisions of this part to accomplish any one or any combination of the following purposes:

(a) To alter existing buildings, construct new buildings, or improve or develop land when necessary to make the farm an efficient family-type farm-management unit.

(b) To purchase additional land necessary to make the farm an efficient family-type farm-management unit.

(c) To pay equity to a transferor in connection with the transfer of a Farm Ownership farm.

(d) To refinance existing Farm Ownership indebtedness, when necessary, in connection with a loan for enlargement or improvement of an undersized or underimproved farm.

(e) To make an efficient family-type farm-management unit by enlarging or improving (or both) a borrower's undersized or underimproved farm which consists of land which secures outstanding Farm Ownership indebtedness and other land owned by the borrower; and to refinance real estate indebtedness against any part of such farm if necessary in connection with such enlargement or improvement.

(f) To meet the need for improvements to adjust farming operations to changing conditions. These are conditions which affect the type of farming or the methods of production. Examples of such changing conditions might be:

(1) Changes in prevailing conditions within an area may require adjustments in farming operations. Sanitation standards with respect to the production of whole milk may change, forcing a bor-

rower to cease shipping whole milk unless required improvements are made. In other instances, changes in available markets also may make it necessary for a borrower to convert to another type of farming.

(2) Significant changes in the condition of the farm itself may require adjustments in farming operations.

(Sec. 1, 60 Stat. 1072; 7 U. S. C. 1001)

3. Section 333.3 in Title 6, Code of Federal Regulations (15 F. R. 2825), is amended (1) to specify the types of indebtedness which may be refinanced with a subsequent direct Farm Ownership loan, (2) to provide that if a subsequent loan includes funds for refinancing Farm Ownership indebtedness, interest will be charged on the debt being refinanced only until the subsequent loan begins to draw interest, and (3) to provide for the execution and recordation of the release or satisfaction of the mortgage applicable to the Farm Ownership debt being refinanced. The section as amended reads as follows:

§ 333.3 *Interest rates, sources of funds, and amortization schedules.* Various kinds of Farm Ownership financial assistance have been extended at different rates of interest and involving a number of sources of funds. Therefore, the following policy will govern the making of a subsequent Farm Ownership loan so that future servicing will be simplified: (1) The outstanding Farm Ownership indebtedness will be refinanced if so provided herein; (2) the benefit of the lowest practicable rates of interest on outstanding Farm Ownership indebtedness will be retained for the borrower; and (3) unpaid balances on outstanding Farm Ownership debts will be reamortized.

(a) When making a subsequent loan to a borrower whose outstanding Farm Ownership indebtedness represents an asset of a State Rural Rehabilitation Corporation or represents a credit sale of a farm by a Defense Relocation Corporation, a land-leasing or land-purchasing association, or similar organization:

(1) Sufficient funds will be included in the subsequent loan to refinance all outstanding Farm Ownership indebtedness. Interest on such indebtedness will be computed only through the date of the subsequent loan check.

(i) In accordance with instructions previously approved by the representative of the Office of the Solicitor, the State Director will execute and transmit to that representative the necessary release or satisfaction of the mortgage which secures the indebtedness being refinanced. This document will be forwarded to the County Supervisor when instructions are sent by the representative of the Office of the Solicitor to the County Supervisor concerning disbursement of the proceeds of the loan. The release or satisfaction will be filed for record by the County Supervisor or the attorney who supervises the closing. Funds will be withdrawn from the borrower's supervised bank account to pay the indebtedness being refinanced. Form FHA-37, "Receipt for Payment,"

will be used to acknowledge the withdrawal of such funds. The appropriate loan code number will be shown in the first column. The payment will be classified as an "extra" payment, and the notation "Payment-in-full by refinancing" will be printed prominently on the face of the receipt. The receipt and the remittance will be scheduled in the usual manner to the Area Finance Office.

(ii) Upon receipt of Form FHA-144, "Summary of Remittance," covering the remittance which paid the outstanding indebtedness in full, the Area Finance Office immediately will forward the original of Form FHA-597, "Notice of Fully Paid Notes," together with the note(s) stamped with a paid-in-full legend, to the appropriate State Office. The stamped note(s) and the State Office copy of the mortgage which has been satisfied will be sent to the County Supervisor for delivery to the borrower.

(2) The interest rate will be 4 percent.

(3) The subsequent loan will be amortized so as to mature within one year of, but not later than, the maturity date of the earliest outstanding Farm Ownership note, unless the loan approval official determines that a longer payment period is necessary, but in no case will it be amortized over a period longer than 40 years from the date of the subsequent loan note.

(b) When making a subsequent loan to a borrower whose Farm Ownership indebtedness represents one or more of the following: (1) A direct loan in accordance with title I of the Bankhead-Jones Farm Tenant Act, as originally enacted or as amended; (2) a Special Real Estate loan, or a Farm and Home Improvement loan, or a Farm Development loan from funds available for Loans, Grants, and Rural Rehabilitation; and (3) any credit sale of Government-owned land pursuant to section 43 or 51 of the Bankhead-Jones Farm Tenant Act, as originally enacted or as amended, or Public Law 563, 79th Congress:

(1) The outstanding Farm Ownership indebtedness will not be refinanced.

(2) The mortgage(s) securing the outstanding indebtedness will not be superseded by the subsequent loan mortgage, but the mortgage securing the subsequent loan will contain a covenant to the effect that it secures not only the subsequent loan but also secures performance of and compliance with all of the covenants, conditions, and provisions of all mortgages which secure outstanding Farm Ownership indebtedness.

(3) The subsequent loan will bear interest at the rate of 4 percent and each outstanding debt will be continued at its present rate of interest.

(4) Each outstanding debt will be re-amortized as of the date the subsequent loan is closed. The subsequent loan will be amortized so as to mature within one year of, but not later than, the maturity date of the earliest outstanding Farm Ownership note, unless a transfer case is involved. If a subsequent loan is made in connection with a transfer case, the subsequent loan will be amortized so as to mature within year of, but not later than, the due date of the final installment under the assumption agreement.

(Secs. 1, 2, 3, 43, 44, 48, 51, 60 Stat. 1072, 1062, 1074, 1067, 1069, 1070, sec. 1, 62 Stat. 534, sec. 2, Pub. Law 499, 81st Cong.; 7 U. S. C. 1001, 1001 (note), 1003, 1017, 1018, 1022, 1025)

(Sec. 41, 60 Stat. 1066; 7 U. S. C. 1015)

DERIVATION: Secs. 333.1 to 333.3 contained in FHA Instruction 443.3.

Dated: December 10, 1951.

[SEAL] DILLARD B. LASSETER,  
Administrator,  
Farmers Home Administration.

Approved: January 3, 1952.

CHARLES F. BRANNAN,  
Secretary of Agriculture.

[F. R. Doc. 52-196; Filed, Jan. 7, 1952;  
8:48 a. m.]

## TITLE 12—BANKS AND BANKING

### Chapter II—Federal Reserve System

Subchapter A—Board of Governors of the Federal Reserve System

[Reg. U]

#### PART 221—LOANS BY BANKS FOR THE PURPOSE OF PURCHASING OR CARRYING REGISTERED STOCKS

##### LOANS TO BROKERS OR DEALERS

§ 221.103 *Loans to brokers or dealers.* Questions have arisen as to the adequacy of statements received by lending banks under § 221.3 (a) in the case of loans to brokers or dealers secured by stock where the proceeds of the loans are to be used to finance customer transactions involving the purchasing or carrying of registered stocks.

While some such loans may qualify for exemption under § 221.2, unless they do qualify for such an exemption they are subject to this part. For example, if a loan so secured is made to a broker to furnish cash working capital for the conduct of his brokerage business (i. e., for purchasing and carrying securities for the account of customers), the maximum loan value prescribed in § 221.4 would be applicable unless the loan should be of a kind exempted by § 221.2. This result would not be affected by the fact that the stock given as security for the loan was or included stock owned by the brokerage firm.

In view of the foregoing, the statement referred to in § 221.3 (a) which the lending bank may accept and rely upon in good faith in determining the purpose of the loan would be inadequate if the form of statement accepted or used by the bank failed to call for answers which would indicate whether or not the loan was of the kind discussed above.

(Sec. 23, 48 Stat. 901, as amended; 15 U. S. C. 78w. Interprets or applies secs. 3, 7, 17, 48 Stat. 882, as amended, 880, as amended, 897, as amended; 15 U. S. C. 78c, 78e, 78q)

BOARD OF GOVERNORS OF THE  
FEDERAL RESERVE SYSTEM,

[SEAL] S. R. CARPENTER,  
Secretary.

[F. R. Doc. 52-156; Filed, Jan. 7, 1952;  
8:46 a. m.]

## TITLE 14—CIVIL AVIATION

### Chapter II—Civil Aeronautics Administration, Department of Commerce

[Amdt. 8]

#### PART 608—DANGER AREAS

##### ALTERATIONS

The danger area alterations appearing hereinafter have been coordinated with the civil operators involved, the Army, the Navy, and the Air Force, through the Air Coordinating Committee, Airspace Subcommittee, and are adopted when indicated in order to promote safety of the flying public. Since a military function of the United States is involved, compliance with section 4 of the Administrative Procedure Act is not required. Part 608 is amended as follows:

1. In § 608.14, the Vernalis, California, area, published on March 11, 1950 in 15 F. R. 1329, and amended on March 17, 1950 in 15 F. R. 1510, is further amended by changing the "Description by Geographical Coordinates" column to read: "North Area: Beginning at lat. 37°37'00" N, long. 121°11'10" W; SSE to lat. 37°27'00" N, long. 121°07'45" W; counterclockwise along the arc of a circle with a radius of 3 miles centered at lat. 37°24'30" N, long. 121°06'30" W to lat. 37°22'00" N, long. 121°06'00" W; SSE to lat. 37°20'35" N, long. 121°05'30" W; NW to lat. 37°31'10" N, long. 121°30'50" W; NNW to lat. 37°37'00" N, long. 121°32'40" W; due E to lat. 37°37'00" N, long. 121°11'10" W, point of beginning. South Area: Beginning at lat. 37°20'35" N, long. 121°05'30" W; SSE to lat. 37°06'00" N, long. 121°00'10" W; WNW to lat. 37°12'00" N, long. 121°25'30" W; NNW to lat. 37°31'10" N, long. 121°30'50" W; SE to lat. 37°20'35" N, long. 121°05'30" W, point of beginning."

2. In § 608.18, the Banana River, Florida, area, published on July 16, 1949, in 14 F. R. 4289, and amended on May 25, 1950, in 15 F. R. 3188, is further amended by changing the "Description by Geographical Coordinates" column to read: "Beginning at lat. 28°50'00" N, long. 80°50'00" W; due E to a point 3 nautical miles from the shoreline at long. 80°41'35" W; southerly paralleling the shoreline at a distance of 3 nautical miles to lat. 28°17'40" N, long. 80°32'55" W; counterclockwise along the arc of a circle with a radius of 5 miles centered at lat. 28°14'35" N, long. 80°36'25" W to lat. 28°19'00" N, long. 80°37'00" W; NNW to lat. 28°50'00" N, long. 80°50'00" W, point of beginning."

3. In § 608.38, the Fort Dix, New Jersey, area, published on July 16, 1949 in 14 F. R. 4293, is amended by changing the "Using Agency" column to read: "First Army and New Jersey National Guard Bureau."

(Sec. 205, 52 Stat. 934, as amended; 49 U. S. C. 425. Interprets or applies sec. 601, 52 Stat. 1007, as amended; 49 U. S. C. 551)

This amendment shall become effective on January 8, 1952.

[SEAL] F. B. LEE,  
Acting Administrator of  
Civil Aeronautics.

[F. R. Doc. 52-163; Filed, Jan. 7, 1952;  
8:47 a. m.]

[Amdt. 9]

PART 608—DANGER AREAS  
ALTERATIONS

The danger area alteration appearing hereinafter is adopted when indicated in order to promote safety of the flying

public. Since a military function of the United States is involved, compliance with section 4 of the Administrative Procedure Act is not required.

Part 608 is amended as follows:  
In § 608.55, a Seattle, Washington, temporary area is added to read:

Name and location (chart)	Description by geographical coordinates	Designated altitudes	Time of designation	Using agency
Seattle (World Aeronautical Charts 215, 216, 263, 269, 270, 303, 304, 363, 364, 365, 403 and 404).	Beginning at lat. 49°00'00" N, long. 114°00'00" W; due S to lat. 47°00'00" N; SW to lat. 43°00'00" N, long. 119°00'00" W; due W to long. 124°40'00" W; S to lat. 40°00'00" N, long. 124°35'00" W; due E to long. 120°00'00" W; due S to lat. 39°00'00" N; SSE to lat. 37°00'00" N, long. 119°00'00" W; SW to lat. 34°50'00" N, long. 121°10'00" W; NW to lat. 35°00'00" N, long. 121°17'00" W; due W to approximate long. 127°00'00" W; NW to lat. 33°00'00" N, long. 129°00'00" W; NNW to lat. 50°00'00" N, long. 132°00'00" W; NE to lat. 51°00'00" N, long. 130°00'00" W; SE to lat. 48°30'00" N, long. 125°00'00" W; E to lat. 48°29'38" N, long. 124°43'35" W; easterly and northerly along the United States-Canadian border to lat. 49°00'00" N; due E to lat. 49°00'00" N, long. 114°00'00" W, point of beginning.	20,000 feet to unlimited.	From 2100 e. s. t., Jan. 8, 1952, to 0900 e. s. t., Jan. 10, 1952.	Commanding General, Air Defense Command, Colorado Springs, Colo.

(Sec. 205, 52 Stat. 984, as amended; 49 U. S. C. 425. Interprets or applies sec. 601, 52 Stat. 1007, as amended; 49 U. S. C. 551)

This amendment shall become effective on January 8, 1952.

[SEAL] C. F. HORNE,  
Administrator of Civil Aeronautics.

[F. R. Doc. 52-324; Filed, Jan. 7, 1952; 10:46 a. m.]

TITLE 32A—NATIONAL DEFENSE,  
APPENDIX

Chapter III—Office of Price Stabilization, Economic Stabilization Agency

[Ceiling Price Regulation 111]

CPR 111—CEILING PRICES FOR RETAIL SALES OF ANTI-FREEZE IN ALASKA

Pursuant to the Defense Production Act of 1950, as amended, (Pub. Law 774, 81st Cong., Pub. Law 96, 82nd Cong.), Executive Order 10161 (15 F. R. 6105), and Economic Stabilization Agency General Order No. 2 (16 F. R. 738), this Ceiling Price Regulation 111 is hereby issued.

STATEMENT OF CONSIDERATIONS

This regulation establishes ceiling prices for all retail sales of anti-freeze sold in Alaska. Heretofore, ceiling prices have been established under Ceiling Price Regulation 9 for anti-freeze manufactured on the mainland and under the General Ceiling Price Regulation for anti-freeze manufactured in the territory.

In all Alaska, anti-freeze is a "must" commodity for all water cooled motors. From the areas of southeastern Alaska to the coldest interior points the temperature safety protection point varies from a minus 17 degrees to a minus 62 degrees Fahrenheit. It is estimated that over 80,000 gallons of anti-freeze are used at

the beginning of the winter season. Another 20,000 gallons are used during the season for "adding to" or "replacing" evaporation and leakages. On an average current price of \$4.50 per gallon for the entire territory, the Alaskan car operators are spending in excess of \$360,000 for anti-freeze. The need for certain pricing standards, together with the relative simplicity of a dollar and cent ceiling type regulation, makes a tailored regulation for this commodity more desirable than the provisions of the General Ceiling Price Regulation or of Ceiling Price Regulation 9.

This regulation sets specific prices for four types of anti-freeze, which are designated S, SC, P, and N, both standard and sub-standard, when sold in the panhandle cities of Alaska, the Anchorage area and the Fairbanks area. Differences in ceiling prices between areas are occasioned by differences in transportation costs. In these areas are located 77.5 per cent of all motor vehicles registered in the territory.

The ceiling prices for sales of types of anti-freeze other than those designated, or for private brand anti-freeze, and for sales in Alaska in locations other than those specified, are the ceiling prices which were in effect the day before the effective date of this regulation. Since practically no anti-freeze is manufactured in Alaska, such ceiling prices in the main will be those which were determined under Ceiling Price Regulation 9.

Ceiling prices established by this regulation for the defined geographical areas are from \$0.05 to \$0.10 per gallon below the current retail prices charged by the majority of retail sellers, as determined in a survey conducted by the Office of Price Stabilization. However, they reflect the same cost-price relationship as that enjoyed by sellers of anti-freeze in the period May 24, 1950 to

June 24, 1950. The prices established are also in line with the ceiling prices established by Ceiling Price Regulation 57, the mainland anti-freeze regulation, with proper allowance being made for the cost of transportation to the territories.

In formulating this regulation, the Director of Price Stabilization has consulted informally with representatives of the industry. Careful consideration has been given to their recommendations. Every effort has been made to conform this regulation to existing business practices, cost practices, or methods, or means or aids to distribution. Insofar as any provisions of this regulation may operate to compel changes in the business practices, cost practices or methods, or means or aids to distribution, such provisions are found by the Director to be necessary to prevent circumvention or evasion of the regulation.

REGULATORY PROVISIONS

- Sec.
1. What this regulation does.
  2. Ceiling prices standard types S, SC, P, and N anti-freeze when sold in certain specified areas.
  3. Ceiling prices sub-standard types S, SC, P, and N anti-freeze.
  4. Ceiling prices, other sellers, and other types of anti-freeze.
  5. Ceiling prices, new sellers.
  6. (Reserved.)
  7. Modification of proposed ceiling prices by Director of Price Stabilization.
  8. Charges for containers.
  9. Petitions for amendment.
  10. Taxes.
  11. Transfer of business.
  12. Records.
  13. Receipts, marking, posting.
  14. Interpretations.
  15. Prohibitions.
  16. Evasions.
  17. Customary price differentials.
  18. Definitions.

AUTHORITY: Sections 1 to 18 issued under sec. 704, 64 Stat. 816, as amended; 50 U. S. C. App. Sup., 2154. Interpret or apply Title IV, 64 Stat. 803, as amended; 50 U. S. C. App. Sup. 2101-2110. E. O. 10161, Sept. 9, 1950, 15 F. R. 6105; 3 CFR, 1950 Supp.

SECTION 1. *What this regulation does.* This regulation establishes ceiling prices for all retail sales of anti-freeze in the Territory of Alaska. This regulation supersedes the General Ceiling Price Regulation and Ceiling Price Regulation 9, as amended, for the sale of anti-freeze.

SEC. 2. *Ceiling prices, standard types, S, SC, P, and N anti-freeze when sold in certain specified areas.* The ceiling prices for sales at retail of standard types S, SC, P, and N anti-freeze, except sales of private brand anti-freeze (covered by section 4) are the applicable price set forth in Tables A, B and C for the areas indicated.

TABLE A

For sales in Kotchikan, Wrangell, Petersburg, Juneau, Skagway, Sitka, and Haines, and at any point within 25 miles of any of these cities.

Quantity	Typo S	Typo SO	Typo P	Typo N
(1) 1 gallon or more, per gallon.....	\$1.65	\$1.55	\$3.05	\$2.10
(2) Less than 1 gallon, per quart.....	.45	.40	1.05	.55

TABLE B

For sales in Anchorage, Seward, Valdez, Seldovia, Kodiak, Palmer, and Homer, and at any point within 25 miles of any of these cities.

Quantity	Type S	Type SO	Type P	Type N
(1) 1 gallon or more, per gallon	\$2.00	\$1.90	\$4.70	\$2.55
(2) Less than 1 gallon, per quart	.55	.50	1.25	.65

TABLE O

For sales in Fairbanks, Nenana, and Livengood, and at any point within 25 miles of any of these cities.

Quantity	Type S	Type SO	Type P	Type N
(1) 1 gallon or more, per gallon	\$2.25	\$2.10	\$4.90	\$2.80
(2) Less than 1 gallon, per quart	.60	.55	1.30	.75

**SEC. 3. Ceiling prices, sub-standard types S, SC, P, and N anti-freeze.** If you sell sub-standard anti-freeze as defined in section 18 of this regulation within the geographical areas listed in section 2, your ceiling price for retail sales of types S, SC, P and N sub-standard anti-freeze, except private brand anti-freeze, is determined as follows:

(a) Locate, on the applicable table of section 2, the ceiling price for the same quantity and type of standard anti-freeze as the sub-standard anti-freeze you are pricing.

(b) Multiply the amount found in (a) by 0.75.

(c) Divide the amount found in (b) by the number of gallons of your sub-standard anti-freeze which must be added to one gallon of water to reduce the freezing point of the resulting mixture to ten degrees below zero (-10°) Fahrenheit. The result is the ceiling price of sub-standard anti-freeze to the class of purchaser, and for the quantity you are pricing.

**SEC. 4. Ceiling prices, other sellers and other types of anti-freeze.** If you sell types S, SC, P or N anti-freeze at retail in Alaska, but in an area outside the areas described in section 2, or if you sell anti-freeze other than types S, SC, P, or N at retail anywhere in Alaska, or if you sell a private brand anti-freeze at retail anywhere in Alaska, your ceiling price is that price which was your ceiling price under any other applicable regulation on the day before the effective date of this regulation.

**SEC. 5. Ceiling prices, new sellers.** If you did not sell anti-freeze at retail before the effective date of this regulation but your ceiling price would, except for that fact, be established under section 4 of this regulation, you must apply to the Office of Price Stabilization Territorial Office for the establishment of a ceiling price. Your application must contain:

- (a) Your business name and address.
- (b) The brand name of the anti-freeze.
- (c) The present cost to you of the anti-freeze.
- (d) Your proposed ceiling price and a brief explanation of how you arrived at this figure.

(e) Quantity of anti-freeze which must be added to one gallon of water to reduce the freezing point of the mixture to 10 degrees below zero Fahrenheit.

(f) Specific gravity, boiling point, freezing point.

(g) General base of the anti-freeze (salt, petroleum distillate, etc.).

(h) Statement of the corrosive effects of the anti-freeze.

(i) Complete protection table, if available.

You may not make any sale at your proposed ceiling price under this section until authorized to do so by the Territorial Director. If, within twenty days from the date you file your application under this section, you have not received any notice from the Director, or any request for more information, you may consider your proposed ceiling price has been approved.

**SEC. 6. (Reserved.)**

**SEC. 7. Modification of proposed ceiling prices by Director of Price Stabilization.** The Director of Price Stabilization may at any time disapprove or revise downward ceiling prices proposed or established under sections 4, 5, or 6 of this regulation so as to bring them into line with the level of ceiling prices otherwise established by this regulation.

**SEC. 8. Charges for containers.** The ceiling prices established by this regulation shall not be increased by any charges for containers. When you make sales upon a container-returnable basis, you may require a reasonable deposit for the return of such container but the deposit must be refunded to the buyer upon the return of the container in good condition within a reasonable time.

**SEC. 9. Petitions for amendment.** If you wish to have this regulation amended, you may file a petition for amendment in accordance with the provisions of Price Procedural Regulation 1, Revised (16 F. R. 4974).

**SEC. 10. Taxes.** You may not collect amounts of any excise, sales tax or other similar tax paid by you as such, in addition to the ceiling price of anti-freeze as set by this regulation, unless it has been your practice to state and collect such taxes separately from your selling price of anti-freeze. In the case of such a tax imposed by law which is not effective until after the effective date of this regulation, or if you are a new seller, you may collect the amount of the tax actually paid as such by you, if not prohibited by the tax law. You must in all such cases state separately the amounts of the tax.

**SEC. 11. Transfer of business.** If the business, assets or stock in trade of any business are sold or otherwise transferred after the effective date of regulation, and the transferee carries on the business, or continues to deal in the same type of commodities or services in an establishment separate from any other establishment previously owned or operated by him, the ceiling prices of the transferee shall be the same as those to which his transferor would have been subject if no such transfer had taken

place, and his obligation to keep records sufficient to verify such prices shall be the same. The transferor shall either preserve and make available, or turn over, to the transferee all records of transactions prior to the transfer which are necessary to enable the transferee to comply with the record provisions of this regulation.

**SEC. 12. Records—(a) All retailers.** After the effective date of this regulation, all retail sellers must make and keep for inspection by the Director of Price Stabilization for a period of two years, complete and accurate records of each purchase of anti-freeze. Your records must indicate date of a purchase, name and address of supplier, quantity and type of anti-freeze, the price you paid for the anti-freeze.

(b) *Retailers whose prices are established under sections 4 or 5 of this regulation.* If your ceiling prices for the sale of anti-freeze are established under sections 4 or 5 of this regulation, you must also keep, for a period of two years from the expiration of the Defense Production Act, complete and accurate records indicating the basis on which your ceiling prices were established.

**SEC. 13. Receipts, marking, posting—(a) Receipts.** If you have customarily given your purchaser a sales slip or similar evidence of purchase during the period October 1, 1950, to March 31, 1951, you must continue to do so. If it has not been your custom to do so previously, you must nevertheless give your purchaser a receipt or similar evidence of purchase if he asks for one. The receipt must show your name and address, the amount and type of anti-freeze sold, the date sold, and the price received for the anti-freeze.

(b) *Marking.* Within 30 days after the effective date of this regulation, you must mark on every container of anti-freeze you offer for sale or on a label attached to the container, the following information:

(1) The type of anti-freeze in the container.

(2) The strength of the anti-freeze contained therein. Such strength may be so designated as follows: "Three quarts of this anti-freeze, when added to one gallon of water, will reduce the freezing point of the mixture to 10 degrees below zero Fahrenheit." Or, as an alternative, it may be designated by a complete anti-freeze protection table from which the above information may be obtained. However, where any anti-freeze is packaged which, when added to water in the proportion of three-fourths of a gallon or less of such anti-freeze to one gallon of water, reduces the freezing point of the resulting mixture to 10 degrees below zero (-10°) Fahrenheit or lower the terms "standard" or "standard strength" may be used instead of the above statement or protection table.

(3) The ceiling price.

(c) *Posting.* You must post in your place of business the ceiling price and the selling price of each type and brand of anti-freeze you sell in a manner plainly visible to and understandable by the purchasing public.

**SEC. 14. Interpretations.** If you have any doubt as to the meaning of this regulation, you should write to the District Counsel of the proper Office of Price Stabilization District Office for an interpretation. Any action taken by you in reliance upon and in conformity with a written official interpretation will constitute action in good faith pursuant to this regulation. Further information on obtaining official interpretations is contained in Price Procedural Regulation 1, Revised.

**SEC. 15. Prohibitions.** You shall not do any act prohibited or omit to do any act required by this regulation, nor shall you offer, solicit, attempt, or agree to do or omit to do any such acts. Specifically, (but not in limitation of the above), you shall not, regardless of any contract or other obligation, sell, and no person in the regular course of trade or business shall buy from you at a price higher than the ceiling price established by this regulation, and you shall keep, make and preserve true and accurate records and reports, required by this regulation. If you violate any provisions of this regulation, you are subject to criminal penalties, enforcement action, and action for damages.

**SEC. 16. Evasions.** (a) Any means or device which results in obtaining indirectly a higher price than is permitted by this regulation or in concealing or falsely representing information as to which this regulation requires records to be kept is a violation of this regulation. This prohibition includes, but is not limited to, means or devices making use of commissions, services, cross sales, premiums, discounts, special privileges, upgrading, tie-in agreements and trade understandings, as well as the omission from records of true data and the inclusion in records of false data.

(b) The following are specifically, but not exclusively, among the means and devices prohibited by paragraph (a) of this section and are itemized here only to lessen the frequency of the interpretative inquiries which experience indicates are likely to be made in this industry under the general evasion provisions:

(1) Diluting anti-freeze without reducing ceiling price accordingly.

(2) Making an extra charge, other than a deposit, for containers.

(3) Failure to provide a service in connection with sales which, under this regulation you are required to furnish. Example—Failure to install anti-freeze at the request of the customer, where you customarily performed such a service.

**SEC. 17. Customary price differentials.** For each class of purchaser, you must maintain delivery terms, cost trade and volume discounts, allowance premiums and extras, deductions, price differentials for sales in containers other than those listed herein, guarantee servicing terms and other terms and conditions of sale, at least as favorable as those which you had in effect during the period October 1, 1950, to March 31, 1951.

**SEC. 18. Definitions.** When used in this regulation the term: (1) "Person" includes any individual, corporation,

partnership, association or any other organized group of persons or legal successors or representatives of the foregoing, and the United States or any other Government or their political subdivisions or agencies.

(2) "Anti-freeze" means any product sold for use, without further processing, as a depressant of the freezing point of coolant water in internal combustion engines and designated as anti-freeze.

(3) "Standard anti-freeze" means any anti-freeze which when added to water in the proportion of three-fourths of a gallon or less of such anti-freeze to one gallon of water, reduces the freezing point of the resulting mixture to 10 degrees below zero Fahrenheit or lower and which produces no more corrosion of the engine cooling system than would occur with water only.

(4) "Sub-standard anti-freeze" is an anti-freeze which does not meet as a minimum the requirements of a standard anti-freeze as defined in subparagraph (3) above.

(5) "Type P anti-freeze" is an anti-freeze commonly regarded as "non-volatile" or "permanent" type of anti-freeze containing as its principal freezing point depressant ethylene glycol, propylene glycol or similar compound.

(6) "Type S anti-freeze" is an anti-freeze commonly regarded as a "volatile" or "non-permanent" anti-freeze containing as its principal freezing point depressant one or a combination of the following: Synthetic methanol, synthetic ethanol, synthetic isopropanol and similar synthetic alcohols, except an anti-freeze defined as type SC anti-freeze.

(7) "Type SC anti-freeze" is an anti-freeze commonly regarded as a "volatile" or "non-permanent" anti-freeze containing as its principal freezing point depressant synthetic methanol and containing more than 3 per cent water by volume.

(8) "N type anti-freeze" is an anti-freeze commonly regarded as a "volatile" or "non-permanent" anti-freeze containing fermentation ethanol as its principal freezing point depressant.

(9) "Sale at retail" or "retail sale" means a sale to an ultimate consumer.

(10) "Retail dealer" means a seller, other than a manufacturer, who in the regular course of business makes sales to the ultimate consumer.

(11) "Purchaser of the same class" means a purchaser of the same kind (for example, distributor, jobber, fleet owner, retail dealer, individual consumer) buying under the same or similar conditions of sale.

(12) "You" means any person subject to this regulation.

**Effective date.** This Ceiling Price Regulation 111, is effective January 9, 1952.

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

EDWARD F. PHELPS, Jr.,  
Acting Director of  
Price Stabilization.

JANUARY 4, 1952.

[F. R. Doc. 52-245; Filed, Jan. 4, 1952; 4:56 p. m.]

[Ceiling Price Regulation 113]

CPR 113—WHITE FLESH POTATOES

Pursuant to the Defense Production Act of 1950, as amended (Pub. Law 774, 81st Cong., Pub. Law 96, 82d Cong.), Executive Order 10161 (15 F. R. 6105), and Economic Stabilization Agency General Order No. 2 (16 F. R. 738), this Ceiling Price Regulation 113 is hereby issued.

STATEMENT OF CONSIDERATIONS

White flesh potatoes are the single most important vegetable crop in the United States. Consumers spend far more for potatoes than for any other fresh or processed vegetable. Until now, potatoes were exempted from price control at all levels of sale and distribution because the market price level was significantly below the level necessary to return the legal minimum to producers. Since early Fall, potato prices have risen so sharply as to threaten adversely accomplishment of the aims of the Defense Production Act of 1950, as amended. There is no clear indication that this upward price movement is temporary. Accordingly, OPS is obliged to issue the accompanying ceiling price regulation.

The pricing provisions of this regulation are few. A table provides dollar-and-cent f. o. b. country shipping point base prices for potatoes for all producing areas. Different prices for the new crop of potatoes (which normally command higher prices) from certain very early producing areas are also included. Thereafter, sellers adjust these base prices for grade, size, and packaging differentials. By the addition of transportation charges, these f. o. b. ceilings may be converted into delivered ceiling prices.

The f. o. b. country shipping point ceiling prices established by this regulation are intended to reflect to producers of potatoes the parity price as determined by the Secretary of Agriculture. Prior to the establishment of these f. o. b. country shipping point prices, appropriate prices at the farm gate for the various producing areas were derived from the national average parity price. These prices were converted to f. o. b. country shipping point prices by adding current marketing, packing and selling charges. Consideration was given to normal allowances for storage and to the aim of maintaining normal patterns of distribution.

Consideration was also given to the unusually low yield of U. S. No. 1 grade of potatoes in Idaho. In recognition of this crop condition, an upward adjustment of the Idaho f. o. b. country shipping point ceiling price has been made. This adjustment is similar in nature to the crop disaster adjustments made in the case of certain fruits in CPR 56. An additional upward adjustment was made to compensate for the additional costs incurred as a result of this current abnormal grade yield. Moreover, in this and all other producing areas, No. 2 and lesser grades have been given a price higher than the normal relationship with U. S. No. 1 potatoes would warrant. OPS recognizes that in short supply situations these lower grades sell at a smaller discount relative to U. S. No. 1 potatoes.

The grade and size differentials in Table II are intended to represent the premiums and discounts incident to customary trade practices in connection with these special packs. No size premiums are provided for grades of potatoes below U. S. No. 1 since the discounts for these lower grade potatoes in Table II are considerably smaller than current relationships. Thus a cushion is provided for all size premiums for all grades less than U. S. No. 1.

The consumer size pack differentials in Table III permit recovery of the additional costs involved in the preparation of this type of potato package over the cost of packing the traditional 100-pound bag. Such consumer-size packages require packing extra potatoes in each unit to maintain the retail legal net weight and entail extra costs for the bags, bagging and carrier loading.

Generally speaking, the permissible markup for sale prior to the retail level at the wholesale receiving point depends on the type of sale. For sales to a retailer on a delivered basis to such retailer's store, the overall markup is 60 cents per hundredweight. For sales to intermediate sellers at a prior level of distribution, the overall markup is 25 cents per hundredweight. These markups may be added to the sum of the f. o. b. country shipping point ceiling price and the cost of rail transportation to the wholesale receiving point. These markups remain constant and may not be increased irrespective of the number of sales involving the same lot of potatoes.

Sales by retailers will be governed by the provisions of Ceiling Price Regulations 15 and 16 under amendments to be issued in the immediate future. Until the effective date of such amendments, retail sales will continue to be exempt from price control. Amendment 6 to Supplementary Regulation 15 to the General Ceiling Price Regulation which is being issued simultaneously revokes the present suspension from price control of service charges in connection with white flesh potatoes. Consequently, such service charges are now covered by Ceiling Price Regulation 34.

Since there is often a considerable time lag between the purchase of potatoes at a country shipping point and their receipt at wholesale receiving points, it would be inequitable for this regulation to be made mandatorily effective without sufficient time to permit the sale of present inventories of potatoes either held at, or in transit to, wholesale receiving points. Accordingly, this regulation will not become mandatorily effective until January 19, 1952.

In addition to the information independently available to OPS, the data analyzed to derive the amounts listed in the various tables, as well as the intermediate sellers' markups, were obtained principally from the industry. It is expected that this regulation will be effective for a relatively limited period, and if the price situation so warrants, will be replaced by a more detailed regulation or otherwise changed in the light of more adequate information.

On the basis of the information presently available, it is the judgment of the Director of Price Stabilization that the provisions of this regulation are generally fair and equitable and necessary to effectuate the purposes of Title IV of the Defense Production Act of 1950, as amended, and comply with all applicable provisions of that Act. In formulating this regulation the Director has consulted with industry representatives and the White Potato Industry Advisory Committee, and has given full consideration to their recommendations.

So far as practicable the Director has given due consideration to the national effort to achieve maximum production in furtherance of the Defense Production Act of 1950, as amended; to prices prevailing during the period from May 24, 1950, to June 24, 1950, inclusive, and to relevant factors of general applicability.

REGULATORY PROVISIONS

Sec.

1. What this regulation does.
2. Ceiling prices for country shippers.
3. Ceiling prices for intermediate sellers other than country shippers.
4. Payment of brokers.
5. Imported potatoes.
6. Sales slips and receipts.
7. Treatment of excise taxes.
8. Compliance with this regulation.
9. Definitions.

**AUTHORITY:** Sections 1 to 9 issued under sec. 704, 64 Stat. 816, as amended; 50 U. S. C. App. Sup., 2154. Interpret or apply Title IV, 64 Stat. 803, as amended; 50 U. S. C. App. Sup., 2101-2110. E. O. 10161, Sept. 9, 1950, 15 F. R. 6105; 3 CFR, 1950 Supp.

**SECTION 1. What this regulation does—(a) Coverage of this regulation.** This regulation establishes ceiling prices for all sales (except by retailers) of white flesh potatoes, except certified and foundation stock seed potatoes. All definitions of major terms used in this regulation are listed in section 9. As used in this regulation, "potatoes" means white flesh potatoes.

**(b) Pricing provisions to be used.** F. o. b. country shipping point ceiling prices for potatoes are established under section 2 of this regulation. Sales to intermediate sellers and retailers are priced under section 3 of this regulation.

**(c) What this regulation supersedes.** For the product and sellers covered, this

regulation supersedes the General Ceiling Price Regulation (16 F. R. 808).

**(d) Where this regulation applies.** This regulation applies in the 48 states of the United States and in the District of Columbia.

**SEC. 2. Ceiling prices for country shippers.** You shall calculate your f. o. b. shipping point ceiling price for potatoes by first determining a "base price". You shall then determine your "adjusted base price" by adding or subtracting, as indicated, certain grade and size differentials from your base price. Finally, you shall adjust the "adjusted base price" for consumer size packaging differentials. Your final result is your f. o. b. country shipping point ceiling price per cwt. for potatoes prepared for shipment and loaded on a carrier.

**(a) Base price.** You first determine your base price as set forth in Table I below:

Producing States	Dollars per cwt.
Iowa, Minnesota, North Dakota, South Dakota	\$3.35
Wisconsin	3.40
Colorado, Kansas, Missouri, Montana, Utah	3.45
Maine	3.50
Illinois, Indiana, Michigan	3.53
Alabama, Arizona, Arkansas, California, Delaware, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, Nebraska, Nevada, New Hampshire, New Mexico, North Carolina, Oklahoma, Oregon, South Carolina, Tennessee, Texas, Vermont, Virginia, Washington, Wyoming	3.65
New York (other than Long Island), Ohio, Pennsylvania	3.70
Connecticut, Massachusetts, New Jersey, New York (Long Island only), Rhode Island, West Virginia	3.75
Idaho	3.85

The following base price applies only to the new crop of potatoes harvested during the period December 1, 1951 to January 31, 1952, inclusive, in the following states only:

Florida, Texas	\$5.60
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**(b) Adjusted base price.** To find your adjusted base price, you adjust your base price as determined under paragraph (a) of this section by the grade and size adjustments set forth in Table II below:

Grade and size	Amount to be applied per cwt.
<b>(a) Grade:</b>	
1. U. S. No. 1 or better	None.
2. Below U. S. No. 1 but U. S. Commercial or better or 85 percent U. S. No. 1.	Subtract 25 cents.
3. All other grades (including ungraded)	Subtract \$1.
<b>(b) Size (applies only to U. S. No. 1 grade or better):</b>	
1. Size A, 2-inch minimum diameter, or 4-ounce minimum weight.	Add 10 cents.
2. Round or intermediate varieties:	
(a) 2 1/4-inch minimum diameter	Add 25 cents.
(b) 2 1/2-inch minimum diameter	Add 40 cents.
(c) 3-inch minimum diameter	Add 50 cents.
3. Long varieties:	
(a) 6-ounce minimum weight	Add 25 cents.
(b) 8-ounce minimum weight	Add 40 cents.
(c) 10-ounce minimum weight	Add 50 cents.
4. Size B, new crop harvested between December 15 and June 15.	Subtract 35 cents.
5. All other sizes	Subtract \$1.

NOTE: An additional premium of 15 cents per cwt. may be added if a maximum not in excess of 1 inch in diameter or 6 oz. in weight over the minimum for the same potatoes is specified. This added premium only applies when such minimum is 2 1/4" in diameter or 6 oz. in weight or more. In order to qualify for the "minimum" adjustment, not more than 5 percent of the potatoes may be smaller than the amount indicated. In order to qualify for the "maximum" adjustment, not more than 15 percent of the potatoes may be larger than the amount indicated. No more than one premium may be added. For example, if you sell long variety potatoes, U. S. No. 1, 6 oz. minimum, you may add only 25¢ per cwt. If you sell potatoes which are U. S. No. 1, 6 oz. minimum-10 oz. maximum, you may add only 40¢ per cwt. If you sell potatoes which are U. S. No. 1, size A, 2" minimum to 2 1/2" maximum, you may add only 10¢ per cwt.

(c) *Your ceiling price.* (1) Finally, you adjust your adjusted base price, as determined under paragraph (b) of this section, by the packaging adjustments set forth in Table III below:

TABLE III—PACKAGING ADJUSTMENTS

Type of pack	Amount to be applied per cwt.
a. Bulk or in containers furnished by purchaser.	Subtract 30 cents.
b. Paper bags:	
15 pounds.....	Add 25 cents.
10 pounds.....	Add 30 cents.
5 pounds.....	Add 40 cents.
c. Cotton, mesh, or burlap bags:	
15 pounds.....	Add 45 cents.
10 pounds.....	Add 60 cents.
5 pounds.....	Add 75 cents.
d. Packed in master containers	Add 20 cents.

(2) Your base price as adjusted under paragraphs (b) and (c) of this section is your ceiling price per cwt. of white flesh potatoes f. o. b. country shipping point at least graded, sized, packed and loaded on the carrier.

(d) *Delivered ceiling prices.* If you are a country shipper, your ceiling prices for potatoes delivered to a wholesale receiving point shall be your f. o. b. country shipping point ceiling price for the potatoes being priced plus the cost of rail transportation from the country shipping point to the wholesale receiving point plus 6 cents per hundredweight. "Cost of rail transportation" is defined in section 9 of this regulation.

(e) *Sales to retailers.* If you are a country shipper, your ceiling price for sales to a retailer of potatoes delivered to such retailer's retail store shall be your f. o. b. country shipping point ceiling price for the potatoes being priced plus the cost of rail transportation from the country shipping point to the wholesale receiving point plus 60 cents per hundredweight.

(f) *Sales through commission merchants.* If you are a country shipper and you make sales through a commission merchant your ceiling price shall be the same as that for an intermediate seller as established under section 3 of this regulation.

(g) *Grade, size, and packaging differentials.* If you grade, size, or package potatoes at a point subsequent to the country shipping point, you may adjust your ceiling price in accordance with Tables II and III of paragraph (c) of section 2 of this regulation provided such

differentials have not previously been applied by any seller.

## EXAMPLES

*Example 1.* You are a country shipper and sell U. S. No. 1, size A, 2" minimum potatoes in 100-pound bags on a delivered basis to a wholesale receiving point from Presque Isle, Maine. The maximum amount for which you may sell these potatoes is your f. o. b. country shipping point ceiling price of \$3.50 plus six cents per hundredweight, plus the cost of rail transportation. Assuming that the cost of transportation is 70 cents per hundredweight, your delivered ceiling price is calculated as follows:

F. o. b. country shipping point base price per cwt.....	\$3.50
U. S. No. 1, size A, 2" minimum differential.....	.10
Transportation plus 6 cents.....	.76

Your delivered ceiling price..... 4.36

*Example 2.* If the same potatoes are packed in 10-pound paper bags, you calculate your delivered ceiling price as follows:

F. o. b. country shipping point base price per cwt.....	\$3.50
U. S. No. 1, size A, 2" minimum differential.....	.10
10-pound paper bag adjustment per cwt.....	1.30
Transportation plus 6 cents.....	.76

Your delivered ceiling price..... 4.66

<sup>1</sup>If these 10-pound bags are shipped in a master container this figure is 50 cents.

*Example 3.* If you deliver these same potatoes to a retailer's retail store, you calculate your delivered ceiling price as follows:

F. o. b. country shipping point base price per cwt.....	\$3.50
U. S. No. 1, size A, 2" minimum differential.....	.10
10 lb. paper bag adjustment per cwt.....	.30
Transportation.....	.70
Distributive level markup for delivery to a retail store.....	.60

Your ceiling price on a retail store delivery basis..... 5.20

*Example 4.* If you sell the same potatoes through a commission merchant to a retailer ex the commission merchant's store, you calculate your ceiling price as follows:

F. o. b. country shipping point base price per cwt.....	\$3.50
U. S. No. 1, size A, 2" minimum differential.....	.10
10 lb. paper bag adjustment per cwt.....	.30
Transportation.....	.70
Intermediate seller's markup.....	.25

Your ceiling price..... 4.85

*Example 5.* You are a country shipper of potatoes located in Homestead, Florida, and sell U. S. No. 1, size B potatoes of the new crop (harvested between December 1, 1951 and January 31, 1952) packed in 50 pound bags. The maximum amount for which you may sell these potatoes per hundredweight on a delivered basis to a wholesale receiving point is your f. o. b. country shipping point ceiling price of \$5.25 per hundredweight plus the cost of rail transportation plus 6 cents per hundredweight. Assuming that the cost of rail transportation is \$1.00 per hundredweight, your delivered ceiling price is calculated as follows:

F. o. b. country shipping point base price of \$5.60 per hundredweight minus 35 cents per hundredweight for U. S. No. 1, size B potatoes or.....	\$5.25
Transportation plus 6 cents.....	1.06
Your delivered ceiling price.....	6.31

SEC. 3. *Ceiling prices for intermediate sellers other than country shippers—(a) Sales to other intermediate sellers and retailers.* If you are an intermediate seller, other than a country shipper, your ceiling price for sales of potatoes to other intermediate sellers and retailers is the f. o. b. country shipping point ceiling price for the potatoes being priced plus the cost of rail transportation to the wholesale receiving point plus 25 cents per cwt. If, however, you sell potatoes to retailers and you deliver such potatoes to the retailers' retail stores, your ceiling price shall be the f. o. b. country shipping point ceiling price for the potatoes being priced plus the cost of rail transportation to the wholesale receiving point plus 60 cents per cwt.

## EXAMPLES

*Example 1.* You are a carlot receiver of potatoes located in Chicago and you purchase a carlot of U. S. No. 1, 6-ounce minimum to 10-ounce maximum potatoes packed in 100-pound bags on a delivered basis. Assume that the cost of transportation is \$1.25 per hundredweight from the country shipping point for the potatoes being priced, you calculate your ceiling price as follows:

F. o. b. country shipping point base price per cwt.....	\$3.65
Transportation.....	1.25
Differential for potatoes, size 6-oz. minimum to 10-oz. maximum.....	.40
Your markup for sales per cwt. of potatoes to other intermediate sellers and retailers is.....	.25

Your ceiling price is..... 5.55

*Example 2.* If you purchased f. o. b. country shipping point a carlot of potatoes U. S. No. 1, 6-ounce minimum to 10-ounce maximum packed in 10-pound mesh bags and deliver them to a retailer's retail store, you calculate your ceiling price as follows:

F. o. b. country shipping point base price per hundredweight for the potatoes being priced.....	\$3.65
Transportation.....	1.25
Differential for potatoes, size 6-ounce minimum to 10-ounce maximum.....	.40
Allowance per hundredweight for 10-pound mesh bags.....	.60
Your markup for sales per hundredweight delivered to a retailer's retail store.....	.00

Your ceiling price is..... 6.50

SEC. 4. *Payment of brokers.* The amount paid to any broker, agent, or commission merchant for his services in the sale of potatoes may not be added to the ceiling prices established under this regulation. The allowable rates, fees, or charges for persons performing services in connection with the preparation, sale, or distribution of potatoes are set forth in Ceiling Price Regulation 34.

SEC. 5. *Imported potatoes.* The ceiling price per hundredweight for white flesh potatoes imported from any country to any wholesale receiving point shall be the delivered ceiling price for the most closely similar variety of domestic potatoes in the particular wholesale receiving point where such imported potatoes are being offered for sale.

SEC. 6. *Sales slips and receipts.* If you have customarily given a purchaser a sales slip, invoice, or similar evidence of purchase, you shall continue to do so.

Upon request, you shall, regardless of previous custom, give the purchaser a receipt showing the date, your name and address, the type and quantity of potatoes sold, the price received for them and the applicable delivered ceiling price under section 2 of this regulation.

**Sec. 7. Treatment of excise taxes.** If you have customarily separately stated and collected any excise or similar tax, you may continue to collect the current amount of any such tax in addition to your ceiling price. If you did not customarily state and collect separately from the purchase price the amount of tax paid by you, you may not collect the amount of such tax in addition to your ceiling price. In the case of such tax imposed after the effective date of this regulation, if at the time you calculate your ceiling price the statute or ordinance imposing the tax does not prohibit you from stating and collecting the tax separately from the purchase price, you may collect in addition to your ceiling price, the amount of the tax actually paid by you. In every case where the tax is collected from the purchaser, the amount thereof shall be separately stated.

**Sec. 8. Compliance with this regulation—**(a) *No selling or buying above ceiling prices.* Regardless of any contract or obligation, no person shall sell or deliver or, in the course of trade, buy or receive any potatoes at a price higher than the ceiling price established by this regulation.

(b) *Evasion.* No person shall evade a ceiling price, directly or indirectly, whether by commission, service, transportation, or other charge or discount, premium, or other privilege; by tie-in requirement or other trade understanding; by any change of style of pack; by a labeling practice relating to grading, labeling or packaging, or in any other way.

(c) *Enforcement.* Any person violating a provision of this regulation is subject to the criminal penalties, civil enforcement actions, and suits for treble damages provided by the Defense Production Act of 1950, as amended.

**Sec. 9. Definitions.** (a) "Broker or agent" means a person who, for a commission or fee, or other charge, represents a principal in the sale or purchase of potatoes. This term includes an auction company. A broker or agent does not customarily warehouse, store, or otherwise distribute potatoes.

(b) "Certified seed potatoes" or "foundation stock seed potatoes" means seed potatoes grown, inspected, certified and tagged or labelled as being such class, pursuant to the laws and regulations governing the official certifying agency of the state or foreign country where grown. Seed potatoes of any kind sold or resold for purposes other than planting shall be priced as ordinary white flesh potatoes under this regulation.

(c) "Commission merchant" means a person who is the agent in a wholesale receiving point of a country shipper or other seller and receives and distributes potatoes on behalf of his principal in less-than-carlot or less-than-trucklot quantities. To qualify as a commission mer-

chant, a person must also customarily warehouse, store, or otherwise distribute potatoes.

(d) "Cost of rail transportation" means the lowest applicable rate for transportation per hundredweight of potatoes by rail. If you transport potatoes by truck or ship owned, leased, chartered or otherwise engaged by you, you shall, nevertheless, in computing your "actual cost of transportation" under this regulation use the lowest applicable rate for transportation by rail.

(e) "Country shipper" means a person, including a grower or grower's agent who makes sales from a farm or other country shipping point to any other person.

(f) "Country shipping point" means a farm or other place in or near the producing area from which potatoes are sold, shipped, delivered or otherwise transferred to any other person and at which place potatoes are prepared for sale, shipment, delivery, or other transfer to any person. This preparation shall at least include grading, sizing, packing and loading.

(g) "F. o. b. country shipping point ceiling price" means a ceiling price established under section 2 of this regulation for potatoes prepared for shipment and loaded on a carrier. This preparation includes at least grading, sizing, packing, and loading.

(h) "Grade" means official grades listed in "United States Standards for Potatoes" published by the United States Department of Agriculture.

(i) "Grower" means a person who produces potatoes.

(j) "Intermediate seller" means any person other than a retailer or country shipper who purchases white flesh potatoes for the purpose of reselling and who takes title and makes sales to any person who is not an ultimate consumer.

(k) "Person" means an individual, corporation, partnership, association, or any other organized group of persons, and their legal successors or representatives. The term includes the United States, its agencies, other governments, their political subdivisions and their agencies.

(l) "Ultimate consumer" means a person who purchases white flesh potatoes for table use. The term does not include institutional, industrial, or commercial users or any Federal, state or local governmental purchaser.

(m) "Wholesale receiving point" means any place at which an intermediate seller receives white flesh potatoes. Where shipments are made directly from a country shipping point, wholesale receiving point includes a retailer's chain store buying agency, warehouse or institutional or industrial warehouse.

(n) "You" means any person whose sales of potatoes are covered by this regulation.

**Effective date.** The effective date of this regulation is January 19, 1952.

MICHAEL V. DiSALLE,  
Director of Price Stabilization.

JANUARY 5, 1952.

[F. R. Doc. 52-260; Filed, Jan. 5, 1952; 11:54 a. m.]

[General Ceiling Price Regulation, Amdt. 6 to Supplementary Regulation 15]

GCFR, SR 15—EXCEPTION FOR CERTAIN SERVICES

REMOVAL OF SUSPENSION OF PRICE CONTROL ON SERVICE CHARGES IN CONNECTION WITH WHITE FLESH POTATOES

Pursuant to the Defense Production Act of 1950, as amended, Executive Order 10161 (15 F. R. 6105), and Economic Stabilization Agency General Order No. 2 (16 F. R. 738) this Amendment 6 to Supplementary Regulation 15 (16 F. R. 2908), is hereby issued.

#### STATEMENT OF CONSIDERATIONS

This amendment to Supplementary Regulation 15 to the General Ceiling Price Regulation revokes the suspension from price control of the rates, charges, and compensation for services performed in connection with harvesting, preparing for market, and marketing of white flesh potatoes. Ceiling Price Regulation 113, which is being issued simultaneously with this amendment to the supplementary regulation, brings white flesh potatoes under price control. Accordingly, the reasons for the present exclusion, as set forth in the Statement of Consideration to Amendment 2 to SR 15, no longer apply. The effect of the removal of this exclusion will be to subject the charges for the services performed in connection with white potatoes to the provisions of Ceiling Price Regulation 34.

Before issuing this amendment, the Director of Price Stabilization has consulted with representatives of the industry affected, and gave consideration to their recommendations. In the judgment of the Director, the provisions of this amendment are generally fair and equitable and necessary to effectuate the purposes of the Defense Production Act of 1950, as amended.

#### AMENDATORY PROVISION

Section 2 (a) (3) of Supplementary Regulation 15 to the General Ceiling Price Regulation is amended to read as follows:

(3) *Services in connection with fresh fruits, vegetables, berries, and tree nuts.* The provisions of the General Ceiling Price Regulation shall not apply to rates, fees, and charges for services performed in connection with harvesting; car and truck pre-cooling and top-icing; packing and pre-packaging; and buying and selling of fresh fruits, vegetables (except white flesh potatoes), berries, and tree nuts, pending formulation of regulations applicable generally to fresh fruits, vegetables, berries, and tree nuts, but in no event to exceed a period of twelve (12) months from May 4, 1951: *Provided, however,* That during the period of this suspension persons performing these services shall maintain the current records required to be maintained by section 16 (b) of the General Ceiling Price Regulation.

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

**Effective date.** This amendment to Supplementary Regulation 15 to the

General Ceiling Price Regulation shall be effective January 19, 1952.

MICHAEL V. DiSALLE,  
Director of Price Stabilization.

JANUARY 5, 1952.

[F. R. Doc. 52-261; Filed, Jan. 5, 1952;  
11:54 a. m.]

[GOPR, SR 63, Amdt. 1 to Area Milk Price Regulation 5]

GOPR, SR 63—AREA MILK PRICE  
ADJUSTMENTS

AMPR 5—MILK PRODUCTS FOR FLUID  
CONSUMPTION IN CHICAGO, ILL., MILK  
MARKETING AREA

AUTOMATIC REVOCATION

Pursuant to the Defense Production Act of 1950, as amended, Executive Order 10161 (15 F. R. 6105), the Economic Stabilization Agency General Order No. 2 (16 F. R. 738); this Amendment 1 to Area Milk Price Regulation 5 pursuant to Supplementary Regulation 63 to the General Ceiling Price Regulation (16 F. R. 9559) is hereby issued.

STATEMENT OF CONSIDERATIONS

The Statement of Considerations to Area Milk Price Regulation 5 indicated that the petition that had been filed with the agency was inadequate for the issuance of a permanent regulation, but that it was sufficient to indicate the need for a temporary order granting an increase of one-half cent per sales point for a limited period. The statement added that if a more adequate petition were not filed by December 5, 1951, the District Director would either revoke the regulation or issue a permanent one based upon such information as might be available. No new or amended petition has been filed. At the time AMPR 5 was issued the District Director planned to issue a permanent regulation by January 1, 1952, the date on which that regulation expired. Immediately after the issuance of AMPR 5 the processors were informed as to the character of the revised petition which the agency would consider adequate for the purpose of issuing a permanent regulation. From time to time the processors stated certain objections to the position taken by this office. Shortly before December 5, the processors requested, and this office granted an extension to December 14 to file a revised petition. They have indicated, however, that more time is necessary. In order to give the processors every opportunity to prepare a revised petition the expiration date of AMPR 5 is being extended to February 6, 1952.

In the judgment of the District Director the provisions of this amendment to Area Milk Price Regulation No. 5 in Region VII are generally fair and equitable and are necessary to effectuate the purpose of Title IV of the Defense Production Act of 1950, as amended by the Defense Production Act amendments of 1951.

The District Director of the Office of Price Stabilization gave due consideration to the national effort to achieve the maximum production in furtherance of

the objectives of the Defense Production Act of 1950, as amended; to prices prevailing during the period from May 24, 1950 to June 24, 1950, inclusive; and to all relevant factors of general applicability. The director consulted the industry involved to the fullest extent practicable prior to the issuance of this amendment to Area Milk Price Regulation No. 5.

AMENDATORY PROVISIONS

1. Section 12 is amended to read as follows:

SEC. 12. *Automatic revocation.* This Area Milk Price Regulation shall be automatically revoked on February 6, 1952 unless previously superseded by action of the District Director.

*Effective date.* This Amendment 1 to Area Milk Price Regulation No. 5 under Supplementary Regulation 63 of the General Ceiling Price Regulation is effective as of January 1, 1952.

(See 704, 64 Stat. 816, as amended; 5 U. S. C. App. Sup. 2154)

B. EMMET HARTNETT,  
Acting District Director,  
Chicago District Office.

JANUARY 4, 1952.

[F. R. Doc. 52-244; Filed, Jan. 4, 1952;  
4:55 p. m.]

[Ceiling Price Regulation 17, Amdt. 1 to  
Supplementary Regulation 4]

CPR 17—GASOLINES, NAPHTHAS, FUEL OILS  
AND LIQUEFIED PETROLEUM PRODUCTS,  
NATURAL GAS, PETROLEUM GAS, CASING-  
HEAD GAS, AND REFINERY GAS

SR 4—SALES OF CERTAIN PETROLEUM PROD-  
UCTS IN THE GREATER BOSTON AREA, IN-  
CLUSION OF CITY OF EVERETT, MASS.

Pursuant to the Defense Production Act of 1950, as amended, Executive Order 10161 (15 F. R. 6105), and Economic Stabilization Agency General Order No. 2 (16 F. R. 738), this Amendment 1 to Supplementary Regulation 4 to Ceiling Price Regulation 17 (16 F. R. 3033), is hereby issued.

STATEMENT OF CONSIDERATIONS

Section 2 (d) of Supplementary Regulation 4 defines the Greater Boston Area of Massachusetts by listing the Massachusetts cities and towns in whose corporate limits the supplementary regulation is applicable. Unintentionally the city of Everett was omitted from that list.

As the city of Everett was considered in the survey made by the Boston Regional Office of the Office of Price Stabilization, and included in the discussion at conferences held by the Boston Regional Office with the segments of the petroleum industry involved, no further industrial advisory committee conferences were held prior to the issuance of this amendment.

FINDINGS OF THE DIRECTOR OF PRICE  
STABILIZATION

In the judgment of the Director of Price Stabilization the specific ceiling prices established by Supplementary

Regulation 4 are generally fair and equitable when applied to the city of Everett and are necessary to effectuate the provisions of Title IV of the Defense Production Act of 1950, as amended.

AMENDATORY PROVISIONS

Supplementary Regulation 4 to Ceiling Price Regulation 17 is amended by including in section 2 (d) thereof between the words "Dover," and "Hingham" the following: Everett,

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

This amendment shall become effective January 12, 1952.

EDWARD F. PHELPS, Jr.,  
Acting Director,  
Office of Price Stabilization.

[F. R. Doc. 52-330; Filed, Jan. 7, 1952;  
11:10 a. m.]

[Ceiling Price Regulation 67, Amdt. 7]

CPR 67—RESELLERS' CEILING PRICES FOR  
MACHINERY AND RELATED MANUFACTURED  
GOODS

MARKUPS, REPORTS UNDER SECTION 5, AND  
MISCELLANEOUS AMENDMENTS

Pursuant to the Defense Production Act of 1950, as amended, Executive Order 10161 (15 F. R. 6105), and Economic Stabilization Agency General Order No. 2 (16 F. R. 738), this Amendment 7 to Ceiling Price Regulation 67 is hereby issued.

STATEMENT OF CONSIDERATIONS

Ceiling Price Regulation 67 provides in section 3 that a reseller of commodities under this section determines his ceiling prices by the use of the manufacturer's list prices, by deducting from this list price all discounts, allowances, etc., which he last realized during the period April 1 through June 24, 1950, or by applying to this list price the same percentage markup he last realized during the same period. Section 4 of CPR 67 provides that a reseller of commodities under this section determines his ceiling prices by applying the percentage markup he last realized during the period April 1 through June 24, 1950 to his delivered cost or net invoice cost, depending upon which cost he used during this period to determine his selling price.

Since the issuance of CPR 67 it has been brought to the attention of OPS that some resellers during the period April 1 through June 24, 1950, due to seasonal factors, or because of other reasons, used several different percentage markups or discounts in determining the selling price of the same commodity. As a result of this practice many resellers, during the period April 1 through June 24, 1950, last realized a percentage markup or discount which was not necessarily the markup or discount generally realized during the period established by the regulation. Accordingly, this amendment permits the reseller to determine his ceiling price by using the highest percentage markup or lowest discount, as the case may be, that he realized during the period April 1 through June 24,

1950, on sales to a purchaser of the same class.

Amendment 2 to CPR 67 added a new paragraph to section 5, "Commodities that cannot be priced under sections 3 and 4 of this regulation", which permits a reseller who is required to apply for a price under this section to continue to use his GCPR ceiling price or his ceiling price under SR 29 to the GCPR until the price proposed under section 5 of CPR 67 is approved, or if not specifically approved, until thirty days after the application is received by the OPS. When this amendment was issued, due to an oversight, reference to CPR 9, "Territories and Possessions" was omitted. CPR 9 generally supersedes the GCPR as to commodities not actually manufactured or produced in the particular territory or possession, and since CPR 67 applies to territories and possessions, the interim pricing provision added to section 5 of CPR 67 by Amendment 2 should have included ceiling prices established under CPR 9. Accordingly, this amendment adds CPR 9 to the interim pricing provision of section 5 of CPR 67.

This amendment also specifically provides that it does not apply to sales covered by CPR 7 (Retail Ceiling Prices for Consumer Goods), CPR 31 (Imports) or CPR 61 (Exports). This is in accordance with the original intent of the regulation.

This amendment adds accessories for supporting concrete reinforced bars and wire concrete reinforced mesh to the list of commodities covered by CPR 67 which are included in Appendix A. This action is taken because the pricing practices of resellers of these items are similar to those of resellers already covered by the regulation. Accordingly, the Statement of Considerations to CPR 67 is equally applicable to this amendment, insofar as the addition of these items is concerned.

This amendment in addition provides that sellers who cannot price under sections 3 or 4 of CPR 67 must secure approval of a price determining method which would apply to all subsequent sales and deliveries, instead of seeking the establishment of specific ceiling prices as originally provided in section 5. The purpose of the amendment is to authorize for new resellers the same type of pricing method as the regulation provides for sellers in business during the base period. It will also ease the administrative burden upon business and the Office of Price Stabilization.

The amendment also eliminates the requirement that wholesalers seeking approval of a ceiling price under section 5 must file their report with the National Office of the Office of Price Stabilization. Hereafter, all reports will be filed with the proper District Office of the Office of Price Stabilization.

It has been determined that section 5 as originally written imposes a hardship on resellers who may be required to file reports with two offices and obtain two authorizations. In addition, the amendment removes an unnecessary load from the National Office.

This amendment also corrects section 9 relating to petitions for amendment, making it clear that such petitions may

be filed in accordance with provisions of Price Procedural Regulation No. 1, Revised.

The wide coverage of this amendment has made it impracticable to consult in detail with representatives of all the industries affected. However, many individual views expressed informally to this Office have requested action in the nature of this amendment.

#### AMENDATORY PROVISIONS

Ceiling Price Regulation 67 is amended as follows:

1. Section 1 (a) is amended to read as follows:

**SECTION 1. What this regulation does.** (a) This regulation establishes resellers' ceiling prices for those commodities which are listed in Appendix A of this regulation. Where you customarily determine your selling prices on the basis of the manufacturer's published list price, you determine your ceiling price by deducting from the manufacturer's published list price the lowest discount, if any, you had in effect to a purchaser of the same class during the period April 1 through June 24, 1950, or by adding to the manufacturer's published list price the highest percentage markup you had in effect to a purchaser of the same class during the same period. In all other cases, you apply the highest percentage markup you realized during the period April 1 through June 24, 1950, to your cost of the commodity. Of course, the cost you use must not exceed the ceiling price for sale of the commodity to you. If you cannot determine your ceiling price by either of these methods, you must apply to the Office of Price Stabilization for a ceiling price determining method.

2. Section 2 is amended to read as follows:

**SEC. 2. Sellers and sales covered by this regulation.** This regulation covers you if you are a reseller located in the United States, its territories or possessions, or the District of Columbia. It applies to any sale of any new and unused commodity listed in Appendix A as to which you are a reseller. An explanation of what is meant by "reseller" is found in section 17 (*Definitions*). The General Ceiling Price Regulation, including Supplementary Regulation 29 to the General Ceiling Price Regulation, and Ceiling Price Regulation 9 are superseded by this regulation as to sales covered by this regulation. This regulation does not apply to sales for which ceiling prices are established by CPR 7 (Retail Ceiling Prices for Consumers Goods), CPR 31 (Imports) or CPR 61 (Exports). This regulation will not apply to sales for which ceiling prices are subsequently established by any other numbered regulation of the Office of Price Stabilization.

3. Section 3 (b) is amended to read as follows:

(b) **Ceiling price.** Your ceiling price for a commodity covered by this section shall be determined as follows: If your written records show that during the period April 1 through June 24, 1950, you sold the same commodity or a commodity of the same type, to a purchaser

of the same class, at the manufacturer's published list price, your ceiling price for the sale of that commodity, or a commodity of the same type, to a purchaser of the same class, is the manufacturer's published list price. If your written records show that during the period April 1 through June 24, 1950, you sold the same commodity, or a commodity of the same type, at a price determined by deducting discounts or other allowances from the manufacturer's published list price, you determine your ceiling price for the same commodity, or a commodity of the same type, by deducting from the manufacturer's published price the lowest discounts, allowances and any other deduction from the manufacturer's published list price which you realized (as shown by your written records), during the period April 1 through June 24, 1950, for the sale of the commodity, or a commodity of the same type, to a purchaser of the same class. If, during the period April 1 through June 24, 1950, you sold the commodity, or a commodity of the same type, at a price determined by applying a percentage markup to the manufacturer's published list price, you determine your ceiling price by applying to the manufacturer's published price the highest percentage markup which you realized (as shown by your written records) during the period April 1 through June 24, 1950, for the sale of the commodity, or a commodity of the same type, to a purchaser of the same class. An explanation of the terms "purchaser of the same class" and "commodity of the same type" is contained in section 17 (*Definitions*). Section 7 (*Terms and conditions of sale*) explains the manner in which additions, if any, may be made to those prices for credit charges, transportation costs, demonstration and training, service and handling charges, and telephone, telegraph, express, parcel post or air freight charges.

4. Section 4 (b) is amended to read as follows:

(b) **Percentage markup over net invoice cost.** If, during the period April 1 through June 24, 1950, you determined your selling price for the commodity (or commodity of the same type) by applying a percentage markup to net invoice cost, you shall use the first of the following, which is available, from your written records, with respect to the commodity you are pricing:

(1) The highest percentage markup over net invoice cost that you realized during the period April 1 through June 24, 1950, on a sale of the same commodity to a purchaser of the same class.

(2) The highest percentage markup over net invoice cost that you realized during the period April 1 through June 24, 1950, on a sale of the most comparable commodity of the same type to a purchaser of the same class.

(3) The highest percentage markup over net invoice cost that you realized during the period April 1 through June 24, 1950, on a sale of the same commodity to a purchaser of a different class, adjusted to reflect the differential between the two classes of purchasers

which you had in effect during the period April 1 through June 24, 1950, or if none, then the differential last in effect before April 1, 1950. If you are selling to an entirely new class of purchaser, you must determine your ceiling price under section 5 of this regulation for that class of purchaser.

(4) The highest percentage markup over net invoice cost that you realized during the period April 1 through June 24, 1950, on a sale of the most comparable commodity of the same type to a purchaser of a different class, adjusted to reflect the differential between the two classes of purchasers which you last had in effect during the period April 1 through June 24, 1950, or if none, then the differential you last had in effect before April 1, 1950. If you are selling to an entirely new class of purchaser you must determine your ceiling price under section 5 of this regulation for that class of purchaser.

5. Section 5 is amended to read as follows:

**SEC. 5. Commodities that cannot be priced under sections 3 or 4 of this regulation.** If you do not have written records of your sales or purchases during the period April 1 through June 24, 1950, or if you were not in business during that period, you cannot determine your ceiling price under sections 3 or 4 of this regulation. When you are unable to determine your ceiling price for any commodity under sections 3 or 4 because of these reasons or because of any other reason, you must request authorization in writing from the Director of Price Stabilization to use a price determining method which you will propose and the use of which will result in a price in line with ceiling prices otherwise established by this regulation. The method may be a method of establishing your ceiling prices that is similar to the methods described in sections 3 or 4; that is, you may propose to sell at prices in the manufacturer's published price list or you may propose that you will sell at a markup over either net invoice cost or delivered cost, or your proposed method may be a combination of the use of manufacturer's price list and a markup. In order to obtain this authorization by the Director of Price Stabilization, you must file a report, by registered mail, with the Office of Price Stabilization before you sell, offer to sell, or deliver the commodity. This report must be filed with the District Office of the Office of Price Stabilization servicing your area. The report shall state the following:

(a) A description of the commodity (or commodities) for which you seek a price determining method. This description shall include the manufacturer's name, type of commodity, model and serial number, if any, and any other specifications commonly shown in price sheets for similar commodities. The enclosure of the manufacturer's price sheets will satisfy this requirement.

(b) Your net invoice or delivered cost of the commodity (or commodities).

(c) The manufacturer's list price, if any, for the commodity (or commodities).

(d) Your proposed price determining method and the classes of purchasers-to which ceiling prices determined by this method are to apply.

(e) A statement of the basis on which your proposed price determining method or prices were determined.

(f) An explanation of the reasons why you cannot determine the ceiling price for the commodity (or commodities) under section 3 or 4 of this regulation.

After receipt of this report, the Office of Price Stabilization may approve the proposed price determining method, disapprove the proposed price determining method, establish a different price determining method by order, or request further information. If, thirty days after receipt of the required report by the Office of Price Stabilization, none of the actions just listed has been taken, you may use your proposed price determining method until such time as the Office of Price Stabilization shall notify you that this method has been disapproved.

The price determining method established in the manner just set forth shall be applicable to all subsequent sales and deliveries. However, if the Office of Price Stabilization determines that prices determined in accordance with this method are not in line with ceiling prices established by this regulation, it may disapprove this method at any time. This disapproval will not be retroactive as to any deliveries made before the date of such disapproval.

(g) *Interim pricing.* If you file the report required by this section for a commodity for which you cannot determine your ceiling price under sections 3 or 4 of this regulation, and if, prior to the effective date of this regulation, your ceiling price for this commodity was established under the General Ceiling Price Regulation, Supplementary Regulation 29 to the General Ceiling Price Regulation, or CPR 9, you may continue to use your GCPR, SR 29 to GCPR, or CPR 9 ceiling price until a date thirty days from the date of the receipt of the required report by the OPS or until the effective date of any order establishing your ceiling prices under the provisions of this section, whichever date is the earlier.

However, if you have not established a GCPR, SR 29 to GCPR, or CPR 9 ceiling price for the commodity you are pricing under this section, you may quote or charge your proposed price, prior to receipt of approval by the OPS of your proposed price, or prior to the expiration of the thirty day period, after receipt by the OPS of the required report (or of any verification of the facts stated in the report that may be requested), but until a ceiling price has been established under this section, not more than 75 percent of your proposed price may be paid or received.

6. Section 9 is amended to read as follows:

**SEC. 9. Petitions for amendment.** Any person seeking an amendment for any provision of this regulation may file a petition for amendment in accordance with the provisions of Price Procedural Regulation No. 1, Revised.

7. Appendix A is amended by adding the following items:

Accessories for supporting concrete reinforced bars. Wire concrete reinforced mesh.

*Effective date.* This amendment shall become effective January 12, 1952.

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

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

EDWARD F. PHELPS, JR.,  
Acting Director of Price Stabilization.

JANUARY 7, 1952.

[F. R. Doc. 52-332; Filed, Jan. 7, 1952;  
4:00 p. m.]

[General Ceiling Price Regulation, Amdt. 28]

#### GENERAL CEILING PRICE REGULATION

##### EXTENSION OF DATE FOR FILING OF REPORTS BY PRODUCER-OWNED COOPERATIVES

Pursuant to the Defense Production Act of 1950, as amended (Pub. Law 774, 81st Cong., Pub. Law 96, 82d Cong.), Executive Order 10161 (15 F. R. 738) and Economic Stabilization Agency General Order No. 2 (16 F. R. 738), this Amendment 28 to the General Ceiling Price Regulation is hereby issued.

##### STATEMENT OF CONSIDERATIONS

Producer-owned cooperative processors unable to calculate parity adjustments under the provisions of section 11 (b) (2) of the General Ceiling Price Regulation, as amended, because they do not customarily purchase listed agricultural commodities from unaffiliated producers are permitted by section 11 (b) (3) (iii) to increase their ceiling prices for these commodities only if the entire dollar-and-cent increase in total gross sales revenue derived from the increase in ceilings is "passed back" to producers within 30 days from the end of each normal accounting period.

It has been brought to the attention of the Director of the Office of Price Stabilization that practical considerations prevent some cooperative processors from complying with the pass-back provisions within the time allotted by the regulation. The number of producer-members, the variety of commodities handled and the quantities of each variety and grade of commodity obtained from each producer involve substantial administrative determinations which cannot, in some instances, be resolved within 30 days from the termination of the accounting period. Moreover, both statutory requirements and cooperative by-law provisions sometime impose additional burdens which effectively delay the payment of cooperative dividends beyond the 30 days allowed. Cooperative representatives have indicated that 120 days would provide a more realistic period and permit compliance by every cooperative.

This amendment to section 11 (b) (3) (iii) and (f) (3) of the General Ceiling Price Regulation therefore extends the period within which the pass-back of

increases in ceiling prices may be made by producer-owned cooperative processors to 120 days after the close of the pool or the end of the normal accounting period. The nature of this amendment rendered formal consultation with industry representatives, including trade association representatives, both unnecessary and impracticable. Consultation has, however, been had with, and consideration given to the recommendations of, members of the affected industries.

AMENDATORY PROVISIONS

The General Ceiling Price Regulation is amended in the following respects:

1. Section 11 (b) (3) (iii) is amended to read as follows:

(iii) If (a) you are a producer-owned cooperative processor, and (b) you cannot otherwise determine your ceiling price under paragraph (b) (2) of this section because you do not customarily purchase any amount of a listed agricultural commodity from independent producers wholly unaffiliated with you, you may increase your ceiling price (as determined under the other sections of this regulation) for products processed from such commodities if the entire dollar-and-cent increase in total gross sales revenue derived from that increase in your ceiling price is passed back to producer-members within 120 days after the close of the pool or the end of each normal accounting period. A "pool" is an arrangement whereby producers contribute quantities of a commodity which are disposed of and the proceeds are distributed to the producers in proportion to their contributions. The "close of the pool" is the date on which the disposal of all of the commodities in the pool has been completed. The amount so passed back must be in addition to the full amount you would normally have passed back to producers had you sold the processed product at the ceiling price determined under the other sections of this regulation.

2. The first paragraph of section 11 (f) (3) is amended to read as follows:

(3) If you are a cooperative-processor pricing under section 11 (b) (3) (iii), you may increase your ceiling price without first giving any notice, but must, within 120 days after the close of the pool or the end of each normal accounting period during which you increased your ceiling price, notify the Director of Price Stabilization, Washington 25, D. C., by registered mail giving the following information:

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

*Effective date.* This Amendment 28 shall become effective January 12, 1952.

*Note:* The reporting requirements of this amendment have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

EDWARD F. PHELPS, Jr.,  
Acting Director of Price Stabilization.

JANUARY 7, 1952.

[F. R. Doc. 52-331; Filed, Jan. 7, 1952; 11:10 a. m.]

[General Overriding Regulation 7, Amdt. 10]  
GOR 7—EXEMPTION OF CERTAIN FOOD AND RESTAURANT COMMODITIES

HONEY

Pursuant to the Defense Production Act of 1950, as amended (Pub. Law 774, 81st Cong., Pub. Law 96, 82d Cong.), Executive Order 10161 (15 F. R. 6105) and Economic Stabilization General Order No. 2 (16 F. R. 738), this Amendment to General Overriding Regulation 7 is hereby issued.

STATEMENT OF CONSIDERATIONS

This amendment to General Overriding Regulation 7 exempts sales of honey by packers from price control.

Only about 30 percent of the honey sold in the United States is processed by commercial packers and thus subject to price control at the packer level under Ceiling Price Regulation 22. Most of the honey sold by packers is sold by producer-packers. Since honey is currently selling at a price substantially below parity and is likely to continue to sell at this level in the future in view of the adequate supply of sugar now available, these sales are now and are likely to continue to be exempt from price control. Under these circumstances, enforcement of price controls on commercial packers presents substantial administrative difficulties.

Decontrol of sales of honey by packers will have put an insignificant effect on the cost of living, the cost of the defense effort, and the general current of business costs, and ceiling price restrictions at that level would involve an administrative and enforcement burden out of all proportion to the importance of keeping packer sales of honey under price control. In view of the nature of the exemption provided by this amendment there is no reason to believe that it will have any material effect on the general level of prices, or that it will affect the prices of other commodities through diversion of materials, labor or facilities.

In formulating this amendment, the Director of Price Stabilization has consulted with representatives of industry to the extent practicable, and has given full consideration to their recommendations. In his judgment the exemption provided by the accompanying amendment will in no way defeat or impair the price stabilization program or the objectives of the Defense Production Act of 1950, as amended.

AMENDATORY PROVISIONS

General Overriding Regulation 7 is amended by adding a new section to read as follows:

Sec. 11 *Honey.* No ceiling price regulation heretofore issued or which may hereafter be issued by the Office of Price Stabilization shall apply to sales of honey by packers thereof.

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

*Effective date.* This amendment is effective January 12, 1952.

EDWARD F. PHELPS, Jr.,  
Acting Director of Price Stabilization.

JANUARY 7, 1952.

[F. R. Doc. 52-329; Filed, Jan. 7, 1952; 11:10 a. m.]

Chapter VI—National Production Authority, Department of Commerce

[CMP Regulation No. 1, Amdt. 1 of Jan 5, 1952]

CMP REG. 1—BASIC RULES OF THE CONTROLLED MATERIALS PLAN

This amendment is found necessary and appropriate to promote the national defense and is issued pursuant to the Defense Production Act of 1950, as amended. In the formulation of this amendment, consultation with industry representatives has been rendered impracticable due to the need for immediate action and because the amendment affects many different industries.

This amendment affects CMP Regulation No. 1, as last amended November 23, 1951, by deleting paragraph (f) of section 20 and by substituting a new paragraph (f) which reads as follows:

(f) A controlled materials producer shall make shipment on each authorized controlled material order as close to the requested delivery date as is practicable. He may make shipment during the 15 days prior to the requested delivery month, but not before then, provided such shipment does not interfere with shipment on other authorized controlled material orders, and provided production to meet such shipment would not violate any production directive. If a producer, after accepting an order within the limits provided in this section, finds that, due to contingencies which he could not reasonably have foreseen, he is obliged to postpone the shipment date, he must promptly advise his customer of the approximate date when shipment can be scheduled, and keep his customer advised of any changes in that date. Shipment of any such carry-over order must be scheduled and made in preference to any order originally scheduled for such later date. When the new date for shipment on a carry-over order, originally scheduled for delivery in the fourth calendar quarter of 1951 or in any calendar quarter subsequent thereto, falls within a later quarter than that indicated on the original order, the producer must make shipment on the basis of the original order even if that order shows that the allotment was valid for a quarter earlier than the one in which shipment is actually made, and the customer is not required to charge his allotment for the quarter during which shipment on such carry-over order is actually made.

(Sec. 704, 64 Stat. 816, Pub. Law 96, 82d Cong.; 50 U. S. C. App. Sup. 2154)

This amendment shall take effect January 5, 1952.

NATIONAL PRODUCTION AUTHORITY,  
By JOHN B. OLVERSON,  
Recording Secretary.

[F. R. Doc. 52-256; Filed, Jan. 5, 1952; 11:26 a. m.]

[CMP Regulation No. 1, Amdt. 2 of January 5, 1952]

CMP REG. 1—BASIC RULES OF THE CONTROLLED MATERIALS PLAN

This amendment is found necessary and appropriate to promote the national

defense and is issued pursuant to the Defense Production Act of 1950, as amended. In the formulation of this amendment, consultation with industry representatives has been rendered impracticable due to the need for immediate action and because the amendment affects many different industries.

This amendment affects CMP Regulation No. 1, as last amended November 23, 1951, by deleting paragraph (c) of section 6 and by substituting a new paragraph (c) which reads as follows:

(c) A production schedule for each consumer producing a Class B product pursuant to an authorized program will be authorized by the appropriate Industry Division or Claimant Agency on such form as may be prescribed. Except as provided in paragraph (b) of section 9 of this regulation, a consumer who has received a production schedule for a Class B product which is authorized in terms of whatever amount can be made with a specific allotment or allotments, and which contains no limitation on the number of units which may be produced therewith, shall not put into production during the calendar quarter for which such schedule is authorized a quantity of controlled materials greater than the quantity allotted, unless the authorization for such schedule expressly states that production is authorized in whatever amount can be made with a specific allotment or allotments plus controlled materials properly contained in inventory.

(Sec. 704, 64 Stat. 816, Pub. Law 96, 82d Cong.; 50 U. S. C., App. Sup. 2154)

This amendment shall take effect January 5, 1952.

NATIONAL PRODUCTION AUTHORITY, 1

By JOHN B. OLVERSON, Recording Secretary.

[F. R. Doc. 52-257; Filed, Jan. 5, 1952; 11:26 a. m.]

[CMP Regulation No. 1, Direction 1, as Amended January 5, 1952]

CMP REG. 1—BASIC RULES OF THE CONTROLLED MATERIALS PLAN

DIR. 1—PROCEDURE FOR OBTAINING MINIMUM QUANTITIES OF MATERIALS BY PRODUCERS OF CLASS B PRODUCTS

This amended direction under CMP Regulation No. 1 is found necessary and appropriate to promote the national defense and is issued pursuant to the Defense Production Act of 1950, as amended. In the formulation of this direction as amended, consultation with industry representatives has been rendered impracticable due to the need for immediate action and because the direction affects many different industries.

This amendment affects Direction 1 to CMP Regulation No. 1 by amending section 2. As so amended CMP Regulation No. 1, Direction 1, reads as follows:

Sec.

1. What this direction does.
2. Persons affected by this direction.
3. Use of allotment symbol to obtain controlled materials.
4. Use of rating to obtain production materials other than controlled materials.
5. Certification.

**AUTHORITY:** Sections 1 to 5 issued under sec. 704, 64 Stat. 816, Pub. Law 96, 82d Cong.; 50 U. S. C. App. Sup. 2154. Interpret or apply sec. 101, 64 Stat. 799, Pub. Law 96, 82d Cong.; 50 U. S. C. App. Sup. 2071; sec. 101, E. O. 10161, Sept. 9, 1950, 15 F. R. 6105; 3 CFR, 1950 Supp.; sec. 2, E. O. 10200, Jan. 3, 1951, 16 F. R. 61; secs. 402, 405, E. O. 10281, Aug. 28, 1951, 16 F. R. 8789.

**SECTION 1. What this direction does.** This direction constitutes a determination by the National Production Authority that producers of Class B products may receive priority assistance under CMP without submitting applications on Form CMP-4B if their total requirements of controlled materials do not exceed a certain maximum. It also establishes a procedure whereby such producers may place authorized controlled material orders for such materials without obtaining an allotment. Such producers shall be subject to all CMP regulations and orders.

**SEC. 2. Persons affected by this direction.** (a) Notwithstanding the provisions of paragraph (b) of this section and regardless of the quantities of controlled materials which he used during the calendar year 1950, a producer of any Class B product which is listed in the Official CMP Class B Product List may obtain priority assistance without submitting an application on Form CMP-4B with respect to such product for any calendar quarter in which his total requirements for delivery from suppliers of each kind of controlled material (including controlled material for Class A product components) for the production of that product and all other products in the same product class do not exceed the amounts specified below:

Carbon steel (including wrought iron).....	5 tons.
Alloy steel (except stainless steel).....	½ ton.
Stainless steel.....	none.
Copper and copper-base alloy brass mill products, copper wire mill products, copper and copper-base alloy foundry products and powder.....	500 pounds.
Aluminum.....	500 pounds.

(b) A producer of any Class B product which is listed in the Official CMP Class B Product List may obtain priority assistance without submitting an application on Form CMP-4B with respect to such product for any calendar quarter, beginning with the second calendar quarter of 1952, in which his total requirements for delivery from suppliers of each kind of controlled material (including controlled material for Class A product components) for the production of that product and all other products in the same product class do not exceed the amounts specified below:

Carbon steel (including wrought iron).....	30 tons.
Alloy steel (except stainless steel).....	8 tons.
Stainless steel.....	1,500 pounds.
Copper and copper-base alloy brass mill products, copper wire mill products, copper and copper-base alloy foundry products and powder.....	3,000 pounds.
Aluminum.....	2,000 pounds.

*Provided, however,* That no such producer shall avail himself of the self-authorization procedure provided by this paragraph to obtain during any calendar quarter, beginning with the second calendar quarter of 1952, a quantity of any one of the above kinds of controlled material which exceeds his average quarterly use of such material in the manufacture of the same product and all other products in the same product class during the calendar year 1950. A producer of any Class B product who need not submit an application on Form CMP-4B pursuant to this section and who has received advance allotments for the second or succeeding calendar quarters of 1952 pursuant to application or applications previously submitted for production of such B product and others in the same product class, and has placed authorized controlled material orders pursuant to such allotments, must reduce such self-authorization quantities to the extent of orders so placed.

(c) A producer of any Class B product who need not submit an application on Form CMP-4B pursuant to this section shall be subject to all applicable regulations and orders of NPA. For example, he shall make allotments of controlled material to a person producing Class A product components for him in the manner prescribed by CMP Regulation No. 1.

(d) The term "product class" as used in this section means a Product Class Code as shown in the Official CMP Class B Product List.

**SEC. 3. Use of allotment symbol to obtain controlled materials.** Any producer of Class B products who, pursuant to this direction, may obtain priority assistance without filing a Form CMP-4B, is authorized to use the allotment symbol SU on delivery orders for controlled materials within the limits set forth in section 2 of this direction. An order so designated, when certified as provided in section 5 of this direction, shall constitute an authorized controlled material order. The quantity of such Class B products which may be produced with controlled materials obtained with the use of the allotment symbol SU plus controlled materials properly contained in inventory shall constitute an authorized production schedule for the purpose of all CMP regulations.

**SEC. 4. Use of rating to obtain production materials other than controlled materials.** Any producer of Class B products who, pursuant to this direction, may obtain priority assistance without filing a Form CMP-4B, is authorized to use the rating DO-SU on delivery orders for production materials as defined in CMP Regulation No. 3 in accordance with the provisions of that regulation.

**SEC. 5. Certification.** Every delivery order placed under the provisions hereof shall contain, in the case of an order for controlled materials, the certification required by section 19 of CMP Regulation No. 1, or, in the case of an order for production materials other than controlled materials, the certification required by section 6 of CMP Regulation No. 3.

This direction as amended shall take effect on January 5, 1952.

NATIONAL PRODUCTION AUTHORITY,

By JOHN B. OLVERSON, Recording Secretary.

[F. R. Doc. 52-255; Filed, Jan. 5, 1952; 11:25 a. m.]

[NPA Order M-2, Supplement 1—Revocation]

M-2—RUBBER

SUPP. 1—LIMITATIONS ON PRODUCTION OF RUBBER PRODUCTS

Supplement 1 to NPA Order M-2 (16 F. R. 1727), which contained certain rubber product manufacturing specifications and which was in effect superseded by the provisions of NPA Order M-2 as amended March 1, 1951, and as from time to time amended thereafter, is hereby revoked.

This revocation does not relieve any person of any obligation or liability incurred under Supplement 1 to NPA Order M-2 as originally issued, nor deprive any person of any rights received or accrued under that supplement prior to the time that its provisions were superseded.

Rubber product manufacturing specifications are presently contained in NPA Order M-2 as last amended December 14, 1951.

(Sec. 704, 64 Stat. 816, Pub. Law 96, 82d Cong.; 50 U. S. C. App. Sup. 2154)

This revocation shall take effect January 7, 1952.

NATIONAL PRODUCTION AUTHORITY,

By JOHN B. OLVERSON, Recording Secretary.

[F. R. Doc. 52-325; Filed, Jan. 7, 1952; 10:47 a. m.]

[NPA Order M-31, Amdt. 1 of January 7, 1952]

M-31—CHLORINE

This amendment to NPA Order M-31 is found necessary and appropriate to promote the national defense and is issued pursuant to the authority granted by section 101 of the Defense Production Act of 1950, as amended. In the formulation of this amendment there has been consultation with industry representatives, including trade association representatives, and consideration has been given to their recommendations.

With this amendment the codification of NPA Order M-31 as Part 37 of the Code of Federal Regulations is discontinued. For this reason, §§ 37.31 through 37.46 are redesignated as sections 1 through 16, respectively.

Paragraph (b) of section 6, section 7, and paragraph (a) of section 11, as redesignated, are hereby amended so that the provisions of these sections with respect to delivery are made effective for the calendar year 1952 instead of 1951. These amendments affect NPA Order M-31 in the following respects:

1. Paragraph (b) of section 6 is amended to read as follows:

(b) Every producer and distributor must accept and schedule for shipment

each month orders for public health chlorine which may be placed with him by consumers thereof who were supplied with chlorine by such producer or distributor during the year 1950: *Provided, however,* That the total amount of public health chlorine by weight required by this section to be delivered to each such consumer during 1952 need not exceed the total amount of chlorine delivered by the producer or distributor to such consumer during the year 1950. In any event, the amount of public health chlorine so required to be delivered in any month need not exceed 25 percent of such total amount delivered during the year 1950.

2. Section 7 is amended to read as follows:

SEC. 7. *Sources of supply of public health chlorine.* Consumers of public health chlorine shall place all orders therefor for delivery in 1952 with the producers or distributors from which they received their supplies of chlorine during the year 1950 unless they prefer and are able without the assistance of this order to purchase their chlorine needs elsewhere.

3. Paragraph (a) of section 11 is amended to read as follows:

(a) In all instances where consumers of public health chlorine purchase their supplies of chlorine for 1952 from a distributor as provided in section 6 of this order, any producer who supplied any such distributor with chlorine during 1950 must accept and schedule for shipment each month during 1952, orders of the distributor for chlorine in at least the quantity of public health chlorine which the distributor is required to deliver or has delivered to the consumer (his customer) unless that quantity is less than the smallest practicable delivery unit, in which event the quantity shall be such unit: *Provided, however,* That the total amount of chlorine required by this section to be delivered to the distributor need not exceed the total amount delivered to him by the producer in 1950. In any event, the amount of chlorine so required to be delivered to the distributor in any month need not exceed 25 percent of such total amount delivered during the year 1950.

(Sec. 704, 64 Stat. 816, Pub. Law 96, 82d Cong.; 50 U. S. C. App. Sup. 2154)

This amendment shall take effect January 7, 1952.

NATIONAL PRODUCTION AUTHORITY,

By JOHN B. OLVERSON, Recording Secretary.

[F. R. Doc. 52-326; Filed, Jan. 7, 1952; 10:47 a. m.]

Chapter XVIII—National Shipping Authority, Maritime Administration, Department of Commerce

[NSA Order 59 (DTC-2)]

DTC-2—MAXIMUM BROKERAGE COMMISSIONS APPLICABLE TO NATIONAL SHIPPING AUTHORITY VESSELS

Correction

In F. R. Doc. 51-15441, appearing at page 32 of the issue for Tuesday, January

1, 1952, the heading "[NSA Order 59 (DTC-2)]", as set forth above, was inadvertently omitted.

TITLE 33—NAVIGATION AND NAVIGABLE WATERS

Chapter I—Coast Guard, Department of the Treasury

Subchapter E—Navigation Requirements for the Great Lakes and St. Marys River [CGFR 51-62]

PART 92—ANCHORAGE AND NAVIGATION REQUIREMENTS; ST. MARY'S RIVER, MICHIGAN

REVISION OF PART

Correction

In F. R. Doc. 52-57, appearing at page 120 of the issue for Friday, January 4, 1952, the sections designated as §§ 92.1, 92.3, 92.5, 92.7, and 92.9 should read §§ 92.01, 92.03, 92.05, 92.07, and 92.09, respectively.

TITLE 43—PUBLIC LANDS: INTERIOR

Chapter I—Bureau of Land Management, Department of the Interior

Appendix—Public Land Orders

[Public Land Order 783]

IDAHO

WITHDRAWING PUBLIC LANDS FOR PROTECTION OF WATER SUPPLY FOR CITY OF SANDPOINT, IDAHO

By virtue of the authority vested in the President and pursuant to Executive Order No. 9337 of April 24, 1943, it is ordered as follows:

Subject to valid existing rights and to the provisions of existing withdrawals, the following-described public lands are hereby withdrawn from all forms of appropriation under the public-land laws, including the mining and mineral-leasing laws, and reserved under the jurisdiction of the Secretary of the Interior for the protection of the water supply for the City of Sandpoint, Idaho: *Provided,* That the timber resources on such lands shall be subject to disposal by the Bureau of Land Management, Department of the Interior, pursuant to applicable laws:

BOISE MERIDIAN

- T. 57 N., R. 2 W., Sec. 5, N½;
- Sec. 6, lots 1, 2, 3, 11, and E½SE¼.
- T. 58 N., R. 2 W., Sec. 20, N½NW¼;
- Sec. 22, NW¼NE¼;
- Sec. 23, W½SW¼ and SE¼SW¼;
- Sec. 30, lot 1, E½E½, NW¼NE¼, NE¼NW¼, and SE¼SW¼;
- Sec. 34, E½E½ and W½NE¼.
- T. 58 N., R. 3 W., Sec. 25, NE¼NW¼;
- Sec. 26, SE¼SE¼.

The areas described aggregate 1677.32 acres.

OSCAR L. CHAPMAN, Secretary of the Interior.

JANUARY 2, 1952.

[F. R. Doc. 52-150; Filed, Jan. 7, 1952; 8:45 a. m.]

## RULES AND REGULATIONS

[Public Land Order 784]

## ALASKA

## EXCLUDING CERTAIN TRACTS OF LAND FROM THE CHUGACH AND TONGASS NATIONAL FORESTS AND RESTORING THEM FOR PURCHASE AS HOMESITES

By virtue of the authority vested in the President by the act of June 4, 1897, 30 Stat. 11, 36 (16 U. S. C. 473), and pursuant to Executive Order No. 9337 of April 24, 1943, it is ordered as follows:

The following-described tracts of public land in Alaska, occupied as homesites, and identified by surveys of which plats and field notes are on file in the Bureau of Land Management, Washington, D. C., are hereby excluded from the Tongass and Chugach National Forests, Alaska, and restored, subject to valid existing rights, for purchase as homesites under section 10 of the act of May 14, 1898, as amended by the act of May 26, 1934, 48 Stat. 809 (48 U. S. C. 461):

## CHUGACH NATIONAL FOREST

U. S. Survey No. 2526, lot 9, 4.34 acres; latitude 60°29'49" N., longitude 149°49'30" W. (Homesite No. 63, Cooper Landing Group).

U. S. Survey No. 2526, lot 11, 3.98 acres; latitude 60°29'49" N., longitude 149°49'30" W. (Homesite No. 53, Copper Landing Group).

U. S. Survey No. 2526, lot 7, 4.99 acres; latitude 60°29'49" N., longitude 149°49'30" W. (Homesite No. 102, Cooper Landing Group).

U. S. Survey No. 2764, lot 4, 0.70 acre; latitude 60°33'18" N., longitude 145°44'56" W. (Homesite No. 118, Flemming Spit Group).

A tract of 4.80 acres on south side of Grant Creek at mouth, on shore of Lower Trail Lake, latitude 60°27' N., longitude 149°22' W. (Homesite No. 122).

## TONGASS NATIONAL FOREST

U. S. Survey No. 2386, lot H, 4.34 acres; latitude 58°21'49" N., longitude 134°37'07" W. (Homesite No. 553, Pederson Hill Group).

U. S. Survey 2806, lot 15, 4.23 acres; latitude 55°28'38" N., longitude 131°46'44" W. (Homesite No. 942, Clover Pass Group).

U. S. Survey No. 2909, lot 5, 0.21 acre; latitude 58°23' N., longitude 134°39' W. (Homesite No. 772, Triangle Group).

U. S. Survey No. 2912, lot 18, 3.80 acres; latitude 57°59' N., longitude 136°15' W. (Homesite No. 997, Lisianski Inlet Group).

U. S. Survey No. 3054, lot 33, 0.60 acre; latitude 58°23' N., longitude 134°45' W. (Homesite No. 1063, Point Lena Beach Group).

OSCAR L. CHAPMAN,  
Secretary of the Interior.

JANUARY 2, 1952.

[F. R. Doc. 52-152; Filed, Jan. 7, 1952;  
8:45 a. m.]

[Public Land Order 785]

## ALASKA

## EXCLUDING CERTAIN TRACTS OF LAND FROM THE CHUGACH AND TONGASS NATIONAL FORESTS AND RESTORING THEM FOR PURCHASE AS HOMESITES

By virtue of the authority vested in the President by the act of June 4, 1897, 30 Stat. 34, 36 (16 U. S. C. 473), and pursuant to Executive Order No. 9337 of April 24, 1943, it is ordered as follows:

The following-described tracts of public land in Alaska, occupied as homesites, and identified by surveys of which plats and field notes are on file in the Bureau of Land Management, Washington, D. C., are hereby excluded from the Chugach and Tongass National Forests, Alaska, and restored, subject to valid existing rights, for purchase as homesites under section 10 of the act of May 14, 1898, as amended by the act of May 26, 1934, 48 Stat. 809 (48 U. S. C. 461):

## CHUGACH NATIONAL FOREST

U. S. Survey No. 2526, lot 8, 4.60 acres; latitude 60°29'49" N., longitude 149°49'30" W. (Homesite No. 101, Cooper Landing Group).

## TONGASS NATIONAL FOREST

U. S. Survey No. 2553, lot C, 2.17 acres; latitude 55°28'09" N., longitude 131°46'44" W. (Homesite No. 359, Clover Pass Group).

U. S. Survey No. 2321, lot W, 4.80 acres; latitude 56°27'10" N., longitude 132°23' W.

(Homesite No. 628, Wrangell Highway, Section 1 Group).

U. S. Survey No. 2603, that part of lot 18 described as follows:

Beginning at corner No. 1, lot 18, thence N. 57°41' E., 4.00 chains;

S. 32°09' E., 4.00 chains;

S. 57°41' W., 4.00 chains to corner No. 4, lot 18;

N. 32°09' W., 4.00 chains paralleling North Tongass Highway, to point of beginning.

The tract described contains 1.60 acres.

U. S. Survey No. 2808, lot 7, 5.00 acres; latitude 55°28'38" N., longitude 131°46'44" W. (Homesite No. 860, Clover Pass Group).

U. S. Survey No. 3000, lot 18, 1.96 acres; latitude 56°23'30" N., longitude 132°21' W. (Homesite No. 998, Wrangell Highway, Section 2 Group).

U. S. Survey No. 2589, lot 12, 2.41 acres; latitude 56°23'38" N., longitude 132°21' W. (Homesite No. 910, Wrangell Highway, Section 2 Group).

U. S. Survey No. 2827, lot 17, 1.29 acres; latitude 56°21'27" N., longitude 133°36'38" W. (Homesite No. 949, Point Baker Group).

U. S. Survey No. 2404, lot 75, 0.96 acres; latitude 55°19'20" N., longitude 131°30' W. (Homesite No. 913, Herring Bay Group).

U. S. Survey No. 2828, lot 21, 0.49 acres; latitude 56°21'06" N., longitude 133°37'02" W. (Homesite No. 945, Point Baker Group).

U. S. Survey No. 2807, lot 18, 4.43 acres; latitude 55°28'22" N., longitude 131°47'12" W. (Homesite No. 934, Clover Pass Group).

On the east shore of Wrangell Narrows within the boundaries of lot 1, sec. 14, T. 60 S., R. 79 E., C. R. M., 4.43 acres; latitude 56°41'00" N., longitude 132°54'22" W. (Homesite No. 841).

On the south shore of Clover Passage, 4.90 acres; approximate latitude 55°31' N., longitude 131°43' W. (Homesite No. 364).

U. S. Survey No. 2829, lot 39, 1.13 acres; latitude 56°21'23" N., longitude 133°37'13" W. (Homesite No. 946, Point Baker Group).

U. S. Survey No. 2922, lot 23, 1.10 acres; latitude 56°23' N., longitude 132°21' W. (Homesite No. 1049, Wrangell Highway, Section 3 Group).

OSCAR L. CHAPMAN,  
Secretary of the Interior.

JANUARY 2, 1952.

[F. R. Doc. 52-153; Filed, Jan. 7, 1952;  
8:45 a. m.]

## PROPOSED RULE MAKING

## DEPARTMENT OF THE TREASURY

## Bureau of Internal Revenue

## [ 26 CFR Part 29 ]

[Regs. 111]

## INCOME TAX; TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1941

## TAXATION OF BUSINESS INCOME OF CERTAIN TAX-EXEMPT ORGANIZATIONS

Notice is hereby given pursuant to the Administrative Procedure Act, approved June 11, 1946, that the regulations set forth in tentative form below are proposed to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury. Prior to the final adoption of such regulations, consideration will be given to

any data, views, or arguments pertaining thereto which are submitted in writing in duplicate to the Commissioner of Internal Revenue, Washington 25, D. C., within the period of 30 days from the date of publication of this notice in the FEDERAL REGISTER. The proposed regulations are to be issued under the authority contained in section 62 of the Internal Revenue Code (53 Stat. 32; 26 U. S. C. 62).

[SEAL] JOHN B. DUNLAP,  
Commissioner of Internal Revenue.

In order to conform Regulations 111 (26 CFR, Part 29) to Part I of Title III of the Revenue Act of 1950 (Pub. Law 814, 81st Cong.), approved September 23, 1950, to section 201 (d) and (e) of the Excess Profits Tax Act of 1950 (Pub. Law 909, 81st Cong.), approved January

3, 1951, and to sections 121, 125, 339, 347, and 348 of the Revenue Act of 1951 (Pub. Law 183, 82d Cong.), approved October 20, 1951, such regulations are hereby amended as follows:

PARAGRAPH 1. Section 29.52-1, as amended by Treasury Decision 5458, approved June 15, 1945, is further amended by inserting immediately after the third sentence thereof the following: "For returns of certain corporations, otherwise exempt from tax under section 101 (1), (6), (7), or (14), which are subject to the tax imposed by section 421 (a) (1) upon their Supplement U net income for any taxable year beginning after December 31, 1950, see § 29.421-5. For returns of certain governmental colleges or universities and corporations wholly owned by such colleges or universities, which are subject to the tax imposed by section

421 (a) (1) upon their Supplement U net income for any taxable year beginning after December 31, 1951, see § 29.421-5."

PAR. 2. Section 29.54-1, as amended by Treasury Decision 5838, approved April 17, 1951, is further amended by striking the word "Every" at the beginning of the second sentence thereof, and by inserting in lieu of such word the following: "In addition to such permanent books and records as are required under the preceding sentence with respect to the tax imposed by Supplement U, every".

PAR. 3. Section 29.101-2, as amended by Treasury Decision 5838, is further amended by inserting at the end thereof the following:

(k) *Supplement U tax returns.* In addition to the foregoing requirements of this section, certain organizations otherwise exempt from tax under section 101 (1), (6), (7), or (14), that are subject to tax on Supplement U net income, are also required to file returns on Form 990-T for taxable years beginning after December 31, 1950. See § 29.421-5 for requirements with respect to such returns.

PAR. 4. Section 29.101 (1)-1 and § 29.101 (7)-1 are each amended by adding at the end thereof the following: "For taxable years beginning after December 31, 1950, organizations otherwise exempt from tax under this section are taxable upon their Supplement U net income. See sections 421 through 424, and the regulations thereunder."

PAR. 5. Section 29.101 (6)-1 is amended by striking paragraph (d) and inserting in lieu thereof the following:

(d) Since a corporation exempt under section 101 (6) must be organized and operated exclusively for one or more of the specified purposes, an organization organized or operated for the primary purpose of carrying on a trade or business for profit is not exempt thereunder. Thus, such an organization is not exempt under section 101 (6) even though it has certain religious purposes, its property is held in common, and its profits do not inure to the benefit of individual members of the organization. See section 101 (18) as to religious or apostolic associations or corporations. For taxable years beginning after December 31, 1950, organizations, including trusts, otherwise exempt from tax under this section (other than a church, or a convention or association of churches) are taxable on Supplement U net income. See sections 421 through 424, and the regulations thereunder.

PAR. 6. Paragraph (14) of section 101 is stricken from that portion of section 101 which is set forth immediately after § 29.101 (13)-1, and there is inserted immediately after § 29.101 (13)-1 the following:

[SEC. 101. EXEMPTIONS FROM TAX ON CORPORATIONS—AS AMENDED BY SEC. 217 (A), REV. ACT 1939; SECS. 137 (A), 165 (A), REV. ACT 1942.]

[The following organizations shall be exempt from taxation under this chapter—]

(14) Corporations organized for the exclusive purpose of holding title to property, collecting income therefrom, and turning

over the entire amount thereof, less expenses, to an organization which itself is exempt from the tax imposed by this chapter;

§ 29.101 (14)-1 *Corporations organized to hold title to property for exempt organizations.* (a) For taxable years beginning after December 31, 1950, an organization otherwise exempt from tax under section 101 (14) is taxable upon its Supplement U net income if the income is payable to an organization which is itself subject to the tax imposed by Supplement U or if the income is payable to a church or to a convention or association of churches. Since an organization to be exempt under section 101 (14) must not engage in any business other than that of holding title to property and collecting income therefrom, it cannot have unrelated business net income as defined in section 422 (a) other than Supplement U rental income described in section 423.

(b) An organization exempt under section 101 (14) cannot accumulate income and retain its exemption, but it must turn over the entire amount of such income, less expenses, to an organization which is itself exempt from tax under chapter 1 of the Internal Revenue Code.

PAR. 7. There is inserted immediately preceding § 29.117-1 the following:

SEC. 301. INCOME OF EDUCATIONAL, CHARITABLE, AND CERTAIN OTHER EXEMPT ORGANIZATIONS (REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

(c) *Technical amendments.* (2) Section 117 (c) (1) is hereby amended by inserting before "and 500" the following: "421,".

(3) Section 117 (c) (2) is hereby amended by inserting after "sections 11 and 12" the following: "(or, in the case of certain tax-exempt trusts, in lieu of the tax imposed by section 421)".

SEC. 303. EFFECTIVE DATE OF PART I (REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

The amendments made by this part (sections 301, 302, and 303 of the Revenue Act of 1950) shall be applicable only with respect to taxable years beginning after December 31, 1950.

PAR. 8. Section 29.117-3 is amended as follows:

(A) By inserting in paragraph (a) thereof immediately after "sections 11 and 12", in each place where those words appear, the following: "(or, in the case of certain tax-exempt trusts, the tax imposed by section 421)".

(B) By inserting in paragraph (b) thereof immediately before "and 500", in each place where that phrase appears, the following: "421,".

(C) By inserting immediately after the paragraph (b) thereof the following undesignated paragraph:

In applying section 117 (c) in the case of tax-exempt trusts or organizations subject to the tax imposed by section 421, the only amount which is taken into account as capital gain or loss is that which is taken into account in computing unrelated business net income under section 422. Under section 422, the only amount taken into account as capital gain or loss is that resulting from the application of section 117 (k) (1).

PAR. 9. Section 29.142-1, as amended by Treasury Decision 5687, approved February 16, 1949, is further amended by inserting at the end thereof the following:

(e) *Supplement U tax returns.* For returns on Form 990-T by certain trusts otherwise exempt from tax under section 101 (6), which trusts are subject to the tax imposed by section 421 (a) (2) upon Supplement U net income, see § 29.421-5.

PAR. 10 There is inserted immediately preceding § 29.143-1 the following:

SEC. 301. INCOME OF EDUCATIONAL, CHARITABLE AND CERTAIN OTHER EXEMPT ORGANIZATIONS (REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

(c) *Technical amendments.* (4) Section 143 is hereby amended by adding at the end thereof the following new subsection: "

(h) *Withholding on certain foreign tax-exempt organizations.* In the case of income of a foreign organization subject to the tax imposed by section 421 (a), the provisions of this section and section 144 shall apply to rents includible under section 422 in computing its unrelated business net income, but only to the extent and subject to such conditions as may be provided under regulations prescribed by the Secretary.

SEC. 303. EFFECTIVE DATE OF PART I (REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

The amendments made by this part [sections 301, 302, and 303 of the Revenue Act of 1950] shall be applicable only with respect to taxable years beginning after December 31, 1950.

PAR. 11. Section 29.143-1 (a), as amended by Treasury Decision 5709, approved June 27, 1949, is further amended by adding immediately after the sixth paragraph thereof the following undesignated paragraph:

The gross amount of rents paid under a Supplement U lease to an organization subject to the tax imposed by section 421 (a) with respect to rents includible under section 422 in computing unrelated business net income is subject to withholding.

PAR. 12. Section 29.144-1 is amended by adding immediately after paragraph (e) thereof the following undesignated paragraph:

For withholding in the case of rents under a Supplement U lease paid to a foreign corporation subject to the tax imposed by section 421 (a), see section 143 (h) and § 29.143-1 (a).

PAR. 13. Section 29.217-2, as amended by Treasury Decision 5687 and § 29.235-2 are each amended by inserting at the end thereof the following:

(c) *Supplement U tax.* For returns with respect to the tax imposed by section 421 (a) upon Supplement U net income for any taxable year beginning after December 31, 1950, see § 29.421-5.

PAR. 14. There is inserted immediately after § 29.220-1 the following:

SEC. 301. INCOME OF EDUCATIONAL, CHARITABLE, AND CERTAIN OTHER EXEMPT ORGANIZATIONS (REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

(c) *Technical amendments.*

(5) Supplement H is hereby amended by adding at the end thereof the following new section:

## SEC. 221. FOREIGN EDUCATIONAL, CHARITABLE AND CERTAIN OTHER EXEMPT ORGANIZATIONS.

For special provisions relating to foreign educational, charitable and other exempt trusts, see section 421 (d).

## SEC. 303. EFFECTIVE DATE OF PART I (REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

The amendments made by this part (sections 301, 302, and 303 of the Revenue Act of 1950) shall be applicable only with respect to taxable years beginning after December 31, 1950.

PAR. 15. There is inserted immediately after section 237, which section is set forth immediately after § 29.236-1, the following:

## SEC. 301. INCOME OF EDUCATIONAL, CHARITABLE, AND CERTAIN OTHER EXEMPT ORGANIZATIONS (REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

(c) *Technical amendments.*

(6) Supplement I is hereby amended by adding at the end thereof the following new section:

## SEC. 238. FOREIGN EDUCATIONAL, CHARITABLE AND CERTAIN OTHER EXEMPT ORGANIZATIONS.

For special provisions relating to foreign educational, charitable and certain other exempt organizations, see section 421 (d).

## SEC. 303. EFFECTIVE DATE OF PART I (REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

The amendments made by this part (sections 301, 302, and 303 of the Revenue Act of 1950) shall be applicable only with respect to taxable years beginning after December 31, 1950.

PAR. 16. The title of Supplement U, which title is set forth immediately after § 29.404-1, is amended to read as follows:

## Supplement U (TAXABLE YEARS BEGINNING BEFORE JANUARY 1, 1948—ABATEMENT OF TAX FOR MEMBERS OF ARMED FORCES ON DEATH).

PAR. 17. There is inserted immediately after § 29.421-1 the following:

## SEC. 301. INCOME OF EDUCATIONAL, CHARITABLE, AND CERTAIN OTHER EXEMPT ORGANIZATIONS (REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

(a) *Tax on certain types of income.* Supplement U of chapter 1 is hereby amended to read as follows:

## SUPPLEMENT U—TAXATION OF BUSINESS INCOME OF CERTAIN SECTION 101 ORGANIZATIONS

SEC. 421. IMPOSITION OF TAX (AS AMENDED BY SEC. 201 (d) AND (e) OF THE EXCESS PROFITS TAX ACT OF 1950, APPROVED JANUARY 3, 1951, AND AS AMENDED BY SECTION 121 (APPLICABLE TO TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1950, AND ENDING AFTER MARCH 31, 1951) AND SECTION 389 (APPLICABLE TO TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1951) OF THE REVENUE ACT OF 1951 (PUBLIC LAW 183, 82D CONG.), APPROVED OCTOBER 20, 1951).

(a) *In general.* There shall be levied, collected, and paid for each taxable year beginning after December 31, 1950—

(1) Upon the supplement U net income (as defined in subsection (c)) of every organization described in subsection (b) (1), a normal tax of 25 per centum of the supplement U net income, and a surtax of 20 per centum of the amount of the supplement U net income in excess of \$25,000; except that (A) in the case of taxable years beginning

before April 1, 1951, and ending after March 31, 1951, the normal tax shall be 28 $\frac{1}{4}$  per centum of the Supplement U net income, and (B) in the case of taxable years beginning after March 31, 1951, and before April 1, 1954, the normal tax shall be 30 per centum of the Supplement U net income.

(2) Upon the supplement U net income of every trust described in subsection (b) (2), a normal tax computed at the rate and in the manner provided in section 11 and a surtax computed at the rates and in the manner provided in section 12 (b). In making such computations for the purposes of this section, the term "the amount of the net income in excess of the credits against net income provided in section 25" as used in section 11 shall be read as "the amount of the supplement U net income" and the term "surtax net income" as used in section 12 (b) shall be read as "supplement U net income."

(b) *Organizations subject to tax.* (1) *Organizations taxable as corporations—*(A) *Organizations exempt under section 101 (1), (6), (7) and (14).* The taxes imposed by subsection (a) (1) shall apply in the case of any organization (other than a church, a convention or association of churches, or a trust described in paragraph (2)) which is exempt, except as provided in this supplement, from taxation under this chapter by reason of paragraph (1), (6), or (7) of section 101. Such taxes shall also apply in the case of a corporation described in section 101 (14) if the income is payable to an organization which itself is subject to the tax imposed by subsection (a) or to a church or to a convention or association of churches.

(B) *State colleges and universities.* The taxes imposed by subsection (a) (1) shall apply in the case of any college or university which is an agency or instrumentality of any government or any political subdivision thereof, or which is owned or operated by a government or any political subdivision thereof or by any agency or instrumentality of any one or more governments or political subdivisions. Such taxes shall also apply in the case of any corporation wholly owned by one or more such colleges or universities.

(2) *Trusts taxable at individual rates.* The taxes imposed by subsection (a) (2) shall apply in the case of any trust which is exempt, except as provided in this supplement, from taxation under this chapter by reason of paragraph (6) of section 101 and which, if it were not for such exemption, would be subject to the provisions of supplement E.

(c) *Definition of Supplement U net income.* The term "supplement U net income" of an organization means the amount by which its unrelated business net income (as defined in section 422) exceeds \$1,000.

(d) *Foreign organizations.* The supplement U net income of an organization described in subsection (b) (1) or (2) which is a foreign organization shall be its supplement U net income derived from sources within the United States determined in accordance with the rules of section 119 and sections 212, 213 (a), 231 (c) and (d), and 232 (a).

## SEC. 303. EFFECTIVE DATE OF PART I (REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

The amendments made by this part (sections 301, 302, and 303 of the Revenue Act of 1950) shall be applicable only with respect to taxable years beginning after December 31, 1950.

## SEC. 125. EFFECTIVE DATE (REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

The amendments made to sections 421 (a) (1) (A) and in § 29.421-4 (a) (1) are, for taxable years beginning after December 31, 1950, and ending after March 31, 1951, subject to:

## SEC. 339. TAXATION OF BUSINESS INCOME OF STATE COLLEGES AND UNIVERSITIES (REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

(c) *Effective date.* The amendments made by this section [which adds subparagraph (B) to section 421 (b) (1)] shall be applicable only with respect to taxable years beginning after December 31, 1951.

[Section 29.421-1, relating to abatement of tax for members of armed forces on death, is set forth above immediately preceding section 301 of the Revenue Act of 1950.]

§ 29.421-2 *Section 421 as applicable to taxable years beginning before 1948 and as applicable to taxable years beginning after 1950.* The provisions of Supplement U, and section 421 of such Supplement, for taxable years beginning before January 1, 1948, are entirely different from those applicable for taxable years beginning after December 31, 1950. For certain taxable years beginning before 1948, Supplement U and section 421 relate to the abatement of tax for members of the armed forces on death. For taxable years beginning after 1950, Supplement U and section 421 relate to the imposition of tax upon income of certain otherwise tax-exempt organizations. In order to avoid confusion as to the regulations applicable under these two different provisions of Supplement U and section 421, the regulations under Supplement U and section 421 applicable for taxable years beginning before 1948 (that is, the regulations relating to the abatement of tax for members of the armed forces on death) are contained in § 29.421-1, and the regulations under Supplement U and section 421 for taxable years beginning after 1950 (that is, the regulations relating to the imposition of tax on the income of certain otherwise tax-exempt organizations) are set forth in § 29.421-3 and the sections of the regulations immediately following such section.

§ 29.421-3 *Imposition of tax—(a). Rates of tax.* Section 421 (a) imposes a tax, applicable only with respect to taxable years beginning after December 31, 1950, upon the Supplement U net income of certain organizations otherwise exempt from Federal income tax by reason of section 101 (1), (6), (7), or (14). Effective only with respect to taxable years beginning after December 31, 1951, the taxes imposed by section 421 (a) shall also apply in the case of any college or university which is an agency or instrumentality of any government or any political subdivision thereof, or which is owned or operated by a government or any political subdivision thereof or by any agency or instrumentality of any one or more governments or political subdivisions, and to any corporation wholly owned by one or more such colleges or universities. Under section 421 (a) (1), organizations described in section 421 (b) (1) (A) and in § 29.421-4 (a) (1) are, for taxable years beginning after December 31, 1950, and organizations described in section 421 (b) (1) (B) and in § 29.421-4 (a) (2) are, for taxable years beginning after December 31, 1951, subject to:

(1) A normal tax of 25 percent on their Supplement U net income, except that (i) in the case of taxable years beginning before April 1, 1951, and ending after March 31, 1951, the normal tax shall be 28½ percent of the Supplement U net income, and (ii) in the case of taxable years beginning after March 31, 1951, and before April 1, 1954, the normal tax shall be 30 percent of the Supplement U net income, and

(2) A surtax of 22 percent on the amount of such income in excess of \$25,000.

Under section 421 (a) (2), trusts described in section 421 (b) (2) and § 29.421-4 (b) are, for taxable years beginning after December 31, 1950, subject to tax at the individual rates prescribed in sections 11 and 12 (b). For the purpose of computing the tax imposed by section 11 and section 12 (b), the term "the amount of the net income in excess of the credits against net income provided in section 25", as used in section 11 and the term "surtax net income" as used in section 12 (b) shall each be read as "Supplement U net income". The credit of \$100 against net income provided in section 163 (a) (1) in the case of a trust taxable under Supplement E is not allowed as a credit against Supplement U net income.

(b) *Definition of Supplement U net income.* The term "Supplement U net income" means the amount by which the unrelated business net income (as defined in section 422) of an organization exceeds \$1,000.

§ 29.421-4 *Organizations subject to tax.* (a) (1) The taxes imposed by section 421 (a) (1) apply in the case of any organization (other than a church, a convention or association of churches, or a trust described in section 421 (b) (2), and in (b) of this section) which is exempt, except as provided in Supplement U, from taxation under chapter 1 by reason of paragraph (1), (6), or (7) of section 101. A corporation exempt from taxation under section 101 (14), holding property for an organization which itself is subject to the tax or for a church or a convention or association of churches, is also subject to the Supplement U tax under section 421 (a) (1).

(2) The taxes imposed by section 421 (a) (1) apply in the case of any college or university which is an agency or instrumentality of any government or any political subdivision thereof, or which is owned or operated by a government or any political subdivision thereof or by any agency or instrumentality of any one or more governments or political subdivisions. Such taxes also apply in the case of any corporation wholly owned by one or more such colleges or universities. As here used, the word "government" includes any foreign government (to the extent not contrary to any treaty obligation of the United States) and all domestic governments (the United States and any of its Territories or possessions, any State, and the District of Columbia). Elementary and secondary schools operated by such governments are not subject to the Supplement U tax.

(3) Churches and associations or conventions of churches are exempt from

the Supplement U tax, but such tax is applicable to the Supplement U net income of other religious organizations, including religious orders, and to the Supplement U net income of organizations which are organized or operated under church auspices. For example, a university exempt from tax under section 101 (6) is subject to the Supplement U tax whether or not it is organized or operated by a church.

(b) The taxes imposed by section 421 (a) (2) shall apply in the case of any trust which is exempt, except as provided in Supplement U, from taxation under chapter 1 by reason of paragraph (6) of section 101 and which, if it were not for such exemption under section 101 (6), would be subject to the provisions of Supplement E of such chapter.

§ 29.421-5 *Provisions generally applicable to Supplement U tax.*—(a) *Assessment and collections.* Since the taxes imposed by section 421 are taxes imposed by chapter 1 of the Internal Revenue Code, all provisions of law and of these regulations applicable to the taxes imposed by chapter 1 are applicable to the assessment and collection of the taxes imposed by section 421. See paragraph (b) of this section for the requirement as to the filing of returns. Organizations subject to the tax imposed by section 421 (a) (1) are subject to the same provisions, including penalties, as are provided in the case of the income tax of other corporations. In the case of a trust subject to the tax imposed by section 421 (a) (2), the fiduciaries for such trust are subject to the same provisions, including penalties, as are applicable to fiduciaries in the case of the income tax of other trusts. See sections 52, 53, 56, and 142, and the regulations prescribed thereunder, with respect to provisions applicable to returns and payment of tax.

(b) *Returns.* The return of Supplement U tax shall be on Form 990-T. The return shall be filed for each taxable year beginning after December 31, 1950, by every organization, otherwise exempt from tax under section 101 (1), (6), (7), or (14) and subject to the Supplement U tax, which has gross income, included in computing unrelated business net income for such taxable year, of \$1,000 or more. A return shall also be filed for each taxable year beginning after December 31, 1951, by every governmental college or university and by every corporation wholly owned by such a college or university, which is subject to the Supplement U tax and which has gross income, included in computing unrelated business net income for such taxable year, of \$1,000 or more. The filing of Form 990-T does not relieve the organization of the duty of filing other returns required under chapter 1 of the Internal Revenue Code.

(c) *Taxable years, method of accounting, etc.* The taxable year (fiscal year or calendar year, as the case may be) of an organization shall be determined without regard to the fact that such organization may have been exempt from tax during any prior period. See sections 41 and 48, and the regulations thereunder. Similarly, in computing un-

related business net income, the determination of the taxable year for which an item of income or expense is taken into account shall be made under the provisions of sections 41, 42, and 43, and the regulations thereunder, whether or not the item arose during a taxable year beginning before, on, or after December 31, 1950. If a method for treating bad debts was selected in a return of income (other than an information return) for a previous taxable year, the taxpayer must follow such method in its returns under Supplement U, unless such method is changed in accordance with the provisions of § 29.23 (k)-1. A taxpayer which has not previously selected a method for treating bad debts may, in its first return under Supplement U, exercise the option granted in § 29.23 (k)-1.

(d) *Foreign tax credit.* See section 424 for provisions applicable to the credit for foreign taxes provided in section 131.

SEC. 301. INCOME OF EDUCATIONAL, CHARITABLE, AND CERTAIN OTHER EXEMPT ORGANIZATIONS (REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

(a) *Tax on certain types of income.* Supplement U of chapter 1 is hereby amended to read as follows:

SEC. 422. UNRELATED BUSINESS NET INCOME [AS AMENDED BY SECTION 347 (APPLICABLE TO TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1950, AND PRIOR TO JANUARY 1, 1953) AND BY SECTION 348 (APPLICABLE TO TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1950, AND PRIOR TO JANUARY 1, 1954) OF THE REVENUE ACT OF 1951 (PUBLIC LAW 183, 82D CONGRESS) APPROVED OCTOBER 20, 1951].

(a) *Definition.* The term "unrelated business net income" means the gross income derived by any organization from any unrelated trade or business (as defined in subsection (b)) regularly carried on by it, less the deductions allowed by section 23 which are directly connected with the carrying on of such trade or business, subject to the following exceptions, additions, and limitations:

(1) There shall be excluded all dividends, interest, and annuities, and all deductions directly connected with such income.

(2) There shall be excluded all royalties (including overriding royalties) whether measured by production or by gross or net income from the property, and all deductions directly connected with such income.

(3) There shall be excluded all rents from real property (including personal property leased with the real property), and all deductions directly connected with such rents.

(4) Notwithstanding paragraph (3), in the case of a supplement U lease (as defined in section 423 (a)) there shall be included, as an item of gross income derived from an unrelated trade or business, the amount ascertained under section 423 (d) (1) and there shall be allowed, as a deduction, the amount ascertained under section 423 (d) (2).

(5) There shall be excluded all gains or losses from the sale, exchange, or other disposition of property other than (A) stock in trade or other property of a kind which would properly be includible in inventory if on hand at the close of the taxable year, or (B) property held primarily for sale to customers in the ordinary course of the trade or business. This paragraph shall not apply with respect to the cutting of timber which is considered, upon the application of section 117 (k) (1), as a sale or exchange of such timber.

(6) The net operating loss deduction provided in section 23 (s) shall be allowed, except that—

(A) The net operating loss for any taxable year, the amount of the net operating loss carry-back or carry-over to any taxable year, and the net operating loss deduction for any taxable year shall be determined under section 122 without taking into account any amount of income or deduction which is excluded under this supplement in computing the unrelated business net income; and

(B) The terms "preceding taxable year" and "preceding taxable years" as used in section 122 shall not include any taxable year for which the organization was not subject to the provisions of this supplement.

(7) There shall be excluded all income derived from research for (A) the United States, or any of its agencies or instrumentalities, or (B) any State or political subdivision thereof; and there shall be excluded all deductions directly connected with such income.

(8) (A) In the case of a college, university, or hospital, there shall be excluded all income derived from research performed for any person, and all deductions directly connected with such income.

(B) In the case of an organization operated primarily for the purposes of carrying on fundamental research the results of which are freely available to the general public, there shall be excluded all income derived from research performed for any person, and all deductions directly connected with such income.

(9) (A) In the case of any organization described in section 421 (b) (1), the so-called "charitable contribution" deduction allowed by section 23 (q) shall be allowed (whether or not directly connected with the carrying on of the trade or business), but shall not exceed 5 per centum of the unrelated business net income computed without the benefit of this subparagraph.

(B) In the case of any trust described in section 421 (b) (2), the so-called "charitable contribution" deduction allowed by section 23 (o) shall be allowed (whether or not directly connected with the carrying on of the trade or business), and for such purpose a distribution made by the trust to a beneficiary described in section 23 (o) shall be considered as a gift or contribution. The deduction allowed by this subparagraph shall not exceed 15 per centum of the unrelated business net income computed without the benefit of this subparagraph.

If a trade or business regularly carried on by a partnership of which an organization is a member is an unrelated trade or business with respect to such organization, such organization in computing its unrelated business net income shall, subject to the exceptions, additions, and limitations contained in paragraphs (1) through (9) above, include its share (whether or not distributed) of the gross income of the partnership from such unrelated trade or business and its share of the partnership deductions directly connected with such gross income. If the taxable year of the organization is different from that of the partnership, the amounts to be so included or deducted in computing the unrelated business net income shall be based upon the income and deductions of the partnership for any taxable year of the partnership (whether beginning on, before, or after January 1, 1951) ending within or with the taxable year of the organization. In the case of an organization described in section 3813 (a) (2) which is a member of a partnership all of whose members are organizations described in section 3813 (a) (2), if a trade or business regularly carried on by such partnership is an unrelated trade or business with respect to such organization, such organization shall, for taxable years beginning before January 1, 1954, be allowed a deduction in an amount equal to the portion of the gross income of such partnership from such unrelated trade or business

which such organization is required (by a provision of a written contract executed by such organization prior to January 1, 1950, which provision expressly deals with the disposition of the gross income of the partnership) to pay within the taxable year in discharge of indebtedness incurred by such organization in acquiring its share of such trade or business, or to irrevocably set aside within the taxable year for the discharge of such indebtedness (to the extent that such amount has been so paid or set aside) if (1) such partnership was formed prior to January 1, 1950, for the purpose of carrying on such trade or business, and (11) substantially all the assets used in carrying on such trade or business were acquired by it or by its members prior to such date. As used in the preceding sentence, the word "indebtedness" does not include indebtedness incurred after January 1, 1950.

(b) *Unrelated trade or business.* The term "unrelated trade or business" means, in the case of any organization subject to the tax imposed by section 421 (a), any trade or business the conduct of which is not substantially related (aside from the need of such organization for income or funds or the use it makes of the profits derived) to the exercise or performance by such organization of its charitable, educational, or other purpose or function constituting the basis for its exemption under section 101 (or, in the case of an organization described in section 421 (b) (1) (B), to the exercise or performance of any purpose or function described in section 101 (6), except that such term shall not include any trade or business—

(1) In which substantially all the work in carrying on such trade or business is performed for the organization without compensation; or

(2) Which is carried on, in the case of an organization described in section 101 (6) or in the case of a college or university described in section 421 (b) (1) (B), by the organization primarily for the convenience of its members, students, patients, officers, or employees; or

(3) Which is the selling of merchandise, substantially all of which has been received by the organization as gifts or contributions.

The term "unrelated trade or business" means, in the case of a trust computing its unrelated business net income under this section for the purposes of section 162 (g) (1), any trade or business regularly carried on by such trust or by a partnership of which it is a member. If a publishing business carried on by an organization during a taxable year beginning before January 1, 1953, is, without regard to this sentence, an unrelated trade or business, but before the beginning of the third succeeding taxable year the business is carried on by it (or by a successor who acquired such business in a liquidation which would constitute a tax-free exchange under section 112 (b) (6)) in such manner that the conduct thereof is substantially related to the exercise or performance by such organization (or such successor) of its educational or other purpose or function described in section 101 (6), such publishing business shall not be considered, for the taxable year, as an unrelated trade or business.

SEC. 303. EFFECTIVE DATE OF PART I (REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

The amendments made by this part (sections 301, 302, and 303 of the Revenue Act of 1950) shall be applicable only with respect to taxable years beginning after December 31, 1950.

SEC. 339. TAXATION OF BUSINESS INCOME OF STATE COLLEGES AND UNIVERSITIES (REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

(c) *Effective date.* The amendments made by this section [which adds to section 423 (b) the phrase: "(or, in the case of an organization described in section 421 (b) (1) (B), to the exercise or performance of any purpose or function described in section 101 (6))", and inserts in paragraph (2) thereof the phrase: "or in the case of a college or university described in section 421 (b) (1) (B)"] shall be applicable only with respect to taxable years beginning after December 31, 1951.

SEC. 347. PUBLISHING BUSINESS CARRIED ON BY TAX EXEMPT ORGANIZATIONS (REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

(b) *Effective date.* The amendment made by this section [which adds to section 423 (b) the sentence beginning: "If a publishing business carried on by an organization \* \* \*"] shall be applicable with respect to taxable years beginning after December 31, 1950, and prior to January 1, 1953.

SEC. 348. DEDUCTION WITH RESPECT TO CERTAIN UNRELATED BUSINESS NET INCOME (REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

(b) *Effective date.* The amendment made by this section [which adds to section 422 (a) the sentence beginning: "In the case of an organization described in section 3813 (a) (2) \* \* \* and the sentence following such sentence] shall be applicable with respect to taxable years beginning after December 31, 1950, and prior to January 1, 1954.

§ 29.422-1 *Definition of unrelated business net income—(a) General rule.* The unrelated business net income which is subject to the Supplement U tax is the gross income, derived by any organization to which Supplement U applies, from any unrelated trade or business regularly carried on by it, less the deductions allowed by section 23 of the Code which are directly connected with the carrying on of such trade or business, subject to certain exceptions, additions, and limitations referred to below. In the case of an organization which regularly carries on two or more unrelated businesses, its unrelated business net income is the aggregate of its gross income from all such unrelated businesses, less the aggregate of the deductions allowed with respect to all such unrelated businesses. For provisions generally applicable to the computation of unrelated business net income, see § 29.421-5, and for rules applicable to the determination of the adjusted basis of property, see § 29.423-3 (a).

(b) *Exceptions, additions, and limitations.* Whether a particular item of income falls within any of the exceptions, additions, and limitations provided in section 422 shall be determined by all the facts and circumstances of each case. The exceptions, additions, and limitations provided in section 422 are as follows:

(1) *Dividends, interest, and annuities.* All dividends, interest, and annuities, and the deductions directly connected therewith, shall be excluded in computing unrelated business net income.

(2) *Royalties.* Royalties, including overriding royalties, and all deductions directly connected with such income shall be excluded in computing unrelated business net income. Mineral royalties shall be excluded whether measured by production or by gross or net income from the mineral property. However, where

an organization owns a working interest in a mineral property, and is not relieved of its share of the development costs by the terms of any agreement with an operator, income received from such an interest shall not be excluded. In-oil payments shall be treated in the same manner as royalty payments for the purpose of computing unrelated business net income.

(3) *Rents.* (i) Rents from real property (including personal property leased with the real property) and the deductions directly connected therewith shall also be excluded in computing unrelated business net income, except that certain rents from, and certain deductions in connection with, a Supplement U lease (as defined in section 423 (a)) shall be included in computing unrelated business net income. See §§ 29.422-3 and 29.422-4.

(ii) Payments for the use or occupancy of rooms or other space where services are also rendered to the occupant, such as for the use or occupancy of rooms or other quarters in hotels, boarding houses, or apartment houses furnishing hotel services, or in tourist camps or tourist homes, or for the use or occupancy of space in parking lots, warehouses, or storage garages, do not constitute rentals from real estate. Generally, services are considered rendered to the occupant if they are primarily for his convenience and are other than those usually or customarily rendered in connection with the rental of rooms or other space for occupancy only. The supplying of maid service, for example, constitutes such service; whereas the furnishing of heat and light, the cleaning of public entrances, exits, stairways and lobbies, the collection of trash, etc., are not considered as services rendered to the occupant. Payments for the use or occupancy of entire private residences or living quarters in duplex or multiple housing units, of offices in an office building, etc., are generally rentals from real estate.

(4) *Gains and losses from the sale, etc., of property.* There shall also be excluded from the computation of unrelated business net income gains or losses from the sale, exchange, or other disposition of property other than (i) stock in trade or other property of a kind which would properly be included in the inventory of the organization if on hand at the close of the taxable year, or (ii) property held primarily for sale to customers in the ordinary course of the trade or business. This exclusion does not apply with respect to the cutting of timber which is considered, upon the application of section 117 (k) (1), as a sale or exchange of such timber. The exclusion under section 422 (a) (5) applies with respect to gains and losses from involuntary conversions, casualties, etc.

(5) *Net operating losses.* The net operating loss deduction provided in section 23 (s) shall be allowed in computing unrelated business net income. However, the net operating loss carry-back or carry-over (whether from a taxable year for which the taxpayer is not exempt from tax or from a taxable year for which it is subject to the provisions of Supplement U) shall be determined un-

der section 122 without taking into account any amount of income or deduction which is not included under Supplement U in computing unrelated business net income. For example, a loss attributable to an unrelated trade or business shall not be diminished by reason of the receipt of dividend income. For the purpose of computing the net operating loss deduction, the terms "preceding taxable year" and "preceding taxable years" as used in section 122 shall not include any taxable year for which the organization was not subject to the provisions of Supplement U. Thus, if the organization was not subject to the provisions of Supplement U for the immediately preceding taxable year, the net operating loss is not a carry-back to any preceding taxable year, and the net operating loss carry-over to succeeding taxable years is not reduced by the net income for any preceding taxable year. No net operating loss carry-back or carry-over shall be allowed from a taxable year for which the taxpayer is exempt from tax and is not subject to the provisions of Supplement U.

(6) *Research.* (i) Income derived from research for the United States or any of its agencies or instrumentalities or a State or political subdivision thereof, and all deductions directly connected with such income, shall be excluded in computing unrelated business net income.

(ii) In the case of a college, university, or hospital, all income derived from research performed for any person and all deductions directly connected with such income shall be excluded in computing unrelated business net income.

(iii) In the case of an organization operated primarily for the purpose of carrying on fundamental research (as distinguished from applied research) the results of which are freely available to the general public, all income derived from research performed for any person and all deductions directly connected with such income shall be excluded in computing unrelated business net income.

(iv) For the purpose of this section, the term "research" does not include activities of a type ordinarily carried on as an incident to commercial or industrial operations, for example, the ordinary testing or inspection of materials or products or the designing or construction of equipment, buildings, etc. The term "fundamental research" does not include research carried on for the primary purpose of commercial or industrial application.

(7) *Charitable, etc., contributions.* (i) In computing the unrelated business net income of a trust described in section 421 (b) (2) or of an organization described in section 421 (b) (1), there shall be deducted from gross income the amount allowed by section 23 (o) or 23 (q), whichever is applicable, whether or not the contribution is directly connected with the carrying on of the trade or business. This deduction shall be limited to 15 percent, if computed under section 23 (o), or 5 percent, if computed under section 23 (q), of the unrelated business net income computed without benefit of such deduction. In the case

of a trust described in section 421 (b) (2), distributions made pursuant to the trust instrument to a beneficiary described in section 23 (o) shall be treated in the same manner as gifts or contributions.

(ii) The contribution, whether made by a trust or other exempt organization, must be paid to another organization to be allowable. For example, a university exempt from tax under section 101 (6), operating an unrelated business, shall be allowed a deduction, not in excess of 5 percent of its unrelated business net income, for gifts or contributions to another university for educational work but shall not be allowed any deduction for amounts expended in administering its own educational program.

§ 29.422-2 *Organizations that are members of partnerships—(a) In general.* In the event an organization to which Supplement U applies is a member of a partnership regularly engaged in a trade or business which is an unrelated trade or business with respect to such organization, the organization shall include in computing its unrelated business net income so much of its share (whether or not distributed) of the partnership gross income as is derived from that unrelated business and its share of the deductions attributable thereto. For this purpose, both the gross income and the deductions shall be computed with the necessary adjustments for the exceptions, additions, and limitations referred to in section 422 (a) and in § 29.422-1. For example, if an exempt educational institution is a partner in a partnership which operates a factory and if such partnership also holds stock in a corporation, the exempt organization shall include in computing its unrelated business net income its share of the gross income from the operation of the factory, but not its share of any dividends received by the partnership from the corporation. If the taxable year of the organization differs from that of the partnership, the amounts included or deducted in computing unrelated business net income shall be based upon the income and deductions of the partnership for each taxable year of the partnership (whether beginning on, before, or after January 1, 1951) ending within or with the taxable year of the organization.

(b) *Special rule.* For a special rule, applicable only with respect to taxable years beginning after December 31, 1950, and prior to January 1, 1954, with respect to unrelated trades or businesses carried on in partnership by certain educational organizations, see section 422 (a).

§ 29.422-3 *Definition of unrelated trade or business—(a) In general.* (1) The term "unrelated business net income" as used in section 422 (a) includes only income from an unrelated trade or business regularly carried on. As used in section 422 (a), the term "trade or business" has the same meaning as it has in section 23 (a) (1).

(2) The income of an exempt organization is subject to the Supplement U tax only if two conditions are present with respect to such income. The first condition is that the income must be

from a trade or business which is regularly carried on by the organization. The second condition is that the trade or business must not be substantially related (aside from the need of the organization for income or funds or the use it makes of the profits derived) to the exercise or performance by such organization of its charitable, educational, or other purpose or function constituting the basis for its exemption under section 101, or, in the case of an organization described in section 421 (b) (1) (B) (governmental colleges, etc.), to the exercise or performance of any purpose or function described in section 101 (6). Whether or not an organization is subject to the Supplement U tax shall be determined by the application of these tests to the particular circumstances involved in each individual case. See paragraph (b) of this section for certain exceptions from the term "unrelated trade or business."

(3) A trade or business is regularly carried on when the activity is conducted with sufficient consistency to indicate a continuing purpose of the organization to derive some of its income from such activity. An activity may be regularly carried on even though its performance is infrequent or seasonal.

(4) Ordinarily, a trade or business is substantially related to the activities for which an organization is granted exemption if the principal purpose of such trade or business is to further (other than through the production of income) the purpose for which the organization is granted exemption. In the usual case the nature and size of the trade or business must be compared with the nature and extent of the activities for which the organization is granted exemption in order to determine whether the principal purposes of such trade or business is to further (other than through the production of income) the purpose for which the organization is granted exemption. For example, the operation of a wheat farm is substantially related to the exempt activity of an agricultural college if the wheat farm is operated as a part of the educational program of the college, and is not operated on a scale disproportionately large when compared with the educational program of the college. Similarly, a university radio station or press is considered a related trade or business if operated primarily as an integral part of the educational program of the university, but is considered an unrelated trade or business if operated in substantially the same manner as a commercial radio station or publishing house. A trade or business not otherwise related does not become substantially related to an organization's exempt purpose merely because incidental use is made of the trade or business in order to further the exempt purpose. For example, the manufacture and sale of a product by an exempt college would not become substantially related merely because students as part of their educational program perform clerical or bookkeeping functions in the business. In some cases, the business may be substantially related because it is a necessary part of the exempt activity. For example, in the case of an or-

ganization exempt under section 101 (6) and engaged in the rehabilitation of handicapped persons, the business of selling articles made by such persons as a part of their rehabilitation training would not be considered an unrelated business since such business is a necessary part of the rehabilitation program.

(b) *Exceptions.* Section 422 (b) specifically states that the term "unrelated trade or business" does not include:

(1) Any trade or business in which substantially all the work in carrying on such trade or business is performed for the organization without compensation; or

(2) Any trade or business carried on by an organization exempt under section 101 (6) or by a college or university described in section 421 (b) (1) (B), primarily for the convenience of its members, students, patients, officers, or employees; or

(3) Any trade or business which consists of selling merchandise, substantially all of which has been received by the organization as gifts or contributions. An example of the operation of the first of the exceptions mentioned above would be an exempt orphanage operating a retail store and selling to the general public, where substantially all the work in carrying on such business is performed for the organization by volunteers without compensation. An example of the second limitation would be a laundry operated by a college for the purpose of laundering dormitory linens and the clothing of students. The third exception applies to so-called "thrift shops" operated by a tax-exempt organization where those desiring to benefit such organization contribute old clothes, books, furniture, etc., to be sold to the general public with the proceeds going to the exempt organization.

(c) *Special rule respecting publishing businesses.* For a special rule, applicable only with respect to taxable years beginning after December 31, 1950, and prior to January 1, 1953, with respect to publishing businesses carried on by an organization, see section 422 (b).

SEC. 301. INCOME OF EDUCATIONAL, CHARITABLE, AND CERTAIN OTHER EXEMPT ORGANIZATIONS (REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

(a) *Tax on Certain Types of Income.* Supplement U of chapter 1 is hereby amended to read as follows:

SEC. 423. SUPPLEMENT U LEASE.

(a) *Definition of Supplement U Lease.* The term "supplement U lease" means a lease for a term of more than five years of real property by an organization (or by a partnership of which it is a member), if at the close of the lessor's taxable year there is a supplement U lease indebtedness (as defined in subsection (b)) with respect to such property. In computing the term of a lease which contains an option for renewal or extension, the term of such lease shall be considered as including any period for which such option may be exercised; and the term of any lease made pursuant to an exercise of such option shall include the period during which the prior lease was in effect. If real property is acquired subject to a lease, the term of such lease shall be considered to begin on the date of such acquisition. No lease shall be considered a supplement U lease if (A) such lease is entered into primarily for purposes which are substantially

related (aside from the need of such organization for income or funds or the use it makes of the rents derived) to the exercise or performance by such organization of its charitable, educational, or other purpose or function constituting the basis for its exemption under section 101, or (B) the lease is of premises in a building primarily designed for occupancy, and occupied, by the organization. If a lease for more than five years to a tenant is for only a portion of the real property, and space in the real property is rented during the taxable year under a lease for not more than five years to any other tenant of the organization, leases of the real property for more than five years shall be considered as supplement U leases during the taxable year only if—

(1) The rents derived from the real property during the taxable year under such leases represent 50 per centum or more of the total rents derived during the taxable year from the real property; or the area of the premises occupied under such leases represents, at any time during the taxable year, 50 per centum or more of the total area of the real property rented at such time; or

(2) The rent derived from the real property during the taxable year from any tenant under such a lease, or from a group of tenants (under such leases) who are (A) members of an affiliated group (as defined in section 141) or (B) partners, represents more than 10 per centum of the total rents derived during the taxable year from such property; or the area of the premises occupied by any one such tenant, or by any such group of tenants, represents at any time during the taxable year more than 10 per centum of the total area of the real property rented at such time.

(b) *Supplement U lease indebtedness.* The term "supplement U lease indebtedness" means, with respect to any real property leased for a term of more than five years, the unpaid amount of—

(1) The indebtedness incurred by the lessor in acquiring or improving such property;

(2) The indebtedness incurred prior to the acquisition or improvement of such property if such indebtedness would not have been incurred but for such acquisition or improvement; and

(3) The indebtedness incurred subsequent to the acquisition or improvement of such property if such indebtedness would not have been incurred but for such acquisition or improvement and the incurrence of such indebtedness was reasonably foreseeable at the time of such acquisition or improvement.

Where real property is acquired subject to a mortgage or other similar lien, the amount of the indebtedness secured by such mortgage or lien shall be considered (whether the acquisition was by gift, devise, or purchase) as an indebtedness of the lessor incurred in acquiring such property even though the lessor did not assume or agree to pay such indebtedness, except that where real property was acquired by gift, bequest, or devise prior to July 1, 1950, subject to a mortgage or other similar lien, the amount of such mortgage or other similar lien shall not be considered as an indebtedness of the lessor incurred in acquiring such property. Where real property was acquired by gift, bequest, or devise prior to July 1, 1950, subject to a lease requiring improvements in such property upon the happening of stated contingencies, indebtedness incurred in improving such property in accordance with the terms of such lease shall not be considered as an indebtedness for purposes of this subsection. In the case of a corporation described in section 101 (14), all of the stock of which was acquired prior to July 1, 1950, by an organization described in paragraph (1), (6), or (7) of section 101 (and more than one-third of such stock was acquired

by such organization by gift or bequest), any indebtedness incurred by such corporation prior to July 1, 1950, and any indebtedness incurred by such corporation on or after such date in improving real property in accordance with the terms of a lease entered into prior to such date, shall not be considered as an indebtedness with respect to such corporation or such organization for purposes of this subsection. In determining the amount of the Supplement U lease indebtedness where only a portion of the real property is subject to a supplement U lease, proper allocation to the premises covered by such lease shall be made of the indebtedness incurred by the lessor with respect to the real property.

(c) *Personal property leased with real property.* For the purposes of this section, the term "real property" and the term "premises" include personal property of the lessor leased by it to a lessee of its real estate if the lease of such personal property is made under, or in connection with, the lease of such real estate.

(d) *Treatment of Supplement U lease rents and deductions.* In computing under section 422-(a) the unrelated business net income for any taxable year—

(1) Percentage of rents taken into account.—There shall be included with respect to each supplement U lease, as an item of gross income derived from an unrelated trade or business, an amount which is the same percentage (but not in excess of 100 per centum) of the total rents derived during the taxable year under such lease as (A) the supplement U lease indebtedness, at the close of the taxable year, with respect to the premises covered by such lease is of (B) the adjusted basis, at the close of the taxable year, of such premises.

(2) Percentage of deductions taken into account.—There shall be allowed with respect to each supplement U lease, as a deduction to be taken into account in computing unrelated business net income, an amount which is the same percentage (but not in excess of 100 per centum) of the sum determined under paragraph (3) as the amount determined under clause (A) of paragraph (1), is of the amount determined under clause (B) of such paragraph.

(3) *Deductions allowable.*—The sum referred to in paragraph (2) is the sum of the following deductions allowable under section 23:

(A) Taxes and other expenses paid or accrued during the taxable year upon or with respect to the real property subject to the supplement U lease.

(B) Interest paid or accrued during the taxable year on the supplement U lease indebtedness.

(C) A reasonable allowance for exhaustion, wear and tear (including a reasonable allowance for obsolescence) of the real property subject to such lease.

Where only a portion of the real property is subject to the supplement U lease, there shall be taken into account under subparagraph (A), (B), or (C) only those amounts which are properly allocable to the premises covered by such lease.

SEC. 303. EFFECTIVE DATE OF PART I (REVENUE ACT OF 1950, APPROVED SEPTEMBER 23 1950).

The amendments made by this part (sections 301, 302, and 303 of the Revenue Act of 1950) shall be applicable only with respect to taxable years beginning after December 31, 1950. \* \* \*

§ 29.423-1 *Definition of Supplement U lease*—(a) *In general.* The term "Supplement U lease" means any lease, with certain exceptions discussed in (c) of this section, for a term of more than five years of real property by an organi-

zation subject to Supplement U (or by a partnership of which it is a member), if at the close of the organization's taxable year there is a Supplement U lease indebtedness as defined in section 423 (b) and § 29.423-2, with respect to such property. For the purpose of section 423, the term "real property" and the term "premises" include personal property of the lessor tax-exempt organization leased by it to a lessee of its real estate if the lease of such personal property is made under, or in connection with, the lease of such real estate. For amounts of Supplement U rents and deductions to be included in computing unrelated business net income, see § 29.423-3.

(b) *Special rules.* (1) In computing the term of the lease, the period for which a lease may be renewed or extended by reason of an option contained therein shall be considered as part of the term. For example, a 3-year lease with an option for renewal for another such period is considered a lease for a term of 6 years. Another example is the case of a 1-year lease with option of renewal for another such term, where the parties at the end of each year renew the arrangement. In this case, during the fifth year (but not during the first 4 years), the lease falls within the 5-year rule, since the lease then involves 5 years and there is an option for the sixth year. In determining the term of the lease, an option for renewal of the lease is taken into account whether or not the exercise of the option depends upon conditions or contingencies.

(2) If the property is acquired subject to a lease, the term of such lease shall be considered to begin on the date of such acquisition. For example, if an exempt organization purchases, in whole or in part with borrowed funds, real property subject to a 10-year lease which has 3 years left to run, and such lease contains no right of renewal or extension, the lease shall be considered a 3-year lease and hence does not meet the definition of a Supplement U lease in section 423 (a) and paragraph (a) of this section. However, if this lease contains an option to renew for a period of 3 years or more, it is a Supplement U lease.

(c) *Exceptions.* (1) A lease shall not be considered a Supplement U lease if such lease is entered into primarily for a purpose which is substantially related (aside from the need of such organization for income or funds, or the use it makes of the rents derived) to the exercise or performance by such organization of its charitable, educational, or other purpose or function constituting the basis for its exemption. For example, where a tax-exempt hospital leases real property owned by it to an association of doctors for use as a clinic, the rents derived under such lease would not be included in computing unrelated business net income if the clinic is substantially related to the carrying on of hospital functions. See § 29.422-3 for principles applicable in determining whether there is a substantial relationship to the exempt purposes of an organization.

(2) A lease is not a Supplement U lease if the lease is of premises in a building

primarily designed for occupancy and occupied by the tax-exempt organization.

(3) If a lease for more than 5 years to a tenant is for only a portion of the real property, and space in the real property is rented during the taxable year under a lease for not more than 5 years to any other tenant of the tax-exempt organization, leases of the real property for more than 5 years shall be considered as Supplement U leases during the taxable year only if:

(i) The rents derived from the real property during the taxable year under such leases represent 50 percent or more of the total rents derived during the taxable year from the real property; or the area of the premises occupied under such leases represents, at any time during the taxable year, 50 percent or more of the total area of the real property rented at such time; or

(ii) The rent derived from the real property during the taxable year from any tenant under such a lease, or from a group of tenants (under such leases) who are either members of an affiliated group (as defined in section 141) or are partners, represents more than 10 percent of the total rents derived during the taxable year from such property; or the area of the premises occupied by any one such tenant, or by any such group of tenants, represents at any time during the taxable year more than 10 percent of the total area of the real property rented at such time.

(4) The application of subparagraph (3) of this paragraph, may be illustrated by the following example: In 1951 an educational organization, which is on the calendar year basis, begins the erection of an 11-story apartment building using funds borrowed for that purpose, and immediately leases for a 10-year term the first floor to a real estate development company to sublet for stores and shops. As fast as the new apartments are completed, they are rented out on an annual basis. At the end of 1956, all except the tenth and eleventh floors are rented. Those two floors are completed during 1957 and rented out. Assume that for 1951 and each subsequent taxable year through 1956, and for the taxable year 1960, the gross rental for the first floor represents more than 10 percent of the total gross rents derived during the taxable year from the building. Under this set of facts the 10-year lease of the first floor would be considered to be a Supplement U lease for all except the taxable years 1958, 1959, and 1961.

§ 29.423-2 *Supplement U lease indebtedness*—(a) *Definition.* The term "Supplement U lease indebtedness" means, with respect to any real property leased by a tax-exempt organization for a term of more than 5 years, the unpaid amount of:

(1) The indebtedness incurred by the lessor tax-exempt organization in acquiring or improving such property;

(2) The indebtedness incurred by the lessor tax-exempt organization prior to the acquisition or improvement of such property if such indebtedness would not have been incurred but for such acquisition or improvement; and

(3) The indebtedness incurred by the lessor tax-exempt organization subsequent to the acquisition or improvement of such property if such indebtedness would not have been incurred but for such acquisition or improvement and the incurrence of the indebtedness was reasonably foreseeable at the time of such acquisition or improvement.

(b) *Examples.* The rules of paragraph (a) of this section, respecting Supplement U leases also cover certain cases where the leased property itself is not subject to an indebtedness. For example, they apply to cases such as the following:

*Example (1).* A university pledges some of its investment securities with a bank for a loan and uses the proceeds of such loan to purchase a building, which building is subject to a lease that then has more than 5 years to run. This would be an example of a Supplement U lease indebtedness incurred prior to the acquisition of the property which would not have been incurred but for such acquisition.

*Example (2).* If the building itself in example (1), above, is later mortgaged to raise funds to release the pledged securities, the lease would continue to be a Supplement U lease.

*Example (3).* If a scientific organization mortgages its laboratory building to replace working capital used in remodeling another one of its buildings, which other building is free of indebtedness and is subject to a lease that then has more than 5 years to run, the lease would be a Supplement U lease inasmuch as the indebtedness though incurred subsequent to the improvement of such property would not have been incurred but for such improvement, and the incurrence of the indebtedness was reasonably foreseeable when, to make such improvement, the organization reduced its working capital below the amount necessary to continue current operations.

(c) *Lease of part of property.* Where only a portion of the real property is subject to a Supplement U lease, proper allocation of the indebtedness applicable to the whole property must be made to the premises covered by the lease.

(d) *Property acquired subject to lien.* Where real property is acquired subject to a mortgage or similar lien, whether the acquisition be by gift, bequest, devise, or purchase, the amount of the indebtedness secured by such mortgage or lien is a Supplement U lease indebtedness (unless (e) (1) of this section applies) even though the lessor does not assume or agree to pay the indebtedness. For example, a university pays \$100,000 for real estate valued at \$300,000 and subject to a \$200,000 mortgage. For the purpose of the Supplement U tax, the result is the same as if \$200,000 of borrowed funds had been used to buy the property.

(e) *Exceptions.* (1) Where real property was acquired by gift, bequest, or devise, prior to July 1, 1950, subject to a mortgage or other similar lien, the amount of such mortgage or other similar lien shall not be considered as an indebtedness of the lessor tax-exempt organization incurred in acquiring such property.

(2) Where real property was acquired by gift, bequest, or devise, prior to July 1, 1950, subject to a lease requiring improvements in such property upon the happening of stated contingencies, in-

debtedness incurred in improving such property in accordance with the terms of such lease shall not be considered as indebtedness described in section 423 (b), and in this section.

(3) In the case of a corporation described in section 101 (14), all of the stock of which was acquired prior to July 1, 1950, by an organization described in paragraph (1), (6), or (7), of section 101 (and more than one-third of such stock was acquired by such organization by gift or bequest), any indebtedness incurred by such corporation prior to July 1, 1950, and any indebtedness incurred by such corporation on or after such date in improving real property in accordance with the terms of a lease entered into prior to such date, with respect to either such section 101 (14) corporation or such section 101 (1), (6), or (7) organization, shall not be considered an indebtedness described in section 423 (b) and in this section.

(f) *Subsidiary corporations.* The provisions of section 423 are applicable whether or not a subsidiary corporation of the type exempt under section 101 (14) is availed of in making the Supplement U lease. For example, assume a parent organization borrows funds to purchase realty and sets up a separate section 101 (14) corporation as a subsidiary to hold the property. Such subsidiary corporation leases the property for a period of more than 5 years, collects the rents and pays over all of the income, less expenses, to the parent organization, the parent organization being liable for the indebtedness. Under these assumed facts, the lease by the section 101 (14) subsidiary corporation would be a Supplement U lease with respect to such subsidiary corporation, and the rental income would be subject to the tax, whether or not the subsidiary itself assumes the indebtedness and whether or not the property is subject to the indebtedness.

§ 29.423-3 *Treatment of rent from Supplement U lease—(a) General rule.* There shall be included with respect to each Supplement U lease, as an item of gross income derived from an unrelated trade or business, an amount which is the same percentage (but not in excess of 100 percent) of the total rents derived during the taxable year under such lease as:

(1) The amount of the Supplement U lease indebtedness at the close of the taxable year of the lessor tax-exempt organization, with respect to the premises covered by such lease, is of

(2) The adjusted basis of such premises at the close of such taxable year.

The basis (unadjusted) of property is determined under section 113 (a), and the adjusted basis of property is determined under section 113 (b). The determination of the adjusted basis of property is not affected by the fact that the organization was exempt from tax for prior taxable years. Proper adjustment must be made under section 113 (b) for the entire period since the acquisition of the property. Thus, adjustment must be made for depreciation for all prior taxable years whether or not the organization was exempt from tax for any of such years. Similarly, for taxable years dur-

ing which the organization is subject to Supplement U, the fact that only a portion of the deduction for depreciation is taken into account under section 423 (d) does not affect the amount of the adjustment for depreciation.

(b) *Examples.* In each of the following examples it is assumed that the taxpayer makes its returns under Supplement U on the basis of the calendar year, and that the lease is not substantially related to the purpose for which the organization is granted exemption from tax.

*Example (1).* Assume that a tax-exempt educational organization purchased property in 1941 for \$600,000, using borrowed funds, and leased the building for a period of 20 years. Assume further that the adjusted basis of such building at the close of 1951 is \$500,000. If, at the close of 1951, \$200,000 of the indebtedness incurred to acquire the property remains outstanding, since this is two-fifths of the adjusted basis of the building at the close of 1951, two-fifths of the gross rental received from the building during 1951 shall be included as an item of gross income in computing unrelated business net income. If, at the close of a subsequent taxable year, the outstanding indebtedness is \$100,000 and the adjusted basis of the building is \$400,000, one-fourth of the gross rental for such taxable year shall be included as an item of gross income in computing unrelated business net income for such taxable year.

*Example (2).* Assume that a tax-exempt organization owns a 4-story building, that in 1951 it borrows \$100,000 which it uses to improve the whole building, and that it thereafter in 1951 rents the first floor of the building under a 6-year lease at a rental of \$4,000 a year. The second, third, and fourth floors of the building are leased on a yearly basis during 1951. Assume, also, that the adjusted basis of the real property at the end of 1951 (after reflecting the expenditures for improving the building) is \$200,000, allocable equally to each of the 4 stories. Under these facts, only one-fourth of the real property is subject to a Supplement U lease. The percentage of the rent under such lease which is taken into account is determined by the ratio which the allocable part of the Supplement U lease indebtedness bears to the allocable part of the adjusted basis of the real property, that is, the ratio which one-fourth of the \$100,000 of Supplement U lease indebtedness outstanding at the close of 1951, or \$25,000, bears to one-fourth of the adjusted basis of the Supplement U lease premises at the close of 1951, or \$50,000. The percentage of rent which is Supplement U lease income for 1951 is, therefore, one-half (the ratio of \$25,000 to \$50,000) of \$4,000, or \$2,000, and this amount of \$2,000 is considered an item of gross income derived from an unrelated trade or business.

§ 29.423-4 *Percentage of deductions taken into account.* (a) The same percentage is used in determining both the portion of the rent and the portion of the deductions taken into account with respect to the Supplement U lease in computing unrelated business net income. See § 29.423-3 for the determination of such percentage. Such percentage is applicable only to the sum of the following deductions allowable under section 23:

(1) Taxes and other expenses paid or accrued during the taxable year upon or with respect to the real property subject to the Supplement U lease;

(2) Interest paid or accrued during the taxable year on the Supplement U lease indebtedness;

(3) A reasonable allowance for exhaustion, wear and tear (including a reasonable allowance for obsolescence) of the real property subject to such lease.

Where only a portion of the real property is subject to the Supplement U lease, there shall be taken into account only those amounts of the above-listed deductions which are properly allocable to the premises covered by such lease.

(b) The deductions allowable under section 423 (d) and under paragraph (a) of this section with respect to a Supplement U lease are not limited by the amount included in gross income with respect to the rent from such lease, but any excess of such deductions over such gross income shall be applied against other items of gross income in computing unrelated business net income taxable under section 421 (a).

*Example.* Assume the same facts as those in example (1) of § 29.423-3 (b). Assume also that for 1951 the organization pays taxes of \$4,000 on the property, interest of \$6,000 on its Supplement U lease indebtedness, and that the depreciation allowable for 1951 under section 23 (1) is \$10,000. Under the facts set forth in example (1) of section 29.423-3 (b) and in the preceding sentence, the deductions to be taken into account for 1951 in computing unrelated business net income would be two-fifths of the total of the deductions of \$20,000, that is, \$8,000.

SEC. 301. INCOME OF EDUCATIONAL, CHARITABLE, AND CERTAIN OTHER EXEMPT ORGANIZATIONS (REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

(a) *Tax on Certain Types of Income.* Supplement U of chapter 1 is hereby amended to read as follows:

SEC. 424. TAXES OF FOREIGN COUNTRIES AND POSSESSIONS OF THE UNITED STATES

The amount of income, war-profits, and excess-profits taxes imposed by foreign countries or possessions of the United States shall be allowed as a credit against the tax of an organization subject to the tax imposed by section 421 (a) to the extent provided in section 131; and in the case of the tax imposed

by section 421 (a), the term "normal-tax net income" and the term "net income" as used in section 131 shall be read as "supplement U net income".

SEC. 303. EFFECTIVE DATE OF PART I (REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

The amendments made by this part [sections 301, 302, and 303 of the Revenue Act of 1950] shall be applicable only with respect to taxable years beginning after December 31, 1950.

[F. R. Doc. 52-162; Filed, Jan. 7, 1952; 8:47 a. m.]

DEPARTMENT OF AGRICULTURE

Production and Marketing Administration

17 CFR Part 952 I

[Docket No. AO-234]

HANDLING OF MILK IN PROVIDENCE, R. I., MARKETING AREA

DECISION WITH RESPECT TO PROPOSED MARKETING AGREEMENT AND PROPOSED ORDER

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.) and the applicable rules of practice and procedure, as amended, governing proceedings to formulate marketing agreements and marketing orders (7 CFR Part 900), a public hearing with respect to a proposed marketing agreement and a proposed order regulating the handling of milk in the Providence, Rhode Island marketing area was conducted at Attitash, Rhode Island, June 25-29, 1951, and at Providence, Rhode Island, July 2-3 and 5-6, 1951, pursuant to notice thereof which was issued on June 6, 1951 (16 F. R. 5345).

Upon the basis of the evidence introduced at the hearing and the record thereof, the Assistant Administrator, Production and Marketing Administration, on October 29, 1951, filed with the

Hearing Clerk, United States Department of Agriculture, his recommended decision and opportunity to file written exceptions thereto which was published in the FEDERAL REGISTER on November 1, 1951 (16 F. R. 11112).

Within the period reserved for exceptions, several producers' associations, handlers, and others filed exceptions to certain of the findings, conclusions and actions recommended by the Assistant Administrator.

The material issues, findings, conclusions, and rulings of the recommended decision appear to be justified on the basis of the hearing record and a review of the record in the light of exceptions taken by interested persons. However, the Production and Marketing Administration, United States Department of Agriculture, has been advised by one of the principal proponents of the order, a producer association which requested consideration of a marketing order to regulate the handling of milk in the Providence, Rhode Island marketing area, that such association is definitely opposed to a marketing order for the Providence marketing area at this time. In view of this substantial change in the material facts to be considered, it is concluded that no further action relative to the proposed marketing agreement and proposed order should be taken on the basis of the existing public hearing record. This decision to take no action on the basis of the hearing record does not preclude a reopening of this record for renewed consideration of the proposal to regulate the handling of milk in the Providence, Rhode Island marketing area.

[SEAL] CHARLES F. BRANNAN, Secretary of Agriculture.

JANUARY 3, 1952.

[F. R. Doc. 52-204; Filed, Jan. 7, 1952; 8:49 a. m.]

NOTICES

DEPARTMENT OF DEFENSE

Munitions Board

SECRETARY OF THE NAVY

DELEGATION OF AUTHORITY TO RESCHEDULE DELIVERY OF MATERIALS

Pursuant to delegation of authority from the Secretary of Defense, in accordance with Defense Production Act and NPA Delegation 1, Supplement 1, as amended September 11, 1951, there is hereby delegated to the Secretary of the Navy, authority:

(1) To reschedule deliveries of the materials which are required in support of the Department of Defense Ships Program (A-3): *Provided, however,* (a) That such authority shall be applicable to reschedule deliveries on orders rated or identified DO-A3 by or under the authority of the Department of the Navy, or upon request thereof, to reschedule deliveries on orders rated or identified DO-A3 by another department or ele-

ment of the Department of Defense or its associated agencies; and (b) that such rescheduling of deliveries requires no change in production schedules of the person making the deliveries;

(2) To redelegate this authority to that activity of the Department of the Navy which is to act as the central delivery rescheduling unit for the Ships Program in the Department of the Navy.

The exercise of this authority shall conform to the terms of the regulations and orders of the National Production Authority and to such priorities and allocations policy directives and procedures as may be issued by the Munitions Board to implement policies and procedures issued by the National Production Authority.

This delegation shall take effect this date.

J. D. SMALL, Chairman, Munitions Board.

NOVEMBER 15, 1951.

[F. R. Doc. 52-147; Filed, Jan. 7, 1952; 8:45 a. m.]

SECRETARY OF THE ARMY

DELEGATION OF AUTHORITY TO RESCHEDULE DELIVERY OF MATERIALS

Pursuant to delegation of authority from the Secretary of Defense, in accordance with Defense Production Act and NPA Delegation 1, Supplement 1, as amended September 11, 1951, there is hereby delegated to the Secretary of the Army, authority:

(1) To reschedule deliveries of the materials which are required in support of the Department of Defense Tank-Automotive Program (A-4): *Provided, however,* (a) That such authority shall be applicable to reschedule deliveries on orders rated or identified DO-A4 by or under the authority of the Department of the Army, or upon request thereof, to reschedule deliveries on orders rated or identified DO-A4 by another department or element of the Department of Defense or its associated agencies; and (b) that such rescheduling of deliveries requires no change in production schedules of the person making the deliveries;

## NOTICES

(2) To redelegate this authority to the Office of the Assistant Chief of Staff, G-4, that activity to act as the central delivery rescheduling unit for the Tank-Automotive Program in the Department of the Army.

The exercise of this authority shall conform to the terms of the regulations and orders of the National Production Authority and to such priorities and allocations policy directive and procedures as may be issued by the Munitions Board to implement policies and procedures issued by the National Production Authority.

This delegation shall take effect this date.

J. D. SMALL,  
Chairman, Munitions Board.

NOVEMBER 15, 1951.

[F. R. Doc. 52-148; Filed, Jan. 7, 1952;  
8:45 a. m.]

DIRECTOR, AIRCRAFT PRODUCTION  
RESOURCES AGENCY

DELEGATION OF AUTHORITY TO RESCHEDULE  
DELIVERY OF MATERIALS

Pursuant to delegation of authority from the Secretary of Defense, in accordance with Defense Production Act and NPA Delegation 1, Supplement 1, as amended September 11, 1951, there is hereby delegated to the Director, Aircraft Production Resources Agency, authority:

(1) To reschedule deliveries of the materials which are required in support of the Department of Defense Aircraft Program (A-1): *Provided, however*, (a) That such authority shall be applicable only to reschedule deliveries on orders rated DO-A1 by or under the authority of the Secretary of Defense; and (b) that such rescheduling of deliveries requires no change in production schedules of the person making the deliveries;

The exercise of this authority shall conform to the terms of the regulations and orders of the National Production Authority and to such priorities and allocations policy directives and procedures as may be issued by the Munitions Board to implement policies and procedures issued by the National Production Authority.

This delegation shall take effect this date, and supersedes Munitions Board delegation of authority No. 1, as amended, dated June 15, 1951.

J. D. SMALL,  
Chairman, Munitions Board.

NOVEMBER 15, 1951.

[F. R. Doc. 52-149; Filed, Jan. 7, 1952;  
8:45 a. m.]

DEPARTMENT OF THE INTERIOR

Geological Survey

SNAKE RIVER, OREGON

POWER SITE CLASSIFICATION NO. 421

Correction

In F. R. Doc. 51-14556, appearing at page 12404 of the issue for Saturday,

December 8, 1951, the fourth line in the second column on page 12404 should read: "Sec. 7, N $\frac{1}{2}$ NE $\frac{1}{4}$ , SW $\frac{1}{4}$ NE $\frac{1}{4}$ , N $\frac{1}{2}$ SE $\frac{1}{4}$ , and".

HAMMA HAMMA, DOSEWALLIPS, AND DUCK-  
ABUSH RIVERS, WASHINGTON

RIVER SITE CLASSIFICATION NO. 423

Correction

In F. R. Doc. 51-14578, appearing at page 12405 of the issue for Saturday, December 8, 1951, the eighth line in the second column on page 12405 should read "Sec. 14, N $\frac{1}{2}$ SW $\frac{1}{4}$ , SE $\frac{1}{4}$ SW $\frac{1}{4}$ , and SW $\frac{1}{4}$ ".

Office of the Secretary

[57159]

IDAHO

NOTICE FOR FILING OBJECTIONS TO ORDER  
WITHDRAWING PUBLIC LANDS FOR PRO-  
TECTION OF WATER SUPPLY FOR CITY OF  
SANDPOINT, IDAHO<sup>1</sup>

For a period of 30 days from the date of publication of the above entitled order, persons having cause to object to the terms thereof may present their objections to the Secretary of the Interior. Such objections should be in writing, should be addressed to the Secretary of the Interior, and should be filed in du-

JANUARY DOMESTIC PRICE LIST

Commodity and approximate quantity available. (subject to prior sale)	Domestic sales price
Dried whole eggs, 1950 pack (packed in barrels and drums) in carload lots only, 1,000,000 pounds.	\$1.03 per pound "in store" at location of stock in Illinois, Indiana, Iowa, Michigan, Ohio, Oklahoma, Kansas, Wisconsin, Missouri, Nebraska, and Minnesota ("in store" means in storage at warehouse, but with any prepaid storage and outhandling charges for the benefit of the buyer).
Nonfat dry milk solids, 1951 production, in carload lots only, 44,000,000 pounds.	Spray process—15 $\frac{1}{2}$ ¢ per pound "in store" at location of stock in any State ("in store" means at the processor's plant or in storage at warehouse, but with any prepaid storage and outhandling charges for the benefit of the buyer). (See note on Ceiling Price Certification on the last page of this price list.)
Linseed oil, raw, 212,000,000 pounds.	Market price on date of sale. (See note on Ceiling Price Certification on the last page of this price list.)
Dry edible beans	On all beans, for areas other than those shown below, adjust prices upward or downward by an amount equal to the price support program differential between areas. Where no price support differential occurs, the price listed will apply. For other grades of all beans, adjust by market differentials. Prices listed below, on all beans, are at point of production. Amount of paid-in freight to be added, as applicable.
Pinto, bagged, 1,220,000 hundredweight.	No. 1 Grade, 1948 <sup>1</sup> and 1949 crops: \$7.83 per 100 pounds, basis f. o. b. Denver rate area; \$7.48 per 100 pounds, basis f. o. b. Idaho area.
Pea, bagged, 400,000 hundredweight.	No. 1 Grade 1948 <sup>1</sup> , 1949 <sup>1</sup> , and 1950 crops: \$8.50 per 100 pounds, basis f. o. b. Michigan area.
Red kidney, bagged, 390,000 hundredweight.	No. 1 Grade 1948 <sup>1</sup> and 1949 <sup>1</sup> crops: \$9.09 per 100 pounds, basis f. o. b. New York area.
Great Northern, bagged, 1,075,000 hundredweight.	No. 1 Grade 1948 <sup>1</sup> and 1949 crops: \$7.83 per 100 pounds, basis f. o. b. Twin Falls, Idaho, area; \$8.25 per 100 pounds, basis f. o. b. Merrill, Nebr., area.
Baby lima, bagged, 590,000 hundredweight.	No. 1 Grade 1948 <sup>1</sup> and 1949 <sup>1</sup> crops: \$7.07 per 100 pounds, basis f. o. b. California area.
Cranberry beans, bagged, 44,000 hundredweight.	No. 1 Grade 1949 crops: \$9.30 per 100 pounds, basis f. o. b. Michigan area.
Austrian winter pea seed, bagged, 2,136,000 hundredweight.	\$4.50 per 100 pounds, basis f. o. b. point of production, plus paid-in freight, as applicable.
Blue Lupine seed, bagged, 1,141,000 hundredweight.	\$5 per 100 pounds, basis f. o. b. point of production; plus paid-in freight, as applicable.
Common and Willamette vetch seed, bagged, 130,300 hundredweight.	\$7 per 100 pounds, basis f. o. b. point of production; plus paid-in freight, as applicable.
Red clover seed (uncertified), bagged, 28,000 hundredweight.	\$38.01 per 100 pounds, basis f. o. b. point of production; plus paid-in freight, as applicable.
Wheat, bulk, 5,000,000 bushels.	This wheat is available only when premium wheat is required or where emergency situations exist. Basis in store, the market price but in no event less than the applicable 1951 loan rate for the class, grade, quality, and location, plus: (1) 23 cents per bushel if received by truck or, (2) 23 cents per bushel if received by rail or barge. Examples of minimum prices, per bushel: Kansas City, No. 1 HW, ex rail or barge, \$2.63; Minneapolis, No. 1 DNS, ex rail or barge \$2.70; Chicago, No. 1 RW, ex rail or barge, \$2.73. NOTE: No wheat will be for sale in the Portland, Oreg., area until further notice.

<sup>1</sup> These same lots also are available at export sales prices announced today.

<sup>2</sup> See F. R. Doc. 52-150, Title 43, Chapter I, Appendix, PLO 783, *supra*.

plicate in the Department of the Interior, Washington 25, D. C. In case any objection is filed and the nature of the opposition is such as to warrant it, a public hearing will be held at a convenient time and place, which will be announced, where opponents to the order may state their views and where the proponents of the order can explain its purpose, intent, and extent. Should any objection be filed, whether or not a hearing is held, notice of the determination by the Secretary as to whether the order should be rescinded, modified or let stand will be given to all interested parties of record and the general public.

OSCAR L. CHAPMAN,  
Secretary of the Interior.

JANUARY 2, 1952.

[F. R. Doc. 52-151; Filed, Jan. 7, 1952;  
8:45 a. m.]

DEPARTMENT OF AGRICULTURE

Commodity Credit Corporation

SALES OF CERTAIN COMMODITIES AT FIXED  
PRICES

JANUARY DOMESTIC AND EXPORT PRICE LISTS

Pursuant to the Pricing Policy of Commodity Credit Corporation issued March 22, 1950 (15 F. R. 1583), and subject to the conditions stated therein, the following commodities are available for sale in the quantities and at the prices stated:

JANUARY DOMESTIC PRICE LIST—Continued

Commodity and approximate quantity available (subject to prior sale)	Domestic sales price
Oats, bulk, 6,500,000 bushels	At points of production, basis in store, the market price but not less than the applicable 1951 county loan rate plus: (1) 13 cents per bushel if received by truck or (2) 12 cents per bushel, if received by rail or barge. At other points, the foregoing plus average paid-in freight. Examples of minimum prices per bushel: Chicago, No. 3 or better, ex rail or barge, 93 cents; Minneapolis, No. 3 or better, ex rail or barge, 92 cents.
Barley, bulk, 14,000,000 bushels	Basis in store, the market price but in no event less than the applicable 1951 loan rate for the class, grade, quality, and location, plus: (1) 19 cents per bushel if received by truck, or (2) 10 cents per bushel if received by rail or barge. Examples of minimum prices per bushel: Minneapolis, No. 1 barley, ex rail or barge, \$1.43; San Francisco, No. 1 western barley, ex rail or barge, \$1.53.
Corn, bulk, 50,000,000 bushels	At points of production, basis in store, the market price but not less than the applicable 1951 county loan rate for No. 3 yellow plus: (1) 13 cents per bushel, if received by truck, or (2) 15 cents per bushel, if received by rail or barge. At other locations, the foregoing plus average paid-in freight. Examples of minimum prices per bushel: Chicago, No. 3 yellow, \$1.09; St. Louis, No. 3 yellow, \$1.02; Minneapolis, No. 3 yellow, \$1.81; Omaha, No. 3 yellow, \$1.83; Kansas City, No. 3 yellow, \$1.83. For other classes, grades, and quality, market differentials will apply.
Flaxseed, bulk, 500,000 bushels	Market price on date of sale at place of delivery, provided delivery takes place within 15 days unless otherwise agreed upon.

**Ceiling Price Certification.** Any purchaser from COO of nonfat dry milk solids, or raw linseed oil, must be able and will be required to certify that the price paid to COO does not exceed the highest ceiling price he could pay any of his usual suppliers for the commodity in the quantity and at the place and season that delivery is made.

JANUARY EXPORT PRICE LIST

Commodity and approximate quantity available (subject to prior sale)	Export sales price
Dry edible beans	No. 1 Grade delivered on truck present location, on basis costs and freight paid to L. A. S. vessel at locations shown below.
Pinto, bagged, 1948 crop, 430,000 hundredweight. <sup>1</sup>	\$4.60 per 100 pounds, Portland, Oreg.; \$5 per 100 pounds, U. S. Gulf ports (see note below).
Pea, bagged, 1948 and 1949 crops, 395,000 hundredweight. <sup>1</sup>	For export to Western Hemisphere countries—\$3.50 per 100 pounds East Coast ports; for export to other than Western Hemisphere countries—\$5.00 per 100 pounds, East Coast ports.
Great Northern, bagged, 1948 crop, 397,000 hundredweight. <sup>1</sup>	\$6.60 per 100 pounds, Portland, Oreg.; (12,000 hundredweight only stored at The Dalles, Oreg.); \$6.00 per 100 pounds, U. S. Gulf ports (see note below).
Baby lima, bagged, 1948 and 1949 crops, 590,000 hundredweight. <sup>1</sup>	\$5 per 100 pounds, San Francisco Bay area.
Red kidney, bagged, 1948 and 1949 crops, 399,000 hundredweight. <sup>1</sup>	\$5.50 per 100 pounds, New York City.
Austrian winter pea seed, bagged, 2,136,000 hundredweight. <sup>1</sup>	Note: "U. S. Gulf ports" means ports with freight rates not greater than to New Orleans. Any excess freight will be for account of the buyer. Discounts for grades on all beans: No. 2, 25 cents less than No. 1; No. 3, 50 cents less than No. 1. Appropriate discounts will also be given for "off-color" beans. At COO's option, 1949 crop beans may be furnished in place of 1948 beans in instances where stocks of 1948 beans of the type and grade desired are exhausted. Market price on date of sale at place of delivery, provided delivery takes place within 15 days unless otherwise agreed upon.

<sup>1</sup> These same lots are available at domestic sales prices announced today.  
<sup>2</sup> **Ceiling Price Certification.** Any purchaser from COO of Red kidney beans or Great Northern beans for export, or of Pea beans for export to Western Hemisphere countries, must be able and will be required to certify that the price paid to COO does not exceed the highest ceiling price he could pay any of his usual suppliers for the commodity in the quantity and at the place and season that delivery is made.

(Pub. Law 439, 81st Cong.)

Issued: January 3, 1952.

[SEAL] **LIONEL C. HOLL,**  
Acting President,  
Commodity Credit Corporation.

[F. R. Doc. 52-195; Filed, Jan. 7, 1952;  
8:48 a. m.]

Municipal Airport—West Texas" to read "Abilene, Texas, Old Post Office Building—West Texas".

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

[SEAL] **F. B. LEE,**  
Acting Administrator of  
Civil Aeronautics.

[F. R. Doc. 52-164; Filed, Jan. 7, 1952;  
8:47 a. m.]

DEPARTMENT OF COMMERCE

Civil Aeronautics Administration

[Amdt. 3]

ORGANIZATION AND FUNCTIONS

RELOCATION OF AIRPORT DISTRICT OFFICE

In accordance with the public information requirements of the Administrative Procedure Act, the description of Organization and Functions of the Civil Aeronautics Administration is hereby amended. The purpose of this amendment is to relocate the Airport District Office serving West Texas.

Section 43 (g) (3) (ii), Region 4, is amended by changing "Big Spring, Tex.,

DEPARTMENT OF LABOR

Wage and Hour Division

LEARNER EMPLOYMENT CERTIFICATES

ISSUANCE TO VARIOUS INDUSTRIES

Notice is hereby given that pursuant to section 14 of the Fair Labor Standards Act of 1938, as amended (52 Stat. 1068, as amended; 29 U. S. C. and Sup. 214) and Part 522 of the regulations issued thereunder (29 CFR Part 522), special certificates authorizing the employment of learners at hourly wage rates lower

than the minimum wage rates applicable under section 6 of the act have been issued to the firms listed below. The employment of learners under these certificates is limited to the terms and conditions therein contained and is subject to the provisions of Part 522. The effective and expiration dates, occupations, wage rates, number or proportion of learners, and learning period for certificates issued under the general learner regulations (§§ 522.1 to 522.14) are as indicated below; conditions provided in certificates issued under special industry regulations are as established in these regulations.

Single Pants, Shirts and Allied Garments, Women's Apparel, Sportswear, Rainwear and Other Odd Outerwear, Robes and Leather and Sheep-Lined Garments Divisions of the Apparel Industry Learner Regulations (29 CFR 522.160 to 522.166, as amended September 25, 1950; 15 F. R. 5701; 6326).

Baron Blouse & Sportswear Co., 29 East Juniper Street, Hazleton, Pa., effective 12-19-51 to 12-18-52; 10 learners for normal labor turnover (ladies' blouses).

H. Bomze & Bro., Inc., Elmer, N. J., effective 12-21-51 to 12-20-52; 10 percent for normal labor turnover (ladies' dresses).

Calhoun Garment Co., Calhoun City, Miss., effective 12-18-51 to 12-17-52; 10 percent for normal labor turnover (boys' and students' semidress pants).

Cowdon Manufacturing Co., 800 West Main Street, Morehead Ky., effective 12-17-51 to 12-16-52; 10 percent for normal labor turnover (cotton work pants and shirts).

Feldt Manufacturing Co., 117-119 South Main Street, Temple Tex., effective 12-22-51 to 12-21-52; 10 learners for normal labor turnover (men's, ladies' and boys' western shirts).

Gateway Manufacturing Co., Masontown, Pa., effective 12-20-51 to 12-19-52; 10 learners for normal labor turnover (men's sport shirts).

Helena Garment Co., West Helena, Ark., effective 12-18-51 to 6-17-52; 100 learners for normal labor turnover (women's and juniors' wash dresses and blouses).

Charles W. Henson Garment Manufacturing Co., Inc., Lawrenceville, Ga., effective 12-18-51 to 12-17-52; 10 percent for normal labor turnover (work pants and shirts).

Hollywood Sportswear, 1901 First Street, San Fernando, Calif., effective 12-14-51 to 6-13-52; 10 learners for expansion purposes only (sport shirts).

F. Jacobson & Sons, Inc., Jay and River Streets, Troy, N. Y., effective 12-18-51 to 12-17-52; 10 percent for normal labor turnover (men's shirts and pajamas).

F. Jacobson & Sons, Inc., Salisbury, Md., effective 12-18-51 to 12-17-52; 10 percent for normal labor turnover (men's shirts).

F. Jacobson & Sons, Inc., 127 Arch Street, Albany, N. Y., effective 12-18-51 to 12-17-52; 10 percent for normal labor turnover (men's shirts and pajamas).

F. Jacobson & Sons, Inc., Smith and Cornell Streets, Kingston, N. Y., effective 12-18-51 to 12-17-52; 10 percent for normal labor turnover (men's shirts).

The Kaynce Co., Pawhuska, Okla., effective 12-19-51 to 12-18-52; 10 percent for normal labor turnover (boys' sport shirts).

Elecon Co., Moundsville, W. Va., effective 12-18-51 to 12-17-52; 10 learners for normal labor turnover (men's and boys' pants).

Lady Ester Lingerie Corp., Berwick, Pa., effective 12-20-51 to 12-19-52; 10 percent for normal labor turnover (ladies' undergarments).

Lexington Manufacturing Co., East Eleventh Avenue, Lexington, N. C., effective 12-19-51 to 12-18-52; five learners for normal

labor turnover (men's and boys' sport shirts).

Marcus Loeb & Co., Inc., 127 Trinity Avenue, SW, Atlanta, Ga., effective 12-18-51 to 12-17-52; 10 percent for normal labor turnover (men's and boys' semidress pants).

Manhattan Shirt Co., Kingston, N. Y., effective 12-14-51 to 12-13-52; 10 percent for normal labor turnover (pajamas).

Manhattan Shirt Co., Scranton, Pa., effective 12-18-51 to 12-17-52; 10 percent for normal labor turnover (sportswear).

Manhattan Shirt Co., Lexington, N. C., effective 12-18-51 to 12-17-52; 10 percent for normal labor turnover (shirts).

Manhattan Shirt Co., North Charleston, S. C., effective 12-18-51 to 12-17-52; 10 percent for normal labor turnover (shirts).

Matswan Undergarment Co., Inc., 26 Wayne Street, Jersey City, N. J., effective 12-26-51 to 12-25-52; 10 percent for normal labor turnover (children's underwear).

Over the Top, Inc., Piquette, Miss., effective 12-20-51 to 12-19-52; 10 percent for normal labor turnover (ladies' shirts, dungarees).

The Puritan Sportswear Corp., 813 Twenty-fifth Street, Altoona, Pa., effective 12-20-51 to 6-19-52; 30 learners for expansion purposes, to be employed solely in the manufacture of apparel (sport shirts, army jackets, outerwear).

Regal Shirt Corp., 208 South Third Street, Catawissa, Pa., effective 12-20-51 to 6-19-52; 10 learners for expansion purposes only (dress shirts, collars, sport shirts).

Regal Shirt Corp., 208 South Third Street, Catawissa, Pa., effective 12-20-51 to 12-19-52; 10 learners for normal labor turnover (dress shirts, collars, sport shirts).

Rob Roy Co., Inc., 140 Race Street, Cambridge, Md., effective 12-19-51 to 12-18-52; 10 percent for normal labor turnover (boys' sport shirts).

Rob Roy Co., Inc., Ridgely, Md., effective 12-18-51 to 12-17-52; 10 percent for normal labor turnover (boys' sport shirts).

Samar Fashions, 602 East Tenth Street, Chester, Pa., effective 12-17-51 to 12-16-52; 10 learners for normal labor turnover; (women's blouses and dresses).

W. E. Stephens Manufacturing Co., Inc., Watertown, Tenn., effective 12-19-51 to 12-18-52; 10 percent for normal labor turnover (work shirts).

Waverly Garment Co., Waverly, Tenn., effective 12-26-51 to 12-25-52; 10 percent for normal labor turnover (wool shirts).

Weldon Manufacturing Co., Williamsport, Pa., effective 12-17-51 to 12-16-52; 10 percent for normal labor turnover (men's and boys' pajamas, men's sport shirts).

Whitewright Manufacturing Co., White-wright, Tex., effective 12-19-51 to 12-18-52; six learners for normal labor turnover (women's skirts and blouses).

Winchendon Fashions, Inc., 61 Railroad Street, Winchendon, Mass., effective 12-20-51 to 6-19-52; 20 learners for expansion purposes only (cotton dresses).

Winchendon Fashions, Inc., 61 Railroad Street, Winchendon, Mass., effective 12-20-51 to 12-19-52; 10 percent for normal labor turnover (cotton dresses).

Jack Winter, Inc., 333 East Chicago Street, Milwaukee, Wis., effective 12-20-51 to 12-19-52; five learners for normal labor turnover (men's and ladies' slacks).

**Hosiery Industry Learner Regulations** (29 CFR 522.40 to 522.51, as revised November 19, 1951; 16 F. R. 10733).

Berkshire Knitting Mills, Andrews, N. C., effective 12-21-51 to 3-2-52; 50 learners for expansion purposes only.

Gossett Knitting Mill, 138 East Broad Street, Griffin, Ga., effective 12-20-51 to 12-19-52; five learners for normal labor turnover.

Newland Knitting Mills, Newland, N. C., effective 12-20-51 to 12-19-52; 5 percent for normal labor turnover.

Rockwood Mills, Oneida Branch, Oneida, Tenn., effective 12-21-51 to 8-20-52; 15 learners for expansion purposes only.

**Knitted Wear Industry Learner Regulations** (29 CFR 522.68 to 522.79, as amended January 25, 1950; 15 F. R. 398).

Lloyd's Lingerie, Inc., 4405½ Oakland Avenue, Greensboro, N. C., effective 12-20-51 to 6-19-52; 15 learners for expansion purposes only (knitted underwear).

Stedman Manufacturing Co., Asheboro, N. C., effective 12-21-51 to 6-20-52; 20 learners for expansion purposes only (men's knitted underwear).

Stedman Manufacturing Co., Asheboro, N. C., effective 12-21-51 to 12-20-52; 5 percent for normal labor turnover (men's knitted underwear).

**Shoe Industry Learner Regulations** (29 CFR 522.250 to 522.260; 15 F. R. 6546).

Holly Shoe Co., Off Beacon, Littleton, N. H., effective 1-1-52 to 12-31-52; 10 percent for normal labor turnover.

**Regulations Applicable to the Employment of Learners** (29 CFR 522.1 to 522.14).

Advertisers Manufacturing Co., 445 Fenton Street, Ripon, Wis., effective 12-21-51 to 6-20-52; five learners for normal labor turnover; sewing machine operators, 240 hours, 65 cents per hour (cloth advertising novelties).

American Clothing Co., 124 West Jackson Avenue, Knoxville, Tenn., effective 12-19-51 to 12-18-52; 7 percent for normal labor turnover; machine operating (except cutting), pressing and hand sewing, each 480 hours; 60 cents per hour for first 240 hours and 65 cents per hour for remaining 240 hours (men's suits and topcoats).

Sam Finkelstein & Co., Inc., Norfolk, Va., effective 12-19-51 to 12-18-52; 7 percent for normal labor turnover; machine operating (except cutting) and pressers, each 480 hours; 60 cents per hour for first 240 hours and 65 cents per hour for remaining 240 hours (men's clothing).

Fort Wayne Tailoring Corp., 115 East Brackenridge Street, Fort Wayne, Ind., effective 12-18-51 to 12-17-52; 7 percent of total number of productive factory workers engaged in production of men's and boys' clothing only; machine operators (except cutting), pressers, and hand sewers, each 480 hours; 60 cents per hour for first 240 hours and 65 cents per hour for remaining 240 hours (men's tailors).

Haspel Inc., Tylertown, Miss., effective 12-18-51 to 12-17-52; 7 percent for normal labor turnover; machine operators (except cutting); pressers and hand sewers, each 480 hours; 60 cents per hour for first 240 hours and 65 cents per hour for remaining 240 hours (men's and boys' summer suits).

Palm Beach Co., Blackville, S. C., effective 12-13-51 to 12-12-52; 7 percent for normal labor turnover; machine pressers (except cutting), pressers and hand sewers, each 480 hours; 60 cents per hour for first 240 hours and 65 cents per hour for remaining 240 hours.

Peasinger Bros., 2037 Farnam Street, Omaha, Nebr., effective 1-2-52 to 1-1-53; two learners for normal labor turnover; machine operators (except cutting), pressers and hand sewers, each 480 hours; 60 cents per hour for first 240 hours and 65 cents per hour for remaining 240 hours (uniforms).

The Raleigh Manufacturers, Inc., 414 Light Street, Baltimore 2, Md., effective 12-21-51 to 12-20-52; 7 percent for normal labor turnover; machine operators (except cutters), pressers and hand sewers, each 480

hours; 60 cents per hour for first 240 hours and 65 cents per hour for remaining 240 hours (men's and boys' clothing).

The following special learner certificates were issued to the school-operated industries listed below:

Emanuel Missionary College, Berrien Springs, Mich., effective 9-16-51 to 8-31-52; bookbinding industry, 35 learners; occupations bookbinder, bindery worker and related skilled and semiskilled occupations; 200 hours at 55 cents, 200 hours at 60 cents and 200 hours at 70 cents. Print shop industry, 50 learners; occupations pressman, compositor and related skilled and semiskilled occupations; 350 hours at 55 cents, 325 hours at 60 cents, and 325 hours at 70 cents; woodwork shop industry, 75 learners; occupations assembler (furniture), machine operator, furniture finisher and related skilled and semiskilled occupations; 250 hours at 55 cents, 250 hours at 60 cents and 250 hours at 70 cents; clerical industry, 20 learners; occupations bookkeeper, typist and related skilled and semiskilled occupations; 200 hours at 55 cents, 200 hours at 60 cents, and 200 hours at 70 cents.

Each certificate has been issued upon the employer's representation that employment of learners in order to prevent curtailment of opportunities for employment, and that experienced workers for the learner occupations are not available. The certificates may be canceled 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 within fifteen days after publication of this notice in the FEDERAL REGISTER pursuant to the provisions of Part 522.

Signed at Washington, D. C., this 28th day of December 1951.

MILTON BROOKE,  
Authorized Representative  
of the Administrator.

[F. R. Doc. 52-164; Filed, Jan. 7, 1952; 8:46 a. m.]

## CIVIL AERONAUTICS BOARD

[Public Notice PN4, Amdt 1]

### SPECIAL ACCIDENT INVESTIGATIONS

The Civil Aeronautics Board hereby amends Public Notice PN 4, dated March 1, 1951, by adding a new section 7.2 *Special accident investigations*, as follows:

**SEC. 7.2 *Special accident investigations.*** When in the opinion of the Director, Bureau of Safety Investigation, a hearing with regard to an accident involving aircraft is impractical, or is not necessary in order to ascertain the facts, conditions, circumstances, and the probable cause thereof, but testimony by way of deposition appears necessary or desirable in order to permit the Board properly and adequately to exercise its functions under title VII of the act, the Director, Bureau of Safety Investigation, on behalf of the Board, is authorized to order a special investigation and to designate one or more officers to make such investigation with authority to sign and issue subpoenas, administer oaths

and affirmations, and take or cause depositions to be taken.

Effective: December 28, 1951.

[SEAL] M. C. MULLIGAN,  
Secretary.

[F. R. Doc. 52-191; Filed, Jan. 7, 1952;  
8:48 a. m.]

**FEDERAL DEPOSIT INSURANCE CORPORATION**

INSURED STATE BANKS NOT MEMBERS OF FEDERAL RESERVE SYSTEM EXCEPT BANKS IN DISTRICT OF COLUMBIA AND MUTUAL SAVINGS BANKS

RESOLUTION AUTHORIZING CALL FOR REPORT OF CONDITION AND ANNUAL REPORT OF EARNINGS AND DIVIDENDS

Pursuant to the provisions of section 10 (e) of the Federal Deposit Insurance Act, be it resolved that each insured State bank not a member of the Federal Reserve System, except a bank in the District of Columbia and a mutual savings bank, be, and hereby is required to submit to the Federal Deposit Insurance Corporation within ten days after receipt of notice of this resolution a report of its condition as of the close of business Monday, December 31, 1951, on Form 64—Call No. 36,<sup>1</sup> and a report of earnings and dividends for the calendar year 1951, on Form 73.<sup>2</sup> Said report of condition shall be prepared in accordance with, "Instructions for the Preparation of Report of Condition on Form 64", June 1951; and said report of earnings and dividends shall be prepared in accordance with, "Instructions for the Preparation of Report of Earnings and Dividends on Form 73", December, 1951.

FEDERAL DEPOSIT INSURANCE CORPORATION,  
[SEAL] E. F. DOWNEY,  
Secretary.

[F. R. Doc. 52-159; Filed, Jan. 7, 1952;  
8:47 a. m.]

INSURED MUTUAL SAVINGS BANKS NOT MEMBERS OF FEDERAL RESERVE SYSTEM

RESOLUTION AUTHORIZING CALL FOR REPORT OF CONDITION AND ANNUAL REPORT OF EARNINGS AND DIVIDENDS

Pursuant to the provisions of section 10 (e) of the Federal Deposit Insurance Act, be it resolved that each insured mutual savings bank not a member of the Federal Reserve System, be, and hereby is, required to submit to the Federal Deposit Insurance Corporation within ten days after receipt of notice of this resolution a report of its condition as of the close of business Monday, December 31, 1951, on Form 64 (Savings),<sup>1</sup> and a report of income and dividends for the calendar year 1951, on Form 73 (Savings).<sup>2</sup> Said report of condition and report of income and dividends shall be prepared in accordance with, "Instructions for the Preparation of Report of Condition on Form 64 (Savings) and Re-

port of Income and Dividends on Form 73 (Savings)", June, 1951.

FEDERAL DEPOSIT INSURANCE CORPORATION,  
[SEAL] E. F. DOWNEY,  
Secretary.

[F. R. Doc. 52-160; Filed, Jan. 7, 1952;  
8:47 a. m.]

**FEDERAL POWER COMMISSION**

[Docket No. G-1792]

TEXAS EASTERN TRANSMISSION CORP. AND TRANSCONTINENTAL GAS PIPE LINE CORP.

ORDER DENYING REQUEST FOR SHORTENED PROCEDURE, AND FIXING DATE OF HEARING

DECEMBER 29, 1951.

On September 14, 1951, Texas Eastern Transmission Corporation (Texas Eastern) and Transcontinental Gas Pipe Line Corporation (Transcontinental), both Delaware corporations having principal business offices in Shreveport, Louisiana, and Houston, Texas, respectively, filed a joint application for a certificate of public convenience and necessity, pursuant to section 7 of the Natural Gas Act, authorizing an exchange of natural gas between Texas Eastern and Transcontinental during temporary periods of emergency on the system of either, and authorizing Texas Eastern to install and operate interconnecting and metering equipment at a point where the main natural-gas transmission pipe-lines of Transcontinental and Texas Eastern cross in the vicinity of Beaumont, Texas.

Due notice of the filing of such application was given, including publication in the Federal Register on October 9, 1951 (16 F. R. 10299).

The estimated maximum capacity of the Beaumont, Texas, interconnection, as limited by the proposed meter installation, is stated to be 60,000 Mcf per day from the facilities of Transcontinental into the facilities of Texas Eastern, and 60,000 Mcf per day from the facilities of Texas Eastern into the facilities of Transcontinental.

Texas Eastern and Transcontinental have entered into an exchange contract for the purpose of enabling each to make deliveries to the other by means of the proposed interconnection near Beaumont, Texas during an emergency on the system of the other, whenever such deliveries can assist in the alleviation of such emergency and can be made without impairing the ability of the party making such emergency delivery to meet its obligations to others.

In addition to the exchange of natural gas at the proposed Beaumont, Texas interconnection, Texas Eastern and Transcontinental seek authority to make emergency deliveries of natural gas to certain customers, namely the Philadelphia Electric Company, the Philadelphia Gas Works Company, and the Public Service Electric and Gas Company, which customers presently receive natural gas from both applicants. In times of emergency on either of applicant's natural-gas systems affecting deliveries of natural gas to any or all of the above-named customers, the other applicant proposes to deliver nat-

ural gas to said customer or customers for the account of the applicant experiencing the emergency.

Texas Eastern and Transcontinental have requested that this application be heard under the shortened procedure provided by § 1.32 (b) (18 CFR 1.32 (b)) of the Commission's rules of practice and procedure.

The Commission finds:

(1) Good cause has not been shown for granting Texas Eastern's and Transcontinental's request that their joint application be heard under the shortened procedure as provided by the Commission's rules of practice and procedure, and said request should be denied as hereinafter ordered.

(2) Proper administration of the provisions of the Natural Gas Act requires that the proceeding on the joint application be set for hearing as hereinafter ordered.

The Commission orders:

(A) The request of Texas Eastern and Transcontinental that their joint application in Docket No. G-1792 be heard under the shortened procedure provided by § 1.32 (b) of the Commission's rules of practice and procedure (18 CFR 1.32 (b)) is hereby denied.

(B) Pursuant to the authority contained in and by virtue of the jurisdiction conferred upon the Federal Power Commission of sections 7 and 15 of the Natural Gas Act and the Commission's rules of practice and procedure, a public hearing be held commencing on January 23, 1952, at 10:00 a. m., e. s. t. in the Hearing Room of the Federal Power Commission, 1800 Pennsylvania Avenue NW., Washington, D. C., concerning the matters involved and the issues presented by the aforesaid application.

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

Date of issuance: January 2, 1952.

By the Commission.

J. H. GUTRIE,  
Acting Secretary.

[F. R. Doc. 52-155; Filed, Jan. 7, 1952;  
8:46 a. m.]

**GENERAL SERVICES ADMINISTRATION**

SECRETARY OF DEFENSE

DELEGATION OF AUTHORITY WITH RESPECT TO TRANSCONTINENTAL AND ROCKY MOUNTAIN INCREASES, I. C. C. DOCKET I & S. NO. M-3950

1. Pursuant to the provisions of sections 201 (a) (4) and 205 (d) and (e) of the Federal Property and Administrative Services Act of 1949, 63 Stat. 377, as amended, authority to represent the interests of the executive agencies of the Federal Government in the matter of "Transcontinental and Rocky Mountain Increases, Investigation and Suspension Docket No. M-3950," before the Interstate Commerce Commission is hereby delegated to the Secretary of Defense.

<sup>1</sup> Filed as part of the original document.

2. The Secretary of Defense is hereby authorized to redelegate any of the authority contained herein to any officer, official or employee of the Department of Defense.

3. The authority conferred herein shall be exercised in accordance with the policies, procedures and controls prescribed by the General Services Administration and shall further be exercised in cooperation with the responsible officers, officials and employees of such Administration.

4. This delegation of authority shall be effective as of December 3, 1951.

Dated: January 2, 1952.

RUSSELL FORBES,  
Acting Administrator.

[F. R. Doc. 52-192; Filed, Jan. 7, 1952; 8:48 a. m.]

**ECONOMIC STABILIZATION AGENCY**

Office of the Administrator

[Determination 1, Amdt. 21]

**APPROVAL OF EXTENT OF RELAXATION OF CREDIT CONTROLS IN CRITICAL DEFENSE HOUSING AREAS**

Section 3, *Areas affected*, of Determination No. 1 approving the extent of the relaxation of real estate construction credit controls in critical defense housing areas published in 16 F. R. 9582, September 20, 1951, is hereby amended by adding the following areas thereto, in view of the joint certification action taken by the Acting Secretary of Defense and the Director of Defense Mobilization dated December 27, 1951 (see Docket Nos. 88, 48, 2, and 60), and in view of the defense housing programs of credit restrictions approved for said areas by the Housing and Home Finance Agency (CR 2, 16 F. R. 3303, CR-3, 16 F. R. 3835):

*Area and Date*

- 77. Kingsville, Tex., October 19, 1951.
- 78. Lone Star, Tex., July 27, 1951-October 30, 1951.
- 79. Paducah, Ky., June 25, 1951.
- 80. Valdosta, Ga., June 12, 1951.

ROGER L. PUTNAM,  
Administrator.

JANUARY 4, 1952.

[F. R. Doc. 52-253; Filed, Jan. 5, 1952; 10:55 a. m.]

[Determination 1, Amdt. 22]

**APPROVAL OF EXTENT OF RELAXATION OF CREDIT CONTROLS IN CRITICAL DEFENSE HOUSING AREAS**

Section 3, *Areas affected*, of Determination No. 1 approving the extent of the relaxation of real estate construction credit controls in critical defense housing areas published in 16 F. R. 9582, September 20, 1951, is hereby amended by adding the following areas thereto, in view of the amended joint certification taken by the Acting Secretary of Defense and the Director of Defense Mobilization dated December 27, 1951 (Docket No.

334) and December 29, 1951 (Docket Nos. 143, 89, and 167) and joint certification taken by the Secretary of Defense and the Director of Defense Mobilization dated December 7, 1951 (Docket No. 315), and in view of the defense housing programs of credit restrictions approved for said areas by the Housing and Home Finance Agency (CR 2, 16 F. R. 3303, CR 3, 16 F. R. 3835):

*AREA AND DATE*

- 81. Fort Huachuca, Ariz., December 29, 1951.
- 82. Bridgeport, Conn., November 30, 1951.
- 83. Big Springs, Tex., December 13, 1951.
- 84. Umatilla-Hermiston, Oreg., December 13, 1951.
- 85. Monterey-Fort Ord, Calif., December 29, 1951.

ROGER L. PUTNAM,  
Administrator.

JANUARY 5, 1952.

[F. R. Doc. 52-254; Filed, Jan. 5, 1952; 10:55 a. m.]

[Ceiling Price Regulation 7, Section 43, Special Order 141, Amdt. 1]

IROQUOIS CHINA CO.

**CEILING PRICES AT RETAIL**

*Statement of considerations.* This amendment to Special Order 141 establishes new retail ceiling prices for certain of the applicant's branded articles. These new retail ceiling prices are listed in paragraph 1 of the special order and marked with an asterisk. The ceiling prices established prior to this amendment and still in effect are listed without an asterisk.

The Director has determined, on the basis of information available to him, that the retail ceiling prices requested are in line with those already granted and are no higher than the level of ceiling prices under Ceiling Price Regulation 7.

In addition, this amendment modifies those provisions relating to pre-ticketing usually required by orders of this type. This amendment, designed to meet the particular requirements of the chinaware industry, accomplishes the objective of notifying consumers of the uniform prices fixed under the order.

*Amendatory provisions.* Special Order 141 under Ceiling Price Regulation 7, section 43, is amended in the following respects:

1. Delete paragraph 1 of the special order and substitute therefor the following:

1. The following ceiling prices are established for sales by any seller at retail of vitrified china dinnerware manufactured by the Iroquois China Company having the brand name "Russel Wright China by Iroquois," and described in the manufacturer's application dated June 19, 1951, as supplemented and amended by the manufacturer's application dated December 11, 1951.

The ceiling prices listed below which are marked with an asterisk shall become effective on receipt of a copy of this order by the retailer, but in no event

later than 30 days after the effective date of this order. Ceiling prices not marked with an asterisk are effective upon the effective date of this order.

Different costs to retailers and correspondingly different retail ceiling prices are established for an eastern zone and a western zone. The western zone comprises the states of Arizona, Nevada, Colorado, Idaho, California, Oregon, Washington, Utah, Montana, and Wyoming. The eastern zone includes the remainder of the United States.

The selling prices to retailers listed below are subject to terms of 1 per cent—15 days, net 30 days, f. o. b. Syracuse, New York, plus package charges and freight.

**OPEN STOCK**

Selling price to retailers for eastern zone	Ceiling price at retail for eastern zone	Selling price to retailers for western zone	Ceiling price at retail for western zone <sup>1</sup>
Column 1	Column 2	Column 3	Column 4
\$0.33	*\$0.65	\$0.33	*\$0.75
.38	.75	.38	.80
.45	*.90	.38	*.90
		.45	*1.15
.50	*1.00	.50	*1.10
.55	*1.10	.55	*1.35
.73	*1.45	.73	*1.75
.75	*1.50	.75	*1.80
		.80	*1.90
.80	*1.60	.80	*2.20
.90	*1.80	.90	*2.50
.98	*1.95	1.25	*2.95
1.25	*2.50	1.25	*3.00
1.63	*3.25	1.63	*3.85
		1.75	*4.25
1.75	*3.50	1.75	*4.30
1.95	*3.90	1.95	*4.75
2.00	*4.00	2.00	*4.95
2.13	*4.25	2.13	*5.35
2.50	*5.00	2.50	*6.95
3.48	*6.95	3.48	*8.25

**STARTER SET**

\$8.40	*\$10.95		
7.25	*12.95	\$7.25	*\$15.95

<sup>1</sup> Retailers in the western zone who purchase an article at the price listed in column 1 may sell that article in the western zone at the corresponding ceiling price listed in column 4.

2. Delete paragraph 3 of the special order and substitute therefor the following:

3. After 30 days from the effective date of this special order, the Iroquois China Company must furnish each purchaser for resale to whom, within two months immediately prior to the effective date, the manufacturer had delivered any article covered by paragraph 1 of this special order, with a sign 8 inches wide and 10 inches high, a price book, and a supply of tags and stickers. The sign must contain the following legend:

The retail ceiling prices for Iroquois China Company chinaware have been approved by OPS and are shown in a price book we have available for your inspection.

The price book must contain an accurate description of each article covered by paragraph 1 of this special order and the retail ceiling price fixed for each article. The front cover of the price book must contain the following legend:

The retail ceiling prices in this Iroquois China Company price book have been approved by OPS under Section 43, CFR 7.

The tags and stickers must be in the following form:

Iroquois China Company  
 OPS - Sec. 43 - CPR 7  
 Price \$.....

Prior to 60 days from the effective date of this order, unless the retailer has received the sign described above, and has it displayed so that it may be easily seen and a copy of the price book described above available for immediate inspection, the retailer shall comply with the marking, tagging, and posting provisions of the regulation which would apply in the absence of this special order.

After 60 days from the effective date of this order, no retailer may offer or sell any article covered by this order unless he has the sign described above displayed so that it may be easily seen and a copy of the price book described above available for immediate inspection. In addition, the retailer must affix to each article covered by the order and which is offered for sale on open display (except in show windows or decorative displays) a tag or sticker described above. The tag or sticker must contain the retail ceiling price established by this special order for the article to which it is affixed.

Upon issuance of any amendment to this special order which either adds an article to those already listed in the manufacturer's application or changes the retail ceiling price of a listed article, the applicant named in this special order must, within 30 days after the effective date of the amendment, as to each such article, send an insertion stating the required addition or change for the price book described above. After 60 days from the effective date of the amendment, no retailer may offer or sell the article, unless he has received the insertion described above and inserted it in the price book. Prior to the expiration of the 60 day period, unless the retailer has received and placed the insertion in the price book, the retailer shall comply with the marking, tagging, and posting provisions of the regulation which would apply in the absence of this special order.

*Effective date.* This amendment shall become effective January 2, 1952.

MICHAEL V. DiSALLE,  
 Director of Price Stabilization.

JANUARY 2, 1952.

[F. R. Doc. 51-125; Filed, Jan. 2, 1952; 4:56 p. m.]

[Delegation of Authority 22, Revised]

DIRECTORS OF REGIONAL OFFICES

DELEGATION OF AUTHORITY TO PROCESS REPORTS OF PROPOSED PRICE-DETERMINING METHODS PURSUANT TO SECTION 5 OF CPR 67

By virtue of the authority vested in me as Director of Price Stabilization and pursuant to the Defense Production

Act of 1950, as amended, and Executive Order 10161 (15 F. R. 6105) and Economic Stabilization Agency General Order No. 2 (16 F. R. 738), this Revised Delegation of Authority is hereby issued.

Authority is hereby delegated to the Directors of the Regional Offices of Price Stabilization to approve, pursuant to section 5, CPR 67, a price-determining method for sales at wholesale or retail proposed by a reseller under CPR 67, disapprove such a proposed price-determining method, establish a different price-determining method by order, or request further information concerning such a price-determining method. The authority herein delegated may be redelegated to the Directors of the District Offices of Price Stabilization.

This Delegation of Authority shall take effect on January 12, 1952.

EDWARD F. PHELPS, JR.,  
 Acting Director of Price Stabilization.

JANUARY 7, 1952.

[F. R. Doc. 52-333; Filed, Jan. 7, 1952; 4:00 p. m.]

DEPARTMENT OF JUSTICE

Office of Alien Property

GEVAERT PHOTO-PRODUCTEN N. V.

NOTICE OF INTENTION TO RETURN VESTED PROPERTY

Pursuant to section 32 (f) of the Trading With the Enemy Act, as amended, notice is hereby given of intention to return, on or after 30 days from the date of publication hereof, the following property located in Washington, D. C., including all royalties accrued thereunder and all damages and profits recoverable for past infringement thereof, after adequate provision for taxes and conservatory expenses:

*Claimant, Claim Nos., and Property*

Gevaert Photo-Producten N. V.; Claims Nos. 1190, 1192, 1193, 1194, 1195, 1197; Antwerp, Belgium; property described in Vesting Order No. 205 (7 F. R. 8669, October 27, 1942) relating to Patent Application Serial No. 403,392 (now United States Letters Patent No. 2,352,014); property described in Vesting Order No. 292 (7 F. R. 9836, November 26, 1942) relating to Patent Application Serial No. 304,632 (now United States Letters Patent No. 2,344,482); Patent Application Serial No. 389,222 (now United States Letters Patent No. 2,380,809); Patent Application Serial No. 394,288 (now United States Letters Patent No. 2,356,563); and Patent Application Serial No. 394,290 (now United States Letters Patent No. 2,375,344); and property described in Vesting Order No. 720 (8 F. R. 2163, February 18, 1943) relating to Patent Application Serial No. 409,348 (now United States Letters Patent No. 2,352,022).

Executed at Washington, D. C., on December 28, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,  
 Assistant Attorney General,  
 Director, Office of Alien Property.

[F. R. Doc. 52-193; Filed, Jan. 7, 1952; 8:48 a. m.]

[Return Order 973, Amdt.]

ELECTRO METALLURGICAL CO. AND UNION CARBIDE AND CARBON CORP.

To the extent that Return Order No. 973, dated June 26, 1951 (16 F. R. 6707), ordered the return of certain vested property to Electro Metallurgical Company, 30 East 42d Street, New York 17, New York, the same is hereby amended, and not otherwise, to order the return of said property to Union Carbide and Carbon Corporation, 30 East 42d Street, New York 17, New York, successor in interest to Electro Metallurgical Company.

Executed at Washington, D. C., on December 20, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,  
 Assistant Attorney General,  
 Director, Office of Alien Property.

[F. R. Doc. 52-194; Filed, Jan. 7, 1952; 8:48 a. m.]

[Vesting Order 18684]

WALTER H. SCHELLENBERG

In re: Bonds owned by Walter H. Schellenberg. F-28-12048-C-1.

Under the authority of the Trading With the Enemy Act, as amended (50 U. S. C. App. and Sup. 1-40); Public Law 181, 82d Congress, 65 Stat. 451; Executive Order 9193, as amended by Executive Order 9567 (3 CFR, 1943 Cum. Supp.; 3 CFR, 1945 Supp.); Executive Order 9788 (3 CFR, 1946 Supp.) and Executive Order 9989 (3 CFR, 1948 Supp.), and pursuant to law, after investigation, it is hereby found:

1. That Walter H. Schellenberg, whose last known address is Germany, on or since December 11, 1941, and prior to January 1, 1947 was a resident of Germany and is, and prior to January 1, 1947, was, a national of a designated enemy country (Germany);

2. That the property described as follows: Those certain bonds described in Exhibit A, attached hereto and by reference made a part hereof, and presently in the custody of the Department of State, Division of Protective Services, Washington 25, D. C., together with any and all rights thereunder and therefo,

is property which is and prior to January 1, 1947, was within the United States owned or controlled by, payable or deliverable to, held on behalf of or on account of, or owing to, or which is evidence of ownership or control by Walter H. Schellenberg, the aforesaid national of a designated enemy country (Germany);

and it is hereby determined:

3. That the national interest of the United States requires that such person be treated as a person who is and prior to January 1, 1947, was a national of a designated enemy country (Germany).

All determinations and all action required by law, including appropriate consultation and certification, having been made and taken, and, it being deemed

necessary in the national interest,

There is hereby vested in the Attorney General of the United States the property described above, to be held, used, administered, liquidated, sold or otherwise dealt with in the interest of and for the benefit of the United States.

The terms "national" and "designated enemy country" as used herein shall have the meanings prescribed in section 10 of Executive Order 9193, as amended.

Executed at Washington, D. C., on December 28, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,  
Assistant Attorney General,  
Director, Office of Alien Property.

EXHIBIT A

3 Percent Conversion Office for German Foreign Debts:

Bond Number	Face value
NR 00608/14 (each)	RM 200
NR 03724	RM 200
NR 04395/6 (each)	RM 200
NR 05179/81 (each)	RM 200
NR 05587	RM 200
NR 06039	RM 200
NR 06041	RM 200
NR 06093/94 (each)	RM 200
NR 06985/86 (each)	RM 200
NR 15595	RM 200
NR 16610/12 (each)	RM 200
NR 17142	RM 200
NR 21862/64 (each)	RM 200
NR 23076	RM 200
NR 25009	RM 200
NR 25419	RM 200
NR 25420	RM 200
NR 25529	RM 200
NR 27729	RM 200
NR 27730/31 (each)	RM 200
NR 30032	RM 200
NR 30109	RM 200
NR 30188	RM 200
NR 30288	RM 200
NR 30549/52 (each)	RM 200
NR 30906	RM 200
NR 31182/84 (each)	RM 200
NR 31183	RM 200
NR 31184	RM 200
NR 34958	RM 200
NR 35011	RM 200
NR 37219/21 (each)	RM 200
NR 37287	RM 200
NR 37289	RM 200
NR 37599/602 (each)	RM 200
NR 37608/08 (each)	RM 200
NR 39063/65 (each)	RM 200
NR 05075	RM 500
NR 06615	RM 500
NR 09914	RM 500
NR 09937	RM 500
NR 01876	RM 1000

EXHIBIT A

3 Percent Conversion Office for German Foreign Debts:

Bond Number	Face value
NR 02155	RM 1000
NR 02573	RM 1000
NR 03198/89 (each)	RM 1000
NR 03200	RM 1000
NR 13038	RM 1000
NR 15018	RM 1000
NR 17312/13 (each)	RM 1000
NR 21823	RM 1000
NR 39430	RM 1000
NR 39431	RM 1000
NR 46180/81	RM 1000
NR 46366	RM 1000
NR 46368	RM 1000
NR 49771	RM 1000
NR 53883/87 (each)	RM 1000
NR 58908	RM 1000
NR 63962/63 (each)	RM 1000
NR 63973/75 (each)	RM 1000
NR 65019	RM 1000
NR 69097/101	RM 1000
NR 76902/05	RM 1000
NR 78484	RM 1000
NR 78673/75	RM 1000
NR 81253/54	RM 1000

[F. R. Doc. 52-117; Filed, Jan. 4, 1952;  
8:57 a. m.]

ANNA A. A. BRANDT

[Vesting Order 17243, Amdt.]

In re: Estate of Anna A. A. Brandt, deceased.

Vesting Order 17243, dated January 26, 1951, is hereby amended as follows and not otherwise:

By deleting subparagraph 5 from said Vesting Order 17243 and substituting therefor the following subparagraph:

5. That the property described as follows: An undivided sixteen-seventeenth (16/17) interest in that certain lot, piece or parcel of land, with the buildings and improvements thereon erected, being the premises numbered 2735 University Avenue in the Borough of Bronx, City of New York, located on the West-erly side of University Avenue distant one hundred and five and three-tenths (105.3) feet from the southerly side of West 195th Street in size fifty-two and fifty-two one hundredths (52.52) feet, by Ninety-four and twenty-six hundredths (94.26), feet, more particularly described on tax map as Lot 96, Block 3248, Section 12, together with all hereditaments, fixtures, improvements,

and appurtenances thereto, and any and all claims for rents, refunds, benefits or other payments arising from the ownership of such property, and an undivided sixteen-seventeenth (16/17ths) interest in that certain piece or parcel of land, with the buildings and improvements thereon erected, being the premises numbered 887 East 178th Street, in the Borough of Bronx, City and State of New York, situated at the Northwest corner of East 178th Street and Honeywell Avenue, bounded and described as follows, viz., beginning at the North-westerly corner of Honeywell Avenue and East 178th Street; running thence West-erly along the Northerly side of East 178th Street, 70.24' thence Northerly parallel with Honeywell Avenue, 36.44' to the Northerly line of Lot No. 251 on a Map entitled "Map of the Village of East Tremont, in the Town of West Farms, Westchester County", made by William G. Livingston, C. E. and S., West Farms, dated September 1, 1886 and filed in the Office of the Register of Westchester County; and thence Easterly along said Northerly line of Lot No. 251, 70.24' to the Westerly side of Honeywell Avenue, and thence Southerly along the same, 36.52' to the point or place of beginning, together with all hereditaments, fixtures, improvements and appurtenances there-to, and any and all claims for rents, re-funds, benefits or other payments arising from the ownership of such property, is property within the United States owned or controlled by, payable or de-liverable to, held on behalf of, or on ac-count of, or owing to, or which is evi-dence of ownership or control by, the aforesaid nationals of a designated enemy country (Germany);

All other provisions of said Vesting Order 17243 and all actions taken by or on behalf of the Attorney General of the United States in reliance thereon, pur-suant thereto and under the authority thereof are hereby ratified and con-firmed.

Executed at Washington, D. C., on December 28, 1951.

For the Attorney General.

[SEAL] HAROLD I. BAYNTON,  
Assistant Attorney General,  
Director, Office of Alien Property.

[F. R. Doc. 52-119; Filed, Jan. 4, 1952;  
8:57 a. m.]