FEDERAL REGISTER

VOLUME 7 NUMBER 201

Washington, Tuesday, October 13, 1942

The President

PROCLAMATION 2568

GENERAL PULASKI'S MEMORIAL DAY

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

One of the bravest of the foreign volunteers in our first struggle for existence as a free people was Count Casimir Pulaski, who was grievously wounded on October 9, 1779, while engaged in a gallant action at the siege of Savannah, and died two days later.

The aid rendered by General Pulaski and other foreigners in the winning of our independence is vividly recalled to our minds this year by the association of other governments and peoples with us in our present struggle. The countrymen of General Pulaski are today among our allies in a global conflict the outcome of which will mean freedom or slavery for millions of human beings on all the continents.

By a joint resolution approved September 26, 1942 (Public Law 717, 77th Congress), the Congress has authorized me "to issue a proclamation calling upon officials of the Government to display the flag of the United States on all governmental buildings on October 11, 1942, and inviting the people of the United States to observe the day in schools and churches, or other suitable places, with appropriate ceremonies in commemoration of the death of General Casimir Pulaski."

NOW, THEREFORE, I, FRANKLIN D. ROOSEVELT, President of the United States of America, do hereby proclaim October 11, 1942, the one hundred and sixty-third anniversary of the death of General Pulaski, as General Pulaski's Memorial Day, and I call upon officials of the Government to have the American flag displayed on all governmental buildings on that day. I also invite the people of the United States to observe the day with appropriate commemorative ceremonies in schools and churches, or other suitable places.

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 7th day of October, in the year of our Lord nineteen hundred and forty-two, and of the Independence of the United States of America the one hundred and sixty-seventh.

[SEAL]

FRANKLIN D ROOSEVELT

By the President:

SUMNER WELLES,
Acting Secretary of State.

[F. R. Doc. 42-10165; Filed, October 10, 1942; 11:10 a. m.]

EXECUTIVE ORDER 9252

APPROVING REGULATIONS OF THE CIVIL SERVICE COMMISSION RELATING TO EFFICIENCY-RATING BOARDS OF REVIEW

By virtue of the authority vested in me by section 9 of the Classification Act of 1923 (42 Stat. 1490), as amended by Title V of the Act of June 30, 1932 (47 Stat. 416), by section 7 Title II of the Act of November 26, 1940 (54 Stat. 1215), and by section 3 of the Act of August 1, 1941 (55 Stat. 614), I hereby approve the following regulations prescribed by the Civil Service Commission:

REGULATIONS RELATING TO EFFICIENCY RATING BOARDS OF REVIEW

Pursuant to the authority vested in the Civil Service Commission by section 9 of the Classification Act of 1923 (42 Stat. 1490), as amended by Title V of the Act of June 30, 1932 (47 Stat. 416), by section 7, Title II of the Act of November 26, 1940 (54 Stat. 1215), and by section 3 of the Act of August 1, 1941 (55 Stat. 614), the following regulations are hereby prescribed with respect to efficiency rating boards of review:

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1. There shall be established in each department and independent establishment having positions and employees subject to section 9 of the Classification Act of 1923, as amended, one or more boards of review for the purpose of considering and passing upon the merits of efficiency ratings assigned to such employees.

2. The head of each department or independent establishment shall determine the number and jurisdiction of boards of review to be established within his department or establishment, subject to the approval of the Civil Service Commission. The jurisdiction of each board of review shall be specific and shall be exclusive of that of any other such board.

3. (a) Each board of review shall be composed of three members, and there shall be an alternate member provided for each principal member who shall serve during the absence of such principal member or when the principal member is unable to serve for any other reason and who shall succeed the principal member in the event that he is unable to serve to the end of his term of office. Where necessary in the interest of good

administration, and in order to expedite the consideration of cases, an additional alternate member may be designated for each principal member. Members of boards of review and alternate members shall be appointed or designated for terms expiring June 30 subsequent to their appointment or designation, provided that they may continue to serve until their successors are appointed or designated.

(b) One member of each board of review and alternates to such member (to be known as department member and alternate department members) shall be designated by the head of the department or establishment served by such board.

(c) Another member of each board of review and alternates to such member (to be known as employee member and alternate employee members) shall be designated by election, to be held between April 1 and July 1 of each calendar year for the term beginning on July 1 of such year, by the employees whose efficiency ratings are under the jurisdiction of the board in such manner as shall be determined by the Civil Service Commission. Upon the request of the head of a department or establishment or of ten per cent of the employees whose efficiency ratings are subject to review by a board of review, the Civil Service Commission may order an election for employee members and alternate employee members at a different time or may authorize the definite or indefinite postponement of the regular annual election.

(d) Chairmen and alternate chairmen for the boards of review shall be designated by the Civil Service Commission.

(e) All members of boards of review and all alternate members shall be officers or employees of the executive branch of the Federal government; provided, however, that in the case of boards of review serving agencies not in the executive branch, such members and alternate members (except chairmen and alternate chairmen) shall be appointed or elected from the branch of government to which such agencies respectively belong.

4. Each appeal from an efficiency rating shall be submitted in writing to the chairman of the appropriate board of review within ninety days of the date that notice of such rating was delivered to the employee. Boards of review may waive this requirement for good and sufficient reasons, as in cases (a) where it appears that appellants were not in a position to make an appeal within the ninety-day period, (b) where employees elected to avail themselves of the grievance procedures in their own departments or establishments before proceeding with appeals under these regulations, or (c) where ne evidence is discovered after the close of the ninety-day period which would have a bearing on the decision concerning the appeal.

On the request of the Civil Service Commission, certified in writing, efficiency ratings which require the dismissal, demotion, or reduction in salary of employees subject to the approval of the Civil Service Commission under section 9 of the Classification Act of 1923 as amended shall be considered by boards of review in the same manner as if appealed by such employees.

5. Hearings conducted on efficiency-rating appeals and certified cases shall be on as informal a basis as possible and yet permit the presentation of all information necessary to ascertain the correctness of the rating in question or the rating which should be assigned the employee. An oral hearing may be waived by the appellant, or employee whose rating is certified for review, and the board of review may thereupon proceed to a consideration of the case on the basis of written evidence submitted by the parties. Stenographic reports of oral hearings shall be required only when it is determined by the unanimous vote of the board that they are necessary to the best interests of the Government and employee. In all proceedings before boards of review, each employee whose efficiency rating is under consideration shall be entitled to have a representative of his own selection; and at oral hearings each appellant or employee whose rating is certified for review shall be entitled to appear with his representative. The appellant, or employee whose rating is certified for review, and his representative, and such representatives of the department or establishment as are designated by the head thereof, shall be afforded an opportunity to submit orally or in writing any information deemed by the board of review to be pertinent to the case, and shall be afforded an opportunity to hear or examine, and to reply to, information submitted to such board by other parties.

6. After ascertaining the pertinent facts in each case, the board of review shall proceed to determine such adjustment in the efficiency rating as it deems proper, or sustain the efficiency rating appealed from without change. Decisions shall be made by a majority vote. Notices of decisions of boards of review shall be communicated to the heads of the departments or independent establishments and to the appellants, and employees whose ratings are certified for review, in writing and shall contain summary statements of the facts on which the decisions are based. Copies of the decisions of the boards shall also be forwarded to the Civil Service Commission.

7. These regulations apply with full force and effect to the administration of efficiency rating boards of review in the departmental service. Until such time as the Civil Service Commission, after consultation with heads of departments and independent establishments, decides that it is practicable to extend the foregoing provisions in their full force and effect to the field services, efficiency-rating appeals from employees in the field services may be made to boards of review established in and for the departmental headquarters of said field services for adjudication on the basis of evidence submitted in writing.

8. These regulations supersede the regulations in Executive Order No. 8743 of May 1, 1941,[1] and in Executive Order No. 9155 of May 1, 1942,[2] and shall be effective immediately, except that the provision in Section 3 above authorizing members of boards of review to serve until their successors are appointed or designated shall be effective retroactively to July 1, 1941.

FRANKLIN D ROOSEVELT

H. B. MITCHELL,
LUCILLE FOSTER MCMILLIN,
ARTHUR S. FLEMING,
Commissioners.

THE WHITE HOUSE,
October 9, 1942.

[F. R. Doc. 42-10153; Filed, October 10, 1942; 10:22 a. m.]

EXECUTIVE ORDER 9253

EXTENSION OF THE PROVISIONS OF EXECUTIVE ORDER NO. 9001 OF DECEMBER 27, 1941, TO CONTRACTS OF THE IMMIGRATION AND NATURALIZATION SERVICE, DEPARTMENT OF JUSTICE

By virtue of the authority vested in me by Title II of the First War Powers Act, 1941, approved December 18, 1941 (Public Law 354, 77th Cong.), and as President of the United States, and deeming that such action will facilitate the prosecution of the war, I hereby extend the provisions of Executive Order No. 9001 of December 27, 1941,[3] to the Immigration and Naturalization Service, Department of Justice, with respect to contracts made or to be made by it for the feeding and care of persons in the custody of such Service; and subject to the limitations and regulations contained in such Executive Order, I hereby authorize the Attorney General, and such other officers and employees as he may designate, to perform and exercise, as to the Immigration and Naturalization Service, Department of Justice, all the functions and powers vested in and granted to the Secretary of War, the Secretary of the Navy, and the Chairman of the United States Maritime Commission by such Executive Order.

FRANKLIN D ROOSEVELT

THE WHITE HOUSE,
October 9, 1942.

[F. R. Doc. 42-10154; Filed, October 10, 1942; 10:22 a. m.]

[1] 6 F.R. 2251.
[2] 7 F.R. 3277.
[3] 6 F.R. 6787.

Regulations

TITLE 10—ARMY: WAR DEPARTMENT

Chapter VIII—Procurement and Disposal of Equipment and Supplies

PART 81—PROCUREMENT OF MILITARY SUPPLIES AND ANIMALS[1]

War Department Procurement Regulations dated July 1, 1942, published in the FEDERAL REGISTER August 7, 1942, under Parts 81 and 83 (7 F.R. 6098 and 6141), were revised under date of September 5, 1942. Because of the numerous changes involved and the additional material included, the new regulations are published in full as follows:

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[1] 7 F.R. 6098, 6142, 6239.

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81.1213 Renegotiation and redetermination.

FORMS OF CONTRACTS

Sec.
81.1301 W.D. Contract Form No. 1.
81.1302 W.D. Contract Form No. 2.
81.1303 W.D. Contract Form No. 3.
81.1304 W.D. Contract Form No. 4.
81.1305 W.D. Contract Form No. 5.
81.1306 W.D. Contract Form No. 6.
81.1307 W.D. Contract Form No. 7.
81.1308 W.D. Contract Form No. 8.
81.1309 W.D. Contract Form No. 9.
81.1310 W.D. Contract Form No. 10.
81.1311 W.D. Contract Form No. 11.
81.1312 W.D. Contract Form No. 12.
81.1320 W.D. Contract Form No. 20.
81.1321 W.D. Contract Form No. 21.
81.1322 W.D. Contract Form No. 22.
81.1323 W.D. Contract Form No. 23.
81.1324 W.D. Contract Form No. 24.
81.1325 W.D. Contract Form No. 25.
81.1326 W.D. Contract Form No. 26.

AUTHORITY. §§ 81.101 to 81.119, 81.201 to 81.206, 81.301 to 81.353, 81.401 to 81.427, 81.501 to 81.503, 81.601 to 81.612, 81.801 to 81.817, 81.901 to 81.961, 81.1001 to 81.1017, 81.1101 to 81.1107, 81.1201 to 81.1213, 81.1301 to 81.1326 and 83.701 to 83.710 issued under sec. 5a, National Defense Act, as amended, 41 Stat. 764, 54 Stat. 1225; 10 U.S.C. 1193–1195, and the First War Powers Act, 1941, 55 Stat. 839; 50 U.S.C. Sup. 601–622.

Numbers to the right of the decimal point correspond with the respective paragraph number in Procurement Regulations Nos. 1 to 13, dated September 5, 1942.

GENERAL

GENERAL INSTRUCTIONS

§ 81.101 *Publication of procurement regulations.* During the past few years it has been the practice of the War Department to publish procurement regulations in several different publications, viz: Army regulations, War Department procurement circulars, etc. It has also been the practice to include in such regulations precise details of how purchases were to be effected. For reasons too obvious to mention, neither practice can be justifiably continued in view of the present war emergency. Accordingly, a new numbered series of procurement regulations has been prepared to replace all other procurement regulations outstanding as of this date. As changes in or additions to this new series of regulations become necessary, the same will be effected by the publication of corrected or supplemental sheets to the appropriate regulation.

§ 81.102 *Rescission of Army regulations.* The following Army Regulations have been rescinded:

AR 5-5
AR 5-50
AR 5-100
AR 5-140
AR 5-160
AR 5-200
AR 5-220
AR 5-240
AR 5-260
AR 5-300
AR 5-320
AR 5-340
AR 5-360

§ 81.103 *Rescission of procurement circulars.* Effective July 1, 1942, all War Department procurement circulars which have not been rescinded heretofore are hereby rescinded.

§ 81.104 *Rescission of other instructions and directives.* All prior instructions and directives which are inconsistent with instructions contained in these procurement regulations, as originally issued under date of July 1, 1942, or as the same shall be amended from time to time, shall be deemed rescinded as of July 1, 1942 or as of the date of any such amendment, as the case may be.

§ 81.105 *Contents.* The following is a list of the current procurement regulations:

PR No. 1: General instructions [¶ 101–119]. (§§ 81.101–81.119).
PR No. 2: Negotiated purchases [¶ 201–206.3]. (§§ 81.201–81.206).
PR No. 3: Contracts [¶ 301–358]. (§§ 81.301–81.358).
PR No. 4: Bonds and insurance [¶ 401–427]. (§§ 81.401–81.427).
PR No. 5: Foreign purchases [¶ 501–508.2]. (§§ 81.501–81.508).
PR No. 6: Interbranch and interdepartmental purchases [¶ 601–612]. (§§ 81.601–81.612).
PR No. 7: Disposition of surplus and unserviceable property [¶ 701–710]. (§§ 83.701–83.710).
PR No. 8: Federal, State and local taxes [¶ 801–817.3]. (§§ 81.801–81.817).
PR No. 9: Labor [¶ 901–961.2]. (§§ 81.901–81.961).
PR No. 10: Emergency plant facilities [¶1001–1017]. (§§ 81.1001–81.1017).
PR No. 11: Miscellaneous purchase instructions [¶ 1101–1107]. (§§ 81.1101–81.1107).
PR No. 12: Renegotiation and price adjustment [¶ 1201–1213]. (§§ 81.1201–81.1213).
PR No. 13: Forms of contracts [¶ 1301–1312; 1321–1326]. §§ 81.1301–81.1312 and 81.1320–81.1326).

§ 81.106 *Distribution of procurement regulations.* Distribution of these regulations including subsequent changes thereto will be made by the Adjutant General.

§ 81.107 *Applicability as to various procurement agencies.* (a) These regulations to the extent, and only to the extent that they actually confer authority upon the chiefs of the supply services and other officers or civilian officials of the War Department to exercise power to enter into contracts and into amendments or modifications of contracts heretofore or hereafter made, and to make advances, progress and other payments thereon, shall constitute a redelegation by the Commanding General, Services of Supply, of the authority delegated to him by the Under Secretary of War under date of June 29, 1942, which authority in turn was originally vested in the Under Secretary of War by memorandum of the Secretary of War, dated December 30, 1941 (Subject: Delegation of Authority Under Executive Order No. 9001). The chiefs of the supply services severally shall have power to redelegate the powers conferred upon them respectively by the preceding sentence to such officer or officers or civilian official or officials of the War Department as they severally may direct. The exercise, prior to the date of these regulations, of any such authority by any such officer or officers or civilian official or officials is hereby ratified and confirmed in all respects.

(b) Since the regulations are generally declaratory of policy only, it will be necessary for the chief of each supply service to publish appropriate instructions on procedure.

§ 81.108 *Applicability as to various activities.* (a) War Department Procurement Regulations are applicable to all procurement activities of the War Department. Such activities include, but are not necessarily limited to, the following:

(1) Purchase of supplies, materials, equipment and services.

(2) The procurement of construction work, including that on rivers and harbors.

(b) The regulations are applicable to the expenditure of all appropriate funds by War Department personnel, including funds allocated to, as distinguished from appropriated to, the War Department for use in making purchases.

(c) The regulations are not applicable to the expenditure of organizational, unit and similar funds.

(d) *Army Air Forces.* The regulations have been issued with the approval of the Commanding General, Matériel Command, Army Air Forces, and shall, unless otherwise specifically indicated, apply to said Matériel Command. Whenever used herein, unless otherwise specifically indicated, the term "supply services" shall be deemed to include the Matériel Command, Army Air Forces, and the term "chiefs of the supply services" shall be deemed to include the Commanding General, Matériel Command, Army Air Forces. Likewise, the term "Director, Purchases Division, Headquarters, Services of Supply," when used in connection with action to be taken in respect of the Matériel Command, Army Air Forces, shall, unless otherwise specifically indicated, be deemed to refer to the Special Representative of the Under Secretary of War designated for that purpose.

MISCELLANEOUS PROHIBITIONS

§ 81.109 *Sales, loans, or gifts of supplies to manufacturers*—(a) *General.* Sales, loans or gifts of drawings, manufacturing or other information, and samples of supplies and equipment will be made only to those manufacturers who are or may likely be manufacturers or suppliers of the War Department under contract. Such sales, loans or gifts will be in conformity with AR 380–5[1] where applicable.

(b) *Gifts.* Gifts may be made if the standard list price thereof does not exceed $25, and if specific authorization in each case is given by the chief of the supply service concerned. A certificate by the officer accountable for the supplies given, indicating disposition under this authority, will be accepted by auditing officers as a proper voucher for dropping those supplies.

(c) *Loans.* Loans of supplies will be made to contractors as directed in paragraph 10, AR 35–6520.[2] Such loans may be made to manufacturers who are likely to be contractors in the same manner only if the standard list price thereof does not exceed $500, and provided that specific authorization in each case is given by the chief of the supply service concerned.

(d) *Sales.* Sales may be made only as specifically authorized in each case by the chief of the supply service concerned, and then only at the standard list price and in cases where such price does not exceed $500.

(e) *Authority of the Under Secretary of War.* Any gift exceeding $25, standard list price, any loan to other than contractors exceeding $500, standard list price, and any sale at a price other than standard list price or exceeding $500, standard list price, will be made only with the prior approval of the Under Secretary of War or his duly authorized representative.

§ 81.110 *Prohibition against voluntary service.* No department or officer of the Government may accept voluntary service for the Government except in cases of sudden emergency involving the loss of human life or the destruction of property, or when a written statement is obtained that the service rendered will not be made the basis of a future claim against the Government for compensation.

§ 81.11 *Prohibition against use of troop labor and transportation.* (a) Except in cases of manifest necessity or when authorized by the Secretary of War, the labor of troops or Government employees or Government means of transportation will not be used to enable contractors to fulfill contracts.

(b) Whenever troop labor or Government transportation has been used:

(1) Authority therefor will be given in writing.

(2) A report enumerating in detail the service rendered will be forwarded to the Commanding General, Services of Supply.

(3) Full deduction will be made for the value of the service rendered.

§ 81.112 *Prohibition against purchases from officers or employees of the Government.* (a) No officer or employee of the War Department may act as an agent of the United States in advising, recommending, making or approving the purchase of supplies or other property, or in contracting therefor, if he would be admitted to share or receive directly or indirectly any pecuniary profit or benefit from such purchase or contract.

(b) No officer or agent of any corporation, joint stock company, or association, and no member or agent of any firm, or person directly or indirectly interested in the pecuniary profits or contracts of such corporation, joint stock company, association, or firm, shall be employed or

[1] Administrative regulation's of the War Department relative to safeguarding military information.

[2] Administrative regulations of the War Department relative to property accountability and responsibility.

shall act as an officer or agent of the United States for the transaction of business with such corporation, joint stock company, association or firm.

PROPOSALS FOR LEGISLATIVE ACTION AND FOR EXECUTIVE ORDERS AFFECTING PROCUREMENT

§ 81.113 *General.* By Circular No. 59, War Department, 1942, the Legislative and Liaison Division, War Department, is charged with supervising the preparation of legislation requested by the War Department, with preparing reports to Committees of Congress and with the maintenance of liaison necessary thereto. Said Circular No. 59 further provides that the preparation of reports on legislation affecting the Army Ground Forces, the Army Air Forces or the Services of Supply may be assigned to the command concerned.

§ 81.114 *Legislation includes Executive Orders.* The terms "legislation" and "legislative", as hereinafter used in §§ 81.113 to 81.118, inclusive, refer to action taken or to be taken by Congress, other than the enactment of strictly appropriation items, and to all Executive Orders.

§ 81.115 *Special Legal and Liaison Division, Office of the Under Secretary of War.* With the approval and by the authority of the Under Secretary of War, the Special Legal and Liaison Division Office of the Under Secretary of War, is designated as the agency charged with the coordination within that Office, the Services of Supply and the Matériel Command, Army Air Forces, of all legislative matters affecting procurement or related functions.

§ 81.116 *Proposals for legislative action affecting procurement.* (a) Except as specifically otherwise provided in paragraph (b) of this section, all proposals for legislative action affecting procurement or related functions, originating from any source whatsoever, will be referred to the Special Legal and Liaison Division, Office of the Under Secretary of War, for coordination.

(b) All such proposals, other than proposals for Executive Orders, originating from sources outside the Office of the Under Secretary of War, the Services of Supply or the Matériel Command, Army Air Forces, will be referred to the Legal Branch, Purchases Division, Headquarters, Services of Supply. The legislative section of that branch will promptly review such proposals to determine which are of sufficient importance to the Office of the Under Secretary of War, the Services of Supply, the Matériel Command, Army Air Forces, or any of them to warrant further consideration. Such of the proposals as warrant such consideration will be referred directly to the Special Legal and Liaison Division, Office of the Under Secretary of War, for coordination.

§ 81.117 *Action of Special Legal and Liaison Division.* The Special Legal and Liaison Division, Office of the Under Secretary of War, will, with respect to such proposals originating within the Office of the Under Secretary of War, the Services of Supply, or the Matériel Command, Army Air Forces:

(a) Take all necessary action to secure the views of those individuals and elements within the Office of the Under Secretary of War, the Services of Supply and the Material Command, Army Air Forces, whose responsibilities would be affected by such legislative action.

(b) Refer any questions regarding the form of the proposed legislative action to the Legal Branch, Purchases Division, Headquarters, Services of Supply, for consideration and report.

(c) Make all necessary arrangements for proper coordination with other Government departments and agencies whose functions would be affected.

(d) If it is determined by proper authority to initiate such legislative action, coordinate the matter with the Legislative and Liaison Division, War Department.

(e) Take any other necessary or appropriate action in connection therewith.

With respect to such proposals originating from sources outside the Office of the Under Secretary of War, the Services of Supply, or the Matériel Command, Army Air Forces, said Special Legal and Liaison Division will, upon receipt of such proposals, take the action described in paragraphs (a), (c) and (e) of this section.

§ 81.118 *Congressional hearings.* Arrangements for appropriate representation from the Office of the Under Secretary of War, the Services of Supply and the Matériel Command, Army Air Forces, at Congressional hearings on legislative proposals affecting procurement or related functions will be made through the Special Legal and Liaison Division, Office of the Under Secretary of War.

§ 81.119 *Reports on legislative proposals.* All requests from official sources, within or without the War Department, for reports on legislative proposals affecting procurement or related functions will, upon receipt by the Office of the Under Secretary of War, the Services of Supply or the Matériel Command, Army Air Forces, be referred to the Special Legal and Liaison Division, Office of the Under Secretary of War, which will secure reports from the appropriate sources within the aforesaid elements of the War Department and will forward such reports, after approval thereof by proper authority, through established channels to the sources of the requests.

NEGOTIATED PURCHASES

§ 81.201 *Rescission of regulations.* Army Regulations 5–140, May 22, 1940, as amended; Army Regulations 5–160, October 24, 1941, as amended: Army Regulations 5–240, February 11, 1936, as amended; and all other prior directives and instructions of whatsoever nature relating to negotiated purchases, open-market purchases, procurement without advertising, and other purchasing methods are hereby rescinded.

NOTE: *Compliance with Procurement Regulation No. 2.* Unless otherwise specifically provided, compliance with any provision of Procurement Regulation No. 2 (§§ 81.201 to 81.204) or of any amendment thereto which requires a change in contract procedure or in any contract provision shall not be mandatory until thirty days after the issuance of such regulation or amendment.

§ 81.202 *Definition.* The term "negotiated purchases" as used in Procurement Regulations includes all purchases which are not made as a result of formal advertising in accordance with section 3709, Revised Statutes. Negotiated purchases may be made by securing informal written bids from a large or small number of suppliers, or by securing telephone quotations. However, where such bids or quotations are requested, the request therefor should clearly indicate that the supply service is proceeding under the negotiating power of Public No. 354, First War Powers Act, 1941.

§ 81.203 *Authority.* Authority for making negotiated purchases is contained in the act of December 18, 1941 (Pub. Law 354, 77th Cong.; 55 Stat. 838; 5 U. S. C. Sup. 601–622), which may be referred to as the "First War Powers Act, 1941", and Executive Order No. 9001, December 27, 1941. Hereafter, all negotiated purchases will be made under the authority of the above statute.

§ 81.204 *General policy.* (a) Except as indicated in paragraph (b) of this section, all contracts will be placed by negotiation. The methods of negotiation to be followed will be determined by the chief of the supply service concerned. Any method which will result in the most efficient award of contracts and will, in the judgment of the chief of the supply service concerned, protect the interests of the Government, is hereby authorized.

(b) When authorized by the Director of Purchases of the War Production Board or his designated representative, contracts may be placed by formal advertising instead of by negotiation if deemed necessary in the interests of the Government. Requests for such authority will be submitted to the Purchases Division, Headquarters, Services of Supply, by the chief of the supply service concerned.

§ 81.205 *Special instructions*—(a) *Field agencies.* The chiefs of the supply services will decentralize to their field agencies the actual work of negotiating contracts to the greatest extent consistent with efficiency and proper safeguarding of the public interest.

(b) *Qualified suppliers.* Where consistent with the speed of war procurement, negotiations will be carried on with as many qualified suppliers as is practicable. A qualified supplier is one who:

(1) Qualifies as such under the laws and lawful regulations governing the purchase of the supplies in question.

(2) Can comply with all the terms and conditions governing the purchase.

(3) Is a manufacturer of or a regular dealer in the supplies to be purchased.

(4) Has not been adjudged an irresponsible supplier by the chief of the supply service concerned.

(c) *In negotiating contracts,* particular regard will be paid to the following considerations:

(1) Primary emphasis shall be upon securing delivery in the time required by the war program.

(2) In so far as it will effectuate the policy set forth in subparagraph (1) of this paragraph, contracts shall be placed so as to conserve for the more difficult war production problems the facilities of concerns best able, by reason of engineering, managerial, and physical resources, to handle them. Accordingly, contracts for standard or other items which involve relatively simple production problems shall be placed with concerns, normally the smaller ones, which are less able to handle the more difficult war production problems.

(3) Subject to the considerations stated in subparagraphs (1) and (2) of this paragraph, contracts shall be placed with concerns needing to acquire the least amounts of additional critical materials, machinery and equipment for performance of the contracts. Accordingly, as an essential part of each negotiation, procurement officials shall secure from prospective contractors, statements listing all additional critical materials, machinery and equipment which will be needed for the performance of the contract.

(4) In giving effect to the provisions of subparagraphs (1), (2) and (3) of this paragraph, it is recognized that it may be necessary to purchase at other than the lowest price offered.

(5) F. o. b. point. Whenever land-grant railroads or water routes can be utilized for the transportation of military supplies, request for quotations will specify delivery f. o. b. point of origin in preference to f. o. b. point of destination. This applies to both carload and less-than-carload shipments.

(d) *Authority to make awards.* (1) Awards of contracts or changes therein amounting to less than $5,000,000 (or when the estimated amount in the case of cost-plus-a-fixed-fee contracts, or changes therein, is less than $5,000,000) may be made by such contracting and other officers as the chief of the supply service concerned may designate.

(2) Awards of contracts or changes therein amounting to $5,000,000 or more must be submitted to the Director, Purchases Division, Headquarters, Services of Supply, for approval.

(3) Awards of architect, engineer, management or similar contracts will be submitted for approval in accordance with subparagraph (2) above, when the project which they cover amounts to $5,000,000 or more.

(e) *Applicable laws.* The Walsh-Healey Public Contracts Act, the Davis-Bacon Act, as amended, the Copeland "Kick-back" Act, as amended, and the Eight Hour Law, as amended, are applicable to contracts made and performed under the authority of Executive Order No. 9001 to the same extent as if said contracts had been made and performed under the provisions of section 3709, Revised Statutes.

(f) *Commanders in theaters of operations.* Nothing contained in these regulations will be construed to abridge the powers of commanders in theaters of operations to make necessary purchases in such manner as is deemed advisable.

§ 81.206 *Purchase reports*—(a) *Statistics and Progress Branch.* Under General Orders No. 14, Headquarters, Services of Supply, dated June 12, 1942, the Statistics and Progress Branch, Control Division, Headquarters, Services of Supply, was established. This branch is responsible for preparation and submission of all procurement reports required by law to be submitted to the President and to the Congress, as well as to other Federal Agencies authorized to receive such reports. Effective July 1, 1942, it will be the responsibility of every contracting officer, except those in Theatres of Operations, to make reports of purchase actions as outlined below. The reports will cover all purchases, supply contracts (including contracts for engineering services, maintenance of real estate and procurement of abstracts of title) and contracts for the acquisition and leasing of real estate. The reports will be submitted in duplicate through the usual channels from the contracting officer within three days after the purchase action being reported or after the end of the month, whichever is applicable, to the Commanding General, Services of Supply, attention Control Division, Statistics and Progress Branch. One additional copy will be attached for Chiefs of Supply Services, Services of Supply, and for the Matériel Command of the Army Air Forces by contracting officers reporting thereto. Chiefs of Supply Services, Services of Supply and the Matériel Command of the Army Air Forces will be responsible for complete, accurate, and proper submission of reports from contracting officers under their respective jurisdiction. All other initial reports of purchase actions are abolished, effective July 1, 1942. Informal contracts such as a letter of intent, letter contract, or letter purchase order will not be reported until the transaction becomes a formal one, or until such time as it becomes apparent that the transaction will not become a formal one.

(b) *Monthly summary of purchase actions.* A summary of purchase actions will be rendered for each calendar month as of the last day thereof and submitted on 8" x 10½". sheets in the following form:

MONTHLY SUMMARY OF PURCHASE ACTIONS

(1) Command or Service.
(2) Month of _____, 19__
(3) Office (including station number) and location.
(4) Amount of negotiated purchases.
(a) $10,000 and less _____ $_____
(b) In excess of $10,000 _____ $_____
(5) Amount of all other purchases_ $_____
(6) Total amount of all purchases made (sum of entries 4 and 5) _____ $_____
(7) Number of purchases made—
(a) Negotiated ($10,000 and less) _____
(b) Negotiated (in excess of $10,000) _____
(c) All other_____ _____
(d) Total_____ _____
(Signature) _____
(Name) _____
(Rank) _____
Contracting Officer.

Under entry (5) of the form will be included purchases made under the general schedule of supplies, purchase notice agreements, contract bulletins, and purchases under all other contracts (negotiated or otherwise) which have been entered into by a purchasing office other than the office making the report.

(c) *Report of contracts exceeding $10,000.* A report of every purchase action which exceeds $10,000 (actual or estimated) in amount will be made on 8" x 10½" sheets in the following form:

PURCHASE ACTION REPORT

(1) Serial number of report (each contracting officer will begin with No. 1 for the fiscal year and continue in exact sequence to the end of the fiscal year unless such officer is replaced in which instance the new contracting officer will continue numbering in exact sequence).

If the purchase action supersedes an informal contract, such as a letter of intent, letter contract, or letter purchase order, identify such informal contract by date, subject matter, number, if applicable, etc.

(2) Command or Service.
(3) Office (including station number) and location.
(4) Name and address of contractor.
(5) Name and address of establishment or plant or location, where contract will be performed. If more than one, list each one.
(6) Contract or purchase action number and date.
(7) Type of purchase action (lump sum, unit price, cost-plus-a-fixed-fee, etc.).
(8) Date deliveries scheduled to begin; to be completed.
(9) Complete description of product, service, facilities or property.
(10) Preference rating and identification symbol used on contract.
(11) Number of units, unit cost, and total cost. If cost is estimated, write "estimated" after amount.
(12) State when an escalator clause is included in the contract and whether such clause is for labor, materials, or both.
(13) The minimum wage determination of the Secretary of Labor which was made part of this contract is_____
(14) If total cost of contract is in excess of $150,000 the following information must be supplied:
(a) Names of persons who consummated or concluded the negotiation of the contract for the Government.
(b) Names of all persons who participated in the negotiation on behalf of the contractor.
(c) Statement of principal or controlling reason for selecting the contractor, *if no competition was obtained.* (Securing two or more quotations constitutes competition.)
(d) Name of person approving specification. (Where Federal, Army, Supply Service, Navy, or other bureau specification is used, a statement to that effect will be sufficient.)
(e) *Reports for the purchase of land.* In addition to the above information, the following will be submitted for reporting the purchase of land:
1. Location
2. Area
3. Intended use
4. Price
5. Assessed value
(Signature) _____
(Name) _____
(Rank) _____
Contracting Officer

If a purchase action report has been submitted and there is any change in information such as number of units, unit cost, total cost, etc., a monthly re-

port (submitted within three (3) days after the end of the month) will be made. The monthly report will not repeat any information given on the original report except entries (1) to (4) inclusive, and entries on which the original information submitted has changed. Such entries will be on a revised basis as of the end of the month and will not be given as additions or deductions to be made to the information contained in the original report. Where several changes have taken place during the month, it is not necessary to show each such change. The first such monthly report will contain the same serial number as the original report, followed by an (a), the second monthly report a (b), etc.

CONTRACTS

§ 81.301 *Rescission of regulations.* Army Regulations 5–200, dated January 2, 1940, as amended, and all other prior directives and instructions of whatsoever nature relating to the making of contracts are hereby rescinded.

Compliance with Procurement Regulation No. 3. Unless otherwise specifically provided, compliance with any provision of Procurement Regulation No. 3 (§§ 81.301–81.358) or of any amendment thereto which requires a change in contract procedure or in any contract provision shall not be mandatory until thirty days after the issuance of such regulation or amendment.

§ 81.302 *Definitions.* The following terms, as used herein, are defined as follows:

(a) *United States and Government.* These terms are synonymous and include the War Department.

(b) *Contractor.* A contractor is any person, partnership, company, or corporation (or any combination of these) which is a party to a contract with the United States.

(c) *Contracting officer.* A contracting officer is a person who has been designated by competent authority to execute contracts on behalf of the United States. Except when used in connection with the original signing of the contract and except as otherwise expressly stated herein, the term contracting officer shall include his duly appointed successor or authorized representative.

(d) *Disbursing officer.* A disbursing officer is the officer who has been designated to make payments under a contract.

(e) *The following are terms* used in connection with contracts:

(1) *Signed number.* A signed number means the instrument with the required signatures.

(2) *Authenticated copy.* An authenticated copy means a copy of the instrument shown to be authentic by either:

(i) Certification as a true copy,

(ii) Official seal, or

(iii) Photostatic process.

The signatures on such copies may be either facsimile, stamped, or typed.

(3) *Copy.* A copy means a copy of the instrument, including the names of the contracting parties, but lacking authentication.

(f) *Default.* Default is the refusal or the failure of a contractor to carry out the terms of a contract.

§ 81.303 *General requirements for contracts.* (a) Every purchase transaction, except those where payment is made coincidentally with receipt of the supplies, will be covered by a contract executed on an approved form.

(b) Contracts covering purchases will be supported by written quotation except:

(1) Those covering purchases made at public auction, at a produce exchange, or under similar conditions;

(2) Those covering purchases amounting to less than $5,000;

(3) Those which require only one payment.

PREPARATION OF CONTRACTS

§ 81.304 *Contract forms*—(a) *Authorized contract forms.* The following contract forms are authorized for use whenever deemed appropriate by the chief of the supply service concerned, subject to the provisions of §§ 81.322–81.351:

(1) War Department Contract Form No. 1, Lump Sum Supply Contract. (See § 81.1301.)

(2) War Department Contract Form No. 2, Lump Sum Construction Contract. (See § 81.1302.)

(3) War Department Contract Form No. 3, Fixed-Fee Construction Contract. (See § 81.1303.)

(4) War Department Contract Form No. 4, Fixed-Fee Architect-Engineer Contract. (See § 81.1304.)

(5) War Department Contract Form No. 5, Short Form Supply Contract (Negotiated). (See § 81.1305.)

(6) War Department Contract Form No. 6, Offer and Acceptance. (See § 81.1306.)

(7) War Department Contract Form No. 7, Letter Purchase Order. (See § 81.1307.)

(8) War Department Contract Form No. 8, Letter Contract (Supplies). (See § 81.1308.)

(9) War Department Contract Form No. 9, Letter Contract (Fixed-Fee Construction). (§ 81.1309.)

(10) War Department Contract Form No. 10, Letter Contract (Lump Sum Construction). (See § 81.1310.)

(11) War Department Contract Form No. 11, War Risk Indemnity Contract. (See § 81.1311.)

(12) War Department Contract Form No. 12; Fixed-Fee Architect-Engineer-Construction-Management Services Contract. (See § 81.1312.)

(20) War Department Contract Form No. 20; supplemental agreement for advance payments with interest on fixed-price contracts. (See § 81.1320.)

(21) War Department Contract Form No. 21; supplemental agreement for advance payments with interest on fixed-fee contracts. (See § 81.1321).

(22) War Department Contract Form No. 22; supplemental agreement for advance payments with interest on a letter purchase order. (See § 81.1322).

(23) War Department Contract Form No. 23; supplemental agreement for advance payments without interest on fixed-price contracts. (See § 81.1323).

(24) War Department Contract Form No. 24; supplemental agreement for advance payments without interest on fixed-fee contracts. (See § 81.1324).

(25) War Department Contract Form No. 25; supplemental agreement for advance payments without interest on letter purchase orders. (See § 81.1325).

(26) War Department Contract Form No. 26; supplemental agreement for advance payments on fixed-price contracts for critical machine tools. (See § 81.1326).

(b) *U. S. Standard Forms.* If a supply service has been using approved U. S. Standard Forms for certain types of transactions, the continued use of such forms is authorized, subject to the provisions of §§ 81.322 to 81.358 inclusive.

(c) *Special contract forms.* In those cases where the contract forms authorized above will not meet the needs of special or general situations, special forms to meet such situations may be devised by the chief of the supply service concerned subject to the provisions of §§ 81.322 to 81.358, inclusive. All such special forms will be submitted to the Purchases Division, Headquarters, Services of Supply, for approval prior to their adoption for general use.

§ 81.305 *Numbering contracts*—(a) *When required.* Every contract involving the receipt or expenditure of public moneys will be numbered when:

(1) The actual or estimated amount involved is $5,000 or more, or

(2) When more than one payment (or receipt) is involved, regardless of the amount involved.

(b) *System.* Contract numbers will be placed in the upper right-hand corner and will consist of the following in the order named:

(1) The capital letter "W", representing the War Department.

(2) Station number representing the station or office as published in finance circulars.

(3) The letter or letters representing the supply service. The Chief of Finance will be promptly notified of any change in the letter symbol or of the adoption of a new symbol.

(4) A serial number, separated from the above by a hyphen, commencing with the number 1 and continuing in succession indefinitely without regard to the fiscal year. When the serial number reaches the limit of five digits (99,999), a new series will be used beginning with the serial number 1 and followed by the capital letter "A". Should additional series become necessary, they will be distinguished by the capital letters "B", "C", "D", etc. as may be required.

(c) *Defense aid contracts.* Contracts required to be numbered pursuant to paragraph (a) of this section and which are payable from the appropriation, "Defense Aid Supplemental Act, 1941," approved March 27, 1941 (Pub. Law 23, 77th Cong.), will be assigned numbers in a separate series beginning with "No. 1". The complete serial number will be the same as the regular series of contract numbers except that it will be preceded by the symbol "DA–".

(d) *Example.* Based on paragraph (b) of this section the following is the number of the first numbered contract executed by the Quartermaster, Fort Bragg, North Carolina:

W–159 qm–1.

Based on paragraph (c) of this section the following is the number of the first numbered defense aid contract executed by the Quartermaster, Fort Bragg, North Carolina:

DA–W–159 qm–1.

(e) *Organized Reserves.* The station number used for contracts pertaining to all units of the Organized Reserves in a corps area will be that assigned to the Organized Reserves of that corps area and the letters will be "qm". Only one series of serial numbers will be used in a corps area for contracts pertaining to all units of the Organized Reserves in that corps area. Corps area commanders will assign each number required.

§ 81.306 *Deviation from standard contract provisions.* Subject to the requirements of §§ 81.322 to 81.358, inclusive, major changes in standard contract provisions may be made in exceptional cases with the approval of the chief of the supply service concerned. Such changes will be reported to the Purchases Division, Headquarters, Services of Supply.

§ 81.307 *Fiscal procedures*—(a) *Allotments of funds not to be exceeded.* The authority to make contracts is subject to the proviso that the allotments made for the supplies will not be exceeded, and officers who are charged with making purchases will be held strictly responsible that obligations incurred by them do not exceed the amounts authorized and that such obligations include no other purpose than that indicated in the allotment.

(b) *Statements as to availability of funds.* See AR 35–840 [3] for the statements which will be made on contracts and on purchase orders placed under existing contracts as to the funds chargeable and the sufficiency thereof.

§ 81.308 *Execution of contracts*—(a) *Contracts with individuals.* A contract with an individual will be signed by the individual in his own name.

(b) *Contracts with an individual trading as a firm.* Such a contract will be signed by the individual, without further reference to the trade name.

(c) *Contracts with partnerships.* (1) The contract may be signed in the name of the partnership by one or more of the partners. Each partner who signs will sign as one of the firm.

(2) A contract with a partnership doing business through a local representative or agent may be executed in the name of the firm by such local representative or agent, in which case the contracting officer will:

(i) File with the contract a properly certified copy of the power of attorney showing the authority of such representative or agent, or

(ii) Certify on the contract that he has satisfied himself of the signer's authority to bind the firm and has waived the requirements as to furnishing evidence of such authority.

(d) *Contracts with corporations.* (1) A contract with a corporation will have the name of the corporation written in the blank space provided therefor at the end of the contract form, followed by the word "By", after which the officer or person who has been authorized to contract on behalf of the corporation will sign his name, with the designation of his official capacity.

(2) The contracting officer will, in all cases, satisfy himself that the signer has authority to bind the corporation, and will either require from him satisfactory evidence thereof and file this evidence with the contract, or will procure or make one of the alternate certificates indicated on the contract form.

(3) Evidence filed with a contract will consist of extracts from the records of the corporation showing:

(i) The election of the officers executing the contract and bond on behalf of the corporation.

(ii) The grant of authority to the officers who execute the contract and bond.

The above-mentioned copies will be certified by the custodian of such records, under the corporate seal (if there be one), to be true copies of the records of the corporation.

(e) *Contracting officer's signature.* The contracting officer will sign on behalf of the United States in the space provided for his signature, and his official title will be added.

§ 81.309 *Approval of contracts within the Supply Services.* Except in cases where approval of the chief of the supply service is required by these regulations, a contract may be made by the contracting officer with or without the approval of higher authority within the supply service, as may be directed by the chief of the supply service concerned. If approval of such higher authority is required, (a) an appropriate approval article will be included in the contract, (b) all changes and deletions shall have been made before the contract is forwarded for such approval, and (c) the contract shall not be valid until such approval is given.

§ 81.310 *Statement and certificate of award (Standard form No. 1036).* (a) Standard Form No. 1036 need not be executed in connection with negotiated contracts.

(b) If in exceptional cases contracts are awarded pursuant to formal advertising, Standard Form No. 1036, properly executed in accordance with instructions contained on the form, will be attached to the copy of the agreement which is furnished the General Accounting Office.

DISTRIBUTION OF CONTRACTS AND ORDERS THEREUNDER

§ 81.311 *General instructions.* The following general instructions are applicable to the distribution of both numbered and unnumbered contracts:

(a) Contracts will not be distributed until properly signed by all parties, and approved, if approval is required.

(b) All instructions relating to distribution of contracts are subject to the provisions of AR 380–5 [4] and all other current instructions governing the safeguarding and disclosing of information affecting the national defense of the United States.

§ 81.312 *Numbered contracts.* (a) Subject to such special instructions as may be issued by the chief of the supply service concerned, numbered contracts will be distributed as follows:

(1) The original signed number will be forwarded to the General Accounting office.

(2) The duplicate signed number will be filed with the contracting officer or with the chief of the supply service concerned.

(3) The triplicate signed number will be forwarded to the contractor.

(4) An authenticated copy will be forwarded to the disbursing officer for his files.

(5) Additional authenticated copies or unauthenticated copies will be distributed as directed by the chief of the supply service concerned.

§ 81.313 *Unnumbered contracts.* (a) The original signed number will be furnished the disbursing officer and will be attached to the voucher on which payment is made and will accompany such voucher to the General Accounting Office.

(b) The duplicate signed number will be forwarded to the contractor.

(c) An authenticated copy will be furnished the disbursing officer for his files.

(d) Additional copies will be prepared and distributed as directed by the chief of the supply service concerned.

§ 81.314 *Special cases*—(a) *Purchases under contracts of Procurement Division, Treasury Department; Navy Department; Post Office Department; etc.* (1) Purchase orders covering such purchases will be distributed in accordance with § 81.313 above.

(2) The chief of the supply service concerned will secure compliance with all special instructions of the respective agencies which make the contracts.

(b) United States Employees' Compensation Commission. Contracting officers will, immediately upon completion, transmit to the United States Employees' Compensation Commission, Washington, D. C., an authenticated copy of the following:

(1) Contracts in which the contractor is designated as the agent of the United States.

[3] Administrative regulations of the War Department relative to fiscal procedure, general.

[4] Administrative regulations of the War Department relative to safeguarding military information.

(2) Contracts under which, while the contractor is not specifically named as the agent of the United States, the Government may at any and all times direct and control the work in all its details and stages, not merely as to what will be done but also as to how it will be done.

MODIFICATION OF CONTRACTS

§ 81.315 *Supplemental agreements*—(a) *Authority.* Chiefs of the supply services are authorized to modify or amend existing contracts upon adequate legal consideration by supplemental agreement whenever, in their judgment, the prosecution of the war effort is thereby facilitated, and upon an express finding to that effect. Amendments and modifications of contracts may be utilized to accomplish the same purposes as might have been accomplished by original contracts. This authority shall not be construed as conferring upon the chiefs of the supply services authority to enter into amendments or modifications of contracts without adequate legal consideration, or to enter into agreements with contractors or obligors modifying or releasing accrued obligations of any sort, including accrued liquidated damages or liability under any surety or other bond. In cases where such settlement, adjustment, modification, or release is deemed desirable by the chiefs of the supply services, a recommendation therefor, accompanied by a full statement of the circumstances and the necessity thereof, should be transmitted to the Director, Purchases Division, Headquarters, Services of Supply.

(b) *Form.* Supplemental agreements entered into pursuant to paragraph (a) of this section will be reduced to writing and signed by the contracting officer. Supplemental agreements will bear the same identification as the contract which is thereby modified or amended, and will be lettered or numbered, whichever method is authorized by the chief of the supply service concerned, in the order in which the modifications or amendments to the contract are issued. One continuous series of lettering or numbering as the case may be, will be used for each contract, even though it is modified or amended, both by supplemental agreements and by change orders. Signed numbers and copies of supplemental agreements will be distributed in the same manner as is prescribed for the contracts to which they pertain, and the contracting officer will note on his retained copy of the supplemental agreement the date on which the contractor's number was delivered or mailed to him.

§ 81.316 *Change orders*—(a) *Authority.* Pursuant to contractual provision therefor, change orders may be made as authorized by the chiefs of the supply services.

(b) *Form.* Change orders will be in the form of letters addressed to the contractor, and will specify the number of the contract concerned, the changes to be made, the increase or decrease in price and time for performance, and such other terms as may be necessary. Change orders will bear the same identification as the contract which is thereby modified or amended and will be lettered or numbered, whichever method is authorized by the chief of the supply service concerned, in the order in which the modifications or amendments to the contract are issued. One continuous series of lettering or numbering as the case may be will be used for each contract, even though it is modified or amended both by supplemental agreements and by change orders. Signed numbers and copies of change orders will be distributed in the same manner as is prescribed for the contracts to which they pertain, and the contracting officer will note on his retained copy of the change order the date on which the contractor's number was delivered or mailed to him.

§ 81.317 *Modifications in excess of $5,000,000.* Supplemental agreements and change orders will be submitted to the Director, Purchases Division, Headquarters, Services of Supply, for approval in all cases where there is an increase in the contract price (or in the estimated cost if a cost-plus-a-fixed-fee contract) amounting to $5,000,000 or more. If it is deemed necessary to amend or modify the contract without adequate legal consideration in order to facilitate the prosecution of the war effort, the proposed amendment or modification will be submitted to the Director, Purchases Division, Headquarters, Services of Supply, for approval.

§ 81.318 *Adherence to approved forms.* The authority of §§ 81.315–81.319 will not be used for the purpose of authorizing a deviation from approved forms of War Department contracts, unless such deviation is authorized by these regulations nor will it be used for the purpose of making material changes in the character or terms of an award or contract previously approved by the Under Secretary of War or the Director, Purchases Division, Headquarters, Services of Supply. The same requirements and restrictions with respect to approved forms are applicable to supplemental agreements and change orders as are applicable to original contracts.

§ 81.319 *Consent of sureties.* If payment or performance under the contract is guaranteed by a surety, the consent of such surety should be obtained to any supplemental agreement modifying or amending the contract, or to any change order in excess of $25,000. As to change orders not in excess of $25,000, the consent of the surety is not required but the surety should be furnished copies thereof.

MISCELLANEOUS

§ 81.320 *Assignments*—(a) *Basic statutes.* There are two statutes creating restrictions on assignments of contracts with and claims against the United States. In 1940 both of these statutes were amended by the addition thereto of a paragraph making the restrictions inapplicable in certain situations. (See paragraph (b) of this section).

Prior to the amendment in 1940, Revised Statutes 3737 provided as follows:

No contract or order, or any interest therein, shall be transferred by the party to whom such contract or order is given to any other party, and any such transfer shall cause the annulment of the contract or order transferred, so far as the United States are concerned. All rights of action, however, for any breach of such contract by the contracting parties are reserved to the United States. (41 U.S.C. 15)

Prior to said amendment in 1940, Revised Statutes 3477 provided as follows:

All transfers and assignments made of any claim upon the United States, or of any part or share thereof, or interest therein, whether absolute or conditional, and whatever may be the consideration therefor, and all powers of attorney, orders, or other authorities for receiving payment of any such claim, or of any part or share, thereof, * * *, shall be absolutely null and void, unless they are freely made and executed in the presence of at least two attesting witnesses, after the allowance of such a claim, the ascertainment of the amount due, and the issuing of a warrant for the payment thereof. Such transfers, assignments, and powers of attorney, must recite the warrant for payment, and must be acknowledged by the person making them, before an officer having authority to take acknowledgments of deeds, and shall be certified by the officer; and it must appear by the certificate that the officer, at the time of the acknowledgment, read and fully explained the transfer, assignment, or warrant of attorney to the person acknowledging the same. The provisions of this section shall not apply to payments for rent of post-office quarters made by post-masters to duly authorized agents of the lessors. (31 U.S.C. 203.)

(b) *Assignment of Claims Act of 1940.* In 1940 by the enactment of the Assignment of Claims Act (Pub. Law 811—76th Cong.) the restrictions created by sections 3477 and 3737 of the Revised Statutes referred to in paragraph (a) of this section were, subject to certain conditions therein specified, made inapplicable to any case in which monies due or to become due under a contract providing for payments aggregating $1,000 or more, are assigned to a bank, trust company, or other financing institution including any Federal lending agency.

(c) *Assignments by operation of law.* It has been held that the provisions of sections 3477 and 3737 of the Revised Statutes, do not apply where a contract or claim is transferred by order of a court in receivership or bankruptcy proceedings, such an assignment, being by operation of law. (See 3 Comp. Gen. 623; 5 id. 592.)

(d) *Transfer of entire business.* It has been held that where an individual or corporation having a contract with or claim against the Government sells an entire business to another individual or corporation, the transferee will be recognized by the United States as the lawful successor in interest of the contractor or claimant notwithstanding the provisions of sections 3477 and 3737 of the Revised Statutes, referred to above. (9 Comp. Gen. 72, 74.)

(e) *Corporate mergers.* It has likewise been held that the provisions of section 3477 of the Revised Statutes are inapplicable to the transfer of a claim against the United States resulting from the merger of one corporation into another. (*Seaboard Airline Railway* v. *U. S.*, 256 U. S. 655.)

(f) *Recognition of assignments prohibited by Revised Statutes.* Assignments

or transfers of contracts and claims prohibited by sections 3477 and 3737 of the Revised Statutes are merely voidable and may be validated by the Government. Authority to validate such assignments or transfers is vested in the Director Purchases Division, Headquarters, Services of Supply. (Op. J.A.G., March 9, 1942.)

(g) In connection with the assignment of claims, contracting officers will, upon request of the contractor, furnish proposed assignees information regarding the status of the contract at the time of the assignment. In so doing, the contracting officer will advise the assignee that the information is so furnished only for confidential use in connection with the assignment.

§ 81.321 *Advance payments*—(a) *General policy.* Advance payments will be made to contractors upon their request in all cases where such action will facilitate the prosecution of the war, and provided that the Government will be adequately protected.

(b) *Procedure.* (1) Chiefs of supply services are authorized to approve the making of advance payments on contracts pertaining to their respective services when the amount of the contract (or the estimated amount in the case of a cost-plus-a-fixed-fee contract) is less than $5,000,000 and the amount of the advance payment is less than 50 per cent of the estimated amount of the contract. The chief of each supply service in his discretion is authorized to delegate all or part of this authority to contracting officers under his jurisdiction.

(2) Advance payments will be limited to 30 per cent of the contract price, except where:

(i) Special circumstances justify a larger advance, or

(ii) The contractor agrees to advance to subcontractors requiring financing of subcontracts the entire amount of advances in excess of 30 per cent of the contract price.

(3) Any advance authorized in excess of 30 per cent upon a contract entered into prior to December 27, 1941, will be under a supplemental agreement which contains provisions therefor made on or after said date.

(4) No advance payment will be made without there having been incorporated in the prime contract an approved advance payment contract provision or the execution of an advance payment supplemental agreement in an approved form.

(5) Where a performance bond of a principal contract has been required and advance payments are provided for by supplemental agreement, or where an advance payment bond is furnished as additional security, the official authorized to approve the advance payments may use his discretion as to whether the actual making of such payments should be withheld pending the approval by the Judge Advocate General of a consent of surety on a preexisting bond or his approval of the applicable advance payment bond.

(6) Advance payments in connection with letter contracts will be provided for by an approved supplemental agreement. There should be included in such agreement a clause relieving a subsequent performance surety of the fidelity risk involved in making advance payments in any case where it is contemplated that a performance bond will be required in connection with the more formal contract and where no advance payment bond has been required.

(7) Advance payments may be made under agreements of all kinds (whether contracts, letter contracts, letter purchase orders, or otherwise).

(8) Requests for advance payments in excess of 50 per cent of the contract price of any contract, and for advance payments on all contracts amounting to $5,000,000 or more, will be submitted by the chief of the supply service concerned to the Advance Payment and Loan Section, Fiscal Division, Headquarters, Services of Supply, for approval. The following information will be presented with each such request, together with the recommendation of the chief of the supply service concerned:

(i) The amount proposed to be advanced.

(ii) The amount and character of contract involved.

(iii) Whether awarded with or without advertising or on a cost-plus-a-fixed-fee basis.

(iv) The terms of the proposed advance (including method and time of repayment or liquidation).

(v) The national interest in making the advance.

(vi) The security proposed to protect the Government against loss with the definite recommendation of the chief of the supply service as to the adequacy thereof.

(vii) The financial position and the general character and responsibility of the contractor.

(viii) Any other information pertinent to a proper decision in the case.

(ix) The appropriation available.

(c) *Forms and special contract clauses.* (1) The contract clause contained in § 81.347 will be used in providing for advance payments with interest on fixed-price contracts.

(2) War Department Contract Form No. 20 will be used in executing a supplemental agreement for advance payments with interest on fixed-price contracts. (See § 81.1320.)

(3) War Department Contract Form No. 21 will be used in executing a supplemental agreement for advance payments with interest on cost-plus-a-fixed-fee contracts. (See § 81.1321.)

(4) War Department Contract Form No. 22 will be used in executing a supplemental agreement for advance payments with interest on a letter purchase order. (See § 81.1322.)

(5) The contract clause contained in § 81.348, will be used in providing for advance payments without interest on fixed-price contracts.

(6) War Department Contract Form No. 23 will be used for executing a supplemental agreement for advance payments without interest on fixed-price contracts. (See § 81.1323).

(7) War Department Contract Form No. 24 will be used for executing a supplemental agreement for advance payments without interest on cost-plus-a-fixed-fee contracts. (See § 81.1324).

(8) War Department Contract Form No. 25 will be used for executing a supplemental agreement for advance payments without interest on letter purchase orders. (See § 81.1325).

(9) The contract clause contained in § 81.349 will be used in providing for advance payments on fixed-price contracts for critical machine tools.

(10) War Department Contract Form No. 26 will be used for executing a supplemental agreement for advance payments on fixed-price contracts for critical machine tools. (See § 81.1326).

(d) *Interest.* (1) Except as set forth below, whenever an advance payment is made to a contractor by the War Department, a charge shall be made for the use of the Government money so furnished. The charge shall be in the nature of an interest charge computed, at convenient accounting periods, at the rate of two and one-half per cent per annum on the unliquidated balance of advance payments outstanding from time to time. In the case of a fixed-price contract, the amount of the charge shall be deducted from payments under the contract. In the case of a cost-plus-a-fixed-fee contract, the charge shall be deducted from the amount of the fee otherwise payable to the contractor, and shall not be an item of reimbursible cost under the contract.

(2) This charge shall not apply to:

(i) Contracts which provide that the work thereunder shall be performed at cost without profit or fee to the contractor.

(ii) Contracts entered into or contracts the terms of which had been agreed upon prior to June 1, 1942, to the extent that such application would be inconsistent with the terms of such contracts.

(iii) Advance payments up to 30 per cent of the contract price made to suppliers of critical machine tools.

(e) *Advance payments to suppliers of critical machine tools.* War Department contracts for critical machine tools will, if requested by the contractor, provide for advance payments of 30 per cent of the contract price, regardless of the amount, either in the terms of the contract or by supplemental agreement provided that the interest of the Government will be adequately protected. Supplemental agreements providing for similar advance payments on existing contracts for critical machine tools may be executed and approved upon proper request being made therefor.

(f) *Reports.* A quarterly report should be rendered by January 14, April 14, July 14, and October 14, of each year, setting forth the status of all contracts on which there are outstanding advance payments. A special statement should be included in the report as to any contracts with respect to which the completion of the contract and liquidation of the advance payment appears to be doubtful, together with the steps being taken to protect that advance payment. If at any time between such quarterly

reports it appears doubtful that a contractor to whom an advance payment has been made will complete the contract, a report should be rendered to the Advance Payment and Loan Section, Fiscal Division, Headquarters, Services of Supply, immediately, including the facts in the case and the steps being taken to protect the advance payment.

MANDATORY AND OPTIONAL CONTRACT PROVISIONS

§ 81.322 *Officials not to benefit clause.* Every contract, regardless of subject matter or amount, will contain the following clause without deviation:

Officials not to benefit. No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of this contract or to any benefit that may arise therefrom, but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

§ 81.323 *Covenant against contingent fees.* Every contract, regardless of subject matter or amount, will contain the following clause without deviation:

Covenant against contingent fees. The Contractor warrants that he has not employed any person to solicit or secure his contract upon any agreement for a commission, percentage, brokerage, or contingent fee. Breach of this warranty shall give the Government the right to annul the contract, or, in its discretion, to deduct from the contract price or consideration the amount of such commission, percentage, brokerage, or contingent fees. This warranty shall not apply to commissions, payable by contractors upon contracts or sales secured or made through bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business.

§ 81.324 *Termination for convenience of the Government.* (a) Every lump-sum supply contract regardless of subject matter, except:

(1) Contracts to be completed in six months or less for an amount of less than $500,000 and

(2) Contracts for an amount of less than $50,000 regardless of the date of completion, will contain a clause substantially as follows:

Termination for Convenience of the Government. (a) Should conditions arise which, in the opinion of the Secretary of War, make it desirable that this contract be terminated, the Government may, at any time, terminate this contract in whole or in part by a notice in writing from the Contracting Officer to the Contractor that the contract is terminated under this Article. Such termination shall be effective in the manner and upon the date specified in said notice and shall be without prejudice to any claims which the Government may have against the Contractor, or any claims which the Contractor may have against the Government. Upon receipt of such notice the Contractor shall (1) unless the contracting officer directs otherwise, discontinue all work and the placing of all orders for materials and facilities in connection with performance of this contract, cancel all existing orders chargeable to this contract, and terminate all subcontracts chargeable to this contract; (2) transfer to the Government, by delivery f. o. b. _____, or by such other means as the Contracting Officer may direct, title to all completed supplies (including spare parts, drawings, information, and other things) called for herein, not previously delivered, and partially completed supplies, work in process, materials, fabricated parts, plans, drawings, and information acquired or produced by the contractor for the performance of this contract; and (3) take such action as may be necessary to secure to the Government the benefits of any rights remaining in the Contractor under orders or subcontracts wholly or partially chargeable to this contract to the extent that such orders or subcontracts are so chargeable.

(b) The Government shall, upon such termination of this contract, pay to the contractor the contract price of all supplies (including spare parts, drawings, information, and other things) called for herein which have been completed in accordance with the provisions of this contract and to which title has been received by the Government under the provisions of paragraph (a) (2) of this article and for which payment has not previously been made.

(c) The Government shall also, in the above events, compensate the Contractor for the uncompleted portion of the contract as follows:

(1) By reimbursing the Contractor for all actual expenditures certified by the Contracting Officer as having been made with respect to the uncompleted portion of the contract;

(2) By reimbursing the Contractor for all expenditures made with the prior written approval of the Contracting Officer in settling or discharging that portion of the outstanding obligations or commitments of the Contractor which had been incurred or entered into with respect to the uncompleted portion of the contract; and

(3) By paying the Contractor, as a profit on the uncompleted portion of the contract, in so far as a profit is realized hereunder, a sum to be computed by the Contracting Officer in the following manner:

(A) The Contracting Officer shall estimate the profit which would have been realized on the uncompleted portion of the contract if the contract had been completed and labor and material costs prevailing at the date of termination had remained in effect.

(B) Estimate, from a consideration of all relevant factors, the percentage of completion of the uncompleted portion of the contract.

(C) Multiply the anticipated profit determined under (A) by the percentage determined under (B). The result is the amount to be paid to the Contractor as a proportionate share of profit, if any, as above provided. Notwithstanding, the above provisions, no compensation shall be paid under this Paragraph (c) by way or reimbursement for expenditure, including expenditures made in settling or discharging obligations or commitments, or by way of profit on account of supplies and other things which are undeliverable because of destruction or damage, whether or not because of the fault of the contractor.

(d) Subject to the approval of the Contracting Officer, the Government shall reimburse the Contractor for expenditures made and cost incurred after the date of termination for the protection of Government property and for such other expenditures and costs as may be necessary in connection with the settlement of this contract.

(e) The obligation of the Government to make any of the payments required by this Article shall be subject to any unsettled claim for labor or material and to any claim which the Government may have against the Contractor under or in connection with this contract, and payments under this Article shall be subject to reasonable deductions by the Contracting Officer on account of defects in the materials or workmanship of completed or partially completed supplies delivered hereunder.

(f) The sum of all amounts payable under this Article, plus the sum of all amounts previously paid under this contract, shall not exceed the total contract price, adjusted in the event that this contract contains an article providing for price adjustment, on the basis of the estimate of the Contracting Officer, to the extent which would have been required by such article if this contract had been completed and labor and materials costs prevailing at the date of termination had remained in effect.

(g) Should the above provisions of this Article not result in payment to the Contractor of at least $100, then that amount shall be paid to the Contractor in lieu of any and all payments hereinbefore provided for in this Article.

(h) Any disputes arising out of termination under this Article shall be decided in accordance with the procedure prescribed in Article 12 of this contract.

(i) Upon the making of the payments called for by this Article, all obligations of the Government to make further payments or to carry out other undertakings hereunder shall cease forthwith and forever, except that all rights and obligations of the respective parties under the Articles, if any, of this contract applicable to patent infringements and reproduction rights shall remain in full force and effect.

The foregoing clause may be inserted in any contract as to which its inclusion is not mandatory.

(b) Every lump-sum supply construction contract regardless of subject matter, except:

(1) Contracts to be completed in six months or less for an amount of less than $500,000 and

(2) Contracts for an amount of less than $50,000 regardless of the date of completion,

will contain the following clause without deviation:

ARTICLE * * * *Termination for Convenience of the Government.* (a) The Government may terminate this contract in whole or in part at any time by a notice in writing from the Contracting Officer to the Contractor, specifying the date upon which such termination shall become effective and the extent to which the performance of such contract shall be terminated. Termination shall be effective upon the date and to the extent specified in said notice.

(b) Upon receipt of the notice of termination the Contractor shall except insofar as the notice directs otherwise with respect to this contract, or, in the event of partial termination, with respect to the part thereof covered by the notice:

(1) Discontinue all work and the placing of all orders for materials and facilities otherwise required for the performance thereof;

(2) Cancel all existing orders and subcontracts to the extent such orders and subcontracts are chargeable to the performance thereof;

(3) Transfer to the Government, in accordance with the directions of the Contracting Officer, all materials, supplies, work in process, facilities, equipment, machinery or tools acquired by the Contractor in connection with the performance thereof, and all plans, drawings, working drawings, sketches, specifications and information for use in connection therewith: *Provided*, That the Contractor may retain any such equipment, machinery and tools if he so elects and will forego reimbursement thereon.

(4) Take such action as may be necessary to secure to the Government the benefits of any rights remaining in the Contractor under orders or subcontracts chargeable thereto to the extent that such orders or subcontracts are so chargeable;

(5) Take such action as the Contracting Officer may prescribe for the protection and preservation of all property in the possession or control of the Contractor, title to which is transferable to the Government under the provisions of this article.

Should the notice of termination cover only a portion of this contract, the Contractor will proceed to completion of such portions as are not terminated.

(c) Upon compliance by the Contractor with the above provisions of this Article and subject to deductions for payments previously made, the Government shall compensate the Contractor as follows:

(1) By reimbursing the Contractor for all actual expenditures certified by the Contracting Officer as having been made with respect to this contract, including expenditures made in connection with any portions of the contract which may have been completed prior to termination; as well as expenditures made after termination in completing those portions of the contract which the Contractor may have been required by the notice of termination to complete.

(2) By reimbursing the Contractor for all expenditures made with the prior written approval of the Contracting Officer in settling or discharging any outstanding contractual obligations or commitments incurred or entered into by the Contractor with respect to this contract;

(3) By paying the Contractor, as a profit on this contract, insofar as a profit is realized hereunder, an amount to be computed by the Contracting Officer in the following manner:

(A) Estimate the profit which would have been realized on this contract if the contract had been completed and labor and material costs prevailing at the date of terminations had remained in effect.

(B) Estimate, from a consideration of all relevant factors, the percentage of completion of the contract including any work performed after termination. In estimating the percentage of completion, the Contracting Officer shall estimate the percentage of the total work required by the contract which the work actually accomplished represents.

(C) Multiply the profit determined under (A) by the percentage determined under (B). The product is the amount to be paid the Contractor as profit.

(d) Subject to the approval of the Contracting Officer, the Government shall reimburse the Contractor for expenditures made and costs incurred after the date of termination for the protection of Government property and for such other expenditures and costs as may be necessary in connection with the settlement of this contract.

(e) The obligation of the Government to make any of the payments required by this Article shall be subject to any unsettled claim for labor or material and to any claim which the Government may have against the Contractor under or in connection with this contract, and payments under this Article shall be subject to reasonable deductions by the Contracting Officer on account of defects in materials or workmanship.

(f) The sum of all amounts payable under this article, plus the sum of all amounts previously paid under this contract, shall not exceed the total contract price, adjusted in the event that this contract contains an article providing for price adjustment, on the basis of the estimate of the Contracting Officer, to the extent which would have been required by such article if this contract had been completed and labor and materials costs prevailing at the date of termination had remained in effect.

(g) Should the above provisions of this Article not result in payment to the Contractor of at least $100, then that amount shall be paid to the Contractor in lieu of any and all payments hereinbefore provided for in this Article.

(h) Any disputes arising out of termination under this Article shall be decided in accordance with the procedure prescribed in Article . . . . of this contract.

(i) Upon the making of the payments called for by this Article, all obligations of the Government to make further payments or to carry out other undertakings hereunder shall cease forthwith and forever, except that all rights and obligations of the respective parties under the Articles, if any, of this contract applicable to patent infringements and reproduction rights shall remain in full force and effect.

The foregoing clause may be inserted in any contract as to which its inclusion is not mandatory.

§ 81.325 *Anti-discrimination clause.* Every contract, regardless of subject matter or amount, will contain the following clause without deviation:

Anti-discrimination. (a) The Contractor, in performing the work required by this contract, shall not discriminate against any worker because of race, creed, color, or national origin.

(b) The Contractor agrees that the provision of paragraph (a) above will also be inserted in all of its subcontracts. For the purpose of this article, a subcontract is defined as any contract entered into by the contractor with any individual partnership, association, corporation, estate, or trust, or other business enterprise or other legal entity, for a specific part of the work to be performed in connection with the supplies or services furnished under this contract: *Provided, however,* That a contract for the furnishing of standard or commercial articles or raw material shall not be considered as a subcontract.

§ 81.326 *Disputes concerning questions of fact.* Every contract, regardless of subject matter or amount, will contain the following clause without deviation:

Disputes. Except as otherwise specifically provided in this contract, all disputes concerning questions of fact which may arise under this contract, and which are not disposed of by mutual agreement, shall be decided by the Contracting Officer, who shall reduce his decision to writing and mail a copy thereof to the Contractor at his address shown herein. Within 30 days from said mailing the Contractor may appeal in writing to the Secretary of War, whose written decision or that of his designated representative or representatives thereon shall be final and conclusive upon the parties hereto. The Secretary of War may, in his discretion, designate an individual, or individuals, other than the Contracting Officer, or a board as his authorized representative to determine appeals under this Article. The Contractor shall be afforded an opportunity to be heard and offer evidence in support of his appeal. The president of the board, from time to time, may divide the board into divisions of one or more members and assign members thereto. A majority of the members of the board or of a division thereof shall constitute a quorum for the transaction of the business of the board or of a division, respectively, and the decision of a majority of the members of the board or of a division shall be deemed to be the decision of the board or of a division, as the case may be. If a majority of the members of a division are unable to agree on a decision or if within 30 days after a decision by a division, the board or the president thereof directs that the decision of the division be reviewed by the board, the decision will be so reviewed, otherwise the decision of a majority of the members of a division shall become the decision of the board. If a majority of the members of the board is unable to agree upon a decision, the president will promptly submit the appeal to the Under Secretary of War for his decision upon the record. A vacancy in the board or in any division thereof shall not impair the powers, nor affect the duties of the board or division nor of the remaining members of the board or division, respectively. Any member of the board, or any examiner designated by the president of the board for that purpose, may hold hearings, examine witnesses, receive evidence and report the evidence to the board or to the appropriate division, if the case is pending before a division. Pending decision of a dispute hereunder the Contractor shall diligently proceed with the performance of this contract. Any sum or sums allowed to the Contractor under the provisions of this Article shall be paid by the United States as part of the cost of the articles or work herein contracted for and shall be deemed to be within the contemplation of this contract.

In all contracts which contain a definition of "his duly authorized representative" in relation to the head of the department, as "any person authorized to act for him other than the contracting officer," the words "or board" will be inserted between the word "person" and the word "authorized".

§ 81.327 *Domestic articles clause.* Whenever the restrictions of the Buy American Act are applicable to any items deliverable under a contract (see §§ 81.502–81.504) the contract will contain the following clause. In such cases, this clause will be inserted without deviation except that there may be added such language as is necessary to indicate to which items the clause applies.

Domestic articles. Unless the Secretary of War shall determine it to be inconsistent with the public interest, or the cost to be unreasonable, only such unmanufactured articles, materials, and supplies as have been mined or produced in the United States, and only such manufactured articles, materials, and supplies as have been manufactured in the United States substantially all from articles, materials, or supplies mined, produced, or manufactured, as the case may be, in the United States shall be delivered pursuant to this contract, except as noted in the specifications and/or other papers hereto attached. The provisions of this article shall not apply with respect to articles, materials, or supplies for use outside the United States, or if articles, materials, or supplies of the class or kind to be used, or the articles, materials, or supplies from which they are manufactured are not mined, produced, or manufactured, as the case may be, in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality.

§ 81.328 *Notice of shipments clause.* Every contract which will involve the shipment thereunder of one carload or more of supplies will contain a clause substantially as follows:

Notice of shipments. In connection with any shipment hereunder of one carload or equivalent or more consigned to any unit or officer of the War Department, the shipper, at the time the equipment or supplies are ordered for loading for rail, motor, or water transport, will send consignee notice thereof by prepaid telegraph or teletype, including date, route, size of shipment, and brief general description of the equipment or supplies comprising the shipment. When authorized by the purchasing and contracting officer, such notice may be sent by air mail, in lieu of telegraph, or teletype, where secrecy is essential and where the use of air mail is

practicable. This provision is not to be substituted for any other requirement, such as mailing bills of lading.

§ 81.329 *Variation in quantities.* In those cases where it is desired to accept over or under deliveries due to manufacturing processes, etc., contracts may contain a clause substantially as follows:

Variation in quantities. Unless otherwise specified, any variation in the quantities herein called for, not exceeding 10 per cent, will be accepted as a compliance with the contract, when caused by conditions of loading, shipping, packing, or allowances in manufacturing processes, and payments shall be adjusted accordingly.

§81.330 *Partial payments in amount not to exceed 75 per cent of cost to the contractor.* In those cases where it is contemplated that partial payments in an amount not to exceed 75 per cent of the cost to the contractor of the property will be made, the contract will contain a clause substantially as follows:

Partial payments. Partial payments, which are hereby defined as payments prior to delivery, on work in progress for the Government under this contract, may be made upon the following terms and conditions.

(a) The Contracting Officer may, from time to time, authorize partial payment to the Contractor upon property acquired or produced by it for the performance of this contract: *Provided* That such partial payments shall not exceed 75 per cent of the cost to the Contractor of the property upon which payment is made, which cost shall be determined from evidence submitted by the Contractor and which must be such as is satisfactory to the Contracting Officer: *Provided further,* That in no event shall the total of unliquidated partial payments (see (c) below) and of unliquidated advance payments, if any, made under this contract, exceed 80 per cent of the total contract price of supplies still to be delivered.

(b) The title to all property upon which any partial payment is made prior to the completion of this contract shall vest in the Government in its then condition forthwith upon the making of any such partial payment or payments: *Provided,* That nothing herein shall deprive the Contractor of any further partial or final payments due or to become due hereunder; nor relieve the Contractor or the Government of any of their respective rights or obligations under this contract.

(c) In making payment for the supplies furnished hereunder, there shall be deducted from the contract price therefor a proportionate amount of the partial payments theretofore made to the Contractor, under the authority herein contained.

§ 81.331 *Partial payment in amount not to exceed 90 per cent of direct labor and material cost to the contractor.* In those cases where it is contemplated that partial payments in an amount not to exceed 90 per cent of the direct labor and material cost to the contractor will be made, the contract will contain a clause substantially as follows:

Partial payments. Partial payments, which are hereby defined as payments prior to delivery, on work in progress for the Government under this contract, may be made upon the following terms and conditions.

(a) The Contracting Officer may, from time to time, authorize partial payments to the Contractor upon property acquired or produced by it for the performance of this contract: *Provided,* That such partial payments shall not exceed 90 per cent of the direct labor and direct material costs to the Contractor of the property upon which payment is made, which costs shall be determined from evidence submitted by the Contractor and which must be such as is satisfactory to the Contracting Officer: *Provided, further,* That in no event shall the total of unliquidated partial payments (see (c) below) and of unliquidated advance payments, if any, made under this contract, exceed 80 per cent of the contract price of supplies still to be delivered.

(b) The title to all property upon which any partial payment is made prior to the completion of this contract shall vest in the Government in its then condition forthwith upon the making of any such partial payment or payments: *Provided,* That nothing herein shall deprive the Contractor of any further partial or final payments due or to become due hereunder; nor relieve the Contractor or the Government of any of their respective rights or obligations under this contract.

(c) In making payment for the supplies furnished hereunder, there shall be deducted from the contract price therefor a proportionate amount of the partial payments theretofore made to the Contractor, under the authority herein contained.

§ 81.332 *Government owned facilities clause.* In those cases where the contractor is to procure necessary facilities for the account of the Government for use in connection with the work under the contract, and in those cases where the Government furnishes the contractor new facilities which the Government has acquired or will acquire directly, the contract will contain a clause substantially as follows:

Government-owned facilities. (a) In connection with its work under this contract, the Contractor shall acquire or manufacture for the Government's account the facilities listed in Schedule A, attached hereto. Upon the inspection and approval of the Contracting Officer and upon the Contractor's furnishing of satisfactory evidence of payment therefor by him, the Government shall reimburse the Contractor for the cost of such facilities, which are presently estimated at the amounts stated therefor in said Schedule A, or such larger amounts as the Contracting Officer may approve in writing in the event the actual costs exceed such estimated costs.[1] (The Government shall furnish to the Contractor for his use at his plant at _____, the facilities listed in Schedule B, attached hereto, and not later than the dates shown therein. The cost of installation of such facilities shall be borne by the Contractor.)

(b) As each item of the facilities listed in Schedule A is delivered to, or manufactured by, the Contractor, for the Government's account, it shall become and remain the property of the Government, and title thereto shall vest in the Government.[1] (All of the facilities listed in Schedule B are the property of the Government, and title to them is, and shall remain, in the Government.) The Government hereby grants to the Contractor the right to use, without the payment of rental therefor, such facilities in connection with the work herein contracted for and, subject to to written approval of the Contracting Officer, for any additional work for which the Government may contract. The Contractor agrees at its own expense to keep such facilities in good operating condition and repair and to make all necessary repairs and replacements thereof.

(c) Each item of such facilities shall be suitably marked with an identifying mark or symbol, indicating that such item is the property of the Government. Upon the completion of the installation of all such facilities, the Contractor shall submit to the Contracting Officer a detailed inventory list of such facilities, including a description of the identifying mark or symbol on each item thereof.

(d) The Government shall not be responsible for damages to property of the Contractor or for personal injuries to the Contractor's officers, agents, servants or employees or other persons on the premises as invitees or licensees of the Contractor, arising from or incident to the use of the facilities, and the Contractor shall save the Government harmless from any and all such claims: *Provided,* That nothing in this paragraph shall be deemed to affect any liability of the Government to its own employees.

(e) The _____ (Chief of Supply Service) or his duly authorized representative shall, at all times, have access to the Contractor's building or buildings, wherein any of the facilities are situated, for the purpose of inspecting or inventorying such facilities or of removing them upon the completion or termination of this contract, subject to the provisions of paragraph (g) and (h) hereof.

(f) The Contractor shall not remove, sublease or otherwise part with the possession of any of the said facilities from its plant without first obtaining the written consent of the Contracting Officer. The Contractor shall not transfer, pledge, or assign any of the said facilities in any manner, to any third person, either directly or indirectly; and the Contractor shall not do or suffer anything to be done whereby any of the said facilities shall or may be seized, taken in execution, attached, destroyed, or injured. Violation of the provisions of this paragraph or of paragraph (b) shall entitle the Government forthwith to enter upon the premises of the Contractor and remove the facilities therefrom.

(g) Within one year after the completion or termination of this contract or any other contract entered into between the Government and the Contractor for the performance of which such facilities will be used, the Government may serve on the Contractor a written notice of its intention to remove such facilities from the Contractor's plant. Within ninety (90) days after receipt of such notice the Contractor shall dismantle and prepare the facilities for shipment at its own expense and thereupon the Government shall remove the facilities from the Contractor's plant at the Government's expense.

(h) During the period prior to the receipt of such notice or the expiration of one year after the completion or termination of this contract, whichever happens first, the Contractor shall retain such facilities in its plant, and when directed by the Contracting Officer, and subject to the availability of appropriate funds, place and maintain all such facilities in stand-by condition. Upon the presentation of duly certified invoices or vouchers therefor, and after approval of such invoices or vouchers by the Contracting Officer, the Government shall pay to the Contractor all expenses incurred by it as a result of placing and maintaining such special equipment in such stand-by condition, but such expense shall not include any charge for storage. In the event that the Contracting Officer does not, within said one-year period, direct the return of said facilities, the Contractor shall have the right to require the Government promptly to remove said facilities in a neat and workmanlike manner.

NOTE 1: An option to the Contractor to purchase the facilities upon the completion or termination of the contract or succeeding contracts may be included as an additional paragraph (i) of the clause if, in the opinion of the chief of supply service concerned such inclusion is desirable in the interests of the Government. Unless the

[1] Use these provisions only where the Government is furnishing facilities which it has acquired, or will acquire, directly.

inclusion of other terms has been specifically authorized by the Director, Purchases Division, Headquarters, Services of Supply, the option should come into effect only after (i) the expiration of the one-year period referred to in paragraphs (g) and (h) above, during which no notice of the Government's intention to remove the facilities has been served upon the contractor, or (ii) the receipt by the contractor of a written notice from the Government that it does not desire to remove the facilities, whichever happens first; and should continue only for a limited time. The option should be to purchase the facilities at cost less specified rates of depreciation or at a lower price negotiated by and between the contractor and the contracting officer at the time of purchase.

NOTE 2: In those cases where it is determined that a rental should be charged, the next to the last sentence of paragraph (b) of the clause should be deleted and the following inserted in lieu thereof: "The contractor agrees to pay the Government rental as follows: _____" For the basis of determining whether a rental should be charged see (§ 81.1002).

§ 81.333 *Liability for Government-owned property.* All contracts which involve the use of Government-owned property in the performance thereof will contain a clause substantially as follows:

Liability for Government-owned property. Except as to property the liability for which is fixed by any other instrument or agreement or by some other provision of this contract, the Contractor's liability for loss or damage to Government-owned property in its possession or control or delivered to it for installation in the articles contracted for hereunder, or for use in connection with the performance of this contract, shall be that of a bailee under a mutual benefit bailment.

§ 81.334 *Records of Government-owned property.* All contracts which involve the use of Government-owned property in the performance thereof will contain the following clause without deviation:

Records of Government-owned property. The Property Officer, _____, is designated as the officer to maintain the necessary property records in connection with this contract, as contemplated by AR 35-6520.

§ 81.335 *Patents clause.* Where patented articles are to be manufactured under the contract or patented devices are to be used in the performance of the contract, the contract will contain a clause substantially similar to one of the following:

Patents. The Contractor shall hold and save the Government, its officers, agents, servants, and employees, harmless from liability of any nature or kind, including costs and expenses, for or on account of any patented, or unpatented invention, article, or appliance manufactured or used in the performance of this contract, including their use by the Government, except for any invention pertaining to item _____ of Article 1 hereof. The Government shall hold and save the Contractor harmless from liability of any nature or kind, including costs and expenses, for infringement of patent rights pertaining to item _____ of Article 1, hereof.

Patents. The Contractor shall hold and save the Government, its officers, agents, servants, and employees, harmless from liability of any nature or kind including costs and expenses, for or on account of any patented or unpatented invention, article, or appliance manufactured or used in the performance of this contract, including their use by the Government, and the Contractor shall give a bond in an amount satisfactory to the United States, the terms of which shall fully protect the Government against loss should the Contractor default in the obligation under this article.

§ 81.336 *Disclosure of information.* All secret, confidential or restricted contracts will contain the following clause without deviation:

Disclosure of information. (a) It is understood that disclosure of information relating to the work contracted for hereunder to any person not entitled to receive it, or failure to safeguard all secret, confidential and restricted matter that may come to the Contractor or any person under his control in connection with the work under this contract, may subject the Contractor, his agents, employees, and subcontractors to criminal liability under the laws of the United States. (See Title 1 of an Act approved June 15, 1917, 40 Stat. 217; 50 U. S. C. 30-42), as amended by an Act approved March 23, 1940 (54 Stat., Chap. 72); and the provisions of an Act approved January 12, 1938, (52 Stat. 3; 50 U. S. C., Supp. V 45-45d), as supplemented by Executive Order No. 8381, dated March 22, 1940, 5 F.R. 1147, D. I.

(b) The Contractor shall cause a like provision to be inserted in all subcontracts under this contract.

§ 81.337 *Employment of aliens.* (a) All secret, confidential or restricted contracts will contain the following clause without deviation:

Employment of aliens. The Contractor will not permit any alien employed or to be employed by it or by any sub-bidder or subcontractor to have access to the drawings, specifications and accompanying enclosures relating to the performance of this contract, or to the models or material referred to therein, or to engineering principles, composition, sub-assemblies, or assemblies which are vital to the functioning or use of the article or articles forming the subject matter of this contract, without the written consent beforehand of the Secretary of War.

With respect to any secret, confidential or restricted contract, now in effect and not completely performed, which contains a provision with respect to the employment of aliens in a different form from that herein prescribed, the chiefs of supply services concerned will take steps, where they deem it necessary to do so, to amend such provision by substituting therefor the clause herein prescribed.

(b) *Employment of aliens in connection with contracts for aircraft, aircraft parts or aeronautical accessories.* All secret, confidential or restricted contracts which are also subject to the act approved July 2, 1926, as amended March 3, 1927, section 10 (j) (p); 10 U.S.C. 310 (j) (p), relating to the employment of aliens in connection with contracts for furnishing or constructing aircraft, aircraft parts or aeronautical accessories for the United States may also contain such reference to that act or its provisions as the Commanding General, Matériel Command, Army Air Forces, deems appropriate.

§ 81.338 *Plant protection clauses.* In those cases where the Contracting Officer deems it necessary to retain some control as to the plant protective devices in a particular plant, the contract will contain a clause substantialy similar to one of the following:

Plant protection. The Contractor shall maintain in and about his plant adequate plant protective devices and shall employ such watchmen, guards and other personnel as the Contracting Officer may deem necessary to prevent espionage, sabotage, and other malicious destruction or damage.

Plant protection. (a) The Contractor and each Subcontractor shall, at his own expense at all times during the term of this contract or any subcontract hereunder, continue all such precautions, for the guarding and protection of his plant, property and work in process, as have immediately prior to the date of this contract been taken by the Contractor or Subcontractor, and shall make available such information with respect thereto as the Contracting Officer may request.

(b) At any time during said term of this contract, the Contracting Officer may require the Contractor or Subcontractor to install and maintain in and about his plant additional protective equipment and personnel. The Contractor and each Subcontractor shall promptly submit to the Contracting Officer detailed inventories, showing each item and the cost thereof, of any protective equipment so required and installed and detailed statements of the cost of maintaining any personnel so required and maintained.

(c) Title to all plant protective equipment added under paragraph (b) of this Article shall be in the Government. The Contractor or the Subcontractor shall, at his own expense, during the term of this contract or any extension thereof, or during the term of the subcontract or any extension thereof, maintain and keep in good condition and repair all such protective equipment, and shall make any necessary replacements thereof at his own expense.

(d) The _____ or his
(Chief of Supply Service)
duly authorized representative and authorized plant protection personnel of the War Department shall, at all times during the performance of this contract or any extension thereof, or during the term of the subcontract or any extension thereof, and until after expiration of the right of removal set forth below, have access to the Contractor's plant, or the plant of the Subcontractor, in order to inspect, inventory or remove any of said plant protective equipment required pursuant to paragraph (b) hereof.

(e) After the completion or termination of this contract and prior to final settlement thereof, the Contractor, or the Subcontractor, as the case may be, shall have the option, exercisable in writing, to purchase, at the then value as fixed by the Contracting Officer, any special plant protective equipment theretofore installed in his plant pursuant to paragraph (b). The Government shall have the right, at any time within 120 days after the expiration of this option, to remove any plant protective equipment with respect to which the option has not been exercised.

(f) The contract price will be adjusted by an amount equal to the reasonable cost, as determined by the Contracting Officer, of installing and maintaining the plant protective equipment and personnel required of the Contractor or any Subcontractor under paragraph (b) of this Article, less the then value, as determined by the Contracting Officer, of any equipment purchased by the Contractor or Subcontractor under the option provided for in paragraph (e) of this Article.

(g) The Contractor agrees to insert in each of his subcontracts the following provision:

"The _____ agrees to be
(Subcontractor)
bound by the provisions of Article _____
_____, insofar as they are applica-
(This Article)
ble to this contract. The _____
(Prime Contractor)
_____ will reimburse the _____
(Subcontractor)
_____ for the cost of such special equip-
ment and personnel as have been added
by the _____, pursuant
(Subcontractor)
to paragraph (b) of Article _____
(This Article)
_____ Such reimbursement shall be sub-
ject to deductions on account of the exercise
by the Subcontractor of the option provided
in paragraph (e) of Article _____"
(This Article)

(h) For the purpose of this article, a subcontract is defined as any contract or agreement entered into between the Contractor and any other party, for the performance of all or any part of the work called for under this contract.

Plant protection. (a) The Contractor shall at his own expense at all times during the term of this contract continue all such precautions, for the guarding and protection of its plant, property and the work in process, as have immediately prior to the date of this contract been taken by it, and shall make available such information with respect thereto as the Contracting Officer may request.

(b) At any time during the term of this contract the Contracting Officer may require the Contractor to install and maintain in and about its plant additional protective equipment and personnel; and the Contractor shall promptly submit to said Contracting Officer detailed inventories, showing each item and the cost thereof, of any protective equipment so required and installed, and detailed statements of the cost of maintaining any personnel so required and maintained. Title to said protective equipment shall be in the Contractor. The Contractor shall at its own expense during the term of this contract maintain and keep in good condition and repair (for use in the performance of this contract) any protective equipment so required and installed, and, to the extent that, during said term, any of said protective equipment shall be lost, damaged, broken, worn out or destroyed, and/or other require replacement, shall at its own expense make such replacement. The said Contracting Officer and authorized plant inspection personnel of the War Department shall at all times during the term of this contract have access to the Contractor's plant and the right to inspect and inventory said protective equipment. The contract price will be adjusted by an amount equal to the reasonable cost (as determined by the said Contracting Officer) of any additional protective equipment or personnel so required to be installed or maintained, less the value (as determined by the said Contracting Officer) of said additional protective equipment at the completion or termination of this contract.

(c) The Contractor agrees to insert in each subcontract made in connection with the performance of this contract an article identical with the foregoing paragraphs (a) and (b), except that in place of the words "Contracting Officer" in paragraph (a), shall appear the words "United States Government, acting through the Contracting Officer in Contract No. _____."

(d) This contract shall be modified in writing to increase the amount due the Contractor hereunder to the extent of any payments made by the Contractor to the Subcontractor under any subcontractual provision inserted pursuant to paragraph (c) hereof.

(e) For the purpose of this article, a subcontract is defined as any contract or agreement entered into between the Contractor and any other party, for the performance of all or any part of the work called for under this contract.

§ 81.339 *Price adjustment for increase in freight rates.* In appropriate cases, contracts will contain a clause substantially as follows:

Price adjustment for increase in freight rates. If after the date of the bid, or in the case of a contract not entered into pursuant to a bid after the date of the award, the Interstate Commerce Commission shall authorize an increase in freight rates upon the materials set out below, which are used in the production of the supplies covered by this contract, and if the contractor is required to pay increased freight rates on such materials (either by payment to the carrier or because the increased freight charges are added to the price paid by the contractor for the materials) in order to perform the contract, the prices named herein will be increased accordingly, and the amount due the contractor as a result of such increase will be charged to the Government and entered on vouchers (or invoices) as a separate item: *Provided,* That the contractor shall not be entitled to receive payment for any such increase unless he submits such evidence as may be required by the contracting officer with respect to the increased freight charges borne by the contractor; *And provided further,* That the contractor shall not be entitled to receive payment for any such increase to the extent that such payment may be inconsistent with any applicable maximum price regulations issued by the Office of Price Administration or other lawful authority.

§ 81.340 *Clauses for rental of gas cylinders.* Every contract for the purchase of gas to be delivered in cylinders will contain a clause substantially similar to one of the following:

Rental of gas cylinders (individual basis). Cylinders shall remain the property of the contractor and will be loaned, without charge, to the Government for a period of 30 days after the date of shipment of cylinders from the contractor's plant. Beginning with the first day after the expiration of the 30-day free loan period to and including the day the cylinders are released to the transportation company for return to the contractor, there will be charged and the United States agrees to pay the contractor a rental at the rate of $_____ per cylinder per day for the use of cylinders not returned to the contractor.

Rental of gas cylinders (quantity basis). Cylinders shall remain the property of the contractor and will be loaned, without charge, to the Government for a period of 30 days after the date of shipment of cylinders from the contractor's plant. Beginning with the first day after the expiration of the 30-day free loan period to and including the day the cylinders are released to the transportation company for return to the contractor, there will be charged and the United States agrees to pay the contractor a rental at the rate of $_____ per cylinder per day, computed on a quantity basis, as indicated below, for the use of cylinders not returned to the contractor. This rental charge will be computed separately for oxygen and acetylene cylinders and for each point of delivery named in the contract. A credit of 30 cylinder days will accrue for each cylinder shipped. A debit of one cylinder day will accrue for each cylinder for each day held beginning with the day after date of shipment from contractor's plant to and including the day the cylinder is released to the transportation company for return to the contractor. At the end of the contract period, in the event the total number of debits exceeds the total number of credits, rental will be charged for the difference. If the total number of credits equals or exceeds the total number of debits, no charge will be made for the use of the cylinders.

All cylinders not returned to the contractor on or before the expiration of a 30-day rental period or lost or damaged beyond repair while in the possession of the United States Government shall be paid for by the United States to the contractor at a replacement value of $_____ for each oxygen cylinder of 100 to 110 cubic feet capacity, $_____ for each oxygen cylinder of 200 to 220 cubic feet capacity, $_____ for each acetylene cylinder of 100 to 150 cubic feet capacity, and $_____ for each acetylene cylinder of 250 to 300 cubic feet capacity.

Cylinders retained or lost and so paid for shall be considered the property of the United States. But if and when located they may, at the option of the Government, be returned to the contractor, and, in such even, credit shall be allowed to the Government at the replacement value paid, less rental at the rate of $_____ per day beginning at the expiration of the 30-day loan period as aforesaid to the date upon which cylinders are turned over to carrier for return to contractor's plant.

§ 81.341 *Redetermination of price clause.* Every contract in which it is desired to provide for an automobile redetermination of the price will contain the following clause without deviation:

Redetermination of price. The parties hereto recognize that, because of circumstances beyond their control, accurate estimates of the cost of performing this contract cannot be made within a reasonable time. Accordingly, they agree that the price stated in Article 1 shall be redetermined as provided below, upon the basis of the actual experience of the Contractor in performing part of his contract. Such redetermination of the price shall be made as follows:

(a) The estimated cost of performing this contract, upon which the price stated in Article 1 is based, is $_____, itemized as follows: [1]

A. Factory Cost:
1. Direct materials.
2. Direct productive labor.
3. Direct engineering labor.
4. Miscellaneous direct factory charges.
5. Indirect factory expenses (State basis of allocation) [2]
(a) Normal depreciation.
(b) Special amortization.

Total Factory Cost.
B. Other manufacturing cost.
C. Miscellaneous direct expenses.
D. Indirect engineering expenses.
E. Expenses of distribution, servicing and administration
F. Guarantee expenses.

(b) It is agreed that the cost of production of the first __ -% of items called for hereunder, hereafter referred to as the "preliminary run" will not necessarily be typical for the remainder of the contract. The cost of production of the next ____%, hereafter referred to as the "test run" shall be used as the general basis for redetermination. Within ____ days after the completion of the production of the "test run" the Contractor shall submit to the Contracting Officer separate statements of the actual cost of the production of the "preliminary run" and the "test run", itemized in the same way as the estimated cost stated above. Such statement shall be based upon the cost accounting system regularly utilized by the Contractor and certified as correct by an independent public

[1] This breakdown may be altered to suit particular circumstances.

[2] State separately the estimated amount of each of the following items included:

accountant or by two officers of the Contractor. The Contractor shall submit his books and accounts to such examination and audit as shall be requested by the Contracting Officer.

(c) If the actual cost of production of the preliminary run plus the cost of the production of the remainder of the items called for by the contract, as indicated by the actual cost of production of the "test run", is less than the total estimated cost stated in paragraph (a), the total price to be paid pursuant to Article 1 shall be reduced in the same ratio.

(d) Pending the redetermination of the price hereunder, all items delivered shall be paid for at the price set forth in Article 1. Upon the redetermination of such price hereunder, an amount equal to the difference between the price paid on all items theretofore delivered and such redetermined price for such items shall be applied by the Contractor as a credit against payment for subsequent deliveries, or shall be applied or returned to the Government as directed by the Contracting Officer.

(e) If this contract contains an escalator clause (Price Adjustment), notwithstanding any provisions of such escalator clause which may be inconsistent herewith, that clause shall be understood to relate only to that portion of the production under the contract which is not covered by the statements of actual cost required by paragraph (b) of this article. The blanks in the escalator clause will be filled in at the time of redetermination hereunder, and the month in which the redetermination is made shall be taken as the base month for such escalator clause and the estimated labor costs and the estimated material costs shall include only such costs as are not reflected in the actual cost statements. For this reason the blanks in the escalator clause were not filled in at the time of the execution of this contract.

§ 81.342 *Renegotiation of price clause.* The following price renegotiation clauses will be used in accordance with Procurement Regulation No. 12 (§ 81.1201 et seq.):

(a) [Form I] *Renegotiation pursuant to section 403 of the Sixth Supplemental National Defense Appropriation Act, 1942.* (a) Upon the written demand of the Secretary, at such period or periods when, in the judgment of the Secretary, the profits accruing to the Contractor under this contract can be determined with reasonable certainty, the contract price will be renegotiated to eliminate therefrom any amount found as a result of such renegotiation to represent excessive profits. The demand of the Secretary shall fix a place for renegotiation and a time for commencement thereof not later than one year after the date of completion or termination of the contract as found by the Secretary.

(b) The Contractor will furnish to the Secretary such statements of actual costs of production and such other financial statements, at such times and in such form and detail, as the Secretary may prescribe, and will permit such audits nad inspections of its books and records as the Secretary may request.

(c) The Government shall retain or the Contractor shall repay to the Government, as the Secretary may direct, any amount of the contract price found as a result of such renegotiation to represent excessive profits.

(d) The Contractor will include in each fixed-price or lump-sum subcontract made under this contract for an amount in excess of $100,000, the following provisions:

Article _____ Renegotiation pursuant to section 403 of the Sixth Supplemental National Defense Appropriation Act, 1942. (1) Upon the written demand of the Secretary, at such period or periods when, in the judgment of the Secretary, the profits accruing to _____ (subcontractor) _____ under this contract can be determined with reasonable certainty, the Secretary and _____ (subcontractor), will renegotiate the contract price to eliminate therefrom any amount found as a result of such renegotiation to represent excessive profits. The demand of the Secretary shall fix a place for renegotiation and a time for the commencement thereof not later than one year after the date of completion or termination of this contract as found by the Secretary.

(2) _____ (subcontractor) will furnish to the Secretary such statements of actual costs of production and such other financial statements, at such times and in such form and detail, as the Secretary may prescribe, and will permit such audits and inspections of its books and records as the Secretary may request.

(3) Any amount of the contract price found as a result of such renegotiation to represent excessive profits shall, as directed by the Secretary,

(A) Be deducted by _____ (contractor) from payments otherwise due to _____ (subcontractor) under this contract; or

(B) Be paid by _____ (subcontractor) directly to the Government.

(4) _____ (subcontractor) agrees that _____ (contractor) shall not be liable to _____ (subcontractor) for or on account of any amount paid to the Government by _____ (subcontractor) or deducted by _____ (contractor) from payments otherwise due under this contract, pursuant to directions from the Secretary in accordance with the provisions of this Article. Under its contract with the Government, _____ (contractor) is obligated to pay or credit to the Government all amounts withheld by it from _____ (subcontractor) hereunder.

(5) As used in this Article—

(a) The term "Secretary" means the Secretary of War or any duly authorized representative of the Secretary, including the Contracting Officer.

(b) The terms "renegotiate" and "renegotiation" have the same meaning as in section 403 (b) of the Sixth Supplemental National Defense Appropriation Act, 1942.

(c) The term "this contract" means this contract as modified from time to time.

(e) In any such subcontract by which the subcontractor undertakes to supply to the Contractor the same article or articles which the Contractor is required to deliver to the Government under this contract, the Contractor will also include, in addition to sections (1) to (5) required by section (d), the following provision:

(6) _____ (subcontractor) agrees (a) to include in each fixed-price or lump-sum subcontract hereunder for an amount in excess of $100,000 the foregoing sections (1) to (5) inclusive, and (b) to make no subdivisions of any contract or subcontract for the purpose of evading the provisions of this section, and (c) to repay to the Government the amount of any reduction in the contract price of any such contract which results from renegotiation thereof by the Secretary and which the Secretary directs _____ (subcontractor) to withhold from payments otherwise due under such contract and actually unpaid at the time _____ (subcontractor) receives such direction.

(f) (1) The Contractor agrees to make no subdivisions of any contract or subcontract for the purpose of evading the provisions of this Article.

(2) If any renegotiation between the Secretary and any subcontractor pursuant to the provisions required by section (d) hereof results in a reduction of the contract price of the subcontract, the Government shall retain from payments otherwise due to the Contractor under this contract, or the Contractor shall repay to the Government, as the Secretary may direct, the amount of such reduction which the Secretary directs the Contractor to withhold from payments otherwise due to the subcontractor under the subcontract and actually unpaid at the time the Contractor receives such direction.

(g) As used in this Article—

(1) The term "Secretary" means the Secretary of War or any duly authorized representative of the Secretary, including the Contracting Officer.

(2) The term "subcontract" includes any purchase order from, or any agreement with, the Contractor (i) to perform all or any part of the work to be done under this contract, or to make or furnish all or any part of any articles or structures covered by this contract, (ii) to supply any services required directly for the production of any articles or structures covered by this contract, or any component part thereof, not including services for the general operation of the Contractor's plant or business, (iii) to make or furnish any articles destined to become a component part of any article covered by this contract, or (iv) to make or furnish any articles acquired by the Contractor primarily for the performance of this contract, or this contract and any other contract with the United States. The term "articles" includes any supplies, materials, machinery, equipment or other personal property.

(3) The term "renegotiate" and "renegotiation" have the same meaning as in section 403 (b) of the Sixth Supplemental National Defense Appropriation Act, 1942.

(4) The term "this contract" means this contract as modified from time to time.

(b) [Form II] *Renegotiation pursuant to section 403 of the Sixth Supplemental National Defense Appropriation Act, 1942.* (a) The Contractor will include in each fixed-price or lump-sum subcontract made under this contract for an amount in excess of $100,000, the following provisions:

Article ____ renegotiation pursuant to section 403 of the Sixth Supplemental National Defense Appropriation Act, 1942. (1) Upon the written demand of the Secretary, at such period or periods when, in the judgment of the Secretary, the profits accruing to _____ (subcontractor) _____ under this contract can be determined with reasonable certainty, the Secretary and _____ (subcontractor), will renegotiate the contract price to eliminate therefrom any amount found as a result of such renegotiation to represent excessive profits. The demand of the Secretary shall fix a place for renegotiation and a time for the commencement thereof not later than one year after the date of completion or termination of this contract as found by the Secretary.

(2) _____ (subcontractor) will furnish to the Secretary such statements of actual costs

of production and such other financial statements, at such times and in such form and detail, as the Secretary may prescribe, and will permit such audits and inspections of its books and records as the Secretary may request.

(3) Any amount of the contract price found as a result of such renegotiation to represent excessive profits shall, as directed by the Secretary—

(A) Be deducted by _____ (contractor) from payments otherwise due to _____ (subcontractor) under this contract; or

(B) Be paid by _____ (subcontractor) directly to the Government.

(4) _____ (subcontractor) agrees that _____ (contractor) shall not be liable to _____ (subcontractor) for or on account of any amount paid to the Government by _____ (subcontractor) or deducted by _____ (contractor) from payments otherwise due under this contract, pursuant to directions from the Secretary in accordance with the provisions of this Article. Under its contract with the Government _____ (contractor) is obligated to pay or credit to the Government all amounts withheld by it from _____ (subcontractor) hereunder.

(5) As used in this Article—

(a) The term "Secretary" means the Secretary of War or any duly authorized representative of the Secretary, including the Contracting Officer.

(b) The terms "renegotiate" and "renegotiation" have the same meaning as in section 403 (b) of the Sixth Supplemental National Defense Appropriation Act, 1942.

(c) The term "this contract" means this contract as modified from time to time.

(d) In any such subcontract by which the subcontractor undertakes to supply to the Contractor the same article or articles which the Contractor is required to deliver to the Government under this contract, the Contractor will also include, in addition to sections (1) to (5) required by section (a), the following provisions:

(6) _____ (subcontractor) agrees (a) to include in each fixed-price or lump-sum subcontract hereunder for an amount in excess of $100,000 the foregoing sections (1) to (5) inclusive, and (b) to make no subdivisions of any contract or subcontract for the purpose of evading the provisions of this section, and (c) to repay to the Government the amount of any reduction in the contract price of any such contract which results from renegotiation thereof by the Secretary and which the Secretary directs _____ (subcontractor) to withhold from payments otherwise due under such contract and actually unpaid at the time _____ (subcontractor) receives such direction.

(c) (1) The Contractor agrees to make no subdivision of any contract or subcontract for the purpose of evading the provisions of this Article.

(2) If any renegotiation between the Secretary and any subcontractor pursuant to the provisions required by section (a) hereof results in a reduction of the contract price of the subcontract, the Government shall retain from payments otherwise due to the Contractor under this contract, or the Contractor shall repay to the Government, as the Secretary may direct, the amount of such reduction which the Secretary directs the Contractor to withhold from payments otherwise due to the subcontractor under the subcontract and actually unpaid at the time the Contractor receives such direction:

(d) As used in this Article—

(1) The term "Secretary" means the Secretary of War or any duly authorized representative of the Secretary, including the Contracting Officer.

(2) The term "subcontract" includes any purchase order from or any agreement with, the Contractor (i) to perform all or any part of the work to be done under this contract, or to make or furnish all of any part of any articles or structures covered by this contract, (ii) to supply any services required directly for the production of any articles or structures covered by this contract, or any component part thereof, not including services for the general operation of the Contractor's plant or business, (iii) to make or furnish any articles destined to become a component part of any article covered by this contract, or (iv) to make or furnish any articles acquired by the Contractor primarily for the performance of this contract, or this contract and any other contract with the United States. The term "articles" includes any supplies, materials, machinery, equipment or other personal property.

(3) The terms "renegotiate" and "renegotiation" have the same meaning as in section 403 of the Sixth Supplemental National Defense Appropriation Act, 1942.

(4) The term "this contract" means this contract as modified from time to time.

§ 81.343 *Rate of wages clause.* All contracts subject to the Davis-Bacon Act will contain the following clause without deviation:

Rate of wages. (In accordance with the act of August 30, 1935, 49 Stat. 1011, as amended by the act of June 15, 1940, 54 Stat. 399 (U. S. Code, 1934 ed., title 40, secs. 276a and 276a–1), this article shall apply if the contract is in excess of $2,000 in amount and is for the construction, alteration, and/or repair, including painting and decorating, of a public building or public work within the geographical limits of the States of the Union, the Territory of Alaska, the Territory of Hawaii, or the District of Columbia.)

(a) The contractor or his subcontractor shall pay all mechanics and laborers employed directly upon the site of the work, unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account, the full amounts accrued at time of payment, computed at wage rates not less than those stated in the specifications, regardless of any contractual relationship which may be alleged to exist between the contractor or subcontractor and such laborers and mechanics; and the scale of wages to be paid shall be posted by the contractor in a prominent and easily accessible place at the site of the work. The contracting officer shall have the right to withhold from the contractor so much of accrued payments as may be considered necessary by the contracting officer to pay to laborers and mechanics employed by the contractor or any subcontractor on the work the difference between the rates of wages required by the contract to be paid laborers and mechanics on the work and the rates of wages received by such laborers and mechanics and not refunded to the contractor, subcontractors, or their agents.

(b) In the event it is found by the contracting officer that any laborer or mechanic employed by the contractor or any subcontractor directly on the site of the work covered by the contract has been or is being paid a rate of wages less than the rate of wages required by the contract to be paid as aforesaid, the Government may, by written notice to the contractor, terminate his right to proceed with the work or such part of the work as to which there has been a failure to pay said required wages and prosecute the work to completion by contract or otherwise, and the contractor and his sureties shall be liable to the Government for any excess costs occasioned the Government thereby.

(c) The regulations of the Secretary of Labor, referred to in article 19 hereof, allow certain "permissible deductions" from the wages required by this article to be paid.

§ 81.344 *Nonrebate of wages clause.* All contracts subject to the Copeland "Kick-back" Act will contain the following clause without deviation:

Nonrebate of wages. The contractor shall comply with the regulations of the Secretary of Labor pursuant to the Act of June 13, 1934, 48 Stat. 948 (U. S. Code, title 40, sec. 276b and 276c), and any amendments or modifications thereof, shall cause appropriate provisions to be inserted in subcontracts to insure compliance therewith by all subcontractors subject thereto, and shall be responsible for the submission of affidavits required of subcontractors thereunder, except as the Secretary of Labor may specifically provide for reasonable limitations, variations, tolerances, and exemptions from the requirements thereof.

§ 81.345 *Convict labor.* All contracts, except those to which the prohibition against use or employment of convict labor is clearly inapplicable, and except those containing the clause set forth in § 81.353, will contain the following clause without deviation:

Convict labor. The contractor shall not employ any person undergoing sentence of imprisonment at hard labor. This provision shall not be construed to prevent the contractor or any subcontractor hereunder from obtaining any of the supplies, or any component parts or ingredients thereof, to be furnished under this contract or any of the materials or supplies to be used in connection with the performance of this contract, directly or indirectly, from any Federal, State or territorial prison or prison industry: *Provided*, That such articles, materials or supplies are not produced pursuant to any contract or other arrangement under which prison labor is hired by or employed or used by any private person, firm or corporation.

Any contract related to the prosecution of the war which contains a convict labor provision in a different form from that herein prescribed will be amended by the contracting officer to substitute the form herein prescribed for such other form if the contractor so desires. For discussion of the above clause as well as of the convict labor provision of the Walsh-Healey clause, see §§ 81.901–81.903 (c).

§ 81.346 *Eight-hour law.* All contracts subject to the provisions of the Eight-Hour Law of 1912 will contain the following clause without deviation:

Eight-hour law. No laborer or mechanic doing any part of the work contemplated by this contract, in the employ of the contractor or any subcontractor contracting for any part of said work contemplated, shall be required or permitted to work more than 8 hours in any one calendar day upon such work at the site thereof, except upon the condition that compensation is paid to such laborer or mechanic in accordance with the provisions of this article. The wages of every laborer and mechanic employed by the contractor or any subcontractor engaged in the performance of this contract shall be computed on a basic

day rate of 8 hours per day and work in excess of 8 hours per day is permitted only upon the condition that every such laborer and mechanic shall be compensated for all hours worked in excess of 8 hours per day at not less than one and one-half times the basic rate of pay. For each violation of the requirements of this article a penalty of $5 shall be imposed upon the contractor for each laborer or mechanic for every calendar day in which such employee is required or permitted to labor more than 8 hours upon said work without receiving compensation computed in accordance with this article, and all penalties thus imposed shall be withheld for the use and benefit of the Government: *Provided,* That this stipulation shall be subject in all respects to the exceptions and provisions of U. S. Code, title 40, sections 321, 324, 325, and 326, relating to hours of labor, as modified by the provisions of Section 303 of Public Act No. 781, 76th Congress, approved September 9, 1940, relating to compensation for overtime.

§ 81.347 *Advance payments with interest.* The following clause will be included in fixed-price contracts without deviation when it is contemplated that advance payments with interest will be made thereon:

Advance payments. (a) At any time, and from time to time, after the approval of this contract, at the request of the Contractor and subject to the approval of the _____ (Chief of _____ or his duly authorized representative, or of the person to whom authority has been delegated to make advance payments, as to the present need therefor, the Government shall advance to the Contractor sums not to exceed _____ or _____ (Insert amount of advance payment) per centum (____%) of the contract price, as it may be amended, whichever shall be the smaller. On the unliquidated balance of the advance payments outstanding, the Contractor agrees to pay interest at the rate of two and one-half per cent per annum to be computed in accordance with the provisions of paragraph (f).

(b) As a condition precedent to the making of any advance payment or payments as hereinbefore provided, the Contractor shall furnish the Government with such adequate security as the Under Secretary of War or the person to whom authority has been delegated to make advance payments shall prescribe: *Provided,* That, if other security is not prescribed, the terms of this contract shall be considered adequate security for such advance payments: *Provided further,* That, if at any time the Under Secretary of War deems the security furnished by the Contractor inadequate, the Contractor shall furnish such additional security as shall be satisfactory to the Under Secretary of War.

(c) Until all advance payments hereunder are liquidated, all funds received as advance payments under this contract together with _____ per cent (____%) (Insert per cent to be deposited which shall be not less than 75%) of all other cash payments under this contract, shall be deposited in a special bank account or accounts at a member bank or banks of the Federal Reserve System, or any "insured" bank within the meaning of the Act creating the Federal Deposit Insurance Corporation (Act of August 23, 1935; 49 Stat. 684), as amended (12 U.S.C. 264), separate from the Contractor's general or other funds. Such special bank account or accounts shall be so designated as to indicate clearly to the bank their special character and purpose, and the balance in such account or accounts shall be used by the Contractor exclusively as a revolving fund for carrying out the purposes of this contract (including reimbursement to the Contractor for any reasonable amounts expended by him for such purposes), and any amendments thereto, and not for the other business of the Contractor: *Provided,* That for the purpose of determining proper disposition of funds hereunder such of the Contractor's costs as may not be directly allocable to this contract, as it may be amended, may be charged against funds deposited in the special account in that proportion which the amount of work being done under this contract, as it may be amended, approximately bears to the total amount of work being performed by the Contractor, out of which such costs also arise, but within the period to which such costs relate. When required by the _____ or his duly authorized representative, or any other person to whom authority to make advance payments has been delegated, withdrawals from such special account or accounts shall be made subject to the prior written approval of the Contracting Officer or his duly authorized representative. Any balances from time to time in such special account or accounts shall secure the repayment of the advances in connection with which the special account or accounts are opened, and the Government shall have a lien upon such balances to secure the repayment of such advances which lien shall be superior to any lien of the bank or any other person upon such account or accounts by virtue of assignment to it of such contract or otherwise: *Provided,* That the bank shall be under no liability to any party hereto for the withdrawal of any funds from said special account upon checks, properly endorsed and signed by the Contractor, except that after the receipt by the bank of written directions from the _____ or his duly authorized representative, the bank shall act thereon and be under no liability to any party hereto for any action taken in accordance with the said written directions. Any instructions or written directions received by the bank through the Contracting Officer upon War Department stationery and purporting to be signed by, or by the direction of, the _____ or his duly authorized representative shall, insofar as the rights, duties, and liabilities of the bank are concerned, be conclusively deemed to have been properly issued and filed with the bank by the _____ or his duly authorized representative.

(Chief of supply service)

(Chief of supply service)

(Chief of supply service)

(Chief of supply service)

(d) If, upon the completion of the contract, or upon its termination for other than the fault of the Contractor, the advance payments made to the Contractor have not been fully liquidated in the manner herein provided, the unliquidated balance of such advance payments shall be deducted from any payments otherwise due the Contractor, and if the sum or sums due the Contractor be insufficient to cover such balance, the deficiency shall be paid by the Contractor in cash forthwith after demand and final audit by the Government of all accounts hereunder. In the event of cancellation or termination of this contract because of the fault of the Contractor, the Contractor agrees to return to the Government, upon demand, without set-off of any sums alleged to be due the Contractor, the unliquidated balance of any advance payment. Furthermore, if, in the opinion of the _____ or (Chief of supply service) his duly authorized representative, the unobligated balance of the advance payments made by the Government under paragraph (a) hereof exceeds the amount necessary for the current needs of the Contractor, as determined by the _____ or (Chief of supply service) his duly authorized representative the amount of such excess shall, upon demand made by the _____ or his (Chief of supply service) duly authorized representative be promptly returned to the Government and will be credited against the balance due the Government on advances previously made. If the demand made in any event set forth in this subparagraph is not met upon receipt of such demand by the Contractor, the amount demanded will bear interest at the rate of six percent (6%) rather than two and one-half percent (2½%) per annum from the date of the receipt of the demand until payment is made: *Provided, however,* That such additional interest over and above the regular two and one-half percent is hereby waived as to any sum paid by the Contractor within 15 days after the amount becomes due hereunder.

(e) Except as otherwise provided herein, liquidation of the principal of any advance payment or advance payments made to the contractor hereunder shall be made by means of direct repayment by the contractor from his own free funds or from the special account or by deductions of _____ (per cent of advance authorized) per cent from any and all payments made by the Government under this contract: *Provided,* That if at any time, as a result of amendments to the contract or otherwise, the unliquidated balance of the principal of advance payments made exceed _____ (Per cent of advance authorized) per cent of the contract price of units still to be delivered under the contract, the amount of such excess shall upon demand of the _____ or his duly authorized representative be promptly returned to the Government by withdrawal from the special account or otherwise, or if not so returned, shall be deducted from any and all payments to be made by the Government under the contract: *Provided further,* That, if and when the contractor has, by means of deductions or otherwise, reimbursed the Government in full for payments made, any money remaining in the special bank account or accounts shall be free and clear of any lien hereunder and the bank or banks concerned shall have authority to pay same to the contractor and shall thereupon be relieved of any further obligation to the Government on account thereof.

(f) On the unliquidated balance of the advance payments outstanding, the contractor agrees to pay interest at the rate of two and one-half per cent per annum. Such interest shall be computed at the end of each calendar month on the average daily balance of the principal of the unliquidated advance payments outstanding. In determining such balance, charges on account of the advance payments to the contractor hereunder shall be made as of the dates of the checks therefor; credits arising from deductions from payments to the contractor under this contract shall be made as of the dates the checks for such payments are drawn; and credits arising from cash repayments to the Government by the contractor shall be made as of the dates the checks therefor are received by the disbursing officer. As soon as such monthly computations shall have been made, the interest so determined shall be deducted from the payments otherwise due the contractor under this contract: *Provided, however,* That in no event shall deductions on account of interest exceed five per cent (5%) of the gross payment due the contractor prior to any deduction under this paragraph or paragraph (e) or any other provisions of this contract. In the event the ac-

crued interest exceeds such five per cent, the excess of such interest shall be carried forward and deducted from subsequent payments. The interest shall not be compounded, and shall, subject to the provisions of paragraph (d) hereof, cease to accrue upon the termination of the contract for other than the fault of the contractor, or upon the date found by the Contracting Officer to be the date upon which the contractor completed his performance under the contract.

(g) The contractor shall, at all times, afford to the Contracting Officer or his duly authorized representative, proper facilities for the inspection and audit of the contractor's accounts, and the contractor hereby agrees that the Contracting Officer, or his duly authorized representative, shall have the right, so far as the contractor's rights are concerned, during business hours, to inspect and make copies of any entries in the books and records of the bank relating to the said special account.

(h) Subject to the approval of the contracting Officer or his duly authorized representative the contractor may make payments to subcontractors and materialmen in advance out of the special account, for labor or services, or to pay for material in advance of delivery at the site of the work or at an approved storage site. Such subadvances shall not exceed _____ percent of the subcontract price and the subcontractor or materialmen to whom such advances are made shall furnish adequate security therefor. Unless other security is furnished, covenants in subcontracts, expressly made for the benefit of the Government, providing for a subspecial account with Government lien thereon and for a Government lien on property, tangible or intangible, purchased from the special account, and imposing upon the subcontractor substantially the same duties and giving the Government substantially the same rights as are provided herein between the Government and the contractor, have been prescribed by the Under Secretary of War as minimum adequate security for such subadvances.

(i) If no surety bond is furnished as part of the security under subparagraph (b) hereof, then, upon receipt of items or materials paid for from such special account or accounts, such items or materials shall be segregated and the Government shall have a lien on such items or materials until the advance payment or payments have been fully liquidated, or until the item or items and/or materials concerned have become the property of the Government as the result of partial payments, or otherwise: *Provided,* That if segregation in any instance be impracticable and the items or materials concerned are consequently intermingled with other property of the Contractor, then and in that event the lien above provided for in favor of the Government shall extend to the intermingled mass to the amount represented by the value of the items or materials involved; and without limiting the generality of the foregoing, such lien shall continue as follows: (a) in case the contract covers construction, until such items or materials are incorporated into the building, and thereafter on the building in the construction of which the items or materials are incorporated; (b) in the case of items, or materials comprising facilities, on such facilities both before and after their installation in the plant; and (c) in the case of articles contracted for, until the items or materials so paid for are fabricated into such articles and thereafter on the articles until accepted by the Government [; and the Government shall hereby likewise have an effective assignment of a security interest in all intangible property purchased, or otherwise acquired, with funds from said special account].[1] If at any time during the progress of the work under this contract it becomes necessary to deliver any item or items and/or materials upon which the Government has a lien as aforesaid to a third person, the contractor shall notify such third person of the lien herein provided and shall obtain from such third person a receipt, in duplicate, acknowledging, interalia, the existence of such lien. A copy of each receipt shall be delivered by the contractor to the contracting officer.

(j) Any assignment of moneys due or to become due under this contract shall be subordinate to the rights or claims of the Government arising under this contract or any amendment thereto by virtue of any advance payments authorized herein or otherwise: *Provided,* That, if at any time any claim arising under this contract is assigned or purportedly assigned in any manner inconsistent with the said rights of the Government, the _____ or his
(Chief of supply service)
duly authorized representative shall have the right to suspend further advance payments without notice.

§ 81.348 *Advance payments without interest.* The following clause will be included without deviation in fixed-price contracts when it is contemplated that advance payments without interest will be made thereon:

Advance payments. (a) At any time and from time to time, after the approval of this contract, at the request of the Contractor and subject to the approval of the _____
(Chief of
_____ or his duly authorized repre-
supply service)
sentative, or of the person to whom authority has been delegated to make advance payments, as to the present need therefor, the Government shall advance to the Contractor, without payment of interest therefor by the Contractor, sums not to exceed_____
(Insert amount of advance payment)
or _____ per centum (____%) of the contract price, as it may be amended, whichever shall be the smaller.

(b) As a condition precedent to the making of any advance payment or payments as hereinbefore provided, the Contractor shall furnish the Government with such adequate security as the Under Secretary of War or the person to whom authority has been delegated to make advance payments shall prescribe: *Provided,* That, if other security is not prescribed, the terms of this contract shall be considered adequate security for such advance payments: *Provided further,* That if at any time the Under Secretary of War deems the security furnished by the Contractor inadequate, the Contractor shall furnish such additional security as shall be satisfactory to the Under Secretary of War.

(c) Until all advance payments hereunder are liquidated, all funds received as advance payments under this contract together with _____ per cent (____%) of all
(Insert percent to be deposited which shall be not less than 75%)
other cash payments under this contract, shall be deposited in a special bank account or accounts at a member bank or banks of the Federal Reserve System, or any "insured" bank within the meaning of the Act creating the Federal Deposit Insurance Corporation (Act of August 23, 1935; 49 Stat. 684), as amended (12 U.S.C. 264), separate from the Contractor's general or other funds. Such special bank account or accounts shall be so designated as to indicate clearly to the bank their special character and purpose, and the balances in such account or accounts shall be used by the Contractor exclusively as a revolving fund for carrying out the purposes of this contract (including reimbursement to the Contractor for any reasonable amounts expended by him for such purposes), and any amendments thereto, and not for the other business of the Contractor: *Provided,* That for the purpose of determining proper disposition of funds hereunder such of the contractor's costs as may not be directly allocable to this contract, as it may be amended, may be charged against funds deposited in the special account in that proportion which the amount of work being done under this contract, as it may be amended, approximately bears to the total amount of work being performed by the Contractor, out of which such costs also arise, but within the period to which such costs relate. When required by the _____ or his duly authorized
(Chief of supply service)
representative, or any other person to whom authority to make advance payments has been delegated, withdrawals from such special account or accounts shall be made subject to the prior written approval of the Contracting Officer or his duly authorized representative. Any balances from time to time in such special account or accounts shall secure the repayment of the advances in connection with which the special account or accounts are opened, and the Government shall have a lien upon such balances to secure the repayment of such advances which lien shall be superior to any lien of the bank or any other person upon such account or accounts by virtue of assignment to it of such contract or otherwise: *Provided,* That the bank shall be under no liability to any party hereto for the withdrawal of any funds from said special account upon checks, properly endorsed and signed by the Contractor, except that after the receipt by the bank of written directions from the _____ or his
(Chief of supply service)
duly authorized representative, the bank shall act thereon and be under no liability to any party hereto for any action taken in accordance with the said written directions. Any instructions or written directions received by the bank through the Contracting Officer upon War Department stationery and purporting to be signed by, or by the direction of, the _____ or his duly au-
(Chief of supply service)
thorized representative shall, in so far as the rights, duties, and liabilities of the bank are concerned, be conclusively deemed to have been properly issued and filed with the bank by the _____ or his duly
(Chief of supply service)
authorized representative.

(d) If, upon the completion of the contract, or upon its termination for other than the fault of the Contractor, the advance payments made to the Contractor have not been fully liquidated in the manner herein provided, the unliquidated balance of such advance payments shall be deducted from any payments otherwise due the Contractor, and if the sum or sums due the Contractor be insufficient to cover such balance, the deficiency shall be paid by the Contractor in cash forthwith after demand and final audit by the Government of all accounts hereunder. In the event of cancellation or termination of this contract because of the fault of the Contractor, the Contractor agrees to return to the Government, upon demand, without set-off of any sums alleged to be due the Contractor, the unliquidated balance of any advance payment. Furthermore, if, in the opinion of the _____ or
(Chief of supply service)
his duly authorized representative, the unobligated balance of the advance payments

[1] The bracket provision may be inserted in the case of experimental contracts or other cases where deemed especially appropriate.

made by the Government under Paragraph (a) hereof exceeds the amount necessary for the current needs of the Contractor, as determined by the _____ or
(Chief of supply service)
his duly authorized representative the amount of such excess shall, upon demand made by the _____ or his duly au-
(Chief of supply service)
thorized representative be promptly returned to the Government and will be credited against the balance due the Government on advances previously made. If the demand made in any event set forth in this subparagraph is not met upon receipt of such demand by the Contractor, the amount demanded will bear interest at the rate of six per cent (6%) per annum from the date of the receipt of the demand until payment is made: *Provided, however,* That such payment of interest is hereby waived as to any sum paid by the Contractor within 15 days after the amount becomes due hereunder.

(e) Except as otherwise provided herein, liquidation of any advance payment or advance payments made to the Contractor hereunder shall be made by means of direct repayment by the Contractor from his own free funds or from the special account or by deductions of _____
(Per cent of advance authorized)
per cent from any and all payments made by the Government under this contract: *Provided,* That if at any time, as a result of amendments to the contract or otherwise, the unliquidated balance of advance payments made exceeds _____ percent of
(Per cent of advance authorized)
the contract price of unit still to be delivered under the contract, the amount of such excess shall upon demand of the _____ or his duly author-
(Chief of supply service)
ized representative be promptly returned to the Government by withdrawal from the special account or otherwise, or if not so returned, shall be deducted from any and all payments to be made by the Government under the contract: *Provided, further,* That, if and when the Contractor has, by means of deductions or otherwise, reimbursed the Government in full for payments made, any money remaining in the special bank account or accounts shall be free and clear of any lien hereunder and the bank or banks concerned shall have authority to pay same to the Contractor and shall thereupon be relieved of any further obligation to the Government on account thereof.

(f) The Contractor shall, at all times, afford to the Contracting Officer or his duly authorized representative, proper facilities for the inspection and audit of the Contractor's accounts, and the Contractor hereby agrees that the Contracting Officer, or his duly authorized representative shall have the right, so far as the Contractor's rights are concerned, during business hours, to inspect and make copies of any entries in the books and records of the bank relating to the said special account.

(g) Subject to the approval of the Contracting officer or his duly authorized representative the Contractor may make payments to subcontractors and materialmen in advance out of the special account, for labor or services, or to pay for material in advance of delivery at the site of the work or at an approved storage site. Such subadvances shall not exceed _____ percent of the subcontract price and the subcontractor or materialmen to whom such advances are made shall furnish adequate security therefor. Unless other security is furnished, covenants in subcontracts, expressly made for the benefit of the Government, providing for a subspecial account with Government lien thereon and for a Government lien on property, tangible or intangible, purchased from the special account, and imposing upon the subcontractor substantially the same duties and giving the Government substantially the same rights as are provided herein between the Government and the Contractor, have been prescribed by the Under Secretary of War as minimum adequate security for such subadvances.

(h) If no surety bond is furnished as part of the security under subparagraph (b) hereof, then, upon receipt of items or materials paid for from such special account or accounts, such items, or materials shall be segregated and the Government shall have a lien on such items or materials until the advance payment or payments have been fully liquidated, or until the item or items and/or materials concerned have become the property of the Government as the result of partial payments, or otherwise: *Provided,* That if segregation in any instance be impracticable and the items or materials concerned are consequently intermingled with other property of the Contractor, then and in that event the lien above provided for in favor of the Government shall extend to the intermingled mass to the amount represented by the value of the items or materials involved; and without limiting the generality of the foregoing, such lien shall continue as follows: (a) in case the contract covers construction, until such items or materials are incorporated into the building, and thereafter on the building in the construction of which the items or materials are incorporated; (b) in the case of items or materials comprising facilities, on such facilities both before and after their installation in the plant; and (c) in the case of articles contracted for, until the items or materials so paid for are fabricated into such articles, and thereafter on the articles until accepted by the Government [; and the Government shall hereby likewise have an effective assignment of a security interest in all intangible property purchased, or otherwise acquired, with funds from said special account].* If at any time during the progress of the work under this contract it becomes necessary to deliver any item or items and/or materials upon which the Government has a lien as aforesaid to a third person, the Contractor shall notify such third person of the lien herein provided and shall obtain from such third person a receipt, in duplicate, acknowledging, inter alia, the existence of such lien. A copy of each receipt shall be delivered by the Contractor to the Contracting Officer.

(i) Any assignment of moneys due or to become due under this contract shall be subordinate to the rights or claims of the Government arising under this contract or any amendment thereto by virtue of any advance payments authorized herein or otherwise: *Provided,* That, if at any time any claim arising under this contract is assigned or purportedly assigned in any manner inconsistent with the said rights of the Government, the _____ or his duly author-
(Chief of supply service)
ized representative shall have the right to suspend further advance payments without notice.

§ 81.349 *Advance payments, machine tools.* The following clause will be included without deviation in fixed-price contracts for critical machine tools when it is contemplated that advance payments will be made thereon:

Advance payments. Upon the approval of this contract, at the request of the Contractor, the Government shall advance to the Contractor, without payment of interest therefor by the Contractor, sums not to exceed _____ or _____ per centum (____%)
(Insert amount of advance payment)
of the contract price, as it may be amended, whichever shall be the smaller.

(b) If at any time the Contracting Officer deems that the national interest requires that security be furnished by the Contractor in addition to the provisions of this article, the Contractor shall furnish such security as shall be satisfactory to the Contracting Officer.

(c) If, upon the completion of the contract, or upon its termination for other than the fault of the Contractor, the advance payments made to the Contractor have not been fully liquidated in the manner herein provided, the unliquidated balance of such advance payments shall be deducted from any payments otherwise due the Contractor, and if the sum or sums due the Contractor be insufficient to cover such balance, the deficiency shall be paid by the Contractor in cash forthwith after demand and final audit by the Government of all accounts hereunder. In the event of cancellation or termination of this contract because of the fault of the Contractor or in case of breach of the provisions of this article by the Contractor, the Contractor agrees to return to the Government, upon demand, without set-off of any sums alleged to be due the Contractor, the unliquidated balance of any advance payment. If the demand made in either event set forth in this subparagraph is not met upon receipt of such demand by the Contractor, the amount demanded will bear interest at the rate of six per cent (6%) per annum from the date of the receipt of the demand until payment is made: *Provided, however,* That such payment of interest is hereby waived as to any sum paid by the Contractor within 15 days after the amount becomes due hereunder.

(d) Except as otherwise provided herein, liquidation of any advance payment or advance payments made to the Contractor hereunder, unless directly repaid by the Contractor, shall be made by deductions of _____ per cent from any and
(Per cent of Advance Authorized)
all payments made by the Government under this contract: *Provided,* That if at any time, as a result of amendments to the contract or otherwise, the unliquidated balance of advance payments made exceeds _____
(Per cent of Ad-
_____ per cent of the contract price of
vance Authorized)
units still to be delivered under the contract, the amount of such excess shall upon demand of the Contracting Officer or his duly authorized representative be promptly returned to the Government, or if not so returned, shall be deducted from any and all payments to be made by the Government under the contract.

(e) The Contractor shall, at all times, afford to the Contracting Officer or his duly authorized representative, proper facilities for the inspection and audit of the Contractor's accounts.

(f) Except with the approval of the Contracting Officer or his duly authorized representative, subadvances shall not exceed thirty per cent of the subcontract price.

(g) Any assignment of moneys due or to become due under this contract shall be subordinate to the rights or claims of the Government arising under this contract or any amendment thereto by virtue of any advance payments authorized herein or otherwise: *Provided,* That, if at any time any claim arising under this contract is assigned or purportedly assigned in any manner inconsistent with the said rights of the Government, the Contracting Officer or his duly authorized representative shall have the right to suspend further advance payments without notice.

§ 81.350 *Termination clause.* The following clause will be incorporated in all

* The bracket provision may be inserted in the case of experimental contracts or other cases where deemed especially appropriate.

cost-plus-a-fixed-fee construction contracts without deviation:

Termination for convenience of the Government. 1. The Government may terminate this contract at any time by a notice in writing from the Contracting Officer to the Contractor. Such termination shall be effective in the manner and upon the date specified in said notice and shall be without prejudice to any claims which the Government may have against the Contractor. Upon receipt of such notice, the Contractor shall, unless the notice directs otherwise, immediately discontinue all work and the placing of all orders for materials, facilities, and supplies in connection with performance of this contract and shall proceed to cancel promptly all existing orders and terminate all subcontracts insofar as such orders and/or subcontracts are chargeable to this contract.

2. If this contract is terminated for the fault of the Contractor, the Contracting Officer may enter upon the premises and take possession, for the purpose of completing the work contemplated by this contract, of any or all materials, tools, machinery, equipment, and appliances which may be owned by or in the possession of the Contractor and all options, privileges; and rights, and may complete or employ any other person or persons to complete said work. Following such termination, rental shall be paid to the Contractor for such construction plant or parts thereof as he may own, and which the Government may retain at rates prescribed in Article _____.

3. Upon the termination of this contract, full and complete settlement of all claims of the Contractor arising out of this contract shall be made as follows:

a. The Government shall assume and become liable for all obligations, commitments, and claims that the Contractor may have theretofore in good faith undertaken or incurred in connection with said work, the cost of which would be reimbursable in accordance with the provisions of this contract; and the Contractor shall, as a condition of receiving the payments mentioned in this article, execute and deliver all such papers and take all such steps as the Contracting Officer may require for the purpose of fully vesting in the Government, the rights and benefits of the Contractor under such obligations or commitments.

b. The Government shall reimburse the Contractor for all expenditures made in accordance with Article ____ and not previously reimbursed.

c. The Government shall reimburse the Contractor for such further expenditures after the date of termination for the protection of Government property and for accounting services in connection with the settlement of this contract as are required or approved by the Contracting Officer.

d. The Government shall pay to the Contractor any unpaid balance for the rental of the Contractor's equipment in accordance with Article ____ to date of termination.

e. If the contract is terminated for the convenience of the Government, the Contractor will be paid that proportion of the prescribed fee which the work actually completed bears to the entire work under this contract, less fee payments previously made. If the contract is terminated due to fault of the Contractor, no additional payments on account of the fee will be made.

f. The obligation of the Government to make any of the payments required by this Article, or by Article_____of this contract, shall be subject to any unsettled claims in connection with this contract which the Government may have against the Contractor.

4. Prior to final settlement the Contractor shall furnish a release as required in Article ____ hereof.

§ 81.351 *Price adjustments clause.* In those cases where the use of the standard escalator clause is required, a clause substantially similar to the following will be used. In no case will any deviations from this clause provide for price adjustment on the basis of changes in the actual cost of labor and materials to the contractor, or in the contractor's plant.

Price Adjustments. The total contract price stated in Article____is subject to adjustment for increases or decreases in direct labor and direct material costs in accordance with the following method:

(a) *Labor.* (1) Upon the basis of labor costs prevailing in _____ 194__, (hereinafter called the base month) the direct labor cost is estimated to be $_____. It is also estimated that the indirect labor cost attributable to this contract is ____% of such estimated direct labor cost. Direct labor, as used herein, refers only to the labor of employees of the Contractor performed directly on, and properly chargeable to, the supplies manufactured hereunder, excluding, but without limitation, all executive, managerial, supervisory, technical, professional, office, clerical and sales employees, but including working foremen, gangbosses and strawbosses. The Contractor represents that the above estimated cost is based upon a schedule, approved by the Contracting Officer, of the kinds or classes of jobs or occupations to be charged as direct labor under this contract, and that the estimate includes only such jobs or occupations. In computing the actual direct labor cost for the purposes of paragraphs (a) (2) and (a) (3) hereof, the cost of kinds or classes of jobs or occupations not listed in this Schedule, a copy of which is attached hereto, shall not be included.

(2) After deliveries under this contract have been completed, the estimated direct labor cost set forth above shall be apportioned into direct labor cost quotas for the consecutive three-month periods (hereinafter called "quota periods") beginning on the first day of _____, 194__[3] and on the first day of each third month thereafter. This apportionment shall be made by dividing the actual direct labor cost properly charged to this contract during each quota period by the total actual direct labor cost under the contract, and by multiplying the percentage thus obtained for each quota period by the total estimated direct labor cost. The result shall be the direct labor cost quota for that period.

(3) Upon the basis of the average hourly earnings in the durable goods manufacturing industries compiled by the United States Department of Labor, Bureau of Labor Statistics, the Government will determine the average hourly earnings for each quota period by adding the average hourly earnings for each month of such quota period and dividing their sum by three, and calculations will be made of the percentage of change of such average hourly earnings for each quota period in comparison with the average hourly earnings for the base month. The labor cost quota for each quota period will then be multiplied by the percentage of change for such quota period, and the result will be applied as an increase or decrease in the contract price: *Provided,* That the total of such increases in the contract price shall not exceed the amount by which the total actual direct labor cost exceeds the total estimated direct labor cost, and that the total of such decreases in the contract price shall not exceed the amount by which the total actual direct labor cost is less than the total estimated direct labor cost.

(4) The total increase or decreases to be paid or deducted under Paragraph (a) (3) shall be multiplied by ____% [1] and the result shall be applied as a further increase or decrease in the contract price, as an adjustment for the indirect labor cost under this contract.

(b) *Materials.* (1) Upon the basis of materials costs prevailing in the base month, the cost of direct materials which the Contractor will purchase for the performance of this contract, excluding materials to be used which the Contractor has on hand or for which firm price commitments have been obtained by him, (hereinafter called "direct materials to be purchased hereunder") is estimated to be $_____ (hereinafter called "estimated adjustable materials cost"). It is also estimated that the indirect materials cost attributable to this contract is ____% of such estimated direct materials cost. Direct materials as used herein refers only to those materials which go into and become a component part of the Contractor's finished product and which, under the cost accounting system regularly employed in the Contractor's plant, are accounted for by direct charges to the particular contract. The Contractor represents that the above estimate is based upon a schedule, approved by the Contracting Officer, of the kinds and classes of "direct materials to be purchased hereunder." In computing the actual cost of "direct materials to be purchased hereunder" for the purposes of paragraphs (b) (2) and (b) (3) hereof, the cost of kinds or classes of materials not listed in this schedule, a copy of which is attached hereto, shall not be included.

(2) After deliveries under this contract have been completed, the "estimated adjustable materials cost" shall be apportioned into materials cost quotas for the quota periods as defined in paragraph (a) (2) above. This apportionment shall be made by dividing the total actual cost of "direct materials to be purchased hereunder" into the portion of such cost properly charged to the contract during each quota period, and by multiplying the percentage thus obtained for each quota period, by the total "estimated adjustable materials cost." The result shall be the materials cost quota for that period. Direct materials shall be charged to the contract for the quota period during which the price therefor is determined as between the Contractor and the materials supplier: *Provided,* That where commitments are obtained by the Contractor for future deliveries at a firm price in excess of the market price prevailing at the time such commitments were obtained, such materials shall be charged to the contract for the quota period during which delivery is to be received by the Contractor: *And, provided, further,* That with respect to materials which are not identifiable with the purchase commitments under which they are acquired, determinations as to (1) whether the materials employed in the performance of this contract were on hand at the time the contract was executed, and (2) the quota period to which the materials are to be charged and the amount of such charge shall, with the approval of the Contracting Officer, be made on the basis of the accounting sys-

[3] The month during which the contract is executed or performance is commenced, whichever is earlier.

[1] The percentage of indirect labor cost stated in paragraph (a) (1).

tem regularly employed in the Contractor's plant.

(3) The Government will average for each quota period the index numbers of wholesale prices for _____[2] compiled by the United States Department of Labor, Bureau of Labor Statistics, for the three months included within such quota period, and calculations will be made of the percentage of change of such average index numbers for each quota period in comparison with the index numbers for the base month. The materials cost quota for each quota period shall then be multiplied by the percentage of change for such quota period, and the result will be applied as an increase or decrease in the contract price: *Provided,* That the total of such increases in the contract price shall not exceed the amount by which the actual cost of "direct materials to be purchased hereunder" exceeds the total "estimated adjustable materials cost," and that the total of such decreases in the contract price shall not exceed the amount by which said total actual cost of "direct materials to be purchased hereunder" is less than the total "estimated adjustable materials cost."

(4) The total increase or decrease to be paid or deducted under paragraph (b) (3) shall be multiplied by ____ %[3] and the result shall be applied as a further increase or decrease in the contract price, as an adjustment for the indirect materials cost under this contract.

(c) *General.* (1) For the purpose of determining increases or decreases in contract prices, rates of change in average hourly earnings and rates of change in the materials index number will be calculated to the nearest one-tenth of one per cent, and there shall be used the latest figures which shall have been issued by the Bureau of Labor Statistics up to the close of the fourth month following the last quota period under this contract.

(2) Payments for increase or deduction for decreases in the contract price, resulting from the operation of this article, will be made after the completion of the calculations of price adjustments in accordance herewith: *Provided,* That the Government may, from time to time during the life of the contract, make partial payments on account of such increases, subject to such requirements as a condition precedent to such payments as the Contracting Officer may provide: *Provided, further,* That in the event such partial payments shall exceed the amount due to the Contractor by the operation of this article, the Government shall deduct the amount of such excess from any further payments due under this contract.

(3) Should the Contractor, during the performance of this contract, on account of subcontracting, or otherwise, depart from the production method upon which the estimates and schedules of direct labor and direct materials costs were based to such an extent that the use of such estimates or schedules will operate to produce an unfair adjustment of the contract price, a corresponding correction in such estimates or schedules may be made by mutual agreement between the Contractor and the Contracting Officer. In the event of disagreement with respect to the need for or extent of such correction, the procedure of Article ____ (Disputes) shall apply.

(4) If this contract is terminated pursuant to any provision thereof the contract price shall be adjusted as provided above, except that for the purposes of paragraphs (a) (2), (a) (3), (b) (2), and (b) (3), the terms "estimated direct labor cost" and "estimated adjustable materials cost" shall be understood to refer to that part of such costs which corresponds to that proportion of the supplies contracted for which is completed and delivered by the Contractor, and the terms "actual direct labor cost" and "actual cost of direct materials to be purchased hereunder", shall refer only to that part of such costs which is properly chargeable to the supplies completed and delivered.

(5) The Contractor shall file with the Contracting Officer, not later than sixty days after the completion of the performance of the work under this contract or after its termination, a statement of the actual direct labor costs and the actual costs of "direct materials to be purchased hereunder," certified as correct by an independent public accountant approved by the Contracting Officer, showing the amounts of such costs properly chargeable during each quota period and, in case of termination, the amounts properly chargeable to the supplies completed and delivered. In determining the total actual direct labor cost and the total actual "direct materials to be purchased hereunder," and in determining the amounts thereof to be charged in each quota period, the Contractor may, subject to the approval of the Contracting Officer and to the limitations of paragraph (b) (2), employ the accounting system regularly employed in the Contractor's plant. Such statement shall be deemed prima facie correct. The Government reserves the right to audit the books and records of the Contractor, to determine the accuracy of such determinations and certification, and to obtain any information in connection with the operation of this Article. All information obtained from the Contractor's records shall be treated as confidential. The Contractor shall preserve all the books, papers, and other accounting records pertaining thereto: *Provided,* That if the Contractor at any time after the lapse of three years following the completion or cessation of work under the contract, desires to dispose of said books, papers, and accounting records, he shall so notify the Secretary of War, or his duly authorized representative, who shall either authorize their destruction or notify the Contractor to turn them over to the Government for disposition.

(6) If after the date on which the prices herein were quoted, the Congress or any state legislature, shall impose, remove, increase or decrease any payroll tax required to be borne by the Contractor and directly applicable to or measured by the payrolls of the Contractor hereunder, then the rate of such newly imposed tax, or the net increase or net decrease in the rate of a previously imposed tax, shall be multiplied by that portion of the actual direct labor cost which is subject to such increases or decreases in the tax or taxes, and the result shall be paid the Contractor under this paragraph.

(7) The operation of this Article shall be subject to applicable maximum price regulations issued by the Office of Price Administration or other lawful authority and the adjusted contract price will be subject to renegotiation in accordance with Article_____.

§ 81.352 *Delays-damages clause.* Every lump-sum supply contract will contain a clause substantially as follows:

Delays-damages. (a) If the Contractor refuses or fails to make deliveries of the supplies within the time specified in Article 1, or any extension thereof, the Government subject to the provisions of paragraph (b) below, may, by a notice in writing from the Contracting Officer to the Contractor of its intention to terminate under this Article, terminate the right of the Contractor to proceed with delivery of the supplies or such parts thereof as to which there has been delay. In such event, the Government may (1) require the Contractor to deliver to the Government such completed supplies, partially completed supplies and materials, parts, plans, drawings, information, and contract rights of the Contractor, (hereinafter called manufacturing material), as the Contractor has produced or acquired for the performance of such portion of this contract as to which the right to proceed with delivery is terminated, and accomplish or secure the completion or manufacture of supplies therewith; and, in addition thereto or in lieu thereof (2) purchase in the open market or secure by contract or otherwise, the manufacture and delivery of supplies similar to those called for by this contract in an amount which together with the supplies, if any, completed under (1) above shall not exceed the amount of supplies the right to proceed with delivery of which is terminated. If delivery is made pursuant to clause (1) of the preceding sentence the Government shall pay to the Contractor, less any previous payments, the following: (a) For each unit of the completed supplies accepted by the Government the unit contract price, (b) for all partially completed supplies and manufacturing material delivered, the unit contract price for each unit of supplies completed or manufactured therewith, less the cost to the Government of completion or manufacture, but if that cost exceeds the unit contract price the Contractor and his sureties shall be liable for such excess. If the cost to the Government of supplies procured in accordance with clause (2) above exceeds the corresponding unit price or prices under this contract, the Contractor and his sureties shall be liable for such excess.

(b) The Government shall not have a right of termination under this Article if (i) the delay of the Contractor in making deliveries is an excusable delay, as hereinafter defined, and (ii) the Contractor notifies the Contracting Officer in writing of such delay and the cause thereof, within two days from the beginning thereof or within such further period as the Contracting Officer shall, with the approval of the Secretary of War or his duly authorized representative, prior to the date of final settlement of the contract, grant for the giving of such notice. Upon receipt of such notification from the Contractor, the Contracting Officer shall ascertain the cause of the delay, and his findings of fact thereon shall be final and conclusive on the parties hereto, subject to appeal within thirty days by the Contractor to the Secretary of War or his duly authorized representative, whose decision on such appeal as to the cause of delay shall be final and conclusive on the parties hereto. The term "excusable delay" as used in this paragraph means any delay in making deliveries which results without fault or negligence on the part of the Contractor and which is due to unforeseeable causes beyond his control including, without being limited to, acts of God or of the public enemy, any preference, priority or allocation order issued by the Government or any other act of the Government, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe winter; and unless the Contracting Officer shall determine that the materials or supplies to be furnished under a subcontract are procurable in the open market, any delay of a subcontractor which results without fault or negligence on the part of the Contractor, and which is due to unforeseeable causes beyond the control of the Contractor, including without being limited to the type of causes above enumerated.

§ 81.353 *Walsh-Healey Act; representations and stipulations.* All supply con-

[2] The index for the commodities group which includes the items making up the major portion of the "direct materials to be purchased hereunder."

[3] The percentage of indirect materials cost stated in paragraph (b) (1).

tracts subject to the Walsh-Healey Act (Act of June 30, 1936; 49 Stat. 2036; 41 U. S. C. 35–45) (See paragraph 916, et seq. below) will contain the following clause without deviation:

Representations and stipulations pursuant to the Walsh-Healey Act. (a) The contractor is the manufacturer of or a regular dealer in the materials, supplies, articles, or equipment to be manufactured or used in the performance of the contract.

(b) All persons employed by the contractor in the manufacture or furnishing of the materials, supplies, articles, or equipment used in the performance of the contract will be paid, without subsequent deduction or rebate on any account, not less than the minimum wages as determined by the Secretary of Labor to be the prevailing minimum wages for persons employed on similar work or in the particular or similar industries or groups of industries currently operating in the locality in which the materials, supplies, articles, or equipment are to be manufactured or furnished under the contract: *Provided, however,* That this stipulation with respect to minimum wages shall apply only to purchases or contracts relating to such industries as have been the subject matter of a determination by the Secretary of Labor.

(c) No person employed by the contractor in the manufacture or furnishing of the materials, supplies, articles, or equipment used in the performance of the contract shall be permitted to work in excess of 8 hours in any 1 day or in excess of 40 hours in any 1 week unless such person is paid such applicable overtime rate as has been set by the Secretary of Labor: *Provided, however,* That the provisions of this stipulation shall not apply to any employer who shall have entered into an agreement with his employees pursuant to the provisions of paragraph 1 or 2 of subsection (b) of section 7 of an act entitled "The Fair Labor Standards Act of 1938: *Provided further,* That in the case of such an employer, during the life of the agreement referred to, the applicable overtime rate set by the Secretary of Labor shall be paid for hours in excess of 12 in any 1 day or in excess of 56 in any 1 week and if such overtime is not paid, the employer shall be required to compensate his employees during that week at the applicable overtime rate set by the Secretary of Labor for hours in excess of 8 in any 1 day or in excess of 40 in any 1 week.

(d) No male person under 16 years of age and no female person under 18 years of age and no convict labor will be employed by the contractor in the manufacture or production or furnishing of any of the materials, supplies, articles, or equipment included in the contract.

(e) No part of the contract will be performed nor will any of the materials, supplies, articles, or equipment to be manufactured or furnished under said contract be manufactured or fabricated in any plants, factories, buildings, or surroundings or under working conditions which are unsanitary or hazardous or dangerous to the health and safety of employees engaged in the performance of the contract. Compliance with the safety, sanitary, and factory inspection laws of the State in which the work or part thereof is to be performed shall be prima facie evidence of compliance with this subsection.

(f) Any breach or violation of any of the foregoing representations and stipulations shall render the party responsible therefor liable to the United States of America for linquidated damages, in addition to damages for any other breach of the contract, in the sum of $10 per day for each male person under 16 years of age or each female person under 18 years of age, or each convict laborer knowingly employed in the performance of the contract, and a sum equal to the amount of any deductions, rebates, refunds or under payment of wages due to any employee engaged in the performance of the contract; and, in addition, the agency of the United States entering into the contract shall have the right to cancel same and to make open market purchases or enter into other contracts for the completion of the original contract, charging any additional cost to the original contractor. Any sums of money due to the United States of America by reason of any violation of any of the representations and stipulations of the contract as set forth herein may be withheld from any amounts due on the contract or may be recovered in a suit brought in the name of the United States of America by the Attorney General thereof. All sums withheld or recovered as deductions, rebates, refunds, or underpayments of wages shall be held in a special deposit account and shall be paid, on order of the Secretary of Labor, directly to the employees who have been paid less than minimum rates of pay as set forth in such contracts and on whose account such sums were withheld or recovered: *Provided,* That no claims by employees for such payments shall be entertained unless made within 1 year from the date of actual notice to the contractor of the withholding or recovery of such sums by the United States of America.

(g) The contractor shall post a copy of the stipulations in a prominent and readily accessible place at the site of the contract work and shall keep such employment records as are required in the Regulations under the act available for inspection by authorized representatives of the Secretary of Labor.

(h) The foregoing stipulations shall be deemed inoperative if his contract is for a definite amount not in excess of $10,000.

For discussion of the provision contained in paragraph (c) of the above clause with respect to convict labor, see § 81.903 (b).

§ 81.354 *Notice to the Government of labor disputes.* All contracts, except those to which such clause is clearly inapplicable will contain the following clause without deviation:

Notice to the Government of labor disputes. Whenever an actual or potential labor dispute is delaying or threatens to delay the timely performance of this contract, the Contractor will immediately give notice thereof to the _____[1] Such notice shall include all relevant information with respect to such dispute.

§ 81.355 *Assignments of rights: unclassified contracts.* In accordance with the Assignment of Claims Act of 1940 every contract which provides for payments aggregating $1,000 or more, with the exception of secret, confidential and restricted contracts, will contain the following clause without deviation:

Assignment of rights hereunder. (a) Claims for monies due or to become due the Contractor from the Government under this contract may be assigned to a bank, trust company or other financing institution, including any Federal lending agency. Any such assignment shall cover all amounts payable under this contract and not already paid, and shall not be made to more than one party, except that any such assignment may be made to one party as agent or trustee for two or more parties participating in such financing.

(b) In the event of any such assignment the assignee shall file four signed copies of a written notice of the assignment, together with one copy of the instrument of assignment, with each of the following:

(i) General Accounting Office;

(ii) the Contracting Officer;

(iii) the surety or sureties upon the bond or bonds, if any, in connection with this contract;

(iv) the officer designated in this contract to make payments thereunder.

(c) Any claim under this contract which has been assigned pursuant to the foregoing provisions of this Article may be further assigned and reassigned to a bank, trust company or other financing institution, including any Federal lending agency. In the event of such further assignment or reassignment the assignee shall file one signed copy of a written notice of the further assignment or reassignment together with a true copy of the instrument of further assignment or reassignment with the contractor; and shall file four signed copies of such written notice and one copy of such instrument with each of the parties designated in the preceding paragraph.

(d) No assignee shall divulge any information concerning the contract except to those persons concerned with the transaction.

(e) Payment to an assignee of any claim under this contract shall not be subject to reduction or set-off for any indebtedness of the assignor to the United States arising independently of this contract.

(f) Indication of the assignment of claim and of any further assignment thereof and the name of the assignee will be made on all vouchers or invoices certified by the contractor.

§ 81.356 *Assignment of rights; secret, confidential and restricted contracts.* Unless the omission of such provision is authorized by the chief of the supply service concerned, secret, confidential and restricted contracts will contain the following clause without deviation:

Assignment of rights hereunder. No claim under this contract shall be assigned.

In the event that the omission of the foregoing provision is authorized as aforesaid, the contract will contain without deviation the clause set forth in § 81.355 and there shall be added thereto the following paragraphs without deviation:

(g) In no event shall copies of any plans, specifications, or other similar documents marked "Secret", "Confidential" or "Restricted" and annexed or attached to this contract be furnished to any assignee of any claim arising under this contract or to any other person not entitled to receive the same.

(h) The contractor agrees that he will obtain from the assignee an agreement signed by such assignee similar to that required by paragraph 50, AR 380–5. In such agreement the assignee shall also agree that, in case of further assignment, it will obtain a similar agreement from such assignee.

§ 81.357 *Tax article.* All lump sum (fixed-price) contracts which involve the expenditure of appropriated funds will include the following tax article: *Provided, however,* That such article may, in the discretion of the contracting officer, be omitted where the estimated time of performance does not exceed sixty days:

Unless otherwise indicated, the prices herein include any Federal, state and local tax or charge heretofore imposed which is applicable to the supplies or work covered hereby. If after the date of the award, the Federal Government or any state or local government shall impose, remove, or change any duty, sales use or excise tax or any other

[1] Such officer as may be designated by the chief supply arm or service concerned.

tax or charge directly applicable to the supplies or work covered hereby or the materials used in the manufacture thereof, or directly upon the importation, production, processing, manufacture, construction or sale of such supplies, work, or materials, which tax or charge must be borne by the contractor because of a specific contractual obligation or by operation of law, or, in case of a decrease or elimination of a tax, where the contractor is relieved to that extent, and if in case of an increase in an existing tax or the imposition of a new tax the contractor has paid such tax or charge to the Federal Government or a state or local government, or any other person, then the prices named herein will be increased or decreased accordingly and any amount due to the contractor as a result of such change will be charged to the Government and entered on vouchers (or invoices) as a separate item: *Provided, however,* That the Government reserves the right to issue to the contractor in lieu of such payment a tax exemption certificate or certificates acceptable to the Federal Government or State or local government, as the case may be, and the contractor agrees, in the case of any such state or local tax or charge, to take such steps as may be requested by the Government to cause such tax or charge to be paid under protest, to preserve and to cause to be assigned to the Government any and all rights to the refund of such tax or charge, and to furnish to the Government all reasonable assistance and cooperation requested by the Government in any litigation or proceeding for the recovery of such tax or charge; *and provided further,* That nothing contained herein shall be construed as requiring the Government to reimburse the contractor for any Federal, state or local income taxes, income surtaxes or excess profits taxes.

§ 81.358 *Taxes affecting cost.* All contracts should contain appropriate provisions showing what taxes which are in any way attributable to the cost of performance of the contract are excluded from the contract price, and whether or not tax exemption certificates will be required.

BONDS AND INSURANCE

GENERAL

§ 81.401 *Rescission of regulations.* Army Regulations 5–140, May 22, 1940, as amended; Army Regulations 5–220, August 7, 1940, as amended; and all other prior directives and instructions relating to bonds and insurance are hereby rescinded.

Compliance with Procurement Regulation No. 4. Unless otherwise specifically provided, compliance with any provision of Procurement Regulation No. 4 or of any amendment thereto which requires a change in contract procedure or in any contract provision shall not be mandatory until thirty days after the issuance of such regulation or amendment.

§ 81.402 *Definitions*—(a) *Bid bond.* A bond accompanying a bid and providing that:

(1) The bid will not be withdrawn after the opening within the period specified in the bid for, if no shorter period is specified, within 60 days.

(2) A written contract with such bond or bonds as may be required will be executed within 10 days after the prescribed forms are presented for signature.

(b) *Performance bond.* A bond executed in connection with a contract and securing the performance and fulfillment of all the undertakings, covenants, terms, conditions and agreements of the contract.

(c) *Payment bond.* A bond executed in connection with a contract and securing the payment of all persons supplying labor and material in the prosecution of the work provided for in the contract.

(d) *Annual bid bond.* A single bond securing all bids submitted to the designated agency during the fiscal year in lieu of a separate bid bond with each bid.

(e) *Annual performance bond.* A single bond securing all contracts executed with the designated agency during the fiscal year in lieu of a separate performance bond with each contract.

(f) *Patent infringement bond.* A bond executed in connection with a contract which contains a patent provision and securing the performance of that provision.

(g) *Advance payment bond.* A bond executed in connection with a contractual provision for an advance payment and securing the fulfillment of said provision.

(h) *Contract for public work of the United States.* A contract for work, labor, or manufacture upon articles of property belonging to the United States, as well as a contract for supplies wherein it is provided that partial payment will be made for material and labor as the manufacture or construction of such supplies progresses, title to which vests in the United States upon the making of such partial payment, is a contract for "public work of the United States," although the contractor retains possession and remains responsible for the care of the property so paid for until finally accepted by the United States.

BONDS

§ 81.403 *Examination of bonds.* All surety bonds (bid bonds excepted) required by the several bureaus of the War Department will be forwarded to The Judge Advocate General for examination as to whether they are legally sufficient and are in proper form and duly executed; in the case of corporate sureties, to ascertain whether those who purported to execute them on behalf of such surety companies had authority to do so; in the case of individual sureties, to ascertain whether the affidavit of justification and the certificate of sufficiency of the sureties are in accordance with regulations; and in case of payment bonds required by the act of August 24, 1935 (49 Stat. 793), to ascertain whether the penal sum thereof is in the requisite amount.

§ 81.404 *Filing of bonds.* All bonds provided for in these regulations will be executed in duplicate. The original, except those bonds required to be approved or filed elsewhere than at the War Department, will be forwarded through The Judge Advocate General to the General Accounting Office for file, and the duplicate will be filed in the office to which it pertains or which authorized its acceptance. In the case of those bonds required to be approved or filed elsewhere than at the War Department, the duplicate (bid bonds excepted) will be forwarded to The Judge Advocate General for examination.

§ 81.405 *Options in lieu of surety or sureties on bonds*—(a) *United States bonds or notes*—(1) *Authority.* Any person required to furnish a bond executed by himself as principal has the option of depositing United States Liberty Bonds or other United States bonds or notes (except as provided in subparagraph (2) (iv) below) in a sum equal at their par value to the penal amount of the bond in lieu of furnishing sureties on his bond. (Sec. 1029, Act June 2, 1924 (43 Stat. 349), as amended by sec. 1126, Act February 26, 1926 (44 Stat. 122); and sec. 7 (Act February 4, 1935 (49 Stat. 22); 6 U.S.C. 15; M. L. 1939, sec. 540)

(2) *Procedure.* (i) The procedure for carrying out the afore-cited authority is contained in Treasury Department Circular No. 154, dated February 6, 1935.

(ii) The contracting officer is the "bond approving officer" who will turn over the securities deposited with him to the local disbursing officer for safekeeping, and the disbursing officer will receipt therefor in duplicate on Form B, Treasury Department Circular No. 154.

(iii) Instead of keeping securities turned over to him, the disbursing officer may deposit them with the Treasurer of the United States, a Federal Reserve bank, branch Federal Reserve bank having the requisite facilities, or other depository duly designated for that purpose by the Secretary of the Treasury, under procedure prescribed in Treasury Department Circular No. 154.

(iv) United States Savings Bonds may only be pledged in lieu of sureties when the bond approving officer is the Secretary of the Treasury, thus precluding the acceptance by War Department contracting officers of United States Savings Bonds in lieu of sureties. Treasury certificates of indebtedness are not acceptable.

(b) *Certified checks, money orders or currency*—(1) *Authority.* Any person required to furnish a bond executed by himself as principal has the option of depositing a certified check, a Post Office money order, or currency, in lieu of furnishing sureties on his bond, provided the penal sum of said bond is not in excess of $50,000.

(2) *Procedure.* (i) Certified checks or Post Office money orders will be drawn to the order of the Treasurer of the United States.

(ii) Certified checks, Post Office money orders and currency accepted by the contracting officer in lieu of a bond will be promptly turned over to the local disbursing officer and deposited by him in a special deposit account. A certificate as to this action will be executed by the disbursing officer and attached to each copy of the contract.

(iii) The amount of the security deposited will be refunded to the contractor upon the completion of the terms of the agreement for which the security is deposited.

§ 81.406 *Corporate sureties*—(a) *Formal requirements.* In order to be acceptable to the War Department a corporate surety, except as hereinafter provided, must have obtained from the Secretary of the Treasury authority to do business under the act of August 13, 1894 (28 Stat. 279), as amended by the act of March 23, 1910 (36 Stat. 241; 6 U. S. C. 8; M. L. 1939, sec. 534). A list of the corporations approved by the Secretary of the Treasury is published semiannually by the Treasury Department as Form No. 356 (section of Surety Bonds), copies of which may be procured from the chief of the supply service concerned, who will make requisition for his requirements to The Judge Advocate General semiannually on March 15 and September 15. These corporations are acceptable as sureties upon bonds required by the War Department within the limitation of such approval: *Provided, however,* That any corporation authorized under the laws of the Philippine Islands to act as surety on bonds may be accepted as surety on bonds executed in the Philippine Islands in an amount of penalty not exceeding 10 per cent of the paid-up capital and surplus of such corporation, although it has not qualified before the Treasury Department as hereinbefore provided.

(b) *Qualifications of agents.* Surety companies must furnish promptly to the War Department, for file in the office of the Judge Advocate General:

(1) Powers of attorney authorizing their agents to execute bonds;

(2) Powers of attorney, or certified copies of resolutions of their boards of directors or trustees, authorizing their officers to execute bonds; and

(3) Certificate showing the revocation of such authority to execute bonds.

(c) *One or more companies*—(1) *Supply contracts.* One or more companies may be accepted as surety upon any recognizance, stipulation, bond, or undertaking in connection with supply contracts under the War Department. On bonds covering supply contracts where the amount is greater than the underwriting limitation of a surety company, the latter may reinsure with a company on the acceptable list of surety companies having the required underwriting limitation.

(2) *Construction and public work contracts.* One or more companies may be accepted as surety upon any recognizance, stipulation, bond, or undertaking in connection with contracts for the construction of any building or the prosecution or completion of any public work or for the repair of any public building or public work under the War Department, but in all cases of more than one surety, the sureties must execute such obligation jointly and severally. In the event of two or more corporate sureties, where it is desired to limit the obligation and liability of each surety, the limit of liability of each surety shall be set forth in the bond as a definite and specified sum, such amount to be in all cases within the limitation of its qualified power. Reinsurance agreements will not be accepted on contracts for the construction, alteration, or repair of any public buildings or public work of the United States.

§ 81.407 *Individual sureties*—(a) *Number of.* If individual sureties are furnished, there shall be at least two responsible individuals.

(b) *Measure of liability.* The liability of each surety shall extend to the entire penal amount of the bond, except that when more than two sureties are furnished, the Secretary of War may authorize special provisions in respect of liability.

(c) *Justification.* (1) Individual sureties will each justify in a sum not less than the penal amount of the bond.

(2) In special cases two or more bonds may be accepted to cover one contract provided there are two different individual sureties on each bond.

(d) *Citizenship.* (1) Except as prescribed in subparagraph (2) below, individual sureties will be citizens of the United States.

(2) Sureties on bonds executed in foreign countries, the Canal Zone, the Philippine Islands, Puerto Rico, Hawaii, Alaska, or any possession of the United States, for the performance of contracts entered into in these places, need not be citizens of the United States, but sureties other than citizens of the United States must be domiciled in the place where the contract is to be performed.

(e) *Firm or corporation as principal obligor.* (1) A firm as such will not be accepted as a surety, nor a partner for co-partners or for a firm of which he is a member.

(2) When a corporation executes a bond as principal, any stockholder of the corporation is a competent surety on the bond, provided he is worth the amount for which he justified, over and above the value of his holdings in the corporation, and provided further that that fact is expressly stated in his affidavit of justification.

§ 81.408 *Bid bonds.* (a) The extent to which bid bonds will be required and the penalties of such bonds, will be determined by the chief of the supply service concerned except that in the case of advertised contracts bid bonds will be required in all cases where the invitations to bidders specify that the contracts are to be supported by performance and/or payment bonds.

(b) Standard Form No. 24 (Standard Government Form of Bid Bond (construction or supply)) is the approved bid bond form. In the preparation of the form, contracting officers are authorized, when deemed by them to be in the best interests of the Government, to insert in the blank space on page one, following the words "in the penal sum of" and before the word "dollars" the following clause:

an amount equal to ------ percent of the accompanying bid of said principal, but in no event shall said penalty exceed the sum of ------

There should be inserted in the first blank space of the above clause the percentage deemed appropriate by the contracting officer, having regard to existing instructions of the chief of the supply service concerned, and in the second blank space the amount of the maximum penalty in dollars.

§ 81.409 *Annual bid bond*—(a) *When authorized.* (1) Bidders may file an annual bid bond to cover all bids submitted to any particular purchasing officer during the fiscal year.

(2) When authorized by the chief of the supply service concerned, a bidder may file an annual bid bond to cover all bids submitted to all purchasing officers of that supply service serving within the continental limits of the United States during the fiscal year.

(3) When authorized by the chief representative of the supply service concerned in an oversea department, a bidder may file an annual bid bond to cover all bids submitted to purchasing officers of that supply service within that department during the fiscal year.

(b) *Form used.* Standard Form No. 34 (Standard Government Form of Annual Bid Bond (supplies)) will be utilized and all instructions thereon will be complied with.

§ 81.410 *Performance bonds.* (a) The requirement of performance bonds to secure the performance of contracts is discretionary with the chief of the supply service concerned. However, the requirement of performance bonds will be the exception rather than the rule.

(b) Sureties on a bid bond are acceptable as sureties on a performance bond by the same person, provided they are able to justify as required.

(c) The use of the following performance bond forms is authorized:

(1) Standard Form No. 25 (Standard Government Form of Performance Bond (construction or supply)) when the bond is to be executed by individual sureties or one corporate surety.

(2) Standard Form No. 25–B (Standard Government Form of Performance Bond (construction or supply)) when the bond is to be executed by two or more corporate sureties and it is desired to limit the liability of several corporate sureties. For cases involving more than six sureties, continuation sheets to sheets 1 and 3 of the form are provided, bearing the form designations Standard Form No. 25–B1 and No. 25–B3.

When said standard forms of performance bonds are used there may be inserted therein the following additional clause:

Provided, however, That the foregoing obligation of the surety shall not be applicable to the liability of the principal for the return of excessive profits under the provisions of the Sixth Supplemental National Defense Appropriation Act, 1942.

A clause similar to the above proviso may be inserted in consents of sureties to the renegotiation of existing contracts.

(d) The amount of the penalty will be fixed in accordance with instructions of the chief of the supply service concerned. The penalty of the bond should be fixed in the lowest amount which, in the exercise

of sound judgment is deemed adequate for the protection of the United States.

§ 81.411 *Annual performance bond*—(a) *When authorized.* Contractors may file an annual performance bond:

(1) To cover all contracts entered into with any particular contracting officer during the fiscal year.

(2) When authorized by the chief of the supply service concerned to cover all contracts entered into with contracting officers of that supply service within the continental limits of the United States during the fiscal year.

(3) When authorized by the chief representative of the supply service concerned in an oversea department, to cover all contracts entered into with contracting officers of that supply service within that department during the fiscal year.

(b) *Form used.* Standard Form No. 35 (Standard Government Form of Annual Performance Bond (supplies)) will be utilized, and all instructions thereon will be complied with.

(c) *Record of obligations.* The officer having custody of the retained copy of such a bond will record all obligations against the bond and will require the contractor to post additional bonds when the obligations exceed the amount of the bond.

§ 81.412 *Payment bonds.* (a) In general, payment bonds to secure the payment of labor and materialmen should be required. However, except in the case of construction contracts where performance bonds are required, the requirement of a payment bond may, in the discretion of the chief of the supply service or his authorized representative, be waived when in his judgment the credit of the contractor makes the requirement unnecessary.

(b) Sureties on bid bonds and performance bonds are acceptable on payment bonds by the same person, provided they are able to justify as required.

(c) The use of the following payment bond forms is authorized:

(1) Standard Form No. 25–A (Standard Government Form of Payment Bond (construction)) when the bond is to be executed by individual sureties or one corporate surety.

(2) Standard Form No. 25–C (Standard Government Form of Payment Bond (construction)) when the bond is to be executed by two or more corporate sureties and it is desired to limit the liability of several corporate sureties. For cases involving more than six sureties, continuation sheets to sheets 1 and 3 of the form are provided, bearing the form designations Standard Form No. 25–C1 and 25–C3.

(d) The amount of the penalty will be fixed in accordance with instructions of the chief of the supply service concerned. The penalty of the bond should be fixed in the lowest amount which, in the exercise of sound judgment, is deemed adequate for the protection of the United States as representative of labor and materialmen.

§ 81.413 *Patent infringement bonds.* When a contractor is required to furnish a patent infringement bond, such bond will be in the form prescribed in advance by the chief of the supply service concerned, and in an amount which the contracting officer considers sufficient for the protection of the Government. The form of "Affidavit By Individual Surety" will conform to that in Standard Form No. 25 (Revised), approved by the Secretary of the Treasury (1935).

§ 81.414 *Advance payment bonds.* (a) The requirement of advance payment bonds to secure the performance of advance payment agreements is discretionary with the chief of the supply service concerned. Advance payment bonds will be required in only the most exceptional circumstances.

(b) *Form used.* Standard Form No. 25 (Standard Government Form of Performance Bond (construction or supply)) may be used as advance payment bond form by making the following changes in the standard form:

(1) *Where provisions for advance payments are contained in the basic contract.* Delete "Performance Bond" from the heading and substitute "Advance Payment Bond" therefor. After completing the clause beginning "The Condition of this Obligation is such," so as to identify the basic contract, add the following clause:

and whereas such contract authorizes advance payments to the contractor in the sums not to exceed $_____, or _____ per centum of the contract price, as it may be amended, whichever shall be the smaller.

In the defeasance clause (the clause beginning "Now, therefore,") insert the words "relating to advance payments" in line 2 between the word "contract" and the word "during" and also after the word "contract" in line 6 of such clause.

(2) *Where provisions for advance payments are contained in a supplemental agreement.* Delete "Performance Bond" from the heading and substitute "Advance Payment Bond" therefor. After completing the clause beginning "The condition of this obligation is such," so as to identify the principal contract, add the following:

and whereas the Government has entered into a contract supplemental to the aforesaid principal contract, such supplemental contract being dated _____ and authorizing advance payments to the contractor of sums not to exceed $_____ or _____ per centum of the contract price, as it may be amended, whichever shall be the smaller." Delete the word "contract" from line 2 (both places) and line 6 of the defeasance clause and substitute therefor at each place the words "supplemental contract relating to advance payments".

(c) The amount of the penalty will be fixed in accordance with instructions of the chief of the supply service concerned. The penalty of the bond should be fixed in the lowest amount which, in the exercise of sound judgment, is deemed adequate for the protection of the United States.

§ 81.415 *Bonds executed by receivers, trustees, administrators, or executors.* (a) Receivers, trustees, administrators, and executors are officers of the court appointing them and their powers as such are limited. When a bond executed by a receiver, trustee, administrator, or executor is submitted, in addition to the court order showing his authority for the execution of the bond, the following method of preparing and executing the bond will be followed. The obligation should read:

I (we) John Doe (and _____) as [(executor(s)) (administrator(s)) of the estate of _____ deceased] (trustee(s) of _____) (receiver(s) of _____).

The execution should be prepared and signed by the representative in the blank spaces for individual principals in the following form: "John Doe (and _____) as [(executor(s)) (administrator(s)) of the estate of _____ deceased] (trustee(s) of _____) (receiver(s) of _____).

In the case of a bond executed by the receiver of a corporation, the corporate seal should not be affixed as the bond is not the bond of the corporation but the bond of the individual as receiver of the corporation.

(b) Bonds executed by a receiver or trustee, which may extend beyond the term of his appointment, and bonds executed by administrators or executors, will in general not be accepted except when the court has by specific decree authorized the execution of the kind of bond submitted by the receiver, trustee, administrator, or executor, or has granted authority to execute such a bond by name in the court order appointing such officer, in the event of which a duly authenticated copy of such order must be attached to the bond.

§ 81.416 *Substitution or replacement of surety.* (a) In case of financial embarrassment, failure, or other disqualifying cause on the part of the surety under a bond, the Commanding General, Services of Supply, will require the bond to be substituted or replaced to his satisfaction, upon notification to the principal.

(b) The Secretary of the Treasury is empowered to require the principal of any corporate surety to give additional bond at any time when he determines any such corporate surety to be no longer sufficient security. (See sec. 4, act August 13, 1894 (28 Stat. 279), as amended by act March 23, 1910 (36 Stat. 241; 6 U.S.C. 9; M. L., 1939, sec. 535).

§ 81.417 *Reports.* The chief of each supply service will transmit to the Insurance Section, Procurement and Distribution Division Services of Supply, a data sheet in connection with each contract in support of which a bond is required. The information which will be supplied on the data sheet will be the contract number, name of the contractor, name of the project or the type of the supplies, amount of contract, penalty of the bond, type of bond, name of surety, bond number, effective date of bond, premium charged, and rate of premium per $1000 of bond penalty.

INSURANCE

§ 81.418 *Regulations.* Pending the publication of a manual governing insurance and insurance procedure, the following regulations will apply.

§ 81.419 *General policy.* Insurance coverages will not be required nor authorized except in those cases where the

procurement of certain types of insurance is desirable or necessary in the prosecution of the war.

§ 81.420 *Cost-plus-a-fixed-fee contracts.* The following will specifically govern the procurement of insurance:

(a) *Fire and allied insurance coverages.* These forms of insurance will not be authorized without the prior approval of the Insurance Section, Procurement and Distribution Division, Services of Supply.

(b) *Casualty insurance coverages.* Contractors will be required to procure and maintain the following insurance which will cover the operations of the prime contractor and all cost-plus-a-fixed-fee subcontractors thereunder:

(1) Workmen's compensation insurance—in jurisdictions where there are Workmen's Compensation Laws, statutory coverage plus, in jurisdictions where the Workmen's Compensation Law does not cover occupational disease, occupational disease coverage by endorsement for limits of $50,000 per person in any one case and, subject to that limit for each person, an aggregate limit of $100,000 for the policy period; in jurisdictions not having Workmen's Compensation Laws, Employers' Liability Insurance for limits of $50,000 per person in any one accident and, subject to that limit for each person, $100,000 for injuries sustained by two or more persons in any one accident.

(2) General public liability insurance ($50/100,000 limits) for personal injury liability to be written on comprehensive policy form.

(3) Automobile liability for personal injury ($50/100,000 limits) and property damage insurance ($5,000 limit) to be written on comprehensive policy form.

(c) *Marine insurance.* Where the operation of floating equipment is involved, a report stating the nature of the work, a description of the equipment and terms under which it is being used will be made to the Insurance Section, Procurement and Distribution Division, Services of Supply. Arrangements, to be announced later, are in process whereby all such equipment will be insured through the Maritime Commission.

(d) *Miscellaneous insurance.* Certain other forms of insurance and bonds such as payroll robbery, interior hold-up, safe burglary, fidelity bonds, license and permit bonds, forgery bonds and public property damage may be authorized by the chiefs of the supply service or their authorized representatives if the circumstances warrant. The authorization of such additional coverages will be the exception rather than the rule.

(e) *Methods of purchase.* The coverages required by paragraph (b) of this section will be purchased and written under the War Department Insurance Rating Plan. The only exception to this requirement will be when insurance carriers are prohibited by state insurance officials from writing policies on this basis. All such cases will be directed to the attention of the Insurance Section, Purchases Division, Services of Supply. In those cases where the War Department Insurance Rating Plan is inapplicable, insurance may be purchased on the customary basis.

(f) *Lump sum subcontractors.* Such subcontractors will be required to provide the prime contractor and the contracting officer with certificates of insurance showing that insurance as required by paragraph (b) of this section is in force. Limits of insurance should be at least equal to those specified for the prime contractor. The only exception to this requirement is where the lump sum subcontractor is a self insurer and his ability to respond in damages can be shown to the satisfaction of the chiefs of the supply services or their authorized representatives.

§ 81.421 *Architect-engineer-management contracts.* In order to obtain the most suitable and efficient arrangements with respect to insurance, hospital and medical, loss paying and safety engineering facilities, the chief of the supply service concerned or his duly authorized representative, may require the Architect-Engineer-Manager contractor to provide, through one insurance company, coverage for all contractors on the project. The requirements established in § 81.420 (b) will apply, and insurance covering lump sum contractors will be provided under the policies issued to the A-E-M contractor (written under the War Department Insurance Rating Plan). Lump sum contracts in such cases will not include any estimated cost for the insurance so provided.

§ 81.422 *Lump sum prime contracts (construction).* No insurance requirements, other than statutory requirements will be imposed on the contractor unless, in the opinion of the chief of the supply service concerned or his authorized representative, the imposition of certain insurance requirements will serve to safeguard the contractor's ability to complete the contract. If performance and payment bonds support the contract, the requirement of any insurance should be unnecessary.

§ 81.423 *Contracts with United States contractors for work outside the United States.* Contracts of this kind are generally on a cost-plus-a-fixed-fee basis, and involve a determination of the applicable laws and local conditions which will probably be encountered. The insurance arrangements and types of insurance to be employed, if any, will be subject to the approval of the Insurance Section, Purchases Division, Headquarters, Services of Supply. Notification of the negotiation of such contracts to the Insurance Section, Purchases Division, Headquarters, Services of Supply, will enable that section to complete negotiations of the insurance arrangements simultaneously with the preparation of the contract.

§ 81.424 *Boiler inspection.* (a) Boiler inspection services may be arranged for by the contracting officer or the contractor with the approval of the contracting officer in connection with facilities which are owned by the Government (except where statutory inspections by the Department of Commerce are required) and in the case of contractor-owned facilities operated under cost-plus-a-fixed-fee contracts exclusively for the War Department.

(b) The Boiler Inspection Contract approved April 9, 1942, will be executed by the contracting officer and the insurance company concerned in those cases where contracting officers desire to utilize the insurance company inspection facilities.

§ 81.425 *Claims and litigation.* Each contracting officer or other War Department representative in charge of the project or activities involved will immediately teletype, radio, or telegraph to the Litigation Section, Office of The Judge Advocate General, Washington, D. C., notification of any suit involving the interests of the United States. Such notification will give all pertinent facts concerning the suit, the names of the parties thereto, the date of service of process, statement of the alleged cause of action, the amount sued for, the date on which answer to the suit must be filed, statement of the principal defense to the suit which the defendant may raise and a statement as to whether the amount sued for is fully covered by insurance and if so, whether or not the insurance carrier will accept full responsibility for the defense of this suit.

§ 81.426 *War risk; lump sum contracts.* The chiefs of the supply services or their authorized representatives may execute the War Risk Indemnity Contract approved by the Under Secretary of War, January 2, 1942, with any reliable insurance carrier subject to the following conditions:

(a) The contracts will be executed on the War Risk Indemnity Contract form, approved by the Under Secretary of War, January 2, 1942.

(b) The contractor whose workmen's compensation insurance is involved must be a lump sum prime contractor or lump sum subcontractor.

(c) The lump sum prime contract or lump sum subcontract must be for work outside of the several states of the United States and the District of Columbia.

(d) The lump sum prime contractor or subcontractor shall have been unable or be unable to have his existing workmen's compensation insurance continued or to obtain workmen's compensation insurance from another insurance carrier on account of war risk hazards.

(e) The workmen's compensation insurance contract, made a part of the War Risk Indemnity Contract, must be issued to apply solely to the contract of the lump sum contractor involved and cover employees engaged in the performance of the work at the locations described therein. Such insurance contract may be issued on the form customarily used.

§ 81.427 *Reports.* Copies of all policies, certificates of insurance, reports of insurance companies and insurance advisors, war risk indemnity contracts, boiler inspection contracts, and all other data pertaining thereto will be forwarded

to the Insurance Section, Purchases Division, Headquarters, Services of Supply.

FOREIGN PURCHASES

§ 81.501 *Rescission of regulations.* Army Regulations 5-340, August 10, 1936, as amended, and all other prior directives and instructions relating to the Buy American Act and foreign purchases are hereby rescinded.

§ 81.502 *Buy American Act (quoted).*

SEC. 1. That when used in this title:

(a) The term "United States", when used in a geographical sense, includes the United States and any place subject to the Jurisdiction thereof;

(b) The terms "public use," "public building", and "public work" shall mean use by, public building of, and public work of, the United States, the District of Columbia, Hawaii, Alaska, Puerto Rico, the Philippine Islands, American Samoa, the Canal Zone, and the Virgin Islands.

SEC. 2. Notwithstanding any other provision of law, and unless the head of the department or independent establishment concerned shall determine it to be inconsistent with the public interest, or the cost to be unreasonable, only such unmanufactured articles, materials, and supplies as have been mined or produced in the United States, and only such manufactured articles, materials, and supplies as have been manufactured in the United States substantially all from articles, materials, or supplies mined, produced, or manufactured, as the case may be, in the United States, shall be acquired for public use. This section shall not apply with respect to articles, materials, or supplies for use outside the United States, or if articles, materials, or supplies of the class or kind to be used or the articles, materials, or supplies from which they are manufactured are not mined, produced, or manufactured, as the case may be, in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality.

SEC. 3. (a) Every contract for the construction, alteration, or repair of any public building or public work in the United States growing out of an appropriation heretofore made or hereafter to be made shall contain a provision that in the performance of the work the contractor, subcontractors, materialmen, or suppliers, shall use only such unmanufactured articles, materials, and supplies as have been mined or produced in the United States, and only such manufactured articles, materials, and supplies as have been manufactured in the United States substantially all from articles, materials, or supplies mined, produced, or manufactured, as the case may be, in the United States except as provided in section 2: *Provided, however,* That if the head of the department or independent establishment making the contract shall find that in respect to some particular articles, materials, or supplies it is impracticable to make such requirement or that it would unreasonably increase the cost, an exception shall be noted in the specifications as to that particular article, material, or supply, and a public record made of the findings which justified the exception.

(b) If the head of a department, bureau, agency, or independent establishment which has made any contract containing the provision required by subsection (a) finds that in the performance of such contract there has been a failure to comply with such provisions, he shall make public his findings, including therein the name of the contractor obligated under such contract, and no other contract for the construction, alteration, or repair of any public building or public work in the United States or elsewhere shall be awarded to such contractor, subcontractor, materialmen, or suppliers with which such contractor is associated or affiliated, within a period of three years after such finding is made public.

* * * Title III, Act March 3, 1933 (47 Stat. 1520; 41 U.S.C. 10 a, b, and c; M.L., 1939, sec. 742).

§ 81.503 *Applicability of Act.* (a) By determination of the Secretary of War, dated March 13, 1942, restrictions of the above-quoted Act are suspended as to all contracts or orders except those for articles of food or clothing which had not theretofore been exempted from such restrictions. The term "articles of food" includes only those items actually purchased for use as such, and does not include food products purchased for other uses. "articles of clothing" includes only those items purchased for use as clothing.

(b) The articles of food or clothing heretofore exempted from the restrictions are as follows:

(1) All articles of food or clothing which have been mined, produced or manufactured, as the case may be, in the Dominion of Canada.

(2) The following items without regard to country of origin:

Bananas	Green olives
Brazil nuts	Molasses
Canned corned beef	Orange and lemon peel
Chocolate	Spices
Citron	Sugar
Cocoa	Tapioca
Coffee	Tea
Fish oils	Vanilla

(3) Articles of food or clothing for use outside of the United States. See however the restriction created by the Act, approved July 2, 1942, referred to in paragraph (c) of this section.

(4) Articles of food or clothing purchased in any of the Atlantic bases located on land leased to the United States pursuant to the London agreement, dated March 27, 1941.

(5) The following exemptions may also be relevant in view of the possible use of the items so exempted in manufacturing items of clothing:

Asbestos	Kapok
Cork	Leather
Cotton linters	Manila fiber
Cotton, long staple	Mohair
Flax	Rayon
Flaxseed	Rubber
Hemp	Silk
Hides (and skins)	Sisal
Hog bristles	Tanning materials
Jute burlaps	Wool
Jute, unmanufactured	

(c) Acts cognate to the Buy American Act. (1) The "Act Making Appropriations for the Military Establishment for the Fiscal Year Ending June 30, 1943, and for Other Purposes," approved July 2, 1942 (Pub. Law 649, 77th Congress, Second Session) contains a proviso that no part of any appropriation contained in that Act "shall be available for the procurement of any article of food or clothing not grown or produced in the United States or its possessions, except to the extent that the Secretary of War shall determine that articles of food or clothing grown or produced in the United States or its possessions cannot be procured of satisfactory quality and in sufficient quantities and at reasonable prices as and when needed, and except procurements by vessels in foreign waters and by establishments located outside the continental United States, except the Territories of Hawaii and Alaska, for the personnel attached thereto."

§ 81.504 *Procedure for complying with the Acts.* In making purchases of articles of food or clothing which are still subject to the restrictions of the "Buy American" Act, or any cognate Act, the chief of the supply service concerned should make every effort to satisfy his requirements for such articles out of domestic production. In any case where the chief of the supply service finds it essential to purchase articles of food or clothing of foreign production, a recommendation should be submitted to the Director, Purchases Division, Headquarters, Services of Supply.

§ 81.505 *Duty*—(a) *Payment of, not required.* Executive Order 9177, dated May 30, 1942 (7 Fed. Reg. 4195) extends the authority contained in the act approved June 30, 1914 (38 Stat. 399; 34 U.S.C. 568), to the Secretary of War and to such persons as he may delegate such authority. The law and executive order authorizes the Secretary of War to make emergency purchases of war material abroad and provides that when such purchases are made abroad, the material shall be admitted free of duty and prescribes a form of customs certificate to be made for that purpose. See § 81.506 (a). Regulations of the Commissioner of Customs, Treasury Department, under Executive Order No. 9177, are published in T.D. 50651, approved June 8, 1942.

(b) *Bond not required.* No bond prescribed by any provision of the customs laws or regulations is required in connection with the importation of articles when such articles are imported by the War Department, its bureaus, or authorized agents.

§ 81.506 *Clearance through customs*—(a) *Foreign goods*—(1) *Delegation of authority.* The purchasing officer, or other officer or official, to whom authority under § 81.505 has been delegated by the Secretary of War, through the chief of supply service, will make all required certificates to the customs authorities, with respect to past or future emergency purchases of war materials abroad, in order to secure entry and admission free of duty, in the following form:

> The procurement of this material constituted an emergency purchase of war material abroad and it is accordingly requested that such material be admitted free of duty pursuant to the Act of June 30, 1914 (34 U.S.C. 568) and Executive Order No. 9177.

(2) *Purchase orders; bills of lading; etc.* (i) The purchasing officer, or other officer or official, to whom authority has been delegated as indicated in subparagraph (1) of this paragraph, will furnish the port quartermaster at the port of entry with two copies of the purchase order. One of the copies, subject to the provisions of AR 380-5, is for the collector of customs at port of entry and will contain the certificate quoted in

subparagraph (1) of this paragraph signed by such purchasing officer, or other officer or official, as the case may be.

(ii) Bills of lading showing full marks (§ 81.507) will be sent to the port quartermaster at the port of entry and should be mailed so as to arrive not later than the shipment.

(iii) Under the Tariff Act of 1930, the consignee may make entry by producing a bill of lading, a carrier's certificate, or duplicate bill of lading. A shipping receipt or other document may also be accepted as authority for making entry, if the collector is satisfied that no bill of lading has been issued, provided the shipping receipt or other document bears a certificate of the carrier in accordance with subsection (h) or (i) of section 484 of the Tariff Act, or if the entry is made by the actual consignee in person or in his name by a duly authorized agent.

(3) *Donations, etc.* Small shipments of property donated by foreign governments or otherwise acquired without expense, such as maps, books, or samples of military equipment, should be made the subject of a letter of advice addressed by the purchasing officer or other officer or official to whom authority has been delegated as indicated in subparagraph (1) of this paragraph to the port quartermaster at port of entry, setting forth fully the status of the shipment and giving the name of the port from which the shipment will move, the probable date of arrival, and the name of the steamer, if known.

(b) *Returned American goods.* (1) The purchasing officer will furnish the port quartermaster at the port of entry with an invoice of returned American goods, substantially in accordance with the following form, supplemented, when necessary, by a letter of advice:

INVOICE OF RETURNED AMERICAN GOODS AND DECLARATION OF FOREIGN EXPORTER

_____, _____ _____ 19
(Place) (Date)

I, _____, do solemnly and truly declare that the several articles of merchandise herein specified are, to the best of my knowledge and belief, truly and bona fide of the growth (or production or manufacture) of the United States; that they were exported from the United States, by the United States, from the port of _____ on or about _____ 19 ; that they are returned by the United States per _____ _____, due to sail _____ 19 , consigned to _____ without having been advanced in value or improved in condition by any process of manufacture or other means; and that no drawback, bounty, or allowance has been paid or admitted thereon or any part thereof.

(Signature) _____

Marks	Numbers	Quantity	Description	Value United States coin

Declared to before me this _____ day of _____, 19____.

_____

(To be sworn to before any officer authorized to administer oaths, except that if the value exceeds $100, it must be sworn to before the American consul.)

(2) This invoice will be accomplished in triplicate and disposed of as a "certified invoice."

(3) The following brief will be placed on the back of each copy:

CUSTOMHOUSE INDORSEMENT

No. _____

Importer _____
Vessel _____
From _____
Arrived _____
Kind of entry _____
_____
Marks, quantity, and contents _____
_____

§ 81.507 *Marking of shipments.* (a) All supplies purchased abroad will be consigned to and marked for the port quartermaster at the port of entry. The marking will also show the final consignee and destination, for example:

Port Quartermaster,
New York Port of Embarkation,
1st Avenue and 58th Street,
Brooklyn, New York

For

Chief of Ordnance,
Washington, D. C.

(b) The full address must be shown. Initials will not be used, as is the commercial custom.

(c) Packages will be marked "Government goods."

(d) Shipments must not be consigned to forwarding agents.

§ 81.508 *Freight charges.* (a) In order to avoid complications in procuring release from the carrier, freight charges will be paid in all cases to the port of entry, and in no case will delivery be contracted for f. o. b. any interior point.

(b) If the shipments are to move to the interior, the purchasing officer must furnish the port quartermaster at the port of entry with the necessary shipping instructions.

INTERBRANCH AND INTERDEPARTMENTAL PURCHASES

§ 81.601 *Rescission of regulations.* Army regulations 5–300, December 10, 1936, as amended; Army Regulations 5–320, October 10, 1936 as amended; and all other prior directives and instructions relating to interbranch and interdepartmental procurement are hereby rescinded.

§ 81.602 *Definitions*—(a) *Interbranch purchase.* The purchase of supplies by one supply service from another such supply service, or under a contract executed by the latter.

(b) *Interdepartmental purchase.* The purchase of supplies by one executive department or independent agency of the Government from another such department or agency, or under a contract executed by the latter.

INTERBRANCH PURCHASES

§ 81.603 *Supplies of standard manufacture*—(a) *Requirement.* Supplies of standard manufacture and common to two or more supply services will be purchased by the Quartermaster Corps. The Procurement Assignment Board, Procurement and Distribution Division, Headquarters, Services of Supply, will determine the items which will be considered of standard manufacture and common to two or more supply services.

(b) *Procedure.* (1) Requisitions for normal quarterly requirements will be consolidated and forwarded to The Quartermaster General sixty days in advance of the quarterly period for which needed.

(2) Requisitions for unusual or emergency requirements will be forwarded to The Quartermaster General by radio and confirmed by formal requisition.

(3) Each requisition will contain a certificate of availability of funds and citation of the applicable procurement authority.

(4) When practicable, requisitions will call for not less than minimum carload lots.

(5) Commercial units will be the basis of all requisitions.

(6) Requisitions will be filled as a result of individual or collective purchases. No attempt will be made by the Quartermaster Corps to maintain depot stocks from which requisitions could be filled.

§ 81.604 *Supplies not of standard manufacture*—(a) *Requirement.* Supplies which are not of standard manufacture and which are generally peculiar to a particular supply service will be purchased by that service, unless purchase by some other supply service is directed by the Procurement Assignment Board, Procurement and Distribution Division, Headquarters, Services of Supply.

(b) *Procedure.* Requisitions will be submitted and filled in accordance with the instructions of the chief of the supply service charged with purchasing the supplies involved.

§ 81.605 *Special supplies.* Because of their nature and the peculiar problems involved in their purchase, the following categories of supplies will be purchased as indicated opposite each:

(a) Motor vehicles and bodies. As directed in AR 850–15.[6]

(b) Railroad equipment and supplies. As directed in AR 100–50.[7]

(c) Radio, sound and light signal apparatus, all accessories, outfits, and parts. As directed by the Chief Signal Officer.

(d) Anthracite and bituminous coal. As directed by The Quartermaster General.

[6] Administrative regulations of the War Department relative to Military Motor vehicles.

[7] Administrative regulations of the War Department relative to railroads operated by the Army.

(e) Aviation gasoline and aviation lubricating oil. As directed by the Chief of the Air Corps.

(f) Perishable subsistence. As directed by The Quartermaster General.

(g) Gloves, flying, winter; helmets, flying, summer. As directed by The Quartermaster General.

INTERDEPARTMENTAL PURCHASES

§ 81.606 *Purchases under contracts of Procurement Division, Treasury Department*—(a) *Requirement.* Purchases will be made from contracts of the Procurement Division, Treasury Department (General Schedule of Supplies), when so directed by the chief of the supply service concerned or when required by the terms of the contracts.

(b) *Procedure.* Chiefs of supply services are responsible for advising contracting officers as to the terms and conditions of all such contracts and as to whether purchases therefrom are mandatory.

(c) *"Schedule of Stock Items."* This publication of the Procurement Division of the Treasury Department lists the items which are carried in stock in the warehouse of that Division in Washington, D. C., primarily to supply the needs in that city. Field agencies of the War Department will not place orders on the Procurement Division for items which are stocked in the warehouse in Washington, D. C., for shipment outside the District of Columbia. This publication should not be distributed to War Department field agencies outside of Washington, D. C.

§ 81.607 *Purchases under contracts of Navy Department*—(a) *Requirement.* Purchases will be made from contracts of the Navy Department when so directed by the chief of the supply service concerned or when required by the terms of the contracts.

(b) *Procedure.* Chiefs of supply services are responsible for advising contracting officers as to the terms and conditions of all such contracts and as to whether purchases therefrom are mandatory.

§ 81.608 *Purchases from Federal Prison Industries, Inc., Department of Justice*—(a) *Requirement.* Purchases of items manufactured by the Federal Prison Industries, Inc., Department of Justice, will be made from that agency except where that agency has been granted a general or special clearance for purchase of the items from commercial sources.

(b) *Procedure.* Chiefs of supply services are responsible for advising contracting officers as to the items, if any, which must be procured from the above agency and of the procedure for placing orders.

§ 81.608a *Purchases from state prisons and other correctional institutions.* Purchases of items manufactured or produced by state prisons may be made directly from such institutions (Op. Att. Gen. 37739, May 6, 1942, and Let Pres. May 10, 1942. See also Exec. Order 9196 dated July 9, 1942, and § 81.902 of these regulations). No purchase, however, from a state prison or other correctional institution will be made of a mandatory item appearing in the schedules of the Federal Prisons Industries, Inc. (See § 81.608), without a prior clearance (general or special) from that agency. For purchases by Government contractors and subcontractors from Federal, state and territorial prisons or prison industries, see § 81.345.

§ 81.609 *Purchases under contracts of Post Office Department*—(a) *Requirement.* Envelopes required by the military service (other than by the War Department for use in the District of Columbia) will be procured under the contracts entered into by the Post Office Department within the discretion of the chief of the supply service concerned.

(b) *Envelopes authorized for supply to the military service.* The following envelopes only are authorized for supply to the military service (excluding the War Department) on requisitions, the item numbers corresponding to those in "Award of Contracts for Envelopes", Post Office Department:

Item No.	*Description*
17	4⅛ by 9½ inches, Kraft, open side.
36	5 by 11½ inches, Kraft, open side.
49	6½ by 9½ inches, Kraft, open side.
68	8½ by 11½ inches, Kraft, open side or open end.
93	10 by 15 inches, Kraft, open side or open end, 5-inch flap.
111	2½ by 4¼ inches, Kraft, open end.
122	3¾ by 5⅞ inches, Kraft, open end.
123	3⅞ by 7½ inches, Kraft, tag, strong eyelet at bottom, open end.
189	3⅞ by 8⅞ inches, White, open side.
405	3⅜ by 8¾ inches, Kraft, open side, window.
435	4⅛ by 9½ inches, White, open side, window.
504	4⅛ by 9½ inches, White, Air Mail, red and blue border.

(c) The foregoing does not affect in any way the present methods of procuring jackets, open end, thumb notched, as required by the various supply services, the same being procured on approved requisitions as are other supplies.

§ 81.610 *Purchases from Government Printing Office.* (a) All blank envelopes, blank paper, inks, glues and other supplies manufactured or carried in stock by the Government Printing Office, and which are required for use within the District of Columbia, will be purchased from that office.

(b) All printing, binding, and blank-book work, except that authorized to be procured from field printing plants, will be procured from the Government Printing Office, unless a clearance for purchase from commercial sources is obtained from the Public Printer. The chiefs of supply services are authorized to communicate directly with the Government Printing Office for the purpose of securing clearances in appropriate cases.

§ 81.611 *Purchases from other agencies.* When it is to the interest of the Government and when both the requiring and the supplying agencies are in agreement with such action, the chiefs of the supply services are authorized to procure supplies from other Federal agencies on such terms and conditions as may be mutually agreed upon.

§ 81.612 *Surplus property.* The Director of Procurement, Procurement Division, Treasury Department, reports to the War Department all surplus property available for transfer from other agencies of the Government. These reports will be distributed to the chiefs of the supply services for information as to whether or not the property is desired for any agency under the jurisdiction of his office. If the property is desired the chief of the supply service will notify the Purchase Policy and Procedure Section, Purchases Division and request for transfer authorization will be made by that section to the Procurement Division, Treasury Department. Direct correspondence by chiefs of supply services with the Procurement Division, Treasury Department, in this connection is not authorized.

FEDERAL, STATE AND LOCAL TAXES

FEDERAL TAXES

§ 81.801 *Contract tax article.* [Rescinded] (See § 81.357)

§ 81.802 *Tax provisions.* [Rescinded] (See § 81.358)

§ 81.803 *Authority for Federal taxes.* Chapter 29 of the Internal Revenue Code (26 U.S.C. 3400–3453) as amended, imposes Federal taxes upon certain specified articles sold in the United States by the manufacturer or producer, or imported into the United States, to be paid by the manufacturer, producer, or importer, but provides that no tax under this chapter shall be imposed with respect to the sale of any article for the exclusive use of the United States, and that a credit against the tax or a refund may be allowed or made with respect to the sale of any article if such article was resold for the exclusive use of the United States and the manufacturer, producer, or importer has such evidence as the regulations of the Commissioner of Internal Revenue may prescribe.

§ 81.804 *Tax exempt sales.* Under the regulations of the Commissioner of Internal Revenue (T.D. 5114, approved January 27, 1942) the following sales are exempt from the taxes imposed by Chapter 29 of the Internal Revenue Code: (a) sales of articles to the United States; (b) sales of articles to Government contractors or subcontractors when such articles are incorporated in an article sold to the United States; (c) sales of articles which are incorporated in the building or work constructed, altered, improved or repaired pursuant to a Government contract. Such sales are tax exempt only where the price paid by the Government does not include the tax.

§ 81.805 *Cost-plus-a-fixed-fee contracts.* Under rulings of the Commissioner of Internal Revenue articles sold to contractors engaged on a cost-plus-a-fixed-fee basis are exempt from the application of the Federal excise taxes since such articles are furnished for the exclu-

sive use of the United States. As a condition to such exemption title to the article purchased by the fixed-fee contractor must ultimately vest in the United States.

§ 81.806 *Tax on firearms.* Chapter 25 of the Internal Revenue Code (26 U.S.C. 2700–2733), as amended, imposes Federal taxes upon the sale, lease or transfer of firearms, but provides that no tax under such chapter shall be imposed in connection with the sale or transfer of firearms for the use of the United States.

§ 81.807 *Jewelry, furs, and toilet preparations.* Chapter 19 of the Internal Revenue Code (26 U.S.C.. 2400–2411), as amended, imposes a retailers' excise tax upon the sale of jewelry, furs, and toilet preparations, but provides that no tax shall be imposed with respect to the sale of any article for the exclusive use of the United States.

§ 81.808 *Items on which taxes are imposed.* Information concerning items on which Federal taxes are imposed and the applicable rates thereon will be published from time to time in this Regulation. Full information in regard thereto may be found in regulations of the Commissioner of Internal Revenue. Regulations 44 and 46 of the Bureau of Internal Revenue are applicable to taxes imposed by Chapter 29, and Regulations 51 of the Bureau of Internal Revenue are applicable to the taxes imposed by Chapter 19.

§ 81.809 *Tax exemptions.* Where any Supply Service has responsibility for the procurement or purchase of any articles subject to tax under chapters of the Internal Revenue Code other than Chapter 29, as for instance Chapters 19 and 25, such Supply Service may prescribe such rules governing the securing of tax exemptions thereunder as it may deem proper.

STATE AND LOCAL TAXES

§ 81.810 *Application of state and local taxes.* While the various state and local tax laws are not uniform in their application, as a general rule Government purchases are exempt from such taxes. Neither are such laws uniform in their application to purchases by Government contractors. Information will be published from time to time as to the procedure to be followed with regard to state and local taxes.

TAX EXEMPTION CERTIFICATES

§ 81.811 *Standard tax exemption forms.* (a) The following standard tax exemption forms have been prescribed:

	Standard Form No.
U. S. Government tax exemption certificate	1094
Cover of U. S. Government tax exemption certificate book (front outside and inside; back, outside)	1094 A
Tabulation sheet (insert)	1094 B
U. S. Government tax exemption identification card	1094 C

(b) Chiefs of Supply Services are responsible for the supply of necessary standard forms to their contracting officers. Reports accounting for these forms will be submitted by the issuing officer as directed by the chief of the supply service concerned.

(c) Section 316.24 of Title 26, Code of Federal Regulations[1] [Regulations 46 of the Bureau of Internal Revenue] prescribes a form of tax exemption certificate which is somewhat different from Standard Form No. 1094. There is no objection to the use of any form of tax exemption certificate which is acceptable to the Bureau of Internal Revenue.

(d) The following forms of tax exemption certificates for issuance by contractors and subcontractors are prescribed by § 470.3 (b) of Title 26, Code of Federal Regulations[2] [T. D. 5114]:

EXEMPTION CERTIFICATE

(For use by prime contractor)

_____, 19_____
(Date)

The undersigned hereby certifies that the articles specified in the accompanying order or on the reverse side hereof are purchased from _____ for the United
(Name of vendor)
States under Government contract _____
(Number or other identification)
_____; that he now has in his possession a certificate of exemption furnished by the United States with respect to such contract; and that such certificate authorizes him to issue this exemption certificate.

It is understood that the fraudulent use of this certificate to secure exemption will subject the undersigned and all guilty parties to a fine of not more than $10,000, or to imprisonment for not more than five years, or both, together with costs of prosecution.

_____
(Name)

_____
(Address)

EXEMPTION CERTIFICATE

(For use by subcontractor)

_____, 19_____
(Date)

The undersigned hereby certifies that the articles specified in the accompanying order or on the reverse side hereof are purchased from _____ for incorporation
(Name of vendor)
in _____ which are to be de-
(Subsidiary articles)
livered to _____; that the
(Subcontractor's vendee)
price to be charged said vendee contemplates that the aforesaid articles and the subsidiary articles are to be purchased on a tax-free basis; and that the undersigned now has in his possession an exemption certificate furnished by said vendee certifying that the above-named subsidiary articles are to be incorporated ultimately in other articles for use of the United States under Government contract _____
(Number or other identification)

It is understood that the fraudulent use of this certificate to secure exemption will subject the undersigned and all guilty parties to a fine of not more than $10,000, or to imprisonment for not more than five years, or both, together with costs of prosecution.

_____
(Name)

_____
(Address)

[1] 5 F.R. 142.
[2] 7 F.R. 573.

(e) W.D. Tax Form No. 1. Authority of Contractor and Subcontractors to Issue Tax Exemption Certificates, is as follows:

W.D. Tax Form No. 1

AUTHORITY OF CONTRACTOR AND SUBCONTRACTORS TO ISSUE TAX EXEMPTION CERTIFICATES

(To be attached to a Form 1094 U. S. Tax Exemption Certificate)

_____ Contract No._____
(Name of Contractor) Tax Exemption Certificate No._____
_____
(Address of Contractor)

The Contractor and/or his subcontractors (including suppliers) are authorized to issue tax exemption certificates in the form prescribed by Section 470.3 (b) of Treasury Decision 5114, approved January 27, 1942 (7 Fed. Reg. 573, January 29, 1942) as to the articles listed below, which are incorporated in or to be incorporated in the supplies or work covered by the contract referred to in the Tax Exemption Certificate to which this authority is attached.

List of Articles (if none, so state)

Description	Quantity*	Unit Price*

_____
(Contracting Officer)

_____
(Title)

*To be shown by Contracting Officer if known.

§ 81.812 *Preparation and execution.* In the preparation of tax exemption certificates the typewriter will be used when practicable; otherwise ink or indelible pencil will be used. The use of ordinary lead pencil is prohibited. All blank spaces must be properly filled in or lined out, and no such exemption certificates will be delivered to a contractor, unless fully and properly executed, except that, if at the time of entering into a contract for supplies to be sold for the exclusive use of the Government, Federal tax excluded, it is impossible to determine the amount of such taxes as in the case of an indefinite quantity contract, it is permissible for the contracting officer to issue a blanket tax exemption certificate to cover all sales under the contract. Tax exemption certificates will be executed only by those officers and employees who have been supplied with a Standard Form No. 1094–C (U. S. Government Tax Exemption Identification Card). The identification card of authorized commissioned representatives of supply services responsible for supply activities pertaining thereto at a post, camp, or station will be signed by the commanding officer. Identification cards supplied to other officers and employees will be signed by the officer who supplies such officer or employee with tax exemption certificates. The tax exemption certificate should cover all articles purchased under such contract, including orders placed thereunder by other officers. A separate certificate for each kind of tax (Federal, state, local, etc.) involved will be prepared. In the issuance of these certificates care should be exercised by the contracting officer to fill in the blank spaces provided for showing on each certificate the separate amounts of the taxes involved, so that the certificate may be used only for the intended purpose. Where the supplies or work covered by

the contract are not taxable as such and the certificate is to be used for the purpose of obtaining exemption on the articles to be incorporated in the supplies or work covered by the contract, the amount of tax to be shown on the certificate should be stated as "None". No tax should be shown on the certificate except the tax imposed directly upon the supplies or work covered by the contract. The following statement will be written or stamped upon the face of each certificate pertaining to Federal taxes, (except where a cost-plus-fixed-fee contract is involved): "W. D. Tax Form No. 1 attached." Tax Exemption Certificate Form No. 1094 may be modified insofar as necessary with respect to contracts for construction, alterations, improvements and repairs. The contracting officer will, in addition to his signature and title, insert on the lines provided therefor, his identification-card number.

§ 81.813 *Use of tax exemption certificates.* (a) Under regulations prescribed by the Commissioner of Internal Revenue, articles are exempt from the taxes imposed by Chapter 29 of the Internal Revenue Code when such articles are sold on a tax-free basis for the exclusive use of the United States. The tax is imposed upon the manufacturer, producer or importer. Where the article is sold on a tax-free basis for the exclusive use of the United States by a person other than the manufacturer, producer or importer a credit for or a refund of the tax may be obtained.

In accordance with Treasury Decision 5114 dated January 27, 1942, articles are exempt from taxes imposed by Chapters 25 or 29, where such articles are used or incorporated by the purchaser as material in the manufacture or production of or as a component part of, an article which is to be furnished to the United States Government: *Provided,* That (1) the price of the article does not include a tax on the sale or transfer thereof under Chapter 25 or 29 of the Internal Revenue Code, (2) the article is included at such tax free basis in the price of the article in which it is incorporated and (3) satisfactory evidence of the exemption is furnished by tax exemption certificate (see § 81.813 (c)). Under regulations of the Commissioner of Internal Revenue, tax exemption certificates are used for the purpose of establishing rights to exemptions (T.D. 5114, January 27, 1942; I.R. Code, sec. 3442) and may be the basis of establishing claims for credits and refunds (I.R. Code, secs. 3442, 3443; Reg. 44, sec. 314.64 as amended).

(b) An article is deemed to be sold for the exclusive use of the United States when it is sold (1) to the United States to be utilized by the United States or to be disposed of by the United States to a foreign government, or (2) to a Government contractor or subcontractor (including a supplier) when the article is incorporated in an article sold to the United States or in the building or work constructed, altered, improved or repaired pursuant to a contract with the United States, or (3) to a Government contractor under a cost-plus-fixed-fee contract or subcontractor under a cost-plus-fixed-fee subcontract where the article is used as equipment, materials or supplies by the contractor or subcontractor in performing a Government prime contract or in performing a subcontract under such prime contract and payment for the article is made by the United States, whether directly or by reimbursement of the contractor or subcontractor for the cost thereof. The term "incorporated in" as used above refers to any process whereby an article enters into building, work or supplies or a component thereof so as to become a part thereof and is not merely consumed in such production.

(c) At the request of the contractor, a tax exemption certificate will be executed and delivered to the contractor, on Form 1094 or any other form acceptable to the Bureau of Internal Revenue, covering Federal taxes in the following cases:

(1) Where supplies are taxable under Chapter 29 and are purchased by the Government at a price which is exclusive of such tax, the description of the supplies furnished tax free will be inserted on the tax exemption certificate. If such supplies purchased by the Government have had (or will have) incorporated therein tires, inner tubes, or automobile radios and the price paid by the Government is exclusive of the tax thereon, these items will be listed in the space headed "List of Articles" on W. D. Tax Form No. 1, which will be attached to the tax exemption certificate. This will enable the contractor, pursuant to T.D. 5114, to issue tax exemption certificates to the suppliers of such tires, inner tubes and automobile radios. Under section 3442 of Chapter 29 of the Internal Revenue Code, no tax is imposed with respect to the sale of any article (except tires, inner tubes and automobile radios) for use by the contractor in the manufacture or production of, or as a component part of an article itself taxable under Chapter 29. Accordingly, the contractor may obtain exemption from the burden of the tax on any articles exempted from tax by section 3442 in the manner provided in the Treasury Regulations (Regulation 46 as amended, especially § 316.20) under that section. Therefore if no tires, inner tubes, or automobile radios are to be included in such supplies to be purchased from the contractor, there is no occasion for annexing W. D. Form No. 1 to the tax exemption certificate.

(2) Where the supplies purchased under the contract are not taxable under Chapter 29 but have had (or will have) incorporated therein one or more articles which are taxable under such chapter, and the price paid by the Government is exclusive of the tax on one or more of such articles. In such a case, the amount of tax shown on the tax exemption certificate should be stated as "None" and the articles incorporated (or to be incorporated) into the supplies purchased by the Government which are sold exclusive of the tax thereon should be listed upon W. D. Tax Form No. 1 attached to the certificate. Upon receipt of the tax exemption certificate, the contractor and/or his subcontractors (including suppliers) are then authorized to issue tax exemption certificates in the form prescribed by § 470.3 (b) of Treasury Decision 5114, approved January 27, 1942 (7 F.R. 579, January 29, 1942) as to the articles listed on W. D. Tax Form No. 1 attached to the Form No. 1094.

(3) Where the contract covers construction, alterations, improvements or repairs, and the physical project to be constructed, altered, improved or repaired will have incorporated therein one or more articles which are taxable under Chapter 29 and the price paid by the Government for the construction, alterations, improvements or repairs, is exclusive of the tax on one or more of such articles to be incorporated into the physical project. In such a case, the amount of tax shown on the tax exemption certificate should be stated as "None," and the articles to be incorporated into the physical project to be constructed, altered, improved or repaired on which no such tax is included in the contract price should be listed upon W. D. Tax Form No. 1 attached to the certificate. Upon receipt of the tax exemption certificate the contractor and/or his subcontractors (suppliers) are then authorized to issue tax exemption certificates in the form prescribed by § 470.3 (b) of Treasury Decision 5114, approved January 27, 1942 (7 F.R. 579, January 29, 1942) as to the articles listed on W. D. Tax Form No. 1 attached to the certificate.

(4) Under a cost-plus-fixed-fee contract (except one covering the sale of articles taxable under Chapter 29, where (1) above is applicable) when one or more articles taxable under Chapter 29 are used by the contractor as equipment, material or supplies in performing the contract, and such articles are purchased at a price which is exclusive of the tax thereon and payment for same is made by the United States, directly or by reimbursement of the contractor. In such a case, the amount of tax shown on Form 1094 should be stated as "None" and there should be attached to or written on Form 1094 the following statement:

> The contractor is authorized to issue tax exemption certificates in the form prescribed by § 470.3 (b) of Treasury Decision 5114, approved January 27, 1942 (7 F.R. 579, January 29, 1942) as to all articles sold on a Federal tax exclusive basis and for which payment is made by the United States, directly or by reimbursement of the contractor, and which are used by the contractor as equipment, material or supplies in performing the contract to which this (the attached) certificate pertains.

(d) Tax exemption certificates are also used for establishing exemptions from state and local taxes. In such cases certificates should be prepared in accordance with the requirements of the particular state or local tax officials concerned. No tax exemption certificate should be issued with respect to a state or local tax unless the contract shows that the price paid by the Government is exclusive of the tax to which the certificate pertains or unless the contractor consents to the deduction of such tax

from the contract price and the acceptance of the tax exemption certificate in lieu thereof.

COLLECTION AND PAYMENT OF TAXES BY GOVERNMENT

§ 81.814 *Federal taxes; collection and payment.* (a) The amount of the Federal tax will be collected from the purchaser when articles subject to tax under Chapter 29 of the Internal Revenue Code purchased free of tax are sold to individuals or used for other than the exclusive use of the United States. Funds so collected will be deposited with the local disbursing officer together with information of the name of the contractor from whom the articles were purchased and the number of the contract under which purchase was made. In cases where the name and amount of the contract involved are not known to the sales officer, he will ascertain this information from the shipping or contracting officer or from the chief of the supply service, if necessary.

(b) Funds received by a disbursing officer as payment for taxes imposed by Chapter 29 of the Internal Revenue Code will be placed in a special deposit account and remitted to the contractor monthly, or at the time the officer closes his accounts when he ceases to disburse, in order that return may be made therefor to the appropriate Collector of Internal Revenue. A copy of the report of such remittance will be forwarded to the Bureau of Internal Revenue. However, if it is impossible for the disbursing officer to determine the contractor from whom the articles subject to tax under Chapter 29 were purchased, he may remit the amount of the tax to the Collector of Internal Revenue for the district in which the disbursing officer is located with a statement that the name of the contractor is unknown.

§ 81.815 *State and local taxes; collection and payment.* (a) When impossible for any reason to effect purchases, excluding the amount of any state or local tax which is deemed to be legally inapplicable to Government purchases, a tax exemption certificate will be executed and delivered to the disbursing officer to whose accounts the vouchers in the transaction pertain, together with a written statement to the effect that the vendor refused the tax exemption certificate. Exemption certificates executed and delivered as prescribed in this subparagraph are for use of the Finance Department in securing a refund of the amount of the taxes involved. The serial number of the certificate will be shown on the payment voucher.

(b) When Standard Form No. 1094, executed under the conditions stated above, is received in the administrative office (Finance Department), there will be noted on the form the bureau or office number of the payment voucher, and the administrative office (Finance Department) will bill the State or local taxing agency for refund of the taxes paid. The amount(s) collected will be transmitted to the disbursing officer for credit to the appropriation(s) from which the vouchers were paid, or to miscellaneous receipts account "4326—Refund, State and Local Taxes," if the appropriation cannot be readily identified. In the event the administrative office (Finance Department) fails to secure refund of the amount of taxes paid, it will transmit promptly to the General Accounting Office the said tax-exemption certificates, if available, together with all correspondence with the taxing agency relating thereto and information as to the disbursing officer's voucher number on which payment for the merchandise was made, for the use by the General Accounting Office in effecting collection thereof as required by section 236, Revised Statutes, as amended by the Budget and Accounting Act, 1921.

ITEMS SUBJECT TO FEDERAL EXCISE TAXES

§ 81.816 *Items subject to Federal excise taxes.* The items subject to manufacturers' excise taxes imposed by Chapter 29 of the Internal Revenue Code, as amended, are listed below. The tax imposed in each case is equivalent to the indicated percentum of the price for which sold by the manufacturer, producer or importer, and is effective October 1, 1941. The Revenue Act further provides that, for the purposes of the tax, the lease of an article (including any renewal or extension of a lease or any substitute lease of such article) by the manufacturer, producer or importer shall be considered a taxable sale of such article (sec. 3440, as amended).

CHAPTER 29—MANUFACTURERS' EXCISE AND EXPORT TAXES

SUBCHAPTER A—MANUFACTURERS' EXCISE TAXES

	Sec. I. R. C.	Sec. this Reg.
Automobiles, trucks, busses, and parts.	3403	[81.816 (b).
Business and store machines.	3409 (a) (6)	[81.816 (c) (1) (vi).
Electrical energy	3411	[81.816 (b).
Electric signs	3409 (a) (6)	[81.816 (c) (1) (v).
Electric, gas, and oil appliances.	3409 (a) (3)	[81.816 (c) (1) (iii).
Electric light bulbs and tubes.	3409 (a) (10)	[81.816 (c) (1) (x)
Firearms, shells, and cartridges.	3407	[81.816 (f).
[Pistols and revolvers.	See ch. 25, 2700 (a)	[81.818 (f).]
Gasoline	3412 (a)	[81.815 (i).
Lubricating oils	3413	[81.816 (j).
Luggage	3409 (a) (2)	[81.816 (c) (1) (ii).
Matches	3409	[81.815 (g).
Optical equipment	3409 (a) (9)	[81.816 (c) (1) (ix).
Photographic apparatus.	3409 (a) (4)	[81.816 (c) (1) (iv).
Radio, receiving sets, phonographs, phonograph records, and musical instruments.	3404	[81.816 (c).
Refrigerators, refrigerating apparatus, air-conditioners.	3405	[81.816 (d).
Rubber articles	3409 (a) (7)	[81.816 (c) (1) (vii).
Sporting goods	3409 (a) (1)	[81.816 (c) (1) (i).
Tires and inner tubes.	3400 (a)	[81.816 (a).
Toilet preparations (terminated).	3401	
Washing machines.	3409 (a) (5)	[81.816 (c) (1) (viii).

(a) *Tires and inner tubes; sec. 3400 (a).* (1) Tires wholly or in part of rubber (exclusive of metal rims or rim bases)—5 cents a pound on total weight. (Par. (1))

(2) Inner tubes (for tires) wholly or in part of rubber—9 cents a pound on total weight. (Par. (2))

(b) *Automobiles, trucks, busses, and parts; sec. 3403.* (1) Automobile truck chassis, automobile truck bodies, automobile bus chassis, automobile bus bodies, truck and bus trailer and semitrailer chassis, truck and bus trailer and semitrailer bodies, tractors of the kind chiefly used for highway transportation in combination with a trailer or semitrailer (including in each of the above cases parts or accessories therefor sold on or in connection therewith or with the sale thereof)—5 per centum. A sale of an automobile truck, bus, or truck or bus trailer or semitrailer, shall, for the purposes of this subsection, be considered to be a sale of the chassis and of the body. (Subsec. (a))

(2) Other automobile chassis and bodies, chassis and bodies for trailers or semitrailers suitable for use in connection with passenger automobiles, and motorcycles (including in each case parts or accessories therefor sold on or in connection therewith or with the sale thereof), except tractors—7 per centum. A sale of an automobile, trailer, or semitrailer shall, for the purposes of this subsection, be considered to be a sale of the chassis and of the body. (Subsec. (b))

(3) Parts or accessories (other than tires and inner tubes and other than radios) for any of the articles enumerated in subsection (a) or (b)—5 per centum. (Subsec. (c))

(c) *Radio receiving sets, phonographs, phonograph records, and musical instruments.* Including in each case, except in the case of musical instruments, parts or accessories therefor sold on or in connection with the sale thereof—10 per centum. (Section 3404)

(1) Radio receiving sets, automobile radio receiving sets, combination radio and phonograph sets, and phonographs. (Subsec. (a))

(2) Chassis, cabinets, tubes, reproducing units, power packs, antennae of the "built in" type, and phonograph mechanisms, which are suitable for use on or in connection with or as component parts of, any of the articles enumerated in subsection (a), whether or not primarily adapted for such use. (Subsec. (b))

(3) *Phonograph records.* (Subsec. (c))

(4) *Musical instruments.* (Subsec. (d))

(d) *Refrigerators, refrigerating apparatus, and air-conditioners.* Including in each case parts or accessories therefor sold on or in connection with the sale thereof—10 per centum. (Sec. 3405)

(1) *Refrigerators, etc.* Refrigerators, beverage coolers, ice cream cabinets, water coolers, food and beverage display cases, food and beverage storage cabinets, ice making machines, and milk cooler cabinets, each such article having, or being primarily designed for use with, a mechanical refrigerating unit operated by electricity, gas, kerosene, or gasoline. (Subsec. (a))

(2) *Refrigerating apparatus.* Compressors, condensers, evaporators, expansion units, absorbers, and controls for, or suitable for use as part of, or with, a refrigerating plant, refrigerating system, refrigerating equipment or unit, or any of the articles enumerated in subsection (a). (Subsec. (b))

(3) *Air-conditioners.* Self-contained small air-conditioning units. (Subsec. (c))

(4) *Components.* Cabinets, compressors, condensers, fans, blowers, heating coils, cooling coils, filters, humidifiers, and controls, for, or suitable for use as part of, or with, any of the articles enumerated in subsection (c). (Subsec. (d))

(e) *Sporting goods; luggage; etc.* (New Manufacturers' Excise Taxes). (Section 3406)

(1) Including in each case parts or accessories of such articles sold on or in connection therewith, or with the sale thereof. (Subsec. (a))

(i) *Sporting Goods*—10 per centum. (Par. (1))

Badminton nets	Hockey balls
Badminton rackets*	Hockey pucks
Badminton racket frames*	Hockey sticks***
Badminton racket string	Indoor baseballs
Badminton shuttlecocks	Indoor baseball bats**
Badminton standards	Indoor baseball gloves
Badminton standards	Indoor baseball mitts
Baseballs	Lacrosse balls
Baseball bats**	Lacrosse sticks
Baseball body protectors	Mass balls
Baseball shin guards	Polo balls
Baseball gloves	Polo mallets
Baseball mitts	Pool tables****
Baseball masks	Pool balls for such tables
Basketballs	Pool cues
Billiard tables****	Push balls
Billiard balls	Skates
Billard cues for such tables	Skis
Bowling balls	Ski poles
Bowling pins	Snow shoes
Boxing gloves	Snow toboggans
Boxing masks	Snow sleds
Boxing head guards	Soccer balls
Boxing ear guards	Softball balls
Clay pigeons	Softball bats**
Cricket balls	Softball gloves
Cricket bats	Softball mitts
Croquet balls	Squash balls
Croquet mallets	Squash rackets*
Curling stones	Squash racket frames*
Deck tennis rings	Squash racket string
Deck tennis nets	Table tennis balls
Deck tennis posts	Table tennis nets
Fencing equipment	Tennis balls
Fishing artificial lures	Tennis nets
Fishing baits	Tennis rackets*
Fishing creels	Tennis racket frames*
Fishing flies	Tennis racket string
Fishing reels	Track hurdles
Fishing rods	Traps for throwing clay pigeons
Footballs	Table tennis paddles
Football harness	Table tennis tables
Football helmets	Vaulting cross bars
Golf bags**	Vaulting poles
Golf balls	Vaulting standards
Golf clubs***	Volley balls
Gymnasium equipment	Volley nets
Gymnasium apparatus	Volley standards
	Water polo balls
	Water polo goals
	Wrestling head harness

*measuring 22 inches over-all or more in length

**measuring 26 inches or more in length

***measuring 30 inches or more in length

****measuring 45 inches over-all or more in length

(ii) *Luggage.* Trunks, valises, traveling bags, suitcases, hat boxes for use by travelers, fitted toilet cases (not including contents), and other traveler's luggage, and leather and imitation leather brief cases—10 per centum. (Par. (2))

(iii) *Electric, gas, and oil appliances.* Electric direct motor-driven fans and air circulators; electric, gas, or oil water heaters; electric flatirons; electric air heaters (not including furnaces); electric immersion heaters; electric heating pads and blankets; electric, gas or oil appliances of the type used for cooking, warming, or keeping warm food or beverages for consumption on the premises; electric mixers, whippers, and juicers; and household type electric vacuum cleaners—10 per centum. (Par. (3))

(iv) *Photographic apparatus.* Cameras and lenses; unexposed photographic films (including motion picture films but not including X-ray film), photographic plates and sensitized paper; photographic apparatus and equipment; and any apparatus or equipment designed especially for use in the taking of photographs or motion pictures or in the developing, printing, or enlarging of photographs or motion picture films—10 per centum. (Par. (4))

(v) *Electric signs.* Neon-tube signs, electric signs, and electric advertising devices—10 per centum. (Par (5))

(vi) *Business and store machines*—10 per centum. (Par. (6))

Adding machines	Erasing machines
Addressing machines	Fanfold machines
Autographic registers	Fare registers
Bank proof machines	Fare boxes
Billing machines	Listing machines
Bookkeeping machines	Line-a-time and similar machines
Calculating machines	Mailing machines
Card punching machines	Multigraph machines
Cash registers	Multigraph typesetting machines
Change making machines	Multigraph type justifying machines
Check writing machines	Numbering machines
Check signing machines	Portable paper fastening machines
Check cancelling machines	Pay roll machines
Check perforating machines	Pencil sharpeners
Check cutting machines	Postal permit mailing machines
Check dating machines	Punch card machines
Other check protector machine devices	Sealing machines
Computing machines	Shorthand writing machines
Coin counters	Sorting machines
Dictographs	Stencil cutting machines
Dictating machine record shaving machines	Tabulating machines
Dictating machines	Ticket counting machines
Duplicating machines	Ticket issuing machines
Embossing machines	Typewriters
Envelope opening machines	Transcribing machines
	Time recording devices

and combinations of any of the foregoing items.

(vii) *Rubber articles.* Articles of which rubber is the component material of chief weight. The tax imposed under this paragraph shall not be applicable to footwear, articles designed especially for hospital or surgical use, or articles taxable under any other provision of this chapter—10 per centum. (Par. (7))

(viii) *Washing machines.* Washing machines of the kind used in commercial laundries. No tax shall be imposed under this paragraph on washing machines of the household type. 10 per centum. (Par. (8))

(ix) *Optical equipment*—10 per centum. (Par. (9))

Colorimeters	Polariscopes
Fire control optical instruments	Projection lenses
Micro-projection apparatus	Projection prisms
Microscopes	Refractometers
Optical machinery	Searchlight mirrors
Optical measuring instruments	Searchlight reflectors
Photo-micro apparatus	Spectrometers
	Spectroscopes
	Telescopes
	Telescopic sights

(x) *Electric light bulbs and tubes.* Electric light bulbs and tubes, not including articles taxable under any other provisions of this subchapter—5 per centum. (Par. 10))

(2) *Exemption if articles taxable as jewelry.* Any articles taxable as jewelry under section 2400 (Chapter 19—Retailers' Excise Taxes) are exempted from the tax imposed by this section. (Subsec. (b))

(f) *Firearms, shells, and cartridges—11 per centum.* (Sec. 3407)

NOTE: The tax imposed by this section does not apply to pistols and revolvers. The sale or lease of such articles, however, by the manufacturer, producer, or importer is taxable at the same rate under sec. 2700 (a) Chap. 25—Firearms, Subchap. A—Pistols and Revolvers.

(g) *Matches.* (Sec. 3409)

(1) Fancy wooden matches and wooden matches having a stained, dyed, or colored stick or stem, packed in boxes or in bulk—5½ cents per 1,000 matches.

(2) All matches other than those enumerated above—2 cents per 1,000 matches.

(h) *Electrical energy.* Electrical energy sold for domestic or commercial consumption and not for resale—3⅓ per centum. (Sec. 3411)

(i) *Gasoline.* 1½ cents a gallon. (Sec. 3412 (a)). All products commonly or commercially known or sold as gasoline (including casinghead and natural gasoline), benzol, benzene, or naphtha, regardless of their classifications or uses; and any other liquid of a kind prepared, advertised, offered for sale or sold for use as, or used as, a fuel for the propulsion of motor vehicles, motor boats, or airplanes, except that it does not include any of the foregoing sold for use otherwise than as a fuel or in the manufacture or production of such fuel. The term "gasoline" does not include products commonly or commercially known or sold as kerosene, gas oil, or fuel oil.

(j) *Lubricating oils.* 4½ cents a gallon. (Sec. 3413.) The term "lubricating oil" as used in these regulations includes all oils, regardless of their origin, which are sold as lubricating oil and all oils which are suitable for use as a lubricant. The term "lubricating oils" does not include products of the type commonly known as grease.

§ 81.817 *Federal retailers' excise taxes.* The items on which Federal retailers' excise taxes are imposed are listed below. The tax is in the amount of 10 per centum of the price for which sold, and the taxes are effective as of October 1, 1941.

CHAPTER 19—RETAILERS' EXCISE TAXES

(a) SEC. 2400. *Jewelry, etc.* All articles commonly or commercially known as jewelry, whether real or imitation; pearls, precious and semi-precious stones, and imitations thereof; articles made of, or ornamented, mounted or fitted with, precious metals or imitations thereof; watches and clocks and cases and movements therefor; gold, gold-plated, silver, silver-plated or sterling flatware or hollow ware; opera glasses; lorgnettes; marine glasses; field glasses; and binoculars.

(b) SEC. 2401. *Furs.* Articles made of fur on the hide or pelt, and articles of which such fur is the component material of chief value.

(c) SEC. 2402. *Toilet Preparations.* Perfumes, essences, extracts, toilet waters, cosmetics, petroleum jellies, hair oils, pomades, hair dressings, hair restoratives, hair dyes, aromatic cachous, toilet powders, and any similar substance, article, or preparation, by whatsoever name known or distinguished; any of the above which are used or applied or intended to be used or applied for toilet purposes.

LABOR

CONVICT LABOR LAW

§ 81.901 *Convict labor; basic statutes.* The public policy of the United States as to convict labor is expressed in the act of February 23, 1887 (24 Stat. 411; 18 U.S.C. 708, 709). This statute is a penal one and provides for imprisonment or

fine for its violation. (See also 47 Stat. 418; 31 U.S.C. 686b; 45 Stat. 1084; 49 U.S.C. 60; 49 Stat. 494; 49 U.S.C. 61–64; 54 Stat. 1134, as amended 55 Stat. 581; 18 U.S.C. 396a)

§ 81.902 *Executive Order of the President.* (a) Pursuant to the public policy prescribed by the aforementioned act of February 23, 1887, the President on May 18, 1905, issued an Executive Order which provides, in substance, that all contracts which shall hereafter be entered into by officers or agents of the United States involving the employment of labor in the States composing the Union, or the Territories contiguous thereto, shall, unless otherwise provided by law, contain a stipulation forbidding, in the performance of such contracts, the employment of persons undergoing sentences of imprisonment at hard labor which have been imposed by courts of the several states, territories, or municipalities having criminal jurisdiction.

(b) Under date of July 9, 1942, the President issued Executive Order 9196 which "in order to remove any doubts which might otherwise exist and to insure the effective utilization of all existing productive facilities, * * * ordered that Executive Order No. 325A of May 18, 1905, be, and the same is hereby, suspended for the period of the war and for six months thereafter to the extent necessary to permit officers and agencies of the Federal Government charged with the purchase or procurement of articles necessary in the conduct of war to procure, directly or indirectly, through any contractor or subcontractor or otherwise, articles of any kind produced in any Federal, State or territorial prison, provided such articles are not produced pursuant to any contract or other arrangement under which prison labor is hired out to, or employed or used by, any private person, firm, or corporation."

§ 81.903 *Application of basic statutes.* (a) The prohibitions contained in the foregoing provisions of this section do not apply to the following purchases:

(1) Purchases of items manufactured by the Federal Prison Industries, Inc. (See § 81.608)

(2) Purchases of items manufactured or produced by State prisons or other correctional State institutions. (See § 81.608 a)

(b) Assistant Solicitor General has advised the Chairman of the War Production Board that the Federal statutes prohibiting shipment of convict-made goods and subjecting such shipments to the operations of state prohibitory laws (See e. g. 54 Stat. 1134, as amended 55 Stat. 581; 18 U. S. C. 396 a; 45 Stat. 1084; 49 U. S. C. 60; 49 Stat. 494; 49 U. S. C. 61–64) do not extend to convict-made goods being procured by a contractor directly or indirectly for the Federal Government, *Provided,*

(1) That there is no other source of supply readily available to him on the open market;

(2) That purchases of such articles, materials or supplies are limited to the amount necessary to fulfill specific existing contracts with the Government; and

(3) That all such purchases are made at prices substantially equivalent to the current market price of the commodity purchased.

He has also expressed the view that an order of the Secretary of Labor, dated May 26, 1942, has the effect of exempting from the operation of the convict labor provisions of the Walsh-Healey Act (49 Stat. 2036, as amended, 41 U. S. C. 35 et seq.)

Contracts negotiated during the present war for the purchase of prison-made goods by contractors, subcontractors or brokers when such purchases are limited as above set forth to the purchase of such goods for the purposes of existing Government Contracts.

(See opinion of Attorney General, May 6, 1942; letter amplifying this opinion to the Chairman, War Production Board from the Assistant Solicitor General, dated June 20, 1942.)

(c) The provisions of the statute referred to in § 81.901 do not prohibit the employment by contractors or subcontractors of persons serving sentences on parole or probation, nor to convicts who have served their terms.

EIGHT HOUR LAW OF 1912

§ 81.904 *Basic law.* Eight hour law approved June 19, 1912 (37 Stat. 137), as amended by sec. 5 (b), act of June 26, 1940 (54 Stat. 679) and sec. 303, act of September 9, 1940 (54 Stat. 884). (40 U.S.C. 324, 325; M.L., 1939 and Sup. I, secs. 743, 745)

§ 81.905 *Applicability of eight-hour law.* The basic law applies to contracts for work which may require or involve the employment of laborers or mechanics. It does not apply to the following classes of contracts except when the classes of work contracted for have been or at the time of entering into the contract are performed by the Government:

(a) Contracts for supplies, whether manufactured to conform to particular specifications or not, as well as contracts to which the Walsh-Healey Public Contracts Law is applicable.

(b) Contracts for such materials or articles as may usually be bought in open market, except armor and armor plate, whether made to conform to particular specifications or not.

(c) Contracts for the construction or repair of levees or revetments necessary for protection against floods or overflows on the navigable waters of the United States.

(d) Contracts for the transmission of intelligence.

(e) Contracts for transportation by land or water.

ANTI-REBATE (COPELAND OR "KICK-BACK") LAW

§ 81.906 *Basic law.* Act June 13, 1934 (48 Stat. 948); 40 U.S.C., Sup. 276b and c; M. L.; 1939, sec. 740, sec. 9, Reorganization Plan No. IV (54 Stat. 1236), effective June 30, 1940, in accordance with sec. 4 of H. J. Res. 551 (Pub. Res., No. 75, 76th Congress; 54 Stat. 231).

§ 81.907 *Applicability of anti-rebate law.* The basic law applies to all contracts and subcontracts for the repair, construction, prosecution, or completion of any public building, public work, or building or work financed in whole or in part by loans or grants from the United States, irrespective of the amounts of such contracts and the fact such contracts may not specify the wages to be paid by the contractors to their employees (19 Comp. Gen. 576).

§ 81.908 *Procedure.* Pursuant to the regulations of the Secretary of Labor made effective April 30, 1942, the following procedure is prescribed:

(a) Each contractor or subcontractor engaged in work subject to the basic law shall furnish each week a sworn affidavit with respect to the wages paid each of its employees engaged on the work covered by the basic law during the preceding weekly pay roll period. The affidavit shall be executed and sworn to by the contractor or subcontractor or by an authorized officer or employee of the contractor or subcontractor who supervises the payment of wages and shall be in the following form:

STATE OF _____
County of _____, *ss:*

I, _____ (name of party signing affidavit), _____ (title), being duly sworn, do depose and say: That I pay or supervise the payment of the persons employed by _____ (contractor or subcontractor) on the _____ _____ (building or work); that the attached pay roll sets out accurately and completely the name, occupation, and hourly wage rate of each person so employed for the weekly pay roll period from the _____ day of _____ 194__, to the _____ day of _____, 194__, the total number of hours worked by him during such period, the full weekly wages earned by him and any deductions made from such weekly wages, and the actual weekly wages paid to him; that no rebates have been or will be made either directly or indirectly to or on behalf of said _____ (contractor or subcontractor) from the full weekly wages earned as set out on the attached pay roll; and that no deductions, other than the permissible deductions (as defined in the Regulations under the "Kick-Back" Act (48 Stat. 948)) described in the following paragraph of this affidavit, have been made or will be made, either directly or indirectly, from the full weekly wages earned as set out on the attached pay roll.

(Paragraph describing deductions, if any.)

_____
(Signature and title)

Sworn to before me this _____ day of _____, 194__.

(b) Each weekly affidavit shall be delivered by the contractor or subcontractor within seven (7) days after the regular payment date of the pay roll period, to a representative of a Federal or State agency in charge at the site of the building or work, or, if there no representative of a Federal or State agency at the site of the building or work, the affidavit shall be mailed by the contractor or subcontractor, within such time, to a Federal or State agency contracting for or financing the building or work. After such examination and check as may be made, such affidavit, or a copy thereof, together with a report of any violation, shall be transmitted to the United States Department of Labor, Washington, D. C.,

unless otherwise arranged with the Department of Labor.

(c) Each contractor or subcontractor, shall, within seven (7) days after the making of any subcontract with another person concerning work which is subject to the basic law, deliver to the local or national Government representative in charge at the site of the building or work, or, if there is no Government representative, shall mail within such time to the Federal agency contracting for or financing the building or work, an affidavit setting forth the name and address of his subcontractor and a summary statement of the precise work subcontracted.

§ 81.909 *Authorized pay roll deductions.* The following pay roll deductions are authorized:

(a) Deductions for the following purposes are permissible:

(1) Where required by Federal, state or local statutes or ordinances to be made by the employer from the wages earned by the employee;

(2) Bona fide prepayment of wages without discount or interest;

(3) Deductions required by court process; *Provided,* That the contractor or subcontractor will not be permitted to make such a deduction in favor of the contractor, subcontractor, or any affiliated person or where collusion or collaboration exists.

(b) Any deduction is also permissible which in fact meets the following standards and with respect to which the contractor or subcontractor shall have made written application by registered mail to the Secretary of Labor, a copy of which application shall be sent to the contracting agency by the contractor or subcontractor, setting forth all the pertinent facts indicating that such deductions will meet the following standards:

(1) That such deduction is not prohibited by other law; and

(2) That such deduction is: (i) voluntarily consented to by the employee in writing and in advance of the period in which the work was done, and that consent to the deduction is not a condition either for the obtaining of or for the continuance of employment; or (ii) that such deduction is for the benefit of the employees or their labor organization through which they are represented and is provided for in a bona fide collective bargaining agreement; and

(3) That from such deduction no payment is made to, nor profit or benefit is obtained directly or indirectly by the contractor or subcontractor or any affiliated person, and that no portion of the funds, whether in the form of a commission or otherwise, will be returned to the contractor or subcontractor or to any affiliated person; and

(4) That the convenience and interest of the employees are served thereby, and that such or similar deductions have been customary in this or comparable situations.

(c) After application in good faith, the deduction may be made in accordance with the foregoing standards: *Provided, however,* That if the Secretary of Labor, on his own motion, or on the application of any person or agency affected by the granting of the application, shall conclude at any time, after written notice to the applicant and an opportunity for him to present his views in support of the deduction, that the deduction has not met the foregoing standards, such deductions shall cease to be "permissible" seven days after the applicant and the federal agency concerned have been notified of the Secretary's decision.

(d) Upon application to and prior written permission from the Secretary of Labor, and subject to the standards set forth in paragraphs (b) (1), (2) and (4) hereof, deductions may be made by a contractor or subcontractor or any affiliated person, for membership fees in group benefit or retirement associations; for board and lodging; or for other purposes where the Secretary of Labor concludes the deduction is required by compelling circumstances: *Provided, however,* the contractor, subcontractor, or any affiliated person does not make a profit or benefit directly or indirectly from the deduction. A copy of the Secretary's decision shall be sent to the applicant and the federal agency concerned.

(e) In accordance with and subject to the standards set forth in paragraph (b) (1) to (4) inclusive of this section general permission is hereby granted to make pay roll deductions for:

(1) The payment of the purchase price of United States Defense Stamps and Bonds and United States Tax Savings Notes;

(2) The repayment of loans to or the purchase of shares in credit unions organized and operated in accordance with District of Columbia, Federal, or State credit union statutes;

(3) Contributions to a federal governmental or quasi-governmental agency.

(f) If any case in which the employee does not have full and actual freedom of disposition of his wage payment, whether made in cash or by check, any restricted payment made to the employee is considered a deduction under the regulations in this section.

(g) Nothing herein shall be construed to permit any deduction which the contractor or subcontractor knew, or in the exercise of good faith should have known, did not meet the foregoing standards. In order to insure compliance with this section, the Secretary of Labor may notify the contractor or subcontractor that the deduction will be permitted only if certain conditions with respect thereto are observed. The contractor or subcontractor or any affiliated person shall also comply with such general rules and regulations concerning the deductions as the Secretary of Labor shall make from time to time, notice of which shall have been given to the contractor or subcontractor or any affiliated person making the deduction and to the federal agency concerned either directly or through publication in the FEDERAL REGISTER.

DAVIS-BACON LAW

§ 81.910 *Davis-Bacon Act, as amended.* Act August 30, 1935 (49 Stat. 1011) as amended by the acts approved June 15, 1940 (54 Stat. 399) and March 23, 1941 (Pub. Law 22–77th Cong.) (40 U.S.C. 276a; M. L., 1939 and Sup. 1, sec. 746)

§ 81.911 *Applicability of Davis-Bacon law*—(a) *Contracts in excess of $2,000.* The basic law, as amended, applies to all contracts in excess of $2,000 for:

(1) Construction, alteration, or repair of any public building, highway, or other work of construction;

(2) Alteration or repair of vessels, boats and aircraft;

(3) Performance of any work upon Government-owned personal property, except where such work is to be performed under the Walsh-Healey Public Contracts Act pursuant to general or special directions of the Secretary of Labor.

(b) *Alaska, Hawaii, and District of Columbia.* The basic law is also applicable within the geographical limits of the Territory of Alaska, the Territory of Hawaii, and the District of Columbia.

(c) *Contracts without advertising for bids.* The amendment made by the act of March 23, 1941, makes the basic law applicable to contracts entered into upon a cost-plus-a-fixed-fee basis or otherwise without advertising for bids.

(d) *Exceptions.* The basic law does not apply to:

(1) Contracts for the construction or repair of ships or other movables where the place of performance of the contract cannot be ascertained at the time the contract is negotiated.

(2) Contracts awarded by institutions or groups supported in whole or in part by Federal funds, but to which contracts neither the United States nor the District of Columbia is a party.

(3) Contracts for the rental of equipment with operating personnel. (19 Comp. Gen. 467.)

§ 81.912 *Regulations and forms*—(a) *Regulations.* Regulations No. 503, Department of Labor, dated September 30, 1935, as amended, are required to be followed by every contracting officer in executing contracts to which the basic law is applicable. The Department of Labor has repealed section 22 of Regulations No. 503, as amended, and in place thereof has added the following new section 22, effective April 30, 1942:

Section 22. *Pay roll deductions.* The "Regulations Applicable to Contractors and Subcontractors on Public Building and Public Work and on Building and Work Financed in Whole or in Part by Loans or Grants From the United States" promulgated from time to time by the Secretary of Labor pursuant to the act of June 13, 1934, shall be applicable to the compensation of all laborers and mechanics employed on public buildings or public works subject to the Davis-Bacon Act, as amended. (7 Fed. Reg. 686.)

(b) *Authorized pay roll deductions.* (See § 81.909 for authorized deductions)

(c) *Forms.* (1) Department of Labor Forms DB–11 and DB–15. (2) Standard Form No. 1093.

(d) *How obtained.* Copies of the above regulations will be obtained by the chiefs of the supply services directly from the Department of Labor for distribution to those concerned. Chiefs of supply services are responsible for the supply of

the necessary forms to their contracting officers.

§ 81.913 *Requests for predetermination of wage rates*—(a) *Separate request for each contract.* Prior to entering into negotiations for awarding a contract to which the basic law is applicable, the contracting officer will request the Secretary of Labor, through the chief of the supply service concerned, to predetermine the wage rates to be contained in the contract. This request will be made on Department of Labor Form DB–11, and the instructions on that form will be followed. Since the Department of Labor has stated that the basic law does not apply to the following positions, no predetermination of wages is necessary in their cases:

Assistant engineer on dredges or floating plant in supervisory positions

Assistant foreman	Mess boy
Camp assistant	Messenger
Checker	Office Manager
Chief engineer	Pilot
Chief mate	Quartermaster or steersman
Civil engineer	Steward
Clerk	Storekeeper
Cook	Superintendent
Cook's helper	Timekeeper
Foreman	Waiter
Junior deck officer	Watchman
Master or captain	
Mate	

(b) *Information as to local wage conditions.* Each request submitted as indicated in paragraph (a) of this section will be accompanied by one or more copies of Department of Labor Form DB–15, executed in accordance with the instructions on that form, which require a separate form for each occupation. In filling out this form the contracting officer will consult the following and consider the information obtained therefrom in forming the opinion which he is required to state on the form:

(1) The Building Trades Council (or some other local federation or council of the various craft unions),

(2) Independent labor organizations not allied with the local Building Trades Council,

(3) Municipal officials (the commissioner of public works, the city clerk or other officials in charge of municipal construction who have data on the wage rates paid on city projects),

(4) The employers' organizations (such as master builders, the master painters, or other contractors' associations, the local chamber of commerce, etc.),

(5) Individual contractors and architects in the locality,

(6) The State Labor Department or its equivalent,

(7) The contracting officer and supervising superintendent, and

(8) The local office of the United States Employment Service or affiliated agency.

§ 81.914 *Special contract clause.* Each contract subject to the basic law will contain the following clause:

The minimum wages to be paid laborers and mechanics on this project, as determined by the Secretary of Labor to be prevailing for the corresponding classes of laborers and mechanics employed on projects of a character similar to the contract work in the pertinent locality, are as follows:

Classification of laborers and mechanics	Minimum rates of wages per hour

Any class of laborers and mechanics not listed in the preceding paragraph, which will be employed on this contract, shall be classified or reclassified conformably to the foregoing schedule. In the event the interested parties cannot agree on the proper classification or reclassification of a particular class of laborers and mechanics to be used, the question, accompanied by the recommendations of the contracting officer, shall be referred to the Secretary of Labor for final determination.

§ 81.915 *Under payment of wages.* Where a contracting officer finds that any laborer or mechanic employed by a contractor or subcontractor on work contracted for which is subject to the basic law has been or is being paid a rate of wages less than the wages required by the contract to be paid, the contracting officer will make a report on Standard Form No. 1093 (Schedule of Deductions from Payments to Contractor), executed as completely as is possible from his records, to the disbursing officer. The latter will complete the executing of the form from his records and transmit it to the office indicated on the form. Circular Letter A–34106, February 28, 1936, of the Comptroller General.

WALSH-HEALEY PUBLIC CONTRACTS LAW

§ 81.916 *Basic law: Walsh-Healey public contracts law.* (a) Act of June 30, 1936 (49 Stat. 2036; 41 U.S.C. 35–45; M. L., 1939, sec. 747). The law is quoted in the publication referred to in paragraph 917.1 below.

(b) Subsection 1 (c) of the basic law was amended by the act of May 13, 1942 (Pub. Law 552—77th Congress) so as to add a colon at the end thereof and the following proviso:

Provided, That the provisions of this subsection shall not apply to any employer who shall have entered into an agreement with his employees pursuant to the provisions of paragraphs 1 or 2 of subsection (b) of section 7 of an Act entitled "Fair Labor Standards Act of 1938."

§ 81.917 *Applicability of Walsh-Healey public contracts law.* (a) Generally, the law is applicable to all contracts for the purchase of supplies when the amount thereof exceeds $10,000. The publication of the Department of Labor entitled "Rulings and Interpretations, September 29, 1939, Walsh-Healey Public Contracts Act," and additions and amendments thereto, contain detailed information as to the contracts which are subject to and those exempt from the act.

(b) The following changes and additions to the regulations referred to in paragraph (a) above have been published:

(1) Contracts for the rental of equipment are not subject to the act.

(2) Individuals, corporations, or other organizations, not manufacturers or regular dealers as defined by the act, but acting at the instance of Defense Production Associations certified by the War Production Board, are exempt from the representation and stipulation required by section 1 (a) of the Act.

(3) All emergency plant facilities contracts executed on an approved form are exempt from the act.

(4) Ice has been held to be a nonperishable commodity and thus contracts therefor are subject to the act.

(5) An exemption from the application of section 1 (d) and section 2 of the basic law has been granted with respect to employment of girls between the ages of 16 and 18 by contractors in any of the following industries:

Food Processing
Leather Products (including luggage and saddlery)
Boots and Shoes
Rubber Products
Photographic Equipment and Supplies
Chemical, Drug and Allied Products
Surgical and Scientific Instruments
Optical Instruments
Arms and Ammunition
Electrical Manufacturing
Plastic Products
Safety Appliances
Machinery and Allied Products
Converted Paper Products
Fabrication of Metal Products
(including nonferrous metal products)

Subject to the following conditions:

(i) That no girl under 16 years of age shall be employed.

(ii) That no girl under 18 years of age shall be employed for more than 8 hours in any one day, or between the hours of 10 p. m. and 6 a. m., or in any way contrary to State laws governing hours of work.

(iii) That no girl under 18 years of age shall be employed in any operation or occupation which, under the Fair Labor Standards Act or under any State law or administrative ruling, is determined to be hazardous in nature or dangerous to health.

(iv) That for every girl under the age of 18 years employed by him the contractor shall obtain and keep on file a certificate of age showing that the girl is at least 16 years of age.

(v) That a specific and definite luncheon period of at least 30 minutes be regularly granted any women workers under 18 years of age.

(vi) That no girl under 18 shall be employed at less than the minimum hourly rate set by or under the Fair Labor Standards Act or the Walsh-Healey Public Contracts Act for the industry in which the exemption is granted.

(6) Contracts awarded to any railroad or other carrier are excepted from the representations and stipulations required by section 1 of the act.

(7) Contracts negotiated during the present war with states or territories of the United States or with corporations, commissions or authorities wholly owned and controlled by such states or territories are exempt from the application of Article 1 of the regulations.

(8) Stipulation (c) of Article 1 of the contract stipulations (page 39 of the regulations) has been amended so as to add a colon at the end thereof and the following provisos:

Provided, however, That the provisions of of this stipulation shall not apply to any employer who shall have entered into an agreement with his employees pursuant to the provisions of paragraphs 1 or 2 subsection (b) of section 7 of an act entitled "The Fair Labor Standards Act of 1938"; *Provided further,* That in the case of such an employer, during the life of the agreement referred to the applicable overtime rate set by the Secretary of Labor shall be paid for hours in excess of 12 in any 1 day or in excess of 56 in any 1 week and if such overtime is not paid, the employer shall be required to compensate his employees during that week at the applicable overtime rate set by the Secretary of Labor for hours in excess of 8 in any 1 day or in excess of 40 in any 1 week.

(9) Article 103 (Overtime) of the Administrative Regulations (page 42 of the regulations) has been amended so as to add the following paragraph:

In the case of any employer who shall have entered into an agreement with his employees pursuant to the provisions of paragraphs 1 or 2 of subsection (b) of section 7 of an Act entitled "The Fair Labor Standards Act of 1938," the foregoing requirements shall be the same except that during the life of the agreement overtime compensation shall be payable only for hours worked in excess of 12 in any 1 day or in excess of 56 in any 1 week. If overtime is not paid for hours in excess of 12 in any 1 day or in excess of 56 in any 1 week, the employer shall be required to compensate his employees during that week for overtime for hours in excess of 8 in any 1 day or in excess of 40 in any 1 week. The requirements of section 7 (b) 1 and 2 of the Fair Labor Standards Act are more fully explained in Interpretative Bulletin No. 8 of the Wage and Hour Division.

(10) Articles 601, 602, 1101 and 1201 of the Administrative Regulations (pages 43 to 45 of the regulations) have been amended as follows:

(a) ART. 601. *Requests for exceptions and exemptions.* Request for the exception or exemption of a contract or class of contracts from the inclusion or application of one or more of those stipulations required by article 1 must be made by the head of a contracting agency or department and shall be accompanied with a finding by him setting forth reasons why such inclusion or application will seriously impair the conduct of Government business.

Request for the exception or exemption of a stipulation respecting minimum rates of pay and maximum hours of labor contained in an existing contract must be made jointly by the head of the contracting agency and the contractor and shall be accompanied with a joint finding by them setting forth reasons why such exception or exemption is desired.

All requests for exceptions or exemptions shall be transmitted to the Public Contracts Division of the Department of Labor.

(b) ART. 602. *Decisions concerning exceptions and exemptions.* Decisions concerning exceptions and exemptions shall be in writing and approved by the Secretary of Labor or officer prescribed by him, originals being filed in the Department of Labor, and certified copies shall be transmitted to the department or agency originating the request, to the Comptroller General, and to the Procurement Division of the Treasury. All such decisions shall be promulgated to all contracting agencies by the Public Contracts Division of the Department of Labor.

(c) ART. 1101. *Minimum wages.* Until a determination of the prevailing minimum wage for a particular industry or group of industries has been made by the Secretary of Labor prior to the invitation for bids, the stipulation with respect to wages in section 1 (b) of the Act will be inoperative, as provided in article 1 (b) of these Regulations.

Determinations of prevailing minimum wages or changes therein will be published in the FEDERAL REGISTER and sent to contracting officers by the Public Contracts Division of the Department of Labor. Such determinations will be effective upon the dates fixed therein.

(d) ART. 1201. Reports of contracts awarded. Whenever the contracting officer shall award a contract in which the stipulations required under article 1 are operative, he shall furnish the Department of Labor in quadruplicate on a form provided for this purpose the information required by such form.

§ 81.918 *General instructions.* (a) The regulations and instructions contained in "Ruling and Interpretations, September 29, 1939, Walsh-Healey Public Contracts Act", and amendments thereto, will be complied with by all contracting officers. Chiefs of supply services are responsible for furnishing this publication and a supply of the forms referred to therein to each of their contracting officers.

(b) The prospective contractors will be informed of applicable minimum wage determinations, if any, in advance of or coincident with negotiating contracts.

(c) Requests for exceptions, modifications and exemptions authorized by section 6 of the basic law will be submitted to the Purchases Branch, Procurement and Distribution Division, Headquarters, Services of Supply, by the chief of the supply service concerned.

(d) The minimum wage determinations made to date by the Secretary of Labor are published in the succeeding paragraphs.

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§ 81.919 *Knitted and men's woven underwear and commercial knitting industry.* Knitted and men's woven underwear and commercial knitting. The following described manufacturing, processing, and finishing operations:

(a) The manufacturing, dyeing, or other finishing of any knitted fabrics made from any yarn or mixture of yarns, except:

(1) The knitting from any yarn or mixture of yarns and the further manufacturing, dyeing, or other finishing of knitted garments, knitted garment sections, or knitted garment accessories for use as external apparel or covering which are partially or completely manufactured in the same establishment as that where the knitting process is performed: *Provided,* That this exception shall not be construed to apply to the garments or garment accessories designated in paragraph (b) of this section.

(2) Fulled suitings, coatings, topcoatings, or overcoatings containing more than 25 percent, by weight, of wool or animal fiber other than silk.

(3) Hosiery.

(b) The manufacturing, dyeing, or other finishing from any yarn or mixture of yarns, or from purchased knitted fabric, of any of the following products:

(1) Knitted garments or garment accessories for use as underwear, sleeping wear, or negligees.

(2) Fleece-lined garments made from knitted fabric containing cotton only or containing any mixture of cotton and not

more than 25 per cent, by weight, or wool or animal fiber other than silk.

(3) Knitted shirts of cotton or any synthetic fiber or any mixture of such fibers which have been knit on machinery of 10-cut or finer in the same establishment as that where the knitting process is performed.

(4) Knitted towels or cloths.

(c) The manufacturing of men's and boys' underwear from any woven fabric.

Date effective: March 3, 1942.

Wage: 40 cents per hour or $16.00 per week of 40 hours, arrived at either upon a time or piece work basis. Learners and handicapped workers may be employed in accordance with the present regulations under the Fair Labor Standards Act, which were adopted for the purposes of this wage determination.

§ 81.920 *Work gloves industry.* Including leather work gloves, leather-palm cotton gloves, all canvas or canton-flannel work gloves, knit gloves, woolen knit lined gloves, and officers' white cotton gloves.

Date effective: August 2, 1937.

Wage: $14.00 per week for a week of 40 hours or 35 cents per hour, arrived at either upon a time or piece work basis.

A tolerance of not to exceed 10 per cent of the workers in any one establishment is granted for those workers who are in fact learners or handicapped or superannuated workers, subject to the conditions that they be paid not less than 25 cents per hour or $10.00 per week and not less than piece rates paid to other workers in the same establishment and that they be qualified for such exemption in accordance with such requirements as may be established hereafter.

§ 81.921 *Seamless hosiery industry.* Manufacture and furnishing of seamless hosiery.

Date effective: March 30, 1942;

Wage: $14.40 per week for a week of 40 hours, or 36 cents per hour, arrived at either upon a time or piece work basis. Learners and handicapped workers may be employed in accordance with the present regulations under the Fair Labor Standards Act of 1938 which regulations were adopted for the purposes of this wage determination.

§ 81.922 *Men's hats and caps industry.*

Date effective: August 2, 1937.

Wage: 67.5 cents per hour or $27.00 per week for a 40-hour week, to be arrived at either upon a time or piece work basis.

Variation from minimum wage determination.

Date effective: February 11, 1938.

A tolerance of not more than 20 per cent of the employees in any one factory whose activities at any given time are subject to the provisions of the basic law is granted for auxiliary workers; *Provided,* That such auxiliary workers be paid a wage of not less than 37.5 cents per hour or $15.00 per week for a 40-hour week, arrived at either upon a time or piece work basis, *And Provided further,* That the term "auxiliary worker" when used in connection with employees in the uniform cap and in the stitched hat branches of the industry shall not be interpreted to include cutters or workers in the cutting room, machine workers, or workers on any kind of machine, blockers, pressers, or handsewers.

Extension of minimum wage determination: Women's hats and caps.

Date effective: July 11, 1942.

Wage: The minimum wage for the manufacture or furnishings of women's hats and caps of design and construction similar to those covered by the above determinations effective August 2, 1937 and February 11, 1938, for the men's hat and cap industry shall be the minimum wage set forth in those determinations.

Nothing in this determination shall be interpreted as abrogating any obligation that may have been incurred under the previous determinations for the industry.

§ 81.923 *Men's raincoat industry.* Including vulcanized and rubberized raincoats and raincoats made from material known under the registered trade-mark of "Cravanette" or from fabric chemically or otherwise treated so as to render it water-resistant (except oiled cotton).

Date effective: Determined to be September 18, 1939.

Wage: 40 cents per hour or $16.00 per week of 40 hours, arrived at either on a time or piece work basis.

A tolerance of not to exceed 10 per cent of the workers in any one establishment is granted for those workers who are in fact learners, handicapped or superannuated workers, subject to the conditions that they be paid not less than 25 cents per hour or $10.00 per week for a 40-hour week and not less than the piece rates paid to other workers in the same establishment, and that they be qualified for such exemption in accordance with such requirements as may be established hereafter.

Extension of minimum wage determination: Men's and women's oiled cotton waterproof outer garments and other oiled waterproof rainwear.

Date effective: March 6, 1941.

Wage: The minimum wage determination for men's raincoats, including the tolerance provision applicable thereto, is extended to the manufacture of men's and women's oiled cotton waterproof outer garments and other oiled waterproof rainwear.

§ 81.924 *Cotton garments and allied industries.* The cotton garment and allied industries shall be understood to be that industry which manufactures or furnishes any of the following commodities:

Trousers, knickers, work pants, and breeches (except when made wholly of wool and uniform trousers and breeches made wholly or partially of wool); dress or work shirts and nightwear of any material except knit fabric; overalls, overall jackets, and one-piece overall suits; work coats and work jackets (except wool and wool-lined, and leather and sheep-lined); washable service apparel (hospital, professional, etc.); other cotton outerwear of any material except knit fabric; barrack bags; bandoleers; ammunition and cartridge belts made of textiles; canvas leggins; cot covers; fabric pouches and carriers for first aid equipment, such as: kit cantle ring straps, kit inserts, kit laces, kit pouches and kit suspenders; mattress covers; mosquito bars; and wardrobe bags with drawstrings, made of textiles.

Date effective: July 20, 1942.

Wage: 40 cents per hour or $16.00 per week of 40 hours, arrived at either upon a time or piece work basis.

Learners and handicapped workers may be employed at subminimum rates in accordance with the present applicable regulations issued by the Administrator of the Wage and Hour Division under the Fair Labor Standards Act which were adopted by the Secretary of Labor for the purposes of this determination.

§ 81.925 *Men's neckwear industry.* All but knitted neckwear.

Date effective: August 2, 1937.

Wage: 50 cents per hour or $20.00 per week for a 40-hour week, arrived at either upon a time or piece work basis.

A tolerance of not to exceed 10 per cent of the workers in any one establishment is granted for those workers who are in fact learners or handicapped or superannuated workers, exclusive of boxers and trimmers, with an additional tolerance to persons actually employed as boxers and trimmers: *Provided,* That all such workers including learners, handicapped and superannuated workers and boxers and trimmers, be paid not less than 37.5 cents per hour or $15.00 per week for a 40-hour week and not less than the piece rates paid to all other workers in the same occupational classification: *Provided further,* That all such employees be qualified for such exception in accordance with such requirements as may be established hereafter.

§ 81.926 *Dimension granite industry.* Including monumental stone, building stone, paving blocks, curbing, riprap, and rubble, but not crushed stone.

Date effective: January 15, 1938.

Wage: In Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, and New York—57.5 cents per hour or $23.00 per week based on a 40-hour week, arrived at either on a time or piece work basis.

In North Carolina, Virginia, South Carolina, Georgia, Florida, Alabama, Tennessee, Kentucky, Mississippi, Louisiana, Arkansas, and Texas—32.5 cents per hour or $13.00 per week based on a 40-hour week, arrived at either on a time or piece work basis.

In Pennsylvania, Maryland, Wisconsin, Minnesota, South Dakota, and all other States not included in the foregoing subparagraphs—42.5 cents per hour or $17.00 per week based on a 40-hour week, arrived at either on a time or piece work basis.

Monumental stone, building stone, paving blocks, curbing, riprap, and rubble, specifically made subject to the minimum wage determination for the dimension granite industry, are exclusively products of granite quarries, and such stones when the products of other quarries are not subject to the minimum wage determination for the dimension granite industry.

§ 81.927 *Shoe manufacturing and allied industries.* The term "Shoe Manufacturing and Allied Industries" means:

(a) The manufacture or partial manufacture of footwear from any material and by any process except knitting, vulcanizing of the entire article or vulcanizing (as distinct from cementing) of the sole to the upper.

(b) The manufacture or partial manufacture of the following types of footwear, subject to the limitations of paragraph (a) of this section but without prejudice to the generality of that paragraph:

Athletic shoes
Boots
Boot tops
Burial shoes
Custom made boots or shoes
Mocassins
Puttees, except spiral puttees
Sandals
Shoes completely rebuilt in a shoe factory
Slippers

(c) The manufacture from leather or from any shoe-upper material of all cut stock and findings for footwear, including bows, ornaments, and trimmings.

(d) The manufacture of the following types of cut stock and findings for footwear from any material except from rubber or composition of rubber, molded to shape:

Cutsoles, Midsoles, Insoles, Taps, Lifts, Rands, Toplifts, Bases, Shanks, Boxtoes, Counters, Stays, Stripping, Sock linings, Heel pads.

(e) The manufacture of heels of any material except molded rubber, but not including the manufacture of wood-heel blocks.

(f) The manufacture of cut upper parts for footwear, including linings, vamps, and quarters.

(g) The manufacture of pasted shoe stock.

(h) The manufacture of boot and shoe patterns.

Date effective: July 11, 1942.

Wage: 40 cents an hour or $16.00 for a week of 40 hours, arrived at on a time or piece work basis.

Learners, handicapped workers, and apprentices may be employed in accordance with the following regulations under the Fair Labor Standards Act of 1938, which are hereby adopted for the purpose of this wage determination; Regulations Applicable to the Employment of Learners (5 F. R. 2862; Title 29, Chapter V, Code of Federal Regulations, Part 522); Regulations Applicable to the Employment of Handicapped Persons (5 F. R. 2959; Title 29, Chapter V, Code of Federal Regulations, Part 524); Regulations Applicable to the Employment of Apprentices (5 F. R. 3766; Title 29, Chapter V, Code of Federal Regulations, Part 521); and the Regulations Applicable to the Employment of Handicapped Clients in Sheltered Workshops (5 F. R. 655; Title 29, Chapter V, Code of Federal Regulations, Part 525).

Nothing in this determination shall be interpreted as abrogating any obligation that may have been incurred under the previous determination for the Men's Welt Shoe Industry.

§ 81.928 *Handkerchief industry.* Handkerchiefs.

Date effective: January 26, 1938.

Wage: 35 cents per hour or $14.00 per week for a week of 40 hours, arrived at either upon a time or piece work basis.

§ 81.929 *Envelope industry.* Envelopes.

Date effective: May 12, 1938.

Wage: 42.5 cents per hour or $17.00 per week for a week of 40 hours, to be arrived at either upon a time or piece work basis.

§ 81.930 *Vitreous or vitrified china industry.* Vitreous or vitrified china, excluding semivitreous or semivitrified china.

Date effective: May 19, 1938.

Wage: 42.75 cents per hour or $17.10 per week for a week of 40 hours, to be arrived at either upon a time or piece work basis. The Administrator for the Public Contracts Division, Department of Labor, advises the above applies only to "tableware, kitchenware, dinnerware, and kindred lines, and not to plumbers' and sanitary supplies."

§ 81.931 *Leather; leather trimmed, and sheep-lined garments industry.* All leather, leather trimmed, and sheep-lined garments for men, women, or children.

Date effective: September 19, 1941.

Wage: 42.5 cents per hour or $17.00 per week of 40 hours, arrived at either upon a time or piece rate basis.

NOTE: The Administrator of Public Contracts, Department of Labor, in letter dated January 6, 1942, states that it has been determined that sheep-lined aviation helmets and leather aviation helmets come within the purview of the above determination.

§ 81.932 *Flint glass industry.*

Date effective: July 12, 1938.

Wage: 42.5 cents an hour or $17.00 per week for a week of 40 hours, arrived at either upon a time or piece work basis.

The flint glass industry produces such types of glassware as illuminating, table glassware, all thin blown glass, thermos bottles, chemical and laboratory ware, perfumery ware, stoppers and bottles, and the like, which character of glassware is produced by the pressed, pressed and blown, off hand and blown method, cutting and polishing; in fact, all types of glassware other than window, plate, and rolled glass, common bottles, containers, and prescription glassware.

NOTE: The Department of Labor has advised that this wage determination is intended to cover all types of glassware other than window, plate and rolled glass, common bottles, containers, and prescription glassware. Among the items particularly included under this intended coverage are fiberglass and fiberglass products.

§ 81.933 *Luggage and saddlery industries.* Luggage, including mail satchels or pouches.

Date effective: July 27, 1938.

Wage: 40 cents an hour or $16.00 per week of 40 hours, arrived at either upon a time or piece work basis, for the States of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, Pennsylvania, New Jersey, Maryland, Delaware, Washington, Oregon, California, Idaho, Nevada, Arizona, Montana, Wyoming, Utah, Colorado, New Mexico; and 37.5 cents an hour or $15.00 per week of 40 hours, arrived at either upon a time or piece work basis, for the other 26 States and the District of Columbia.

Extension of minimum wage determination: Carrier's tie straps and leather pouches.

Date effective: October 11, 1939.

Wage: That the minimum wage determination for the luggage and saddlery industries is extended to the manufacture of carrier's tie straps and leather pouches, consisting of a leather pouch or pocket of holster type with belt loop used for carrying pliers and knife.

§ 81.934 *Fireworks industry*—(a) *Commercial fireworks division.* Commercial fireworks.

Date effective: October 15, 1938.

Wage: 31.25 cents an hour or $12.50 per week for a week of 40 hours, arrived at either upon a time or piece work basis.

(b) *Fusee division.* Fusees, flares, and ship and railroad torpedoes.

Date effective: October 15, 1938.

Wage: 37.5 cents an hour or $15.00 per week for a week of 40 hours, arrived at either upon a time or piece work basis.

§ 81.935 *Wool carpet and rug industry.* Wool carpets and rugs (exclusive of rag rugs).

Date effective: October 15, 1938.

Wage: 40 cents an hour or $16.00 per week of 40 hours, to be arrived at either upon a time or piece work basis.

§ 81.936 *Tag industry.* Tags.

Date effective: September 23, 1941.

Wage: 40 cents an hour or $16.00 per week of 40 hours, arrived at either upon a time or piece work basis.

§ 81.937 *Aircraft manufacturing industry*—(a) *The aircraft manufacturing industry* is that industry which manufactures airplanes and gliders, aircraft-type engines, aircraft propellers, parts and accessories for the above-mentioned products, and specialized aircraft servicing equipment.

(b) *Expressly excluded* from the scope of the definition are such commodities as:

(1) *Fabricated textile products.* Fabric covers (including engine-warming covers); parachutes; safety belts; tow targets; and wind socks.

(2) *Pyrotechnics.* Cartridges for engine starters; and flares and signals.

(3) *Electrical and radio equipment.* Batteries; electric wire and cable; intercommunication equipment; landing and navigation lights; lighting systems; radios; and radio compasses.

(4) *Rubber products.* Rubber de-icing equipment; flotation gear; life preservers and life rafts; bonded rubber mountings and vibration dampers; rubber utilities; and tires and tubes.

(5) *Machine shop products and machinery.* Bearings; bolts, nuts, rivets, screws and washers; gas refueling systems (including refueling pumps); gears and sprockets; piston rings; springs; and wire rope.

(6) *Miscellaneous products.* Cameras; fire extinguishers; first aid equipment; gaskets; instruments; lavatory equipment; and lighter-than-air-craft.

Date effective: May 7, 1942.

Wage: 50 cents an hour or $20.00 for a week of 40 hours, arrived at on a time or piece-work basis.

Nothing in this determination shall be interpreted as abrogating any obligation that may have accrued under the terms of the determinations for the industry effective on December 29, 1938, and on November 18, 1941.

§ 81.938 *Bobbinet industry.* See § 81.960 (textile industry).

§ 81.939 *Iron and steel industry.* This determination covers only pig iron, iron or steel ingots, and rolled or drawn iron or steel products as hereinafter stated, and such fabricated iron or steel products as are specifically named but does not include any unspecified coated, insulated, forged, or cast items. The definition as formulated below describes the products of the iron and steel industry and the provisions thereof do not apply to any production in open hearth and electric furnaces other than that specifically enumerated.

The iron and steel industry is defined to mean and include the business of producing and selling all or any one or more of the following products:

Axles—rolled or forged.
Bale ties—single loop.
Bars—alloy steel, hot rolled.
Bars—cold finished, carbon and alloy.
Bars—concrete reinforcing, straight lengths.
Bars—ingots, blooms and billets—iron.
Bars—merchants steel.
Bars—tool steel.
Ferro-manganese and spiegeleisen.
Girder rails and splice bars therefor.
Ingots, blooms, billets and slabs—alloy.
Ingots, blooms, billets, and slabs—carbon.
Light rails—60 pounds or less per yard, and splice bars and angle bars therefor.
Standard tee rails of more than 60 pounds per yard, and angle bars and rail joints therefor, or any of such products.
Mechanical tubing.
Pig iron—foundry, high silicon silvery, malleable, open hearth basic, Bessemer, and high silicon Bessemer.
Pig iron—low phosphorus.
Pipe—standard, line pipe, and oil country tubular products.
Plates.
Posts—fence and sign.
Railroad tie plates.
Railroad track spikes.
Sheet bars.
Sheets.
Skelp.
Steel sheet piling.
Strip steel—cold rolled.
Strip steel—hot rolled.
Structural shapes.
Tubes—boiler.
Tube rounds.
Wheels—car, rolled steel.
Wire—drawn.
Wire hoops—twisted or welded.
Wire nails and staples, twisted barbless wire, barbed wire, twisted wire fence stays and wire fencing (except chain-link fencing).
Wire rods.
Wire—spring.
Wire—telephone.

Date effective (Note): This determination was originally effective March 1, 1939, but its operation was subsequently suspended due to court proceedings. Its operation was again resumed effective May 27, 1940.

Wage. Whether arrived at on a time or piece work basis, 45 cents per hour in the locality consisting of the States of Louisiana, Arkansas, Mississippi, North Carolina, South Carolina, Florida, Oklahoma, Texas, Alabama, Tennessee, Georgia, Virginia, and West Virginia (except the counties of Hancock, Brooke, Ohio, Harrison, Monongalia, and Marshall);

60 cents per hour in the locality consisting of the States of Washington, Oregon, California, Montana, Idaho, Nevada, Wyoming, New Mexico, Utah, Colorado, and Arizona; 58½ cents per hour in the locality consisting of the States of North Dakota, South Dakota, Nebraska, Kansas, Minnesota, Iowa, Missouri, and the area in and about East Saint Louis, Illinois;

62½ cents per hour in the locality consisting of the States of Wisconsin, Illinois (except the area in and about East Saint Louis, Illinois), Michigan, Indiana, Ohio, Pennsylvania, Delaware, Maryland, Kentucky, New Jersey, New York, Connecticut, Rhode Island, Massachusetts, Vermont, New Hampshire, Maine, and that portion of the State of West Virginia comprised within the counties of Hancock, Brooke, Ohio, Marshall, Harrison, and Monongalia, and the District of Columbia.

Provided, That apprentices may be employed at lower rates if their employment conforms to the standards of the Federal Committee on Apprenticeship.

This wage determination has heretofore been interpreted to cover the following:

Plate, armor
Strips, galvanized
Sheets, galvanized
Plates, galvanized
Shapes, structural, galvanized

and to exclude the following:

Wire, telephone, insulated
Rods, welding, coated.

§ 81.940 *Tobacco industry.* Cigarettes, chewing and smoking tobacco, snuff (cigars are specifically excluded).

Date effective: May 2, 1939.

Wage: 32.5 cents an hour or $13.00 per week of 40 hours, arrived at either upon a time or piece work basis.

§ 81.941 *Furniture industry.* This determination applies to all contracts subject to the basic law, for any of the commodities included in the determination under the wood furniture branch, the public seating branch, and the metal furniture branch of the furniture manufacturing industry.

(a) *Metal furniture branch.* The metal furniture branch of the furniture manufacturing industry is defined to be that industry whose products include:

Metal office furniture—Vertical filing cabinets; horizontal sections and half sections, and bookcases; hi-line and bookshelf units; desks; tables; chairs; storage cabinets; and wardrobes.
Metal household furniture.
Steel shelving—Industrial and general purpose steel shelving, miscellaneous fittings, attachments, and accessories.
Steel lockers—Box lockers; single-tier lockers; double-tier lockers; two-person and compartment lockers; miscellaneous fittings as used in schools, clubs, gymnasiums, commercial, and industrial establishments.
Visible filing equipment—Cabinets; panels.

Date effective: May 13, 1939.

Wage: 45 cents an hour or $18.00 per week of 40 hours, arrived at either upon a time or piece rate basis.

Extension of minimum wage determination: Metal furniture branch.

Date effective: July 28, 1941.

Wage: That the minimum wage determination for the metal furniture branch of the furniture industry is extended to the manufacture of metal cabinets for printers' type; metal cabinet partitions; metal tool boxes, tool cabinets, and tool chests; metal trunks, box type; metal rotating bins; metal sectional bins; and metal work benches, desks, and tables.

(b) *Public seating branch.* The public seating branch of the furniture manufacturing industry is defined to be that industry which fabricates, assembles, and installs (by those who fabricate or assemble) public seating (Upholstered or unupholstered), fabricated or assembled of wood, plywood, iron, steel, nonferrous metals, or any combinations of these materials, and consisting of the following:

(1) Fixed or connected seating for such public places as theaters, auditoriums, lodges, assembly halls, shoe stores, rinks, ball parks, race tracks, stadia, and other similar buildings and structures;

(2) Pewing, chancel, choir stalls, and related furniture and accessories for ecclesiastical purposes, seats and benches for court houses, hospitals, public waiting rooms, and for other similar public purposes;

(3) Pupils, desks, pupils' tables, pupils' chairs, and school furniture for all educational purposes;

(4) Portable chairs with folding seats in both single and multiple units;

(5) Portable folding seating in single units for other than household use,

Provided, That the following are specifically not included: Tablet armchairs and school chairs fabricated and/or assembled exclusively of wood.

Date effective: August 15, 1942.

Wage: 40 cents an hour, or $16.00 for a week of 40 hours arrived at either on a time or piecework basis.

(c) *Wood furniture branch.* The wood furniture branch of the furniture manufacturing industry is defined to mean the manufacturing, assembling, upholstering, and finishing, from wood, reed, rattan, willow, and fiber, of upholstered and other household, office, lawn, camp, porch and juvenile and toy furniture, including but without limitation porcelain top breakfast furniture and radio, phonograph and sewing machine cases and cabinets; the manufacturing and assembling from wood, of furniture parts for the above, separately, set up or knocked down including but without limitation parlor furniture frames and

chairs in the white. This definition does not include the manufacture of any product covered by the prevailing minimum wage determination for the public seating branch of the furniture manufacturing industry. The manufacturing of any products covered under this definition is deemed to begin following the delivery of the wood from the kiln or from the air-dried dimension shed.

Date effective: August 15, 1942.

Wage: 40 cents an hour, or $16.00 for a week of 40 hours, arrived at either on a time or piecework basis for the District of Columbia, and all states other than California, Washington, and Oregon; and 50 cents an hour, or $20.00 for a week of 40 hours, arrived at either on a time or piecework basis, for the States of California, Washington, and Oregon.

§ 81.942 *Drug and medicine industry.* Manufacture or packaging of any one or more of the following products:

(a) Drugs or medicinal preparations (other than food) intended for internal or external use in the diagnosis, treatment, or prevention of disease in, or to affect the structure or any function of, the body of man or other animals:

(b) Dentifrices, cosmetics, perfume, or other preparations designed or intended for external application to the person for the purpose of cleansing, improving the appearance of, or refreshing the person.

The foregoing shall not be deemed to include the manufacture or packaging of shaving cream, shampoo, essential (volatile) oils, glycerine, and soap, or the milling or packaging without further processing of crude botanical drugs.

Date effective: September 19, 1941.

Wage: 40 cents per hour or $16.00 per week of 40 hours, arrived at either upon a time or piece rate basis.

§ 81.943 *Photographic supplies industry.* Cameras, including motion-picture cameras (except 35 millimeter); photostat and blueprint machines; tripods, film rewinders and reels, shutters, and other photographic accessories (except 35 millimeter); such equipment as flashlight apparatus, plate holders, developing apparatus; supplies such as films, photographic paper, and plates; and projectors of all types (except 35 millimeter).

Date effective: August 14, 1939.

Wage: 40 cents an hour or $16.00 per week of 40 hours, arrived at either upon a time or piece work basis; *Provided,* That learners may be employed at lower rates for a period of not to exceed 60 days if the total number of such workers in any one establishment does not exceed 5 per cent of the workers on the payroll, and if such learners are paid not less than 80 per cent of the minimum wage as determined, or 32 cents an hour or $12.80 per week of 40 hours, arrived at either upon a time or piece work basis.

NOTE: This determination was extended to include the blueprint paper coating industry. (See § 81.944.)

§ 81.944 *Blueprint paper coating industry.* The blueprint paper coating industry includes the manufacture or supply of blueprint, brownprint, blackprint, blackline, and other similarly sensitized papers and cloths.

Date effective: October 11, 1940.

Wage: The prevailing minimum wage determination for the photographic supplies industry, set forth in § 81.943, has been extended to include the blueprint paper coating industry.

§ 81.945 *Soap Industry.* Soap in bars, cakes, chips, and flakes, and in granulated, powdered, paste, and liquid forms, and glycerine; cleaners containing soap, scouring powders, and shaving soaps, and creams containing soap, and washing compounds containing soap.

Date effective: August 14, 1939.

Wage: 40 cents an hour or $16.00 per week of 40 hours, arrived at either upon a time or piece work basis.

§ 81.946 *Fertilizer industry.* Superphosphates, concentrated superphosphates, and concentrated fertilizer from superphosphates, potash, and ammoniates.

Date effective: September 12, 1939.

Wage: The amount indicated for each of the following groups of States, whether arrived at upon a time or piece work basis:

For the States of Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New York, New Jersey, Pennsylvania, Delaware (except Kent and Sussex Counties), Maryland (except the Eastern Shore consisting of Cecil, Kent, Queen Annes, Talbot, Caroline, Dorchester, Wicomico, Worcester, and Somerset Counties), West Virginia, Ohio, Indiana, Michigan, Wisconsin, Illinois, Missouri, Iowa, Minnesota, North Dakota, South Dakota, Nebraska, Kansas, and the District of Columbia, 40 cents an hour or $16.00 per week of 40 hours.

For the States of New Mexico, Colorado, Wyoming, Montana, Idaho, Utah, Arizona, Nevada, California, Oregon, and Washington, 50 cents an hour or $20.00 per week of 40 hours.

For Kent and Sussex Counties of Delaware, the Eastern Shore of Maryland (including Cecil, Kent, Queen Annes, Talbot, Caroline, Dorchester, Wicomico, Worcester, and Somerset Counties), Virginia, Tennessee, and Kentucky, 30 cents an hour or $12.00 per week of 40 hours.

For the States of North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Arkansas, Oklahoma, and Texas, effective April 19, 1940, 30 cents an hour or $12.00 per week of 40 hours.

§ 81.947 *"Specialty accounting" supply manufacturing industry.* The commodities covered by this determination are as follows:

(a) Autographic and/or credit registers and/or supplies thereof, such as are used in making handwritten records of various transactions.

(1) Autographic registers may be further described as a machine or device for storing, alining, registering, and issuing copies of handwritten records.

(i) The accounting forms are usually folded in zigzag style, although some roll stationery is used. Such accounting forms are usually printed with the name and business of the user, but stock printed forms and plain stationery may be used. One or multiple copies of stationery may be used. Some roll and folder stationery is provided with edge perforations which engage pin sprockets for registration of forms.

(ii) The one or several carbon copies required may be arranged on rolls at right angles to rolls of stationery or such carbon sets may be interleaved with the forms and may cover the entire area or only a part of such forms.

(iii) Registers may be equipped to retain one or more copies of the transaction in a lock compartment and to issue the remaining copies. Registers may be supplied with a cash drawer, which is opened only by an operation which delivers a serially numbered form into a locket compartment.

(2) Credit registers may be further described as a cabinet or device for retaining in orderly arrangement sales tickets representing charge and other transactions.

(i) Such credit registers usually contain a set of vertical-hinged leaves, each leaf containing several numbered springs, the numbers corresponding with customers' names written on an index.

(ii) Such registers usually contain a storage and cash drawer and are sometimes supplied in combination with adding machines.

(b) Continuous form stationery, which is described as multiple sets of "business forms" with or without carbons, attached and/or folded, for use in billing machines, typewriters, and other office equipment. For example, continuous form stationery may be rolled or "fan folded" and may provide any number of copies up to the limit which will take a carbon impression. This type of stationery is usually printed according to specifications. They may be coated with carbon on the back or interleaved with carbon sheets.

(c) Sales and manifold books, which are described as bound books of multiple sets of forms for making original, handwritten records of sales and/or other transactions. For example, sales books are bound books of sales checks or tickets arranged in sets, usually either carbon coated on the back or arranged to fold or lay one or more carbon sheets between each two copies of a set. Translucent sheets are occasionally combined with carbon paper coated on both sides to reduce the number of carbon sheets. Covers may be arranged to fold in for the purpose of providing a better writing surface and may be ruled for tabulating sales, Sales books may or may not be printed.

Date effective: November 1, 1939.

Wage: 40 cents per hour or $16.00 per week of 40 hours, arrived at either upon a time or piece work basis, *Provided,* That apprentices may be employed at lower rates if their employment conforms with the standards of the Federal Committee on Apprenticeship.

§ 81.948 *Explosives and related products industry*—(a) *Blasting and detonating caps.*

Date effective: October 10, 1939.

Wage: 47.5 cents per hour or $19.00 per week of 40 hours, arrived at either upon a time or piece rate basis. Apprentices may be employed at lower rates than herein determined, provided their employment conforms to the standards of the Federal Committee on Apprenticeship.

(b) *Powder and other explosives.* Dynamite; nitroglycerine; black blasting powder; pellet and fuse powder; smokeless gun powder; permissible explosives (those approved by the United States Bureau of Mines for use in mines where dust and gas explosions are likely to occur).

List of permissible explosives as of June 30, 1941, according to Bureau of Mines Report of Investigations 3583, has been published. Where necessary, copies should be obtained by purchasing officers from the chief of the supply service concerned.

Date effective: October 19, 1939.

Wage: 57.5 cents an hour or $23.00 per week of 40 hours, arrived at either upon a time or piece rate basis. Apprentices may be employed at lower rates than herein determined, provided their employment conforms to the standards of the Federal Committee on Apprenticeship.

(c) *Small arms ammunition.*—Ammunition and parts thereof for small arms and such related products as saluting primers and cartridges for cartridge type aircraft engine starters.

Date effective: Determined to be October 19, 1939.

Wage: 42.5 cents an hour or $17.00 per week of 40 hours, arrived at either upon a time or piece rate basis. Apprentices may be employed at lower rates than herein determined, provided their employment conforms to the standards of the Federal Committee on Apprenticeship.

§ 81.949 *Paper and pulp industry.* Pulp and other fiber and the primary conversion of pulp and other fiber into paper and paperboard, and in addition, the manufacture and conversion of primary paper into toilet paper and paper towels, coated book paper, and paper shipping sacks.

Date effective: Determined to be October 15, 1939.

Wage: For the States of Virginia, North Carolina, South Carolina, Georgia, Alabama, Tennessee, Kentucky, Mississippi, Louisiana, Arkansas, Oklahoma, Florida, and Texas, 35 cents an hour or $14.00 per week of 40 hours, arrived at either upon a time or piece work basis.

For the States of Maine, New Hampshire, Vermont, Massachusetts, Connecticut, Rhode Island, New York, New Jersey, Pennsylvania, Delaware, Maryland, West Virginia, Ohio, Indiana, Michigan, Wisconsin, Illinois, Missouri, Iowa, Minnesota, North Dakota, South Dakota, Nebraska, Kansas, New Mexico, Colorado, Wyoming, Montana, Idaho, Utah, Arizona, Nevada, and the District of Columbia, 39 cents an hour or $15.60 per week of 40 hours, arrived at either upon a time or piece work basis.

For the States of Washington, Oregon, and California, 50 cents an hour or $20.00 per week of 40 hours, arrived at either upon a time or piece work basis.

The following explanation of this determination has been received from the Public Contracts Division, Department of Labor:

Except for those products listed in the determination as manufactured or converted from primary paper, this determination is limited in application to paper and paperboard manufactured from pulp and other fiber, and to pulp and other fiber of the character used in manufacturing paper and paperboard. The majority of paper and paperboard items purchased by the Government that are subject to this wage determination are classified and listed as follows:

(a) *Book paper, writing paper, and cover paper.* (1) Book paper includes antique-finish, book end, coated book, half-tone, lithograph, machine-finished sized and supercalendered, and offset papers.

(2) Cover paper includes laid cover and machine-finish cover papers.

(3) Writing paper includes bond, duplicate check copies, index, internal revenue, ledger, manifold (including glazed), map, mimeograph, parchment deed, vellum finish, and postage stamp papers.

(b) *Building paper.* Felts and sheathing paper.

(c) *Ground-wood printing and specialty paper.* Blueprint paper (unsensitized), distinctive papers (public debt, securities, etc.), safety papers (safety device incorporated in manufacture of paper), and tracing paper.

(d) *Newsprint paper.* Facing slips and newsprint paper.

(e) *Paperboards.* Black-lining, binder's board or tarboard, bristol board, chipboard, lined boards (box, chip, marble-grained), newsboard, pressboard, red sulphite, tag board, manila cardboard, and strawboard.

(f) *Tissue and absorbent paper.* (1) Absorbent paper includes blotting, filter, and matrix paper and board.

(2) Tissue paper includes lens tissue, paper towels, and toilet paper.

(g) *Wrapping paper.* (1) Kraft wrapping paper.

(2) Manila paper includes target paper and uncut label paper.

(3) Plate and roll wiping paper.

§ 81.950 *Cement industry.* Portland cements, including modified portland cement, such as portland masonry cement and portland puzzolan cement.

Date effective: March 2, 1940.

Wage: Within the States of Pennsylvania, New York, New Jersey, Maryland, West Virginia, Ohio, Delaware, Massachusetts, Connecticut, Rhode Island, Vermont, New Hampshire, and the District of Columbia, 57 cents an hour or $22.80 per week of 40 hours.

Within the States of Maine, Michigan, Indiana, Kentucky, South Dakota, North Dakota, Nebraska, and Kansas, 50 cents an hour or $20.00 per week of 40 hours.

Within the State of Illinois, 63½ cents an hour or $25.40 per week of 40 hours.

Within the States of Wisconsin, Minnesota, Iowa, Missouri, Colorado, Wyoming, Utah, Montana, Idaho, Oregon, Nevada, Arizona, and New Mexico, 55 cents an hour or $22.00 per week of 40 hours.

Within the State of Washington, 70 cents an hour or $28.00 per week of 40 hours.

Within the State of California, 62½ cents an hour or $25.00 per week of 40 hours.

Within the States of Oklahoma and Texas, 47 cents an hour or $18.80 per week of 40 hours.

Within the States of Arkansas, Louisiana, Alabama, Tennessee, Virginia, Georgia, Florida, Mississippi, North Carolina, and South Carolina, 40 cents an hour or $16.00 per week of 40 hours.

§ 81.951 *Structural clay products industry.* Common brick, face brick (including glazed and enameled brick), salt glazed brick, manhole brick, structural clay tile (including glazed tile), unglazed face tile, paving brick, and clay or shale granules.

Date effective: October 27, 1941.

Wage: Arrived at either upon a time or piece work basis:

In the States of Maryland, Virginia, Kentucky, Tennessee, North Carolina, South Carolina, Georgia, Alabama, Mississippi, Florida, Louisiana, Arkansas, Oklahoma, Texas, New Mexico, and the District of Columbia, 34 cents an hour or $13.60 per week of 40 hours.

For the remaining States of the United States, 40 cents an hour or $16.00 per week of 40 hours.

§ 81.952 *Uniform and clothing industry*—(a) *Suit and coat branch.* The suit and coat branch of the uniform and clothing industry is defined to be that industry which manufactures men's civilian suits and overcoats, tailored-to-measure uniforms including the pants, uniform overcoats, and uniform coats. Expressly excluded from this definition are shirts, single pants regardless of material, outdoor jackets, leather and sheep-lined jackets, work clothing, and washable service apparel.

Date effective: February 25, 1941.

Wage: 60 cents an hour or $24.00 per week of 40 hours, arrived at either upon a time or piece work basis, with a 20 percent tolerance for auxiliary workers, provided they be paid not less than 40 cents an hour or $16.00 per week of 40 hours.

(b) *Outdoor jackets branch.* The outdoor jackets branch of the uniform and clothing industry is defined to be that industry which manufactures wool and wool-lined jackets whether or not such jackets are properly described as mackinaws, field jackets, windbreakers, lumber jackets, peajackets, wool jumpers, or middies, blanket-lined or similar coats, or by any other similar designation.

Date effective: February 25, 1941.

Wage: 40 cents an hour or $16.00 per week of 40 hours, arrived at either upon a time or piece work basis.

(c) *Wool trousers branch.* The wool trousers branch of the uniform and clothing industry is defined to be that industry which manufactures wool or part wool uniform trousers or breeches, except tailored-to-measure trousers.

Date effective: February 25, 1941.

Wage: 40 cents an hour or $16.00 per week of 40 hours, arrived at either upon a time or piece work basis.

§ 81.953 *Die casting manufacturing industry.* The die casting manufacturing industry is defined to be that industry which manufactures die castings for sale and does not include the manufacture of die castings when incorporated into another product by the manufacture of such other products. The term "die casting" as used herein describes a casting made by forcing molten metal under pressure into a metallic mold or die.

Date effective: April 5, 1941.

Wage: 50 cents an hour or $20.00 per week of 40 hours, arrived at either upon a time or piece work basis. Apprentices may be employed at lower rates of pay if their employment conforms to the standards of the Federal Committee on Apprenticeship. Learners may be employed at the rate of 40 cents an hour or $16.00 per week of forty hours for a period of not to exceed 60 days if the total number of employees classified as such does not exceed 5 per cent of the total number of employees in any one establishment.

§ 81.954 *Dental goods and equipment manufacturing industry*—(a) *Durable goods.* Hand instruments, including forceps and pliers, broaches and cutting instruments, for dental use.

Dental chairs.
Dental cabinets.
Equipment units.
Dental sterilizers.
Dental gas apparatus.
Dental X-ray equipment.
Dental compressors, engines, and lathes.
Dental lights.
Dental laboratory equipment, other than laboratory furniture.

Date effective: September 23, 1941.

Wage: 40 cents an hour or $16.00 per week of 40 hours, arrived at either upon a time or piece work basis. Apprentices may be employed at lower rates of pay if their employment conforms to the standards of the Federal Committee on Apprenticeship. Learners may be employed at the rate of 35 cents an hour or $14.00 per week of 40 hours for a period of not to exceed 60 days, if the total number of employees so classified does not exceed 10 per cent of the total number of employees in any one establishment in any given pay roll or work week.

(b) *Consumable goods.*

Dental gold.
Dental alloy for amalgams.
Dental cement and filling materials.
Teeth, porcelain and gold.
Orthodontic appliances.
Waxes, compounds, and investments.
Rubber dental materials.
Denture materials other than rubber.
Burs, drills, and similar tools for use with handpieces.
Abrasive points, wheels, and disks.

Date effective: September 23, 1941.

Wage: 35 cents an hour or $14.00 per week of 40 hours, arrived at either upon a time or piece work basis.

§ 81.955 *Scientific industrial and laboratory instruments industry.* Instruments and apparatus of the types used in navigation; surveying, engineering; drafting; target detection; fire control; meteorology; laboratories for physical, chemical, clinical, biological, bacteriological, geological, physiological, and psychological teaching, demonstration, research, and testing.

Instruments and apparatus for indicating, measuring, recording, or controlling the following:

Quantity	Position
Quality	Altitude
Temperature	Level
Combustion	Atitude
Pressure	Angle
Flow	Direction
Density	Distance
Intensity	Speed
Humidity	Acceleration
Conductivity	

Electrically-actuated instruments used to measure physical quantities; and optical glass; *but not including:*

Instruments and apparatus for measuring or controlling flow or consumption of water, gas, or gasoline, used in the services rendered by public utilities and service stations in indicating consumer consumption; instruments and apparatus used on automobiles; clocks and watches; and machinists' gages.

Date effective: September 23, 1941.

Wage: 40 cents an hour or $16.00 per week of 40 hours, arrived at either upon a time or piece work basis.

Apprentices may be employed at lower rates of pay if their employment conforms to the standards of the Federal Committee on Apprenticeship. Learners may be employed at the rate of 35 cents an hour or $14.00 per week of 40 hours for a period of not to exceed 60 days, if the total number of employees so classified does not exceed 10 per cent of the total number of employees in any one establishment in any given payroll or work week.

NOTE: The Department of Labor has issued the following interpretation of the term "optical glass" as used in the above determination:

Optical glass is a generic term applying to that type of glass which after grinding and polishing assumes definite refractive qualities and is intended to include finished products as well as blanks.

By this token, ophthalmic glass and its products, including eye glass lenses, as well as wholly or partially ground and polished lenses for any purpose other than photographic, are covered by the determination.

§ 81.956 *Surgical instruments and apparatus industry.* Instruments and apparatus used in, or in connection with, or in the aid of the practice of medicine and as particularly applied to surgery, such as surgical and diagnostic instruments and apparatus for medical and surgical treatment, including sutures, ligatures, and sterilizers for surgical purposes; but not including:

Electrosurgical instruments and apparatus in which electricity is the diagnostic, therapeutic, or functioning element, such as X-ray, fluoroscope, and high frequency apparatus and equipment, ultraviolet and infra-red ray and other therapeutic and heating lamps, apparatus, and equipment, orthopedic appliances, such as trusses, braces, supports, splints, artificial limbs, and elastic belts and stockings; and surgical dressings.

Date effective: September 23, 1941.

Wage: 40 cents an hour or $16.00 per week of 40 hours, arrived at upon a time or piece work basis.

Apprentices may be employed at lower rates of pay if their employment conforms to the standards of the Federal Committee on Apprenticeship. Learners may be employed at the rate of 35 cents an hour or $14.00 per week of 40 hours for a period of not to exceed 60 days, if the total number of employees so classified does not exceed 10 per cent of the total number of employees in any one establishment in any given pay roll or work week.

§ 81.957 *Evaporated milk industry.* Evaporated milk.

Date effective: November 3, 1941.

Wage: Arrived at either upon a time or piece work basis:

In the States of Washington, Oregon, and California, 50 cents per hour or $20.00 per week of 40 hours.

In the States of Idaho, Montana, Nevada, Utah, Arizona, New Mexico, Colorado, Wyoming, North and South Dakota, Nebraska, Minnesota, Iowa, Wisconsin, Michigan, and Ohio, 40 cents per hour or $16.00 per week of 40 hours.

In the remaining States of the United States and the District of Columbia, 32.5 cents per hour or $13.00 per week of 40 hours.

§ 81.958 *Paint and varnish industry.* Pigments or colors, either in dry or paste form; paints mixed ready for use or in dry or paste form; varnishes, lacquers, enamels; fillers, putty, top dressings; paint and varnish removers; furniture and floor wax; and lacquer thinners.

Date effective: November 6, 1941.

Wage: Arrived at either upon a time or piece work basis: For the States of Virginia, North Carolina, South Carolina, Tennessee, Georgia, Florida, Alabama, Mississippi, Louisiana, and Arkansas, 40 cents an hour or $16.00 per week of 40 hours.

For all other States of the United States and the District of Columbia, 50 cents an hour or $20.00 per week of 40 hours.

§ 81.959 *Leather manufacturing industry.* The leather manufacturing industry is defined to be that industry which tans, curries, and finishes leather (including rawhide) from any type of hide or skin, and manufactures welting and power transmission belting when made wholly or principally of leather.

(a) Tanning, currying, and finishing of leather (including rawhide).

Date effective: December 17, 1941.

Wage: Arrived at either upon a time or piece rate basis.

In the States of Maine, Vermont, New Hampshire, New York, Massachusetts, Rhode Island, Connecticut, New Jersey, Maryland, Pennsylvania, Delaware, Ohio, Indiana, Michigan, Wisconsin, Illinois, Missouri, Iowa, Minnesota, North Dakota, South Dakota, Nebraska, Kansas, New Mexico, Colorado, Wyoming, Mon-

tana, Idaho, Utah, Arizona, Nevada, California, Oregon, Washington, and the District of Columbia, 50 cents an hour or $20.00 per week of 40 hours.

In the States of West Virginia, Virginia, Kentucky, Tennessee, North Carolina, South Carolina, Georgia, Alabama, Mississippi, Florida, Arkansas, Louisiana, Oklahoma, and Texas, 40 cents an hour or $16.00 per week of 40 hours.

(b) *Welting and power transmission belting.*

Date effective: December 17, 1941.

Wage: Arrived at either upon a time or piece rate basis. 40 cents an hour or $16.00 per week of 40 hours, regardless of where manufactured.

§ 81.960 *Textile industry.* The term textile industry means:

(a) The manufacturing or processing of yarn or thread and all processes preparatory thereto, and the manufacturing, bleaching, dyeing, printing and other finishing of woven fabrics (other than carpets and rugs containing any wool) from cotton, flax, jute, other vegetable fiber, silk, grass, or any synthetic fiber, or from mixtures of these fibers; or from such mixtures of these fibers with wool or animal fiber (other than silk) as are specified in paragraphs (g) and (h) of this section; except the chemical manufacturing of synthetic fiber and such related processing of yarn as is conducted in establishments manufacturing synthetic fiber;

(b) The manufacturing of batting, wadding, or filling and the processing of waste from the fibers enumerated in paragraph (a) of this section;

(c) The manufacturing, bleaching, dyeing, or other finishing of pile fabrics or cords (except carpets and rugs containing any wool) from any fiber or yarn;

(d) The processing of any textile fabric, included in this definition of this industry, into any of the following products: bags; bandages and surgical gauze; bath mats and related articles; bedspreads; blankets; diapers; dishcloths; scrubbing cloths and wash-cloths; sheets and pillow cases; tablecloths, lunchcloths and napkins; towels; window curtains; shoe laces and similar laces;

(e) The manufacturing or finishing of braid, net or lace from any fiber or yarn;

(f) The manufacturing of cordage, rope or twine from any fiber or yarn including the manufacturing of paper yarn and twine;

(g) The manufacturing, or processing of yarn (except carpet yarn containing any carpet wool) or thread by systems other than the woolen system from mixtures of wool or animal fiber (other than silk) with any of the fibers designated in paragraph (a), containing not more than 45 per cent by weight of wool or animal fiber (other than silk);

(h) The manufacturing, bleaching, dyeing, printing or other finishing of woven fabrics (other than carpets and rugs) from mixtures of wool or animal fiber (other than silk) containing not more than 25 per cent by weight of wool or animal fiber (other than silk), with any of the fibers designated in paragraph (a) of this section, with a margin of tolerance of 2 per cent to meet the exigencies of manufacture;

(i) The manufacturing, dyeing, finishing or processing or rugs or carpets from grass, paper, or from any yarn or fiber except yarn containing any wool but not including the manufacturing by hand of such products.

Date effective: June 24, 1942.

Wage: 40 cents an hour or $16.00 for a week of 40 hours, arrived at on a time or piece work basis.

Learners, handicapped workers, and apprentices may be employed, and deductions from the wages of employees may be made in accordance with the present regulations under the Fair Labor Standards Act of 1938, which were adopted for the purpose of this wage determination.

This determination shall not be interpreted as abrogating any obligation that may have occurred under the previous determination for the industry or under the previous wage determination for the manufacture of bobbinets which is covered by the present definition of the Textile Industry.

§ 81.961 *Chemical and related products industry.* The chemical and related products industry is defined to be that industry which manufactures:

(a) (1) Heavy, industrial, and fine chemicals, including among others, compressed and liquefied gases, and insecticides and fungicides, and

(2) The byproducts of the foregoing; and

(b) The manufacture of such commodities as bluing; bone black, carbon black, and lampblack; cleaning and polishing preparations (except paint and varnish remover, furniture and floor wax and polish, and soap); mucilage, paste and other adhesives.

Omitted from the scope of the definition of this industry are ammunition; drugs and medicines; explosives; fertilizer; fireworks; paints, pigment, varnishes, and lacquers; and soap, which are covered in other paragraphs of this section. See § 81.918 (d).)

Date effective: April 28, 1942.

Wage: Arrived at either upon a time or piece work basis.

(1) 40 cents an hour or $16.00 per week of 40 hours, for the States of Maryland, Virginia, North Carolina, South Carolina, Tennessee, Arkansas, Mississippi, Alabama, Georgia, Florida, and the District of Columbia; and

(2) 50 cents an hour or $20.00 per week of 40 hours for the remaining States of the United States.

NOTE: The following elaboration of the intended scope of the above determination has been furnished by the Department of Labor:

The heavy, industrial, and fine chemicals referred to in the determination are those classified by the 1939 Census of Manufacturers in the following industries:

Census Industry Number:	*Census industry title*
933	Insecticides, fungicides and related industrial and household chemical compounds;
931	Coal-tar products, crude and intermediates;
932	Plastic materials;
935	Compressed and liquefied gases;
939	Chemicals not elsewhere classified.

The definition does not extend to the utilization of chemicals in other industries, nor does it apply to the following products which are grouped with Chemicals by various industrial classification codes:

Animal and vegetable oils;
Candles;
Glue and gelatin;
Grease and tallow;
Ink;
Rayon and allied products;
Salt;
Tanning extracts and natural dyestuffs;
Wood distillation products, charcoal and naval stores.

PLANT FACILITIES EXPANSIONS

POLICY

§ 81.1001 *General policy in regard to new facilities.* The conservation of critical material and the fullest possible utilization of existing facilities, whether structures, machinery, or equipment, requires that preference in placing contracts should be given first to contractors who have existing buildings or machinery available, and, second, to contractors who need to acquire the least amount of additional facilities for performance of the contract. Where it has been determined that new facilities are essential, preference should be given to contractors who will themselves finance such facilities. So far as practicable, direct payment or direct reimbursement by the Government for the cost of new facilities should be confined to facilities which themselves form a separate unit (on land covered by the facilities contract or controlled by a long-term lease) or which are readily removable or separable from the contractor's existing plant without unreasonable expense or loss of value. Thus, so far as practicable, buildings should not be erected at the Government's expense on land owned by the contractor unless the Government is given an option to lease on an appropriate basis for a substantial term (e. g. ten years) after the emergency, or an option to buy land at a reasonable price, now or later determined by negotiation.

In connection with new construction projects, the following measures will be observed in order to conserve critical materials:

(a) The site will be selected with a view to minimizing the requirements for additional utilities, transportation, and housing facilities. An effort will also be made to avoid the necessity of multiple-storied structures.

(b) Whenever possible, structures should be of a temporary nature and should be of the simplest construction consistent with the proposed use of the structure and the applicable building codes.

(c) Air conditioning will be employed in only those structures or portions of structures where the manufacturing process makes such use essential. Air conditioning will not be employed for the comfort or for increasing the efficiency of personnel.

(d) Construction of new facilities will, insofar as possible, be of materials the use of which is not prohibited by applicable orders of the Army-Navy Munitions Board or the War Production Board.

(e) Compliance with Procurement Regulation No. 10. Unless otherwise specifically provided, compliance with any provision of Procurement Regulation No. 10 §§ 81.1001 to 81.1017, inclusive, or of any amendment thereto which requires a change in contract procedure or in any contract provision shall not be mandatory until thirty days after the issuance of such regulation or amendment.

§ 81.1002 *Rental or allowance for the use of Government-financed facilities.* In cases where competition in a price sense will or may exist between the contractor receiving Government-financed facilities and other manufacturers (not using comparable Government facilities on a no-rental basis), appropriate steps will be taken to equalize insofar as possible the competitive situation. To this end, a reasonable rental not less than normal depreciation during the period of use will ordinarily be charged in such cases. Where there is direct Government construction or installation of Government-owned machinery or equipment (not including construction or installation under a defense plant corporation lease), in lieu of the rental charge, cognizance may be taken of the difference in the ownership or rental status of the facilities, as between the several manufacturers, and this factor taken into account in placing the contract.

Where Government-financed facilities are employed for the performance of contracts other than those directly with the Government, a rental will usually be charged for the facilities so employed. However, where the facilities are furnished as a part of an integrated production program under which a reduction commensurate with the facilities furnished is obtained in the cost of the supplies to the Government, and the furnishing of the facilities without rental does not create an unfair competitive advantage, the rental charge need not be made. Rental may also be waived with respect to production for a foreign Government for cause deemed adequate by the chief of the supply service.

§ 81.1003 *Reconversion and storage costs.* Where, pursuant to the policy stated in § 81.1001, the Government undertakes to finance the conversion of plants to war production (including required new machinery, equipment, and building installations), the cost of such conversion may include the cost of removing existing commercial machinery, equipment, and installations, and the cost of incidental building rehabilitation and alteration. In such cases, provision may be made for payment, on termination of production for the Government, of the costs of removal of Government-financed machinery and equipment, including preparation for shipment and storage. No provision may be made, however, for the Government's bearing, either directly or indirectly, any part of the cost of reconverting the contractor's plant to commercial production (including reinstallation of privately owned machinery and equipment), nor will the Government bear the cost of storing such machinery and equipment during the period between conversion and reconversion. This policy is equally applicable to all types of contracts, whether facilities contracts, cost-plus-a-fixed-fee contracts, or fixed-price contracts.

§ 81.1004 *Tax amortization.* Under the provisions of section 124 of the Internal Revenue Code, the cost of facilities which are acquired by corporations may be amortized over a period of sixty months (or, under certain circumstances, a shorter period) for the purpose of computing taxable income. The amortization provisions do not apply when the facilities expansion is financed under a plan of the type described in Plans III, IV, or V, in § 81.1006 (c) (d) (e). In order to secure the benefits of such amortization, the corporation must obtain from the War Department or the Navy Department a Necessity Certificate which certifies to the Commissioner of Internal Revenue that the facilities therein described are necessary in the interest of National Defense. The duties of the Services of Supply with respect to processing applications for such certificates are set forth in §§ 81.1014 to 81.1017.

METHODS FOR PROVIDING NEW FACILITIES AND PROTECTION OF THE GOVERNMENT'S INTEREST IN GOVERNMENT FINANCED FACILITIES

§ 81.1005 *Protection of the Government's interest.* The duty of protecting the Government's interest in facilities for which the Government has paid in whole or in part rests upon the contracting officer. Where the new facilities are paid for by the contractor, and the cost thereof is not to be borne by the Government directly or indirectly, there is no problem of protecting the interest of the Government in the facilities. (See Plan I, § 81.1006 (a).) Where the new facilities are to be financed by the Government, protection of the Government's interest therein will ordinarily be accomplished by the use of Plan II, III, IV, or V, as outlined in § 81.1006 (b) (c) (d) or (e). In exceptional cases, such protection may be accomplished by the use of Special Facilities Contracts or Lease Agreements or through the use of the procedure outlined in § 81.1007.

§ 81.1006 *Methods for providing new facilities.* The following methods are typical of those which may be used for providing new facilities:

(a) *Plan I: Private ownership, with no Government interest*—(1) *Purpose.* For cases in which the contractor is not to be paid by the Government directly or indirectly for the cost of the facilities except to the extent of normal depreciation included in the price of articles sold to the Government.

(2) *Financing.* Financed by the contractor.

(3) *Title.* Vested in the contractor.

(b) *Plan II: Private ownership, with Government interest; emergency plant facilities contract*—(1) *Purpose.* For cases in which the contractor is to be reimbursed by the Government and desires to retain a future interest in the facilities.

(2) *Financing.* By the contractor until repaid by the Government.

(3) *Title.* Vested in the contractor with option to purchase such interest as the Government may have acquired by having repaid the contractor partially or wholly for facilities.

(c) *Plan III: Government ownership; War Department construction contract*—(1) *Purpose.* For cases in which the contractor is constructing facilities for the Government and at Government expense.

(2) *Financing.* By the Government.

(3) *Title.* Vested in the Government. When the facilities will constitute an addition to or an extension of an existing plant of the contractor, the contractor may be given an option to purchase the facilities.

(d) *Plan IV: Government ownership; Defense Plant Corporation lease*—(1) *Purpose.* For cases in which the Defense Plant Corporation pays for the facilities.

(2) *Financing.* Defense Plant Corporation, upon recommendation by the War Department, enters into an Agreement of Lease with the Contractor which, as agent for and in the name of Defense Plant Corporation, constructs the buildings and purchases the machinery and then leases the facilities from Defense Plant Corporation at an agreed rental. In most cases where the rental agreed upon is insufficient to reimburse Defense Plant Corporation in full over the term of the lease, part of the financing is borne by the War Department under an agreement with Defense Plant Corporation.

(3) *Title.* Vested in Defense Plant Corporation, with option in contractor to buy at the end of the lease.

(e) *Plan V: Government ownership; Supply contract*—(1) *Purpose.* For cases in which the contractor will acquire facilities (other than real estate and buildings) for the amount of and to be paid for by the Government; facilities to be used by contractor to manufacture supplies under War Depart-

ment Supply Contract; contractor to pay cost of maintenance and replacement during life of contract. This type of Governmental financing is provided for by the article entitled "Government-Owned Facilities," (§ 81.332)

(2) *Financing,* Government funds.

(3) *Title.* Vested in the Government, with option in contractor, in certain cases, to buy at cost less depreciation.

§ 81.1007 *Other methods of protecting the Government's interest in Government-financed facilities.* Where, because of special circumstances (such as the inseparability of the new facilities from existing privately owned facilities), the adoption of none of the methods set forth in § 81.1006 is practicable and the Government bears, as a part of the contract price, all or a portion of the cost of the facilities to the contractor, the Contracting Officer will include in the contract which provides for such payment by the Government for the facilities suitable provisions for the protection of the Government's interest in the facilities and will state in the contract the amount of such payment. Ordinarily, in such cases the provisions hereinafter set forth should all be included. However, in exceptional circumstances one or more of such provisions, with the approval of the Chief of the Purchases Branch, Procurement and Distribution Division, Services of Supply, may be omitted from the contract with or without substitution of modified provisions directed to the same end:

(a) Requirement that the contractor maintain the facilities, or an appropriate portion thereof, in good condition at its own expense for a period provided for in the contract extending beyond the period of existing supply contract, unless upon request the contracting officer releases it from such obligation;

(b) Requirement that the contractor retain title to the facilities, or an appropriate portion thereof, during said period free of encumbrances not consented to in writing by the contracting officer;

(c) Requirement that the contractor makes no material alteration in the nature of the facilities, or an appropriate portion thereof, without the written consent of the contracting officer;

(d) Requirement that the contractor give priority to Government orders during said period;

(e) Requirement that the contractor shall not include in any price in any supply contract with the Government any sum for depreciation or amortization of the facilities, or an appropriate portion thereof, during said period;

(f) Provision that the contractor may at any time be released from the above requirements upon payment to the Government of a sum agreed upon between the contractor and the contracting officer as constituting fair and just return to the Government for its payment for the facilities.

Where reference is made in the above to "an appropriate portion" of the facilities, that portion for which payment is made by the Government is intended.

PROCEDURE FOR OBTAINING CLEARANCE AND APPROVAL OF FACILITIES EXPANSIONS

§ 81.1008 *Preliminary clearance.* (a) The Chief of the supply service concerned will report to the Deputy Chief of Staff for Resources and Requirements, headquarters, Services of Supply, every proposed facilities expansion involving either:

(1) New construction, regardless of amount,

(2) The addition of machinery or equipment where expediting production funds are required, or

(3) The addition, under a supply contract, of machinery or equipment the estimated cost of which exceeds twenty per cent of the total amount of the contract and $25,000.

(b) Such report should be made when the facility is first conceived, and should contain the following information:

Name of the company.
Nature and location of the proposed project.
Nature of the product concerned in this expansion.
Estimated increase in productive capacity expected to result from the proposed expansion.
Estimated cost of the expansion:
  Construction, including land and improvements.
  Machinery and equipment.
  Total.
Estimated labor requirements for operation:
  Men.
  Women.
Estimated additional demand for power stated in kilowatts, and estimated additional requirements for natural gas.
A brief statement demonstrating that the proposal is essential to meet the needs for equipment or material under the latest "Requirements for Army Supply Program," and that existing facilities or structures are not available for the required purpose.

§ 81.1009 *Plant Site Board clearance.* Every proposed facilities expansion in excess of $1,000,000 must be approved by the Plant Site Board of the War Production Board. In order to obtain the clearance of the Plant Site Board, it will be necessary to submit substantially the same information as that required under § 81.1008. Where the chief of the supply service concerned deems it desirable in the interests of expedition, the information may be furnished and the clearance obtained by telephone.

§ 81.1010 *Final approval and release of expediting funds.* Applications for final approval of proposed facilities expansions of the types set forth in § 81.1008, and for the release of expediting funds, where such funds are required, will be submitted to the Deputy Chief of Staff for Resources and Requirements, Headquarters, Services of Supply (or in the case of the Air Corps, such applications will be submitted to the Under Secretary of War). Such applications will supply the following information:

The name of the project.
The nature and location of the project.
The nature of the product.
The estimated maximum capacity of the proposed facility.
The name of the proposed operator.
The estimated cost of the project.
The amount of "expediting production" funds requested.
The proposed manner of financing the balance of the cost.
A statement substantially as follows: "This project was formally cleared by the Plant Site Board of the War Production Board on _____ (date)."
Estimated date production operations to commence.
Map in duplicate showing location.
Floor space to be provided (where appropriate).
Estimated costs:

Land	acres	$_____
Construction		$_____
Machinery and equipment		$_____
Government overhead and other		$_____
Total		$_____

Estimated labor requirements for operation (include estimated percentage of female labor.)

Supervisory and administrative salary range	_____	_____
Skilled, salary range	_____	_____
Semiskilled, salary range	_____	_____
Unskilled, salary range	_____	_____
Total	_____	_____

Statement as to local availability of labor for proposed plant.

Power:
  Expected maximum demand in kilowatts. _____
  Is adequate power available locally? _____
  What is proposed source of power supply? _____
Transportation:
  Estimated transportation requirements _____
  Are there adequate main line rail facilities? _____
  Are there adequate improved highway facilities to the site? _____
Water:
  Expected water requirements in gallons per day. _____
  Is there an adequate supply of water available? What is proposed source of supply? _____
Fuel: Is there an adequate supply of fuel? _____
Sewage disposal requirements and method of handling proposed.

(21) Housing: Will additional housing for operating personnel be required? If so, state approximate number of units _____
Has the proposed site been favorably reported on from an engineering standpoint by the Department charged with responsibility for construction? _____
Alternate locations: Have alternate sites been reconnoitered? What are the reasons which caused the recommended site to be selected? _____
A statement by the chief of the supply service that he has made a thorough investigation and has determined that the facilities proposed are essential to meet the needs for equipment and material set forth by the latest "Requirements for Army Supply Program", that there are no existing manufacturing facilities available or susceptible of conversion for the purpose, and that there are no existing structures which can be made available for the purpose by purchase or lease.

Where it is deemed essential in the interest of expedition to file the application before the complete information required above is available, the information required by items (10) through (24) may be

supplied in a second letter following the original application.

§ 81.1011 *Contract clearance.* All proposals for facilities expansions and amendments thereto in excess of $5,000,000 under Defense Plant Corporation Lease Agreements and all proposed contract awards in excess of $5,000,000 involving any type of Government financing of facilities expansions or installations will be submitted to the Chief, Purchases Branch, Procurement and Distribution Division, Headquarters, Services of Supply.

§ 81.1012 *Obtaining the letter of commitment in connection with Defense Plant Corporation Lease Agreements.* Where the proposed expansion is to be financed through a Defense Plant Corporation Lease Agreement, the letter of commitment from the War Department to the Defense Plant Corporation will be submitted to the Under Secretary of War. Such submission will be through the Special Legal and Liaison Division, Office of the Under Secretary of War, and will be accompanied by a brief statement of the nature, location, estimated cost, and productive capacity of the project, together with a statement that the project is essential and that the estimated cost thereof is believed reasonable.

§ 81.1013 *Approval of contracts required in special cases.* All Emergency Plant Facilities contracts, all Special Facilities contracts and Special Lease Agreements, and all contracts required to be submitted under § 81.1007, will be submitted to the Chief, Purchases Branch, Procurement and Distribution Division, Services of Supply, for approval.

PROCESSING APPLICATIONS FOR NECESSITY CERTIFICATES IN CONNECTION WITH FACILITIES EXPANSIONS

§ 81.1014 *Information to be submitted in application.* Applications for Necessity Certificates should contain the information and be executed in the manner indicated in the following publications:

(a) Form of application for Necessity Certificate, with instruction sheet, issued jointly by the War and Navy Departments, dated October 27, 1941, as the same may from time to time be thereafter amended.

(b) Regulations prescribed by the Secretary of War and the Secretary of the Navy, with the approval of the President, governing the issuance of Necessity Certificates under Section 124 (f) of the Internal Revenue Code.

Copies of the foregoing publications may be obtained from the Tax Amortization Section, Headquarters, Services of Supply. Taxpayers may be advised that copies are thus obtainable.

§ 81.1015 *Place of filing application.* The application for necessity certificate should ordinarily be filed with the Tax Amortization Section, Headquarters, Services of Supply, Washington, D. C. In some instances, taxpayers, unfamiliar with the procedure, may file applications with officers of the supply services. An original and one copy of applications thus filed, will be promptly forwarded by the officer, through the chief of the supply service concerned to the Tax Amortization Section, Headquarters, Services of Supply. The third copy will be retained in order to enable the officer to make investigation and report pursuant to § 81.1016 (e).

§ 81.1016 *Procedure for processing applications.* The following procedure will govern the processing of applications:

(a) The Tax Amortization Section, Headquarters, Services of Supply, will, in cases which concern a supply service, send one copy of the application to the chief of such supply service with a request for report.

(b) The chief of the supply service concerned will transmit this copy to the officer most appropriately qualified, for investigation and report.

(c) The reporting officer, referred to in paragraph (b) of this section, will retain the application and transmit his report thereon to the chief of the supply service concerned, in duplicate, not later than fifteen days after the receipt of the application by him, except in cases in which he is unable to complete his report within such time, in which event he will send an original and a copy of a statement giving his reasons for his inability so to report within the prescribed time and stating when the report will be filed.

(d) The chief of the supply service will retain one copy of the report and forward the original to the Tax Amortization Section, Headquarters, Services of Supply.

(e) The report will, with the exception noted below, be limited to advice as to whether the construction, reconstruction, erection, installation, or acquisition of a facility is necessary in the interest of National Defense during the emergency period, within the meaning of section 124 of the Internal Revenue Code as interpreted by Article 3 of the regulations. This will involve advice on the following points:

(1) Is the "supply to be produced with the facility sought to be certified" "required" within the meaning of Article 3-a of the regulations?

(2) Is the facility sought to be certified appropriate for the production of the supply?

(3) Is there "an existing or prospective shortage of facilities for the production of the supply" within the meaning of Article 3-b of the regulations and what facts form the basis of the reporting officer's conclusions with regard to this point?

(4) In the light of information on hand or readily available, do the statements made in the application bearing upon determination of necessity (particularly those relative to replacements and the applicant's attempts to subcontract) appear to be correct?

In the event that a supply service has sponsored the supply to be produced with the facilities sought to be certified for defense rating under Priorities Regulation No. 1, a statement to this effect will be made by the reporting officer in connection with his answer to the first of the above questions. In the event that a supply service has sponsored the facility for a project rating, a statment to this effect will be made by the reporting officer in cennection with his answer to the second and third of the above questions. In exceptional cases where the officer has special knowledge of other facts relating to the application, such as data in regard to the time of filing, which are not known to or readily ascertainable by the Tax Amortization Section, Headquarters, Services of Supply, he shall mention these facts in his report.

§ 81.1017 *Certificates of non-reimbursement and Government protection discontinued.* In view of the repeal by Congress, as of the date of its original enactment, of subsection, (i) of section 124 of the Internal Revenue Code, the issuance of certificates of non-reimbursement and certificates of Government protection has been discontinued, and all copies of executed applications for such certificates should be forwarded to the Tax Amortization Section, Headquarters, Services of Supply.

MISCELLANEOUS PURCHASE INSTRUCTIONS

§ 81.1101 *Discounts in purchasing.* (a) All purchases regardless of the method used (after advertising or by negotiation) will be made on a firm price basic without regard to seller's offer of prompt payment or cash discount provisions.

(b) For all purchases hereafter initiated, all prompt payment of cash discount provisions in invitations for bids, requests for quotations or estimates, or other purchases instruments will be deleted. All requests for bids, formal or informal, will contain a clause reading substantially as follows:

No offers of prompt payment or cash discounts will be rendered to or considered by the Government.

(c) Nothing in this section will be construed to apply to:

(1) Purchases made without competition,

(2) Purchases made under a contract executed by another Federal department or agency, or

(3) A cash discount offered after acceptance of an offer and making of award.

§ 81.1102 *Contracts with foreign nationals.* (a) By virtue of Executive Order No. 8389, April 10, 1940, as amended, and Treasury Department regulations issued pursuant thereto, the award of contracts in which certain foreign countries or nationals thereof have any interest is prohibited.

(b) The above prohibition does not apply to contracts with individuals, partnerships, associations, corporations, or other organizations which have been granted a general or special license by the Secretary of the Treasury.

(c) Whenever a contracting officer has reason to believe that any prospective contractor is subject to the above pro-

hibition he would inquire of the chief of the supply service concerned or the nearest Federal Reserve Bank as to the eligibility of the prospective contractor.

§ 81.1103 *Contracts with blocked nationals.* (a) The Secretary of State from time to time publishes lists of persons and organizations deemed to be acting directly or indirectly for the benefit of the enemy. Copies of these lists will be made available to the chiefs of the supply services.

(b) No contract will be knowingly awarded to any person or organization so listed.

§ 81.1104 *Limitation on purchase of arms, ammunition and implements of war.* (a) No purchase of arms, ammunition or implements of war shall be made on behalf of the United States by any officer, executive department, or independent establishment of the Government from any person who shall have failed to register under the provisions of section 12 of Public Resolution of November 4, 1939 (Pub. Res. No. 54, 76th Cong.).

(b) Articles which are considered arms, ammunition and implements of war will be proclaimed from time to time by the President. Chiefs of the supply services concerned will publish such information to the contracting officers concerned and secure compliance with the above limitation.

§ 81.1105 *Maximum prices.* In connection with cost-plus-a-fixed-fee contracts, contracting officers in approving items for reimbursement shall not be responsible for determining whether the costs of materials, supplies, tools, equipment or machinery exceed the maximum prices fixed in accordance with the Emergency Price Control Act of 1942, Public Law 421, approved January 30, 1942. Likewise, contracting officers, in executing contracts, unless otherwise specifically directed, are not required to verify the prices charged by any vendor or contractor against the maximum prices thus fixed, and in the absence of actual knowledge of violation of price limitations, they may assume that prices charged do not exceed maximum prices.

The action of certifying and disbursing officers in connection with such price limitations is governed by Fiscal Directive SPBFA—11A, June 19, 1942, providing as follows:

1. The certification now required on Standard Form No. 1034—revised, as used in connection with payments made to vendors or contractors for purchases or services rendered other than personal, will be continued in use and is a proper and sufficient warranty of compliance by the vendor or contractor with the price ceilings established in accordance with the provisions of the Emergency Price Control Act of 1942, Public Law 421, approved January 30, 1942.

2. In the absence of actual knowledge of violation of price limitations, certifying officers may rely upon the certificate of the vendor or contractor as to the correctness of the prices charged and will not be required to verify such prices against maxima established by the Office of Price Administration. Disbursing officers may rely upon their records and the certificate of the vendor or contractor and will not be required to verify such maxima prices.

3. Disbursing officers will make payment in accordance with the above outlined procedure.

§ 81.1106 *Numbering of compressed gas cylinders*—(a) *Specifications of Interstate Commerce Commission.* Cylinders for compressed gases must be made under specifications of the Interstate Commerce Commission. Deviations from those specifications are permitted in certain cases. Those specifications require identification of the cylinders by a serial number and by an identification symbol.

(b) *Assignment of serial numbers.* The serial numbers which are to be used by the purchasing officers of the War Department will be assigned by the Commanding General, Services of Supply, to the chief of the supply service concerned upon request. Letters should be prefixed and suffixed to those serial numbers to indicate type and size of cylinder as indicated below.

(c) *Identification symbol.* The registered identification symbol of the War Department is WD.

(d) *Maintenance of records.* Chiefs of supply services will furnish to their field agencies such serial numbers as may be required from those assigned as indicated in paragraph (b) of this section. A record will be maintained of the numbers that have been actually used by their field agencies, together with a record of cylinders which have been manufactured or purchased.

(e) *Markings on cylinders.* Ordinary markings for a cylinder are illustrated by the following example:

ICC–3A480	(Specification mark)
KM1234H	(Serial No.)
WD	(Symbol)

Any special markings desired on cylinders are permissible but must be specified as "additional marks" and must not interfere with the ordinary marks as above noted.

NOTE: The mark ICC–3A480 means that the cylinder has been made under specification 3A with service pressure 480 lbs. per square inch, and that it is limited to use for gas with pressure not over 480 lbs. per square inch at 70° F., and not over 480 × 5/4=600 lbs. per square inch at 130° F.

(f) *Safety devices.* Cylinders must be fitted with safety devices of approved type as required by regulations of the Interstate Commerce Commission. Manufacturers of cylinders and valves are familiar with those requirements.

(g) *Types of cylinders*—(1) *Anhydrous ammonia.* Cylinders for anhydrous ammonia should preferably be of types ICC–4 or ICC–4A480. Type ICC–3A480 is also authorized but will probably be found more expensive.

(2) *Chlorine.* Cylinders for chlorine will be type ICC–3A480.

(3) *Hydrogen sulphide.* Cylinders for hydrogen sulphide should preferably be of type ICC–4B480. Types ICC–3A480, ICC–3B480, and ICC–4A480 are also authorized but will probably be found more expensive.

(4) *Methyl chloride; sulphur dioxide.* Cylinders for methyl chloride and for sulphur dioxide should preferably be of type ICC–4B300. Types ICC–3A300, ICC–3B300, ICC–4A300, and ICC–4 are also authorized but will probably be found more expensive.

(5) *Acetylene.* Cylinders for acetylene will be of type ICC–8.

(6) *Oxygen and other nonliquefied gas; carbon dioxide; nitrous oxide.* High pressure cylinders, for oxygen and other nonliquefied gas, and for carbon dioxide and nitrous oxide, should preferably be of type ICC–3A2015. Type ICC–3A1800 is also authorized but is less efficient and not less expensive. Cylinders of 75 lbs. and 100 lbs. capacity for carbon dioxide and nitrous oxide will be of type ICC–3A2300.

(7) *Compressed gases (except acetylene).* Cylinders of type ICC–3E are also authorized for all compressed gases except acetylene. These will be less than 2 inches outside diameter and not over 12 inches long, exclusive of neck.

(8) *Phosgene; mustard gas; other highly poisonous gases.* Cylinders for phosgene, mustard gas, and other highly poisonous materials (class A poison under regulations of the Interstate Commerce Commission) will be of type ICC–3D480 except as follows: chlorpicrin, or mixtures of chlorpicrin with nonpoisonous liquid or gas, and monochloracetone, are authorized in any cylinder, except type ICC–3, of sufficient strength. See note under paragraph (e) of this section.

(h) *System of serial numbers.* The use of serial numbers together with letters prefixed and suffixed thereto, will conform with the following:

(1) *High pressure cylinders made under Interstate Commerce Commission specification 3 A for service pressure, 1,800 lbs. per square inch and higher.*

Prefix:	Required for cylinders—
A	2 5/16". i.d. x 7⅔" (approximately).
C	3⅛" i.d. x 13" (approximately).
D	3 5/16" i.d. x 16¾" (approximately).
DE	3 5/16" i.d. x 21¼" (approximately).
E	3 5/16" i.d. x 25¾" (approximately).
EE	4⅛" i.d. x 26" (approximately).
±P	5" i.d. x 26" (approximately).
F	5" i.d. x 51" (approximately).
FG	6⅝" i.d. x 43" (approximately).
G	8" i.d. x 51" (approximately).
H	8½" i.d. x 51" (approximately).
J	For nonliquefied gas with capacity considerably above 220 feet of gas and up to 325 feet of gas.
JC	For 75 pounds of carbon dioxide.
L	For nonliquefied gas with capacity over 325 feet of gas.
LC	For 100 pounds of carbon dioxide.

Examples: E1234; H1234; etc.

NOTE: Suffix letters to serial numbers are not to be used.

(2) *High pressure cylinders made under Interstate Commerce Commission*

specification 3 E. Serial numbers will not be used. Cylinders will be, in all cases, not over 1.99 inches outside diameter and not over 12 inches long, exclusive of neck.

(3) *Acetylene cylinders made under Interstate Commerce Commission specification 8.* Prefix W required in all cases. Suffix letters required in all cases, dependent on rated gas capacity (approximately) as follows:

Suffix: Rated gas capacity required (approx.)	*Feet*
B	50
C	100
H	150
J	250
K	300

Examples: W1234H; W1234K; etc.

(4) *Low pressure cylinders made under Interstate Commerce Commission specifications 3A, 3B, 3C, 4, 4A, 4B, and 4C for service pressure not over 480 lbs. per square inch.*

Prefix: Required for cylinders marked	
KC	ICC–3A150
KF	ICC–3A240
KJ	ICC–3A300
KM	ICC–3A480
NC	ICC–3B150
NF	ICC–3B240
NJ	ICC–3B300
NM	ICC–3B480
OA	ICC–3C90
OC	ICC–3C150
OF	ICC–3C240
OJ	ICC–3C300
P	ICC–3D480
RC	ICC–4A150
RF	ICC–4A240
RJ	ICC–4A300
RM	ICC–4A480
S	ICC–4
TC	ICC–4B150
TF	ICC–4B240
TJ	ICC–4B300
TM	ICC–4B480
UA	ICC–4C90
UC	ICC–4C150
UF	ICC–4C240
UJ	ICC–4C300

Suffix letters also required, dependent on size, as follows:

Water capacity (*pounds*):	*Suffix required*
Below 4	None
4 to 7.99	A
8 to 11.99	B
12 to 15.99	C
16 to 19.99	D
20 to 39.99	E
40 to 59.99	F
60 to 79.99	G
80 to 99.99	H
100 to 129.99	K
130 to 159.99	M
160 to 229.99	P
230 to 319.99	S
320 to 399.99	U
400 to 499.99	W
500 to 749.99	Y
750 to 1000.00	Z

Example: KM1234K for a cylinder marked ICC–3A480 of 125 pounds water capacity; etc.

(i) *Cylinders originally made for other agencies.* Cylinders, new or second hand, originally made for any agency other than the War Department, including commercial firms, may be purchased when authorized by chiefs of supply services. In such cases, the following procedure will be followed:

(1) Cylinders shall have been manufactured or retested within 12 months prior to date of delivery except as follows: Acetylene cylinders, Interstate Commerce Commission specification 8, less than 5 years old; cylinders made under Interstate Commerce Commission specification 3E.

(2) Cylinders of less than 12 pounds water capacity (332.8 cu. in.) will be marked with an added mark WD. Report of such purchase will be made to the chief of the supply service concerned giving the following data: Name of agency or firm from which purchased, contract or purchase order number and date, list of serial numbers, and the corresponding identification symbols (see paragraph (a) of this section); also statement that the symbol WD has been applied. Example of such marking is as follows:

Original marks	*Added marks*
ICC–3A2015 75678 XYZ	WD

(3) Cylinders of 12 pounds water capacity (332.8 cu. in.) and above will be marked with added marks WD and the War Department serial numbers with prefix and suffix letters as prescribed herein. Report of such purchase will be made to the chief of the supply service concerned, giving the following data: Name of agency or firm from which purchased; contract or purchase order number and date; serial numbers of War Department applied (including prefix and suffix letters), listed consecutively; corresponding original serial numbers; original identification symbols; statement that the symbol WD and War Department serial numbers have been applied. Example of such marking is as follows:

Original marks	*Added marks*
ICC–4B240 17652 XYZ	WD TF1234K

(4) The added marks will be stamped plainly into the metal at some convenient point so that they will not obscure or be confused with the original marks.

(j) *Packing compressed gases, filling limit.* The Interstate Commerce Commission has amended section 303 (j) (3) of its regulations by adding the following note:

NOTE: Because of the present emergency and until further order of the Commission, ICC–3A cylinders may be charged with compressed gases, other than liquefied or dissolved gases, to a pressure 10 percent in excess of their marked service pressures. (7 F.R. 2911)

§ 81.1107 *Contingent fees.* (a) In connection with purchases and subcontracting by cost-plus-a-fixed-fee contractors, the vendor or subcontractor involved should not be permitted to pay third-party intermediaries a commission, percentage, brokerage, or contingent fee based upon the amount of the order or subcontract where the services performed by such intermediaries are merely the obtaining of the order or, if additional services are in fact performed by such intermediaries, the fees are disproportionate. To accomplish the foregoing, it is essential that the attention of contracting officers be directed to the necessity of taking effective administrative measures so as to bring such practices to light with a view to their elimination. In some cases the prime contractor may be directed to require the disclosure by the vendor or subcontractor, as a condition to award, of any contingent or broker's fee or commission which may be included in the price quoted by such vendor or subcontractor.

(b) In many cases third-party intermediaries and others in similar categories are capable of and do perform valuable services in connection with the purchasing and subcontracting, for which they are entitled to a return. In such cases it is not the purpose to limit the opportunities to obtain increased production by prohibiting altogether the use of such intermediaries by vendors and subcontractors. The purpose to be accomplished, however, is to prevent the abuses inherent in the inclusion in the purchase price or subcontract price of a commission, percentage, brokerage, or contingent fee in an amount not related to the services performed and the payment of such fees where the only service performed is the obtaining of the order for the vendor or subcontractor.

RENEGOTIATION AND PRICE ADJUSTMENT

CONTRACT ARTICLES FOR RENEGOTIATION

§ 81.1201 *Rescission of regulations.* Procurement Regulations 10–T and 17–T, issued April 30, 1942 and May 11, 1942 by Headquarters, Services of Supply, Washington, and all other prior directives and instructions relating to contact provisions for renegotiation of the contract price are hereby rescinded.

§ 81.1202 *Statutory provisions.* Section 403 (b) of the Sixth Supplemental National Defense Appropriation Act, 1942 (hereafter called "the Act") authorizes and directs the Secretary of War to insert in any contract for an amount in excess of $100,000 thereafter made by the War Department:

(1) a provision for the renegotiation of the contract price at a period or periods when, in the judgment of the Secretary, the profits can be determined with reasonable certainty; (2) a provision for the retention by the United States or the repayment to the United States of (A) any amount of the contract price which is found as a result of such renegotiation to represent excessive profits and (B) an amount of the contract price equal to the amount of the reduction in the contract price of any subcontract under such contract pursuant to the renegotiation of such subcontract as provided in clause (3) of this subsection; and (3) a provision requiring the contractor to insert in each subcontract for an amount in excess of $100,000 made by him under such contract (A) a provision for the renegotiation by such Secretary and the subcontractor of the contract price of the subcontract at a period or periods when, in the judgment of the Secretary, the profits can be determined with reasonable certainty, (B) a provision for the retention by the United States or the repayment to the United States of any amount of the contract price of the subcontract which is found as a result of such renegotiation, to represent excessive profits, and (C) a provision for relev-

ing the contractor from any liability to the subcontractor on account of any amount so retained by or repaid to the United States.

§ 81.1203 *Articles authorized; deviations.* Standard forms of contract articles approved for use in accordance with this regulation to satisfy the statutory requirements set forth in § 81.1202 are contained in § 81.342 (a) and (b) of these regulations. The article set forth in § 81.342 (a) is hereafter called Form I and the article in § 81.342 (b) is hereafter called Form II. Except as expressly authorized in this regulation or subsequent instructions, deviations from the standard articles will not be used.

§ 81.1204 *Fixed-price contracts.* Form I will be included in all fixed-price or lump-sum contracts hereafter made for an amount in excess of $100,000.

§ 81.1205 *Fixed-fee contracts.* Either Form I or Form II will be included in every fixed-fee contract, the estimated cost of which, including the fixed-fee, is an amount in excess of $100,000. When it is desired to provide for renegotiation of the fixed-fee and the chief of the supply service so authorizes or directs, Form I will be used, but in place of the term "Contract price" in sections (a) and (c) there will be substituted the words "fixed-fee specified in Article ____". If Form I is not used, Form II will be included in the contract.

§ 81.1206 *Supplemental agreements.* With respect to supplemental agreements (which as used herein include change orders), the following principles will be observed:

(a) Every supplemental agreement for an amount in excess of $100,000 will include either Form I or Form II, whichever, is appropriate, unless the contract to which the supplemental agreement relates contains an adequate renegotiation article which will apply to the supplemental agreement.

(b) If the chief of the supply service determines that it will be practicable to renegotiate the contract price of the supplemental agreement separately, the renegotiation article may be limited in its application to the supplemental agreement; otherwise, the renegotiation article included in the supplemental agreement will be made to apply to the original contract as well as the supplemental agreement. The chief of a supply service may delegate the authority to make such determinations to such officers or civilian personnel under his command or direction as he may designate.

(c) (1) When Form I is to be limited to the supplemental agreement, subsection (4) of section (g) will be omitted and the following section will be added to the article:

(h) This article applies only to the supplemental agreement by which it was added (as modified from time to time), and shall be construed accordingly: (1) the term "this contract" means that supplemental agreement; (2) the term "the contract price" means the price provided by that supplemental agreement; and (3) the obligation of the Contractor under section (d) to insert renegotiation provisions in subcontracts applies only to subcontracts made under that supplemental agreement.

(2) When Form II is to be limited to the supplemental agreement, subsection (4) of section (d) will be omitted, and the following section will be added to the article:

(e) This article applies only to the supplemental agreement by which it was added (as modified from time to time), and shall be construed accordingly: (1) the term "this contract" means that supplemental agreement; and (2) the obligation of the Contractor under section (a) to insert renegotiation provisions in subcontracts applies only to subcontracts made under that supplemental agreement.

(d) When the renegotiation article (Form I or Form II) is to apply to the original contract, as well as to the supplemental agreement, the article will be added to the original contract by the supplemental agreement and the first sentence of section (d) of Form I or of section (a) of Form II, whichever is used, will be modified to read as follows:

The Contractor will include in each fixed-price or lump-sum subcontract for an amount in excess of $100,000 made under this contract after the date of the supplemental agreement which added this Article, the following provisions:

By this change the obligation of the contractor to insert renegotiation provisions in subcontracts will be limited to those made after the date of the supplemental agreement which adds the article to the original contract.

§ 81.1207 *Specified time for renegotiation.* Where it is desired to provide in the contract for renegotiation after the expiration of a specified time or after the production of a specified number of units, the first sentence of paragraph (a) of Form I may be amended in substantially the following manner:

(a) The contract price of this contract will be renegotiated to eliminate therefrom any amount found as a result of such renegotiation to represent excessive profits (1) after the expiration of_____days from the date of this contract [or, upon the completion of_____articles under this contract], and, (2) upon the written demand of the Secretary, at such other period or periods when, in the judgment of the Secretary, the profits accruing to the contractor under this contract can be determined with reasonable certainty.

Where such a provision is employed, the time specified in the contract for renegotiation should be such that the profits to be made under the contract can probably then be determined with reasonable certainty. In no event, however, will this provision limit the authority of the Secretary of War to require renegotiation at some other period or periods.

§ 81.1208 *Statement of estimated costs.* Wherever it is desired, in connection with a fixed-price contract, to require of the contractor an itemized statement of the estimated cost upon which the contract price is based, the following section may be substituted for section (b) in Form I:

(b) (1) The Contractor represents that the contract price provided in Article _____ is based upon a total estimated cost of $_____, itemized as follows:

A. Factory cost
1. Direct materials
2. Direct productive labor
3. Direct engineering labor
4. Miscellaneous direct factory charges
5. Indirect factory expenses (State basis of allocation)
Total factory cost
B. Other manufacturing cost
C. Miscellaneous direct expenses
D. Indirect engineering expenses
E. Expenses of distribution, servicing and administration
F. Guarantee expenses

(2) The Contractor will furnish to the Secretary such statements of actual costs of production and such other financial statements, at such times and in such form and detail, as the Secretary may prescribe, and will permit such audits and inspections of its books and records as the Secretary may request.

Where this substitute section (b) is used, the form of the itemized break-down in subsection (1) may be altered to suit the particular circumstances. In any case under the item of "Indirect factory expenses" (A.5), there should be stated separately the estimated amount included for (a) normal depreciation and (b) special amortization.

§ 81.1209 *Redetermination of price article.* In addition to the article required by this regulation, the contracting officer in appropriate cases may insert in the contract the article entitled "Redetermination of Price" contained in § 81.341 of these regulations. The clause for redetermination of price sets up objective standards for automatically redetermining the contract price downward on the basis of actual experience under the contract. It should be used where the contract price is based on speculative or uncertain cost estimates. Where included, the article for redetermination of price shall be expressly made subject to the renegotiation article required by this regulation.

§ 81.1210 *Renegotiation upward.* In special cases where great uncertainty in the contractor's costs makes it desirable to provide for renegotiation of the contract price upward, as well as downward, and where the Government is prepared to make such audits or cost examinations as may be required to pass on any claim by the contractor for upward revision of the contract price, special permission may be granted to include such a clause. Requests for such permission will be submitted to the Director, Purchases Division, Headquarters, Services of Supply, and will set forth in detail the reasons for requesting such permission.

§ 81.1211 *Substitution of this article for prior form.* Where a renegotiation provision pursuant to section 403 of the Sixth Supplemental National Defense Appropriation Act, 1942, has been included in a contract in a form different from that herein prescribed, the contracting officer is authorized to amend the contract to substitute the form herein

prescribed for the earlier form if the contractor so desires.

§ 81.1212 *Exceptions and special cases*—(a) *Contracts and subcontracts with Federal Agencies.* A contract by the War Department with any Federal department, bureau, agency or governmental corporation is not required to include any contract article for renegotiation. A contractor with the War Department is not required by the renegotiation article in his prime contract to insert the contract article for renegotiation in any subcontract with any Federal department, bureau, agency or governmental corporation.

(b) *Agreements relating solely to patent licenses.* The inclusion or exclusion of a price renegotiation article in a contract granting to the Government a license under a patent or a patent application or transferring a patent or a patent application to the Government will be within the discretion of the chief of the particular supply service concerned: *Provided, however,* That every such contract whereby the aggregate royalty payable under the contract for its duration or for any stated period is not either:

(1) A fixed amount determinable at the time of the execution of the contract, or

(2) Limited in the contract to a maximum amount determinable at the time of the execution of the contract will contain the price renegotiation article. In such case clauses (a), (b), (c), and (g) (1), (3) and (4) of Form I § 81.342 (a) will be used, substituting for the words "contract price" the words "royalty payable hereunder".

§ 81.1213 *Renegotiation and redetermination.* (a) The contracting officer is authorized (1) to renegotiate the contract price or fixed-fee pursuant to any renegotiation article in any contract whether inserted under this Regulation or otherwise; (2) to redetermine the contract price under any article in the contract providing therefor; (3) to enter into supplemental agreements effecting voluntary reductions in the contract price or fixed-fee of any contract; and (4) to demand cost and financial statements pursuant to statutory or contract provisions to the extent necessary to carry out these functions. The contracting officer will periodically review costs and profits under contracts subject to his supervision in order to obtain reductions in the contract price whenever justified.

(b) The contract price as renegotiated or redetermined by the contracting officer or as voluntarily reduced will still be subject to renegotiation under section 403 of the Sixth Supplemental National Defense Appropriation Act, 1942, and any contract article pursuant thereto, to eliminate excessive profits of the contractor. The supplemental agreement or other instrument effecting in price or fixed-fee will therefore include a provision substantially as follows:

The adjustment hereby made in the contract price is without prejudice to the determination of any excessive profits of the contractor upon subsequent renegotiation under Section 403 of the Sixth Supplemental National Defense Appropriation Act, 1942, or any contract article inserted pursuant to that Act.

The contracting officer will promptly report each such adjustment to the chief of the appropriate supply service for transmittal to the Director, Purchases Division, Headquarters, Services of Supply.

FORMS OF CONTRACTS

The contract forms contained in § 81.1301 et. seq., (listed in the Table of Contents below) are approved for use for War Department purchases, subject to §§ 81.322 to 81.358, inclusive. It should be noted that many of the contract articles are set out by reference to said Sections. In preparing contracts the standard clauses contained in the articles referred to will be set out only if, and to the extent that, their inclusion is required by the provisions of the sections referred to. There will be set out such of the other clauses contained in §§ 81.322 to 81.358, inclusive, not expressly referred to in the form, as are required for any particular contract. In certain cases it will be necessary to make certain editorial changes in the clauses contained in §§ 81.322 to 81.358 so that certain words or phrases used throughout the contract will be in conformity.

War Department

Contract Form No. and Description	*Sec.*
1. Lump sum supply contract	81.1301
2. Lump sum construction contract	81.1302
3. Cost-plus-a-fixed-fee construction contract	81.1303
4. Cost-plus-a-fixed-fee architect-engineer contract	81.1304
5. Short form supply contract (negotiated)	81.1305
6. Offer and acceptance	81.1306
7. Letter purchase order	81.1307
8. Letter contract (supplies)	81.1308
9. Letter contract (fixed-fee construction)	81.1309
10. Letter contract (lump sum construction)	81.1310
11. War risk indemnity contract	81.1311
*12. Fixed-fee architect-engineer-construction - management services contract	81.1312
20. Supplemental agreement for advance payments with interest on fixed-price contracts	81.1320
21. Supplemental agreement for advance payments with interest on fixed-fee contracts	81.1321
22. Supplemental agreement for advance payments with interest on a letter purchase order	81.1322
23. Supplemental agreement for advance payments without interest on fixed-price contracts	81.1323
24. Supplemental agreement for advance payments without interest on fixed-fee contracts	81.1324
25. Supplemental agreement for advance payments without interest on letter purchase orders	81.1325
26. Supplemental agreement for advance payments on fixed-price contracts for critical machine tools	81.1326

*This form, which was previously designated W. D. Contract Form No. 4A has for convenience been renumbered 12.

§ 81.1301 *W. D. Contract Form No. 1.*

Contract No.

SUPPLY CONTRACT

WAR DEPARTMENT

Contractor and address:
Contract for:
Amount: $
Location:
Payment:
To be made by
United States Army, at

The supplies and services to be obtained by this instrument are authorized by, or for the purposes set forth in, and are chargeable to the following procurement authorities, the available balances of which are sufficient to cover the cost of the same:

This contract is authorized by the following laws:

CONTRACT FOR SUPPLIES*

THIS CONTRACT, entered into this ____ day of ____, 194__, by the UNITED STATES OF AMERICA (hereinafter called the Government) represented by the Contracting Officer executing this contract, and

*a corporation organized and existing under the laws of the State of
*a partnership consisting of
*an individual trading as

of the city of in the State of (hereinafter called the Contractor), witnesseth that the parties hereto do mutually agree as follows:

(a) ARTICLE 1. *Scope of this contract.* The contractor shall furnish and deliver for the consideration stated in strict accordance with the specifications, schedules and drawings, all of which are made a part hereof and designated as follows:

Deliveries shall be made as follows:

(b) ART. 2. *Changes.* Where the supplies to be furnished are to be specially manufactured in accordance with drawings and specifications, the Contracting Officer may at any time, by a written order, and without notice to the sureties, make changes in the drawings or specifications. Changes as to shipment and packing of all supplies may also be made as above provided. If such changes cause an increase or decrease in the amount due under this contract, or in the time required for its performance, an equitable adjustment shall be made and the contract shall be modified in writing accordingly. Any claim for adjustment under this article must be asserted within 10 days from the date the change is ordered: *Provided, however,* That the Contracting Officer, if he determines that the facts justify such action, may receive and consider, and with the approval of the Secretary of War or his duly authorized representative, adjust any such claim asserted at any time prior to the date of final settlement of the contract. If the parties fail to agree upon the adjustment to be made the dispute shall be determined as provided in Article 11 hereof. But nothing provided in this article shall excuse the Contractor from proceeding with the contract as changed.

(c) ART. 3. *Extras.* Except as otherwise herein provided, no charge for extras will be allowed unless the same have been ordered in writing by the Contracting Officer and the price stated in such order.

(d) ART. 4. *Inspection.* (a) All material and workmanship shall be subject to inspection and test at all times and places and,

*Delete all lines which do not apply.

when practicable, during manufacture. In case any articles are found to be defective in material or workmanship, or otherwise not in conformity with the specification requirements, the Government shall have the right to reject such articles, or require their correction. Rejected articles and/or articles requiring correction, shall be removed by and at the expense of the Contractor promptly after notice so to do. If the Contractor fails to promptly remove such articles and to proceed promptly with the replacement and/or correction thereof, the Government may, by contract or otherwise replace and/or correct such articles and charge to the Contractor the excess cost occasioned the Government thereby, or the Government may terminate the right of the Contractor to proceed as provided in Article 5 of this contract, the Contractor and surety being liable for any damage to the same extent as provided in said Article 5 (or in said substitute article) for terminations thereunder.

(b) If inspection and test, whether preliminary or final, are made on the premises of the Contractor or subcontractor, the Contractor shall furnish, without additional charge, all reasonable facilities and assistance for the safe and convenient inspections and tests required by the inspectors in the performance of their duty. All inspections and tests by the Government shall be performed in such a manner as not to unduly delay the work. Special and performance tests shall be as described in the specifications. The Government reserves the right to charge to the Contractor any additional cost of inspection and test when articles are not ready at the time inspection is requested by the Contractor.

(c) Final inspection and acceptance of materials and finished articles will be made after delivery, unless otherwise stated. If final inspection is made at a point other than the premises of the Contractor or subcontractor, it shall be at the expense of the Government except for the value of samples used in case of rejection. Final inspection shall be conclusive except as regards latent defects, fraud, or such gross mistakes as amount to fraud. Final inspection and acceptance or rejection of the materials or supplies shall be made as promptly as practicable, but failure to inspect and accept or reject materials or supplies shall not impose liability on the Government for such materials or supplies as are not in accordance with the specifications. In the event public necessity requires the use of materials or supplies not conforming to the specifications, payment therefor shall be made at a proper reduction in price.

(e) ART. 5. *Delays—damages.* (Insert § 81.352)

(f) ART. 6. *Responsibility for supplies tendered.* The Contractor shall be responsible for the articles or materials covered by this contract until they are delivered at the designated point, but the Contractor shall bear all risk on rejected articles or materials after notice of rejection. Where final inspection is at point of origin but delivery by Contractor is at some other point, the Contractor's responsibility shall continue until delivery is accomplished.

(g) ART. 7. *Increase or decrease.* Unless otherwise provided herein, no increase or decrease in the total number of articles contracted for under Article I hereof, will be accepted, without the prior written approval of the Contracting Officer (or insert § 81.329).

(h) ART. 8. *Payments.* The Contractor shall be paid, upon the submission of properly certified invoices or vouchers, the prices stipulated herein for articles delivered and accepted or services rendered, less deductions, if any, as herein provided. Unless otherwise specified, payments will be made on partial deliveries accepted by the Government when the amount due on such deliveries so warrants; or, when requested by the Contractor, payments for accepted partial deliveries shall be made whenever such payments would equal or exceed either $1,000 or 50 per cent of the total amount of the contract.

(i) ART. 9. *Officials not to benefit.* (Insert § 81.322)

(j) ART. 10. *Covenant against contingent fees.* (Insert § 81.323)

(k) ART. 11. *Disputes.* (Insert § 81.326)

(l) ART. 12. *Termination for convenience of the Government.* Insert § 81.324)

(m) ART. 13. *Renegotiation.* (Insert § 81.342 and §§ 81.1201–81.1213)

(n) ART. 14. *Walsh-Healey Act.* (Insert § 81.353)

(o) ART. 15. *Notice to Government of labor disputes.* (Insert § 81.354)

(p) ART. 16. *Prison-made materials.* (Insert § 81.345)

(q) ART. 17. *Anti-discrimination.* (Insert § 81.325)

(r) ART. 18. *Assignment of claims.* (Insert § 81.355)

(s) ART. 19. *Notice of shipments.* (Insert § 81.328)

(t) ART. 20. *Federal, state and local taxes.* (Insert § 81.357)

(u) ART. 21. *Domestic articles.* (Insert § 81.327)

(v) ART. 22. *Definitions.* (a) The term "Secretary of War" as used herein shall include the Under Secretary of War, and the term "his duly authorized representative" shall mean any person or board authorized by the Secretary of War to act for him other than the Contracting Officer.

(b) Except for the original signing of this contract, and except as otherwise stated herein, the term "Contracting Officer" as used herein shall include his duly appointed successor or his authorized representative.

(w) ART. 23. *Alterations.* The following changes were made in this contract before it was signed by the parties hereto:

IN WITNESS WHEREOF, the parties hereto have executed this contract as of the day and year first above written.

THE UNITED STATES OF AMERICA,

By _____

_____
(Official title)

Two Witnesses:

_____ _____
(Contractor)

_____ By _____
(address)

_____
(Business Address)

_____

_____
(address)

I _____, certify that I am the Secretary of the corporation named as Contractor herein; that _____ who signed this contract on behalf of the Contractor was then _____ of said corporation; that said contract was duly signed for and on behalf of said corporation by authority of its governing body and is within the scope of its corporate powers.

IN WITNESS WHEREOF, I have hereunto affixed my hand and the seal of said corporation this _____ of _____ 194__.

[CORPORATE SEAL] _____
(Secretary)

I hereby certify that, to the best of my knowledge and belief, based upon observation and inquiry, _____ who signed this contract for the _____ had authority to execute the same, and is the individual who signs similar contracts on behalf of this corporation with the public generally.

_____
Contracting Officer.

(a) *Additional articles.* The following additional articles may be inserted in supply contracts in appropriate cases:

(x) ART. ___. *Final inspection with performance tests.* (a) No acceptance of the articles contracted for herein shall be regarded as final until such article shall have passed such final inspection as may be prescribed by _____, *or his duly authorized representative, and which shall include the following, but without limitation:

1. Inspection of each article upon arrival at the site of final inspection, for damage in transit, which damage shall be at the risk of the Contractor.

2. Such special and performance tests as are described in the specifications.

3. Inspection of components for failure due to such performance tests.

(b) When, during said performance tests, failure occurs due to faulty material or workmanship for which the Contractor is responsible, and such failure is of such magnitude that additional performance tests are required after the necessary repairs or replacements have been made, the cost of such additional performance tests will be borne by the Contractor. The _____, *or his duly authorized representative, will decide in each case whether additional performance tests are required, and his decision in this regard shall be final and conclusive.

(c) The Contractor is authorized to have a representative present during the performance tests of any of the articles delivered under this contract.

(b) *Tests after delivery; payments.* Where final acceptance cannot be made without some test after delivery, such as a proof test or a performance test, use the following in place of Article 8.

ART. ___. *Payment.* The Contractor shall be paid as follows:

(a) _____ percent of the unit contract price of the supplies contracted for, upon submission of property certified invoices therefor, and after delivery thereof: *Provided,* That any advance payments, or partial payments, made under this contract shall be liquidated by appropriate deductions from all payments made under this paragraph (a).

(b) _____ percent of the unit contract price on each unit delivered, after final tests and final acceptance thereof; but in any event payment will be made within six (6) months after such delivery, if not rejected within such time and if the units delivered comply with the specifications in all respects other than such as are determinable only by final tests: *Provided further,* If any advance payments or partial payments proportionately chargeable against such units remain unliquidated, appropriate deductions shall be made from payments made under this paragraph (b).

(aa) ART. ___. *Material to be furnished by the Government.* (a) The Government shall deliver to the Contractor at _____ for use in the manufacture of the supplies to be furnished under the terms of this contract, the following material:

(b) Upon the completion or termination of this contract, the Contractor shall deliver to the Government, f. o. b. _____ any of said material, exclusive of scrap or wastage, not used in connection with this contract.

(c) In consideration of a reduction of $_____ per unit in the price of the supplies hereunder, which reduction has been taken account of in the unit contract price stated in Article ____ above, title to all scrap or wastage resulting from the processing of the materials referred to in paragraph (a) hereof shall be and remain in the Contractor.

*The Chief of the supply arm or service concerned.

*(c) The Contractor shall provide and maintain adequate facilities in which he shall store and keep all scrap or wastage resulting from the use of said materials furnished by the Government. Title to all such scrap or wastage shall remain in the Government.

(bb) ART. ___. *Neutrality Act.* (a) Subsection 12 (g) of the Joint Resolution approved by the President, November 4, 1939, provides:

"No purchase of arms, ammunition, or implements of war shall be made on behalf of the United States by any officer, executive department, or independent establishment of the Government from any person who shall have failed to register under the provisions of this Joint Resolution."

(b) Prior to the execution of this contract, the Contractor shall furnish a certified or photostatic copy of its Certificate of Registration with the Department of State, which copy shall be attached to the copy of this contract on file in the office of the Chief of _____.

§ 81.1302 *W. D. Contract Form No. 2*

Contract No. ____

CONSTRUCTION CONTRACT

WAR DEPARTMENT

Contractor and address:
Contract for:
Amount: $
Location:
Payment:
To be made by _____
United States Army, at_____
The supplies and services to be obtained by this instrument are authorized by, are for the purposes set forth in, and are chargeable to the following procurement authorities, the available balances of which are sufficient to cover the cost of the same: _____
_____
This contract is authorized by the following laws:

CONTRACT FOR CONSTRUCTION

THIS CONTRACT, entered into this _____ day of _____, 194__, by the UNITED STATES OF AMERICA (hereinafter called the Government) represented by the Contracting Officer executing this contract, and_____
_____
_____
_____
**a corporation organized and existing under the laws of the State of _____
**a partnership consisting of_____
_____
_____
**an individual trading as_____
_____
_____
of the city of_____in the state of _____(hereinafter called the Contractor), witnesseth that the parties hereto do mutually agree as follows:

(a) ARTICLE 1. *Statement of work.* The contractor shall furnish the materials, and perform the work for_____
for the consideration of_____
in strict accordance with the specifications, schedules and drawings, all of which are made a part hereof and designated as follows:
The work shall be commenced_____
and shall be completed_____.

(b) ART. 2. *Specifications and drawings.* The contractor shall keep on the work a copy of the drawings and specifications and shall at all times give the contracting officer access thereto. Anything mentioned in the specifications and not shown on the drawings, or shown on the drawings and not mentioned in the specifications, shall be of like effect as if shown or mentioned in both. In case of difference between drawings and specifications, the specifications shall govern. In any case of discrepancy in the figures, drawings, or specifications, the matter shall be immediately submitted to the contracting officer, without whose decision said discrepancy shall not be adjusted by the contractor, save only at his own risk and expense. The contracting officer shall furnish from time to time such detail drawings and other information as he may consider necessary, unless otherwise provided.

(c) ART. 3. *Changes.* The contracting officer may at any time, by a written order, and without notice to the sureties, make changes in the drawings and/or specification of this contract within the general scope thereof. If such changes cause an increase or decrease in the amount due under this contract, or in the time required for its performance, an equitable adjustment shall be made and the contract shall be modified in writing accordingly. Any claim for adjustment under this article must be asserted within 10 days from the date the change is ordered: *Provided, however,* That the contracting officer, if he determines that the facts justify such action, may receive and consider, and with the approval of the Secretary of War or his duly authorized representative, adjust any such claim asserted at any time prior to the date of final settlement of the contract. If the parties fail to agree upon the adjustment to be made the dispute shall be determined as provided in Article 15 hereof. But nothing provided in this article shall excuse the contractor from proceeding with the prosecution of the work so changed.

(d) ART. 4. *Changed conditions.* Should the contractor encounter, or the Government discover, during the progress of the work, subsurface and/or latent conditions at the site materially differing from those shown on the drawings or indicated in the specifications, or unknown conditions of an unusual nature differing materially from those ordinarily encountered and generally recognized as inhering in work of the character provided for in the plans and specifications, the attention of the contracting officer shall be called immediately to such conditions before they are disturbed. The Contracting Officer shall thereupon promptly investigate the conditions, and if he finds that they do so materially differ the contract shall with the written approval of the Secretary of War or his duly authorized representative, be modified to provide for any increase or decrease of cost and/or difference in time resulting from such conditions.

(e) ART. 5. *Extras.* Except as otherwise herein provided, no charge for any extra work or material will be allowed unless the same has been ordered in writing by the contracting officer and the price stated in such order.

(f) ART. 6. *Inspection.* (a) All material and workmanship (if not otherwise designated by the specifications) shall be subject to inspection, examination, and test by Government inspectors at any and all times during manufacture and/or construction and at any and all places where such manufacture and/or construction are carried on. The Government shall have the right to reject defective material and workmanship or require its correction. Rejected workmanship shall be satisfactorily corrected and rejected material shall be satisfactorily replaced with proper material without charge therefor, and the contractor shall promptly segregate and remove the rejected material from the premises. If the Contractor fails to proceed at once with the replacement of rejected material and/or the correction of defective workmanship the Government may, by contract or otherwise, replace such material and/or correct such workmanship and charge the cost thereof to the contractor, or may terminate the right of the contractor to proceed as provided in Article 9 of this contract, the contractor and surety being liable for any damage to the same extent as provided in said Article 9 for terminations thereunder.

(b) The Contractor shall furnish promptly without additional charge, all reasonable facilities, labor, and materials necessary for the safe and convenient inspection and test that may be required by the inspectors. All inspection and tests by the Government shall be performed in such manner as not unnecessarily to delay the work. Special, full size, and performance tests shall be as described in the specifications. The Contractor shall be charged with any additional cost of inspection when material and workmanship is not ready at the time inspection is requested by the contractor.

(c) Should it be considered necessary or advisable by the Government at any time before final acceptance of the entire work to make an examination of work already completed, by removing or tearing out same, the contractor shall on request promptly furnish all necessary facilities, labor, and material. If such work is found to be defective in any material respect, due to fault of the contractor or his subcontractors, he shall defray all the expenses of such examination and of satisfactory reconstruction. If, however, such work is found to meet the requirements of the contract, the actual cost of labor and material necessarily involved in the examination and replacement, plus 15 percent, shall be allowed the contractor and he shall, in addition, if completion of the work has been delayed thereby, be granted a suitable extension of time on account of the additional work involved.

(d) Inspection of material and finished articles to be incorporated in the work at the site shall be made at the place of production, manufacture, or shipment, whenever the quantity justifies it, unless otherwise stated in the specifications; and such inspection and acceptance, unless otherwise stated in the specifications, shall be final, except as regards latent defects, departures from specific requirements of the contract and the specifications and drawings made a part thereof, damage or loss in transit, fraud, or such gross mistakes as amount to fraud. Subject to the requirements contained in the preceding sentence, the inspection of material and workmanship for final acceptance as a whole or in part shall be made at the site.

(g) ART. 7. *Materials and workmanship.* Unless otherwise specifically provided for in the specifications, all workmanship, equipment, materials, and articles incorporated in the work covered by this contract are to be of the best grade of their respective kinds for the purpose. Where equipment, materials, or articles are referred to in the specifications as "equal to" any particular standard, the contracting officer shall decide the question of equality. The Contractor shall furnish to the contracting officer for his approval the name of the manufacturer of machinery, mechanical and other equipment which he contemplates incorporating in the work, together with their performance capacities and other pertinent information. When required by the specifications, or when called for by the Contracting Officer, the Contractor shall furnish the Contracting Officer for approval full information concerning the materials or articles which he contemplates incorporating in the work. Samples of materials shall be submitted for approval when so directed. Machinery, equipment, materials, and articles installed or used without such approval shall be at the risk of subsequent rejection. The contracting officer may require the contractor

*This paragraph will be used as a substitute for the above paragraph (c), in appropriate cases, where the Government desires the return of the scrap or wastage.

**Delete all lines which do not apply.

to remove from the work such employee as the Contracting Officer deems incompetent, careless, insubordinate, or otherwise objectionable, or whose continued employment on the work is deemed by the Contracting Officer to be contrary to the public interest.

(h) ART. 8. *Superintendence by contractor.* The Contractor shall give his personal superintendence to the work or have a competent foreman or superintendent, satisfactory to the Contracting Officer, on the work at all times during progress, with authority to act for him.

(i) ART. 9. *Delays—Damages.* If the contractor refuses or fails to prosecute the work, or any separable part thereof, with such diligence as will insure its completion within the time specified in article 1, or any extention thereof, or fails to complete said work within such time, the Government may, by written notice to the contractor, terminate his right to proceed with the work or such part of the work as to which there has been delay. In such event the Government may take over the work and prosecute the same to completion, by contract or otherwise, and the contractor and his sureties shall be liable to the Government for any excess cost occasioned the Government thereby. If the contractor's right to proceed is so terminated, the Government may take possession of and utilize in completing the work such materials, appliances, and plant as may be on the site of the work and necessary therefor. If the Government does not terminate the right of the contractor to proceed, the contractor shall continue the work, in which event it will be impossible to determine the actual damages for the delay and in lieu thereof the contractor shall pay to the Government as fixed, agreed, and liquidated damages for each calendar day of delay until the work is completed or accepted the amount as set forth in the specifications or accompanying papers and the contractor and his sureties shall be liable for the amount thereof: *Provided,* That the right of the contractor to proceed shall not be terminated under the article or the contractor charged with liquidated damages because of any delays in the completion of the work due to unforeseeable causes beyond the control and without the fault or negligence of the contractor, including, but not restricted to acts of God, or of the public enemy, acts of the Government (including, but not restricted to any preference, priority or allocation order), acts of another contractor in the performance of a contract with the Government, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather or delays of subcontractors due to such causes, if the contractor shall within 10 days from the beginning of any such delay (unless the contracting officer, with the approval of the Secretary of War or his duly authorized representative, shall grant a further period of time prior to the date of final settlement of the contract) notify the contracting officer in writing of the causes of delay, who shall ascertain the facts and the extent of the delay and extend the time for completing the work when in his judgment the findings of fact justify such an extension, and his findings of fact thereon shall be final and conclusive on the parties hereto, subject only to appeal within 30 days by the contractor to the Secretary of War or his duly authorized representative, whose decision on such appeal as to the facts of delay and the extension of time for completing the work shall be final and conclusive on the parties hereto.

(j) ART. 10. *Permits and responsibility for work.* The Contractor shall, without additional expense to the Government, obtain all required licenses and permits and be responsible for all damages to persons or property that occur as a result of his fault or negligence in connection with the prosecution of the work, and shall be responsible for all materials delivered and work performed until completion and final acceptance. Upon completion of the contract the work shall be delivered complete and undamaged.

(k) ART. 11. *Eight-hour law, overtime compensation—Convict labor.* (a) (Insert § 81.346)

(b) (Insert § 81.345)

(l) ART. 12. *Covenant against contingent fees.* (Insert § 81.323)

(m) ART. 13. *Other contracts.* The Government may award other contracts for additional work, and the Contractor shall fully cooperate with such other Contractors and carefully fit his own work to that provided under other contracts as may be directed by the Contracting Officer. The contractor shall no commit or permit any act which will interfere with the performance of work by any other contractor.

(n) ART. 14. *Officials not to benefit.* (Insert § 81.322)

(o) ART. 15. *Disputes.* (Insert § 81.326)

(p) ART. 16. *Payments to contractor* (a) Unless otherwise provided in the specifications, partial payments will be made as the work progresses at the end of each calendar month, or as soon thereafter as practicable, on estimates made and approved by the Contracting Officer. In preparing estimates the material delivered on the site and preparatory work done may be taken into consideration.

(b) In making such partial payment there shall be retained 10 percent on the estimated amount until final completion and acceptance of all work covered by the contract: *Provided, however,* That the contracting officer, at any time after 50 percent of the work has been completed, if he finds that satisfactory progress is being made, may make any of the remaining partial payments in full, and *Provided further,* That on completi n and acceptance of each separate building, vessel, public work, or other division of the contract, on which the price is stated separately in the contract, payment may be made in full, including retained percentages thereon, less authorized deductions.

(c) All material and work covered by partial payments made shall thereupon become the sole property of the Government, but this provision shall not be construed as relieving the contractor from the sole responsibility for all materials and work upon which payments have been made or the restoration of any damaged work, or as a waiver of the right of the Government to require the fulfillment of all of the terms of the contract.

(d) Upon completion and acceptance of all work required hereunder, the amount due the Contractor under this contract will be paid upon the presentation of a properly executed and duly certified voucher therefor, after the Contractor shall have furnished the Government with a release, if required, of all claims against the Government arising under and by virtue of this contract, other than such claims, if any, as may be specifically excepted by the contractor from the operation of the release in stated amounts to be set forth therein.

(q) ART. 17. *Rate of wages.* (Insert § 81.343)

(r) ART. 18. *Termination for convenience of the Government.* (Insert § 81.324 (a))

(s) ART. 19. *Nonrebate of wages.* (Insert § 81.344)

(t) ART. 20. *Taxes.* (Insert § 81.357)

(u) ART. 21. *Additional security.* Should any surety upon any bond furnished in connection with this contract become unacceptable to the Government, or if any such surety shall fail to furnish reports as to his financial condition from time to time as requested by the Government, the Contractor must promptly furnish such additional security as may be required from time to time to protect the interest of the Government or of persons supplying labor or materials in the prosecution of the work contemplated by the contract.

(v) ART. 22. *Loading and unloading cars.* The Contractor shall load promptly all railroad cars furnished for loading upon his order and shall unload from railroad cars promptly upon arrival all shipments consigned to him, and shall provide storage facilities and other facilities necessary for these purposes; and the Con'ractor shall not order railway cars for loading unless they can be loaded promptly and shall not cause or permit shipments to be consigned to him unless they can be unloaded from railroad cars promptly upon arrival.

(w) ART. 23. *Assignment of claims.* (Insert § 81.355)

(x) ART 24. *Renegotiation.* (See § 81.342 and §§ 81.1201-81.1213).

(y) ART. 25. *Anti-discrimination.* (Insert § 81.325)

(z) ART. 26. *Notice to the Government of labor disputes.* (Insert § 81.354)

(aa) ART. 27. *Definitions.* (a) The term "Secretary of War" as used herein shall include the Under Secretary of War, and the term "his duly authorized representative" shall mean any person or board authorized by the Secretary of War to act for him other than the Contracting Officer.

(b) Except for the original signing of this contract, and except as otherwise stated herein, the term "Contracting Officer" as used herein shall include his duly appointed successor or his authorized representative.

(bb) ART. 28. *Alterations.* The following changes were made in this contract before it was signed by the parties hereto:

IN WITNESS WHEREOF, the parties hereto have executed this contract as of the day and year first above written.

THE UNITED STATES OF AMERICA

By _____

_____

(Official Title)

Two Witnesses:

_____ _____

(Contractor)

_____

(Address)

By _____

_____ _____

(Business Address)

_____

(Address)

I _____, certify that I am the Secretary of the corporation named as Contractor herein; that _____ who signed this contract on behalf of the Contractor was then _____ of said corporation; that said contract was duly signed up for and on behalf of said corporation by authority of its governing body and is within the scope of its corporate powers.

IN WITNESS WHEREOF, I have hereunto affixed my hand and the seal of said corporation this _____ day of _____, 194__.

(Corporate Seal) _____

(Secretary).

I hereby certify that, to the best of my knowledge and belief, based upon observation and inquiry, _____ who signed this contract for the _____ had authority to execute the same, and is the individual who signed similar contracts on behalf of this corporation with the public generally.

_____

Contracting Officer.

§ 81.1303 *W. D. Contract Form No. 3.*

Contract No. ____

FIXED FEE

CONSTRUCTION CONTRACT

WAR DEPARTMENT

Contractor and address:
Contract for construction of:
Location:
Fixed fee:
Estimated construction cost exclusive of fixed fee:
Payment:
To be made by _____ U. S. Army, at _____
The supplies and services to be obtained by this instrument are authorized by, are for the purposes set forth in, and are chargeable to the following procurement authorities, the available balances of which are sufficient to cover the cost of the same:
_____
This contract is authorized by the following laws:

• FIXED FEE CONSTRUCTION CONTRACT

THIS CONTRACT, entered into this _____ day of _____, 194___, by the UNITED STATES OF AMERICA (hereinafter called the Government) represented by the Contracting Officer executing this contract, and _____
_____
_____
_____
*a corporation organized and existing under the laws of the State of _____
*a partnership consisting of _____
_____
_____
_____
*an individual trading as _____
of the City of _____ in the State of _____ _____ (hereinafter called the Contractor).

WITNESSETH that:

Whereas, the Government desires to engage the services of a Contractor to perform the work and services hereinafter set forth; and

Whereas, the accomplishment of the said work under a fixed-fee contract entered into after negotiations approved by the Secretary of War, and without advertising for proposals, is authorized by law and will facilitate the prosecution of the war, and

Whereas, as a result of such negotiations, the Secretary of War has directed that the Government enter into a fixed-fee contract with the Contractor for the accomplishment of the said work:

Now therefore, the parties hereto do mutually agree as follows:

(a) ARTICLE I. *Statement of work.* 1. Description.

a. The Contractor shall, in the shortest reasonable time, furnish the labor, materials, tools, machinery and equipment, facilities, supplies, not furnished by the Government, and services, and do all things necessary for the completion of the following described work;**

b. The Contractor shall, in the shortest practicable time, furnish the labor, materials, tools, machinery and equipment, facilities, supplies not furnished by the Government, and services, and do all things necessary for the completion of the following described work, in addition to that prescribed by Section 1a of this Article.**

All in accordance with the drawings and specifications or instructions contained in Appendix "A" hereto attached and made a part hereof, or to be furnished hereafter by the Contracting Officer and subject in every detail to his supervision, direction and instructions.

2. The Contractor shall also perform management services which shall include, among other functions, the scheduling and/or purchasing of items of materials and equipment to avoid any delays in the prosecution of the work hereunder. The Contractor shall advise and consult with the subcontractors on this project and shall direct and supervise their work, subject to the provisions of Article VII; and shall, subject to the direction of the Contracting Officer, store materials and equipment for use in connection with the project.

3. It is estimated that the construction cost of the work listed in Section 1 of this Article will be_____
_____
dollars, ($_____), exclusive of the Contractor's Fee, and that the work herein contracted for will be ready for utilization by the Government on or before_____ It is expressly understood, however, that neither the Government nor the Contractor guarantee the correctness of either of these estimates. In consideration of his undertaking under this contract the Contractor shall receive the following:

a. Reimbursement for expenditures as provided in Article II.

b. Rental for Contractor's equipment as provided in Article II.

c. A fixed fee in the amount of_____
_____
dollars ($_____) which shall constitute compensation for the Contractor's services including profit and all general overhead expenses.

4. When in the opinion of the Contracting Officer it is to the best interest of the United States, the Contractor shall when so ordered or authorized, subcontract any or all items or classifications of work required under this contract or subsequently added thereto. Such subcontracting of work, or the performance thereof with the Contractor's own forces, regardless of the amount and/or extent of work performed or subcontracted, all with the prior written approval or order of the Contracting Officer, shall entail no adjustment in the fixed fee stipulated in Section 3c of this Article. The fixed fee stipulated in Section 3c of this Article has been determined in the light of the fact that all of the work may be subcontracted pursuant to the foregoing provision. Such fee includes compensation for the services which may be rendered by the Contractor in the negotiation, supervision, and coordination of any work subcontracted and the responsibilities assumed by the Contractor in connection therewith, and is deemed to be reasonable, regardless of the amount or extent of work performed or subcontracted.

5. The Contracting Officer may at any time by written order issue additional instructions, require additional work or services or direct the omission of work or services covered by this contract. If such changes cause a material increase or decrease in the amount or character of the work to be done under Section 1a of this Article or in the time required for its performance an equitable adjustment of the amount of the fixed fee to be paid the Contractor shall be made and the contract shall be modified in writing accordingly. The adjustment of the fixed fee shall be made upon the completion or termination of the contract or whenever the scope of the whole project has been increased or decreased by reason of changes in excess of 25% of the original work contemplated under Section 1a of this Article. Nothing provided in this Article shall excuse the Contractor from proceeding with the prosecution of the work so changed: *Provided, however,* That there shall be no adjustment in the amount of the fixed fee as provided herein, nor any claim therefor because of any errors and/or omissions made in computing the estimated cost of the construction of the work under this contract or where the actual cost varies from the estimated cost.

6. Nothing contained in this Article shall be taken to authorize or require any adjustment of the fee to be paid the Contractor on account of any additional instructions, work or services ordered or performed by the contractor with regard to the construction work described in Section 1b of this Article and there shall be no increase or decrease in the fee to be paid Contractor in any event on account of any increase or decrease in the quantity or character of the work to be performed under Section 1b.

(b) ART. II. *Cost of the work.* 1. *Reimbursement for Contractor's expenditures.* The Contractor shall be reimbursed in the manner hereinafter described for such of his actual expenditures in the performance of the work as may be approved or ratified by the Contracting Officer and as are included in the following items:

a. All labor, materials, tools, machinery, equipment, supplies, services, utilities, power, and fuel necessary for either temporary or permanent use for the benefit of the work.

b. All subcontracts made in accordance with the provisions of this contract.

c. Rental actually paid by the Contractor, at rates not to exceed those approved by the Contracting Officer, for construction plant in sound and workable condition exceeding $300 in value as may be necessary for the proper and economical prosecution of the work. Each contract for the rental of construction plant or parts thereof by the Contractor from third parties shall be in a form prescribed by the Contracting Officer and shall be subject to his approval and shall include provisions 1. that title to such construction plant or parts thereof free of all liens and encumbrances shall vest in the Government when and if the total rental paid and/or accrued to the lessor for any item of construction plant or parts thereof shall equal the approved value thereof plus one percent (1%) of the approved value per month for each contract month or fraction thereof such piece of equipment shall have been in use, and that on demand the lessor will deliver to the Contracting Officer such evidences of title as he shall demand; and 2, that at any time prior to termination of such rental agreement, the Government may at its option purchase any piece of equipment by paying the lessor the difference between the valuation of such piece of equipment plus one percent (1%) of the approved value per month for each contract month or part thereof such piece of equipment shall have been in use, and the total rental therefor paid for such piece of

*Delete all lines which do not apply.

**(List here all buildings, structures and utilities for which definite units are available or make proper reference to data contained in Engineering and Construction information.)

**(List here all items of work for which there are no definite units available at the time of signing of the contract. Where utility lines or systems are listed here, include the phrase, "and all component parts or appurtenant works which may be necessary and which may be required.")

equipment: *Provided, however,* That either of such provisions may be omitted from such rental agreements if the omission is approved by the Chief of the Supply Service.

d. Unloading and assembling at the site of the work of construction plant owned or rented by the Contractor; transportation thereof to the place or places where it is to be used in connection with said work, dismantling, unloading and return transportation to the point of original shipment or equivalent mileage, but in no event will the payment made for return transportation exceed the payment made for transportation to the job site unless such excess costs results solely from an increase of freight rates, or is required by Government transfer of such equipment to another site more distant from the point of origin than the site of the work set out in Article 1 hereof. Charges for transportation over distances in excess of 500 miles must have the written authorization of the Contracting Officer in advance. Loading at the site of origin and unloading when returned to the original shipping point or other return shipping point will not be paid by the Government and is not a reimbursable item.

e. Repairs and repair parts as are not included in the rental or are not made necessary by the fault or negligence of the Contractor or his employees.

f. Transportation charges on materials and supplies.

g. Transportation and traveling expenses to and from the work of the necessary field forces for the economical and successful prosecution of the work; expenses of procuring labor and expediting the production and transportation of material and equipment. Expenditures under these items must have the written authorization of the Contracting Officer in advance.

h. Salaries of resident engineers, superintendents, timekeepers, foremen, and other field employees of the Contractor in connection with the work. In case the full time of any field employee of the Contractor is not applied to the work, his salary shall be included in this item only in proportion to the actual time applied thereto. No person shall be assigned to service by the Contractor as superintendent of construction, chief engineer, chief purchasing agent, chief accountant, or similar position in the Contractor's field organization, or as principal assistant to any such person, until there has been submitted to and approved by the Contracting Officer a statement of the qualifications, experience and salary of the person proposed for such assignment. The regular salary or compensation rate of any such person shall not be in excess of the highest salary or compensation rate received by him during the year preceding the date of this contract plus such increase as the Contracting Officer may approve. The payment of any excess salary over such scheduled amounts shown in the approved salary schedule agreed to at the time of negotiation of this contract shall not be reimbursable, unless and until the Chief of the Supply Service or his duly authorized representative has so approved in writing.

i. Buildings, trade fixtures and equipment required for necessary field offices, commissaries, hospitals, and other facilities, and the cost of maintaining and operating such field offices, commissaries, hospitals and other facilities; provided that the Contractor may enter into a contract with any third party or parties for the operation of the commissaries, hospitals, or other facilities provided for herein, in which event such contract shall be reduced to writing and terms thereof subject to the prior written approval of the Contracting Officer.

j. Temporary rights in land required in connection with the work.

k. Premiums on such bonds and insurance policies as the Contracting Officer may approve or require as reasonably necessary for the protection of the Government or the Contractor. In every instance where this contract requires or permits the United States to pay the premium on a bond or insurance policy either directly or ultimately as a reimbursable item, the bond or insurance policy shall contain an indorsement or other recital excluding by appropriate language any claim on the part of the insurer or obligor to be subrogated, on payment of a loss or otherwise, to any claim against the United States.

l. Losses and expenses, not compensated by insurance or otherwise (including settlements made with the written consent of the Contracting Officer), actually sustained by the Contractor in connection with the work and found and certified by the Contracting Officer to be just and reasonable unless reimbursement therefor is expressly prohibited.

m. The cost of reconstructing and replacing any of the work destroyed or damaged, and not covered by insurance, but expenditures under this item must have the written authorization of the Contracting Officer in advance.

n. Payments from his own funds made by the Contractor under the Social Security Act, and any disbursements required by law, which the Contractor may be required on account of this contract to pay on or for any plant, equipment, process, organization, materials, supplies, or personnel; and, if approved in writing by the Contracting Officer in advance, permit and licence fees and royalties on patents used, including those owned by the Contractor.

o. If the Contractor and/or his representative shall be required to travel, the Government will reimburse the Contractor for the transportation, including Pullman where necessary, and will allow for such travel Six Dollars ($6.00) per day in lieu of all other expenses. Transportation by automobile on such required travel shall be reimbursed at the rate of Five cents ($.05) per mile as representing the actual cost of such transportation.

All travel shall be either authorized or approved in writing by the Contracting Officer. Should the Contractor, or any representative thereof, remain in a travel status in excess of six (6) days at any one time, not including the time consumed in travel, the cost for such excess travel status shall be at expense of the Contractor, unless otherwise ordered in writing by the Contracting Officer.

p. When specifically approved in advance by the Chief of the Supply Service, a reasonable allowance for work done in the Contractor's general offices exclusively for and directly chargeable to the work.

q. Disbursements incident to payment of payrolls, including but not limited to the cost of disbursing cash, necessary guards, cashiers, and paymasters. If payments to employees are made by check, facilities for cashing checks must be provided without expense to employees, and the Contractor shall be reimbursed therefor.

r. Such other items not expressly excluded by other provisions of this contract as should, in the opinion of the Contracting Officer, be included in the cost of the work. When such an item is allowed by the Contracting Officer, it shall be specifically certified as being allowed under this Subsection.

s. All expenditures for which reimbursement has not been made pursuant to Letter Contract dated ----------, a copy of which is attached hereto. Such Letter Contract is hereby merged and superseded by this contract. This Subsection s. shall be deemed to be included herein if and only if this contract is preceded by a Letter Contract.

2. *Rental for construction plant owned by contractor:*

a. Rental shall be paid to the Contractor for construction plant in sound and workable condition, owned and furnished by him for the proper and economical prosecution of the work, as shown in the attached "Appendix B" hereby made a part hereof, at rental rates prescribed by the Under Secretary of War in "Uniform Rental Rates for Contractor-Owned Construction Plant," August 27, 1941.

b. In the event the Contractor, with the approval of the Contracting Officer, furnishes additional equipment that is not included in "Appendix B," rental for such equipment will be paid in accordance with the said "Uniform Rental Rates for Contractor-Owned Construction Plants."

c. Except as otherwise specified herein, rental shall begin on the date of delivery of the construction plant to a common carrier for shipment to the site of the work, as evidenced by bill of lading or other satisfactory evidence covering such shipment. In the event the construction plant is conveyed by the Contractor, the rental shall start at the time transportation to the site begins; however, the rental paid shall not exceed that for the equivalent time of shipment by common carrier.

d. If such construction plant is not in sound and workable condition, to the satisfaction of the Contracting Officer, when delivered at the site of the work, the rental period therefor shall not begin until the construction plant shall have been placed in sound and workable condition at the expense of the Contractor, and rental therefor shall not be paid for any prior period.

e. If such construction plant cannot be placed in sound and workable condition within reasonable time to the satisfaction of the Contracting Officer, no transportation charges for the shipment thereof, to or from the site of the work, shall be paid.

f. The approved value of the construction plant as shown in "Appendix B" shall be deemed binding unless the Contracting Officer shall, within twenty days after such plant has been set up and working, modify or change such valuation. In the event a change is made in the valuation of the construction plant, a corresponding change shall be made in the rental rate in accordance with said "Uniform Rental Rates for Contractor-Owned Construction Plant." Thereafter the valuation and the related rental rate shall be binding unless the rental is modified as specified below.

g. Rental for time consumed for repairs, in excess of the time normally required for such repairs as determined by the Contracting Officer, shall be deducted from the rental in the amount of one-thirtieth of the monthly rental rate for each day determined to be in excess. When in the opinion of the Contracting Officer the amount of repairs or maintenance is excessive, a deduction shall be made from the rental.

h. The payment of rental shall cease on a date to be established in a written notice by the Contracting Officer to the Contractor, that the Construction plant is no longer required. The date of release thus established shall include an allowance for the time necessary for final repairs, dismantling and loading for shipment.

3. Title to all materials, tools, machinery, equipment and supplies for which the Contractor shall be entitled to reimbursement under Article II shall vest in the Government at such point or points as the Contracting Officer may designate in writing: *Provided,* That the right of final inspection and acceptance or rejection of such materials, tools, machinery, equipment and supplies at such place or places as he may designate in writing is reserved to the Contracting Officer: *Provided further,* That upon such final in-

spection, the Contractor shall be given written notice of acceptance or rejection as the case may be. In the event of rejection, the Contractor shall be responsible for the removal of the rejected property within a reasonable time.

4. The work shall be executed in the best and most workmanlike manner by qualified, careful, and efficient workers, in strict conformity with the best standard practices.

5. Except as otherwise authorized by the Contracting Officer, all materials shall be of the best quality of their respective kinds. If the Contracting Officer requires that the Contractor submit for prior approval samples of materials proposed for use in the work covered by this contract, the Contractor shall make no commitments for such materials until the submitted sample has been approved by the Contracting Officer.

6. During the performance of this contract, the work shall be under the full-time resident direction of the Contractor, if an individual; of one or more principal partners if the Contractor is a partnership; or in case the Contractor is a corporation, association, or similar legal entity, one or more senior officers thereof, *Provided however,* That the Contractor, whether an individual, a partnership, a corporation, or other legal entity, may be represented in the direction of the work by some person of a class other than those specified above, if the Contracting Officer gives his approval. In any event the Contractor shall not be entitled to be reimbursed for any salary, wages or like compensation paid for such direction of the work, whether performed by an individual, a partner, a corporate officer or other representative.

7. The Government reserves the right to furnish any materials, construction equipment, machinery, tools, or services, including communication services necessary for the completion of the work. The Contractor shall cause all equipment, machinery, and tools to which title is vested in the Government to be suitably marked with an identifying mark or symbol indicating that such items are the property of the United States. The Contractor shall maintain at all times, in a manner satisfactory to the Contracting Officer, records showing the disposition and/or use of all equipment, machinery, tools, and materials purchased for the work and for which he has been reimbursed by the Government or which have been furnished by the Government. Upon the completion of this contract or upon demand, the Contractor shall return such equipment, machinery, tools and unused materials to the place designated by the Contracting Officer.

8. *a.* The Government reserves the right to pay directly to common carriers any or all freight charges on construction plant, materials, and supplies.

b. The Government will pay directly for all telegrams, telephone communications (including teletype and facsimile when authorized by the Contracting Officer to be installed), cablegrams, radiograms, and similar messages that may be sent by the Contractor pertaining directly to the contract for work to be done or materials to be furnished thereunder, and the Contractor is hereby designated as an agent of the Government for the purpose of causing to be transmitted any such messages.

9. The Government reserves the right to pay directly to the persons concerned all sums due from the Contractor for labor, materials, or other charges.

10. No salary of the Contractor, partners or corporate officers of the Contractor's organization shall be included in the cost of the work. No part of the expense incurred in conducting the Contractor's main office or regularly established branch offices, and no overhead expense of any kind, except as specifically authorized in Section 1 of this Article, shall be included in the cost of the work; nor shall any interest on capital employed or on borrowed money be included in the cost of the work.

11. The Contractor shall, to the extent of his ability, take all cash and trade discounts, rebates, allowances, credits, salvage, commissions, and bonifications, and when unable to take advantage of such benefits he shall promptly notify the Contracting Officer with the reason therefor. In determining the actual net cost of articles and materials of every kind required for the purpose of this contract, there shall be deducted from the gross cost thereof all cash and trade discounts, rebates, allowances, credits, commissions, and bonifications which have accrued to the benefit of the Contractor or would have so accrued but for the fault or neglect of the Contractor. Such benefits lost through no fault or neglect on the part of the Contractor, or lost through fault of the Government, shall not be deducted from gross costs.

12. All revenue received by the Contractor from the operations of the hospital, commissaries, or other facilities, or from rebates, discounts, refunds, etc., shall be accounted for by the Contractor and, except for any reasonable compensation accruing to a third party or parties for the operation of commissaries, hospitals, or other facilities, applied in reduction of the cost of the work.

(c) ART. III. *Payments. 1. Reimbursement for cost.* The Government will currently reimburse the Contractor for expenditures made in accordance with Article II upon certification to and verification by the Contracting Officer of the original signed pay-rolls for labor, the receipted invoices for materials, and such other documents as the Contracting Officer may require. Generally, reimbursement will be made weekly but may be made at more frequent intervals if the conditions so warrant.

2. *Rental for contractor's equipment.* Rental as provided in Article II for such construction plants or parts thereof as the Contractor may own and furnish shall be paid monthly upon presentation of proper vouchers.

3. *Payment of the fixed-fee.* Ninety percent (90%) of the fixed-fee set out in Article I shall be paid as it accrues, in monthly installments based upon the percentage of the completion of the work as determined from estimates submitted to and approved by the Contracting Officer. Final payment upon completition of the work and its final acceptance shall be made in accordance with Section 6. If the contract is terminated by the Government, payment shall be made in accordance with Article VI.

4. *Payments by contractor.* If bills for purchase of material, machinery or equipment, or payrolls covering employment of laborers or mechanics incurred by the Contractor or by any subcontractor hereunder are not paid promptly by the Contractor or subcontractor as the case may be, the Contracting Officer may, in his discretion, withhold from payments otherwise due the Contractor an amount equivalent to the amount of any such bill or payroll. Should the Contractor neglect or refuse to pay such bills or payrolls or to direct any subcontractor to pay such bills or pay-rolls within five (5) days after notice from the Contracting Officer so to do, the Government shall have the right to pay such bills or pay-rolls directly, and in such event a deduction equal to five percent (5%) of the amount so paid directly shall be made from the Contractor's fee.

5. *Final payment.* Upon completion of the work and its final acceptance in writing by the Contracting Officer, the Government shall pay to the Contractor the unpaid balance of the cost of the work determined under Article II hereof, and of the fee, less any sum that may be necessary to settle any unsettled claims in connection with this contract, or any claim the Government may have against the Contractor. The Contracting Officer shall accept the completed work with reasonable promptness. Prior to final payment and as condition thereto, the Contractor shall furnish the Government with a release of all claims against the Government arising under and by virtue of this contract other than such claims, if any, as are specifically excepted by the Contractor from the operation of the release in stated amounts to be set forth therein.

(d) ART. IV. *Records and accounts inspection and audit.* 1. The Contractor agrees to keep records and books of account, showing the actual cost to him of all items of labor, materials, equipment, supplies, services, and other expenditures of whatever nature for which reimbursement is authorized under the provisions of this contract. The system of accounting to be employed by the Contractor shall be such as is satisfactory to the Contracting Officer.

2. The Contracting Officer shall at all times be afforded proper facilities for inspection of the work and shall at all times have access to the premises, work and materials, to all books, records, correspondence, instructions, plans, drawings, receipts, vouchers, and memoranda of every description of the Contractor pertaining to said work except such documents as have been submitted in support of reimbursement vouchers; and the Contractor shall preserve such papers without additional compensation therefor, for a period of three (3) years after completion or termination of this contract.

3. Any duly authorized representative of the Contractor shall be accorded the privilege of examining the books, records, and papers of the Contracting Officer relating to the cost of the work for the purpose of checking and verifying such cost.

4. In order to avoid so far as possible duplication in accounting and auditing functions performed by the Contractor and the Government, it is agreed that the following accounting and auditing functions shall be performed by the Government exclusively:

a. Time checking (not time keeping) in the field, or in the Contractor's plant.

b. Audit of original pay-rolls of the Contractor (or such portions thereof as are applicable), where such pay-rolls are prepared by the Contractor.*

c. Checking of equipment rentals and the preparation and delivery of properly approved rental rolls to the Contractor for payment.**

d. Such other accounting and auditing functions as may be effectively performed by Government employees and to which the Contracting Officer and the Contractor may mutually agree in writing.

5. It is further agreed that if any of the accounting and auditing functions performed exclusively by the Government do not adequately discharge such accounting and auditing functions to the satisfaction of the Contractor, the Contractor, with the approval in writing of the Contracting Officer, may perform such additional checking and auditing as may be so approved. The Contractor shall be reimbursed for the cost of such additional accounting and auditing functions as are so approved.

(e) ART. V. *Special requirements.* 1. The Contractor hereby agrees that he will:

a. Procure and maintain such bonds and insurance in such forms and in such amounts and for such periods of time as the Contracting Officer may require.

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*NOTE: Where pay-rolls are prepared by the Government the audit thereof by the Government will be concurrent with such preparation.

**Note: If not applicable, this section will be omitted.

b. Procure all necessary permits and licenses; obey and abide by all applicable laws, regulations, ordinances, and other rules of the United States of America, of the State, Territory, or political subdivision thereof wherein the work is done, or of any other duly constituted public authority.

c. Reduce to writing, unless this provision is waived in writing by the Contracting Officer, every contract in excess of Two Thousand Dollars ($2,000) made by him for the purpose of the work hereunder for services, materials, supplies, machinery, equipment, or for the use thereof; insert therein a provision that such contract is assignable to the Government; make all such contracts in his own name, and not bind or purport to bind the Government or the Contracting Officer thereunder. No purchase in excess of $2,000 shall be made or placed without the prior approval of the Contracting Officer.

d. Enter into no subcontract for any portion of the work, except in the form prescribed by the Chief of Supply Service with the written approval of the Contracting Officer. Subcontracts are defined as contracts entered into by the Contractor with others which involve the performance, wholly or in part at the site of the work, of some part of the work described in Article I hereof.

e. At all times during the progress of the work, keep at the site thereof a duly appointed and qualified representative who shall receive and execute on the part of the Contractor such notices, directions, and instructions as the Contracting Officer may give.

f. The Contracting Officer may require the Contractor to dismiss from work such employee or employees as the Contracting Officer deems incompetent, careless, or insubordinate or whose continued employment is deemed inimical by the Contracting Officer to the public interest. The Contractor shall make every reasonable effort in the selection of his employees and in the prosecution of the work under this contract, to safeguard plot drawings and schematic drawings furnished him and drawings and specifications, and to prevent the theft or unauthorized use of the same.

g. Furnish sufficient technical, supervisory and administrative personnel to insure the prosecution of the work in accordance with a progress schedule approved by the Contracting Officer. If, in the opinion of the Contracting Officer the Contractor falls behind a progress schedule approved by the Contracting Officer, the Contractor shall take such steps as may be necessary to improve his progress and the Contracting Office may direct him to increase working days, or hours of labor per day. Failure to promptly comply with such directions shall be deemed sufficient cause to terminate the contract for the fault of the Contractor.

h. Furnish within 15 days of the date of the receipt of written notice from the Contracting Officer, construction plant listed in "Appendix B" provided that the date upon which the Contractor is required to furnish such plant shall not precede the date on which such construction plant is listed as available in said "Appendix B". In the event the Contractor fails to furnish construction plant as required by such notice, the additional cost of acquiring replacement construction plant from any source other than the Contractor shall be paid by the Contractor and shall not be a reimbursable expenditure.

i. Immediately upon termination of third-party rental agreement, make all repairs to equipment rented thereunder which are required to be made by the terms of such rental agreements and remove such equipment from the site of the work. In cases where such repairs and removal cannot promptly be made, the Contractor shall notify the Contracting Officer of the reasons for such delay.

(f) ART. VI. *Termination of contract by Government.* (Insert § 81.360).

(g) ART. VII. *Contracting officer's decisions.* The extent and character of the work to be done by the Contractor shall be subject to the general supervision, direction, control and approval of the Contracting Officer to whom the Contractor shall report and be responsible.

(h) ART. VIII. *Disputes.* (Insert § 81.329).

(i) ART. IX. *Convict labor.* (Insert § 81.395).

(j) ART. X. *Labor.* (a) (Insert § 81.343) (b) (Insert § 81.346).

(k) ART. XI. *Nonrebate of wages.* (Insert § 81.344).

(l) ART. XII. *Anti-discrimination.* (Insert § 81.325).

(m) ART. XIII. *Workmen's Compensation Insurance.* During the life of this contract the Contractor will provide and maintain, for all employees of the Contractor engaged in work under this contract, Workmen's Compensation Insurance or such other protection for employees as may be required by Federal or State statutes in the jurisdiction in which such work is performed, under direction of the Contracting Officer. If the whole or any part of the work under this contract is sublet on a Fixed-Fee basis, the same protection provided for employees of the Contractor will be provided for the protection of the employees of the subcontractors. In those cases where the whole or any part of the work under this contract is sublet on a Lump Sum basis, the Contractor will require the subcontractors to maintain for their employees Workmen's Compensation Insurance or such other protection for employees as may be required by Federal or State statutes in the jurisdiction in which such work is performed. Prior to commencement of operations under this contract the Contractor will supply the Contracting Officer with proof of compliance with this article.

(n) ART. XIV. *Accident prevention.* In order to protect the life and health of his employees in the performance of this contract, the Contractor will comply with all pertinent provisions of the "Safety Requirements in Excavation—Building—Construction" approved by Chief of Engineers December 16, 1941 (a copy of which is on file in the Office of the Contracting Officer), and as may be amended, and will take or cause to be taken such additional measures as the Contracting Officer may determine to be reasonably necessary for this purpose. The Contractor will maintain an accurate record of, and will report to the Contracting Officer in the manner and on the forms prescribed by the Contracting Officer, all cases of death, occupational disease, and traumatic injury arising out of or in the course of employment on work under this contract.

The Contracting Officer will notify the Contractor of any non-compliance with the foregoing provisions and the action to be taken. The Contractor shall, after receipt of such notice, immediately correct the conditions to which attention has been directed. Such notice when served on the Contractor or his representative at the site of the work shall be deemed sufficient for the purpose aforesaid.

If the Contractor fails or refuses to comply promptly, the Contracting Officer may issue an order stopping all or any part of the work. When satisfactory corrective action is taken, a start order will be issued.

(o) ART. XV. *Notice to Government of labor disputes.* (Insert § 81.354)

(p) ART. XVI. *Officials not to benefit.* (Insert § 81.322)

(q) ART. XVII. *Covenant against contingent fees.* (Insert § 81.323)

(r) ART. XVIII. *Contractor's organization and methods.* Upon the execution of this contract, the Contractor shall submit to the Contracting Officer a chart showing in general the executive and administrative organization, duties and personnel to be employed in connection with the work under the contract; the data so furnished shall be supplemented as additional information becomes available.

(s) ART. XIX. *Loading and unloading cars.* The Contractor shall load promptly all railroad cars furnished for loading upon his order and shall unload from railroad cars promptly upon arrival all shipments consigned to him, and shall provide storage facilities and other facilities necessary for these purposes; and the Contractor shall not order railway cars for loading unless they can be loaded promptly and shall not cause or permit shipments to be consigned to him unless they can be unloaded from railroad cars promptly upon arrival.

(t) ART. XX. *Assignment of claims.* (Insert § 81.355)

(u) ART. XXI. *Renegotiation.* (See § 81.342 and §§ 81.1201–81.1213)

(v) ART. XXII. *Definitions.* 1. The term "Secretary of War" as used herein shall include the Under Secretary of War; and the term "Chief of Supply Arm or Service" shall mean the Chief of _____.

2. The term "his duly authorized representative" shall mean any person or board authorized by the Secretary of War or the Chief of the Supply Service, as the case may be, to act for him, other than the Contracting Officer.

3. Except for the original signing of this contract and except as otherwise stated herein, the term "Contracting Officer" as used herein shall include his duly appointed successor or his authorized representative.

4. The term "construction plant" shall include any part thereof.

(w) ART. XXIII. *Approval Required.* This contract shall be subject to the approval of _____ and shall not be binding unless so approved.

(x) ART. XXIV. *Alterations.* The following changes were made in this contract before it was signed by the parties hereto:

IN WITNESS WHEREOF, the parties hereto have executed this contract as of the day and year first above written:

THE UNITED STATES OF AMERICA

By _____

_____

(Official Title)

Two Witnesses:

_____ _____

(Contractor)

_____

(Address)

By _____

_____ _____

(Business Address)

_____

(Address)

I _____, certify that I am the Secretary of the corporation named as Contractor herein; that _____ who signed this contract on behalf of the Contractor was then _____ of said corporation; that said contract was duly signed for and on behalf of said corporation by authority of its governing body and is within the scope of its corporate powers.

IN WITNESS WHEREOF, I have hereunto affixed my hand and the seal of said corporation this _____ day of _____ 19____

[CORPORATE SEAL] _____

(Secretary.)

I hereby certify that, to the best of my knowledge and belief, based upon observation

and inquiry, _____, who signed this contract for _____ had authority to execute the same, and is the individual who signs similar contracts on behalf of this corporation with the public generally.

_____
(Contracting Officer.)

APPENDIX "B"

Project item No.	Date available	Units	Item: Complete description, capacity, and identifying numbers	Date of original purchase, new	Total purchase cost or fair value, new	Assgd. service life	Age to nearest year	Rental rate, dol. per month
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

§ 81.1304 *W. D. Contract Form No. 4.*

Contract No. W-____

FIXED FEE ARCHITECT-ENGINEER CONTRACT WITH OPTIONAL SUPERVISION

WAR DEPARTMENT

Architect-Engineers and address:
Contract for Architect-Engineer:
Services in Connection with:
Location:
Fixed fee for Title I $_____
for Title II $_____
Estimated construction cost:
Exclusive of fixed fee:
Payment: To be made by _____
U. S. Army at:

The supplies and services to be obtained by this instrument are authorized by, are for the purpose set forth in, and are chargeable to the following procurement authority or authorities, the available balances of which are sufficient to cover the cost of the same:

_____

This contract is authorized by the following Laws:

ARCHITECT-ENGINEER SERVICES

THIS CONTRACT, entered into this _____ day of _____, 19__, by The UNITED STATES OF AMERICA (hereinafter referred to as "the Government"), represented by the Contracting Officer executing this contract, and _____

_____

_____

_____

_____

*a corporation organized and existing under the laws of the State of_____
*a partnership consisting of_____

_____

_____

_____

*an individual trading as_____
in the City of_____
State of_____
(hereinafter referred to as "the Architect-Engineer"), WITNESSETH THAT:

Whereas, the accomplishment of the hereinafter described work and services is authorized by law and will facilitate the prosecution of the war; and

Whereas, it is deemed by the Secretary of War to be advantageous to the war effort to employ the Architect-Engineer to render services as hereinafter set forth for the preparation of necessary reports, designs, drawings specifications, and other documents; and, at the option of the Government, for technical supervision of the construction of the project described in Article I–A hereof; and

Whereas, the Secretary of War has authorized the Government to negotiate this Cost-Plus-A-Fixed-Fee Architect-Engineer contract:

Now, therefore, the parties hereto do mutually agree as follows:

TITLE I

(a) ARTICLE I–A. *Description of project.* 1. The project shall be located at or near and is generally described as follows:

a. *
b. **

(b) ART. I–B. *Statement of architect-engineer services.* The Architect-Engineer shall, in the shortest reasonable time, establish and maintain an office at or near the site of the work under the full-time resident direction of the Architect-Engineer; of one or more principal partners if the Architect-Engineer is a partnership or in case the Architect-Engineer is a corporation, association, or similar legal entity, one or more corporate officers thereby; or a responsible representative approved by the Contracting Officer; and the Architect-Engineer shall perform the following services (in addition to such services which may be required to be performed under Title III of this Contract):

a. Make all necessary topographical and other surveys and maps; arrange for and supervise necessary test borings and other subsurface investigations: *Provided, however,* That this provision is not to be deemed to require the Architect-Engineer to make real estate or boundary surveys.

b. Prepare, subject to the approval of the Contracting Officer, preliminary studies, sketches, and layout plans and reports including estimates of cost of the proposed project and of all structures, utilities and appurtenances thereto.

c. Adapt Government designs, drawings, specifications and standards for buildings and other structures as necessary to meet the requirements of the approved layout of the proposed project, and prepare detailed designs, specifications and drawings in required form for which Government designs are incomplete or unavailable.

d. Obtain necessary permits and approvals from all local, State and Federal authorities. Should it become necessary in the performance of the work and services for the Architect-Engineer to secure the right of ingress and egress to perform any of the work required by this contract on properties not owned or controlled by the Government, the Architect-Engineer shall secure the consent of the owner, his representative, or agent, prior to effecting entry on such property. In the event the owner requires the payment of any fee for a license to enter upon and/or use such property, the Architect-Engineer, when so directed by the Contracting Officer, shall pay such fee and obtain a receipt therefor.

e. Prepare estimates of material quantities required to construct the project.

f. When preliminary drawings are approved in writing by the Contracting Officer, prepare final designs, detailed working drawings and specifications in accordance with Government standards necessary for the effective coordination and efficient execution of the construction work and revise such drawings and specifications if necessary. All reservation, topographical, utility and unit layout maps shall be inked in on linen. If deemed practicable by the Contracting Officer, all other drawings for structures and other items may be made in pencil. Prepare copies of the specifications and sets of full size copies of working drawings in such manner and in such numbers as the Contracting Officer may require. There shall be included in the specifications all provisions which the Contracting Officer may direct to have incorporated therein relating to the negotiating or awarding of contract or contracts, conditions under which the work shall be done, and any special provisions required by statute or existing War Department regulations or instructions.

g. Prepare an estimate of the cost of the proposed project based on the approved designs, drawings and specifications therefor.

h. Establish a permanently monumented base line, with elevations, tied into North American Datum, unless specifically exempted by written instructions of the Contracting Officer.

i. Check and approve all shop and working drawings submitted in connection with the construction work to assure that they conform with approved drawings.

j. Assist the Contracting Officer in preparing invitations for offers, analyzing and evaluating proposals for a construction contract or contracts based upon the approved drawings and specifications.

(c) ART. I–C. *Period of service.* The Architect-Engineer shall complete all work and services under Title I of this contract except work and services required under Subparagraph 1 of Article I–B, within _____ months after the date of this contract, but such services will extend thereafter, without additional fee, until the services set forth in Article I–B are complete or otherwise terminated.

* Delete all lines which do not apply.

*(List here all buildings, structures and utilities for which definite units are available or make proper reference to data contained in Engineering and Construction Information.)

**(List here all items of work for which there are no definite units available at the time of signing of the contract. Where utility lines or systems are listed here, include the phrase, "and all component parts or appurtenant works which may be necessary and which may be required.")

(d) ART. I–D. *Fixed fee and reimbursement of expenditures.* 1. In consideration for his undertakings under this Title I, the Architect-Engineer shall be paid the following:

a. A fixed fee in the amount of_____ _____ dollars ($_____) which shall constitute complete compensation under this Title I for the Architect-Engineer's services, including the services of the resident partners or corporate officers, or the representatives referred to in Article I–B and also all general overhead expenses except as otherwise herein expressly provided. Payments on account of the fixed-fee shall be made as provided in Article III–G hereof.

b. Reimbursement for expenditures as specified in Article III–E hereof.

TITLE II

At any time prior to six months after satisfactory completion and acceptance of the work and services to be furnished under Title I except subparagraph *i* of Article I–B, the Government, at its option, may direct, by a written order, the Architect-Engineer to perform the work and services provided under this Title II. Upon receipt of such direction, the Architect-Engineer shall proceed with such work and services.

(e) ART. II–A. *Services to be furnished by Architect-Engineer.* 1. The Architect-Engineer shall perform the following services:

a. Furnish all governing lines, bench marks and grades essential to the construction of the project.

b. Supervise the work included in this contract to assure the construction of every part of the work in accordance with the approved drawings and specifications within the areas and boundaries designated for the project.

c. Make such field and laboratory tests of concrete and concrete aggregates and all other materials at the site or at any time or place as the Contracting Officer may require. Inspect and report to the Contracting Officer in writing as to the conformity or nonconformity of the workmanship and materials to specifications; and on the progress of the project.

(1) When so directed by the Contracting Officer, arrange for, by subcontract or otherwise, and supervise tests and inspections of materials and workmanship by commercial testing laboratories or other similar agencies, either at such laboratories or at the points of manufacture or fabrication of materials. The cost of such tests and inspection shall be reimbursable and shall entail no adjustment in the fixed fee.

d. Furnish for the approval of the Contracting Officer:

(1) Labor estimates, to be prepared with the assistance of the Contractor, showing the approximate numbers, trades and dates required to meet the approved construction schedule.

(2) In addition to the requirements of Article III–M, semimonthly progress reports in approved form showing the progress of the construction work and any deviation from the approved construction schedule.

e. Upon termination or completion of this contract, as determined by the Contracting Officer, and before final payment of the fixed-fee, the Architect-Engineer shall:

(1) Prepare record drawings in required form, or correct drawings and specifications to show construction as actually accomplished as follows:

(a) Drawings of topographical surveys, project layouts, utility layout maps, unit layout maps, (including utilities), landscape layouts and detailed drawings for all special structures of a permanent nature, including sewage disposal plants, and water and electrical supply systems, shall be inked in on linen.

(b) All other drawings for structures and other items may be made in pencil if deemed practicable by the Contracting Officer.

(2) Supervise the testing of operating units designated by the Architect-Engineer to assure their conformance with specifications and furnish all engineering services necessary to secure such conformance.

(3) Prepare instructions for the proper operation and maintenance of all utilities and operating equipment designed by him.

(4) Assist in preparation of the completion report for the project.

f. Prepare such partial and final estimates of quantities and values of construction work performed under lump sum and unit price contracts and/or subcontracts as may be necessary to provide the data required under the payment provisions of such contracts and/or subcontracts.

g. Perform such other services as may be required under the provisions of Title III hereof.

(f) ART. II–B. *Period of service.* The period of service of the Architect-Engineer under this Title II is estimated as _____ months from receipt of order to proceed thereunder, but will extend thereafter until the services set forth herein are complete or otherwise terminated. If for any reason the time required of the Architect-Engineer under this Title II is extended for more than thirty (30) calendar days beyond that estimated in this Article, there shall be a prompt and equitable adjustment in the Architect-Engineer fixed fee, as may be agreed upon between the Architect-Engineer and the Contracting Officer.

(g) ART. II–C. *Fixed-fee and reimbursement of expenditures.* 1. In consideration for his undertakings under this Title II, the Architect-Engineer shall be paid the following:

a. Fixed-fee in the amount of_____ _____ DOLLARS ($_____) which shall constitute complete compensation under this Title II for the Architect-Engineer's services, including the services of the resident partners or corporate officers, or the representative referred to in Article I–B, and all general overhead expenses except as otherwise herein expressly provided. Payment on account of the fixed-fee shall be made as provided in Article III–G hereof.

b. Reimbursement for expenditures as specified in Title III.

TITLE III

The provision of this title shall apply to this entire contract, to wit: to Title I and likewise to Title II, should Title II become operative as provided therein.

(h) ART. III–A. *Additional services to be performed by Architect-Engineer.* 1. Without additional compensation the Architect-Engineer shall perform the following services:

a. The Architect-Engineer, or any member of the organization, when requested, shall consult and advise with the Contracting Officer on any questions which may arise in connection with the service furnished under this contract.

b. Prepare schedules and charts showing the sequences of operations in the construction of each of the several portions of the work.

c. Prepare estimates showing the quantities of critical and important materials and length of time after award of the construction contract when such materials will be required on the site.

d. Perform all other architectural and engineering services within the scope of this contract, required by the Contracting Officer.

(i) ART. III–B. *Records and accounts, inspection and audit.* 1. *Records and books of account.* The Architect-Engineer agrees to keep records and books of account, showing the actual cost to him of all items of labor, material, equipment, supplies, services, and other expenditures of whatever nature for which reimbursement is authorized under the provisions of this contract. The system of accounting to be employed by the Architect-Engineer shall be such as is satisfactory to the Contracting Officer.

2. *Access to records by Contracting Officer and Architect-Engineer.* The Contracting Officer shall at all times be afforded proper facilities for inspection of the work and shall at times have access to the premises, work and materials, to all books, records, correspondence, instructions, plans, drawings, receipts, vouchers, and memoranda of every description of the Architect-Engineer pertaining to said work except such documents as are submitted in support of reimbursement vouchers; and the Architect-Engineer shall preserve such papers, without additional compensation therefor, for a period of three (3) years after completion or termination of this contract. Likewise any duly authorized representative of the Architect-Engineer shall be accorded the privilege of examining the books, records, and papers of the Contracting Officer relating to the actual cost of the work for the purpose of checking and verifying such cost.

3. *Auditing functions.* In order to avoid so far as possible duplication in accounting and auditing functions performed by the Architect-Engineer and the Government, it is agreed that the following accounting and auditing functions shall be performed by the Government exclusively.

a. Time checking in the field or in the Architect-Engineer's plant (not time keeping).

b. Audit or original pay rolls of the Architect-Engineer (or such portions thereof as are applicable), where such payrolls are prepared by the Architect-Engineer.*

c. Checking of equipment rentals and the preparation and delivery of properly approved rentals rolls to the Architect-Engineer for payment.

d. Such other accounting and auditing functions as may be effectively performed by Government employees and to which the Contracting Officer and the Architect-Engineer may mutually agree in writing.

4. *Discharge of functions.* It is further agreed that if any of the accounting and auditing functions performed exclusively by the Government do not adequately discharge such accounting and auditing functions to the satisfaction of the Architect-Engineer, the Architect-Engineer, with the approval in writing of the Contracting Officer, may perform such additional checking and auditing as may be so approved. The Architect-Engineer shall be reimbursed for the cost of such additional accounting and auditing functions as are so approved.

(j) ART. III–C. *Equipment and services to be furnished by the Government.* 1. The Government shall provide for the use of the Architect-Engineer's field organization during the period covered by this contract, all office and drafting room space, supplies, equipment, facilities, and services necessary for the proper performance of work hereunder.

a. If any of the foregoing articles, equipment, services or other items required by the Architect-Engineer's field organization are not promptly made available by the Government, the Architect-Engineer, when such action is approved by the Contracting Officer, shall procure such items and the Architect-Engineer shall be reimbursed for expenses incurred in connection therewith: *Provided,* That direct payment by the Government shall be made as prescribed in Article III–E, Section 2 hereof for any communication services mentioned in that Article which the

*NOTE. Where payrolls are prepared by the Government the audit thereof by the Government will be concurrent with such preparation.

Architect-Engineer procures. Unless procurement on a rental basis is approved in advance by the Contracting Officer, all items of office equipment which the Architect-Engineer procures under this section shall be purchased and title thereto shall vest in the Government. Third party rental agreements made for items covered by this provision shall be terminable at the option of the Government and, except for third-party owned motor-propelled vehicles, shall not contain a recapture clause.

2. The Architect-Engineer's repsonsibility for the equipment and machinery furnished or purchased pursuant to this article shall be that of a bailee under a mutual benefit bailment. He shall cause the foregoing equipment and machinery to be suitably marked with an identifying mark or symbol, indicating that such item is the property of the United States. Upon completion of this contract or upon demand, the Architect-Engineer shall return such equipment and machinery to the place designated by the Contracting Officer.

3. In the event office space at or near the site of the work is not provided by the Government in sufficient time to permit the work and services described herein to be performed efficiently and expeditiously, the Architect-Engineer, if approved in advance in writing by the Contracting Officer, may rent or lease such space at a convenient location, or if such rented or leased space is not available, may arrange by subcontract or otherwise for the construction of a temporary structure or structures to meet his immediate needs, on Government owned or controlled property or on privately owned property leased for such purpose.

(k) ART. III–D. *Estimated cost of construction.* 1. The present preliminary estimated construction cost of the project on which the services of this contract are based is approximately _____ DOLLARS ($_____) exclusive of Architect-Engineer's fixed-fee. It is expressly understood, however, that neither the Government nor the Architect-Engineer guarantees the correctness of this estimate.

(l) ART. III–E. *Reimbursement for expenditures.* 1. In addition to the payment of the fixed-fee as specified herein, the Architect-Engineer will be reimbursed for such of his actual expenditures in the performance of the work as may be approved or ratified by the Contracting Officer and as are included in the following items:

a. Actual salaries or wages paid to principal assistant engineers, engineers, architects and other technical, administrative and field employees of the Architect-Engineer directly engaged in the work including those in both his home and field office. The payment of any excess over the scheduled amounts shown in the approved salary schedule agreed to at the time of the negotiation of this contract shall not be reimbursable, unless and until the Chief of the Supply Service has so approved in writing.

b. In case the full time of one or more employees of the Architect-Engineer is not applied to the work hereunder, the salaries or wages of such employees shall be included in this item only in proportion to the actual time applied thereto.

c. Travel: (1) If the Architect-Engineer and/or his representatives shall be required to travel, the Government will reimburse the Architect-Engineer for the transportation, including Pullman where necessary, and will allow the traveler Six Dollars ($6.00) per day in lieu of all other expenses.

(2) All travel shall be either authorized or approved in writing by the Contracting Officer. Should the Architect-Engineer, or any representative thereof, remain in a travel status in excess of six (6) days at any one time, not including the time consumed in travel the cost for such excess travel status shall be at the expense of the Architect-Engineer unless otherwise ordered in writing by the Contracting Officer.

(3) Authorized transportation by automobile shall be reimbursed at the rate of Five Cents ($.05) per mile as representing the actual cost of such transportation.

d. Payment from his own funds made by the Architect-Engineer under the Federal Social Security Act and any applicable state or local taxes, fees, or charges which the Architect-Engineer may be required to pay from his own funds on account of this contract.

e. Costs of such bonds and insurance policies and premiums thereon as the Contracting Officer may require for the protection of the Government and may approve as reasonably necessary for the protection of the Architect-Engineer. In every instance where this contract requires or permits the United States to pay the premium on a bond or insurance policy either directly or ultimately as a reimbursable item, the bond or insurance policy shall contain an indorsement or other recital excluding by appropriate language any claim on the part of the insurer or obligor to be subrogated, on payment of a loss or otherwise, to any claim against the United States.

f. Losses and expenses, not compensated by insurance or otherwise (including settlements made with the written consent of the Contracting Officer), actually sustained by the Architect-Engineer in connection with the work and found and certified by the Contracting Officer to be just and reasonable unless reimbursement therefor is expressly prohibited.

g. Subcontracts, when approved by the Contracting Officer. Unless otherwise expressly provided for in this contract, subcontracting of any services covered by this contract shall be subject to a decrease in the fixed fee by an equitable adjustment on the basis of the decrease in services due to such subcontracting.

h. Temporary rights in land required in connection with the work and services hereunder, when approved in writing by the Contracting Officer.

i. The actual cost of expenditures made by the Architect-Engineer under the provisions of Article III–C and III–F of this contract.

j. Such other items as should in the opinion of the Contracting Officer, be included in the cost of the work, provided that when such items are allowed by the Contracting Officer, they shall be specifically certified as being allowed under this subsection.

k. All expenditures for which reimbursement has not been made pursuant to Letter Contract dated _____, a copy of which is attached hereto. Such Letter Contract is hereby merged and superseded by this contract.* This subparagraph *k* shall be deemed to be included herein if and only if this contract is preceded by a Letter Contract.

l. Rental for equipment owned and furnished by the Architect-Engineer, subject to such rental rates, terms and conditions as may be approved by the Contracting Officer; provided that the necessity for the use of such equipment is approved in advance by the Contracting Officer; and *Provided, further,* That such equipment shall not be subject to recapture.

m. Rental paid by the Architect-Engineer for third-party-owned motor propelled vehicles. Each agreement for the rental of such equipment shall be in a form prescribed by the Contracting Officer, shall be subject to his approval and shall include provisions (1) that title to such equipment free of all liens and encumbrances shall vest in the Government when and if the total rental paid and/or accrued to the lessor for any item of equipment shall equal the approved value thereof plus one per cent (1%) of the approved value per month for each contract month or fraction thereof such piece of equipment shall have been in use, and that on demand the lessor will deliver to the Contracting Officer such evidences of title as he shall demand; and (2) that at any time prior to termination of such rental agreement, the Government may at its option purchase any piece of equipment by paying the lessor the difference between the valuation of such piece of equipment plus one per cent (1%) of the approved value per month for each contract month or part thereof such piece of equipment shall have been in use, and the total rental theretofore paid for such piece of equipment: *Provided, however,* That either of such provisions may be omitted from such rental agreements if the omission is approved by the Chief of the Supply Service.

n. Fees for necessary permits and licenses under subparagraph *d* of Article I-B hereof.

o. Reimbursement under this Article shall include all actual expenditures directly chargeable to the work and services provided herein performed at the Architect-Engineer's home office, its field office, or elsewhere.

2. The Government will pay directly for all telegraphic communications (including teletype and facsimile when authorized by the Contracting Officer to be installed), cablegrams radiograms, and similar messages that may be sent by the Architect Engineer pertaining directly to the contract for work to be done or materials to be furnished thereunder, and the Architect-Engineer is hereby designated as an agent of the Government for the purpose of causing to be transmitted any such messages.

3. No salary, wages or like compensation of the Architect-Engineer, partners or corporate officers of the Architect-Engineer's organization and no salary, wages or like compensation of the resident manager referred to in Article I–B shall be included in the cost of the work; nor shall any interest on capital employed or on borrowed money be included in the cost of the work.

(m) ART. III–F. *Expert technical assistance.* 1. When in the judgment of the Architect-Engineer the complexity and nature of the project are such as to require expert technical assistants, or services, or advice in connection with special phases of the work such as site planning, manufacturing processes, or other problems of a highly technical character, the Architect-Engineer may employ, by contract or otherwise, with the written consent and approval of the Contracting Officer obtained in advance, such supplemental professional services as are necessary for the proper performance of this contract.

(n) ART. III–G. *Method of payment.* 1. Payments to the Architect-Engineer are to be made as follows:

a. At intervals of not less than two weeks, the Architect-Engineer shall prepare a statement of the actual salaries paid, as hereinbefore mentioned, during the preceding period of two weeks, together with a statement of all other reimbursable expenses and including an estimate of the portion of the Architect-Engineer's fixed-fee earned. These statements, with original certified payrolls, receipted bills for all expenses including materials, rentals, supplies and equipment, and all other supporting data as may be required, shall be delivered to the Contracting Officer. The approved amounts of such statements shall be the basis for the preparation of the public voucher.

b. Payments of reimbursable cost items and of 90% of the amount of the Architect-Engi-

*NOTE: This contract will bear same date as Letter contract.

neer's fee earned shall be made on vouchers approved by the Contracting Officer on standard forms, as soon as practicable after the submission of statements, supported by original certified payrolls, receipted bills for all expenses, including materials, supplies and equipment, rentals, and all other supporting data. Upon completion of the project and its final acceptance the Architect-Engineer shall be paid the unpaid balance of any money due the Architect-Engineer hereunder. Prior to final payment under the contract, or prior to settlement upon termination of the contract, and as a condition precedent thereto, the Architect-Engineer shall execute and deliver to the Contracting Officer a release of all claims against the Government arising under and by virtue of this contract other than such claims, if any, as are specifically excepted by the Architect-Engineer from the operation of the release in stated amounts to be set forth therein.

c. In the event that the Government does not exercise the option under Title II of this contract within 30 days after the satisfactory completion and acceptance by the Contracting Officer of the Work done by the Architect-Engineer under Article I–B, subparagraphs *a* through *h* inclusive, the Architect-Engineer shall be paid the unpaid balance of any money due for work done under said Article I–B, subparagraphs *a* through *h* inclusive.

(o) ART. III–H. *Drawings and other data to become property of Government.* 1. All drawings, designs and specifications are to become the property of the Government on completion as outlined in this contract, and the Government shall have full right to use said drawings, designs and specifications as instruments for the purpose of constructing, under contract or otherwise any buildings or other structures for the sole use of the Government when and where the Government may designate, without any claim on the part of the Architect-Engineer for additional compensation.

2. All notes, designs, drawings and other data concerning the project shall be delivered to the Government whenever requested by the Contracting Officer and, furthermore, access to such data shall be restricted to trusted and duly authorized representatives of the Government and of the Architect-Engineer.

(p) ART. III–I. *The Contracting Officer's decisions.* 1. The extent and character of the work to be done by the Architect-Engineer shall be subject to the general supervision, direction, control, and approval of the Contracting Officer, to whom the Architect-Engineer shall report and be responsible.

(q) ART. III–J. *Disputes.* (Insert § 87.326)

(r) ART. III–K. *Changes in work or services.* 1. The Contracting Officer may at any time by written order issue additional instructions, require additional work or services or direct the omission of work or services covered by this contract. If such changes cause a material increase or decrease in the amount or character of the work and services to be done under subparagraph *a* of Article I–A an equitable adjustment of the amount of the fixed fee to be paid the Architect-Engineer shall be made and the contract shall be modified in writing accordingly. The adjustment of the fixed fee shall be made upon the completion or termination of the contract or whenever the scope of the whole project has been increased or decreased by reason of changes in excess of 25% of the original work contemplated under subparagraph *a*, Article I–A. Nothing provided in this Article shall excuse the Architect-Engineer from proceeding with the prosecution of the work so changed: *Provided, however,* That there shall be no adjustment in the amount of the fixed fee as provided herein, nor any claim therefor because of any errors and/or omissions made in computing the estimated cost of the construction of the work under this contract or where the actual cost varies from the estimated cost.

2. Nothing contained in Section 1 of this Article shall be taken to authorize or require any adjustment of the fee to be paid the Architect-Engineer on account of any additional instructions, work or services ordered or performed by the Architect-Engineer with regard to the construction work described in subparagraph *b* of Article I–A and there shall be no increase or decrease in the fee to be paid the Architect-Engineer in any event on account of any increase or decrease in the quantity or character of the work to be performed under subparagraph *b* of Article I–A.

(s) ART. III–L. *Termination for cause or for convenience of the Government.* 1. The Government may terminate this contract at any time and for any cause by a notice in writing from the Contracting Officer to the Architect-Engineer. Upon receipt of such notice the Architect-Engineer shall, unless the notice directs otherwise, immediately discontinue all work and the placing of all orders for materials, facilities and supplies in connection with performance of this contract and shall proceed to cancel promptly all existing orders and terminate work under subcontracts insofar as such orders and/or work are chargeable to this contract.

2. Upon the termination of this contract, full and complete settlement of all claims of the Architect-Engineer arising out of this contract shall be made as follows:

a. The Government shall assume and become liable for all obligations, commitments, and claims that the Architect-Engineer may have theretofore in good faith undertaken or incurred in connection with said work and in accordance with the provisions of this contract; and the Architect-Engineer shall, as a condition of receiving the payments mentioned in this Article, execute and deliver all such papers and take all such steps as the Contracting Officer may require for the purpose of fully vesting in the Government the rights and benefits of the Architect-Engineer under such obligations or commitments.

b. The Government shall reimburse the Architect-Engineer for all expenditures made in accordance with Article III–E and not previously reimbursed.

c. The obligations of the Government to make any of the payments required by this Article, or by Article III–G of this contract, shall be subject to any unsettled claims for labor or material or any claim the Government may have against the Architect-Engineer.

3. If the contract is terminated for the convenience of the Government, the Architect-Engineer will be paid promptly that proportion of the prescribed fixed-fee which the work actually performed bears to the total work called for under this contract, less fixed-fee payments previously made, and the Government shall further reimburse the Architect-Engineer for such essential expenditures, made after the date of termination, for the protection of Government property and for accounting services in connection with the settlement of this contract, as the Contracting Officer may approve.

4. If the contract is terminated due to the fault of the Architect-Engineer, no further payments on account of the fixed-fee will be made.

(t) ART. III–M. *Progress reports and changes in personnel.* 1. The Architect-Engineer shall promptly, after the execution of the contract, prepare and submit to the Contracting Officer, for approval, a schedule showing the order in which the Architect-Engineer proposes to carry on the work, with dates on which he will start the several salient features of the work and the contemplated dates for completing the same. The schedule shall be in the form of a progress chart at suitable scale as to indicate with symbols the percentage completed at any time. The Architect-Engineer shall correct the progress schedule at the end of each week and shall immediately deliver to the Contracting Officer three copies of the same.

2. The Architect-Engineer shall furnish sufficient technical, supervisory and Administrative personnel to insure the prosecution of the work in accordance with the approved progress schedule. If, in the opinion of the Contracting Officer, the Architect-Engineer falls behind the progress schedule, the Architect-Engineer shall take such steps as may be necessary to improve his progress and the Contracting Officer may direct him to increase working days per week, or hours of labor per day and failure to promptly comply with such directions shall be deemed sufficient cause to terminate the contract.

3. When in the opinion of the Contracting Officer the Architect-Engineer's personnel and/or overhead is excessive for the proper performance of this contract, reductions thereof shall be made as required by the Contracting Officer.

(u) ART. III–N. *Covenant against contingent fees.* (Insert § 81.323)

(v) ART. III–O. *Officials not to benefit.* (Insert § 81.322)

(w) ART. III–P. *Assignment of claims.* (Insert § 81.355)

(x) ART. III–Q. *Anti-discrimination.* (Insert § 81.325)

(y) ART. III–R. *Convict labor.* (Insert § 81.345)

(z) ART. III–S. *Dismissals.* 1. Should the continued employment, under this contract, of any person in the Architect-Engineer's organization be deemed by the Contracting Officer to be prejudicial to the interests of the Government, that person shall be immediately removed from the work. The Architect-Engineer shall make every reasonable effort in the selection of his employees and in the prosecution of the work under this contract to safeguard plot drawings and schematic drawings furnished him, and drawings and specifications, and to prevent the theft or unauthorized use of the same.

(aa) ART. III–T. *Workmen's Compensation Laws.* 1. Under the Act of June 25, 1936 (49 Stat. 1938; 40 U.S.C. 290) the several States have authority to make their Workmen's Compensation Laws applicable to contracts for the construction, alteration or repair of a public building or public work of the United States, and the several States are vested with the power and authority to enforce such State laws on lands of the United States.

(bb) ART. III–U. *Accident prevention.* 1. In order to protect the life and health of his employees in the performance of this contract, the Architect-Engineer will comply with all pertinent provisions of the specifications, and will take or cause to be taken such additional measures as the Contracting Officer may determine to be reasonably necessary for this purpose. The Architect-Engineer will maintain an accurate record of, and will report to the Contracting Officer in the manner and on the forms prescribed by the Contracting Officer, all cases of death, occupational disease, and traumatic injury arising out of or in the course of employment on work under this contract.

(cc) ART. III–V. *Renegotiation.* (See § 81.342 and §§ 81.1201–81.1213)

(dd) ART. III–W. *Definitions.* 1. The terms "Secretary of War" and "Chief of Engineers" shall include any person or board authorized by the Secretary of War or the Chief of the Supply Service, as the case may be, to act for him, other than the Contracting Officer.

2. Except for the original signing of this contract, the term "Contracting Officer" as used herein shall include his duly appointed successor or his authorized representative.

(ee) ART. III–X. *Alterations.* The following changes were made in this contract before it was signed by the parties hereto:

IN WITNESS WHEREOF, the parties hereto have executed this contract as of the day and year first above written.

THE UNITED STATES OF AMERICA
By _____
_____
(Contracting Officer)

ARCHITECT–ENGINEER

By_____
Witnesses as to signature of Architect–Engineer: Title_____ Business Address___
_____ _____
_____
(Address)
_____
_____
(Address)

§ 81.1305 *W. D. Contract No. 5.*

SHORT FORM SUPPLY CONTRACT
(Negotiated)

Invitation No. ____
Contract No. _____

_____
(Dept. or establishment) (Office or station)
_____
(Address) (Date)

Payment: To be made by _____
U. S. Army, at: _____

The supplies and services to be obtained by this instrument are authorized by, are for the purposes set forth in, and are chargeable to the following procurement authorities, the available balances of which are sufficient to cover the cost of the same_____
_____.

INFORMAL INVITATION

Sealed informal bids, in _____, subject to the conditions on the reverse hereof, and the accompanying sheets, will be received at this office until _____ o'clock ____ m., _____ for furnishing the supplies and/or services, listed on the accompanying sheets numbered _____. Each sheet must show the name of the bidder.

INFORMAL BID

_____
(date)

In compliance with the above informal invitation for bids and subject to all the conditions thereof, the undersigned offers, and agrees, if this bid be accepted within _____ calendar days from the date of the opening, to furnish any or all of the items upon which prices are quoted, at the price set opposite each item, delivered at the point(s) as specified and, unless otherwise specified, within _____ calendar days after receipt of order. It is understood that the Government reserves the right to reject any or all bids regardless of whether the same constitute the lowest bids.

Bidder _____ Address _____
_____ _____
By _____ Title_____
(Signature of person authorized to sign this bid)

ACCEPTANCE BY THE GOVERNMENT

_____
(Date)

Accepted as to items numbered_____
_____
_____
_____
_____
_____
_____
_____
_____
_____
Name_____ Title_____

Conditions

1. Insert § 81.322.
2. Insert § 81.323.
3. Insert § 81.352.
4. Insert § 81.324.
5. Insert § 81.325.
6. Insert § 81,357.
7. Insert § 81.326.
8. Insert § 81.328.
9. Renegotiation (See § 81.342 and §§ 81.1201–81.1205).
10. Insert § 81.353.
11. Insert § 81.354.
12. Insert § 81.345.
13. Insert § 81.355.

NOTE: For form of certificate as to the authority of the person signing on behalf of the Contractor see § 81.130 (W).

§ 81.1306. *W. D. Contract Form No. 6.*

Contract No_____
Purchase Order Office Identifying No_____

Offer and Acceptance	Payment will be made by Finance Officer at _____
Date _____	_____
	The supplies and services to be obtained by this instrument are authorized by, are for the purpose set forth in, and are chargeable to Procurement Authority, No. quoted below, the available balance of which is sufficient to cover cost of same.
_____ (Office or Station)	
_____ (Address)	Auth. No. _____

Payment: To be made by _____
U. S. Army at: _____

The supplies and services to be obtained by this instrument are authorized by, are for the purposes set forth in, and are chargeable to the following procurement authorities, the available balances of which are sufficient to cover the cost of the same: _____
_____

OFFER

Confirming negotiations, the undersigned agrees to furnish the supplies, and/or services as listed below, at the price and terms specified and in accordance with the conditions on the reverse hereof and on continuation sheets attached hereto.

Articles or services	Quantity	Unit	Unit price	Amount	
				Dollars	Cents

Delivery point, f. o. b_____
Delivery Schedule: _____
_____
Contractor_____ Address_____
_____
By_____ Title_____
(Signature of person authorized to sign this contract)

ACCEPTANCE BY THE GOVERNMENT

_____
(Date)

Name_____ Title_____
_____

Conditions

1. Insert § 81.322.
2. Insert § 81.323.
3. Insert § 81.352.
4. Insert § 81.324.
5. Insert § 81.325.
6. Insert § 81.357.
7. Insert § 81.326.
8. Insert § 81.328.
9. Renegotiation (If more than $100,000, see § 81.342 and §§ 81.1201–81.1213).
10. Insert § 81.353.
11. Insert § 81.354.
12. Insert § 81.345.
13. Insert § 81.355.

NOTE: For a form of certificate as to the authority of the person signing on behalf of the Contractor see § 81.1301 (w).

§ 81.1307 *W. D. Contract Form No. 7.*

LETTER PURCHASE ORDER

Contract No_____
Date_____
Place _____,

_____
(Contractor)
_____
(Address)

GENTLEMEN:

1. An order is hereby placed with you for the manufacture of the following articles_____
_____
_____
The schedules of delivery and the price, terms and conditions will be subject to future negotiations.

2. You are directed to proceed immediately to procure the necessary jigs, dies, tools, fixtures, equipment, and materials, and to commence the manufacture of the items called for in paragraph 1, and to pursue such work with all diligence to the end that the supplies may be delivered to the Government at the earliest practicable date, in furtherance of which you are now authorized to expend or obligate not more than _____ dollars. If for any reason this order is terminated by the Government before any formal contract is executed, the Government binds itself to reimburse you for the costs incurred in the performance of this order and will assume your obligation for any commitment which you may have made in this connection, but not to exceed the amount above specified. Upon such payment and assumption, title to the jigs, dies, tools, fixtures, equipment and materials, including rights under any commitment assumed, will vest in the Government.

3. The sums referred to above are chargeable against Procurement Authority No. ____. The available balance is sufficient to cover the cost of this order.

4. Upon your acceptance hereof, partial and advance payments in accordance with the existing requirements of the War Department may be made to you upon your application.

5. All applicable clauses required by Federal law, Executive Order, or Army Regulations, to be included in contracts for supplies of the kind herein described are incorporated herein by reference and will be included in the formal contract.

6. Your acceptance of this order will be indicated by affixing your signature hereon and two copies will be returned to the under signed contracting officer so as to be received by him not later than _____, 1942. By such acceptance it is agreed that you will undertake immediately to commence work in accordance with this order and to pursue such work with all diligence and that you will enter into negotiations and will execute a formal contract without delay, which formal

contract shall follow in the main War Department Supply Contract Form No. 1.

THE UNITED STATES OF AMERICA
By _____
_____
(Official Title)

Accepted this _____ day of _____, 194__.
_____ (Corporate Seal)
(Contractor)
By _____
_____
(Business Address)

§ 81.1308 *W. D. Contract Form No. 8.*

LETTER CONTRACT

(SUPPLIES)

Contract No. ____
Date _____
Place _____

_____
(Contractor)
_____
(Address)

GENTLEMEN:

The United States of America, acting through the undersigned Contracting Officer, hereby places with you an order for _____, at a unit price of $_____.
(Quantity & Item)

Deliveries on this order shall begin on or about _____ and shall be completed on or before _____: This order will be paid for from funds appropriated and now available for the use of the War Department under Procurement Authority _____.

If this order is acceptable to you, will you kindly so indicate hereon and on the two copies of this order, and return this order and the two copies thereof on or before June _____, 1942. Such acceptance will constitute this order a contract. It is contemplated that this contract will be supplemented by a more formal contract between yourself and the United States of America following in the main War Department Supply Contract Form No. 1. A performance bond in the amount of ____% will be required at the time the supplemental contract is executed.* Such supplemental contract will include a detailed delivery schedule and all applicable contract clauses required by Federal law, Executive Order, or Army Regulations to be incorporated in contracts for articles of the kind herein purchased; and all such clauses are hereby incorporated herein by reference. Such supplemental contract will also include an appropriate clause providing for the termination of the contract for the convenience of the United States of America.

Upon your acceptance hereof, partial and advance payments in accordance with the existing requirements of the War Department may be made to you upon your application.

Any claim arising from this contract and any supplemental contract hereinafter entered into may be assigned pursuant to the terms of the Assignment of Claims Act of 1940 unless the subject matter of this order has been classified as secret, confidential or restricted, and any claims arising under this contract shall not be subject to reduction or set off for any indebtedness of the assignor to the United States arising independently of this contract.

Pending the execution of such supplemental contract, all subcontracts, orders for materials or equipment, or other expenditures or commitments made in furtherance of the performance of this contract entered into by the contractor for a sum in excess of $_____**, shall be made subject to the written approval of the Contracting Officer. In the event such supplemental contract is not executed on or before _____, this contract shall terminate and the United States of America will pay you in full settlement thereof a sum equal to reimbursement for all costs incurred by you in connection with the performance of this contract plus such other sums as have actually been expended by you, in good faith, in settlement of all obligations, commitments and claims which you may theretofore have incurred, but in any event such payments shall not exceed the sum of $_____. Upon such payments title to all material, equipment, work in process, finished articles and all other things procured or produced by you in the performance of this contract shall vest in the United States of America.

Very truly yours,
THE UNITED STATES OF AMERICA
By _____
_____
(Official Title)

Accepted this _____ day of _____, 194__
_____ (Corporate Seal)
(Contractor)
By _____
_____
(Business Address)

*Delete this sentence if performance bond not required.

**Amount to be filled in by Contracting Officer.

§ 81.1309 *W. D. Contract Form No. 2.*

LETTER CONTRACT

(Fixed-fee, Construction)

Contract No._____
Date _____
Place_____

_____
(Contractor)
_____
(Address)

Gentlemen:

The United States of America, acting through the undersigned Contracting Officer, hereby places an order with you that you shall, in the shortest possible time, furnish the labor, material, tools, machinery, equipment, facilities, supplies not furnished by the United States of America, and services, and do all things necessary to construct the following: _____
_____
_____
_____ which is now estimated to cost $_____ exclusive of your fee.

The work referred to shall be started within _____ days from the date of acceptance of this order, and shall be completed on or before_____

Funds for carrying out this construction work have been appropriated and are now available for use of the War Department under procurement authority_____

The Secretary of War finds that it is in the interest of the war effort that this work be not delayed awaiting the negotiation of a formal contract.

Pending the execution of such formal contract, each subcontract, orders for materials, equipment, other expenditures, and any commitment made in furtherance of the performance of this contract, entered into by you for a sum in excess of $_____* shall be subject to the prior written approval of the Contracting Officer.

Upon your acceptance hereof, advance payments in accordance with the existing requirements of the War Department may be made to you upon your application.

It is contemplated that this contract will be supplemented by the execution of a formal contract between you and the United States of America following, in general, W. D. Contract Form No. 3. That contract will include an appropriate clause providing for the termination of the contract for the convenience of the United States of America. All applicable contract clauses required by Federal Laws, Executive Orders, and War Department Procurement Regulations to be incorporated in such contracts are hereby incorporated herein by reference and will be incorporated in the formal contract and in all subcontracts hereunder. Pending the execution of such formal contract, reimbursements shall be made in the manner described in and for the items set forth under said W. D. Contract Form No. 3* as reimbursable items when approved or ratified by the Contracting Officer: *Provided, however,* That in no event shall such reimbursements exceed the limitation on obligations set forth in the next to last paragraph of this letter contract.

Any claim arising under this contract and any contract supplementing it may be assigned pursuant to the terms of the Assignment of Claims Act of 1940 unless the subject matter of this contract has been classified as secret, confidential, or restricted, and any claims arising under this contract shall not be subject to reduction or set off for any indebtedness of the assignor to the United States arising independently of this contract.

In the event the United States of America is unable to negotiate with you a satisfactory contract to supplement this contract prior to_____this contract will terminate and the United States of America will pay you in full settlement thereof a sum equal to reimbursement for all costs incurred by you in connection with the performance of this contract plus such other sums as have actually been expended by you, in good faith, in settlement of all obligations, commitments and claims which you may theretofore have incurred, less any reimbursements previously made, but in any event the total payments shall not exceed the sum of $_____

If the foregoing is acceptable to you, it is desired that you so indicate hereon and on the enclosed two copies of this letter and return the original and two copies to the Contracting Officer on or prior to_____ Such acceptance will constitute this order a contract and a notice to proceed.

Very truly yours,
THE UNITED STATES OF AMERICA,
By _____
_____
(Official Title)

Accepted this_____day of_____,194__
_____(Corporate Seal)
(Contractor)
By _____
_____
(Business Address)

*Amount to be inserted by Contracting Officer.

§ 81.1310 *W. D. Contract Form No. 10.*

LETTER CONTRACT

(Lump Sum Construction)

Contract No._____
Date _____
Place_____

_____
(Contractor)
_____
(Address)

GENTLEMEN:

1. The United States of America, acting through the undersigned Contracting Officer, hereby places an order with you that you shall furnish the material and perform the work necessary for the construction and completion of_____
_____

* Use No. 4 if Architect-Engineer Contract, and No. 12 if Architect-Engineer-Construction Management Services Contract.

---

in strict accordance with specifications, schedules and drawings, all of which are made a part hereof or which will be furnished to you prior to _____, 19____

The work referred to herein shall be started within ____ calendar days after the date of the acceptance of this letter contract by the contractor and (shall be entirely completed within ____ calendar days after date of acceptance.) This letter contract, upon acceptance, constitutes the contractor's notice to proceed referred to in paragraph ____ of the specifications.

2. Funds for carrying out this construction work have been appropriated and are now available for use of the War Department under procurement authority _____

3. The Secretary of War finds that it is in the interest of the National Defense that this work be not delayed awaiting the negotiation of a formal contract.

4. Pending the execution of such formal contract, each subcontract, orders for materials, equipment, other expenditures, and any commitment made in furtherance of the performance of this contract, entered into by you for a sum in excess of $_____* shall be subject to the prior written approval of the Contracting Officer.

5. It is contemplated that this contract will be supplemented by the execution of a formal contract between you and the United States of America following, in general, War Department Contract Form No. 2. That contract will include an appropriate clause providing for the termination of the contract for the convenience of the United States of America. All applicable contract clauses required by Federal Laws, Executive Orders, and Army Regulations to be incorporated in such contracts are hereby incorporated herein by reference and will be incorporated in the formal contract and in all subcontracts hereunder.

6. Any claim arising under this contract and any contract supplementing it may be assigned pursuant to the terms of the Assignment of Claims Act of 1940 unless the subject matter of this contract has been classified as secret, confidential or restricted, and any claims arising under this contract shall not be subject to reduction or set off for any indebtedness of the assignor to the United States arising independently of this contract.

7. In the event the United States of America is unable to negotiate with you a satisfactory contract to supplement this contract prior to _____ this contract will terminate and you will be reimbursed for all costs incurred by you in connection with the performances of this contract plus such other sums as have actually been expended by you, in good faith, in settlement of all obligations, commitments and claims which you may theretofore have incurred, but in any event such payments shall not exceed the sum of $_____. Upon such payment title to all material, equipment, work in process, and all other things procured or produced by you in the performance of this contract shall vest in the United States of America.

8. If the foregoing is acceptable to you, it is desired that you so indicate hereon and on the inclosed two copies of this letter and return the original and two copies to the Contracting Officer on or prior to _____. Such acceptance will constitute this order a contract.

Very truly yours,

THE UNITED STATES OF AMERICA,

By _____

_____

(Official Title)

*Amount to be inserted by Contracting Officer.

Accepted this _____ day of _____, 194____

_____ (Corporate Seal)

(Contractor)

By _____

_____

(Business Address)

§ 81.1311 *W. D. Contract Form No. 11.*

Contract No. _____

WAR RISK INDEMNITY CONTRACT

_____

_____

(Name and address of contractor)

contractor under Government contract No. _____

_____

_____

(Name and address of subcontractors)

_____

(Name and address of insurance carrier)

Location and description of project_____

_____

This contract is authorized by Act approved December 18, 1941 (Public Law 354—77th Congress) and Executive Order No. 9001 dated December 27, 1941.

THIS AGREEMENT made and entered into in accordance with regulations prescribed by The President pursuant to the provisions of Title II of an Act approved December 18, 1941 (Public Law No. 354—77th Congress), by and between the United States of America, hereinafter designated and referred to as the Government, and _____, a corporation organized and existing under the laws of the state of _____, hereinafter designated and referred to as the Carrier,

Witnesseth That:

Whereas it is necessary or desirable for contractors on War Department projects to procure and maintain certain forms of insurance in connection with such projects, and

Whereas insurance carriers are unwilling to enter into insurance contracts with such contractors or maintain the presently existing insurance contracts on such projects in view of the increased hazards arising from the present state of war, and have requested that they be relieved of or reimbursed for losses hereinafter defined as "War Risk and Transportation Losses" occurring in connection with such projects, and

Whereas the Secretary of War deems the procuring and maintenance of insurance by the contractors on the project referred to in the caption as necessary to facilitate the war effort, and in order that such insurance may be procured and/or maintained thereon, the Government does agree to reimburse the Carrier for "War Risk and Transportation Losses" occurring in connection with such project;

Now, Therefore, the parties hereto do agree as follows:

1. The Government will reimburse or pay the Carrier in the manner prescribed in this agreement for all losses defined as "War Risk and Transportation Losses", paid or payable by said Carrier under the insurance contracts issued in connection with the project and approved by the Under Secretary of War, or his duly authorized representative, which are listed in Appendix A attached hereto.

2. The Government will reimburse the Carrier, subject to approval of the Under Secretary of War, or his duly authorized representative for all necessary claims expense paid or incurred by the Carrier in servicing "War Risk and Transportation Losses" in an amount equal to twelve (12) percentum of the total "War Risk and Transportation Losses" paid or incurred by the Carrier and which are reimbursable or payable by the Government as herein provided.

3. "War Risk and Transportation Losses" as used in this contract shall be defined as follows:

a. All losses arising from war whether declared or not, international hostilities, rebellion, insurrection, the discharge or explosion of munitions, or the use of any instrument of war.

b. All losses arising from the collision of vessels in convoy or arising from the operation of vessels without running lights or without customary peacetime aids to navigation.

4. Whenever a loss defined as a "War Risk and Transportation Loss" is sustained and such loss is paid or payable by the Carrier pursuant to the terms of the insurance contracts listed in Appendix A, or those insurance contracts referred to and approved as provided in this Agreement, the Carrier shall furnish a detailed statement of such loss to the Under Secretary of War within six (6) months after the occurrence of such loss (or within such period of time as may be agreed upon between the parties, but not longer than six months after the termination of the state of war now existing between the Government of the United States and the Governments of Japan, Germany, and Italy).

5. Payment or reimbursement by the Government to the Carrier for "War Risk and Transportation Losses", as herein defined shall be subject to the approval of the Under Secretary of War, or his duly authorized representative.

6. Upon receipt by the Under Secretary of War of the detailed statement of losses herein defined as "War Risk and Transportation Losses" and claims expense as described in paragraph 2, subject to the other provisions of this agreement, preliminary settlement of such losses and claims expense will be made with the Carrier. Within eight (8) months after the date the Carrier furnishes to the Under Secretary of War a detailed statement of "War Risk and Transportation Losses", as provided in paragraph 4 of this Agreement, the Carrier shall furnish to the Under Secretary of War a first supplementary statement of such losses and claims expense as of the date six (6) months after the statement is filed as provided in paragraph 4. At the option of either the Government or the Carrier exercised at any time within twenty-four (24) months following the date of the first supplementary statement the Carrier shall furnish to the Under Secretary of War a further supplementary statement of such losses and claims expense as of the date on which the option is exercised. As soon as reasonably possible following each supplementary statement furnished to the Under Secretary of War there shall be an adjustment, on the basis of such statements, of reimbursements or payments previously made by the Government on account of such losses and claims expense in connection therewith, all subject to the approval of the Under Secretary of War, or his duly authorized representative. The Carrier shall furnish to the Under Secretary of War within thirty-two (32) months after the date that the Carrier furnishes the first detailed statement of such losses and claims expense a final statement of all such losses and claims expense and a final settlement under this agreement shall then be made. In the event a determination of the losses and claims expense cannot be reached by this method, the matter shall be referred for arbitration to a committee of three, one member of which shall be selected by the Carrier, one by the Under Secretary of War, and the third by the two members so selected, and the decision of this committee shall be final upon approval of the Under Secretary of War, or his duly authorized representative.

7. This Agreement shall terminate as to any insurance contract listed in Appendix

A or provided for in paragraph 11 hereof upon the termination or cancellation thereof. The Carrier may not terminate or cancel any such insurance contract without first giving notice thereof in writing, mailed or delivered, to the Under Secretary of War: *Provided,* That the effective date of such cancellation or termination shall be not less than thirty (30) days after the date said notice is mailed or delivered. The Government or the Carrier may terminate all or any part of this Agreement by giving notice in writing thereof mailed or delivered, to the other party: *Provided,* That the effective date of such termination shall be not less than thirty (30) days after date said notice is mailed or delivered. Upon the termination of the state of war between the Government of the United States and the Governments of Japan, Germany, and Italy this agreement will cease to be in effect. The termination of the whole or any part of this Agreement shall not affect the rights or obligations of either party which have accrued under this agreement prior to the effective date of such termination.

8. (Insert § 81.323)

9. (Insert § 81.322)

10. This agreement is not for the benefit of any third party and no third party shall be entitled to recover from the Government or the Carrier by virtue of this Agreement.

11. This Agreement shall apply to any extensions or amendments of the insurance contracts listed in Appendix A, to any renewals thereof, and to any additional insurance contracts issued in connection with the project described on the title page, when approved by the Under Secretary of War.

12. This Agreement shall be subject to the written approval of _____ (Chief of the supply arm or service concerned) or his duly authorized representative and shall not be binding until so approved.

In witness whereof, the parties hereto have executed this contract on the _____ day of _____, 1942.

THE UNITED STATES OF AMERICA,

By _____

_____ (Official Title)

Two Witnesses:

_____ _____

_____ (Carrier)

(Address)

_____ _____

_____ By_____

(Address) (Business address)

I _____, certify that I am the Secretary of the corporation named as Carrier herein; that _____ who signed this contract on behalf of the Carrier was then _____ of said corporation; that said contract was duly signed for and on behalf of said corporation by authority of its governing body and is within the scope of its corporate powers.

In witness whereof, I have hereunto affixed my hand and the seal of said corporation this _____ day of _____, 194____.

(Corporate Seal) _____

(Secretary)

I hereby certify that, to the best of my knowledge and belief, based upon observation and inquiry, _____, who signed this contract for _____ had authority to execute the same. and is the individual who signs similar contracts on behalf of this corporation with the public generally.

_____

(Contracting Officer)

APPENDIX "A"

To Contract No. _____ in connection with Government Contract No. _____.

Policy No.	Kind of insurance	Name of insured	Effective date of policy	Expiration date of policy

§ 81.1312. *W. D. Contract Form No. 12.*

Contract No._____

FIXED FEE ARCHITECT-ENGINEER-CONSTRUCTION-MANAGEMENT SERVICES CONTRACT

WAR DEPARTMENT

Architect-Engineer-Construction-Manager and Address:

Contract for Architect-Engineer-Construction-Management Services In Connection With

Location:

Fixed Fee:

Estimated Construction Cost Exclusive of Fixed Fee:

Payment: To be made by_____

_____

at _____

The supplies and services to be obtained by this instrument are authorized by, are for the purpose set forth in, and are chargeable to the following procurement authorities, the available balances of which are sufficient to cover the cost of the same:

_____

This contract is authorized by the following laws:

Fixed-Fee
Architect-Engineer-Construction
Management Services Contract

THIS CONTRACT, entered into this _____ day of_____, 194____, by THE UNITED STATES OF AMERICA (hereinafter called the "Government"), represented by the Contracting Officer executing this contract, and_____

_____

_____

_____

*a corporation organized and existing under the laws of the State of_____

_____

*a partnership consisting of_____

_____

_____

_____

*an individual trading as_____

_____of the City of_____

in the State of_____ (hereinafter for brevity called the "A-E-M"),

WITNESSETH THAT:

Whereas The Government desires to engage the services of an architect-engineer-manager to perform such architect-engineering services as are hereinafter described, the construction of certain portions of the work, and management services for the entire project; and

Whereas the accomplishment of the work by the A-E-M under a cost-plus-a-fixed-fee contract, entered into after negotiations approved by the Secretary of War, and without advertising for proposals, is authorized by law and will facilitate the prosecution of the war; and

*Delete all lines which do not apply.

Whereas as a result of such negotiations, the Secretary of War has directed that the Government enter into such contract with the A-E-M for the accomplishment of the work hereinafter described:

Now, therefore, the parties hereto do mutually agree as follows:

ARTICLE I. *Statement of work.* 1. Description.

a. The A-E-M shall, in the shortest reasonable time, furnish the labor, materials, tools, machinery and equipment, facilities, supplies not furnished by the Government, and services, and do all things necessary for the completion of the following described work:*

b. The A-E-M shall, in the shortest reasonable time, furnish the labor, materials, tools, machinery and equipment, facilities, supplies not furnished by the Government, and services, and do all things necessary for the completion of the following described work, in addition to that prescribed by Section 1*a.* of this Article:**

All in accordance with the drawings and specifications or instructions contained in Appendix "A" hereto attached and made a part hereof, or to be furnished hereafter by the Contracting Officer and subject in every detail to his supervision, direction and instructions.

ART. II. *General statement of work and services.* 1. The A-E-M shall render all architect-engineering and other services incident to design, inspection and supervision of the project, more specifically described in Article I hereof.

2. Insofar as is practicable, where such action will not, in the opinion of the A-E-M, result in delay in completion of the facilities, all construction work shall be accomplished by contracts, either on lump sum or unit price basis awarded and entered into by the Government after negotiations therefor with the assistance of the A-E-M.

3. The A-E-M shall, in the shortest reasonable time, prepare adequate plans, specifications, bills of material and estimates covering:

a. Items of materials and equipment.

b. Any and all items of construction work for which contracts may be awarded on lump sum or unit price basis.

c. All other items of construction work for which lump sum or unit price contracts are not awarded.

4. When drawings and specifications are sufficiently complete with respect to any portion of construction work, which in the judgment of the A-E-M and the Contracting Officer may be contracted for on lump sum or unit price basis, the A-E-M shall furnish complete bid documents, conforming to law and regulations, for the letting of such contracts by the Government, and shall assist the Contracting Officer in evaluating proposals, and shall render such other services in connection with the award of contracts, based upon such approved drawings and specifications, as the Contracting Officer may require.

5. The A-E-M shall furnish or assemble such necessary force of superintendents, foremen, skilled workmen and laborers, construction tools and equipment and shall construct all items of construction work required by

*(List here all buildings, structures and utilities for which definite units are available or make proper reference to data contained in Engineering and Construction Information.)

**(List here all items of work for which there are no definite units available at the time of signing of the contract. Where utility lines or systems are listed here, include the phrase, "and all component parts or appurtenant works which may be necessary and which may be required.")

this contract for which contracts are not awarded by the Government on lump sum or unit price basis, except that the A-E-M may with the prior approval of the Contracting Officer subcontract in his own name for the performance of construction work on a lump sum, unit price, or fixed-fee basis when this method will in his opinion result in decreasing the time of completion of the project and/or the cost to the Government. Cost-plus-a-fixed-fee subcontracts will be entered into only after a written determination with reasons therefor by the A-E-M, and the approval of the Contracting Officer.

6. The A-E-M shall provide the necessary office space, at the site of the work for the representatives of the Contracting Officer and himself.

ART. III. *Statement of Architect—Engineer services.* 1. The A-E-M shall, in the shortest reasonable time establish and maintain an office at or near the site of the work under the full-time resident direction of the A-E-M, if an individual; of one or more principal partners if the A-E-M is a partnership; or in case the A-E-M is a corporation, association or similar legal entity, one or more senior officers thereof: *Provided, however,* That the A-E-M, whether an individual, a partnership, a corporation, or other legal entity may be represented in the direction of the work by some person or persons of a class other than those specified above, if the Contracting Officer gives his approval and the A-E-M shall perform the following services:

a. Make all necessary topographical and other surveys and maps; arrange for and supervise necessary test borings and subsurface investigations. *Provided, however,* That this provision is not to be deemed to require that A-E-M to make real estate surveys.

b. Prepare, subject to the approval of the Contracting Officer, preliminary studies, sketches, and layout plans and reports including estimates of cost of the proposed project and of all structures, utilities and appurtenances thereto.

c. Adapt and modify Government designs, drawings, specifications and standards for buildings and other structures as necessary to meet the requirements of the approved layout of the proposed project, and prepare detailed designs, specifications and drawings in required form for which Government designs are incomplete or unavailable.

d. Obtain necessary permits and approvals from all local, State and Federal authorities. Should it become necessary in the performance of the work and services for the A-E-M to secure the right of ingress or egress to perform any of the work required by this contract on properties not owned or controlled by the Government, the A-E-M shall secure the consent of the owner, his representative, or agent, prior to effecting entry on such property. In the event the owner requires the payment of any fee for a license to enter upon and/or use such property, the A-E-M, when so directed by the Contracting Officer, shall pay such fee and obtain a receipt therefor.

e. Prepare estimates of material quantities required to construct the project.

f. When preliminary drawings are approved in writing by the Contracting Officer, prepare final designs, detailed working drawings and specifications in accordance with Government standards necessary for the effective coordination and efficient execution of the construction work and revise such drawings and specifications if necessary. All reservation, topographical, utility and unit layout maps shall be inked in on linen. If deemed practicable by the Contracting Officer, all other drawings for structures and other items may be made on paper in pencil. Prepare copies of the specifications and sets of full size copies of working drawings in such manner and in such numbers as the Contracting Officer may require. There shall be included in the specifications all provisions which the Contracting Officer may direct to have incorporated therein relating to the awarding of the construction contracts, contemplated by Section 2 of Article II, conditions under which the work shall be done, including a provision that the contractors (lump sum and unit price contractors and lump sum subcontractors) and all persons employed directly or indirectly under such construction contracts, will utilize the hospital and first-aid facilities furnished by the A-E-M, and any special provisions required by statute or existing War Department regulations or instructions.

g. Prepare an estimate of the cost of the proposed project based on the approved designs, drawings and specifications therefor, and furnish for the approval of the Contracting Officer:

(1) Schedules and charts showing the proposed sequence of operations in the construction of each of the several portions of the work.

(2) Estimates showing the amounts of critical and important materials and dates when such materials will be required on the site.

(3) Labor estimates, to be prepared with the assistance of other construction contractors, contemplated by Section 2 of Article II, showing the approximate numbers, trades and dates required to meet the schedule in (1) above.

(4) In addition to the requirements of Article XXVI, semi-monthly progress reports in approved form showing the progress of the construction work and any deviation from the approved construction schedule.

h. Establish a permanently monumented base line, with elevations, tied into the North American Datum, unless specifically exempted by written instructions of the Contracting Officer. Furnish all governing lines, bench marks and grades essential to the construction of the project.

i. Supervise the work included in this contract to assure the construction of every part of the work in accordance with the approved drawings and specifications within the areas and boundaries designated for the project.

j. Check and approve all shop and working drawings submitted in connection with the construction work to assure that they conform with approved drawings.

k. Make or cause to be made such field and laboratory tests of concrete and concrete aggregates and all other materials at the site or at any time or place as the Contracting Officer may require. Inspect and report to the Contracting Officer in writing as to the conformity or nonconformity of the workmanship and materials to specifications; and on the progress of the project.

(1) When so directed by the Contracting Officer, arrange for, by subcontract or otherwise, and supervise tests and inspections of materials and workmanship by commercial testing laboratories or other similar agencies, either at such laboratories or at the points of manufacture or fabrication of materials. The cost of such tests and inspection shall be reimbursable and shall entail no adjustment in the fixed fee. Subcontracting of any other architect-engineer services shall be subject to a decrease in the fixed fee by an equitable adjustment on the basis of the decrease in services due to such subcontracting.

l. Upon termination or prior to completion of this contract, as determined by the Contracting Officer, and before final payment of the fixed-fee, the A-E-M shall:

(1) Prepare record drawings in required form, or correct drawings and specifications to show construction as actually accomplished as follows:

(a) Drawings of topographical surveys, project layouts, utility layout maps, unit layout maps (including utilities), landscape layouts and detailed drawings for all special structures of a permanent nature, including sewage disposal plants, and water and electrical supply systems, shall be inked in on linen.

(b) All other drawings for structures and other items may be made in pencil if deemed practicable by the Contracting Officer.

(2) Supervise the testing of operating units designed by the A-E-M to assure their conformance with specifications and furnish all engineering services necessary to secure such conformance.

(3) Prepare instructions for the proper operation and maintenance of all utilities and operating equipment designed by the A-E-M.

m. Without additional compensation the A-E-M, or any member of the organization, when requested, shall consult and advise with the Contracting Officer on any questions which may arise in connection with the work.

n. Prepare partial and final estimates of quantities and values of work done under lump sum and unit price contracts and subcontracts necessary to provide data required under the payment provisions of such contracts and subcontracts.

o. Perform all other architectural and engineering services within the scope of this contract required by the Contracting Officer.

ART. IV. *Statement of construction services.* 1. The A-E-M shall, in the shortest practicable time, furnish the services, labor, materials, tools, machinery, equipment, facilities and supplies not furnished by the Government and do all things necessary for the construction of that portion of the project not performed by the Government or performed under the contracts contemplated by Sectionds 2 and 5 of Article II, all in accordance with the approved drawings and specifications.

ART. V. *Statement of management services.* 1. The A-E-M shall furnish management services to assure the satisfactory completion of the project. Such services shall include, among other functions, the preparation of contract documents, and scheduling such contracts as to units of work, time of completion, and other salient phases so as to assure the orderly prosecution of the work. Such services shall also extend to the scheduling and/or purchasing of items of materials and equipment to avoid any delays in the prosecution of the work hereunder. The A-E-M shall advise and consult with the construction contractors on this project and shall direct and supervise their work, subject to the provisions of Article XVII; and shall, when directed or authorized by the Contracting Officer, procure and store materials and equipment for use in connection with the project.

ART. VI. *Estimated cost, fee and performance period.* 1. It is estimated that the cost of the construction of the project will be

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Dollars ($----------) exclusive of the A-E-M's fee, and that the work herein contracted for will be ready for utilization by the Government ----------

It is expressly understood, however, that neither the Government nor the A-E-M guarantees the correctness of either of these estimates. The estimated cost set forth above is based upon the data now available and agreed to by both the Government and the A-E-M, a copy of which is on file in the office of the Contracting Officer.

2. In consideration for his undertaking under this contract the A-E-M shall receive the following:

a. Reimbursement for expenditures as provided in Article XI.

b. Rental for A-E-M's equipment as provided in Article XI.

c. A fixed fee in the amount of _____ _____ Dollars ($_____) which shall constitute complete compensation for the A-E-M's services, including profit and all general overhead expenses.

3. When in the opinion of the Contracting Officer it is to the best interests of the Government, the A-E-M shall when so ordered or authorized, subcontract any or all items or classifications of construction work required under this contract or subsequently added thereto, for which contracts are not awarded by the Government on a lump sum or unit price basis. Such subcontracting of construction work, or the performance thereof with the A-E-M's own forces, regardless of the amount and/or extent of work performed or subcontracted, all with the prior written approval or order of the Contracting Officer, and such awarding of contracts for construction work hereunder by the Government on a lump sum or unit price basis, irrespective of the amount and extent thereof, shall entail no adjustment to the fixed fee stipulated in Section 2 *c.* of this Article VI. The fixed fee stipulated in Section 2 *c.* of this Article VI has been determined in the light of the fact that all of the construction work may be subcontracted or contracts for such work may be awarded by the Government on a lump sum or unit price basis. Such fee includes compensation for the services which may be rendered by the A-E-M in the negotiation, supervision, and coordination of any construction work subcontracted or for which contracts have been awarded by the Government on a lump sum or unit price basis and the responsibilities assumed by the A-E-M in connection therewith, and is deemed to be reasonable, regardless of the amount or extent of construction work performed, subcontracted, or for which contracts are awarded by the Government on a lump sum or unit price basis.

ART. VII. *Changes.* 1. The Contracting Officer may at any time by written order issue additional instructions, require additional work or services or direct the omission of work or services covered by this contract. If such changes cause a material increase or decrease in the amount or character of the work to be done under Section 1 *a.* of Article I, or in the time required for its performance, an equitable adjustment of the amount of the fixed fee to be paid the A-E-M shall be made and the contract shall be modified in writing accordingly. The adjustment of the fixed fee shall be made upon the completion or termination of the contract or whenever the scope of the whole project has been increased or decreased by reason of changes in excess of 25% of the original work contemplated under Section 1 *a.*, Article I. Nothing provided in this Article shall excuse the A-E-M from proceeding with the prosecution of the work so changed, *Provided, however,* Nothing contained in this Article shall be taken to authorize or require any adjustment of the fee to be paid the A-E-M on account of any additional instructions, work or services ordered or performed by the A-E-M with regard to the construction work described in Section 1 *b.* of Article I and there shall be no increase or decrease in the fee to be paid the A-E-M in any event on account of any increase or decrease in the quantity or character of the work to be performed under Section 1 *b.* of Article I: *Provided, however,* That there shall be no adjustment in the amount of the fixed fee as provided herein, nor any claim therefor, because of any errors and/or omissions made in computing the estimated cost of the construction of the work under this contract or where the actual cost varies from the estimated cost.

ART. VIII. *Title to work.* 1. Title to all materials, tools, machinery, equipment and supplies for which the A-E-M shall be entitled to reimbursement under Article XI shall vest in the Government at such point or points as the Contracting Officer may designate in writing, provided that the right of final inspection and acceptance or rejection of such materials, tools, machinery, equipment and supplies at such place or places as he may designate in writing is reserved to the Contracting Officer; *Provided further,* That, upon such final inspection, the A-E-M shall be given written notice of acceptance or rejection as the case may be. In the event of rejection, the A-E-M shall be responsible for the removal of the rejected property within a reasonable time.

ART. IX. *Workmanship and materials.* 1. The work shall be executed in the best and most workmanlike manner by qualified, careful and efficient workers, in strict conformity with the best standard practices. Except as otherwise authorized by the Contracting Officer all materials shall be of the best quality of their respective kinds. If the Contracting Officer requires that the A-E-M submit for prior approval samples of materials proposed for use in the work covered by this contract, the A-E-M shall make no commitments for such materials until the submitted sample has been approved by the Contracting Officer.

ART. X. *Expert technical assistance.* 1. When in the judgment of the A-E-M the complexity and nature of the project are such as to require expert technical assistants, or services, or advice in connection with special phases of the work such as site planning, manufacturing processes, or other problems of a highly technical character, the A-E-M may employ, by contract or otherwise, with the written consent and approval of the Contracting Officer obtained in advance, such supplemental professional services as are necessary for the proper performance of this contract.

ART. XI. *Cost of the work.* 1. *Reimbursement for A-E-M expenditures.* The A-E-M shall be reimbursed in the manner hereinafter described for such of his actual expenditures in the performance of the work as may be approved or ratified by the Contracting Officer and as are included in the following items:

a. All labor, materials, tools, machinery, equipment, supplies, services, utilities, power and fuel necessary for either temporary or permanent use for the benefit of the work.

b. All subcontracts made in accordance with the provisions of this contract.

c. Rental actually paid by the A-E-M at rates not to exceed those approved by the Contracting Officer, for construction plant in sound and workable condition exceeding $300 in value as may be necessary for the proper and economical prosecution of the work. Each contract for the rental of construction plant or parts thereof by the A-E-M from third parties shall be in a form prescribed by the Contracting Officer and shall be subject to his approval and shall include provisions (1) that the lessor shall deliver to the Government title to such construction plant or parts thereof free of all liens and encumbrances when and if the total rental paid and/or accrued to the lessor for any item of construction plant or parts thereof shall equal the approved value thereof plus one percent (1%) of the approved value per month for each contract month or fraction thereof such piece of equipment shall have been in use, and (2) that any time prior to termination of such rental agreement, the Government may at its option purchase any piece of equipment by paying the lessor the difference between the valuation of such piece of equipment plus one percent (1%) of the approved value per month for each contract month or part thereof such piece of equipment shall have been in use, and the total rental theretofore paid for such piece of equipment. *Provided, however,* That either of such provisions may be omitted from such rental agreements if the omission is approved by the Chief of the Supply Service.

d. Unloading and assembling at the site of the work of construction plant owned or rented by the A-E-M; transportation thereof to the place or places where it is to be used in connection with said work, dismantling, loading and return transportation to the point of original shipment or equivalent mileage, but in no event will the payment made for return transportation exceed the payment made for transportation to the job site unless such excess cost results solely from an increase of freight rates, or is required by Government transfer of such equipment to another site more distant from the point of origin than the site of the work set out in Article I hereof. Charges for transportation over distances in excess of 500 miles must have the written authorization of the Contracting Officer in advance. Loading at the site of origin and unloading when returned to the original shipping point or other return shipping point will not be paid by the Government and is not a reimbursable item.

e. Repairs and repair parts for construction plant, except such as are included in the rental and those made necessary by defects in such plant, or parts thereof, or by the fault or negligence of the A-E-M or his employees.

f. Transportation charges on materials and supplies.

g. Transportation and traveling expenses to and from the work of the necessary field forces for the economical and successful prosecution of the work; expenses of procuring labor and expediting the production and transportation of material and equipment. Expenditures under these items must have the written authorization of the Contracting Officer in advance.

h. Salaries of engineers, resident engineers, principal assistant engineers, architects, superintendents, timekeepers, foremen, technical, administrative employees and other field employees of the A-E-M in connection with the work. In case the full time of any field employee of the A-E-M is not applied to the work, his salary shall be included in this item only in proportion to the actual time applied thereto. No person shall be assigned to service by the A-E-M as superintendent of construction, chief engineer, chief purchasing agent, chief accountant, or similar position in the A-E-M's field organization, or as principal assistant to any such person, until there has been submitted to and approved by the Contracting Officer a statement of the qualifications, experience, and salary of the person proposed for such assignment. The regular salary or compensation rate of any such person shall not be in excess of the highest salary or compensation rate received by him during the year preceding the date of this contract plus such increase as the Contracting Officer may approve. The payment of any excess salary over such scheduled amounts shown in the approved salary schedule agreed to at the time of negotiation of this contract shall not be reimbursable, unless and until the Chief of the Supply Service or his duly authorized representative has so approved in writing.

i. Buildings, trade fixtures and equipment required for necessary field offices, commissaries, hospitals, and other facilities, and the cost of maintaining and operating such field offices, commissaries, hospitals and other facilities: *Provided,* That the A-E-M may enter into a contract with any third party or parties for the operation of the commissaries, hospitals, or other facilities provided for herein, in which event such contract shall be reduced to writing and the terms thereof subject to the prior written approval of the Contracting Officer.

j. Temporary rights in land required in connection with the work.

k. Premiums on such bonds and insurance policies as the Contracting Officer may approve or require as reasonably necessary for the protection of the Government or the A-E-M. In every instance where this contract requires or permits the United States to pay the premium on a bond or insurance policy either directly or ultimately as a reimbursable item, the bond or insurance policy shall contain an indorsement or other recital excluding by appropriate language any claim on the part of the insurer or obligor to be subrogated, on payment of a loss or otherwise, to any claim against the United States.

l. Losses and expenses, not compensated by insurance or otherwise (including settlements made with the written consent of the Contracting Officer), actually sustained by the A-E-M in connection with the work and found and certified by the Contracting Officer to be just and reasonable unless reimbursement therefor is expressly prohibited.

m. The cost of reconstructing and replacing any of the work destroyed or damaged, and not covered by insurance, but expenditures under this item must have the written authorization of the Contracting Officer in advance.

n. Payments from his own funds made by the A-E-M under the Social Security Act, and any disbursements required by law which the A-E-M may be required on account of this contract to pay on or for any plant, equipment, process, organization, materials, supplies, or personnel; and, if approved in writing by the Contracting Officer in advance, permit and license fees and royalties on patents used including those owned by the A-E-M.

o. (1) If the A-E-M or any representative thereof, shall be required to travel, the Government will reimburse the A-E-M for the transportation, including Pullman where necessary and will allow for such travel Six Dollars ($6.00) per day in lieu of all other expenses. Transportation by automobile on such required travel, shall be reimbursed at the rate of Five Cents ($.05) per mile as representing the actual cost of such transportation.

(2) All travel shall be either authorized or approved in writing by the Contracting Officer. Should the A-E-M, or any representative thereof, remain in a travel status in excess of six (6) days at any one time, not including the time consumed in travel, the cost of such excess travel status shall be at the expense of the A-E-M, unless otherwise ordered in writing by the Contracting Officer.

p. When specifically approved in advance by the Chief of the Supply Service, a reasonable allowance for work done in the A-E-M's general offices exclusively for and directly chargeable to the work.

q. Disbursements incident to payment of payrolls, including but not limited to, the cost of disbursing cash, necessary guards, cashiers, and paymasters. If payments to employees are made by check, facilities for cashing checks must be provided without expenses to employees, and the A-E-M shall be reimbursed therefor.

r. The actual cost of expenditures made by the A-E-M under the provisions of Subsection *d* of Section 1 of Article III and Article X.

s. Such other items not expressly excluded by other provisions of this contract as should, in the opinion of the Contracting Officer, be included in the cost of the work. When such an item is allowed by the Contracting Officer, it shall be specifically certified as being allowed under this Subsection.

If this contract was preceded by a Letter Contract, the following provision shall be deemed to be included herein:

t. All expenditures for which reimbursement has not been made pursuant to Letter Contract dated _____ a copy of which is attached hereto. Such Letter Contract is hereby merged and superseded by this contract.*

2. *Rental for construction plan owned by A-E-M.* a. Rental shall be paid to the A-E-M for construction plant in sound and workable condition, owned and furnished by him for the proper and economical prosecution of the work, as shown in the attached "Appendix B" hereby made a part hereof, at rental rates prescribed by the Under Secretary of War in "Uniform Rental Rates for Contractor-Owned Construction Plant", August 27, 1941.

b. In the event the A-E-M, with the approval of the Contracting Officer furnishes additional equipment that is not included in "Appendix B", rental for such equipment will be paid in accordance with said "Uniform Rental Rates for Contractor-Owned Construction Plant."

c. Except as otherwise specified herein, rental shall begin on the date of delivery of the construction plant to a common carrier for shipment to the site of the work, as evidenced by bill of lading or other satisfactory evidence covering such shipment. In the event the construction plant is conveyed by the A-E-M, the rental shall start at the time transportation to the site begins; however, the rental paid shall not exceed that for the equivalent time of shipment by common carrier.

d. If such construction plant is not in sound and workable condition to the satisfaction of the Contracting Officer, when delivered at the site of the work, the rental period therefor shall not begin until the construction plant shall have been placed in sound and workable condition at the expense of the A-E-M, and rental therefor shall not be paid for any prior period.

e. If such construction plant cannot be placed in sound and workable condition within reasonable time to the satisfaction of the Contracting Officer, no transportation charges for the shipment thereof, to or from the site of the work, shall be paid.

f. The approved value of the construction plant as shown in "Appendix B" shall be deemed binding unless the Contracting Officer shall, within twenty days after such plant has been set up and working, modify or change such valuation. In the event a change is made in the valuation of the construction plant, a corresponding change shall be made in the rental rate in accordance with said "Uniform Rental Rates for Constructor-Owned Construction Plant". Thereafter the valuation and the related rental rate shall be binding unless the rental is modified as specified below.

g. Rental for time consumed for repairs, in excess of time normally required for such repairs as determined by the Contracting Officer, shall be deducted from the rental in the amount of one-thirtieth of the monthly rental rate for each day determined to be in excess. When in the opinion of the Contracting Officer the amount of repairs or maintenance is excessive, a deduction shall be made from the rental.

h. The payment of rental shall cease on a date to be established in a written notice by the Contracting Officer to the A-E-M that the construction plant is no longer required. The date of release thus established shall include an allowance for the time necessary for final repairs, dismantling and loading for shipment.

GENERAL

3. *Reservations by Government. a.* The Government reserves the right to furnish any materials, construction equipment, machinery, tools, or services, including communication services necessary for the completion of the work. The A-E-M shall cause all equipment, machinery, and tools to which title is vested in the Government to be suitably marked with an identifying mark or symbol indicating that such items are the property of the United States. The A-E-M shall maintain at all times, in a manner satisfactory to the Contracting Officer records showing the disposition and/or use of all equipment, machinery, tools, and materials, purchased for the work and for which he has been reimbursed by the Government or which have been furnished by the Government. Upon the completion of this contract or upon demand, the A-E-M shall return such equipment, machinery, tools, and unused materials to the place designated by the Contracting Officer.

b. The Government reserves the right to pay directly to common carriers any or all freight charges on construction plant, materials and supplies.

c. The Government reserves the right to pay directly to the person concerned all sums due from the A-E-M for labor, materials, or other charges.

d. The Government will pay directly for all telegraphic communications (including teletype and facsimile when authorized by the Contracting Officer to be installed), cablegrams, radiograms, and similar messages that may be sent by the A-E-M pertaining directly to the contract for work to be done or materials to be furnished thereunder, and the A-E-M is hereby designated as an agent of the Government for the purpose of causing to be transmitted any such messages.

4. *Salaries of corporate officers, etc.* No salary, wages, or like compensation of the A-E-M, partners or corporate officers of the A-E-M's organization and no salary, wages or like compensation of the resident managers referred to in Section I of Article III shall be included in the cost of the work. No part of the expense incurred in conducting the A-E-M's main office or regularly established branch offices, and no overhead expense of any kind, except as specifically authorized in Section 1 of this Article, shall be included in the cost of the work; nor shall any interest or capital employed or on borrowed money be included in the cost of the work.

5. *Discounts.* The A-E-M shall, to the extent of his ability, take all cash and trade discounts, rebates, allowances, credits, salvage, commissions, and bonifications, and when unable to take advantage of such benefits he shall promptly notify the Contracting Officer of the reason therefor. In determining the actual net cost of articles and materials of every kind required for the purpose of this contract there shall be deducted from the gross cost thereof all cash and trade discounts, rebates, allowances, credits, commissions, and bonifications which have accrued to the benefit of the A-E-M or would have so accrued but for the fault or neglect of the A-E-M. Such benefits lost through no fault or neglect on the part of the A-E-M, or lost through fault of the Government, shall not be deducted from gross costs.

6. *Revenue.* All revenue received by the A-E-M from the operations of the hospital, commissaries, or other facilities, or from rebates, discounts, refunds, etc., shall be accounted for by the A-E-M and, except for any reasonable compensation accruing to a third party or parties for the operation of commissaries, hospitals, or other facilities, applied in reduction of the cost of the work.

ART. XII. *Payments.* 1. *Reimbursement for cost.* The Government will currently reimburse the A-E-M for expenditures made in accordance with Article XI upon certification to and verification by the Contracting Officer of the original of signed payrolls for labor, the receipted invoices for materials, or such other documents as the Contracting Officer may require. Generally, reimbursement will

*NOTE: This contract will bear same date as Letter Contract.

be made weekly but may be made at more frequent intervals if the conditions so warrant.

2. *Rental for A-E-M's equipment.* Rental as provided in Section 2, Article XI for such construction plant or parts thereof as the A-E-M may own and furnish shall be paid monthly upon presentation of proper vouchers.

3. *Payment of the fixed-fee.* Ninety percent (90%) of the fixed-fee set out in Article VI shall be paid by the Government as it accrues, in monthly installments based upon the percentage of the completion of the work as determined from estimates submitted to and approved by the Contracting Officer. Final payment upon completion of the work and its final acceptance shall be made in accordance with Section 5 of this Article. If the contract is terminated by the Government, payment shall be made in accordance with Article XVI.

4. *Payments by A-E-M.* If bills for purchase of material, machinery or equipment, or pay-rolls covering employment of laborers or mechanics incurred by the A-E-M or by any subcontractor hereunder are not paid promptly by the A-E-M or subcontractor as the case may be, the Contracting Officer may, in his discretion, withhold from payments otherwise due the A-E-M an amount equivalent to the amount of any such bill or payroll. Should the A-E-M neglect or refuse to pay such bills or payrolls or to direct any subcontractor to pay such bills or payrolls within five (5) days after notice from the Contracting Officer so to do, the Government shall have the right to pay such bills or payrolls directly, and in such event a deduction equal to five percent (5%) of the amount so paid directly shall be made from the A-E-M's fee.

5. *Final payment.* Upon completion of the work and its final acceptance in writing by the Contracting Officer, the Government shall pay to the A-E-M the unpaid balance of the cost of the work determined under Article XI, and of the fee, less any sum that may be necessary to settle any unsettled claims in connection with this contract, or any claim the Government may have against the A-E-M. The Contracting Officer shall accept the completed work with reasonable promptness. Prior to final payment and as a condition thereof, the A-E-M shall furnish the Government with a release of all claims against the Government arising under and by virtue of this contract other than such claims, if any, as are specifically excepted by the A-E-M from the operation of the release in stated amounts to be set forth therein.

ART. XIII. *Records and accounts, inspection and audit.* 1. *Records and books of account.* The A-E-M aggrees to keep records and books of account, showing the actual cost to him of all items of labor, materials, equipment, supplies, services, and other expenditures of whatever nature for which reimbursement is authorized under the provisions of this contract. The system of accounting to be employed by the A-E-M shall be such as is satisfactory to the Contracting Officer.

2. *Access to records by contracting officer and A-E-M.* The Contracting Officer shall at all times be afforded proper facilities for inspection of the work and shall at all times have access to the premises, work and materials, to all books, records, correspondence, instructions, plans, drawings, receipts, vouchers, and memoranda of every description of the A-E-M pertaining to said work except such documents as are submitted in support of reimbursement vouchers; and the A-E-M shall preserve such papers, without additional compensation therefor, for a period of three (3) years after completion or termination of this contract. Likewise, any duly authorized representative of the A-E-M shall be accorded the privilege of examining the books, records, and papers of the Contracting Officer relating to the actual cost of the work for the purpose of checking up and verifying such cost.

3. *Auditing functions.* In order to avoid so far as possible duplication in accounting and auditing functions performed by the A-E-M and the Government, it is agreed that the following accounting and auditing functions shall be performed by the Government exclusively:

a. Time checking (not time keeping) in the field or in the A-E-M's plant.

b. Audit of original pay rolls of the A-E-M (or such portions thereof as are applicable), where such pay rolls are prepared by the A-E-M.*

c. Checking of equipment rentals and the preparation and delivery of properly approved rental rolls to the A-E-M for payment.**

d. Such other accounting and auditing functions as may be effectively performed by Government employees and to which the Contracting Officer and the A-E-M may mutually agree in writing.

4. *Discharge of functions.* It is further agreed that if any of the accounting and auditing functions performed exclusively by the Government do not adequately discharge such accounting and auditing functions to the satisfaction of the A-E-M, the A-E-M, with the approval in writing of the Contracting Officer, may perform such additional checking and auditing as may be so approved. The A-E-M shall be reimbursed for the cost of such additional accounting and auditing functions as are so approved.

ART. XIV. *Drawings and other data to become property of Government.* 1. All drawings, designs and specifications are to become the property of the Government on completion thereof as outlined in this contract, and the Government shall have full right to use said drawings, designs and specifications as instruments for the purpose of constructing, under contract or otherwise, any buildings or other structures for the sole use of the Government when and where the Government may designate without any claim on the part of the A-E-M for additional compensation.

2. All notes, designs, drawings and other data concerning the project shall be delivered to the Government whenever requested by the Contracting Officer and, furthermore, access to such data shall be restricted to trusted and duly authorized representatives of the Government and of the A-E-M.

ART. XV. *Special requirements.* 1. The A-E-M hereby agrees that he will:

a. Procure and maintain bonds and insurance in such forms and in such amounts and for such periods of time as the Contracting Officer may require or approve. Insurance shall cover all work required by this contract, regardless of whether it is performed by the A-E-M's own forces, subcontractors, or direct contracts with the Government, as is contemplated in Article II of this contract.

b. Procure all necessary permits and licenses; obey and abide by all applicable laws, regulations, ordinances, and other rules of the United States of America, of the State, Territory, or political subdivision thereof wherein the work is done, or of any other duly constituted public authority.

c. Reduce to writing, unless this provision is waived in writing by the Contracting Officer, every contract in excess of two thousand dollars ($2,000) made by him for the purpose of the work hereunder for services, materials, supplies, machinery, equipment, or for the use thereof; insert therein a provision that such contract is assignable to the Government; make all such contracts in his own name, and not bind nor purport to bind the Government or the Contracting Officer thereunder. No purchase in excess of two thousand dollars ($2,000) shall be made or placed without the prior approval of the Contracting Officer.

d. Enter into no subcontract for any portion of the construction work except in the form prescribed by the Chief of the Supply Service, with the written approval of the Contracting Officer. Subcontracts are defined as contracts entered into by the A-E-M with others which involve the performance, wholly or in part at the site of the work, of some part of the work described in this contract.

e. The Contracting Officer may require the A-E-M to dismiss from work such employee or employees as the Contracting Officer deems incompetent, careless or insubordinate, or whose continued employment is deemed inimical by the Contracting Officer to the public interest. The A-E-M shall make every reasonable effort in the selection of his employees and in the prosecution of the work under this contract to safeguard plot drawings and schematic drawings furnished him and drawings and specifications, and to prevent the theft or unauthorized use of the same.

f. Furnish within 15 days of the date of the receipt of written notice from the Contracting Officer, construction plant listed in Appendix "B", provided that the date upon which the A-E-M is required to furnish such plant shall not precede the date on which such construction plant is listed as available in said Appendix "B". In the event the A-E-M fails to furnish construction plant as required by such notice, the additional cost of acquiring replacement construction plant from any source other than the A-E-M shall be paid by the A-E-M and shall not be a reimbursable expenditure.

g. Immediately upon termination of third-party rental agreements, make all repairs to equipment rented thereunder which are required to be made by the terms of such rental agreements and shall remove such equipment from the site of the work. In cases where such repairs and removal cannot promptly be made, the A-E-M shall notify the Contracting Officer of the reasons for such delay.

ART. XVI. *Termination of contract by the Government.* (Insert § 81.350)

ART. XVII. *The contracting officer's decisions.* 1. The services rendered and the work done by the A-E-M shall be subject to the supervision and approval of the contracting officer to whom the A-E-M shall report and be responsible.

ART. XVIII. *Disputes.* (Insert § 81.326)

ART. XIX. *Convict labor.* (Insert § 81.345)

ART. XX. *Labor.* (a) (Insert § 81.343) (b) (Insert § 81.346) (c) (Insert § 81.344)

ART. XXI. *Anti-discrimination.* (Insert § 81.325)

ART. XXII. *Workmen's Compensation Insurance.* 1. During the life of this contract the A-E-M will provide and maintain, for all employees of the A-E-M engaged in work under this contract, Workmen's Compensation Insurance or such other protection for employees as may be required by Federal or State statutes in the jurisdiction in which such work is performed, under direction of the Contracting Officer. If the whole or any part of the work under this contract is sublet on a cost-plus-a-fixed-fee basis, the same protection provided for employees of the A-E-M shall be provided for the protection of the employees of the subcontractors. In those cases where the whole or any part of the work under this contract is sublet on a lump sum basis, the A-E-M shall maintain for the employees of the lump sum subcontractors Workmen's Compensation In-

*NOTE: Where pay rolls are prepared by the Government the audit thereof by the Government will be concurrent with such preparation.

**NOTE: If not applicable, this section will be omitted.

surance or such other protection for employees as may be required by Federal or State statutes in the jurisdiction in which such work is performed. Prior to commencement of operations under this contract, the A-E-M shall supply the Contracting Officer with proof of compliance with this Article.

ART. XXIII. *Accident prevention.*

1. In order to protect the life and health of his employees in the performance of this contract, the A-E-M will comply with all pertinent provisions of the "Safety Requirements in Excavation—Building—Construction" approved by Chief of Engineers December 16, 1941 (a copy of which is on file in the Office of the Contracting Officer), and as may be amended, and will take or cause to be taken such additional measures as the Contracting Officer may determine to be reasonably necessary for this purpose. The A-E-M will maintain an accurate record of, and will report to the Contracting Officer in the manner and on the forms prescribed by the Contracting Officer, all cases of death, occupational disease, and traumatic injury arising out of or in the course of employment on work under this contract.

2. The Contracting Officer will notify the A-E-M of any noncompliance with the foregoing provisions and the action to be taken. The A-E-M shall, after receipt of such notice, immediately correct the conditions to which attention has been directed. Such notice when served on the A-E-M or his representatives at the site of the work shall be deemed sufficient for the purpose aforesaid.

3. If the A-E-M fails or refuses to comply promptly, the Contracting Officer may issue an order stopping all or any part of the work. When satisfactory corrective action is taken, a start order will be issued.

ART XXIV. *Notice to Government of labor disputes.* (Insert § 81.354)

ART. XXV. *Officials not to benefit.* (Insert § 81.322)

ART. XXVI. *Covenant against contingent fees.* (Insert § 8'.323)

ART. XXVII. *A-E-M's organization and methods.* 1. Upon the execution of this contract, the A-E-M shall submit to the Contracting Officer a chart showing in general the executive and administrative organization, duties and personnel to be employed in connection with the work under contract; the data so furnished shall be supplemented as additional information becomes available.

ART. XXVIII. *Progress reports and changes in personnel.* 1. The A-E-M shall promptly, after the execution of this contract, prepare and submit to the Contracting Officer, for approval, a schedule showing the order in which the A-E-M proposes to carry on the work, with dates on which he will start the several salient features of the work and the contemplated dates for completing the same. The schedule shall be in the form of a progress chart at suitable scale so as to indicate with symbols the percentage completed at any time. The A-E-M shall correct the progress schedule at the end of each week and shall immediately deliver to the Contracting Officer three copies each of the same.

2. The A-E-M shall furnish sufficient technical, supervisory and administrative personnel to insure the prosecution of the work in accordance with the approved progress schedule. If in the opinion of the Contracting Officer, the A-E-M falls behind the progress schedule, the A-E-M shall take such steps as may be necessary to improve his progress, and the Contracting Officer may direct him to increase working days per week, or hours of labor per day. When in the opinion of the Contracting Officer, the A-E-M's personnel and/or overhead is excessive for the proper performance of this contract, reductions thereof shall be made as required by the Contracting Officer. Failure to promptly comply with such directions shall be deemed sufficient cause to terminate this contract for the fault of the A-E-M.

ART. XXIX. *Loading and unloading railway cars.* 1. The A-E-M shall load promptly all railroad cars furnished for loading upon his order and shall unload from railroad cars promptly upon arrival all shipments consigned to him and shall provide storage facilities and other facilities necessary for these purposes; and the A-E-M shall not order railway cars for loading unless they can be loaded promptly and shall not cause or permit shipments to be consigned to him unless they can be unloaded from railroad cars promptly upon arrival.

ART. XXX. *Assignment of claims.* (Insert § 81.355) 5. No assignee shall divulge any information concerning the contract, or contained therein, except to those persons authorized by the Contracting Officer.

If this contract is classified as Secret, Confidential, or Restricted, the foregoing provisions of this Article shall not be applicable, and the following provision shall be deemed to be substituted therefor:

1. Neither this contract, nor any interest therein, or claim thereunder, shall be assigned or transferred by the A-E-M to any party or parties.

ART. XXXI. *Renegotiation.* (See § 81.342 and §§ 81.1201–81.1213)

ART. XXXII. *Approval required.* 1. This contract shall be subject to the approval of the _____ and shall not be binding unless so approved.

ART. XXXIII. *Definitions.* 1. The term "Chief of the Supply Service" refers to the head of a service of the War Department, e. g., the Chief of Engineers.

2. The terms "Secretary of War" and "Chief of the Supply Service" shall include their duly authorized representatives as the case may be other than the Contracting Officer.

3. The term "his duly authorized representative" shall mean any person or board authorized by the Secretary of War or the Chief of the Supply Service, as the case may be, to act for him, other than the Contracting Officer.

4. For the original signing of the contract and modification thereof, the term "Contracting Officer" as used herein shall be deemed to include the Contracting Officer in the Office of the Chief of Engineers appointed for that purpose by the Chief of Engineers. For all other purposes, the term "Contracting Officer" shall mean the District Engineer of the United States Engineer District in which the contract work is being performed, his successor or duly authorized representative.

5. The term "construction plant" shall include any part thereof.

ART. XXXIV. *Alterations.* The following changes were made in this contract before it was signed by the parties hereto:

IN WITNESS WHEREOF, the parties hereto have executed this contract as of the day and year first above written.

THE UNITED STATES OF AMERICA,

By _____
_____
(Contracting Officer)

A-E-M

By _____
_____

Witnesses as to signature of A-E-M:

_____
_____
(Address)

_____
_____
(Address)

CERTIFICATION

I, _____ do hereby certify that I am the duly qualified_____ _____of the corporation named herein as Architect-Engineer-Construction-Manager; that_____who signed this contract on behalf of the Architect-Engineer-Construction-Manager was then_____of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers

In witness whereof, I have hereunto affixed my hand and the seal of the_____ _____this_____day of_____ ____, 194____

_____

(Corporate Seal)

APPENDIX "B"

to Contract No. _____

(all equipment available_____ except where otherwise specified)

Quantity	Item: Complete description, capacity, and identifying Nos.	Total purchase cost or fair value	Rental rate $_____ monthly, week or day

§ 81.1320 *W. D. Contract Form No. 20.*

WAR DEPARTMENT

Supplemental Contract to

Contract No. _____
and Contract No. _____
etc.

_____
(Name of arm or service)

Whereas under date of _____
(Insert date of original contract)
a contract numbered_____, was entered
(Insert number of original contract)
into between the United States of America by _____
(Insert name, rank and branch of Contracting Officer)
U. S. Army as Contracting Officer, acting by authority of the Secretary of War, hereinafter referred to as the Government, and _____ a corporation
(Insert name, rank, and branch of Contracting Officer)
organized and existing under the laws of the State of _____ hereinafter referred to as the Contractor, providing for the construction of _____
(the furnishing of_____)
(Insert number of units for _____
(amount of equipment purchased)
by the Contractor, and

Whereas, it is provided by Section 201, Title II of Public Act No. 354, 77th Congress, approved December 18, 1941, that the President may authorize any department or agency of the Government exercising functions in connection with the prosecution of the war effort to enter into contracts and to make advance, progress, and other payments thereon, whenever he deems such action would facilitate the prosecution of the war; and

Whereas by Executive Order 9001 issued December 27, 1941, the President has authorized the War Department to make such advance payments; and

Whereas, the making of advance payments to the Contractor is deemed necessary by the War Department to facilitate the prosecution of the war,

Now therefore, this supplemental contract is entered into this _____ day of _____, 194____, between the Government and the Contractor, said parties agreeing to and with each other as follows:

ARTICLE 1. At any time and from time to time, after the approval of this supplemental contract, at the request of the Contractor and subject to the approval of the_____ (Chief of supply _____ or his duly authorized representa-service) tive, or of the person to whom authority has been delegated to make advance payments, as to the present need therefor, the Government shall advance to the Contractor sums not to exceed _____ or (Insert amount of advance payment) _____ per cent (_____%) of the principal contract price (or principal contract prices), at it (they) may be amended, whichever shall be the smaller. On the unliquidated balance of the advance payments outstanding, the Contractor agrees to pay interest at the rate of two and one-half percent (2½%) per annum to be computed in accordance with the provisions of Article 6 hereof.

ART. 2. As a condition precedent to the making of any advance payment or payments as hereinbefore provided, the Contractor shall furnish the Government with such adequate security as the Under Secretary of War or the person to whom authority has been delegated to make advance payments shall prescribe: *Provided,* That if other security is not prescribed, the terms of this supplemental contract shall be considered adequate security for such advance payments; and *Provided further,* That if at any time the Under Secretary of War deems the security furnished by the Contractor inadequate, the Contractor shall furnish such additional security as shall be satisfactory to the Under Secretary of War.

ART. 3. Until all advance payments hereunder are liquidated, all funds received as advance payments under this supplemental contract together with _____ (Insert percent to be _____ deposited which shall be not less than 75%) percent (_____%) of all other cash payments under the principal contract (or principal contracts), shall be deposited in a special bank account or accounts at a member bank or banks of the Federal Reserve System, or any "insured" bank within the meaning of the Act creating the Federal Deposit Insurance Corporation (Act of August 23, 1935; 49 Stat. 684, as amended; 12 U. C. S. 264), separate from the Contractor's general or other funds. Such special bank account or accounts shall be so designated as to indicate clearly to the bank their special character and purpose, and the balance in such account or accounts shall be used by the Contractor exclusively as a revolving fund for carrying out the purposes of the principal contract (or principal contracts), (including reimbursement to the Contractor for any reasonable amounts expended by him for such purposes), and any amendments thereto, and not for the other business of the Contractor: (*Provided,* That it is understood that all funds deposited in the said special amount created hereunder may be used by the Contractor for the purposes of either or all of the principal contracts without regard to the origin of such payments and)* *Provided,* That for the purpose of determining proper disposition of funds hereunder such of the Contractor's costs as may not be directly allocable to the principal contract (or principal contracts), as it (or they) may be amended, may be charged against funds deposited in the special account in that proportion which the amount of the work being done under the principal contract (or principal contracts), as it (they) may be amended, approximately bears to the total amount of work being performed by the Contractor, out of which such costs also arise, but within the period to which such costs relate. When required by the _____ or his duly (Chief of Supply Service) authorized representative, or by other person to whom authority to make advance payments has been delegated, withdrawals from special account or accounts shall be made subject to the prior written approval of the Contracting Officer or his duly authorized representative. Any balances from time to time in such special account or accounts shall secure the repayment of the advances in connection with which the special account or accounts are opened, and the Government shall have a lien upon such balances to secure the repayment of such advances, which lien shall be superior to any lien of the bank, or any other person, upon such account or accounts by virtue of assignment to it of the principal contract (or contracts) or otherwise: *Provided,* That the bank shall be under no liability to any party hereto for the withdrawal of any funds from said special account upon checks, properly endorsed and signed by the Contractor except that after the receipt by the bank of written directions from the _____ or (Chief of supply service) his duly authorized representative, the bank shall act thereon and be under no liability to any party hereto for any action taken in accordance with the said written directions. Any instructions or written directions received by the bank through the Contracting Officer upon War Department stationery and purporting to be signed by, or by the direction of, the _____ (Chief of supply service) or his duly authorized representative, shall insofar as the rights, duties, and liabilities of the bank are concerned, be conclusively deemed to have been properly issued and filed with the bank by the _____ (Chief of supply service) or his duly authorized representative.

ART. 4. If, upon completion of the principal contract, (or of any of the principal contracts), or upon the termination thereof for other than the fault of the Contractor, the advance payments made to the Contractor in respect of such contract have not been fully liquidated in the manner herein provided, the unliquidated balance of such advance payments shall be deducted from any payments otherwise due the Contractor in respect of such contract; and if the sum or sums due the Contractor be insufficient to cover such balance, the deficiency shall be paid by the Contractor in cash forthwith after demand and final audit by the Government of all accounts hereunder in respect of such contract. In the event of cancellation or termination of the principal contract (or of any of the principal contracts) because of the fault of the Contractor, the Contractor, notwithstanding any ultimate rights to be reimbursed, agrees to return to the Government, upon demand, without setoff of any sums alleged to be due the Contractor, the unliquidated balance of any advance payment. Furthermore, if, in the opinion of the_____ (Chief of supply service) or his duly authorized representative, the unobligated balance of the advance payments made by the Government under Article 1 hereof exceeds the amount necessary for the current needs of the Contractor, as determined by the_____ (Chief of supply service) or his duly authorized representative the amount of such excess shall, upon demand by the_____ or his (Chief of supply service) duly authorized representative, be promptly returned to the Government and will be credited against the balance due the Government on advances previously made. If the demand made in any event set forth in this Article is not met upon receipt of such demand by the Contractor, the amount demanded will bear interest at the rate of six percent (6%) rather than two and one-half percent (2½%) per annum from the date of the receipt of the demand until payment is made: *Provided, however,* That such additional interest over and above the regular two and one-half percent is hereby waived as to any sums paid by the Contractor within 15 days after the amount becomes due hereunder.

ART. 5. Except as otherwise provided herein, liquidation of the principal of any advance payment or advance payments made to the Contractor hereunder shall be made by means of direct repayment by the Contractor from his own free funds or from the special account or by deductions of _____ (Percent of advance _____ percent (_____%) from any and authorized) all payments made by the Government under the terms of the principal contract (or principal contracts): *Provided,* That if at any time as a result of amendments to the principal contract (or principal contracts) or otherwise, the unliquidated balance of the principal of advance payments made exceeds _____ percent (Percent of advance authorized) (_____%) of the contract price of units still to be delivered under the principal contract (or principal contracts), the amount of such excess shall upon demand of the _____ (Chief of _____ or his duly authorized supply service) representative be promptly returned to the Government by withdrawal from the special account or otherwise, or if not so returned, shall be deducted from any and all payments to be made by the Government under the principal contract (or principal contracts): *Provided further,* That if and when the Contractor has, by means of deductions or otherwise, reimbursed the Government in full for payments made, any money remaining in the special bank account or accounts shall be free and clear of any lien hereunder and the bank or banks concerned shall have authority to pay same to the Contractor and shall thereupon be relieved of any further obligation to the Government on account thereof.

ART. 6. On the unliquidated balance of the advance payments outstanding, the Contractor agrees to pay interest at the rate of two and one-half percent (2½%) per annum. Such interest shall be computed at the end of each calendar month on the average daily balance of the principal of the unliquidated advance payments outstanding. In determining such balance, charges on account of the advance payments to the Contractor hereunder shall be made as of the dates of the checks therefor; credits arising from deductions from payments to the Contractor under this contract shall be made as of the dates the checks for such payments are drawn; and credits arising from cash repayments to the Government by the Contractor shall be made as of the dates the checks therefor are received by the disbursing officer. As soon as such monthly computations shall have been made, the interest so determined shall be deducted from the payments otherwise due the Contractor under this contract: *Provided,*

*This proviso to be used where agreement is supplemental to two or more contracts.

however, That in no event shall deduction on account of interest exceed five percent (5%) of the gross payment due the Contractor prior to any deduction under this Article or Article 5 or any other provisions of this contract. In the event the accrued interest exceeds such five percent, the excess of such interest shall be carried forward and deducted from subsequent payments. The interest shall not be compounded, and shall, subject to the provisions of Article 4 hereof, cease to accrue upon the termination of the contract for other than the fault of the Contractor, or upon the date found by the Contracting Officer to be the date upon which the Contractor completed his performance under the contract.

ART. 7. The Contractor shall, at all times, afford to the Contracting Officer, or his duly authorized representative, proper facilities for the inspection and audit of the Contractor's accounts, and the Contractor hereby agrees that the Contracting Officer, or his duly authorized representative, shall have the right, so far as the Contractor's rights are concerned, during business hours, to inspect and make copies of any entries in the books and records of the bank or banks relating to the said special account or accounts.

ART. 8. Subject to the approval of the Contracting Officer or his duly authorized representative the Contractor may make payments to subcontractors and materialmen in advance out of the special account, for labor or services, or to pay for materials in advance of delivery at the site of the work or at an approved storage site. Such subadvances shall not exceed _____ percent (_____%) of the subcontract price and the subcontractor or materialmen to whom such advances are made shall furnish adequate security therefor. Unless other security is furnished, covenants in subcontracts, expressly made for the benefit of the Government, providing for a subspecial account with Government lien thereon and for a Government lien on property, tangible or intangible, purchased from the special account, and imposing upon the subcontractor substantially the same duties and giving the Government substantially the same rights as are provided herein between the Government and the Contractor, have been prescribed by the Under Secretary of War as minimum adequate security for such subadvances.

ART. 9. If no surety bond is furnished as part of the security under Article 2 hereof, then, upon receipt of items or materials paid for from such special account or accounts, such items or materials shall be segregated and the Government shall have a lien on such items or materials until the advance payment or payments have been fully liquidated, or until the item and/or materials concerned have become the property of the Government as the result of partial payments, or otherwise: *Provided*, That if segregation in any instance be impracticable and the items or materials concerned are consequently intermingled with other property of the Contractor, then and in that event the lien above provided for in favor of the Government shall extend to the intermingled mass to the amount represented by the value of the items or materials involved; and, without limiting the generality of the foregoing, such lien shall continue as follows: (a) in case the contract covers construction, until such items or materials are incorporated into the building, and thereafter on the building in the construction of which the items or materials are incorporated; (b) in the case of items or materials comprising facilities, on such facilities, both before and after their installation in the plant; and (c) in the case of articles contracted for, until the items or materials so paid for are fabricated into such articles, and thereafter on the articles until accepted by the Government; [and the Government shall hereby likewise have an effective assignment of a security interest in all intangible property purchased, or otherwise acquired with funds from said special account].* If at any time during the progress of the work under the principal contract (or principal contracts) it becomes necessary to deliver any item or items and/or materials upon which the Government has a lien as aforesaid to a third person, the Contractor shall notify such third person of the lien herein provided and shall obtain from such third person a receipt, in duplicate, acknowledging, *inter alia*, the existence of such lien. A copy of each receipt shall be delivered by the Contractor to the Contracting Officer.

ART. 10. Any assignment of moneys due or to become due under the principal contract (or principal contracts) shall be subordinate to the rights or claims of the Government arising under the principal contract (or principal contracts) or any amendment thereto by virtue of any advance payments authorized herein or otherwise: *Provided*, That if at any time any claim arising under the principal contract (or principal contracts) is assigned or purportedly assigned in any manner inconsistent with the said rights of the Government, the _____
(Chief of supply service)
or his duly authorized representative shall have the right to suspend further advance payments without notice.

ART. 11. Except as hereby amended, all the terms and conditions of the contract (or contracts) affected shall remain unmodified and in full force and effect and shall also apply in carrying out the provisions of this agreement.

IN WITNESS WHEREOF, the parties hereto have executed this supplemental contract on the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
_____
(Official Title)

Two Witnesses:

_____ _____
_____ (Contractor)
(Address)

_____ _____
_____ By _____
(Address) (Business address)

I _____, certify that I am the Secretary of the corporation named as Contractor herein; that _____ who signed this supplemental contract on behalf of the Contractor was then _____ of said corporation; that said supplemental contract was duly signed for and on behalf of said corporation by authority of its governing body and is within the scope of its corporate powers.

In witness whereof, I have hereunto affixed my hand and the seal of said corporation this _____ day of _____, 19_____.

(Corporate Seal) _____
(Secretary)

I hereby certify that, to the best of my knowledge and belief, based upon observation and inquiry, _____ who signed this supplemental contract for _____ had authority to execute the same, and is the individual who signs similar contracts on behalf of this corporation with the public generally.

_____
(Contracting Officer)

*The bracketed provision may be inserted in the case of experimental contracts or other cases where deemed especially appropriate.

§ 81.1321 *W. D. Contract Form No. 21.*

WAR DEPARTMENT

Supplement Contract to Contract No._____
_____
(Name of arm or service)
Whereas under date of_____
(Insert date of Original
_____a contract, numbered_____
Contract) (Insert
_____was entered into be-
number of original contract)
tween the United States of America by_____
(Insert name,
_____ U. S. Army,
rank and branch of contracting officer)
as Contracting Officer, acting by authority of the Secretary of War, hereinafter referred to as the Government, and_____
(Insert name
_____a corporation organized
of Contractor)
and existing under the laws of the State of _____, hereinafter referred to as the Contractor, providing for the construction of _____ the furnishing of _____
(Insert number of units or amount of equipment purchased)
by the Contractor, and

Whereas it is provided by Section 201, Title II of Public Act No. 354, 77th Congress, approved December 18, 1941, that the President may authorize any department or agency of the Government exercising functions in connection with the prosecution of the war effort to enter into contracts and to make advance, progress, and other payments thereon whenever he deems such action would facilitate the prosecution of the war; and

Whereas by Executive Order 9001, issued December 27, 1941, the President has authorized the War Department to make such advance payments; and

Whereas the making of advance payments to the Contractor is deemed necessary by the War Department to facilitate the prosecution of the war,

Now, therefore, this supplemental contract is entered into this _____ day of _____, 194____ by the Government and the Contractor, said parties agreeing to and with each other as follows:

ARTICLE 1. At any time and from time to time after the execution of this supplemental contract, the Government at the request of the Contractor and subject to the approval of the _____ or his
(Chief of supply service)
duly authorized representative, or the person to whom authority to make advance payments has been delegated, as to the present need therefor shall advance to the Contractor sums not to exceed _____ per centum (_____%) of the estimated cost of the principal contract (exclusive of the Contractor's fixed fee), as it may be amended from time to time. On the unliquidated balance of the advance payments outstanding, the Contractor agrees to pay interest at the rate of two and one-half percent (2½%) per annum to be computed in accordance with the provisions of Article 6 hereof.

ART. 2. As a condition precedent to the making of any advance payment or payments as hereinbefore provided, the Contractor shall furnish the Government with such adequate security as the Under Secretary of War or the person to whom authority has been delegated to make advance payments shall prescribe: *Provided*, That if other security is not prescribed, the terms of this supplemental contract shall be considered adequate security for such advance payments: And *provided further*, That if at any time the Under Sec-

retary of War deems the security furnished by the Contractor inadequate, the Contractor shall furnish such additional security, in the form of a surety bond or surety bonds, as shall be satisfactory to the Under Secretary of War.

ART. 3. Until all advance payments hereunder are liquidated, all funds received as advance payments under this supplemental contract together with all funds received as reimbursements for the cost of the work under Article _____ of the principal contract, exclusive of the principal contract, exclusive of the Contractor's fixed fee, shall be deposited in a special bank account or accounts at a member bank or banks of the Federal Reserve System or any "insured" bank within the meaning of the Act creating the Federal Deposit Insurance Corporation (Act of August 23, 1935; 49 Stat. 684, as amended; 12 U. S. C. 264) separate from the Contractor's general or other funds. Such special bank account or accounts shall be so designated as to indicate clearly to the bank their special character and purpose, and the balance in such account or accounts shall be used by the Contractor exclusively as a revolving fund for carrying out the purposes of the principal contract and any amendments thereto, and not for other business of the Contractor. Any balances from time to time in such special account or accounts shall at all times secure the repayment of the advances in connection with which the special account or accounts are opened, and the Government shall have a lien upon such balances to secure the repayment of such advances, which lien shall be superior to any lien of the bank or any other person upon such account or accounts by virtue of assignment to it of such contract or otherwise: *Provided,* That the bank shall be under no liability to any party hereto for the withdrawal of any funds from said special account upon checks properly endorsed and signed by the Contractor, except that after the receipt by the bank of written directions from the _____ or his duly
(Chief of supply services)
authorized representative, the bank shall act thereon and be under no liability to any party hereto for any action taken in accordance with the said written directions. Any instructions or written directions received by the bank through the Contracting Officer upon War Department stationery and purporting to be signed by, or by the direction of, the _____ or his
(Chief of supply service)
duly authorized representative, shall, insofar as the rights, duties, and liabilities of the bank are concerned, be conclusively deemed to have been properly issued and filed with the bank by the _____
(Chief of supply service)
or his duly authorized representative.

ART. 4. It is agreed that the aggregate of the advance payments outstanding under this supplemental contract, together with funds received as reimbursement for the cost of the work by the Contractor under Article _____ of the principal contract shall, at no time, exceed the total estimated cost of the work under the principal contract as it may be revised from time to time, and any such excess shall be immediately repaid by the Contractor to the Government or if any reimbursement is due from the Government to the Contractor, shall be deducted therefrom: *Provided, however,* That if the total cost of the work under the principal contract shall be in excess of the amount so paid to the Contractor, including said advance payments, the Government upon presentation of satisfactory evidence shall currently and promptly reimburse the Contractor to the extent of such excess cost (subject to any delay in the availability of appropriated funds).

ART. 5. If, upon completion of the principal contract, or upon the termination thereof for other than the fault of the Contractor, the advance payments made to the Contractor in respect of such contract have not been fully liquidated in the manner herein provided, the unliquidated balance of such advance payments shall be deducted from any payments otherwise due the Contractor in respect of such contract; and if the sum or sums due the Contractor be insufficient to cover such balances, the deficiency shall be paid by the Contractor in cash forthwith after demand and final audit by the Government of all accounts hereunder in respect of such contract. In the event of cancelation or termination of the principal contract because of the fault of the Contractor, the Contractor, notwithstanding any ultimate rights to be reimbursed, agrees to return to the Government upon demand, without set-off of any sums alleged to be due the Contractor, the unliquidated balance of any advance payment. Furthermore, if, in the opinion of the _____ or his
(Chief of supply service)
duly authorized representative, the unobligated balance of the advance payments made by the Government under Article 1 hereof, exceeds the amount necessary for the current needs of the Contractor, as determined by the _____ or his duly author-
(Chief of supply service)
ized representative, the amount of such excess shall, upon demand by the _____
(Chief of supply
_____ or his duly authorized representative, service)
be promptly returned to the Government and will be credited against the balance due the Government on advances previously made. If the demand made in any event set forth in this Article is not met upon receipt of such demand by the Contractor, the amount demanded will bear interest at the rate of six percent (6%) rather than two and one-half percent (2½%) per annum from the date of the receipt of the demand until payment is made: *Provided, however,* That such additional interest over and above the regular two and one-half percent is hereby waived as to any sums paid by the Contractor within 15 days after the amount becomes due hereunder. If and when the Contractor has, by means of deductions or otherwise, reimbursed the Government in full for payments made, any money remaining in the special bank account or accounts shall be free and clear of any lien hereunder, and the bank or banks concerned shall have authority to pay same to the Contractor and shall thereupon be relieved of any further obligation to the Government on account thereof.

ART. 6. On the unliquidated balance of the advance payments outstanding, the Contractor agrees to pay interest at the rate of two and one-half percent (2½%) per annum. Such interest shall be computed at the end of each calendar month on the average daily balance of the principal of the unliquidated advance payments outstanding. In determining such balance, charges on account of the advance payments to the Contractor hereunder shall be made as of the date of the checks therefor; credits resulting from disbursements made by the Contractor, which are applied against advance payments, shall be made as of the dates on which the vouchers therefor are approved by the disbursing officer; and credits arising from cash repayments to the Government by the Contractor shall be made as of the dates the checks therefor are received by the disbursing officer. As soon as such monthly computations shall have been made, the interest charge so determined shall be deducted from any payments on account of the fixed fee which may be made to the Contractor from time to time under this contract. In the event the accrued interest exceeds any such payment, the excess of such interest shall be carried forward and deducted from subsequent payments on account of the fixed fee. The interest shall not be compounded, and shall, subject to the provisions of Article 5 hereof, cease to accrue upon the termination of the contract for other than the fault of the Contractor, or upon the date found by the Contracting Officer to be the date upon which the Contractor completed his performance under the contract.

ART. 7. The Contractor shall, at all times, afford to the Contracting Officer, or his duly authorized representative, proper facilities for the inspection and audit of the Contractor's accounts, and the Contractor hereby agrees that the Contracting Officer, or his duly authorized representative, shall have the right so far as the Contractor's rights are concerned, during business hours, to inspect and make copies of any entries in the books and records of the bank or banks relating to the said special account or accounts.

ART. 8. Subject to the approval of the Contracting Officer or his duly authorized representative the Contractor may make payments to subcontractors and materialmen in advance out of the special account, for labor or services, or to pay for materials in advance of delivery at the site of the work or at an approved storage site. Such subadvances shall not exceed _____ percent (_____%) of the subcontract price or estimated cost, as the case may be, and the subcontractor or materialmen to whom such advances are made shall furnish adequate security therefor. Unless other security is furnished, covenants in subcontracts, expressly made for the benefit of the Government, providing for a subspecial account with Government lien thereon and for a Government lien on or title to property, tangible or intangible, purchased from the special account, and imposing upon the subcontractor substantially the same duties and giving the Government substantially the same rights as are provided herein between the Government and the Contractor, have been prescribed by the Under Secretary of War as minimum adequate security for such subadvances.

ART. 9. Except as hereby amended, all the terms and conditions of the contract affected shall remain unmodified and in full force and effect and shall also apply in carrying out the provisions of this supplemental agreement.

In witness whereof, the parties hereto have executed this supplemental contract on the day and year first above written.

THE UNITED STATES OF AMERICA,
By _____
_____
(Official Title)
_____
(Contractor)
By _____
_____
(Business Address)

Two Witnesses:
_____
_____
(Address)
_____
_____
(Address)

I _____, certify that I am the Secretary of the corporation named as Contractor herein; that _____ who signed this supplemental contract on behalf of the Contractor was then _____ of said corporation; that said supplemental contract

was duly signed for and on behalf of said corporation by authority of its governing body and is within the scope of its corporate powers.

In witness whereof, I have hereunto affixed my hand and the seal of said corporation this _____ day of _____, 19____.

(Corporate Seal) _____ (Secretary)

I hereby certify that, to the best of my knowledge and belief, based upon observation and inquiry, _____, who signed this supplemental contract for _____ had authority to execute the same, and is the individual who signs similar contracts on behalf of this corporation with the public generally.

_____
(Contracting Officer)

§ 81.1322 *W. D. Contract Form No. 22.*

WAR DEPARTMENT

Supplemental Contract to
Letter Purchase Order No_____

_____
(Name of arm of service)

Whereas under date of_____
(Insert date of purchase order)
a letter purchase order, numbered_____
(Insert number of urchase order)
_____ was entered into between the United States of America by_____
(Insert name, rank and branch of Contracting Officer)
_____, U. S. Army, as Contracting Officer, acting by authority of the Secretary of War, hereinafter referred to as the Government and _____
(Insert name of Contractor)
_____, (hereinafter called the Contractor), a corporation organized and existing under the laws of the State of_____, providing for the construction of_____
_____ (the furnishing of _____
_____
(Insert number of units or amount of equipment purchased)
_____ by the Contractor, and

Whereas it is provided by Section 201, Title II of Public Act No. 354, 77th Congress, approved December 18, 1941, that the President may authorize any department or agency of the Government exercising functions in connection with the prosecution of the war effort to enter into contracts and to make advance, progress and other payments thereon, whenever he deems such action would facilitate the prosecution of the war; and

Whereas by Executive Order 9001, issued December 27, 1941, the President has authorized the War Department to make such advance payments; and

Whereas the making of advance payments to the Contractor is deemed necessary by the War Department to facilitate the prosecution of the war,

Now, therefore, this supplemental contract is entered into this _____ day of _____, 194__, by the Government and the Contractor, said parties agreeing to and with each other as follows:

ARTICLE 1. At any time and from time to time after the approval of this supplemental contract, the Government at the request of the Contractor and subject to the approval of the _____ or his
(Chief of supply service)
duly authorized representative, or of the person to whom authority has been delegated to make advance payments, as to the present need therefor, shall advance to the Contractor sums not to exceed _____ percent (_____%) of that amount authorized for expenditure or obligation under Paragraph 2 of such Letter Purchase Order as such amount may be modified or changed from time to time. On the unliquidated balance of advance payments outstanding, the Contractor agrees to pay interest at the rate of two and one-half percent (2½%) per annum to be computed in accordance with the provisions of Article 6 hereof.

ART. 2. As a condition precedent to the making of any advance payment or payments as hereinbefore provided, the Contractor shall furnish the Government with such adequate security as the Under Secretary of War, or the person to whom authority has been delegated to make advance payments, shall prescribe: *Provided,* That if other security is not prescribed, the terms of this supplemental contract shall be considered adequate security for such advance payments, *And provided further,* That if at any time the Under Secretary of War deems the security furnished by the Contractor inadequate, the Contractor shall furnish such additional security as shall be satisfactory to the Under Secretary of War.

ART. 3. Until all advance payments hereunder are liquidated, all funds received as advance payments under this contract shall be deposited in a special bank account or accounts at a member bank or banks of the Federal Reserve System, or any "insured" bank within the meaning of the Act creating the Federal Deposit Insurance Corporation (Act of August 23, 1935; 49 Stat. 684 as amended; 12 U.S.C. 264), separate from the Contractor's general or other funds. It is not contemplated that any reimbursement shall be made under the Letter Purchase Order until the more formal contract contemplated by Paragraph 2 of the Letter Purchase Order is entered into, or such Letter Purchase Order is terminated by reason of default of the Contractor, or failure to enter into such more formal contract. Such special bank account or accounts shall be so designated as to indicate clearly to the bank their special character and purpose, and the balance in such account or accounts shall be used by the Contractor exclusively as a fund for carrying out the purposes of the Letter Purchase Order and any amendments, revisions or changes thereto and not for other business of the Contractor. Withdrawals from such special bank account or accounts shall be subject to the prior written approval of the Contracting Officer unless he shall otherwise direct. Any balances from time to time in such special account or accounts shall at all times secure the repayment of the advances and all interest which may accrue thereon, in connection with which the special account or accounts are opened, and the Government shall have a lien upon such balances to secure the repayment of such advances and the payment of all interest which may accrue thereon which lien shall be superior to any lien of the bank or any other person upon such account or accounts by virtue of assignment to it of such contract or otherwise: *Provided,* That the bank shall be under no liability to any party hereto for the withdrawal of any funds from said special account upon checks, properly endorsed and signed by the Contractor, except that after the receipt by the bank of written directions from the _____ or his duly
(Chief of supply service)
authorized representative, or the Contracting Officer or his duly authorized representative, the bank shall act thereon and be under no liability to any party hereto for any action taken in accordance with the said written directions. Any instructions or written directions received by the bank through the Contracting Officer upon War Department stationery and purporting to be signed by, or by the direction of the _____ or his duly
(Chief of supply service)
authorized representative, shall, insofar as the rights, duties, and liabilities of the bank are concerned, be conclusively deemed to have been properly issued and filed with the bank by the _____
(Chief of supply service)
or his duly authorized representative.

ART. 4. At such time as the more formal contract contemplated by Paragraph 2 of the Letter Purchase Order is entered into, a provision will be made for advance payments not to exceed that percentage of the contract price agreed upon under such more formal contract as shall be deemed necessary by the Contracting Officer in order to provide the Contractor with adequate working capital to carry on the work contemplated by the Letter Purchase Order, as it may be modified or changed: *Provided,* That it is agreed that the Contractor shall continue to pay interest under the provisions of such more formal contract at the rate of two and one-half percent (2½%) per annum on the unliquidated balance of advance payments outstanding, computed in accordance with existing regulations, and *Provided,* That, if such percentage should exceed thirty percent (30%) of such contract price, or such contract price should exceed five million dollars ($5,000,000.00) the contract shall be subject to the approval of higher authority in accordance with existing regulations of the War Department, and *Provided,* That the terms of such advance payment agreement shall be strictly in accordance with standard provisions now authorized under existing regulations. Such provisions shall treat such advances as may be made hereunder as though they were made pursuant to such more formal contract and shall provide for the liquidation of advances made hereunder accordingly.

ART. 5. If upon termination of the Letter Purchase Order for other than the fault of the Contractor, the advance payments made to the Contractor and all interest which may have accrued thereon in respect of such contract have not been fully liquidated in the manner herein provided, the unliquidated balance of such payments and accrued interest shall be deducted from any payments otherwise due the Contractor in respect of such contract; and if the sum or sums due the Contractor be insufficient to cover such balance, the deficiency shall be paid by the Contractor in cash forthwith after demand and final audit by the Government of all accounts hereunder in respect of such contract. In the event of cancellation or termination of the principal contract because of the fault of the Contractor, or its termination due to failure to enter into the more formal contract contemplated by Paragraph 2 of the Letter Purchase Order, the Contractor notwithstanding any ultimate rights to be reimbursed, agrees to return to the Government, upon demand, without set-off of any sums alleged to be due the Contractor, the unliquidated balance of any advance payments and any interest which may have accrued thereon: *Provided,* That the Contractor may retain in the account an amount sufficient to meet the outstanding obligations incurred by it in good faith pursuant to authorization by the Contracting Officer under Paragraph 2 of the Letter Purchase Order until assumption and discharge of such obligations by the Government or final disallowance thereof. Furthermor if, in the opinion of the _____
(Chief of _____ or his duly authorized
supply service)
representative the unobligated balance of the advance payments made by the Government under Article 1 hereof exceeds the amount necessary for the current needs of the Contractor, as determined by the _____
(Chief of supply service)
_____ or his duly authorized representative, the amount of such excess shall, upon demand by _____
(Chief of supply service)
_____ or his duly authorized representative, be promptly returned to the Government and will be credited against the balance due the Government on advances previously made. If the demand made in any

event set forth in this Article is not met upon receipt of such demand by the Contractor, the Amount demanded will bear interest at the rate of six percent (6%) rather than at two and one-half percent (2½%) per annum from the date of the receipt of the demand until payment is made: *Provided, however,* That such additional interest over and above the regular two and one-half percent (2½%) is hereby waived as to any sum paid by the Contractor within 15 days after the amount becomes due hereunder. If and when the Contractor, has, by means of deductions or otherwise, reimbursed the Governmnt in full for payments made and all interest which may have accrued thereon, any money remaining in the special bank account or accounts shall be free and clear of any lien hereunder and the bank or banks concerned shall have authority to pay same to the Contractor and shall thereupon be relieved of any further obligations to the Government on account thereof.

ART. 6. On the unliquidated balance of the advance payments outstanding, the Contractor agrees to pay interest at the rate of two and one-half per cent (2½%) per annum. Such interest shall be computed at the end of each calendar month on the average daily balance of the principal of the unliquidated advance payments outstanding. In determining such balance, charges on account of the advance payments to the Contractor hereunder shall be made as of the dates of the checks therefor. It is agreed that pending the execution of the more formal contract contemplated by Paragraph 2 of the Letter Purchase Order that the Contractor may, if he so elects, make direct repayment to the Government on account of advances made out of his own free funds, or may be required to make repayment out of the special account or otherwise as provided by Article 5. Credits arising out of such cash repayments shall be made as of the dates the checks therefor are received by the disbursing officer. As soon as such monthly computations shall have been made, the interest charge shall be allowed to accrue, and shall not be payable until such time as provision is made for such payment under the provisions of the more formal contract contemplated by Paragraph 2 of the Letter Purchase Order, except as provided by Article 5 hereof. The interest shall not be compounded, and shall, subject to the provisions of Article 5, cease to accrue upon the termination of the contract for other than the fault of the Contractor.

ART. 7. The Contractor shall, at all times, afford to the Contracting Officer, or his duly authorized representative, proper facilities for the inspection and audit of the Contractor's accounts, and the Contractor hereby agrees that the Contracting Officer, or his duly authorized representative shall have the right so far as the Contractor's rights are concerned, during business hours, to inspect and make copies of any entries in the books and records of the bank or banks relating to the said special account or accounts.

ART. 8. Subject to the approval of the Contracting Officer, or his duly authorized representative, the Contractor may make payments to subcontractors, suppliers and/or materialmen in advance out of the special account, for labor or services, or to pay for materials in advance of delivery at the site of the work or at an approved storage site. Such sub-advances shall not exceed _____ _____ percent (_____%) of the sub-contract price or estimated cost, as the case may be, and the subcontractor, supplier and/or materialman to whom such advances are made shall furnish adequate security therefor. Unless other security is furnished, covenants in sub-contracts, expressly made for the benefit of the Government, providing for a sub-special account with Government lien thereon and for a Government lien on or title to property, tangible or intangible, purchased from the special account, and imposing upon the sub-contractor substantially the same duties and giving the Government substantially the same rights as provided herein between the Government and the Contractor, have been prescribed by the Under Secretary of War as minimum adequate security for such sub-advances.

ART. 9. The title to all work, completed or in the course of construction, preparation or manufacture under such Letter Purchase Order shall be in the Government. Likewise, upon delivery at the site of the work, at an approved storage site or other place approved by the Contracting Officer and upon inspection and acceptance in writing by the Contracting Officer, title to all materials, tools, machinery, equipment, and supplies for which the Contractor shall be entitled to reimbursement under the provisions of Paragraph 2 of the Letter Purchase Order shall vest in the Government. For the purposes of this supplemental contract, these provisions as to title being vested in the Government, are for security with respect to such advances as may be made hereunder, and shall cease and determine when the more formal contract contemplated by Paragraph 2 of the Letter Purchase Order is executed, unless specifically continued in effect by such more formal contract. These provisions as to title being vested in the Government shall not operate to relieve the Contractor from any duties imposed under the terms of the Letter Purchase Order, the more formal supplemental contract, or any other supplements thereto

ART. 10. Except as hereby amended, all the terms and conditions of the Letter Purchase Order affected shall remain unmodified and in full force and effect and shall also apply in carrying out the provisions of this supplemental agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Supplemental Contract on the day and year first above written.

THE UNITED STATES OF AMERICA

By_____

_____
(Official Title)

Two Witnesses:

_____ _____
(Contractor)

_____
(Address)

By_____

_____ _____
(Business Address)

_____
(Address)

I_____, certify that I am the Secretary of the corporation named as Contractor herein; that_____ who signed this supplemental contract on behalf of the Contractor was then_____ of said corporation; that said supplemental contract was duly signed for and on behalf of said corporation by authority of its governing body and is within the scope of its corporate powers.

In witness whereof, I have hereunto affixed my hand and the seal of said corporation this_____day of_____, 19_____.

(Corporate Seal)_____
(Secretary)

I hereby certify that, to the best of my knowledge and belief, based upon observation and inquiry,_____ signed this supplemental contract for_____ _____had authority to execute the same, and is the individual who signs similar contracts on behalf of this corporation with the public generally.

_____
(Contracting Officer)

§ 31.1323 *W. D. Contract Form No. 23.*

WAR DEPARTMENT

Supplemental Contract to Contract No. _____ and Contract No. _____ etc.

_____
(Name of arm or service)

Whereas, under date of _____
(Insert date of original contract)
a contract, numbered _____
(Insert number of original contract)
was entered into between the United States of America by _____
(Insert name, rank, and Branch of Contracting Officer)
_____, U. S. Army, as Contracting Officer, acting by authority of the Secretary of War, hereinafter referred to as the Government and _____
(Insert Name of
_____, a corporation organized Contractor)
and existing under the laws of the State of _____ hereinafter referred to as the Contractor, providing for the construction of _____ (the furnishing of _____
(Insert number of units or amount of _____) by the Contractor, and * equipment purchased)

Whereas, it is provided by section 201, Title II of Public Act No. 354, 77th Congress, approved December 18, 1941, that the President may authorize any department or agency of the Government exercising functions in connection with the prosecution of the war effort to enter into contracts and to make advances, progress and other payments thereon, whenever he deems such action would facilitate the prosecution of the war; and

Whereas, by Executive Order 9001 issued December 27, 1941, the President has authorized the War Department to make such advance payments; and

Whereas, the making of advance payments to the Contractor is deemed necessary by the War Department to facilitate the prosecution of the war,

Now, therefore, this supplemental contract is entered into this _____ of _____, 194_, between the Government and the Contractor, said parties agreeing to and with each other as follows:

ARTICLE 1. At any time and from time to time, after the approval of this supplemental contract, at the request of the Contractor and subject to the approval of the _____ or his duly
(Chief of supply service)
authorized representative, or of the person to whom authority has been delegated to make advance payments, as to the present need therefor, the Government shall advance to the Contractor, without payment of interest therefor by the Contractor, sums not to exceed _____
(Insert amount of advance payment)
or _____ percentum (_____%) of the principal contract price (or principal contract prices), as it (they) may be amended, whichever shall be the smaller.

ART. 2. As a condition precedent to the making of any advance payment or payments as hereinbefore provided the Contractor shall furnish the Government with such adequate security as the Under Secretary of War or the person to whom authority has been delegated to make advance payments shall pre-

*Where it is desired to combine advance payments for several principal contracts under one supplemental agreement this clause must be repeated for each contract concerned.

scribe; *Provided,* That if other security is not prescribed, the terms of this supplemental contract shall be considered adequate security for such advance payment; *Provided further,* That if at any time the Under Secretary of War deems the security furnished by the Contractor inadequate, the Contractor shall furnish such additional security as shall be satisfactory to the Under Secretary of War.

ART. 3. Until all advance payments hereunder are liquidated, all funds received as advance payments under this supplemental contract together with _____ (Insert % to be deposited which shall be not less than 75%) percent (____%) of all cash payments under the principal contract (or principal contracts), shall be deposited in a special bank account or accounts at a member bank or banks of the Federal Reserve System or any "insured" bank within the meaning of the Act creating the Federal Deposit Insurance Corporation (Act of August 23, 1935; 49 Stat. 684, as amended; 12 U.S.C. 264), separate from the Contractor's general or other funds. Such special bank account or accounts shall be so designated as to indicate clearly to the bank their special character and purpose, and the balances in such account or accounts shall be used by the Contractor exclusively as a revolving fund for carrying out the purposes of this supplemental contract and the principal contract (or principal contracts), (including reimbursement to the Contractor for any resonable amounts expended by him for such purposes), and any amendments thereto, and not for the other business of the Contractor; (*Provided,* That it is understood that all funds deposited in the said special account created hereunder may be used by the Contractor for the purposes of either or all of the principal contracts without regard to the origin of such payments) * and *Provided,* That for the purpose of determining proper disposition of funds hereunder such of the Contractor's costs as may not be directly allocable to the principal contract, (or principal contracts), as it (or they) may be amended, may be charged against funds deposited in the special account in that proportion which the amount of the work being done under the principal contract (or principal contracts), as it (they) may be amended, approximately bears to the total amount of work being performed by the Contractor, out of which such costs also arise, but within the period to which such costs relate. When required by the _____ (Chief of supply service) or his duly authorized representative, or any other person to whom authority to make advance payments has been delegated, withdrawals from special account or accounts shall be made subject to the prior written approval of the Contracting Officer or his duly authorized representative. Any balance from time to time in such special account or accounts shall secure the repayment of the advances in connection with which the special account or accounts are opened, and the Government shall have a lien upon such balances to secure the repayment of such advances which lien shall be superior to any lien of the bank, or any other person, upon such account or accounts by virtue of assignment to it of the principal contract (or contracts) or otherwise: *Provided,* That the bank shall be under no liability to any party hereto for the withdrawal of any funds from said special account upon checks, properly endorsed and signed by the Contractor, except that after the receipt by the bank of written directions from the _____ (Chief of supply service) or his duly authorized representative, the bank shall act thereon and be under no liability to any party hereto for any action taken in accordance with the said written directions. Any instructions or written directions received by the bank through the contracting officer upon War Department stationery and purporting to be signed by, or by the direction of, the _____ (Chief of supply service) or his duly authorized representative, shall, in so far as the rights, duties, and liabilities of the bank are concerned, be conclusively deemed to have been properly issued and filed with the bank by the _____ (Chief of supply service) or his duly authorized representative.

ART. 4. If, upon completion of the principal contract (or of any of the principal contracts), or upon the termination thereof for other than the fault of the Contractor, the advance payments made to the Contractor in respect of such contract have not been fully liquidated in the manner herein provided, the unliquidated balance of such advance payments shall be deducted from any payments otherwise due the Contractor in respect of such contract; and if the sum or sums due the Contractor be insufficient to cover such balance, the deficiency shall be paid by the Contractor in cash forthwith after demand and final audit by the Government of all accounts hereunder in respect of such contract. In the event of cancellation or termination of the principal contract (or of any of the principal contracts) because of the fault of the Contractor, the Contractor agrees to return to the Government, upon demand, without setoff of any sums alleged to be due the Contractor, the unliquidated balance of any advance payment. Furthermore, if in the opinion of the _____ (Chief of supply service) or his duly authorized representative, the unobligated balance of the advance payments made by the Government under Article 1 hereof exceeds the amount necessary for the current needs of the Contractor, as determined by the _____ (Chief of supply service) _____or his duly authorized representative, the amount of such excess shall, upon demand made by the _____ (Chief of supply service) _____or his duly authorized representative, be promptly returned to the Government and will be credited against the balance due the Government on advances previously made. If the demand made in any event set forth in this Article is not met upon receipt of such demand by the Contractor, the amount demanded will bear interest at the rate of six percent (6%) per annum from the date of the receipt of the demand until payment is made: *Provided, however,* that such payment of interest is hereby waived as to any sum paid by the Contractor within 15 days after the amount becomes due hereunder.

ART. 5. Except as otherwise provided herein, liquidation of any advance payment or advance payments made to the Contractor hereunder shall be made by means of direct repayment by the Contractor from his own free funds or from the special account or by deductions of _____ (Percent of advance authorized) percent (_____%) from any and all payments made by the Government under the terms of the principal contract (or principal contracts): *Provided,* That if at any time, as a result of amendments to the principal contract (or principal contracts) or otherwise, the unliquidated balance of advance payments made exceeds _____ (Percent of advance authorized) percent (_____%) of the contract price of units still to be delivered under the principal contract (or principal contracts), the amount of such excess shall upon demand of the _____ or his duly (Chief of supply service) authorized representative be promptly returned to the Government by withdrawal from the special account or otherwise, or if not so returned, shall be deducted from any and all payments to be made by the Government under the principal contract (or principal contracts): *Provided further,* That if and when the Contractor has, by means of deductions or otherwise, reimbursed the Government in full for payments made, any money remaining in the special bank account or accounts shall be free and clear of any lien hereunder and the bank or banks concerned shall have authority to pay same to the Contractor and shall thereupon be relieved of any further obligation to the Government on account thereof

ART. 6. The Contractor shall, at all times, afford to the Contracting Officer, or his duly authorized representative, proper facilities for the inspection and audit of the Contractor's accounts, and the Contractor hereby agrees that the Contracting Officer, or his duly authorized representative shall have the right, so far as the Contractor's rights are concerned, during business hours, to inspect and make copies of any entries in the books and records of the bank or banks relating to the said special account or accounts.

ART. 7. Subject to the approval of the Contracting Officer or his duly authorized representative the Contractor may make payments to subcontractors and materialmen in advance out of the special account, for labor or services, or to pay for materials in advance of delivery at the site of the work or at an approved storage site. Such sub-advances shall not exceed _____ percent (_____%) of the subcontract price and the subcontractor or materialmen to whom such advances are made shall furnish adequate security therefor. Unless other security is furnished, covenants in subcontracts, expressly made for the benefit of the Government, providing for a sub-special account with Government lien thereon and for a Government lien on property, tangible or intangible, purchased from the special account, and imposing upon the subcontractor substantially the same duties and giving the Government substantially the same rights as are provided herein between the Government and the Contractor, have been prescribed by the Under Secretary of War as minimum adequate security for such sub-advances.

ART. 8. If no surety bond is furnished as part of the security under Article 2 hereof, then, upon receipt of items or materials paid for from such special account or accounts, such items or materials shall be segregated and the Government shall have a lien on such items or materials until the advance payment or payments have been fully liquidated, or until the item or items and/or materials concerned have become the property of the Government as the result of partial payments, or otherwise; *Provided,* That if segregation in any instance be impracticable and the items or materials concerned are consequently intermingled with other property of the contractor, then and in that event the lien above provided for in favor of the Government shall extend to the intermingled mass to the amount represented by the value of the items of materials involved; and, without limiting the generality of the foregoing, such lien shall continue as follows: (a) in case the contract covers construction, until such items or materials are incorporated into the building, and thereafter on the building in the construction of which the items or materials are incorporated; (b) in the case of items or materials comprising facilities, on such facilities both before and after their installation in the plant; and (c) in the case of articles contracted for, until the items or materials so paid for are fabricated into

*This proviso to be under where agreement is supplemental to two or more contracts.

such articles, and thereafter on the articles until accepted by the Government; [and the Government shall hereby likewise have an effective assignment of a security interest in all intangible property purchased, or otherwise acquired with funds from said special account]*. If at any time during the progress of the work under the principal contract (or principal contracts) it becomes necessary to deliver any item or items and/or materials upon which the Government has a lien as aforesaid to a third person, the contractor shall notify such third person of the lien herein provided and shall obtain from such third person a receipt, in duplicate, acknowledging, inter alia, the existence of such lien. A copy of each receipt shall be delivered by the Contractor to the Contracting Officer.

ART. 9. Any assignment of moneys due or to become due under the principal contract (or principal contracts) shall be subordinate to the rights or claims of the Government arising under the principal contract (or principal contracts) or any amendment thereto by virtue of any advance payments authorized herein or otherwise: *Provided,* That if at any time any claim arising under the principal contract (or principal contracts) is assigned or purportedly assigned in any manner inconsistent with the said rights of the Government, the _____ or
(Chief of supply service)
his duly authorized representative shall have the right to suspend further advance payments without notice.

ART. 10. Except as hereby amended, all the terms and conditions of the contract (or contracts) affected shall remain unmodified and in full force and effect and shall also apply in carrying out the provisions of this supplemental contract.

In witness whereof, the parties hereto have executed this supplemental contract on the day and year first above written.

THE UNITED STATES OF AMERICA
By _____
_____
(Official Title)

Two Witnesses:
_____ _____
(Contractor)
_____ By _____
(Address)
_____ _____
(Business Address)
_____
(Address)

I _____ certify that I am the Secretary of the corporation named as Contractor herein; that _____ who signed this supplemental contract on behalf of the Contractor was then _____ of said corporation; that said supplemental contract was duly signed for and on behalf of said corporation by authority of its governing body and is within the scope of its corporate powers.

In witness whereof, I have hereunto affixed my hand and the seal of said corporation this _____ day of _____, 19____.
(Corporate Seal) _____
(Secretary)

I hereby certify that, to the best of my knowledge and belief, based upon observation and inquiry, _____ who signed this supplemental contract for _____ had authority to execute the same, and is the individual who signs similar contracts on behalf of this corporation with the public generally.

_____
(Contracting Officer)

*The bracketed provision may be inserted in the case of experimental contracts or other cases where deemed especially appropriate.

No. 201——11

§ 81.1324 *W. D. Contract Form No. 24.*

WAR DEPARTMENT

Supplemental Contract
to Contract No _____

_____
(Name of Arm or Service)

Whereas under date of _____,
(Insert date of original contract)
a contract, numbered _____, was entered into between the United States of America by _____
(Insert name, rank and Branch of Contracting Officer)
as Contracting Officer, acting by authority of the Secretary of War, as party of the first part and _____ (hereinafter called the Contractor), a corporation organized and existing under the laws of the State of _____ providing for the construction of _____ (the furnishing of _____) by the Contractor, as party of the second part, and

Whereas it is provided by Section 201, Title II of Public Act No. 354, 77th Congress, approved December 18, 1941, that the President may authorize any department or agency of the Government exercising functions in connection with the prosecution of the war effort to enter into contracts and to make advance, progress and other payments thereon whenever he deems such action would facilitate the prosecution of the war; and

Whereas, by Executive Order 9001, issued December 27, 1941, the President has authorized the War Department to make such advance payments; and

Whereas, the making of advance payments to the Contractor is deemed necessary by the War Department to facilitate the prosecution of the war,

Now, therefore, this Supplemental contract is entered into this _____ day of _____, 194__, by the Government and the Contractor, said parties agreeing to and with each other as follows:

ARTICLE 1. At any time and from time to time after the execution of this supplemental contract, the Government at the request of the Contractor and subject to the approval of the _____ or his duly
(Insert Chief of supply service)
authorized representative, or the person to whom authority to make advance payments has been delegated, as to the present need therefor shall advance to the Contractor, without payment of interest thereon by the Contractor, sums not to exceed _____ percent (_____%) of the estimated cost of the principal contract (exclusive of the Contractor's fixed fee), as it may be amended from time to time.

ART. 2. As a condition precedent to the making of any advance payment or payments as hereinbefore provided, the Contractor shall furnish the Government with such adequate security as the Under Secretary of War or the person to whom authority has been delegated to make advance payments shall prescribe: *Provided,* That if other security is not prescribed, the terms of this supplemental contract shall be considered adequate security for such advance payments; and *Provided further,* That if at any time the Under Secretary of War deems the security furnished by the Contractor inadequate, the Contractor shall furnish such additional security, in the form of a surety bond or surety bonds, as shall be satisfactory to the Under Secretary of War.

ART. 3. Until all advance payments hereunder are liquidated, all funds received as advance payments under this supplemental contract together with all funds received as reimbursements for the cost of the work under Article _____ of the principal contract, exclusive of the Contractor's fixed fee, shall be deposited in a special bank account or accounts at a member bank or banks of the Federal Reserve System or any "insured" bank within the meaning of the Act creating the Federal Deposit Insurance Corporation (Act of August 23, 1935; 49 Stat. 684) as amended (12 U.S.C. 264) separate from the Contractor's general or other funds. Such special bank account or accounts shall be so designated as to indicate clearly to the bank their special character and purpose, and the balance in such account or accounts shall be used by the Contractor exclusively as a revolving fund for carrying out the purposes of the principal contract and any amendments thereto and not for other business of the Contractor. Any balances from time to time in such special account or accounts shall at all times secure the repayment of the advances in connection with which the special account or accounts are opened, and the Government shall have a lien upon such balances to secure the repayment of such advances, which lien shall be superior to any lien of the bank or any other person upon such account or accounts by virtue of assignment to it of such contract or otherwise: *Provided,* That the bank shall be under no liability to any party hereto for the withdrawal of any funds from said special account upon checks, properly endorsed and signed by the Contractor, except that after the receipt by the bank of written directions from the _____ or his duly author-
(Chief of supply service)
ized representative, the bank shall act thereon and be under no liability to any party hereto for any action taken in accordance with the said written directions. Any instructions or written directions received by the bank through the Contracting Officer upon War Department stationery and purporting to be signed by, or by the direction, of the _____ or his duly author-
(Chief of supply service)
ized representative, shall, in so far as the rights, duties, and liabilities of the bank are concerned be conclusively deemed to have been properly issued and filed with the bank by the _____ or his
(Chief of supply service)
duly authorized representative.

ART. 4. It is agreed that the aggregate of the advance payments outstanding under this supplemental contract together with funds received as reimbursement for the cost of the work by the Contractor under Article _____ of the principal contract, shall, at no time, exceed the total estimated cost of the work under the principal contract as it may be revised from time to time and any such excess shall be immediately repaid by the Contractor to the Government or if any reimbursement is due from the Government to the Contractor, shall be deducted therefrom; *Provided, however,* That if the total cost of the work under the principal contract shall be in excess of the amount so paid to the Contractor, including said advance payments, the Government upon presentation of satisfactory evidence shall currently and promptly reimburse the Contractor to the extent of such excess cost (subject to any delay in the availability of appropriated funds).

ART. 5. If, upon completion of the principal contract or upon the termination thereof for other than the fault of the Contractor, the advance payments made to the Contractor in respect of such contract have not been fully liquidated in the manner herein provided, the unliquidated balance of such advance payments shall be deducted from any payments otherwise due the Contractor in respect of such contract; and if the sum or sums due the Contractor be insufficient to cover such balance, the deficiency shall be paid by the Contractor in cash forthwith after demand and final audit by the Govern-

ment of all accounts hereunder in respect of such contract. In the event of cancellation or termination of the principal contract because of the fault of the Contractor, the Contractor, notwithstanding any ultimate rights to be reimbursed, agrees to return to the Government, upon demand, without set-off of any sums alleged to be due the Contractor, the unliquidated balance of any advance payment. Furthermore, if, in the opinion of the _____ or his
(Chief of supply service)
duly authorized representative, the unobligated balance of the advance payments made by the Government under Article 1 hereof exceeds the amount necessary for the current needs of the Contractor, as determined by the _____ or his duly
(Chief of supply service)
authorized representative, the amount of such excess shall, upon demand by the _____ or his duly
(Chief of supply service)
authorized representative, be promptly returned to the Government and will be credited against the balance due the Government on advances previously made. If the demand made in any event set forth in this Article is not met upon receipt of such demand by the Contractor, the amount demanded will bear interest at the rate of six percent (6%) per annum from the date of the receipt of the demand until payment is made: *Provided, however,* That such payment of interest is hereby waived as to any sum paid by the Contractor within 15 days after the amount becomes due hereunder. If and when the Contractor has, by means of deductions or otherwise, reimbursed the Government in full for payments made, any money remaining in the special bank account or accounts shall be free and clear of any lien hereunder and the bank or banks concerned shall have authority to pay same to the Contractor and shall thereupon be relieved of any further obligation to the Government on account thereof.

ART. 6. The Contractor shall, at all times, afford to the Contracting Officer, or his duly authorized representative, proper facilities for the inspection and audit of the Contractor's acccunts, and the Contractor hereby agrees that the Contracting Officer, or his duly authorized representative shall have the right so far as the Contractor's rights are concerned, during business hours, to inspect and make copies of any entries in the books and records of the bank or banks relating to the said special account or accounts.

ART. 7. Subject to the approval of the Contracting Officer or his duly authorized representative the Contractor may make payments to subcontractors and materialmen in advance out of the special account, for labor or services, or to pay for materials in advance of delivery at the site of the work or at an approved storage site. Such subadvances shall not exceed _____ percent (_____%) of the subcontract price or estimated cost, as the case may be, and the subcontractor or materialmen to whom such advances are made shall furnish adequate security therefor. Unless other security is furnished, covenants in subcontracts, expressly made for the benefit of the Government, providing for a sub-special account with Government lien thereon and for a Government lien on or title to property, tangible or intangible, purchased from the special account, and imposing upon the subcontractor substantially the same duties and giving the Government substantially the same rights as are provided herein between the Government and the contractor, have been prescribed by the Under Secretary of War as minimum adequate security for such subadvances.

ART. 8. Except as hereby amended, all the terms and conditions of the Contract affected shall remain unmodified and in full force and effect and shall also apply in carrying out the provisions of this supplemental agreement.

In witness whereof, the parties hereto have executed this Supplementary Agreement on the day and year first above written.

THE UNITED STATES OF AMERICA
By _____
_____
(Official Title)
_____
(Contractor)
By _____
_____
(Business Address)
Two Witnesses:
_____
_____
(Address)
_____
_____
(Address)

I _____, certify that I am the Secretary of the corporation named as Contractor herein; that _____ who signed this supplemental contract on behalf of the Contractor was then _____ of said corporation; that said supplemental contract was duly signed for and on behalf of said corporation by authority of its governing body and is within the scope of its corporate powers.
the scope of its corporate powers.

In witness whereof, I have hereunto affixed my hand and the seal of said corporation this _____ day of _____, 19____.

(Corporate Seal) _____
(Secretary)

I hereby certify that, to the best of my knowledge and belief, based upon observation and inquiry, _____ who signed this supplemental contract for _____ had authority to execute the same, and is the individual who signs similar contracts on behalf of this corporation with the public generally.

_____
(Contracting Officer)

§ 81.135 *W. D. Contract Form No. 25.*

WAR DEPARTMENT

Supplemental Contract
to Letter Purchase
Order No. _____

Whereas, under date of _____
(Insert date of original contract)
a letter purchase order, numbered _____ was entered into between the United States of America by _____
(Insert name, rank and _____ as Con-
Branch of Contracting Officer)
tracting Officer, acting by authority of the Secretary of War, hereinafter referred to as the Government and _____
(Insert name of Contractor)
a corporation organized and existing under the laws of the State of _____, hereinafter referred to as the Contractor, providing for construction of _____ (the furnishing of _____)
(Insert number of units or amount of equipment purchased)
by the Contractor and

Whereas it is provided by Section 201, Title II of Public Act No. 354, 77th Congress, approved December 18, 1941, that the President may authorize any department or agency of the Government exercising functions in connection with the prosecution of the war effort to enter into contracts and to make advance, progress and other payments thereon whenever he deems such action would facilitate the prosecution of the war; and

Whereas by Executive Order 9001, issued December 27, 1941, the President has authorized the War Department to make such advance payments; and

Whereas the making of advance payments to the Contractor is deemed necessary by the War Department to facilitate the prosecution of the war,

Now, therefore, this supplemental contract is entered into this _____ day of _____, 194__, between the Government and the Contractor, said parties agreeing to and with each other as follows:

ARTICLE 1. At any time and from time to time, after the approval of this supplemental contract, the Government at the request of the Contractor and subject to the approval of the _____ or his
(Chief of supply service)
duly authorized representative, or of the person to whom authority has been delegated to make advance payments, as to the present need therefor, shall advance to the Contractor, without payment of interest thereon by the Contractor, sums not to exceed _____ percent (_____%) of that amount authorized for expenditure or obligation under Paragraph 2 of such Letter Purchase Order as such amount may be modified or changed from time to time.

ART. 2. As a condition precedent to the making of any advance payment or payments as hereinbefore provided, the Contractor shall furnish the Government with such adequate security as the Contracting Officer shall prescribe; *Provided,* That if other security is not prescribed, the terms of this supplemental contract shall be considered adequate security for such advance payments; and *Provided further,* That if at any time the Under Secretary of War deems the security furnished by the Contractor to be inadequate, the Contractor shall furnish such additional security as shall be satisfactory to the Under Secretary of War.

ART. 3. All sums received as advance payments under this supplemental contract shall be deposited in a special bank account or accounts at a member bank or banks of the Federal Reserve System or any "insured bank within the meaning of the Act creating the Federal Deposit Insurance Corporation (Act of August 23, 1935; 49 Stat. 684, as amended; 12 U.S.C. 264) separate from the Contractor's general or other funds. It is not contemplated that any reimbursement shall be made under the Letter Purchase Order until the more formal contract contemplated by Paragraph 2 of the Letter Purchase Order is entered into, or such Letter Purchase Order is terminated by reason of default of the Contractor, or failure to enter into such more formal contract within the date of expiration set forth in Paragraph 6 of the Letter Purchase Order or any duly authorized extensions thereof. Such special bank account or accounts shall be so designated as to indicate clearly to the bank their special character and purpose, and the balance in such account or accounts shall be used by the Contractor exclusively as a fund for carrying out the purposes of the Letter Purchase Order and any amendments, revisions or changes thereto and not for other business of the Contractor. Withdrawals from such special bank account or accounts shall be subject to the prior written approval of the Contracting Officer unless he shall otherwise direct. Any balances from time to time in such special account or accounts shall at all times secure the repayment of the advances in connection with which the special account or accounts are opened, and the Government shall have a lien upon such balances to secure the repayment of such advances, which lien shall be superior to any lien of the bank or any person upon such account or accounts by virtue of assignment to it of such contract or otherwise; *Provided,* That the bank shall be under no liability to any party hereto for the withdrawal of any

funds from said special account upon checks, properly endorsed and signed by the Contractor, except that after the receipt by the bank of written directions from the _____ _____ or his duly
(Chief of supply service)
authorized representative, or the Contracting Officer or his duly authorized representative, the bank shall act thereon and be under no liability to any party hereto for any action taken in accordance with the said written directions. Any instructions or written directions received by the bank through the Contracting Officer upon War Department stationery and purporting to be signed by, or by the direction of _____
(Chief of supply
_____ or his duly authorized service)
representative, or the Contracting Officer or his duly authorized representative shall, insofar as the rights, duties, and liabilities of the bank are concerned, be conclusively deemed to have been properly issued and filed with the bank by the _____
(Chief of supply
_____ or his duly authorservice)
ized representative.

ART. 4. At such time as the more formal contract contemplated by Paragraph 2 of the Letter Purchase Order is entered into, provision will be made for advance payments not to exceed that percentage of the contract price agreed upon under such more formal contract as shall be deemed necessary by the Contracting Officer in order to provide the Contractor with adequate working capital to carry on the work contemplated by the Letter Purchase Order, as it may be modified or changed: *Provided*, That if such percentage should exceed thirty percent (30%) of such contract price, or such contract price should exceed five million dollars ($5,000,000,000) the contract shall be subject to the approval of higher authority in accordance with existing regulations of the War Department, and *Provided*, That the terms of such advance payment agreement shall be strictly in accordance with standard provisions now authorized under existing regulations. Such provisions shall treat such advances as may be made hereunder as though they were made pursuant to such more formal contract and shall provide for the liquidation of advances made hereunder accordingly.

ART. 5. If upon termination of the Letter Purchase Order for other than the fault of the Contractor, the advance payments made to the Contractor in respect of such contract have not been fully liquidated in the manner herein provided, the unliquidated balance of such advance payments shall be deducted from any payments otherwise due the Contractor in respect of such contract; and if the sum or sums due the Contractor be insufficient to cover such balance, the deficiency shall be paid by the Contractor in cash forthwith after demand and final audit by the Government of all accounts hereunder in respect of such contract. In the event of cancellation or termination of the principal contract because of the fault of the Contractor, or its termination due to failure to enter into the more formal contract contemplated by Paragraph 2 of the Letter Purchase Order on or before the date of expiration set forth in Paragraph 6 of the Letter Purchase Order, or any duly authorized extensions thereof, the Contractor, notwithstanding any ultimate rights to be reimbursed, agrees to return to the Government, upon demand, without set-off of any sums alleged to be due the Contractor, the unliquidated balance of any advance payment or advance payments made hereunder; *Provided*, That the Contractor may retain in the account an amount sufficient to meet the outstanding obligations incurred by it in good faith pursuant to authorization by the Contracting Officer under Paragraph 2 of the Letter Purchase Order until assumption and discharge of such obligations by the Government or final disallowance thereof. Furthermore, if, in the opinion of the _____ or his
(Chief of supply service)
duly authorized representative, the unobligated balance of the advance payments made by the Government under Article 1 hereof exceeds the amount necessary for the current needs of the Contractor, as determined by the _____ or his
(Chief of supply service)
duly authorized representative, the amount of such excess shall, upon demand made by the _____ or his
(Chief of supply service)
duly authorized representative, be promptly returned to the Government and will be credited against the balance due the Government on advances previously made. If the demand made in any event set forth in this article is not met upon receipt of such demand by the Contractor, the amount demanded will bear interest at the rate of six percent (6%) per annum from the date of the receipt of the demand until payment is made; *Provided, however*, That such payment of interest is hereby waived as to any sum paid by the Contractor within 15 days after the amount becomes due hereunder. If and when the Contractor has, by means of deductions or otherwise, reimbursed the Government in full for payments made, any money remaining in the special bank account or accounts shall be free and clear of any lien hereunder and the bank or banks concerned shall have authority to pay same to the Contractor and shall thereupon be relieved of any further obligations to the Government on account thereof.

ART. 6 The Contractor shall at all times afford to the Contracting Officer, or his duly authorized representative, proper facilities for the inspection and audit of the Contractor's accounts, and the Contractor hereby agrees that the Contracting Officer, or his duly authorized representative shall have the right so far as the Contractor's rights are concerned, during business hours, to inspect and make copies of any entries in the books and records of the bank or banks relating to the said special account or accounts.

ART. 7. Subject to the approval of the Contracting Officer, or his duly authorized representative the Contractor may make payments to sub-contractors, suppliers and/or materialmen in advance out of the special account, for labor or services, or to pay for materials in advance of delivery at the site of the work or at an approved storage site. Such sub-advances shall not exceed _____ percent (_____%) of the sub-contract price or estimated cost, as the case may be, and the sub-contractor, supplier and/or materialman to whom such advances are made shall furnish adequate security therefor. Unless other security is furnished, Covenants in sub-contracts, expressly made for the benefit of the Government, providing for a sub-special account with Government lien thereon and for a Government lien on or title to property, tangible or intangible, purchased from the special account, and imposing upon the sub-contractor substantially the same duties and giving the Government substantially the same rights as are provided herein between the Government and the Contractor, have been prescribed by the Under Secretary of War as minimum adequate security for such sub-advances.

ART. 8. The title to all work, completed or in the course of construction, preparation or manufacture under such Letter Purchase Order shall be in the Government. Likewise, upon delivery at the site of the work, at an approved storage site or other place approved by the Contracting Officer and upon inspection and acceptance in writing by the Contracting Officer, title to all materials, tools, machinery, equipment, and supplies for which the Contractor shall be entitled to reimbursement under the provisions of Paragraph 2 of the Letter Purchase Order shall vest in the Government. For the purposes of this supplemental contract, these provisions as to title being vested in the Government, are for security with respect to such advances as may be made hereunder, and shall cease and determine when the more formal contract and contemplated by paragraph 2 of the Letter Purchase Order is executed, unless specifically continued in effect by such more formal contract. These provisions as to title being vested in the Government shall not operate to relieve the Contractor from any duties imposed under the terms of the Letter Purchase Order, the more formal supplemental contract, or any other supplements thereto.

ART. 9. Except as hereby amended, all the terms and conditions of the Letter Purchase Order affected shall remain unmodified and in full force and effect and shall also apply in carrying out the provisions of this supplemental contract

In witness whereof, the parties hereto have executed this supplemental contract on the day and year first above written.

THE UNITED STATES OF AMERICA,
By _____
_____
(Official Title)

Two witnesses:

_____ _____
(Contractor)

_____
(Address)
By _____

_____ _____
(Business Address)

_____
(Address)

I _____, certify that I am the Secretary of the corporation named as Contractor herein; that _____ who signed this supplemental contract on behalf of the Contractor was then _____ of said corporation; that said supplemental contract was duly signed for and on behalf of said corporation by authority of its governing body and is within the scope of its corporate powers.

In witness whereof, I have hereunto affixed my hand and the seal of said corporation this _____ day of _____, 19___.

(Corporate Seal) _____
(Secretary)

I hereby certify that, to the best of my knowledge and belief, based upon observation and inquiry, _____ who signed this supplemental contract for _____ had authority to execute the same, and is the individual who signs similar contracts on behalf of this corporation with the public generally.

_____
(Contracting Officer)

§ 81.1326 *W. D. Contract Form No. 26.*

WAR DEPARTMENT

Supplemental Contract to
Contract No._____
and Contract No._____
etc.

_____
(Name of arm or service)

Whereas, under date of _____
(Insert date of orig-
_____, a contract numbered _____
inal contract) (Insert
_____, was entered in-
number of original contract)

to between the United States of America by
_____
(Insert name, rank, and branch of Contracting Officer)
_____, U. S. Army, as Contracting Officer,
acting by authority of the Secretary of War, hereinafter referred to as the Government, and _____, a corporation
(Insert Name of Contractor)
organized and existing under the laws of the State of _____, hereinafter referred to as the Contractor, providing for the furnishing of _____
(Insert number of units or amount of equipment purchased)
_____; and*

Whereas it is provided by Section 201, Title II of Public Act No. 354, 77th Congress, approved December 18, 1941, that the President may authorize any department or agency of the Government exercising functions in connection with the prosecution of the war effort to enter into contracts and to make advance, progress and other payments thereon, whenever he deems such action would facilitate the prosecution of the war; and

Whereas by Executive Order 9001 issued December 27, 1941, the President has authorized the War Department to make such advance payments; and

Whereas the making of advance payments to the Contractor is deemed necessary by the War Department to facilitate the prosecution of the war, and to be in the national interest,

Now, therefore, this supplemental contract is entered into this _____ day of _____, 194____, between the Government and the Contractor, said parties agreeing to and with each other as follows:

ARTICLE 1. Upon the approval of this supplemental contract, at the request of the Contractor, the Government shall advance to the Contractor, without payment of interest therefor by the Contractor, sums not to exceed _____ or _____
(Insert amount of advance payment)
per centum (_____%) of the principal contract price (or principal contract prices), as it (they) may be amended, whichever shall be the smaller.

ART. 2. If at any time the contracting officer deems the national interest requires that security be furnished by the Contractor in addition to the provisions of this supplemental contract, the Contractor shall furnish such additional security as shall be satisfactory to the contracting Officer.

ART. 3. If, upon completion of the principal contract (or of any of the principal contracts), or upon the termination thereof for other than the fault of the Contractor, the advance payments made to the Contractor in respect of such contract have not been fully liquidated in the manner herein provided, the unliquidated balance of such advance payments shall be deducted from any payments otherwise due the Contractor in respect of such contract; and if the sum or sums due the Contractor be insufficient to cover such balance, the deficiency shall be paid by the Contractor in cash forthwith after demand and final audit by the Government of all accounts hereunder in respect of such contract. In the event of cancellation or termination of the principal contract (or of any of the principal contracts) because of the fault of the Contractor or in case of breach of this supplemental contract, the Contractor agrees to return to the Government, upon demand, without set-off of any sums alleged to be due the Contractor the unliquidated balance of any advance payment. If the demand made in any event set forth in this article is not met upon receipt of such demand by the Contractor, the amount demanded will bear interest at the rate of six percent (6%) per annum from the date of the receipt of the demand until payment is made: *Provided, however,* That such payment of interest is hereby waived as to any sum paid by the Contractor within 15 days after the amount becomes due hereunder.

ART. 4. Except as otherwise provided herein, liquidation of any advance payment or advance payments made to the Contractor hereunder unless directly repaid by the Contractor, shall be made by deductions of _____
(Percent of advance authorized)
_____ percent from any and all payments made by the Government under the terms of the principal contract (or principal contracts): *Provided,* That if at any time, as a result of amendments to the principal contract (or principal contracts) or otherwise the unliquidated balance of advance payments made exceeds _____
(Percent of price of units still to be delivered under the principal contract (or principal contracts))
_____ (_____%) of the contract price of such excess shall upon demand of the Contracting Officer or his duly authorized representative be promptly returned to the Government by withdrawal from the special account or otherwise, or if not so returned, shall be deducted from any and all payments to be made by the Government under the principal contract (or principal contracts).

ART. 5. The Contractor shall, at all times afford to the Contracting Officer, or his duly authorized representative, proper facilities for the inspection and audit of the Contractor's accounts.

ART. 6. Except with the approval of the Contracting Officer or his duly authorized representative, sub-advances shall not exceed thirty percent (30%) of the subcontract price.

ART. 7. Any assignment of moneys due or to become due under the principal contract (or principal contracts) shall be subordinate to the rights or claims of the Government arising under the principal contract (or principal contracts) or any amendment thereto by virtue of any advance payments authorized herein or otherwise: *Provided,* that, if at any time any claim arising under the principal contract (or principal contracts) is assigned or purportedly assigned in any manner inconsistent with the said rights of the Government, the Contracting Officer or his duly authorized representative shall have the right to suspend further advance payments without notice.

ART. 8. Except as hereby amended, all the terms and conditions of the contract (or contracts) affected shall remain unmodified and in full force and effect and shall also apply in carrying out the provisions of this agreement.

In witness whereof the parties hereto have executed this supplemental contract on the day and year first above written.

THE UNITED STATES OF AMERICA,
By _____
_____
(Official Title)

Two Witnesses:
_____ _____
(Contractor)
_____
(Address)
By _____
_____ _____
(Business address)
_____
(Address)

I _____, certify that I am the Secretary of the Corporation named as Contractor herein; that _____ who signed this supplemental contract on behalf of the Contractor was then _____ of said corporation; that said supplemental contract was duly signed for and on behalf of said corporation by authority of its governing body and is within the scope of its corporate powers.

In witness whereof, I have hereunto affixed my hand and the seal of said corporation this _____ day of _____, 19____.

(Corporate Seal) _____
(Secretary)

I hereby certify that, to the best of my knowledge and belief, based upon observation and inquiry, _____ who signed this supplemental contract for _____ had authority to execute the same, and is the individual who signs similar contracts on behalf of this corporation with the public generally.

_____
(Contracting officer)

*Where it is desired to combine advance payments for several principal contracts under one supplemental agreement this clause must be repeated for each contract concerned.

PART 83—DISPOSITION OF SURPLUS AND UNSERVICEABLE PROPERTY

Sec.
83.701 Rescission of regulations.
83.702 Definitions.
83.703 Declaration as surplus; by chiefs of supply service.
83.704 By Commanding General, Services of Supply.
83.705 Transfer of property to other supply services.
83.706 Transfer to other Federal agencies.
83.707 Exchange of unserviceable property.
83.708 Sale of surplus property.
83.709 Responsibility for sale of salvage and "to be sold" property.
83.710 Sales at nominal prices to effect transfer.

§ 83.701 *Rescission of regulations.* Army Regulations 5-50, May 22, 1939, as amended, and all other instructions inconsistent herewith are hereby rescinded.

§ 83.702 *Definitions*—(a) *Surplus property.* New, obsolete, used or deteriorated articles which have been declared by competent authority as not needed by the War Department.

(b) *"To be sold" property.* Obsolete or unserviceable articles which have been classified as "to be sold" property by an inspector.

(c) *Salvage.* Unserviceable articles which have been classified as "salvage" by an inspector.

(d) *Negotiation.* Any method of reaching an agreement on the terms of sale except the formal sealed bid procedure contemplated by section 3709, Revised Statutes.

§ 83.703 *Declaration as surplus; by chiefs of supply services.* Chiefs of supply services are authorized to declare property surplus to the needs of the War Department without reference to higher authority, under the following conditions:

(a) When the property is unqualifiedly in excess of the requirements of the supply service and cannot be advantageously exchanged as part or total payment for similar property which is needed;

(b) When it has been ascertained that the property is not desired by any other supply service of the War Department; and

(c) When the total current estimated value does not exceed $50,000.

§ 83.704 *By Commanding General, Services of Supply.* In those cases where the chief of the supply service concerned is not permitted by § 83.703 to declare property surplus and it has been ascertained that the property is not required by any other supply service, such property will be recommended to the Commanding General, Services of Supply, for declaration as surplus to the War Department. The following information will be furnished with each such recommendation:

(a) List of the property with its estimated original and present value. When the property is damaged, wrecked, burned or otherwise depreciated, the estimated cost of repairs necessary to put it in serviceable condition will be furnished;

(b) Statement of reason for disposing of the property, including information as to whether it is new, used or deteriorated;

(c) An estimate of the storage space which the property occupies; and

(d) Statement that the requirements for the property by other supply services have been ascertained and satisfied.

§ 83.705 *Transfer of property to other supply services.* Property which is excess to the requirements of a particular supply service whether or not it has been declared surplus and property which has been classified as "to be sold" may, upon request of another supply service, be transferred without reimbursement except for the costs of packing, handling and transportation.

§ 83.706 *Transfer to other Federal agencies.* (a) Property which has been declared surplus, in accordance with § 83.703 or § 83.704 and "to be sold" property will be promptly reported to the Procurement Division, Treasury Department, by the chief of the supply service concerned, for the purpose of effecting a transfer of the property to some other Federal agency.

(b) Property so reported will be withheld from sale, pending a possible transfer, for such length of time as the chief of the supply service concerned shall permit.

(c) Upon requests from the Procurement Division, Treasury Department, property so held for transfer may be transferred without reimbursement except for the costs of packing, handling and transportation.

§ 83.707 *Exchange of unserviceable property.* (a) Whenever unserviceable articles can be advantageously exchanged as payment in full or in part for serviceable articles of like character, such unserviceable articles will be disposed of in this manner.

(b) Exchanges of unserviceable property for serviceable property will be made under the direction and supervision of the chief of the supply service concerned.

(c) When the property to be exchanged is subject to a price fixing order issued by an agency of the Government, effort should be made to secure the established price in the exchange transaction.

(d) A copy of each contract covering the exchange of deteriorated, unserviceable, obsolescent or surplus military equipment, munitions or supplies for other military equipment, munitions or supplies will be furnished the respective chairmen of the House Military Affairs Committee and the Senate Military Affairs Committee within twenty-four hours after the contract has been made.

§ 83.708 *Sale of surplus property.* (a) Property having been declared surplus in accordance with § 83.703 or § 83.704 will be sold by negotiation under the direction and supervision of the chief of the supply service concerned, if a transfer is not effected.

(b) *Sales to National Council of the Boy Scouts of America.* Surplus and "to be sold" property and salvage may be sold to the National Council of the Boy Scouts of America under the direction and supervision of the chief of the supply service concerned. The sales price will represent a fair value to the War Department, including costs of packing, handling and transportation.

(c) When property consists of articles or materials on which maximum prices have been placed by any authorized agency of the Government, no award will be made at a price higher than the prescribed maximum.

§ 83.709 *Responsibility for sale of salvage and "to be sold" property.* (a) All unserviceable articles which have been classified as salvage or as "to be sold" property by competent authority will be turned over to the Quartermaster Corps for sale, except as follows:

(1) Property which can be advantageously exchanged in accordance with § 83.707.

(2) Accumulations of scrap, cuttings and by-products resulting directly from manufacturing operations in arsenals, depots, plants, or commercial establishments, all of which will be disposed of by the chief of the supply service concerned.

(b) Sales of salvage and "to be sold" property will be made by negotiation under the direction and supervision of The Quartermaster General, or, in the cases provided for in paragraph (a) (1) and (2) of this section, of the chief of the supply service concerned.

§ 83.710 *Sales at nominal prices to effect transfer.* As a measure appropriate to the relief of distress from economic causes or from disaster, the Secretary of War has authorized, subject to discontinuance when desirable, certain sales of salvage at nominal prices, as follows:

Condemned clothing, shoes, equipment, and similar supplies in salvage, that may be accumulated at posts, camps, and stations of the Regular Army or National Guard, may be sold for relief purposes to charitable organizations of commonly recognized standing or to state relief administrations at nominal prices to be fixed by the chief of the supply service concerned.

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

[F. R. Doc. 42-9203; Filed, September 17, 1942; 11:05 a. m.]

PART 81—PROCUREMENT OF MILITARY SUPPLIES AND ANIMALS

Sections 81.303, 81.318, 81.324 (a), 81.326, 81.333, 81.352, 81.811 (b), 81.812, 81.813 (c) and (d), 81.916 (d), 81.1006 (e), and 81.1301 (d) are hereby amended; §§ 81.304 (a) (26), 81.321 (c) (9) and (10), (d) (2) (iii), and (e), 81.349, 81.811 (c) and 81.1326 are rescinded, and §§ 81.420 (g) and 81.917 (b) (11) and (12) are added.[1]

These changes in the Procurement Regulations are also contained in Circular 60, Headquarters, Services of Supply, dated September 13, 1942. Figures to the right of the decimal point in section numbers correspond with paragraph numbers in Procurement Regulations.

AUTHORITY: Sec. 5a, National Defense Act, as amended, 41 Stat. 764, 54 Stat. 1225; 10 U.S.C. 1193-1195, and the First War Powers Act, 1941, 55 Stat. 838; 50 U.S.C. Sup. 601-622.

§ 81.303 *General requirements for contracts.* Every purchase transaction except those where payment is made coincidentally with receipt of supplies will be covered by a contract. Such contract will take the form of a written agreement (contained in one or more instruments) executed by the Contractor and by a contracting officer on behalf of the United States except that in the following cases it may take the form of a written order signed only by the contracting officer on behalf of the United States and not by the Contractor:

(a) Contracts covering purchases made at public auction, at a produce exchange, or under similar conditions and involving only one payment.

(b) Contracts covering purchases amounting to less than $5,000 and requiring only one payment.

§ 81.304 *Contract forms*—(a) *Authorized contract forms.* * * *

(26) [Rescinded]

* * * * *

§ 81.318 *Adherence to approved forms.* (a) The authority of §§ 81.315 to 81.319 will not be used for the purpose of authorizing a deviation from approved forms of War Department contracts, unless such deviation is authorized by these regulations nor will it be used for the purpose of making material changes in the character or terms of an award or contract previously approved by the Under Secretary of War or the Director, Purchases Division, Headquarters, Services of Supply. The same requirements and restrictions with respect to approved forms are applicable to supplemental agreements and change orders as are applicable to original contracts.

(b) Except as otherwise specifically provided to the contrary in § 81.1206 or in any other section of these Procurement Regulations, whenever any contract (either as originally drawn or as the same may have been modified, amended or supplemented) contains a provision covering the same subject matter as a clause prescribed by §§ 81.322-81.358 of this Pro-

[1] *Supra.*

curement Regulation No. 3, but in a form different from that therein prescribed, it will not be necessary, in executing any supplemental agreement or change order in connection with said contract, to amend such provision either with respect to the items which are the subject of the contract or with respect to the items which are the subject of the supplemental agreement or change order.

§ 81.321 *Advance payments.* * * *

(c) *Forms and special contract clauses.* * * *

(9) [Rescinded]

(10 [Rescinded]

(d) *Interest.* * * *

(2) * * *

(iii) [Rescinded]

(e) *Advance payments to suppliers of critical machine tools.* [Rescinded]

* * * * *

§ 81.324 *Termination for convenience of the Government.* * * *

(b) Every lump-sum construction contract regardless of subject matter, except:

* * * * *

§ 81.326 *Disputes concerning questions of fact.* Every contract, regardless of subject matter except contracts for an amount of less than $5,000 will contain the following clause without deviation:

* * * * *

§ 81.333 *Liability for Government-owned property.* All contracts which involve the use of Government-owned property in the performance thereof will contain a clause substantially as follows:

Liability for Government-owned property. Except as to property the liability for which is fixed by any other instrument or agreement or by some other provision of this contract, the Contractor shall not be liable for loss or destruction of or damage to property of the Government in the possession or control of the Contractor in connection with this contract unless such loss, damage or destruction results from wilful misconduct or failure to exercise good faith on the part of the Contractor's corporate officers or other representatives having supervision or direction of the operation of the whole of the Contractor's business or of the whole of any plant operated by the Contractor in the performance of this contract.

§ 81.349 *Advance payments, machine tools.* [Rescinded]

§ 81.352 *Delays-damages clause.* Every lump-sum supply contract regardless of subject matter except contracts for an amount of less than $5,000 will contain a clause substantially as follows:

* * * * *

§ 81.420 *Cost-plus-a-fixed fee contracts.* * * *

(g) *Insurance on Government-owned property.* No insurance of any kind will be required or authorized on or in connection with property, legal title to which is in the United States, i. the possession, care, custody or control of contractors or otherwise without the prior approval of the Insurance Branch, Fiscal Division, Headquarters, Services of Supply.

§ 81.811 *Standard tax exemption forms.* * * *

(b) *Supply of standard forms; reports of forms*—(1) *Supply of standard forms.* Chiefs of supply services are responsible for the supply of necessary standard forms to their contracting officers.

(2) *Reports of forms.* Reports, accounting for these forms, will be submitted by issuing officers as directed by the chief of the supply service concerned. Semi-annual reports will be submitted by chiefs of services as of September 30 and March 31, through the Administrative Assistant, War Department, to the Treasury Department, Procurement Division, Printing and Binding Section, describing each book procured from the Treasury Department and stating whether it is in stock, not used, or is used and in use, or has been exhausted by the use of all the tax exemption certificates. Exemption certificates which have been canceled during a period will be listed on the return for that period and forwarded therewith. Each report will show the balance of U. S. Government tax exemption certificate books and U. S. Government tax exemption identification cards on hand at the beginning of the period, if any, the number of each received during the period, the number of each issued during the period, and the balance on hand at the end of the period.

(c) [Rescinded]

* * * * *

§ 81.812. *Preparation and execution; identification cards*—(a) *Preparation and execution.* (1) In the preparation of tax exemption certificates the typewriter will be used when practicable; otherwise ink or indelible pencil will be used. The use of ordinary lead pencil is prohibited. All blank spaces must be properly filled in or lined out, and no such exemption certificate will be delivered to a contractor unless fully and properly executed, except that, if at the time of entering into a contract for articles or supplies to be sold for the exclusive use of the Government or for exportation under the Lend-Lease Act, Federal tax excluded, it is impossible to determine the amount of such taxes, for example as in the case of an indefinite quantity contract, it is permissible to issue a blanket tax exemption certificate to cover all sales under the contract. The certificate should cover all articles purchased under such contract, including delivery orders placed thereunder by other officers. As to blanket tax exemption certificates covering purchases under contracts of the General Schedule of Supplies, see (c) of this section.

(2) A separate certificate for each kind of tax (Federal, State, local, etc.) involved will be prepared. In the issuance of these certificates care must be exercised to fill in the blank spaces provided for showing on each certificate the separate amounts of the taxes involved so that the certificates may be used only for the purpose intended.

(3) Where the supplies or work covered by the contract are not taxable as such and the certificate is to be used for the purpose of obtaining exemption on the articles to be incorporated in the supplies or work covered by the contract, the amount of tax to be shown on the certificate should be stated as "None." No tax should be shown on the certificate except the tax imposed directly upon the supplies or work covered by the contract.

(4) Except as provided in § 81.813 (c) (1), the following statement will be written or stamped upon the face of each certificate pertaining to Federal taxes (except where a cost-plus-fixed-fee contract is involved): "W. D. Tax Form No. 1 attached." Tax Exemption Certificate Form No. 1094 may be modified insofar as necessary with respect to contracts for construction, alterations, improvements and repairs. The person issuing a tax exemption certificate will, in addition to his signature and title, insert on the lines provided therefor, his identification card number. (See paragraph (b) of this section.)

(b) *Who may execute; identification cards.* (1) Tax exemption certificates will be executed only by those officers and Federal employees who have been supplied with a Standard Form No. 1094-C (U. S. Government Tax Exemption Identification Card).

(2) The identification card of authorized officers and employees of supply services responsible for purchasing activities pertaining thereto at a post, camp, or station will be signed by the commanding officer. Identification cards supplied to other officers and Federal employees will be signed by the officer who furnishes such officer or employee with tax exemption certificates.

(c) *Blanket tax exemption certificates, contracts under General Schedule of Supplies.* Nothing contained in these regulations will be construed as authorizing the issuance of blanket tax exemption certificates by chiefs of supply services or contracting officers covering purchases under contracts of the General Schedule of Supplies. Upon application of the contractor the Procurement and Accounting Division, Office of the Secretary of War, will issue blanket tax exemption certificates as may be necessary to cover all purchases made by War Department agencies in Washington, D. C., and in the field under term contracts of the General Schedule of Supplies, Procurement Division, Treasury Department. Information as to items and contracts listed in the General Schedule of Supplies covered by such blanket tax exemption certificates will be furnished to contracting officers and others concerned by the respective chief of supply service.

§ 81.813. *Use of tax exemption certificates.* * * *

(c) At the request of the contractor at any time after the execution of the contract, a tax exemption certificate (Form 1094) will be executed and delivered to the contractor covering Federal taxes in the following cases:

* * * * *

(d) Tax exemption certificates are also used for establishing exemptions from state and local taxes. In such cases cer-

tificates should be prepared in accordance with the requirements of the particular state or local tax officials concerned. Except as provided in § 81.815 (a), no tax exemption certificate should be issued with respect to a state or local tax unless the contract shows that the price paid by the Government is exclusive of the tax to which the certificate pertains or unless the contractor consents to the deduction of such tax from the contract price and the acceptance of the tax exception certificate in lieu thereof.

§ 81.917 *Applicability of Walsh-Healey Public Contracts Law.* * * *

(b) * * *

(11) The following article has been added to the aforementioned rulings and interpretations:

ART. 1102 *Tolerance for Handicapped Workers.* Workers whose earning capacity is impaired by age or physical or mental deficiency or injury may be employed either by commercial establishments or as handicapped clients in sheltered workshops at wages lower than the prevailing minimum wages applicable under section 1 (b) of the Public Contracts Act upon the same terms and conditions as are prescribed for the employment of handicapped persons and of handicapped clients in sheltered workshops under section 14 of the Fair Labor Standards Act of 1938, c 676, 52 Stat. 1060, 29 U.S.C. sec. 201, by the regulations of the Administrator of the Wage and Hour Division of the Department of Labor (Title 29, Chapter V, Code of Federal Regulations, Parts 524 and 525), which are hereby adopted as the regulations governing employment of handicapped persons and of handicapped clients in sheltered workshops under the Public Contracts Act.

Any certificate issued by the Administrator of the Wage and Hour Division, pursuant to such regulations, authorizing the employment of a handicapped worker under the Fair Labor Standards Act shall constitute authorization for the employment of that worker under the Public Contracts Act in accordance with the terms of the certificate.

The Administrator of the Wage and Hour Division is authorized to issue certificates under the Public Contracts Act for the employment of handicapped workers not subject to the Fair Labor Standards Act or subject to different minimum rates of pay under the two Acts, at appropriate rates of compensation and in accordance with the standards and procedures prescribed by the applicable regulations issued under the Fair Labor Standards Act.

(12) By order dated September 2, 1942, the Secretary of Labor excepted from the requirements of section (1) of the Walsh-Healey Act contracts with a foreign Government or its representative for the purchase of materials which have been purchased for export to a foreign country but which have not been exported because of existing conditions due to the war in the foreign country of export and contracts with the custodians of or the holders of title documents to the materials purchased for export but which have not been exported because their exportation has been prohibited or curtailed pursuant to the Act of July 2, 1940 (54 Stat. 714); 50 U.S.C. 701).

§ 81.918 *General instructions.* * * *

(d) The minimum wage determinations made to date by the Secretary of Labor are published in the succeeding paragraphs.

NOTE: Under date of August 12, 1942, the Secretary of Labor amended all prevailing minimum wage determinations issued under the Walsh-Healey Act and in effect on said date to provide that handicapped or superannuated workers may be employed at subminimum rates in accordance with the present applicable regulations issued by the Administrator of the Wage and Hour Division under the Fair Labor Standard Act, and that such handicapped or superannuated workers may not be employed at subminimum rates under any other conditions. Said amendment was made applicable to all contracts subject to the Walsh-Healey Act, bids for which were solicited or negotiations for which were commenced on or after September 15, 1942.

§ 81.1006 *Methods of providing new facilities.* * * *

(e) *Plan V; Government ownership; supply contract*—(1) *Purpose.* For cases in which the contractor will acquire facilities (other than real estate and buildings) for the account of and to be paid for by the Government; facilities to be used by contractor to manufacture supplies under War Department Supply Contract. This type of Governmental financing is provided for by the article entitled "Government-Owned Facilities" (§ 81.332).

(2) *Financing.* Government Funds.

(3) *Title.* Vested in the Government, with option in contractor, in certain cases, to buy at cost less depreciation.

§ 81.1301 *W. D. Contract Form No. 1.* * * *

(d) ART. 4. *Inspection.* (a) All material and workmanship shall be subject to inspection and test at all times and places and, when practicable, during manufacture. In case any articles are found to be defective in material or workmanship, or otherwise not in conformity with the specification requirements, the Government shall have the right to reject such articles, or require their correction. Rejected articles, and/or articles requiring correction, shall be removed by and at the expence of the Contractor promptly after notice so to do. If the Contractor fails to promptly remove such articles and to proceed promptly with the replacement and/or correction thereof, the Government may, by contract or otherwise replace and/or correct such articles and charge to the Contractor the excess cost occasioned the Government thereby, or the Government may terminate the right of the Contractor to proceed as provided in Article 5 of this contract, the Contractor and surety being liable for any damage to the same extent as provided in said Article 5 for terminations thereunder.

* * * * *

§ 81.1326 *W. D. Contract Form No. 26.* [Rescinded]

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

[F. R. Doc. 42-10050; Filed, September 25, 1942; 9:51 a. m.]

TITLE 22—FOREIGN RELATIONS

Chapter III—Proclaimed List of Certain Blocked Nationals

SUPPLEMENT 3 to REVISION III

ADMINISTRATIVE ORDER

By virtue of the authority vested in the Secretary of State, acting in conjunction with the Secretary of the Treasury, the Attorney General, the Secretary of Commerce, the Board of Economic Warfare, and the Coordinator of Inter-American Affairs, by Proclamation 2497 of the President of July 17, 1941 (6 F.R. 3555), the following Supplement 3 containing certain additions to, amendments to, and deletions from The Proclaimed List of Certain Blocked Nationals, Revision III of August 10, 1942 (7 F.R. 6282, 6347, 7422), is hereby promulgated.

By direction of the President:

SUMNER WELLES,
Acting Secretary of State.
H. MORGENTHAU, JR.,
Secretary of the Treasury.
JESSE H. JONES,
Secretary of Commerce.
FRANCIS BIDDLE,
Attorney General.
MILO PERKINS,
Executive Director,
Board of Economic Warfare.
PERCY L. DOUGLAS,
Acting Coordinator of
Inter-American Affairs.

OCTOBER 10, 1942.

GENERAL NOTES: (1) The Proclaimed List is divided into two parts: part I relates to listings in the American republics; part II relates to listings outside the American republics.

(2) In part I titles are listed in their letter-address form, word for word as written in that form, with the following exceptions:

If the title includes a full personal name, that is, a given name or initial and the surname, the title is listed under the *surname.*

Personal-name prefixes such as *de la, von,* etc., are considered as part of the surname and are the basis for listing.

The listing is made under the next word of the title when the initial word or phrase, or abbreviation thereof, is one of the following Spanish forms or similar equivalent forms in any other language:

Compañía; Cía.; Comp.
Compañía Anónima; C. A.; Comp. Anón.
Sociedad; Soc.
Sociedad Anónima; S. A.; Soc. Anón.

(3) The indication of an address for a name on the list is not intended to exclude other addresses of the same firm or individual. A listed name refers to all branches of the business in the country.

(4) For an explanation of the use of the symbol following each addition in this supplement see General Notes, Revision III.

PART I—LISTINGS IN AMERICAN REPUBLICS

ADDITIONS

Argentina

Beltrame Ltda. S. A., Antenor.—Cañada de Gómez, Provincia de Santa Fe., III-3.

Brennecke, Carlos.—General Mitre 588, Rosario. III–3.

Capello, Marcos Osvaldo.—San Juan 4790, Lanús, F. C. S.; and Perrault 1166 y Moreno 970, Buenos Aires. III–3.

Delta Compañía Forestal Argentina S. A.—Bernado de Irigoyen 330, Buenos Aires. III–3.

Dietz, Guillermo F.—Buenos Aires. III–3.

Ecke, Rodolfo Federico Francisco.—14 de Julio 636–48, Buenos Aires. III–3.

Ecke y Cía.—14 de Julio 636–48, Buenos Aires. III–3.

Elfers, Enrique.—Lavallee 749, Rosario. III–3.

Establecimientos Sicar, S. de R. L.—Defensa 502 y Palpa 3543, Buenos Aires. III–3.

Ferloni y Montés.—Bernardo de Irigoyen 645, Buenos Aires. III–3.

Ferrocal S. de R. L.—San Lorenzo 1338 y Boulevard 27 de Febrero 799, Rosario; and Perú 79, Buenos Aires. III–3.

"Hechos".—25 de Mayo 171, Buenos Aires. III–3.

Heinze, Carlos.—Posadas 1575, Buenos Aires. III–3.

Hilandería Florida, S. de R. L.—Gerardo V. Romano 560, Villa Martelli, Florida, F. C. C. A. III–3.

Italia-América, Sociedad Argentina de Empresas Marítimas.—Avenida Presidente Roque Sáenz Peña 680, Buenos Aires. III–3.

Kaiser, Juan Pablo.—Buenos Aires. III–3.

Knospe, Germán Carlos.—Buenos Aires. III–3.

Lamota, José.—Avenida Montes de Oca 2211, Buenos Aires. III–3.

Linder, Severino.—Santiago del Estero 466, Buenos Aires. III–3.

Maldonado y Cía.—Callao 1553, Rosario. III–3.

Mérida, Juan.—Alsina 1328, Buenos Aires. III–3.

Michelizzi, Natalio.—Piedras 1073, Buenos Aires. III–3.

Molinos Fénix S. A.—Córdoba 1411, Rosario; and 25 de Mayo 347, Buenos Aires. III–3.

Nueva Lubecka, Sociedad Anónima Comercial Rural y Mercantil.—Reconquista 336, Buenos Aires. III–3.

Ohmstede, Emilio.—General Mitre 588, Rosario. III–3.

Pozzi, Caimi.—Rincón 226, Buenos Aires. III–3.

Rola y Cía.—Villa Mercedes, San Luis; and Cañada Verde, Córdoba. III–3.

Rosenberg Hillegaart, Julio.—Florida 229, Buenos Aires. III–3.

Salsa, Hijos de Bernardo.—Belgrano 510, Buenos Aires; F. Amegino 330, Avellaneda, B. A.; and General Pico, Gobernación de La Pampa. III–3.

Schneider, Herbert Luis.—Paraguay 110, Alta Gracia, Provincia de Córdoba. III–3.

Soquel, Heriberto C.—25 de Mayo 347, Buenos Aires. III–3.

Speratti Romanelli.—Victoria 3274, Buenos Aires. III–3.

Storz y Cía., S. de R. L., C. W.—Tucumán 839, Buenos Aires. III–3.

Stover Argentina S. A.—Perú 347, Buenos Aires. III–3.

Suárez, Fernando A.—25 de Mayo 11, Buenos Aires. III–3.

Velden Ltda., S. de R. L.—Florida 229, Buenos Aires. III–3.

Vicum y Cía. S. de R. L., Carlos.—Malvinas 180, Buenos Aires; and General Martín Rodríguez 324–36, Adrogue, F. C. S. III–3.

von den Velden, Reinhard Alexander.—Florida 229, Buenos Aires. III–3.

Wechsberg, Alberto.—Avenida Mitre 4827, Villa Dominico, F. C. S. III–3.

Wechsberg, Ricardo.—Avenida Mitre 4827, Villa Dominico, F. C. S. III–3.

Weco y Cía.—Avenida Mitre 4827, Villa Dominico, F. C. S. III–3.

Werner, Enrique Roberto.—Córdoba 1411, Rosario. III–3.

Werner, F. R.—Córdoba 1411, Rosario. III–3.

Bolivia

Becerra, Alberto.—La Paz. III–3.

Gushi, José.—Riberalta. III–3.

Gushi, Juan.—Riberalta. III–3.

Hayashida, Angel.—Riberalta. III–3.

Hinojosa, Jorge.—La Paz. III–3.

Kishimoto, Kiyugo.—Riberalta. III–3.

Linale, Nicola.—La Paz. III–3.

Linale & Weiss.—Avenida Montés 786–794 (Casilla 216), La Paz, and all branches in Bolivia. III–3.

Nakamura, Kokiguro.—Riberalta. III–3.

Ortíz, Isaac.—Casilla 354, La Paz. III–3.

Shimoida, Nobuo.—Jordán 20, Cochabamba. III–3.

Shimosi, Pedro.—Riberalta. III–3.

Shiosaki, Juan.—Riberalta. III–3.

Teruya, Koki.—Riberalta. III–3.

"TOYO".—Riberalta. III–3.

Weiss, Federico.—La Paz. III–3.

Yshiy, Ernesto.—Riberalta. III–3.

Brazil

Casa de Electricidade Electron Ltda.—Rua da Quitanda 60, Rio de Janeiro. III–3.

Keetman, Wilhelm.—Rua Saccadura Cabra 109, Rio de Janeiro. III–3.

Keetman e Cia., W.—Rua Saccadura Cabra 109, Rio de Janeiro. III–3.

Kuhn, Carlos Guilherme.—Santa Cruz, Rio Grande do Sul. III–3.

Chile

American Bar.—Cochrane 301, Valparaiso. III–3.

Bar La Playa.—Errázuriz 642, Valparaiso. III–3.

Bar Martini.—Plaza Sotomayor 160, Valparaiso. III–3.

Barria, Elías.—Calle Guillermo Aguilar, Valdivia. III–3.

Barria, Nicolás.—Picarte 568, Valdivia. III–3.

Bertolotto, Bernardo.—Barros Arana 333, Temuco. III–3.

Busch, Adolfo.—Carlos Anwandter 820, Valdivia. III–3.

Café Rio de Janeiro.—Puente 548, Santiago. III–3.

Casa Antofagasta.—Condell 631, Antofagasta. III–3.

Casa Japonesa.—Condell 625–631, Antofagasta. III–3.

Cataneo, Domingo.—Bories 858, Punta Arenas. III–3.

Coronata, Italo.—Barros Arana 709, Concepción. III–3.

Eller Kittner, Roberto.—A. Varas 854 (Casilla 107), Temuco. III–3.

Elórtegui Armendaris, Carlos.—Valparaiso. III–3.

Elórtegui Armendaris, Domingo.—Valparaiso. III–3.

Elórtegui Armendaris, Juan.—Valparaiso. III–3.

Elórtegui Armendaris, Pedro.—Valparaiso. III–3.

Elórtegui Bilbao, Carlos.—Valparaiso. III–3.

Elórtegui Bilbao, José.—Valparaiso. III–3.

Elórtegui Bazar.—Valdivia 269, Valparaiso. III–3.

Fábrica de Pasteles "Fancy".—Carmen 93, Santiago. III–3.

Farmacia Vienesa.—Colón 2763, Valparaiso. III–3.

Fasching Stadlhuber, Carlos.—Colón 2763, Valparaiso. III–3.

Fritzsche F., Rudolf.—Villanelo Alto 505, Viña del Mar. III–3.

Fuglike Fuglike, Yohel.—J. Santos Ossa 563, Antofasgasta. III–3.

García García, Teodoro. — Victoria 2704, Valparaiso. III–3.

Gómez Henríquez, Alfredo.—García Reyes 37, Santiago. III–3.

Hartung Drechsler, Enrique.—Aguirre 1203, Santiago. III–3.

Hauser, Carlos.—Chacabuco 142, Concepción. III–3.

Hoffman Bernd, Pablo.—Calle Guillermo Gallardo esquina Urmeneta, Puerto Montt. III–3.

Hoffman Provisiones.—Calle Guillermo Gallardo esquina Urmeneta, Puerto Montt. III–3.

Hotel Reina Victoria.—Plaza Sotomayor 160, Valparaiso. III–3.

Houber Schneider, Emilio.—García Reyes 37, Santiago. III–3.

Houber y Cía., Ltda., Emilio.—Romero 2455, Santiago. III–3.

Houber y Gómez Ltda.—García Reyes 37, Santiago. III–3.

Imperatore, Cayetano.—Errázuriz 675, Punta Arenas. III–3.

Imperatore, Esteban.—Bories 970, Punta Arenas. III–3.

Imperatore y Cía., Cayetano.—Errázuriz 675, Punta Arenas. III–3.

Imprenta Moderna.—Picarte 568, Valdivia. III–3.

Imprenta Valdivia.—Calle Guillermo Aguilar, Valdivia. III–3.

Kamae Kamae, Yasuji.—Condell 620, Antofagasta. III–3.

Kirsten, Enrique.—Ramírez 919, Osorno. III–3.

Lavanchy C., Cornelio.—Freire 200, Concepción. III–3.

Machino Igarashi, Taro.—Paicavi 1190, Concepción. III–3.

"Madame Ginette".—Barros Arana 709, Concepción. III–3.

Matas Andreucić, Mateo.—Taltal. III–3.

Mercería García.—Victoria 2704, Valparaiso. III–3.

Mizumuma Sotome, Hisashi.—Condell 631, Antofagasta. III–3.

Molino Frutillar.—Frutillar. III–3.

Nehls Heinrich, Jorge.—O'Higgins, 1211, Valparaiso. III–3.
Nocera, Cosme.—Bories 663, Punta Arenas. III–3.
Oestreich y Cía. Ltda., P. (Dr.).—Merced 673, Santiago. III–3.
Otsu Naka, Jorge.—Matta 734 Antofagasta. III–3.
Paost Rudloff, Carlos.—Diego Portales 827, Temuco. III–3.
Paetz Zaengler, Juan.—Colo-Colo 467, Concepción. III–3.
Richter y Cía. Ltda.—Frutillar. III–3.
Saip Dreher, Francisco.—Lincoyán 244, Concepción. III–3.
Saip Dreher, Pablo.—Lincoyán 244, Concepción. III–3.
Saip Müller, Pablo.—Lincoyán 244, Concepción. III–3.
Saip y Cía. Ltda., P.—Lincoyán 244, Concepción. III–3.
Schlephack, August.—Puente 548 (Casilla 2921), Santiago. III–3.
Schwencke, Armando.—Calle Esmeralda, La Unión. III–3.
Seguros Generales "La Genovesa", Cía. de.—Morandé 348, Santiago. III–3.
Stagno Dell'Orto, Hugo.—Carmen 93, Santiago. III–3.
Stark Schropp, Otto.—Valparaíso 421, Viña del Mar. III–3.
Stark y Cía., Otto.—Valparaíso 421, Viña del Mar. III–3.
Tienda "La Mundial".—Bories 663, Punta Arenas. III–3.
Wiegand O., Augusto.—Valparaiso. III–3.
Wurth Meckes, Hermann.—Valparaíso 421, Viña del Mar. III–3.
Yoshinaga Motonao, Segundo.—Condell 625–631, Antofagasta. III–3.

Colombia

Bickel, Emil Werner.—Bucaramanga. III–3.
Buecking, Peter Martin.—Zapatoca. III–3.
Castillo Jesús.—Sonsón. III–3.
Fábrica Nacional de Carteras "El León".—Bucaramanga. III–3.
Gallenmuller, Anton.—Medellín. III–3.
Haertel, Robert.—Banco Alemán Antioqueño, oficina 403–404, Bogotá. III–3.
Karpf, Eugen.—Bucaramanga. III–3.

Costa Rica

Czaska Strasibka, Alfred William.—San José. III–3.
Fuscaldo Cosenza, Pedro.—San José. III–3.
Huehne G., M. E.—San José. III–3.
Italiana di Mutuo Soccorso, Societá.—San José. III–3.
Paschka, M. E. Huehne de.—San José. III–3.
"UFFRA" Union Financière Française, S. A.—San José. III–3.
Union Financière Française, S. A.—San José. III–3.

Cuba

El Zafiro.—San Carlos 104, Cienfuegos. III–3.
Suáz, Camilo.—San Carlos 104, Cienfuegos. III–3.

El Salvador

Beneficio "El Amate".—San Salvador-San Marcos. III–3.
Finca "Coatepeque".—Santa Ana. III–3.
Fisher, Ricardo.—Finca "Coatepeque", Santa Ana. III–3.
Lassally, Teodoro.—la Avenida Norte 14, San Salvador. III–3.
Lassally, Reich & Co.—la Avenida Norte 14, San Salvador. III–3.
Reich, Ernesto.—la Avenida Norte 14, San Salvador. III–3.

Paraguay

Casa Lange.—Presidente Eligio Ayala 200, Asunción. III–3.

Peru

Famco Trading Company S. A.—Cailloma 840, Lima. III–3.
Meneses Vásquez, L.—Alfonso Ugarte 1426 (Apartado 2433), Lima. III–3.
Voisin, Max.—Cailloma 840, Lima. III–3.
Walther, René Marcel.—Cailloma 840, Lima. III–3.

Uruguay

Antola, Fortunato.—Balta Ojeda 3843, Montevideo. III–3.
Berger, Enrique.—Cerro Largo 800 y Vilardebó 1243, Montevideo. III–3.
CX 22 Radio Universal.—Soriano 1217, Montevideo. III–3.
Cappellin, Domingo.—Juan Carlos Gómez 1483, Montevideo. III–3.
English Transcontinental Co.[1]—Cerrito 558, Montevideo, and all branches in Uruguay. III–3.
Fontana y Cía.—Cerrito 372, Montevideo. III–3.
Harispuru, Juan José.—Obligado 1207, Montevideo. III–3.
Harispuru Hermanos.—Paraguay 1337, Montevideo. III–3.
Hotel Planeta.—Atlántida, Departamento de Canelones. III–3.
La Hora Oficial.—Convención 1309, Montevideo. III–3.
Lois, Fructuoso A.—Gonzalo Ramírez 1731. Montevideo. III–3.
Luedeke, Bruno.—Garibaldi 2929, Montevideo. III–3.
Luedeke, Ricardo.—Piedras 326 y C. María de Pena 4086, Montevideo. III–3.
Michelizzi, Natalio.—Montevideo. III–3.
Planells, Juan Carlos.—Blvd. España 2275, Apt. 3, Montevideo. III–3.
Radio Universal CX 22.—Soriano 1217, Montevideo. III–3.
Von Seidlitz, Eltel Fritz.—Montevideo. III–3.
Von Seidlitz, Wilhelm.—Montevideo. III–3.
Wolf, Jorge.—Convención 1309, Montevideo. III–3.

Venezuela

Agencia Caballito.—Padre Sierra a Múñoz 9 (Apartado 1082), Caracas. III–3.
Agencias Interamericanas.—Apartado 440 Maracaibo. III–3.
Blaschitz, Carlos.—Apartado 106, Caracas. III–3.
Burkle, Willy.—Esquina de Mercaderes (altos), Caracas. III–3.
Constructora Industrial, Comp. Anón.—Apartado 106, Caracas. III–3.
Dauer, Greta.—Municipal a Reducto 57, Caracas. III–3.
Dorn, Franz.—Piñango a Camino Nuevo 30, Caracas. III–3.
Estaba A., Luis.—Apartado 1912, Caracas. III–3.
Hormann, Werner.—Mercaderes a La Gorda 26, Caracas. III–3.
Hotel Plaza.—Plaza Bolívar, Valencia. III–3.
Kraemer, Hans.—Plaza Bolívar, Valencia. III–3.
León V., Angel Eduardo.—Apartado 587, Maracaibo. III–3.
Restaurant Vienna.—Mercaderes a La Gorda 26, Caracas. III–3.
Restaurant-Café Dorn.—Piñango a Camino Nuevo 30, Caracas. III–3.
Salón Greta's.—Municipal a Reducto 57, Caracas. III–3.
Sittel, Hermann.—Municipal a Reducto 57, Caracas. III–3.
Soriano, Antonio.—Apartado 1183, Caracas. III–3.
Wiese, Gertrud.—Esquina Mercaderes 27, Caracas. III–3.

AMENDMENTS

Argentina

Relative to Frommhold, Humberto.—San Martín 66, Buenos Aires, *see* footnote 2.
For Iida y Cía. Ltda., Takashimaya.—Rodriguez Peña 162, Buenos Aires, substitute Iida y Cía. Ltda., Takashimaya.—Balcarce 260, Buenos Aires.
For Moro e Hijos (Argentina) Comercial, Industrial y Financiera S. A., Tomás.—Avenida Alvear 4476, Buenos Aires, substitute Moro Sociedad Anónima Comercial, Industrial y Financiera.—Avenida Alvear 4476, Buenos Aires.
For Pando, Gonzalo.—Moreno 970, Buenos Aires, substitute Pando, Gonzalo.—Moreno 970, Buenos Aires; and Villa Angela, F. C. Santa Fe.
For Takashimaya, Iida y Cía., Ltda.—Rodriguez Peña 162, Buenos Aires, substitute Takashimaya, Iida y Cía., Ltda.—Balcarce 260, Buenos Aires.
Relative to Teloni, Gaetano.—San Martín 66, Buenos Aires, *see* footnote 3.

Bolivia

For Valdivia, Miguel.—Potosí, substitute Valdivia, Miguel.—Potosí; and Casilla 876, La Paz.

Brazil

For Casa Allemã Tecidos, Moveis e Tapecarias, S. A.—Rua do Ouvidor 158, Rio de Janeiro, substitute Casa Allemã, Tecidos, Modas, Moveis, Tapeçarias S. A.—Rua do Ouvidor 158, Rio de Janeiro.
Relative to Fazenda Barra Mansa.—Avanhandava, São Paulo, *see* footnote 4.
For Foto Optica Adro.—Rua 15 de Novembro 357, Curitiba, substitute Foto

[1] Not to be confused with English Transcontinental Ltd., London, England.

[2] Not to be confused with P. J. Fromhold, 25 de Mayo 347, Buenos Aires.

[3] Representative in Argentina for Banca Nazionale del Lavoro of Rome, Italy.

[4] Not to be confused with other fazendas of the same name at other places in Brazil.

Otica Adro.—Rua 15 de Novembro 357, Curitiba.

Relative to Marx, Fritz.—Rua José Maria Lisboa 1008, São Paulo, *see* footnote 5.

For Rik, Richard.—Rua Conselheiro Moreira de Barros 213, São Paulo, substitute Rix, Richard.—Rua Conselheiro Moreira Barros 213, São Paulo.

For Schrappe, Max.—Rua Commendador Araujo 731-747, Curitiba, Paraná, substitute Schrappe, Max.—Rua Commendador Araujo 731-747, Curitiba, Paraná; and Blumenau, Santa Catharina.

For Von Zimmermann, Hortz.—Rua Tamoyos 487, Bello-Horizonte, Minas Geraes, substitute Von Zimmermann, Horst.—Rua Tamoyos 487, Bello-Horizonte Minas Geraes.

Chile

For Casa Alemana de Automóbiles "Mercedes-Benz".—Monjitas 739, Santiago, substitute Casa Alemana de Automóbiles "Mercedes-Benz".—República 47-55 y García Reyes 81, Santiago.

For Hagemann, Walter.—Monjitas 739, Santiago, substitute Hagemann, Walter.—República 47-55 y Garçía Reyes 81, Santiago.

For Shigemitsu, Kito.—Avenida Pedro Montt 2139, Valparaiso, substitute Kito, Shigemitsu.—Avenida Pedro Montt 2139, Valparaiso.

Colombia

For Mesa, Alfredo.—Medellín, substitute Mesa Medina, Alfredo.—Carrera 36a no. 45-47, Medellín.

Costa Rica

Relative to Brenes Gutiérrez, Ramiro (Dr.).—San José, *see* footnote 1.

Ecuador

For Alemana de Agencias, Cía.—Guayaquil, substitute Alemana de Agencias, Cía.—Casilla 787, Guayaquil.

Panama

For Kaufmann, Arno Wilhelm August.—Imperial Hotel, Colón, substitute Kaufmann, Arno Wilhelm August.—Colón.

Peru

For Orihuela, Mariano.—Cuadra 15, Avenida Brasil, Magdalena Bieja, Lima, substitute Orihuela, M.—Puno 250, Lima.

For Zettel, José.—Unión 517, Lima; and Lima 475, Miraflores, Lima, substitute Zettel, José.—Lima 475, Miraflores, Lima.

DELETIONS

Brazil

Internacional de Capitalização, Cia.—Rua 1° de Março 6, Rio de Janeiro, and all branches in Brazil.

Chile

Droste y Cía., Carlos F.—Morandé 536 (Casilla 27), Santiago.

Martinic, António.—O'Higgins 1046, Punta Arenas.

Sahr Christie, Otto.—Casilla 26, Puerto Aysen.

Colombia

Agencia Phillips.—Junín 53-68, Medellín.

Hotel Continental.—Avenida 1 de Mayo, Medellín.

Costa Rica

Steinvorth, Ernesto.—San José.

Ecuador

Sánchez Z., Miguel A.—Guayaquil.

Nicaragua

"Alemania".—Casa Colorada.

"Chale Costa".—El Tamarindo, Paz Centro.

"El Guayabal".—El Tamarindo, Paz Centro.

Paraguay

Salum Hermanos.—Estrella 136, Asunción.

Venezuela

Téxtil Venezolana, Compañía Anónima.—Caracas.

PART II—LISTINGS OUTSIDE AMERICAN REPUBLICS

ADDITIONS

Iran

Akhavan, Ahmed.—Tehran. III-3.

Akhavan, Habib.—Tehran. III-3.

Akhavan, Hadji Mohammed Hussein Kashani (Kashani, Hadji Mohammed Hussein Akhavan).—Tehran. III-3.

Akhavan, Morteza Kashani (Kashani, Morteza Akhavan).—Tehran. III-3.

Morocco

Tangier International Zone

Ballweg, Dr. Ernst.—Rif Hotel, Tangier. III-3.

Benadiba, Hola.—Legazpi 50, Tangier. III-3.

Bendahan, Albert (Jacob Abraham Bendahan).—Legazpi 50, Tangier. III-3.

Bendahan & Benadiba.—Legazpi 50, Tangier. III-3.

Portugal and Possessions

Portugal

Albuquerque, Dr. Augusto Lima.—Lisbon and Caldas da Rainha. III-3.

Almeida, Luiz Fernandes Serzedelo de.—Praca dos Restauradores 13, Lisbon. III-3.

Bartosch, Eduardo Rudolfo.—Rua Fernandes Tomaz 571, Oporto. III-3.

Bartosch Ltda., Eduardo.—Rua Fernandes Tomaz 571, Oporto. III-3.

Bayao, Francisco Ferreira.—Rua Augusta 219, Lisbon. III-3.

Bensabat, Saragga, Carlos.—Rua de S. Francisco Sales 2, and Praca Luiz de Camoes 4, Lisbon. III-3.

Best, Emil.—Avenida Palace Hotel, Lisbon. III-3.

Carp, Maurice.—Rua Bartolomeu Dias 120, Lisbon. III-3.

Dionisio, Joao.—Praca dos Restauradores 13, Lisbon. III-3.

Dionisio & Rosados Ltda.—Praca dos Restauradores 13, Lisbon. III-3.

Duerholt, Hans R.—Rua da Madalena 119, Lisbon. III-3.

Fontoura, Armindo.—Ave. da Liberdade 53, Lisbon. III-3.

Freitas, Antonio.—Rua dos Clerigos 82, Oporto. III-3.

Freitas, J. (Jose de Freitas Sampaio e Castro).—Rua dos Clerigos 82, Oporto. III-3.

Gasper, Georg.—Avenida Palace Hotel, Lisbon. III-3.

Lusitana de Exportacoes Ltda., Soc.—Rua Augusta 219, Lisbon. III-3.

Olpe, Fritz.—Avenida Palace Hotel, Lisbon. III-3.

Perianes Palma Ltda., Soc. Comercial.—Ave. de Libèrdade 21, Lisbon. III-3.

Portuguesa de Comercio Internacional Ltda. Soc. ("Sopocil").—Rua Ivens 44, Lisbon. III-3.

Rosado, Jnr., Joaquim Antonio.—Praca dos Restauradores 13, Lisbon. III-3.

Rosado, Joao Paulo.—Praca dos Restauradores 13, Lisbon. III-3.

Saragga, Carlos Bensabet.—Rua de S. Francisco Sales 2, and Praca Luiz de Camoes 4, Lisbon. III-3.

"Sopocil"—Soc. Portuguesa de Comercio Internacional Ltda.—Rua Ivens 44, Lisbon. III-3.

Transportes Batista Carvalho Ltda.—Rua de Sao Juliao 52, Lisbon. III-3.

Azores

Corsepius, Gustav A. S.—Horta, Fayal. III-3.

Majerviez, Johann.—Horta, Fayal. III-3.

Schroeder, Otto.—Horta, Fayal. III-3.

Madeira

Dantas & Dantas.—Funchal. III-3.

Mozambique

Moura, Abel Ribeiro de Castro e.—Rua Gouveia 8-10, Caixa Postal 1037, Lourenço Marques. III-3.

Moura, Amadeu Ribeiro de Castro e.—Lourenço Marques. III-3.

Portuguese Guinea

Assad, Aly.—Bissau. III-3.
Cadillac, Henri.—Bissau. III-3.
Carbou, Henry.—Bissau. III-3.
Courrent, Paul.—Bissau. III-3.
Henemi, Jamil.—Bafata. III-3.
Joseph & Irmao, Aly.—Farim. III-3.
Oliveira, Henrique de.—Bissau. III-3.

Spain

"Alvacork"—Francisco Alvarez y Alvarez.—Hernando Colon 24-26, and Jupiter 6, Seville. III-3.

Alvarez y Alvarez, Francisco ("Alvacork").—Hernando Colon 24-26, and Jupiter 6, Seville. III-3.

Bachmann, Leon.—Via Augusta 151, Barcelona III-3.

Bachmann, Max.—Via Augusta 151, Barcelona. III-3.

Best, Emil.—Palace Hotel, Madrid. III-3.

Ceramica de las Cles S. L.—Calvario, Vigo. III-3.

Comercial Iberica S. A., Soc.—Nicolas Maria Rivero 9, Madrid. III-3.

[5] Not to be confused with Fritz Marx, owner of "Foto Preuss", Praça Getulio Vargas 2, Rio de Janeiro.

[1] Not to be confused with Roberto Brenes Gudiño.

Garcia, Manuel.—Paseo de la Industria 14, Barcelona, Goya 46, Madrid, and all branches in Spain. III–3.

General Mercantil del Atlantico S. A., Cia.—Jose Antonio 27, Madrid. III–3.

Granell Peris, Fernando.—Costanilla de los Angeles 18, Madrid. III–3.

Industrias Sanitarias S. A.—Paseo Gracia 48, Barcelona. III–3.

Jover, Eduardo.—Gerona 24, Barcelona. III–3.

Lambarter, Eugenio.—Santa Ana 9, Seville. III–3.

Marten, Guillermo.—Ave. Jose Antonio 604, Barcelona. III–3.

Marten, Martin.—Ave. Jose Antonio 604, Barcelona. III–3.

Navarro Pardo, Justo.—Real 21, Coruna, and at Gijon. III–3.

Navarro, viuda de Justo.—Real 21, Coruna. III–3.

Reboredo Isla, Alejandro Garcia.—Garcia Olloqui 2, Vigo, and at Villagarcia. III–3.

Reboredo Isla, Jose Garcia.—Garcia Olloqui 2, Vigo. III–3.

Reboredo Isla, Ramon Garcia.—Garcia Olloqui 2, Vigo, and at Villagarcia. III–3.

Reboredo Hnos., Garcia.—Garcia Olloqui 2, Vigo, and at Villagarcia. III–3.

Reimann, Juan.—Castellana 13, Madrid. III–3.

Rueda Blanco, Fernando.—Lauria 118, Barcelona. III–3.

Sans Magin.—Ave. Gen. Franco 51, Tarragona. III–3.

Sweden

Gevaerts Skandinaviska Generalagentur.—Hamngatan 24, Stockholm. III–3.

Switzerland

Banque de Paris et des Pays-Bas, Succursale de Geneve.—Rue de Hollande 6, Geneva. III–3.

Continentale Elektrizitaets-Union A. G.—Freiestr. 90, Basel. III–3.

Gestion Industrielle et Financiere, Soc. de.—St. Alban Anlage 1, Basel. III–3.

Gyr-Kalin, Mrs. Pia.—Peterstr. 11, Zürich. III–3.

Hermann, Dr. Alois.—Peterstr. 11, Zürich. III–3.

Imperium S. A.—Zürich. III–3.

Lang, Eugen.—Peterstr. 11, Zürich. III–3.

Medilabor G. m. b. H.—Peterstr. 11, Zürich. III–3.

Pediglob-Fusstutzen, Dr. Keller & Gyr, G. m. b. H.—Peterstr. 11, Zürich. III–3.

Recta Watch Co. Ltd. (Fabrique d'Horlogerie Recta S. A.).—Rue du Viaduc 3, Bienne. III–3.

Riedweg, Dr. Albert.—Schwanenplatz 8, Lucerne. III–3.

Schunke, Commendatore Professor Gerhard.—Villa Voltadone, Breganzona. III–3.

Thomas, Albert.—Rue de la Corraterie 26, Geneva. III–3.

Traber, Werner.—Blauenstr. 26, and St. Albantal 34–5, Basel. III–3.

Vaucher, Andre.—Rue du Viaduc 3, Bienne. III–3.

Vaucher, Maurice.—Rue du Viaduc 3, Bienne. III–3.

Turkey

Abeniacar, Abramo Vittorio.—P. O. Box 110, Istanbul. III–3.

Coskun, J. A.—Mersin. III–3.

Giras, Giorgio.—Taptas Han 16–20, Galata, Istanbul. III–3.

Giras, Giorgio ve Osman Nebioglu.—Taptas Han 16–20, Galata, Istanbul, and all branches in Turkey. III–3.

Nebioglu, Osman.—Taptas Han 16–20, Galata, Istanbul. III–3.

AMENDMENTS

Morocco

Spanish Morocco

Relative to Almadraba Marroqui, add (owner of S. T. "Paco").

Tangier International Zone

Relative to Bata, Calzados S. A., for Rue de Fez 68, Tangier, substitute Rue de Foucauld 18, Tangier, and all branches in Tangier.

Relative to Carranza, Ramon, delete S. T. "Paco".

Portugal

Relative to Polonia, Adao Pacheco, for "Carlos Alberto", substitute "Carlos Alberto Primeiro" and for "Goncalo Zarco" substitute "Goncalves Zarco Segundo".

Spain

For Aduanas y Transportes Jose Herrero, S. A.—Barcelona, substitute Aduanas y Transportes Internacionales Jose Herrero S. A.—Rambla Santa Monica 29, Barcelona.

Relative to Alvarez Gonzalez, Francisco, for Seville, substitute and Hernando Colon 24–26, Seville.

Relative to Greiner, J. A., for Calle Pecher y Santa, San Feliu de Guixols, substitute Calle Pecher y Santa Magdalena, San Feliu de Guixols.

Relative to Greiner, C. A. y Hijos S. A., for Calle Pecher y Santa, San Feliu de Guixols, substitute Calle Pecher y Santa Magdalena, San Feliu de Guixols.

For Herrero S. A., Jose, Aduanas y Transportes.—Barcelona, substitute Herrero S. A., Jose-Aduanas y Transportes Internacionales.—Rambla Santa Monica 29, Barcelona.

For Nortes.—Seville, substitute Nortes Macanes, Jose.—Rosario 2, Seville.

For Wuelfing, Federico.—Calle Pecher y Santa, San Feliu de Guixols, substitute Wirsing, Federico.—Calle Pecher y Santa Magdalena, San Feliu de Guixols.

Sweden

Relative to Axelsson & Co., Torsten, for Kungsgatan 42, substitute Kungsgatan 37.

Relative to Tobis Film A/B, for Adolf Fredriks Kyrkogatan 5–7, substitute Kungsgatan 15.

Switzerland

Relative to Beyer, Max, for Arbon, substitute Neubrunnenstr. 41, Zürich.

For Buas A. G.—Aeschengraben 24, Basel, substitute Buss A. G.—Aeschengraben 24, Basel.

Relative to Haniel A. G., Franz add and all branches in Switzerland.

DELETIONS

Iraq

Baladi, H. & Fils.—5–33 Rewaq St., Baghdad.

Morocco

Tangier International Zone

Benhaim, S. M.—Azancot Bldg., Grand Socco, Tangier.

Portugal and Possessions

Portugal

Cale, Jose.—Mexilhoeira da Carregacao, Portimao.

Feu Manuel.—Mexilhoeira da Carregacao, Portimao.

Feu Marchena, Caetano.—Mexilhoeira da Carregacao, Portimao.

Feu Marchena, Ernesto.—Mexilhoeira da Carregacao, Portimao.

Feu Marchena, Jose Antonio.—Mexilhoeira da Carregacao, Portimao.

Feu Hnos. Soc. de Resp. Ltda.—Mexilhoeira da Carregacao, Portimao.

Gottlieb, Egon.—Rua do Arsenal 103, Lisbon.

Madeira

Branco, Jose Maria.—Funchal.

Turkey

Latif, Akif.—Fatih, Tramvay Duragi Yerinde 84, Istanbul.

[F. R. Doc. 42-10155; Filed, October 10, 1942; 11:06 a. m.]

TITLE 24—HOUSING CREDIT

Chapter IV—Home Owners' Loan Corporation

[Bulletins 114–116]

PART 408—ACCOUNTING DIVISION

INTEREST CONVENIENCE PERIOD, ETC.

Amending Part 408, Chapter IV, Title 24 of the Code of Federal Regulations.

The second paragraph of § 408.00d is amended to read as follows:

§ 408.00d *Interest convenience period.* * * *

The interest convenience period shall apply also to any excess payment or curtailment or miscellaneous credit."

The second paragraph of § 408.00e is amended to read as follows:

§ 408.00e *Interest convenience period applicable to advances.* * * *

The interest convenience rule prescribed in § 408.00d shall apply also to any advance made by the Corporation for the account of a home owner.

Section 408.00j is amended to read as follows:

§ 408.00j *Interest convenience period applicable to payment in full.* In considering the date of full and final payment of all moneys due the Corporation on an account, the mailing date (as evidenced by the postmark on the envelope

transmitting such payment to an office of the Corporation) shall be accepted as the date on which the payment was received by the Corporation. The interest convenience rule prescribed in § 408.00d shall apply also to any such final payment.

(Effective October 15, 1942.)

(Secs. 4 (a), 4 (k), 48 Stat. 129, 132, as amended by section 13, 48 Stat. 647: 12 U.S.C. 1463 (a), (k), E.O. 9070, 7 F.R. 1529.)

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

[F. R. Doc. 42-10235; Filed, October 12, 1942; 11:01 a. m.]

TITLE 30—MINERAL RESOURCES

Chapter III—Bituminous Coal Division

[Docket No. A-1470]

PART 328—MINIMUM PRICE SCHEDULE, DISTRICT NO. 8

DISTRICT NO. 8—CRYSTAL BLOCK MINING CO.

Findings of fact, conclusions of law, memorandum opinion and order in the matter of petition of Bituminous Coal Producers Board for District No. 8 for a change in classifications and minimum prices for coals of the Crystal Block Mining Company, a code member in District No. 8, for all shipments.

This proceeding was instituted upon a petition filed with the Bituminous Coal Division (the "Division") on May 29, 1942, by District Board No. 8, pursuant to section 4 II (d) of the Bituminous Coal Act of 1937 (the "Act"). The petitioner requests a change in price classifications and minimum prices for coals of the Crystal Block Mining Company.

The petitioner proposes a change in minimum prices as established by final order of the Acting Director in Docket No. A-1054, 6 F.R. 5388, for certain coals of Crystal Block Mining Company, a code member in District 8, operating its No. 2 Mine (Mine Index No. 921) located in Mingo County, West Virginia, Freight Origin Group No. 120, and operating in the Alma Seam, which are shipped by rail, rail-lake and truck from Lobata, West Virginia. The presently effective classifications and prices are as follows: In Size Groups 18–21, inclusive, for shipment by rail to destinations other than Great Lakes, Classification "E"; Size Groups 18–21, inclusive, for Great Lakes cargo only, Classification "E"; and Size Groups 7 and 8, truck, $1.80 and $1.75, respectively. The petitioner requests that the following classifications and minimum prices be established: Size Groups 18–21, inclusive, for shipment by rail to destinations other than Great Lakes—"C"; Size Groups 18–21, inclusive, for Great Lakes cargo only—"C"; and Size Groups 7 and 8 for truck shipment "$1.90" and "$1.85" respectively.

Pursuant to appropriate orders and after notice to interested persons, a hearing in this matter was held on May 6, 1942, before W. A. Cuff, a duly designated Examiner of the Division, at a hearing room thereof in Washington, D. C.

All interested persons were afforded an opportunity to be present, adduce evidence, cross examine witnesses and otherwise be heard. District Board No. 8 and the Consumers' Counsel appeared. The preparation and the filing of a report by the Examiner was waived by all parties and the record was thereupon submitted to the undersigned.

The No. 2 Mine (Mine Index No. 921) of Crystal Block Mining Company produces coal from the Alma Seam for steam use only. The producer is and has been since on or about October 1, 1941, equipped to produce only mine run coal which it crushed down to 2" x 0 (Size Group 20) coal. Size Group 20 coal thus produced, consisting of the entire output of the mine, is shipped principally by rail to Market Areas 15 to 21, inclusive, and via rail to Market Area 99, for shipment via the Great Lakes. Such coal is also sold in Market Area 101 to which it is shipped via truck. In each of such markets, Size Group 20 coal produced from the No. 2 Mine is variously competitive with similarly sized coals produced from mines operated by other code members in District 8 and most directly competitive with such coals produced from Alma Mine (Mine Index No. 13) of Alma Fuel Company, No. 6 Mine (Mine Index No. 394), of Red Jacket Coal Corporation.

The classification and effective minimum prices presently applicable to the 2" x 0" coal produced from the No. 2 Mine of Crystal Block Mining Company were established by the Director in Docket No. A-1054 in conformity with the classifications and minimum prices proposed therefor by the petitioner. At the time these prices were established the mine had just begun operation.

Development has now been completed and further inspection and current analysis of the coal produced from said mine, as testified to by F. L. Poindexter, a member of the classification and price committee of District Board No. 8, indicate that such coal is competitive with and comparable to Size Group 20 coals produced from mines presently classified at "C" for rail and rail-lake shipment and $1.90 and $1.85 in Size Groups 7 and 8, respectively, for truck shipment rather than being comparable to Size Group 20 coal produced by mines presently classified "E" for rail and rail-lake shipment and at $1.80 and $1.75 in Size Groups 7 and 8, respectively, for truck shipment, with which the No. 2 Mine coals of Crystal Block Mining Company were thought to be comparable when prices were first proposed and established for such coals.

The order in Docket No. A-1054 was issued on October 7, 1941, 6 F.R. 5388. It was provided that the prices would become finally effective 60 days thereafter unless it should otherwise be ordered. Up until the spring of 1942, the Board, it is said, had no indication that the temporary prices were not proper and, therefore, allowed the aforesaid order to become final and the prices established thereunder have been effective since December 6, 1941.

Ever since the mine began its operations, its entire output has been crushed to 2" x 0 and has been sold principally for steam raising purposes as Size Group 20 coals upon the general industrial market. In this market the coals of this mine entered into competition with the bulk of Size Group 20 coals produced in District No. 8. On May 27, 1942, District Board had the coals in Size Group 20 as loaded in railroad cars at the mine sampled by Commercial Testing and Engineering Company. The analysis showed that the qualities of the coal produced by the mine were comparable to those produced by mines classified as "C" and which had been marketed under a "C" classification in Size Groups 18–21, since the initial establishment of minimum prices in General Docket No. 15. Thereafter, District Board at its meeting on May 8, 1942, reconsidered the proposals that it had therefore made to the Division on September 8, 1941, and passed a resolution to the effect that No. 2 mine coals in Size Groups 18–21 should be classified "C".

On May 14, 1942, the District Board had a further analysis made which showed the coal to have almost exactly the heat value of coals of the same size produced by the Alma Fuel Company from its Alma Mine and very closely related to the Size Group 20 coals produced from Red Jacket Coal Company at its No. 6 Mine both of which had been marketed under a "C" classification.

The two analyses showed a difference in B. t. u. content of 300 B. t. u.'s, but it was pointed out that this difference was attributable to a difference in moisture, and that the displacement of the B. t. u.'s by moisture is not of the same significance in evaluating coals as a difference in the ash content. This is said to be because of the fact that the moisture content is more variable than ash content, depending upon climatic and mining conditions, which may exist for only relatively short periods and which would not be typical. Therefore, the question of whether or not the analysis of March 27 was more truly representative of the actual production of coals at the mine is relatively immaterial for the purposes of this proceeding in that either analyses, if typical, would warrant a classification of "C" and witness Poindexter testified that: "When both analyses are considered together it is my view that the representative quality of the coals fall somewhere within the range of the two analyses."

Other factors to be taken into consideration in considering an increase in the classification of the coals of the No. 2 Mine of Crystal Block Mining Company to reflect their real market values are as follows: The heat value of Size Group 20 coals is a factor of prime importance in the determination of market values in a competitive market in that in the absence of actual plant tests, the heat values in the competitive market may be expected to be expressed by relative prices.

The record shows that in the prevailing market since October, 1941, there has

been a specially strong demand for steam coals of all kinds, and, therefore, relative prices have lost such of their importance as an indication of relative market values.

It appears from the record that while the coals of Crystal Block No. 2 Mine are selling on the present market and the market existing for the past year at practically the same price as competing coals of the same quality that on a very competitive market such as was contemplated by the Act, the coals of Crystal Block No. 2 Mine, as presently classified, could sell at different or lower prices.

It appears that on the basis of the analytical quality of the coal as compared with the analytical qualities of the two coals presently classified "C" as above set forth for the Alma Mine and the Red Jacket Mine that the coal in question should have a "C" classification for 2" x 0 coals and for Size Groups 18–21, inclusive.

The record shows that all of the coals produced by the Crystal Block No. 2 Mine are produced for rail shipment and that inasmuch as it is customary in the pricing of coal to give all rail mines truck prices which are usually the equivalent of rail prices for the same sizes that the increase of 10 cents per ton for the truck prices similar to the increase sought for the rail prices is warranted.

Now, therefore, it is ordered, That the price classifications and minimum prices established for the coals of No. 2 Mine (Mine Index No. 921) of Crystal Block Mining Company for all shipments except truck, and for truck shipments by order in Docket No. A–1054, be and the same are hereby terminated.

It is further ordered, That effective fifteen (15) days from the date of this order § 328.11 (*Alphabetical list of code members*) is amended by adding thereto Supplement R, and § 328.34 (*General prices for high volatile coals in cents per net ton for shipment into all market areas*) is amended by adding thereto Supplement T, which supplements are hereinafter set forth and hereby made a part hereof.

Dated: September 26, 1942.

[SEAL] DAN H. WHEELER,
Director.

DISTRICT No. 8

NOTE: The material contained in these supplements is to be read in the light of the classifications, prices, instructions, exceptions and other provisions contained in Part 328, Minimum Price Schedule for District No. 8 and supplements thereto.

FOR ALL SHIPMENTS EXCEPT TRUCK

§ 328.11 *Alphabetical list of code members*—Supplement R

[Alphabetical list of code members having railway loading facilities, showing price classifications by size groups for all uses except as separately shown]

Mine Index No.	Code member	Mine name	High volatile seam	Sub-district No.	Shipping point	Railroad	Freight origin group No.	Price classifications by size group Nos.																															
								For destinations other than Great Lakes																			For Great Lakes cargo only															
								1, 2	3, 4	5, 6	7	8	9	10	11, 12, 13, 14	15, 16, 17	18, 19, 20, 21	22	23	24	25	26	27	1, 2	3, 4	5, 6	7	8	9	10	16, 17	18, 19, 20, 21	22	24	25	26	27			
921	Crystal Block Mining Company..	No. 2.....	Alma.....	8	Spriggs, W. Va.....	N&W.....	130	•	•	•	•	•	•	•	•	•	o	†	†	•	•	•	•	•	•	•	•	•	•	•	•	o	†	•	•	•	•			

*Indicates previously classified these size groups.
†Indicates no classification effective for these size groups.

FOR TRUCK SHIPMENTS

§ 328.34 *General prices for high volatile coals in cents per net ton for shipment into all market areas*—Supplement T

Code member index	Mine	Mine Index No.	Seam	Base sizes							
				Lump over 2", Egg 4" x 6"	Lump 2" and under, Egg 3" x 6"	Lump 2" and under	Egg 2" x 4" Egg 2" x 3"	Stove 2" and under, Nut 2" and under	Straight mine run	2" and under, Slack	3/4" and under, Slack
				1	2	3	4	5	6	7	8
SUBDISTRICT NO. 8—WILLIAMSON MINGO COUNTY, W. VA.											
Crystal Block Mining Company.....	No. 2.....	921	Alma.....	(*)	(*)	(*)	(*)	(*)	(*)	190	185

*Indicates previously classified these size groups.

[F. R. Doc. 42-10000; Filed, October 9, 1942; 9:07 a. m.]

[Docket No. A-1475]

PART 328—MINIMUM PRICE SCHEDULE, DISTRICT No. 8

DISTRICT NO. 8—BRIMSTONE MINE

Findings of fact, memorandum opinion and order of the Director in the matter of the petition of District Board No. 8 for increase of price classifications and minimum prices for the Brimstone Mine.

This proceeding was instituted upon a petition filed on May 29, 1942, by District Board No. 8, pursuant to section 4 II (d) of the Bituminous Coal Act of 1937, wherein petitioner prayed for certain increases in the price classifications and effective minimum prices for the coals produced at the Brimstone Mine, Mine Index No. 67.

Pursuant to an order of the Director dated June 12, 1942, this matter came on for hearing before W. A. Cuff, duly designated Examiner of the Division, at a hearing thereof in Washington, D. C. Interested persons were afforded an opportunity to be present, adduce evidence, cross-examine witnesses and otherwise participate fully in the hearing.

District Board No. 8, the Bituminous Coal Consumers' Counsel and Brimstone Coal Company were represented at the hearing. At the conclusion of the hearing the parties waived the preparation and filing of a report by the Examiner and the matter was thereupon submitted to the undersigned for his consideration.

District Board No. 8, petitioner, prayed that the Division increase the minimum price classifications established for the coals produced at the Brimstone Mine, Mine Index No. 67, of the Brimstone Coal Company, in District No. 8, in Size Groups 18 to 21, inclusive, for all shipments except truck for all destinations other than the Great Lakes, and for Great Lakes cargo only, from "M" to "G", and to increase the minimum prices applicable to the coals produced at said

mine, in Size Groups 7 and 8 for truck shipments only, from $1.55 and $1.50, respectively, to $1.70 and $1.65, respectively.

The reasons set forth by the petitioner as the basis for the increase as prayed for herein are as follows: District Board No. 8 in Docket No. A–81 proposed classifications and effective minimum prices for the coals produced at the Brimstone Mine upon an indicated market history of such coals in competition with similarly sized coals produced in District No. 8 at the Rainbow Mine (Mine Index No. 548) operated by Ed. Lindsey, Blue Heron Mine (Mine Index No. 445), No. 11 Mine (Mine Index No. 443), and No. 15 Mine (Mine Index No. 444), of Stearns Coal and Lumber Company, all operating in the No. 1 Seam, and Zenith Mine (Mine Index No. 511) and Marlowe Mine (Mine Index No. 577) operating in the Dean Seam. At the time the proposal for effective minimum prices was made by District Board No. 8 in Docket No. A–81, no analyses of the coal produced at the Brimstone Mine were available to the petitioner.[1]

Since the original classification of Size Groups 18 to 21 coal produced at the Brimstone Mine, the petitioner had analyses of the coals made, said analyses being made by the Commercial Testing and Engineering Company. These analyses showed that the coals produced at the Brimstone Mine were of a far superior market value in comparison with the coals produced from any of the other mines which were classified in Docket No. A–81.

On July 9, 1941, Red Jacket Coal Corporation, a code member operating several mines in District No. 8, assumed ownership and control of the Brimstone Mine. Under the management of Red Jacket Coal Corporation the output of the mine has been increased and the distribution of 2" x 0 slack coal produced at the Brimstone Mine had become more widely distributed.

On October 29, 1941, the Brimstone Coal Company, in a letter to the Bituminous Coal Producers Board for District No. 8, called attention to the superiority of the coal produced at the Brimstone Mine and suggested that Size Group 20 be reclassified due to the fact that the minimum price of which was too low in comparison with competitive coals moving into the same market.[2]

F. D. Poindexter testifying in behalf of petitioner testified that, in Docket A–81, the established effective minimum prices for the coals produced at the Brimstone Mine were established by correlating the coals produced therefrom with coals produced at the Zenith and Marlowe Mines. However, he stated that the Brimstone Mine operated in the Glen Mary Seam and, as far as he knew, was the only mine producing coal from such seam for rail shipment, and also the only mine operating in Scott County, Tennessee, with the exception of Straight Fork Coal Company which operates in the upper Dean Seam. He stated further that at the time the mine was first classified the shipping point was on the CNO & TP at New River, Tennessee, and the shipping point has since been changed to Round Mountain, Tennessee. He stated further that at the time of the establishment of effective minimum prices in District No. 8, owing to the large number of mines, District Board No. 8 had not obtained analyses of the coals produced at the different mines, and particularly the small truck mines, and therefore, the Zenith and Marlowe Mines being the nearest adjoining mines to the Brimstone Mine, the same effective minimum prices were recommended for these mines. Poindexter also stated that in District No. 8 there are about 44 rail mines that have a "G" classification which compete with the coals produced at the Brimstone Mine. The chief factor considered by the committee in making the present proposal that Size Group 18 to 21 coals produced at said mine be classified as "G" was that the Brimstone Mine operated principally in competition with rail mines, rather than with small truck mines.

R. D. Stockdale, President of Red Jacket Coal Sales Company, testified at the hearing and stated that in his opinion the request as set forth in the petition herein was based upon a fair competitive analysis of the coals produced at the Brimstone and other competing mines and that he found they were able to market Size Group 20 coal produced at the Brimstone Mine at prices ranging from $2.15 to $2.25 per ton, which was comparable to the prices obtained during the same period for coals produced at other mines which were classified as "G" classification. He stated also that competitive coals which the Red Jacket Coal Corporation met in the normal market, such as the Jellico seam coals, were selling at prices ranging from $2.15 to $2.25 per net ton, and due to the fact that the coals produced at the Brimstone Mine had a "M" classification, sales resistance was encountered.

There is no direct evidence in the record to refute the contention of the petitioner herein. However, the names and mine index numbers of other mines operating in the Glen Mary Seam appear in the record, namely, Dewey Lindsey Mine (Mine Index No. 574), Glen Mary Coal Company Mine (Mine Index No. 5383) and John West Mine (Mine Index No. 2829). It is contended in behalf of the petitioner that these mines are small truck mines. Nevertheless, a "K" classification was established for Size Groups 18 to 21, inclusive, produced at these mines for shipment by rail. It, therefore, appears appropriate, notwithstanding that these mines sell a good deal of their production for shipment by truck, to establish a "K" classification for Size Groups 18 to 21, inclusive, coals produced at the Brimstone Mine in order to relate properly these coals to others produced in District No. 8, and most especially those by mines operating in the Glen Mary Seam.

Petitioner further seeks an increase in the established effective minimum prices for Size Groups 7 and 8 coals produced at the Brimstone Mine from $1.55 and $1.50, respectively, to $1.70 and $1.65, respectively. However, at the time effective minimum prices for truck shipments of $1.55 and $1.50 for Size Groups 7 and 8, respectively, were established, such prices were established on a basis of a "K" classification for rail shipments, and it appears that fair competitive prices will be maintained by retaining the established effective minimum prices of $1.55 and $1.50, respectively, for Size Groups 7 and 8 for truck shipments for the Brimstone Mine. Therefore the request to increase the prices for truck shipments will be denied.

Now, therefore, it is ordered, That effective fifteen (15) days from the date of this order § 328.11 (*Alphabetical list of code members*) is amended by adding thereto Supplement R, which supplement is hereinafter set forth and hereby made a part hereof.

Dated: September 26, 1942.

[SEAL] DAN H. WHEELER,
Director.

[1] In the original petition in Docket No. A–81 a "K" classification was requested for Size Group 20 coal produced at the Brimstone Mine. Before the matter came on for hearing the request was changed from "K" to "M" classification, and a "M" classification was established for Size Group 20.

[2] 2" x 0 slack coal, as set forth in § 328.3 in the Schedule of Effective Minimum Prices for District No. 8 for All Shipments Except Truck, is classified as Size Group 20. At the time of the request for a reclassification of Size Group 20, research had not been made with respect to other size groups to ascertain proper classification.

DISTRICT No. 8

NOTE: The material contained in this supplement is to be read in the light of the classifications, prices, instructions, exceptions and other provisions contained in Part 328, Minimum Price Schedule for District No. 8 and supplements thereto.

FOR ALL SHIPMENTS EXCEPT TRUCK

§ 328.11 *Alphabetical list of code members*—Supplement R

[Alphabetical list of code members having railway loading facilities, showing price classifications by size groups for all uses except as separately shown]

Mine Index No.	Code member	Mine name seam	High volatile	Subdistrict No.	Shipping point	Railroad	Freight origin group No.	Price classifications by size group Nos.																																
								For destinations other than Great Lakes																For Great Lakes cargo only																	
								1, 2	3, 4	5, 6	7	8	9	10	11, 12, 13, 14	15, 16, 17	18, 19, 20, 21	22	23	24	25	26	27	1, 2	3, 4	5, 6	7	8	9	10	16, 17	18, 19, 20, 21	22	24	25	26	27			
67	Brimstone Coal Company..	Brimstone...	Glen Mary.....	6	Round Mountain, Tenn...	Brimstone..	73	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	K	(†)	(†)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	(*)	K	(†)	(*)	(*)	(*)	(*)			

*Indicates previously classified these size groups.
†Indicates no classification effective for these size groups.

[F. R. Doc. 42-10095; Filed, October 9, 1942; 9:07 a. m.]

[Docket No. A-1639]

PART 334—MINIMUM PRICE SCHEDULE, DISTRICT No. 14

ORDER GRANTING RELIEF, ETC.

Order granting temporary relief and conditionally providing for final relief in the matter of the petition of the Arkansas Coal Company for the establishment of additional price classifications and minimum prices for the coals of its Arkansas Coal Company Mine (Mine Index No. 593) and for a change in the subdistrict number for this mine.

An original petition, pursuant to section 4 II (d) of the Bituminous Coal Act of 1937, has been duly filed with this Division by the above-named party, requesting the establishment both temporary and permanent, of additional price classifications and minimum prices for the coals of the Arkansas Coal Company Mine (Mine Index No. 593), in District No. 14, and requesting a change in the subdistrict number for this mine.

It appearing that a reasonable showing of necessity has been made for the granting of temporary relief in the manner hereinafter set forth; and

No petitions of intervention having been filed with the Division in the above-entitled matter; and

The following action being deemed necessary in order to effectuate the purposes of the Act;

It is ordered, That pending final disposition of the above-entitled matter, temporary relief is granted as follows: Commencing forthwith, § 334.5 (*Alphabetical list of code members*) is amended by adding thereto Supplement R, and § 334.24 (*General prices for shipment into all market areas*) is amended by adding thereto Supplement T, which supplements are hereinafter set forth and hereby made a part hereof.

Price classifications and minimum prices for Size Groups 14, 15, and 16 were established in Docket No. A-1343 upon the basis of a petition filed by District Board No. 14. Although the seam in which the mine is located was unknown, the mine was designated as being located in Subdistrict No. 1. It now appears that the mine is in the Philpott Seam and is, in fact, in Subdistrict No. 2. The price classifications and minimum prices heretofore established for this mine were, however, based upon those for comparable and analogous coals produced in Subdistrict No. 2. Accordingly, the Subdistrict number (No. 1) designated for this mine in the Schedules attached to and made a part of the Order issued in Docket No. A-1343 is hereby deleted.

No price classifications and minimum prices are proposed by petitioner for the coals in Size Group 12, produced from the Arkansas Coal Company Mine (Mine Index No. 593). However, the consolidated Order issued in Dockets Nos. A-137, A-208, and A-251, on March 28, 1942, 7 F.R. 2703, permanently established a price classification of "L" for all shipments except truck and a minimum price of $3.00 per ton for truck shipments, for the coals in Size Group 12 produced from mines in Production Groups 2 to 9, inclusive, in District No. 14. For purposes of uniformity, it is deemed advisable to establish price classifications and minimum prices for the above-named mine which will correspond with those in effect for other mines in the same subdistricts producing comparable and analogous coals. Accordingly, price classifications and minimum prices for all shipments except truck and for truck shipments have been included in the attached Schedules marked Supplement R and Supplement T for the coals in Size Group 12 produced from Mine Index No. 593.

It is further ordered, That pleadings in opposition to the original petition in the above-entitled matter and applications to stay, terminate, or modify the temporary relief herein granted may be filed with the Division within forty-five (45) days from the date of this Order, pursuant to the Rules and Regulations Governing Practice and Procedure before the Bituminous Coal Division in Proceedings Instituted Pursuant to section 4 II (d) of the Bituminous Coal Act of 1937.

It is further ordered, That the relief herein granted shall become final sixty (60) days from the date of this Order, unless it shall otherwise be ordered.

Dated: September 26, 1942.

[SEAL] DAN H. WHEELER,
Director.

TEMPORARY AND CONDITIONALLY FINAL EFFECTIVE MINIMUM PRICES FOR DISTRICT NO. 14

NOTE: The material contained in these supplements is to be read in the light of the classifications, prices, instructions, exceptions and other provisions contained in Part 334, Minimum Price Schedule for District No. 14 and supplements thereto.

FOR ALL SHIPMENTS EXCEPT TRUCK

§ 334.5 *Alphabetical list of code members*—Supplement R

[Alphabetical list of code members showing price classification by size group for all uses except railroad locomotive fuel]

Code member	Mine index No.	Mine name	Sub-district No.	Shipping point	Railroad	Freigh origin group No.	Price classification by size group																	
							1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Arkansas Coal Company % Earl Cobb.	593	Arkansas Coal Co.	2	Hartman, Arkansas.	MP.....	33	------	------	B	K	-----	L	L	L	L	H	G	L	-----	(*)	(*)	(*)	-----	N	-----	-----

*Previously classified for these size groups. No changes requested.

The above classifications are subject to the Order granting temporary relief in Docket A-1360.

FOR TRUCK SHIPMENTS

§ 334.24 *General prices for shipment into all market areas*—Supplement T

[Prices in cents per net ton for shipment into all market areas]

Code member	Mine index No.	Mine name	Sub-district No.	County	Prices and size group numbers																			
					1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Arkansas Coal Company c/o Earl Cobb.....	593	Arkansas Coal Co.....	2	Johnson, Arkansas....	------	------	400	400	-----	400	400	400	380	360	335	300	-----	(*)	(*)	(*)	-----	325	-----	-----

* Previously priced for these size groups. No changes requested.

The above prices are subject to the order granting temporary relief in Docket A-1360.

[F. R. Doc. 42-10110; Filed, October 9, 1942; 11:24 a. m.]

[Docket No. A-1626]

PART 337—MINIMUM PRICE SCHEDULE DISTRICT NO. 17

ORDER GRANTING RELIEF, ETC.

Order granting temporary relief and conditionally providing for final relief in the matter of the petition of Manuele Arcuri, a code member in District No. 17, for the establishment of price classifications and minimum prices for the coals of the Mary No. 2 Mine.

An original petition, pursuant to section 4 II (d) of the Bituminous Coal Act of 1937, having been duly filed with this Division by the above-named party, requesting the establishment, both temporary and permanent, of price classifications and minimum prices for the coals of the Mary No. 2 Mine, Mine Index No. 522 of code member Manuele Arcuri in Subdistrict 7 in District No. 17 for shipment by truck to all market areas; and

It appearing that a reasonable showing of necessity has been made for the granting of temporary relief in the manner hereinafter set forth; and

No petitions of intervention having been filed with the Division in the above-entitled matter; and

The following action being deemed necessary in order to effectuate the purposes of the Act;

It is ordered, That pending final disposition of the above-entitled matter, temporary relief is granted as follows: Commencing forthwith, § 337.4 (*Code member price index*) is amended by adding thereto Supplement T-I, and § 337.21 (*General prices in cents per net ton for shipment into all market areas*) is amended by adding thereto Supplement T-II which supplements are hereinafter set forth and hereby made a part hereof.

It is further ordered, That pleadings in opposition to the original petition in the above-entitled matter and applications to stay, terminate or modify the temporary relief herein granted may be filed with the Division within forty-five (45) days from the date of this Order, pursuant to the Rules and Regulations Governing Practice and Procedure before the Bituminous Coal Division in Proceedings Instituted Pursuant to section 4 II (d) of the Bituminous Coal Act of 1937.

It is further ordered, That the relief herein granted shall become final sixty (60) days from the date of this Order, unless it shall otherwise be ordered.

Dated: September 28, 1942.

[SEAL] DAN H. WHEELER, *Director.*

No. 201——13

NOTE: The material contained in these supplements is to be read in the light of the classifications, prices, instructions, exceptions and other provisions contained in Part 337, Minimum Price Schedule for District No. 17, and supplements thereto.

FOR TRUCK SHIPMENTS

The following price classification and minimum prices shall be inserted in Minimum Price Schedule for District No. 17:

§ 337.4 *Code member price index*—Supplement T-I

Insert the following listing in proper alphabetical order:

Producer	Mine	Mine Index No.	County, State	Subdistrict price group	Prices	
					Rail	Truck
Arcuri, Manuele	Mary No. 2	522	Las Animas, Colo.	7	———	§337.4

§ 337.21 *General prices in cents per net ton for shipment into all market areas*—Supplement T-II

Insert the following code member name, Mine Name and county under Subdistrict No. 7, in proper order, and the following prices:

Code member mine name	County	Size groups										
		1	2	3	4	5	6	7	9	10	13	17
Subdistrict No. 7—Arcuri, Manuele Mary No. 2.	Las Animas.	420	420	420	420	375	375	365	330	315	225	240

[F. R. Doc. 42-10109; Filed, October 9, 1942; 11:24 a. m.]

TITLE 32—NATIONAL DEFENSE

Chapter III—Bureau of Mines

PART 301—CONTROL OF EXPLOSIVES AND THEIR INGREDIENTS IN TIME OF WAR OR NATIONAL EMERGENCY

AMENDING REGULATIONS UNDER FEDERAL EXPLOSIVES ACT

Pursuant to the authority conferred by section 18 of the act of December 26, 1941 (55 Stat. 863), the regulations under the Federal Explosives Act heretofore promulgated[1] are hereby amended as follows:

Section 301.6 (c) is amended by changing the reference "§§ 301.7 (g) and 301.9 (a)" to "§§ 301.7 (i) and 301.9 (a)", and by adding the following sentence:

§ 301.6 *Qualifications of applicants for license.* * * *

(c) * * *

* * * No license may be granted to any person, citizen or alien, who may be prohibited from possessing, using or controlling explosives or component parts thereof by regulation or proclamation of the War Department or other Federal agency. (Sec. 2, 55 Stat. 863; 50 U.S.C. 121-142)

Section 301.7 (g) is amended to read as follows:

§301.7 *Applications for licenses; forms.* * * *

(g) *Qualification affidavits required.* Every individual applicant and every partner, where a partnership is an applicant, must file with an application affidavits supporting his qualifications executed by at least two responsible citizens, preferably Federal, State or local officials. The affiants must not be connected with the applicant by blood, marriage or business relationship, except that one of the affiants supporting the application for a foreman's license may be the applicant's employer or an officer or agent of his employer. The affidavits shall state the length of time the affiants have known the applicant, in what connection they have known him, and the affiants' knowledge and judgment as to the reliability and experience of the applicant in regard to explosives or explosives ingredients, as to his loyalty and friendliness to the United States, and as to his need for the license applied for. For this purpose the affiants may

[1] 7 F.R. 305, 1103, 1976, 3870, 4758, 5301.

use the Bureau of Mines form entitled Affidavit in Support of Application for a Federal Explosives License. (Sec. 2, 55 Stat. 863; 50 U.S.C. 121–142)

Section 301.7 is further amended by adding paragraph (h) to read as follows:

(h) *Supplementary questionnaire.* A supplementary questionnaire executed under oath on a Bureau of Mines form may be required by a licensing agent of any applicant concerning whose qualifications he desires further information. It may likewise be required by the Director of the Bureau of Mines at any time of any licensee or applicant. It is required to be filled out by individual applicants who are enemy aliens, by applicant organizations of which one or more directors or officers or one or more stockholders or members listed in the application are enemy aliens, and by all applicants who have at any time failed to comply with Federal, State or local laws, regulations and instructions relating to the manufacture, handling and storage of explosives and ingredients thereof. (Sec. 2, 55 Stat. 863; 50 U.S.C. 121–142.)

Section 301.7 is further amended by adding paragraph (i) to read as follows:

(i) *Permission of United States Attorney to enemy aliens.* All enemy aliens prohibited by proclamation of the President or regulation of the Attorney General from having the use, possession or custody of explosives or component parts thereof, except upon the written permission of a United States Attorney, are required to submit with their applications the original copy of the permission given by a United States Attorney. An original copy of such permission must be submitted by every applicant organization for each officer or director or partner listed in its application who may be an enemy alien subject to such prohibition, and for each officer or employee shown in a supplementary questionnaire as responsible for the handling of explosives who may be such an enemy alien. (Sec. 2, 55 Stat. 863, 50 U.S.C. 121–142.)

Section 301.8 (a) is amended to read as follows:

§ 301.8 *Filing of applications*—(a) *Purchaser's, vendor's or foreman's applications.* Application for a purchaser's, vendor's or foreman's license shall be filed with a licensing agent in the city, town or village in which the applicant resides or conducts his business. If there is no licensing agent therein, or if the applicant does not reside or conduct his business in a city, town or village, the applicant shall apply to the licensing agent in the county of his place of residence or business or in any county adjoining thereto. The requirement for filing an application with a licensing agent in a particular locality may in the discretion of a licensing agent be waived by him where good cause is shown by the applicant for such waiver. In such case, the licensing agent shall forthwith report the circumstances to the Director and the licensing agent to whom the application should otherwise have been addressed.

Applications for a purchaser's, vendor's or foreman's license shall not be filed with the Director, except for a special reason stated with the application. Any application filed with the Director unaccompanied by such a statement or accompanied by a statement deemed insufficient, will be returned to the applicant for filing with a local licensing agent. (Sec. 2, 55 Stat. 863; 50 U.S.C. 121–142.)

Section 301.8 (c) is amended to read as follows:

(c) *Appearance by applicant.* In all cases where licenses are issued by licensing agents, the applicant or representative of the applicant (in the case of a firm, corporation, or other organization) to whom the license is to be issued should appear personally before the licensing agent, and the licensing agent may, in his discretion, require him to do so. The oath on an application and on any supplementary questionnaire required in connection with an application should be executed, wherever possible, before the licensing agent. (Sec. 2, 55 Stat. 863, 50 U.S.C. 121–142.)

Section 301.9 (a) is amended by changing the first paragraph to read as follows:

§ 301.9 *Issuance of original licenses*—(a) *Issuing officers and fees.* Licensing agents are authorized to issue only three kinds of licenses, to wit: vendor's, purchaser's and foreman's. Only the Director may issue manufacturer's and analyst's-inventor's-educator's-investigator's licenses, but the Director may receive applications for and issue all forms of licenses. Licensing agents are not authorized to issue licenses to enemy aliens or to firms, corporations or other organizations of which any of the officers or directors is an enemy alien or which is controlled by members or stockholders who are enemy aliens, but all applications of this type shall be forwarded to the Director with the necessary supplementary questionnaires, supporting affidavits and original copies of permission from a United States Attorney, and with the recommendations of the licensing agents as to appropriate action. The Director, upon the showing of special circumstances, may issue licenses in such cases. (Sec. 2, 55 Stat. 863; 50 U.S.C. 121–142)

Section 301.11 (e) is amended to read as follows:

§ 301.11 *Licensing agents; instructions.* * * *

(e) *Publicizing appointment and licensees.* Licensing agents should, for the convenience of the public, publicize their authority to issue Federal explosives licenses by informing local public officials, by notifying local newspapers and radio stations, and by such other means as may be available and appropriate.

Licensing agents should also publicize as widely as possible, for the protection of the public, the names and addresses of licensees and their sponsors, if any, who have signed qualification affidavits by posting such names and addresses in public places, by informing local public officials, newspapers and radio stations, and by such other means as may be available and appropriate. Licensing agents shall post prominently in their own offices the name and address of each licensee and his sponsors for a period of at least six months after the license is issued. (Sec. 2, 55 Stat. 863; 50 U.S.C. 121–142)

Section 301.13 is amended to read as follows:

§ 301.13 *Information available to officials and the public.* All information and records in the possession of a licensing agent concerning any applicant for a license or licensee shall be available to officials of the Federal Government and to State, county and city police officers and open to their inspection. In his discretion the licensing agent may give information concerning an applicant or licensee to any member of the public, based upon the records in his possession, except that information relating to the financial interests of stockholders or members of an organization, or to the amount of explosives or explosives ingredients previously acquired, used and disposed of by the applicant or licensee shall not be disclosed and the application form shall not be shown to the public unless permission is given by the applicant, the licensee, or the Director. Information and records relating to appellate proceedings shall not be available to the public without the consent of the Director. (Sec. 2, 55 Stat. 863; 50 U.S.C. 121–142)

Section 301.14 (d) is amended to read as follows:

§ 301.14 *Licenses; duties and obligations.* * * *

(d) *Records of transactions.* One purpose of the act is to make it possible at all times to know or ascertain the source and the ultimate disposition of all explosives and ingredients covered by the act. To this end licensees must keep full and detailed records of transactions in explosives and ingredients, showing the amount and kind on hand at the beginning of the account; the amount and kind received by purchase, issuance or otherwise; the amount and kind sold or otherwise disposed of including sales or issuances to employees, the names of the persons to whom explosives or ingredients are sold, issued or otherwise disposed of, and the balance on hand. Licensees should keep records adequate and suitable with reference to the nature of their operations and the extent of their transactions. The records of manufacturers and vendors must include tabulation of the persons to whom, the amounts in which, and the dates on which explosives or ingredients were sold or otherwise disposed of, and the Federal explosives license number of the person to whom each sale or other disposition was made. The records of foremen must include tabulation of each employee to whom explosives or ingredients are sold or issued and the amount sold or issued and returned and shall conform with the requirements for foremen's records in § 301.20 (d). The records of purchasers and analysts, educators, inventors and investigators must include a showing of the persons from whom, and the dates

on which, and the amounts in which explosives or ingredients were purchased or otherwise acquired, and the dates on which, the amounts in which, and the purposes for which they were used. Copies of records must be sworn to and furnished to the Director of the Bureau of Mines or his authorized representative whenever requested. Sec. 2, 55 Stat. 863; 50 U.S.C. 121–142)

Section 301.14 is further amended by adding paragraph (g) to read as follows:

(g) *Restrictions on employees handling explosives.* No licensee shall permit any enemy alien covered by the prohibition referred to in § 301.7 (i), who is under the licensee's direction or control, to use, or have possession, control or custody of explosives or ingredients thereof unless such alien shall have secured the written permission of a United States Attorney.

No licensee shall permit any person, whether a citizen or an alien, who is prohibited by any Federal agency from possessing explosives or component parts thereof, and who is under the licensee's direction or control, to use or have possession, control or custody of explosives or ingredients thereof. (Sec. 2, 55 Stat. 863; 50 U.S.C. 121–142)

R. R. SAYERS,
Director, Bureau of Mines.

Approved: October 9, 1942.
HAROLD L. ICKES,
Secretary of the Interior.

[F. R. Doc. 42-10217; Filed, October 12, 1942; 9:54 a. m.]

Chapter VI—Selective Service System

[No. 130]

REGISTRANT'S AFFIDAVIT; FAMILY STATUS AND DEPENDENTS

ORDER PRESCRIBING FORM

By virtue of the Selective Training and Service Act of 1940 (54 Stat. 885) and the authority vested in me by the rules and regulations prescribed by the President thereunder, and more particularly the provisions of § 605.51 of the Selective Service Regulations, I hereby prescribe the following change in DSS forms:

Revision of DSS Form 41, entitled "Registrant's Affidavit—Family Status and Dependents," effective immediately upon the filing hereof with the Division of the Federal Register.[1] The original supply of forms on hand will be used until exhausted.

The foregoing revision shall become a part of the Selective Service Regulations, effective immediately upon the filing hereof with the Division of the Federal Register.

LEWIS B. HERSHEY,
Director.

OCTOBER 1, 1942.

[F. R. Doc. 42-10125; Filed, October 9, 1942; 2:56 p. m.]

[1] Filed as part of the original document.

[Order 59]

ELKTON PROJECT

ESTABLISHMENT FOR CONSCIENTIOUS OBJECTORS

I, Lewis B. Hershey, Director of Selective Service, in accordance with the provisions of section 5 (g) of the Selective Training and Service Act of 1940 (54 Stat. 885) and pursuant to authorization and direction contained in Executive Order No. 8675 dated February 6, 1941,[1] hereby designate the Elkton Project to be work of national importance, to be known as Civilian Public Service Camp No. 59. Said camp, located near Elkton, Douglas County, Oregon, will be the base of operations for general land office work in the State of Oregon, and registrants under the Selective Training and Service Act of 1940, who have been classified by their local boards as conscientious objectors to both combatant and noncombatant military service and have been placed in Class IV-E, may be assigned to said camp in lieu of their induction for military service.

The work to be undertaken by the men assigned to Civilian Public Service Camp No. 59 will consist of forest protection and reforestation and shall be under the technical direction of the General Land Office of the Department of Interior insofar as concerns the planning and direction of the work program. The camp, insofar as camp management is concerned, will be under the direction of approved representatives of the National Service Board for Religious Objectors. Men shall be assigned to and retained in camp in accordance with the provisions of the Selective Training and Service Act of 1940 and regulations and orders promulgated thereunder. Administrative and directive control shall be under the Selective Service System through the Camp Operations Division of National Selective Service Headquarters.

LEWIS B. HERSHEY,
Director.

OCTOBER 7, 1942.

[F. R. Doc. 42-10126; Filed, October 9, 1942; 2:56 p. m.]

[Order 60]

LAPINE PROJECT

ESTABLISHMENT FOR CONSCIENTIOUS OBJECTORS

I, Lewis B. Hershey, Director of Selective Service, in accordance with the provisions of section 5 (g) of the Selective Training and Service Act of 1940 (54 Stat. 885) and pursuant to authorization and direction contained in Executive Order No. 8675[1] dated February 6, 1941, hereby designate the Lapine Project to be work of national importance, to be known as Civilian Public Service Camp No. 60. Said camp, located at Lapine, Deschutes County, Oregon, will be the base of operations for reclamation work in the State of Oregon, and registrants under the Selective Training and Service Act of 1940, who have been classified by their local boards as conscientious objectors to both combatant and noncombatant military service and have been placed in Class IV-E, may be assigned to said camp in lieu of their induction for military service.

[1] 6 F.R. 831.

The work to be undertaken by the men assigned to Civilian Public Service Camp No. 60 will consist of construction of impounding and diversion dams, reservoir clearance, forest fire fighting and the fire presuppression program, and shall be under the technical direction of the Bureau of Reclamation of the Department of Interior insofar as concerns the planning and direction of the work program. The camp, insofar as camp management is concerned, will be under the direction of approved representatives of the National Service Board for Religious Objectors. Men shall be assigned to and retained in camp in accordance with the provisions of the Selective Training and Service Act of 1940 and regulations and orders promulgated thereunder. Administrative and directive control shall be under the Selective Service System through the Camp Operations Division of National Selective Service Headquarters.

LEWIS B. HERSHEY,
Director.

OCTOBER 7, 1942.

[F. R. Doc. 42-10127; Filed, October 9, 1942; 2:56 p. m.]

Chapter VIII—Board of Economic Warfare

Subchapter B—Export Control

[Amendment No. XLVII]

PART 801—GENERAL REGULATIONS

PROHIBITED EXPORTATIONS; VARIOUS COMMODITIES

Section 801.2 *Prohibited exportations* is amended in the following particulars:

In the column headed "Gen. Lic. Group", the group designations assigned to the commodities listed below (at every place where said commodities appear in said section) are amended to read as follows:

Commodity	Dept. of Comm. No.	Gen. Lic. Group
Sheep and lamb glove and garment leather (except shearlings)	0225	M
Pig and hog glove and garment leather	0228	M
Other glove and garment leather	0229	M
Case, bag and strap leather	0236	M
Reptilian and aquatic leather	0237	M
Gum rosin	2110	M
Wood rosin	2111	M
Gum spirits of turpentine	2114	M

Commodity	Dept. of Comm. No.	Gen. Lic. Group
Wood turpentine	2115.1	K
Other terpene hydrocarbons derived from naval stores	2116.1	K
Tar and pitch of wood	2118	K
Pile piece goods (velvets, etc.) of synthetic textiles	3845	K
Rags for paper stock valued $50 or over per ton	4690	K
Rags for paper stock, valued under $50 per ton	4691	K
Waste paper, No. 1 mixed paper	4699.01	K
Waste paper, super-mixed paper	4699.02	K
Waste paper, box board cuttings	4699.09	K
Waste paper, white blank news	4699.11	K
Waste paper, extra manilas	4699.13	K
Waste paper, mixed books	4699.27	K
Waste paper, over issue magazines	4699.29	K
Waste paper, other	4699.58	K
Other paper stock	4699.98	K
Newsprint	4711	K
Anthracite coal	5001	K
Bituminous coal	5002	K
Coal and coke briquets	5003	K
Marble and other building and monumental stone, rough or dressed	5101	K
Manufactures of stone, n. e. s.	5127	K
Hydraulic cement, Standard Portland	5164	K
Hydraulic cement, white nonstaining and other	5165	K
Concrete and cement manufactures	5170	K
Lime	5171	K
Metal and stove polishes	8290	K
Shoe polishes and shoe cleaners	8291	K
Floor wax, wood and furniture polishes	8293	K
Automobile polishes	8294	K
Teeth	9152	K
New pianos	9211	K
Used or rebuilt pianos	9212	K
Pipe Organs	9230	K
Other organs	9232	K
Percussion instruments	9245	K
Brass-wind instruments	9247	K
Wood-wind instruments	9248	K
String instruments	9293	K
Other musical instruments	9295	K
Musical instrument parts and accessories, n. e. s.	9297	K
Dolls and parts	9400	K
Children's wheel goods and parts	9405	K
Mechanical toys and parts	9408	K
Toys, except mechanical, of metal	9409	K
Toys, except mechanical, of wood	9410	K
Toys, except mechanical, other toys and parts, except rubber	9418	K
Fishing rods	9420	K
Fishing reels	9421	K
Other fishing tackle and parts	9422	K
Golf balls	9433	K
Foot, basket, base, tennis and other balls	9434	K
Golf clubs	9436	K
Ice skates	9440	K
Roller skates	9441	K
Billiard tables and accessories	9445	K
Other athletic and sporting goods	9449	K
Amusement park and playground devices and parts	9450	K
Buttons, button parts, etc., of cellulose compounds, galalith, and other compounds	9711	K
Buttons, button parts, etc., of pearl or shell	9712.5	K
Buttons, button parts, etc., of other materials	9712.9	K
Button parts, backs, blanks or molds	9713	K
Toothbrushes	9822	K
Toilet brushes	9824	K

(Sec. 6, 54 Stat. 714, Public Law 75, 77th Cong., Public Law 638, 77th Cong.; Order No. 3, Delegations of Authority Nos. 25 and 26, 7 F.R. 4951.)

A. N. ZIEGLER,
Acting Chief,
Export Control Branch,
Office of Exports.

OCTOBER 8, 1942.

[F. R. Doc. 42-10150; Filed, October 10, 1942; 9:39 a. m.]

[Amendment XLVI]

PART 803—UNLIMITED LICENSES

BRITISH MINISTRY OF SUPPLY MISSION

Paragraph (c) of § 803.2 *Commodities and countries of destination* is hereby amended in the following particulars:

1. "British Ministry of Supply Mission" is substituted for "British Purchasing Commission".

2. The following paragraph is added after the list of commodities set forth in this paragraph:

The articles and materials listed above may also be exported under this unlimited license to British Government agencies for their official use in any destination: *Provided,* That the release certificate issued by the British Ministry of Supply Mission contains the following statement: "Shipment to a British Government agency for its official use".

(Sec. 6, 54 Stat. 714, Pub. Law 75, 77th Cong., Public Law 638, 77th Cong.; Order No. 3, Delegations of Authority Nos. 25 and 26, 7 F.R. 4951.)

OCTOBER 5, 1942.

A. N. ZIEGLER,
Acting Chief,
Export Control Branch,
Office of Exports.

[F. R. Doc. 42-10151; Filed, October 10, 1942; 9:39 a. m.]

[Amendment XLVIII]

PART 809—SHIPPING PRIORITY RATINGS

SHIPPING RATINGS ASSIGNED VARIOUS ARTICLES AND MATERIALS

Paragraph (a) of § 809.6 *Ratings assigned articles and materials under general licenses* is hereby amended by the assignment of the following new shipping ratings to the following listed commodities:

Schedule B No.	Commodity	Shipping rating
0336	Sheep & lamb glove & garment leather (except shearlings)	D
0338	Pig & hog glove & garment leather	D
0339	Other glove & garment leather	D
0356	Case, bag & strap leather	D
0357	Reptilian & aquatic leather	D
2110	Gum rosin	C
2111	Wood rosin	C
2114	Gum spirits of turpentine	C
2115.1	Wood turpentine	C
2116.1	Other terpene hydrocarbons derived from naval stores	C
2118	Tar and pitch of wood	C
3845	Pipe piece goods (velvets, etc.) of synthetic textiles.	D
4690	Rags for paper stock, valued $50 or over per ton.	D
4691	Rags for paper stock, valued under $50 per ton.	D
4699.01	Waste paper, No. 1 mixed paper	D
4699.02	Waste paper, super-mixed paper	D
4699.09	Waste paper, box board cuttings	D
4699.11	Waste paper, white blank news	D
4699.13	Waste paper, extra manilas	D
4699.27	Waste paper, mixed books	D
4699.29	Waste paper, over issue magazines	D
4699.58	Waste paper, other	D
4699.98	Other paper stock	D
4711	Newsprint	D*
5001	Anthracite coal	D*
5002	Bituminous coal	D*
5003	Coal and coke briquets	D*
5101	Marble and other building and monumental stone, rough or dressed	D
5127	Manufactures of stone, n. e. s.	D
5164	Hydraulic cement, Standard Portland	D
5165	Hydraulic cement, white nonstaining and other	D
5170	Concrete and cement manufactures	D
5171	Lime	D
8290	Metal and stove polishes	D
8291	Shoe polishes and shoe cleaners	D
8293	Floor wax, wood and furniture polishes	D
8294	Automobile polishes	D
9152	Teeth	D
9211	New pianos	D
9212	Used or rebuilt pianos	D
9230	Pipe organs	D
9232	Other organs	D
9245	Percussion instruments	D
9247	Brass-wind instruments	D
9248	Wood-wind instruments	D
9293	String instruments	D
9295	Other musical instruments	D
9297	Musical instrument parts and accessories, n. e. s.	D
9400	Dolls and parts	D
9405	Children's wheel goods and parts	D
9408	Mechanical toys and parts	D
9409	Toys, except mechanical, of metal	D
9410	Toys, except mechanical, of wood	D
9418	Toys, except mechanical, other toys and parts, except rubber	D
9420	Fishing rods	D
9421	Fishing reels	D
9422	Other fishing tackle and parts	D
9433	Golf balls	D
9434	Foot, basket, base, tennis, and other balls	D
9436	Golf clubs	D
9440	Ice skates	D
9441	Roller skates	D
9445	Billiard tables and accessories	D
9449	Other athletic and sporting goods	D
9450	Amusement park and playground devices and parts	D
9711	Buttons, button parts, etc., of cellulose compounds galalith, and other compounds	C
9712.5	Buttons, button parts, etc., of pearl or shell	C
9712.9	Buttons, button parts, etc., of other materials	C
9713	Button parts, backs, blanks or molds	C
9822	Toothbrushes	C
9824	Toilet brushes	C

*Rating only applicable if shipment is less than 2,240 pounds.

(Sec. 6, 54 Stat. 714, Pub. Law 75, 77th Cong., Pub. Law 638, 77th Cong.; Order No. 3, Delegations of Authority Nos. 25 and 267, F.R. 4951.)

A. N. ZIEGLER,
Acting Chief,
Export Control Branch,
Office of Exports.

OCTOBER 8, 1942.

[F. R. Doc. 42-10152; Filed, October 10, 1942; 9:39 a. m.]

Subchapter B—Export Control

[Amendment XLIX]

PART 808—PROCEDURE TO SECURE SHIPPING SPACE TO THE OTHER AMERICAN REPUBLICS.

APPLICATION FOR SHIPPING SPACE

Section 808.5 *Application form prescribed*[1] is hereby amended to read as follows:

[1] 7 F.R. 5267.

Application for shipping space shall be made on the form prescribed by the Export Control Branch.

(Sec. 6, 54 Stat. 714, Pub. Law 75, 77th Cong., Pub. Law 638, 77th Cong.; Order No. 3, Delegations of Authority Nos. 25 and 26, 7 F.R. 4951.)

A N. ZIEGLER,
Acting Chief,
Export Control Branch,
Office of Exports.

OCTOBER 8, 1942.

[F. R. Doc. 42-10204; Filed, October 12, 1942; 9:44 a. m.]

Chapter IX—War Production Board

Subchapter A—General Provisions

PART 904—PROCUREMENT

[Directive 2,[1] Amended]

PLACING WAR CONTRACTS BY NEGOTIATION

Pursuant to the authority vested in me by Executive Order No. 9024 of January 16, 1942, and Executive Order No. 9040 of January 24, 1942, the following policies and procedures are prescribed for all departments and agencies now or hereafter authorized by the President to exercise the powers set forth in Title II, section 201 of the First War Powers Act, 1942 (Pub. Law 354, 77th Congress).

904.1 *Placing war contracts by negotiation.* (a) Except as hereinafter provided, all such departments and agencies shall place contracts relating to war procurement by negotiation. Negotiation as used in this directive may include not only face-to-face dealings, but also purchasing by securing informal written bids or telephone quotations. Where consistent with the required speed of war procurement, notification of the proposed procurement shall be given to a reasonable number of qualified contractors and quotations secured from them.

(b) (i) In negotiating contracts relating to war procurement the following considerations shall govern:

(i) Primary emphasis shall be upon securing deliveries or performance at the times required by the war program.

(ii) Subject to the considerations stated in subdivisions (i) contracts shall be placed with concerns needing to acquire the least amounts of additional new machinery, equipment, or facilities for performance of the contracts.

(iii) Subject to the considerations stated in subdivisions (i) and (ii), it shall be the policy of all war procurement departments and agencies to avoid contracting for the production of items or materials in communities or areas in which acute labor shortages are known to exist whenever it is practical to procure the needed items or materials elsewhere. The War Manpower Commission shall be relied upon to certify to the war procurement agencies communities and areas in which acute labor shortages exist to such a degree that the policy stated in this subdivision is applicable.

(iv) Subject to the considerations stated in subdivisions (i), (ii), and (iii), such contracts shall be placed so as to conserve, for the more difficult war production problems, the resources of concerns best able, by reason of engineering, managerial, and physical resources, to handle them. Accordingly, contracts for items which involve relatively simple production problems shall be placed with concerns, normally the smaller ones, which are less able to handle the more difficult war production problems.

(v) Subject to the considerations stated in subdivisions (i), (ii), (iii), and (iv), and also subject to the provisions of the Production Concentration Programs, which have been or may in the future be instituted by the War Production Board, such contracts shall be placed so as to spread production among as many firms as is reasonable and feasible.

(c) War procurement departments and agencies are hereby authorized and directed to pay higher prices than would otherwise be required if such action is necessary to put into effect the policies stated in subdivisions (i) through (v), inclusive. If all the considerations set forth in subdivisions (i) through (v) have been met and there is still need for selection among contractors, contracts shall be so placed as to obtain the lowest price for the Government.

(d) Authority to depart from these policies may, upon specific request, be granted by the Director of the Procurement Policy Division of the War Production Board, or by such person or persons as he may designate for this purpose.

(E.O. 9024, 7 F.R. 329; E.O. 9040, 7 F.R. 527; E.O. 9125, 7 F.R. 2719; sec. 2 (a), Pub. Law 671, 76th Cong., as amended by Pub. Laws 89 and 507, 77th Cong.)

Issued this 10th day of October 1942.

DONALD M. NELSON,
Chairman, War Production Board.

[F. R. Doc. 42-10166; Filed, October 10, 1942; 12:44 p. m.]

[1] 7 F.R. 1732.

Subchapter B—Director General for Operations

PART 1010—SUSPENSION ORDERS

[Suspension Order S-106]

OAK CLIFF PARTS COMPANY

Oak Cliff Parts Company, Dallas, Texas, is owned and operated by J. R. Terry, and is engaged in the business of jobbing and distributing automotive supplies. During the period from April 11, 1942 to June 17, 1942, the company made deliveries on unrated orders of 6,140 pounds of solder whose tin content was more than 16 per cent by weight, which deliveries constituted violations of General Preference Order M-43.[1] The company sold 4,500 pounds of this solder after it had been advised by a representative of the War Production Board that the sale thereof on unrated orders would constitute a violation of General Preference Order M-43.

These violations of General Preference Order M-43 have impeded and hampered the war effort of the United States by diverting scarce materials to uses unauthorized by the War Production Board. In view of the foregoing facts, *It is hereby ordered:*

§ 1010.106 *Suspension Order S-106.* (a) Deliveries of materials to Oak Cliff Parts Company, its successors and assigns, or to J. R. Terry, his successors and assigns, shall not be accorded priority over deliveries under any other contract or order and no preference ratings shall be assigned or applied to such deliveries to Oak Cliff Parts Company, or to J. R. Terry by means of preference rating certificates, preference rating orders, general preference orders, or any other orders or regulations of the Director of Industry Operations or the Director General for Operations.

(b) No allocations shall be made to Oak Cliff Parts Company, its successors and assigns, or to J. R. Terry, his successors and assigns, of any material the supply or distribution of which is governed by any order of the Director of Industry Operations or of the Director General for Operations except as specifically authorized by the Director General for Operations.

(c) Nothing contained in this order shall be deemed to relieve Oak Cliff Parts Company, its successors and assigns, or J. R. Terry, his successors and assigns, from any restrictions, prohibition or provision contained in any other order or regulation of the Director of Industry Operations or of the Director General for Operations except in so far as the same may be inconsistent with the provisions hereof.

(d) This order shall take effect on October 12, 1942, and shall expire on January 12, 1943, at which time the restrictions contained in this order shall be of no further effect.

(P.D. Reg. 1, as amended, 6 F.R. 6680; W.P.B. Reg. 1, 7 F.R. 561; E.O. 9024, 7 F.R. 329; E.O. 9040, 7 F.R. 527; E.O. 9125, 7 F.R. 2719; sec. 2 (a), Pub. Law 671, 76th Cong., as amended by Pub. Laws 89 and 507, 77th Cong.)

Issued this 9th day of October 1942.

ERNEST KANZLER,
Director General for Operations.

[F. R. Doc. 42-10143; Filed, October 9, 1942; 3:36 p. m.]

[1] 7 F.R. 4536.

PART 1010—SUSPENSION ORDERS

[Suspension Order S-107]

RYALS-CAMPBELL REALTY CO.

Ryals-Campbell Realty Company, Muskogee, Oklahoma, a partnership composed of H. G. Ryals and G. Campbell, is engaged in the business of constructing dwelling houses. On January 17, 1942, February 5, 1942, and March 10, 1942, the company made application to the War Production Board for priorities assistance under Preference Rating Order P-55[1] to construct dwelling houses in and around Muskogee, Oklahoma. The priorities assistance was granted on the basis of the company's representations

[1] 7 F.R. 1636, 2940.

and agreements that the dwelling houses to be constructed were to be rented at a fixed rental and not sold. Notwithstanding the company's agreements and its knowledge of the terms upon which the preference ratings were issued, it sold some of the houses and rented others at a price in excess of the amounts permitted.

This company's failure to abide by its agreement has hampered and impeded the war effort of the United States. In view of the foregoing facts, *it is hereby ordered,* That:

§ 1010.107 *Suspension order S-107.* (a) Deliveries of material or equipment to Ryals-Campbell Realty Company, its successors and assigns, or to H. G. Ryals, his successors and assigns, or to G. Campbell, his successors and assigns, shall not be accorded priority over deliveries under any other contract or order, and no preference ratings shall be applied or assigned to such deliveries by preference rating certificates, preference rating orders, general preference orders, or any other orders or regulations of the Director of Industry Operations or of the Director General for Operations.

(b) No allocations shall be made to Ryals-Campbell Realty Company, its successors and assigns or to H. G. Ryals, his successors and assigns or to G. Campbell, his successors and assigns, of any material the supply or distribution of which is governed by any order of the Director of Industry Operations or of the Director General for Operations except as specifically authorized by the Director General for Operations.

(c) Nothing contained in this order shall be deemed to relieve said Ryals-Campbell Realty Company, its successors and assigns, or H. G. Ryals, his successors and assigns, or G. Campbell, his successors and assigns, from any restriction, prohibition or provision contained in any other order or regulation of the Director of Industry Operations, or of the Director General for Operations, except in so far as the same may be inconsistent with the provisions hereof.

(d) This order shall take effect on October 12, 1942, and shall expire on January 12, 1943, at which time the restrictions contained in this order shall be of no further effect.

(P.D. Reg. 1, as amended, 6 F.R. 6680; W.P.B. Reg. 1, 7 F.R. 561; E.O. 9024, 7 F.R. 329; E.O. 9040, 7 F.R. 527; E.O. 9125, 7 F.R. 2719; sec. 2 (a), Pub. Law 671, 76th Cong., as amended by Pub. Laws 89 and 507, 77th Cong.)

Issued this 9th day of October 1942.

ERNEST KANZLER,
Director General for Operations.

[F. R. Doc. 42-10144; Filed, October 9, 1942; 3:36 p. m.]

PART 1010—SUSPENSION ORDERS

[Suspension Order S-108]

NATIONAL TINSEL MANUFACTURING CO.

National Tinsel Manufacturing Company of Manitowoc, Wisconsin, is a manufacturer of Christmas tree decorations and ornaments. Among other products it manufactures garlands, ornaments, cord, and ribbon which, items are included on List A of Conservation Order M-9-c.[1] Under the restrictions of Conservation Order M-9-c the company was permitted to use a maximum of 36,879 pounds of copper or copper base alloy in the manufacture of these products between October 15, 1941, and December 31, 1941. Despite these restrictions, the company during that period used 65,547 pounds of copper or copper base alloy in the manufacture of these products. Furthermore, the company used substantial amounts of copper and copper base alloy in the manufacture of these products subsequent to January 1, 1942, without regard to the restrictions imposed by Conservation Order M-9-c as amended December 10, 1941.

These violations of Conservation Order M-9-c have hampered and impeded the war effort of the United States by diverting scarce materials to uses unauthorized by the War Production Board. In view of the foregoing facts,

It is hereby ordered, That:

§ 1010.108 *Suspension Order S-108.* (a) Deliveries of material to National Tinsel Manufacturing Company, its successors and assigns, shall not be accorded priority over deliveries under any other contract or order and no preference ratings shall be assigned or applied to such deliveries to National Tinsel Manufacturing Company by means of preference rating certificates, preference rating orders, general preference orders, or any other orders or regulations of the Director of Industry Operations or the Director General for Operations, except as specifically authorized by the Director General for Operations.

(b) No allocation shall be made to National Tinsel Manufacturing Company, its successors and assigns, of any material the supply or distribution of which is governed by any order of the Director of Industry Operations or the Director General for Operations, except as specifically authorized by the Director General for Operations.

(c) The provisions and restrictions contained in paragraphs (a) and (b) shall not apply to the application or extension by National Tinsel Manufacturing Company of any preference rating of AA-3 or higher and shall not prevent an allocation of material to National Tinsel Manufacturing Company to permit it to fill any purchase order or contract bearing a preference rating of AA-3 or higher.

(d) Nothing contained in this order shall be deemed to relieve National Tinsel Manufacturing Company from any restriction, prohibition, or provision contained in any other order or regulation of the Director of Industry Operations or the Director General for Operations, except in so far as the same may be inconsistent with the provisions hereof.

(e) This order shall take effect October 12, 1942, and shall expire on January 12, 1943, at which time the restrictions contained in this order shall be of no further effect.

(P.D. Reg. 1, as amended, 6 F.R. 6680; W.P.B. Reg. 1, 7 F.R. 561; E.O. 9024, 7 F.R. 329; E.O. 9040, 7 F.R. 527; E. O. 9125, 7 F.R. 2719; sec. 2 (a), Pub. Law 671, 76th Cong., as amended by Pub. Laws 89 and 507, 77th Cong.)

Issued this 9th day of October 1942.

ERNEST KANZLER,
Director General for Operations.

[F. R. Doc. 42-10145; Filed, October 9, 1942; 3:36 p. m.]

[1] 7 F.R. 3424, 3660, 3745, 4205, 4480, 4535, 5344, 5902, 6162, 6866.

PART 1010—SUSPENSION ORDERS

[Suspension Order S-109]

LAUREL OIL CO.

Laurel Oil Company, Inc., of Hartford, Connecticut, is a distributor of gasoline and fuel oil. During the months of April, May and June, 1942, the company made deliveries of motor fuel to thirteen service stations in excess of the amounts permitted to be so delivered in accordance with the provisions of Limitation Order L-70.[1] Seven of the service stations received overdeliveries in excess of 1,000 gallons in each of the months of April, May and June, 1942, four of them received overdeliveries in excess of 1,000 gallons in both May and June, 1942, and one received overdeliveries in excess of 1,000 gallons only in June, 1942. At all times while deliveries of motor fuel were being made, the company was aware of the provisions contained in Limitation Order L-70 governing the amount of motor fuel which may be delivered to each service station, and, therefore, deliveries of motor fuel in excess of the amounts permitted under the provisions of Limitation Order L-70 constitutes a wilful violation of that order.

These violations of Limitation Order L-70 have impeded and hampered the war effort of the United States by diverting motor fuel to uses unauthorized by the War Production Board. In view of the foregoing facts, *It is hereby ordered,* That:

§ 1010.109 *Suspension Order S-109.* (a) Laurel Oil Company, Inc., its successors and assigns, shall not deliver or cause to be delivered, directly or indirectly, in any calendar month to any of the twelve service stations listed below, any motor fuel, as the same is defined in Limitation Order L-70, in excess of 25 percent of the normal gallonage of such service station for such month, computed in accordance with the provisions of Limitation Order L-70, without the benefit of any adjustment under paragraph (e) of that order:

John Boyle, 91 Charter Oak St., Hartford, Connecticut; P. Cipolla, Park and Hudson Sts., Hartford, Connecticut; J. Kelly, 311 Washington St., Hartford, Connecticut; Elm Service Station, Elm Street, Windsor Locks, Connecticut; A. Cormier, 915 Farm Avenue, West Hart-

[1] 7 F.R. 5552, 6419.

ford, Connecticut; R. Giddings, Hop Meadow, Simsbury, Connecticut; William Granata, Sullivan Drive, East Hartford, Connecticut; D. Persky, Village and Pleasant Sts., Hartford, Connecticut; F. Sullivan, 675 Maple Avenue, Hartford, Connecticut; J. Lipski, Wintenbury Avenue, Bloomfield, Connecticut; Art Jones, 2817 Main Street, Glastonbury, Connecticut; Roy Booth, 43 New Britain St., Hartford, Connecticut.

(b) Nothing contained in this order shall be deemed to relieve the Laurel Oil Company, Inc., from any restriction, prohibition or provision contained in any other order or regulation of the War Production Board except in so far as the same may be inconsistent with the provisions hereof.

(c) This order shall remain in effect during the calendar months of October, November and December, 1942.

(P.D. Reg. 1, as amended, 6 F.R. 6680; W.P.B. Reg. 1, 7 F.R. 561; E.O. 9024, 7 F.R. 329; E.O. 9040, 7 F.R. 527; E.O. 9125, 7 F.R. 2719; sec. 2 (a), Pub. Law 671, 76th Cong., as amended by Pub. Laws 89 and 507, 77th Cong.)

Issued this 9th day of October 1942.

ERNEST KANZLER,
Director General for Operations.

[F. R. Doc. 42-10146; Filed, October 9, 1942; 3:37 p. m.]

PART 978—UTILITIES—MAINTENANCE, REPAIR, AND SUPPLIES

[Preference Rating Order P-46 as Amended October 10, 1942]

Preference Rating Order P-46, as heretofore amended, is hereby amended to read as follows:

§ 978.1 *Preference Rating Order P-46*[1]—(a) *Definitions.* For the purposes of this order: (1) "Producer" means any individual, partnership, association, corporation, governmental corporation or agency, or any organized group of persons, whether incorporated or not, located in the United States, its territories, or possessions, or any such producer located in the Dominion of Canada to whom and in whose name a copy of this order has been specifically issued, engaged in, or constructing facilities for the purpose of engaging in, one or more of the following services, whether or not such producer has applied the preference ratings herein assigned:

(i) Supplying electric power directly or indirectly for general use by the public.

(ii) Supplying gas, natural or manufactured, directly or indirectly for general use by the public.

(iii) Supplying water directly or indirectly for general use by the public.

(iv) Supplying central steam heating directly or indirectly for general use by the public.

(v) Supplying public sanitation services; but not including manufacturers of public sanitation products.

(2) "Material" means any commodity, equipment, accessory, part, assembly, or product of any kind.

(3) "Maintenance" means the upkeep of a producer's property and equipment in sound working condition.

(4) "Repair" means the restoration of a producer's property and equipment to sound working condition after wear and tear, damage, destruction of parts, or the like have made such property or equipment unfit or unsafe for service.

(5) "Operating supplies" means:

(i) Material which is essential to the operation of any of the industries or services specified above and which is generally carried in a producer's inventory and charged to operating expense accounts.

(ii) Material for an addition to or an expansion of property or equipment, provided that such addition or expansion shall not include any work order, job, or project in which the cost of material shall exceed $1,500 in the case of underground construction and $500 in the case of other construction, and provided further that no single construction project shall be subdivided into parts in order to come below these limits.

(6) Material for "operating supplies," "maintenance," and "repair" includes only material which is essential to minimum service standards, and does not include material for the improvement of a producer's property or equipment through the replacement of material which is still usable in the existing installation with material of a better kind, quality, or design.

(7) "Supplier" means any person with whom a purchase order or contract has been placed for delivery of material to a producer or to another supplier.

(8) "Calendar quarterly period" means the quarterly period commencing on the first day of the first, fourth, seventh, and tenth months of the calendar year and ending, respectively, on the last day of the third, sixth, ninth, and twelfth months of the calendar year, or the producer's customary accounting period closest to such period.

(9) "Inventory" means all new or salvaged material in the producer's possession, unless physically incorporated in plant, without regard to its accounting classification, excluding, however, appliances and merchandising supplies, and material in the producer's possession which is segregated for use in additions and expansions specifically authorized under paragraph (e) (2) of this order, or by an operative order in the P-19 series, or by an operative preference rating certificate issued by the War Production Board.

(b) *Assignment of preference ratings.* Subject to the terms of this order, the following preference ratings are hereby assigned:

(1) *Producers.* (i) AA-5 to deliveries, to a producer, of material required by him for maintenance or repair, and to deliveries of operating supplies.

(ii) Subject to the provisions of paragraph (e) (2), AA-5 to deliveries, to a producer, of material required by him for protection against sabotage, air raids, or other hostile acts, provided such protection is directed by an authorized Federal or State agency.

(iii) Subject to the provisions of paragraph (e) (2), deliveries, to a producer, of material required by him for the construction of transmission, switching and distribution facilities necessary to serve projects bearing a rating of A-5 or better, or to serve equipment the delivery of which is rated A-5 or better, are assigned the same rating as is assigned to such project or to the delivery of such equipment; except that where such project or such equipment is assigned two or more ratings and both or all of these are A-5 or better, deliveries to a producer of items containing copper, or iron, or steel are assigned the highest rating which is assigned by the project or equipment rating order to deliveries of items containing the like metal, and in the case of all other items such deliveries to a producer are assigned the lowest rating which is assigned to such project or equipment.

(iv) AA-2X to deliveries, to a producer, of material required by him for repair of facilities following an actual breakdown thereof, or to make reasonable advance provision for such repair, provided that such AA-2X rating shall not be applied to more than 30 percent of the material in any class which can be scheduled for delivery in each calendar quarterly period under the provisions of paragraph (f) of this order.

(c) *Revocation or amendment.* This order may be revoked or amended at any time as to any producer or any supplier. In the event of revocation, deliveries already rated pursuant to this order shall be completed in accordance with said rating, unless the rating has been specifically revoked with respect thereto. No additional applications of the rating to any other deliveries shall thereafter be made by the producer or supplier affected by such revocation.

(d) *Restrictions on use of rating.* The preference ratings hereby assigned shall not be applied or extended by a producer or supplier to obtain deliveries of scarce material, the use of which could be eliminated without serious loss of efficiency by substitution of a less scarce material or by change of design.

(e) *Application and extension of ratings.* (1) The ratings assigned by this order may be applied and extended by a producer or supplier either:

(i) In accordance with Priorities Regulation No. 3 as amended; provided, however, that in no case may the ratings assigned in paragraphs (b) (1) (ii) and (b) (1) (iii) hereof be applied or extended until approval has been granted pursuant to paragraph (e) (2) hereof, or

(ii) By endorsement of the following statement on the original and all copies

[1] 7 F.R. 2348, 4699, 5272, 5903, 7234, 7802.

of each purchase order or contract for material the delivery of which is rated by this order, and delivery of a copy of such order or contract to any supplier:

Rating ____. Material to be delivered pursuant to paragraph (b) ____ of Preference Rating Order P-46, Utilities: Maintenance, Repair and Supplies, with the terms of which I am familiar.

(Name of Producer or Supplier)

(Signature of Designated Official)

(2) In addition to the requirements of paragraph (e) (1), a producer, in order to apply the preference ratings assigned by paragraphs (b) (1) (ii) and (b) (1) (iii), to segregate material from inventory for the uses described in such paragraphs, or to accept delivery of material for such uses, must, unless otherwise directed, communicate with the Power Branch, War Production Board, Washington, D. C., Ref: P-46 (except that communications with reference to public sanitation shall be addressed to the Bureau of Governmental Requirements, War Production Board, Ref: P-46), supplying in detail the following information or such other information as may from time to time be required:

(i) The producer's job number relating to the proposed construction.

(ii) A description of the project or equipment to be served, including the location, an estimate of peak load and consumption, as well as other pertinent information.

(iii) A description of the proposed utility construction, including a print of line construction showing size of conductor or pipe, capacity of transformers, pumps, compressors, tanks, holders, and other equipment, the location of hydrants and important control valves, as well as other information relevant thereto.

(iv) A statement of relationship to military needs, war production, public health or safety.

(v) A copy of the customer's project or equipment preference rating order or certificate. (Such copies of orders or certificates are not required when utilities' applications accompany the customer's project application.)

(vi) A statement explaining whether service can be rendered in any other way, or by any other producer, with the use of smaller quantities of critical materials.

(vii) An estimate of the total cost of the producer's project.

(viii) A list of materials required for the construction, giving the estimated weight of each material with the estimated cost, classified as indicated in the instructions for revised Form PD-200. (Such list should indicate materials in inventory not to be replaced, materials to be purchased from the excess stocks of other utilities, materials to be obtained or replaced without priorities assistance, and materials expected to be obtained or replaced with priorities assistance.)

The Director General for Operations will notify the producer whether and to what extent the application is approved and no producer shall apply such preference ratings, segregate material from inventory for the uses described in paragraphs (b) (1) (ii) and (b) (1) iii), or accept delivery of material for such uses without such approval.

(3) In addition to the records required to be kept under Priorities Regulation No. 1, the producer, and each supplier placing or receiving any purchase order or contract rated hereunder, shall retain, for a period of 2 years, for inspection by representatives of the War Production Board, endorsed copies of all such purchase orders or contracts, whether accepted or rejected, segregated from all other purchase orders or contracts or filed in such manner that they can be readily segregated for such inspection.

(f) *Restrictions on deliveries, withdrawals, and inventory.* (1) No producer shall, in placing orders, schedule for delivery to him in any calendar quarterly period any items of material (whether or not rated pursuant to this order) to be used as operating supplies, or for maintenance or repair, or for any other purpose (except material to be segregated for use in additions and expansions specifically authorized under paragraph (e) (2) of this order, or by an operative order in the P-19 series, or by an operative preference rating certificate issued by the War Production Board), the aggregate dollar volume of which shall exceed the applicable percentage, as indicated below, of the aggregate dollar volume of withdrawals of items of materials of the same class from inventory during the calendar year 1940. Such percentage shall be:

(i) In the case of electric power producers (*a*) 15 per cent as to transmission and distribution material, provided that not less than 75 per cent of all scheduled deliveries of wire, cable, and bus bar shall be from the inventory of another producer; (*b*) 25 per cent as to all other classes of material;

(ii) In the case of gas and water producers (*a*) 15 per cent as to transmission and distribution material, provided that not less than 40 per cent of all scheduled deliveries of such material (excluding meters) shall be from the inventory of another producer; (*b*) 25 per cent as to all other classes of material;

(iii) In the case of central steam heating and sanitation service producers, 25 per cent as to all classes of material.

(2) No producer shall at any time accept deliveries (whether or not rated pursuant to this order) of any item of material to be used as operating supplies or for maintenance or repair or for any other purpose (except material to be segregated for use in additions and expansions specifically authorized under paragraph (e) (2) of this order, or by an operative order in the P-19 series, or by an operative preference rating certificate issued by the War Production Board) until such producer's inventory of items of the same class has been reduced to a practical working minimum. Such inventory shall in no case exceed:

(i) For any class of material commonly used for transmission and distribution plant (including meters, and in the case of electric systems, material for switching and substation plant as well as wire, cable, and bus bar material) 60 per cent of the aggregate dollar volume of items of material of the same class in inventory on the most recent date during the calendar year 1940 on which the producer's inventory was taken;

(ii) For every other class of material, the aggregate dollar volume of items of material of the same class in inventory on the most recent date during the calendar year 1940 on which the producer's inventory was taken.

(3) No producer shall (i) during any calendar quarterly period, make withdrawals from inventory of any item of material to be used as operating supplies for maintenance or repair or for any other purpose (except to segregate such material for use in additions and expansions specifically authorized under paragraph (e) (2) of this order, or by an operative order in the P-19 series, or by an operative preference rating certificate issued by the War Production Board), the aggregate dollar volume of which shall exceed:

(*a*) For any class of material commonly used for transmission and distribution plant (including meters and, in the case of electric systems, material for switching and substation plant as well as wire, cable, and bus bar material), 60 per cent of the aggregate dollar volume of withdrawals of such items of material of the same class during the corresponding quarter of 1940, or at the producer's option, 15 per cent of the aggregate dollar volume of withdrawals of such items of material of the same class during the calendar year 1940;

(*b*) For every other class of material, the aggregate dollar volume of withdrawals of such items of material of the same class during the corresponding quarter of 1940, or at the producer's option, 25 per cent of the aggregate dollar volume of withdrawals of such items of material of the same class during the calendar year 1940.

(ii) Construct an addition to or an expansion of property or equipment, and no producer shall, in the case of contract construction, accept delivery of material for such purposes unless:

(*a*) Such addition or expansion is specifically authorized by the Director General for Operations, or

(*b*) Such addition or expansion is an extension less than 250 feet in length (including service drop or service pipe and any portion built by or for a consumer) of a line to serve a new building where the foundation, under the main part of the structure, was completed prior to July 1, 1942, or

(*c*) Such addition or expansion is not an extension of a line to consumer premises and requires an expenditure of material having a dollar value of less than $1,500 in the case of underground construction and $500 in the case of other construction: *Provided, however,* That no single work order, job, or project shall be subdivided into parts to come below these limits.

(4) Notwithstanding the provisions contained in paragraphs (f) (1), (2) and (3), a producer may:

(i) In any calendar quarterly period increase the aggregate dollar volume of scheduled deliveries of material for the maintenance and repair of, and for operating supplies for, generation, production, and pumping facilities, and withdrawals of material for such use over the limits prescribed in paragraphs (f) (1) and (f) (3) respectively, proportionately to the increase in system output in the preceding calendar quarterly period over the system output in the calendar quarter of 1940 corresponding to such preceding calendar quarterly period;

(ii) Schedule for delivery in any calendar quarterly period items of material which will increase the aggregate dollar volume of inventory of material for the maintenance and repair of, and for operating supplies for, generation, production and pumping facilities over the aggregate dollar volume of material in inventory on the most recent date during the calendar year 1940 on which the producer's inventory—was taken, proportionately to the increase in system output during the preceding calendar quarterly period of 1940 corresponding to such preceding calendar quarterly period;

(iii) Schedule for delivery to him in any calendar quarterly period consumer's meters and house-regulators or make withdrawals from inventory of such meters and house-regulators in an amount not in excess of 15 per cent of the number of such meters or house-regulators condemned and destroyed by the producer in 1940, (or, at the producer's option, not in excess of 60 per cent of the number of such meters and house-regulators condemned and destroyed in the corresponding quarter of 1940) plus the number of meters and house-regulators necessary to serve the net increase in customers occurring in the current quarter. For the purposes of this subparagraph (iii), withdrawals of meters and house-regulators shall not include meters or house-regulators put in service to replace meters and house-regulators removed from service;

(iv) In order to provide material for unavoidable and emergency situations in cases where the inventory of a class of material exceeds a practical working minimum, accept in any calendar quarterly period deliveries of any short item of material within such class, such deliveries, however, not to exceed 5 per cent of the dollar volume of withdrawals of material of the same class in the calendar year 1940;

(v) In any calendar quarterly period schedule for delivery, or accept delivery of, or make withdrawals in such period of, material necessary for the maintenance or repair of the producer's property or equipment which is damaged by acts of the public enemy, sabotage, explosion, fire, flood or other climatic conditions: *Provided,* That if the restrictions in paragraph (f) (1), (2) or (3) as modified by the provisions of paragraph (f) (4) (i), (ii), (iii) and (iv) are exceeded because of the scheduling or acceptance of such deliveries, or because of such withdrawals, a full report thereof together with reasons therefor shall be made immediately to the Director General for Operations;

(vi) In any calendar quarterly period schedule for delivery, or accept delivery of, items of material in any class (as such class is indicated in War Production Board inventory report forms) having in the aggregate a dollar value not more than the dollar value of material of the same class taken from the producer's inventory for delivery to other producers or suppliers, and of such material so taken for delivery to any person pursuant to Priorities Regulation No. 13, and of such material taken for delivery to any person to whom a special sale of war material would be permissible under paragraphs (c) (2) (i) and (c) (2) (iv) of Priorities Regulation No. 13, to the extent that such takings have reduced the producer's inventory of items of material of the same class below a practical working minimum which shall in no case exceed the limits set up in paragraph (f) (2) hereof; and

(vii) In any calendar quarterly period withdraw from inventory items of material in any class (as such class is indicated in War Production Board inventory report forms) having in the aggregate a dollar value not more than the dollar value of usable material of the same class salvaged from plant during the current calendar quarterly period.

(5) The Director General for Operations may, on the application of any producer, authorize such producer to exceed the restrictions on deliveries, withdrawals, and inventory set forth in this paragraph (f). Nothing herein contained shall be construed to affect in any way any specific authorizations or approvals issued by the Director General for Operations pursuant to Preference Rating Order P-46 prior to October 10, 1942.

(6) The provisions of paragraphs (f) (1), (f) (2), and (f) (3) (i) shall not apply to fuel, water purification chemicals, wooden poles, or wooden crossarms.

(g) *Sales of material from excess inventory.* Any producer may sell to any other producer material from the seller's inventory in excess of a practical working minimum, provided that (1) a preference rating of A-1-j or higher assigned by this order or by any preference rating certificate or order, or (2) a specific direction issued by the Director General for Operations is applied or extended to the producer selling such material; and any such sale shall be expressly permitted within the terms of paragraph (c) (3) of Priorities Regulation No. 13.

(h) *Audits and reports.* (1) Each producer and each supplier who applies the preference ratings hereby assigned, and each person who accepts a purchase order or contract for material to which a preference rating is applied, shall submit from time to time to an audit and inspection by duly authorized representatives of the War Production Board.

(2) Each producer and each such supplier shall execute and file with the War Production Board such reports and questionnaires as said Board shall from time to time request. No such reports shall be filed until such time as the proper forms are prescribed by the War Production Board.

(3) Each producer shall maintain a continuing record of inventory and of segregated material in his possession.

(i) *Communications to War Production Board.* All reports required to be filed hereunder and all communications concerning this order (except reports and communications with reference to public sanitation, which must be addressed to the Bureau of Governmental Requirements, War Production Board, Ref: P-46), shall, unless otherwise directed, be addressed to: Power Branch, War Production Board, Washington, D. C. Ref.: P-46.

(j) *Violations.* Any person who wilfully violates any provision of this order, or who, in connection with this order, willfully conceals a material fact or furnishes false information to any department or agency of the United States, is guilty of a crime, and upon conviction may be punished by fine or imprisonment. In addition, any such person may be prohibited from making or obtaining further deliveries of, or from process or use of, material under priority control, and may be deprived of priorities assistance.

(k) *Applicability of priorities regulations.* This order and all transactions affected thereby are subject to all applicable provisions of the Priorities Regulations of the War Production Board, as amended from time to time.

(P.D. Reg. 1, as amended, 6 F.R. 6680; W.P.B. Reg. 1, 7 F.R. 561; E.O. 9024, 7 F.R. 329; E.O. 9040, 7 F.R. 527; E.O. 9125, 7 F.R. 2719; sec. 2 (a), Pub. Law 671, 76th Cong., as amended by Pub. Laws 89 and 507, 77th Cong.)

Issued this 10th day of October 1942.

ERNEST KANZLER,
Director General for Operations.

[F. R. Doc. 42-10167; Filed, October 10, 1942; 12:41 p. m.]

PART 978—UTILITIES: MAINTENANCE, REPAIR AND SUPPLIES

[Supplementary Preference Rating Order P-46-a, as Amended October 10, 1942]

In accordance with the provisions of § 978.1 *Preference Rating Order P-46,*[1] as amended, which the following order supplements:

§ 978.2 *Supplementary Preference Rating Order P-46-a.*[2] Notwithstanding the provisions of paragraph (f) (3) (ii) of Preference Rating Order P-46 as amended, service connections may be made by producers to facilities of the Army or Navy of the United States or the Maritime Commission, upon the direct order of the Army, Navy, or Maritime Commission: *Provided,* That the total length of the main extension or the service line does not exceed 250 feet, and the total cost of materials required for the extension does not exceed $1,500 in the case of underground construction and $500 in the case of other jobs.

(P.D. Reg. 1, as amended, 6 F.R. 6680; W.P.B. Reg. 1, 7 F.R. 561; E.O. 9024, 7 F.R. 329; E.O. 9040, 7 F.R. 527; E.O. 9125, 7 F.R. 2719; sec. 2 (a), Pub. Law 671, 76th Cong., as amended by Pub. Laws 89 and 507, 77th Cong.)

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ERNEST KANZLER,
Director General for Operations.

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PART 978—UTILITIES: MAINTENANCE, REPAIR AND SUPPLIES

[Supplementary Preference Rating Order P-46-b, as Amended October 10, 1942]

In accordance with the provisions of § 978.1 *Preference Rating Order P-46,*[3] as amended, which the following order supplements:

§ 978.3 *Supplementary Preference Rating Order P-46-b.*[4] Notwithstanding the provisions of paragraph (f) (3) (ii) of Preference Rating Order P-46 as amended, gas and electric service connections may be made by producers to permit the operation of a gas or electric range in the dwelling of a domestic consumer; *Provided,* That:

(a) Complete facilities are not installed for serving either a gas range or an electric range;

(b) The dwelling proposed for connection is not equipped with a range of any kind; and

(c) Connections (including any additional service drop, primary, secondary, and ground conductor, but excluding service entrance conductor and interior wiring) can be made with an expenditure by the producer of not more than the following amounts of material:

(1) In the case of an electric range, 15 pounds of copper, or

(2) In the case of a gas range, 75 feet of one and one-quarter inch steel pipe, or any length of steel pipe weighing in the aggregate not more than 170 pounds.

(P.D. Reg. 1, as amended, 6 F.R. 6680; W.P.B. Reg. 1, 7 R.R. 561; E.O. 9024, 7 F.R. 329; E.O. 9040, 7 F.R. 527; E.O. 9125, 7 F.R. 2719; sec. 2 (a), Pub. Law 671, 76th Cong., as amended by Pub. Laws 89 and 507, 77th Cong.)

Issued this 10th day of October 1942.

ERNEST KANZLER,
Director General for Operations.

[F. R. Doc. 42-10169; Filed, October 10, 1942; 12:42 p. m.]

PART 996—CHLORINATED HYDROCARBON SOLVENTS

[Amendment 2 to General Preference Order M-41, as Amended May 2, 1942]

Section 996.1 *General Preference Order M-41,*[1] as amended May 2, 1942, is hereby amended by striking paragraph (d) (1) of said section and inserting the following in lieu thereof:

(1) No person requiring any chlorinated hydrocarbon solvents for any use to which a preference rating of B-2 is assigned by paragraph (c) of this order shall in any month receive delivery of chlorinated hydrocarbon solvents intended for such use in an amount in excess of fifty (50) percent of such person's average monthly consumption of chlorinated hydrocarbon solvents in such use during the base period: *Provided, however,* That during the period commencing October 10, 1942, the effective date of this amendment, and ending December 31, 1942, any person requiring carbon tetrachloride for any use to which a preference rating of B-2 is assigned by paragraph (c) of this order may receive delivery in any month of an amount of carbon tetrachloride up to but not in excess of one hundred (100) percent of such person's average monthly consumption of carbon tetrachloride in such use during the base period.

(P.D. Reg. 1, as amended, 6 F.R. 6680; W.P.B. Reg. 1, 7 F.R. 561; E.O. 9024, 7 F.R. 329; E.O. 9040, 7 F.R. 527; E.O. 9125, 7 F.R. 2719; sec. 2 (a), Pub. Law 671, 76th Cong., as amended by Pub. Laws 89 and 507, 77th Cong.)

Issued this 10th day of October 1942.

ERNEST KANZLER,
Director General for Operations.

[F. R. Doc. 42-10177; Filed, October 10, 1942; 12:40 p. m.]

PART 1114—TIRE RETREADING, RECAPPING AND REPAIR EQUIPMENT

[General Limitation Order L-61, as Amended October 10, 1942]

Section 1114.1 *General Limitation Order L-61*[2] is hereby amended to read as follows:

§ 1114.1 *General Limitation Order L-61*—(a) *Definitions.* For the purpose of this order:

(1) "Person" means any individual, partnership, association, business trust, corporation, governmental corporation or any organized group of persons, whether incorporated or not.

(2) "Retreading, recapping and repair equipment" means any mechanical device used in connection with applying uncured rubber (in the form of camelback, patching rubber or otherwise) to rubber casings or inner tubes for the purpose of renewing or repairing a rubber casing or inner tube. The term includes, but is not limited to, full circle molds, full circle matrices, holders, tables, steam chambers, kettle curing devices, curing rings, curing bands, pressure plates, spacer rings, curing rims, sectional molds, sectional matrices, tire and tube repair and spot equipment, tire spreaders, tire buffers, mechanical stitchers, mechanical rollers, and regroovers. It does not include, however, small tools, such as knives, hand rollers, hand stitchers, jacks, shears, and other miscellaneous shop tools and supplies.

(b) *Restrictions on manufacture and distribution.* No manufacturer of retreading, recapping and repair equipment, or parts therefor, shall produce any such equipment, or parts therefor, except to fill orders rated A-9 or higher on a preference rating certificate PD-1A or PD-1X, or forms of the PD-408 series, issued by the Director General for Operations; and no manufacturer or distributor of retreading, recapping and repair equipment, or parts therefor, shall sell, lease, rent, deliver or otherwise transfer any new retreading, recapping or repair equipment, or parts therefor, except to fill orders rated A-9 or higher on a preference rating certificate PD-1A or PD-1X, or forms of the PD-408 series, issued by the Director General for Operations.

(c) *Criteria for issuing preference rating certificates.* In issuing ratings on preference rating certificates, the Director General for Operations will consider the following factors, to the extent feasible, among others:

(1) The number and capacity of retreading, recapping and repair equipment facilities at present available in the particular locality.

(2) The anticipated need for retreading, recapping and repair equipment in the particular locality.

(3) The amount of uncured rubber (in the form of camelback, patching rubber or otherwise) expected to be made available in the particular locality.

(d) *Non-applicability to repair or maintenance of existing equipment.* The prohibitions of paragraph (b) hereof shall not be construed to restrict the manufacture, sale, lease, loan, renting, delivery or other transfer of parts to be used to repair or maintain existing retreading, recapping or repair equipment or to repair or maintain equipment delivered in accordance with the terms of this order.

[1] 7 F.R. 2348, 4696, 5272, 7234, 7802.
[2] 7 F.R. 5661.
[3] 7 F.R. 2348, 4699, 5272, 5903, 7234, 7802.
[4] 7 F.R. 7589.

[1] 7 F.R. 3315, 5981.
[2] 7 F.R. 1855.

(e) *Production requirements plan.* Pursuant to paragraph (c) of Priorities Regulation No. 11, any person manufacturing retreading, recapping, or repair equipment, who desires priorities assistance in procuring materials to be used in such manufacture, is hereby required, unless exempted by the Director General for Operations, to file a PRP application, to qualify as a PRP unit, and to operate under the Production Requirements Plan after January 1, 1943.

(f) *Applicability of priorities regulations.* This order and all transactions affected thereby are subject to all applicable provisions of the priorities regulations of the War Production Board, as amended from time to time, except that notwithstanding the provisions of Priorities Regulation No. 3, any person applying or extending a preference rating for retreading, recapping, or repair equipment shall certify on his purchase order or contract whether the preference rating is one assigned by a preference rating certificate PD-1A or PD-1X, or by a form of the PD-408 series, issued by the Director General for Operations.

(g) *Communications to War Production Board.* All reports required to be filed hereunder, and all communications concerning this order, shall, unless otherwise directed, be addressed to: War Production Board, Washington, D. C., Ref: L-61.

(h) *Appeals.* Any person affected by this order who considers that compliance therewith would work an exceptional and unreasonable hardship upon him may appeal to the Director General for Operations, Washington, D. C., Ref: L-61, setting forth the pertinent facts and the reason he considers he is entitled to relief. The Director General for Operations may thereupon take such action as he deems appropriate.

(i) *Violations.* Any person who wilfully violates any provision of this order, or who, in connection with this order, wilfully conceals a material fact or furnishes false information to any department or agency of the United States is guilty of a crime, and upon conviction may be punished by fine or imprisonment. In addition, any such person may be prohibited from making or obtaining further deliveries of, or from processing or using, material under priority control and may be deprived of priorities assistance.

(j) *Records.* Each manufacturer or distributor of new retreading, recapping and repair equipment affected by this order shall keep and preserve for not less than two years accurate and complete records concerning inventory, production and sales of such equipment.

(k) *Reports.* Each person affected by this order shall execute and file with the War Production Board, such reports and answers to questionnaires as the Board shall from time to time request.

(P.D. Reg. 1, as amended, 6 F.R. 6680; W.P.B. Reg. 1, 7 F.R. 561; E.O. 9024, 7 F.R. 329; E.O. 9040, 7 F.R. 527; E.O. 9125, 7 F.R. 2719; sec. 2 (a), Pub Law 671, 76th Cong., as amended by Pub. Laws 89 and 507, 77th Cong.)

Issued this 10th day of October 1942.

ERNEST KANZLER,
Director General for Operations.

[F. R. Doc. 42-10181; Filed, October 10, 1942; 12:39 p. m.]

PART 1219—CASHEW NUT IMPORTS

[Revocation of Cashew Nut Imports Order M-147]

Section 1219.1 *Cashew Nut Imports Order M-147* [1] is hereby revoked, the subject matter of the said order now being covered by § 1042.1 *General Imports Order M-63, as amended.*

(P.D. Reg. 1, as amended, 6 F.R. 6680; W.P.B. Reg. 1, 7 F.R. 561; E.O. 9024, 7 F.R. 329; E.O. 9040, 7 F.R. 527; E.O. 9125, 7 F.R. 2719; sec. 2 (a), Pub. Law 671, 76th Cong., as amended by Pub. Laws 89 and 507, 77th Cong.)

Issued this 10th day of October 1942.

ERNEST KANZLER,
Director General for Operations.

[F. R. Doc. 42-10178; Filed, October 10, 1942; 12:40 p. m.]

PART 1262—HAND SERVICE TOOLS

[Amendment 2 to General Preference Order E-6]

Section 1262.1 *General Preference Order E-6* [2] is hereby amended as follows:

1. Paragraph (b) is hereby amended to read as follows:

(b) *Restrictions on use of steel for the manufacture of hand service tools.* No producer shall manufacture any hand service tools out of any alloy steels except those which are in the series specified in Exhibit B to this order, or except pursuant to specific permission of the Director General for Operations: *Provided, however,* That any alloy steel in a series which is not listed in exhibit A but which has been received by the producer for use in the manufacture of hand service tools before the first day of November 1942 may be so used by him.

2. Paragraph (c) is hereby amended to read as follows:

(c) *Restrictions on sales of hand service tools.* No producer shall sell or deliver any hand service tools except pursuant to a purchase order bearing a preference rating of A-9 or higher, or except pursuant to specific permission of the Director General for Operations.

3. Exhibit B is hereby amended to read as follows:

EXHIBIT B TO GENERAL PREFERENCE ORDER E-6

NE 1300 Series.
NE 8000 Series.
NE 9200 Series.
NE 9000 Series.
NE 9400 Series.

(P.D. Reg. 1, as amended, 6 F.R. 6680; W.P.B. Reg. 1, 7 F.R. 561; E.O. 9024, 7 F.R. 329; E.O. 9040, 7 F.R. 527; E.O. 9125, 7 F.R. 2719; sec. 2 (a), Pub. Law 671, 76th Cong., as amended by Pub. Laws 89 and 507, 77th Cong.)

Issued this 10th day of October 1942.

ERNEST KANZLER,
Director General for Operations.

[F. R. Doc. 42-10179; Filed, October 10, 1942; 12:39 p. m.]

PART 3045—COTTON TEXTILES FOR WORK APPAREL

[Amendment 1 to Schedule I to General Preference Order M-207]

Section 3045.2 *Schedule I to General Preference Order M-207* [1] is hereby amended in the following respects:

1. The classification "Denims" of paragraph (a) (2) (i) is amended to read as follows:

Denims:		
White back, 23" to 29" width basis:		
Regular finish weight basis	*or*	*Shrunk weight basis*
1.60 yard		11 ounce.
2.00 yard		9 ounce.
2.20 yard		8 ounce.
2.45 yard		2.20 yard.
3.00 yard		2.70 yard.
Denim stripes, 23" to 29" width basis:		
Regular finish weight basis	*or*	*Shrunk weight basis*
2.20 yard		8 ounce.

2. Paragraph (a) (2) (i) is amended by inserting between "Denims" and "Chambrays" the following new classification:

Pin Checks:
38" to 40"—2.40 to 2.85 yard, regular finish weight basis.

3. Paragraph (a) (3) (iii) is amended to read as follows:

(iii) the converter or finisher of work clothing textiles who purchases gray goods for bleaching, finishing or processing into work clothing textiles for sale to a manufacturer of male work clothing.

4. Paragraph (f) (1) is amended by inserting after the words "Work pants", therein, the words "other than of cotton moleskin or cotton corduroy".

5. Paragraph (f) (2) is amended to read as follows:

(2) No manufacturer of waistbands or trouser curtains and no converter or finisher of work clothing textiles shall after August 22, 1942, hold in his inventory any work clothing textiles, except cotton suedes, cotton corduroys and cotton moleskins, in excess of the total quantity of such textiles, including such textiles in process, which will be delivered out of his inventory within 90 days.

(P.D. Reg. 1, as amended, 6 F.R. 6680; W.P.B. Reg. 1, 7 F.R. 561; E.O. 9024, 7 F.R. 329; E.O. 9040, 7 F.R. 527; E.O. 9125, 7 F.R. 2719; sec. 2 (a), Pub. Law 671, 76th Cong., as amended by Pub. Laws 89 and 507, 77th Cong.)

Issued this 10th day of October 1942.

ERNEST KANZLER,
Director General for Operations.

[F. R. Doc. 42-10173; Filed, October 10, 1942; 12:40 p. m.]

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[1] F. R. 3477.
[2] 7 F.R. 4452, 4778.

[1] 7 F. R. 6673.

PART 3045—COTTON TEXTILES FOR WORK APPAREL

[Amendment 1 to Schedule II to General Preference Order M-207]

§ 3045.3 *Schedule II to General Preference Order M-207*[1] is hereby amended in the following respects:

1. Paragraph (a) (2) is amended by deleting under the classification "Mitten flannel" the words "13 ounces per linear yard, 4 harness, 34 inches", therein, and inserting in lieu thereof the words "13 ounces per linear yard, 5 harness, 34 inches"; and by inserting between the classifications "Knitted jersey" and "Twill" the following additional classification:

Cotton tubing:
12 yards to pound—2¼ inches wide.
15 yards to pound—not over 2 inches wide.
17 yards to pound—not over 1¾ inches wide.

2. Paragraph (a) (3) (ii) is amended to read as follows:

(ii) The converter or processor of work glove textiles who purchases fabrics for bleaching, finishing or processing into work glove textiles for sale to a manufacturer of work gloves.

3. Paragraph (d) (1) is amended to read as follows:

(1) No work glove manufacturer shall after August 22, 1942, hold in his inventory a total quantity of work glove textiles or work gloves, except such textiles as are intended for the manufacture of work gloves for seasonal use, and such work gloves for seasonal use, in excess of such total quantity as will be delivered out of his inventory within 90 days.

(P.D. Reg. 1, as amended, 6 F.R. 6680; W.P.B. Reg. 1, 7 F.R. 561; E.O. 9024, 7 F.R. 329; E.O. 9040, 7 F.R. 527; E.O. 9125, 7 F.R. 2719; sec. 2 (a), Pub. Law 671, 76th Cong., as amended by Pub. Laws 89 and 507, 77th Cong.)

Issued this 10th day of October 1942.

ERNEST KANZLER,
Director General for Operations.

[F. R. Doc. 42-10174; Filed, October 10, 1942; 12:40 p. m.]

PART 3051—SCALES, BALANCES, AND WEIGHTS

[Limitation Order L-190]

The fulfillment of requirements for the defense of the United States has created a shortage in the materials used in the manufacture of scales, balances, and weights for defense, for private account and for export; and the following order is deemed necessary and appropriate in the public interest and to promote the national defense:

§ 3051.1 *Limitation Order L-190*—(a) *Definitions.* For the purpose of this order:

(1) "Person" means any individual, partnership, association, business trust, corporation, governmental corporation or agency, or any organized group of persons, whether incorporated or not.

(2) "Scales" means devices used for weighing persons, materials, objects or substances, or for grading, classifying, counting or evaluating materials, objects or substances in terms of weight, or the measuring of forces expressed in terms of weight. The term includes scales, balances, and weights.

(3) "Weights" means objects of established weight used in connection with the operation of scales and necessary to the operation or testing thereof.

(4) "Scales for household use" includes all scales commonly used for household purposes, except dietetic scales graduated in the metric system for personal use by a person whose diet is regulated by a licensed physician.

(5) "New" scales are all scales other than those which have been used, or sold, leased or lent for the purpose of being used, except scales which have been used solely for demonstration, trial loans, or emergency repair loans.

(6) "Emergency repair loan" means the temporary leasing or lending of a scale to replace a similar scale while the latter is being repaired.

(7) "Class One scales" means commercial scales for use in retail trade, baby weighing scales for domestic use, and scales for household use including bathroom scales and kitchen scales.

(8) "Class Two scales" means baby weighing scales for clinical use, person weighing scales for clinical use, and dietetic scales graduated in the metric system.

(9) "Class Three scales" means mailing and parcel post scales.

(10) "Class Four scales" means all scales other than those in Class One, Class Two or Class Three.

(b) *Restrictions on production.* (1) After a period of sixty days commencing with the issuance of this order, no person may put materials into process to be assembled into Class One scales. During this period, no person may fabricate parts for Class One scales, which, together with similar parts for Class One scales in process or in inventory at the date of issuance of this order, would constitute more than a supply equal to the number of such parts required for the assembly of one-twelfth of the total number of Class One scales billed by such person to customers during the calendar year of 1941.

(2) After a period of ninety days commencing with the issuance of this order, no person may assemble any new Class One scales. During this period no person may assemble any Class One scale unless ninety percent by weight of the parts thereof had been fabricated prior to the date of issuance of this order to such an extent that they could be used for no other class of scale.

(3) Commencing October 1, 1942, no person may fabricate or assemble in any calendar quarter a total number of new Class Two and Class Three scales in excess of one-sixteenth of the total number of such scales billed by him to customers during the calendar year of 1941.

(4) No person engaged in the manufacture of scales shall increase his inventory of any type of new scales in Class Four if that inventory following such increase will exceed one-twelfth of the total number of such scales billed by him to customers during the calendar year of 1941.

(c) *Restrictions on transfer.* (1) No person shall sell, lease or lend any new Class Two, Class Three or Class Four scales (other than dietetic scales graduated in the metric system) except to fill orders rated A-9 or higher.

(2) No person shall sell, lease or lend any new dietetic scales graduated in the metric system to any person acquiring such scales for use, except to fill the prescription of a licensed physician.

(3) The restrictions of paragraphs (c) (1) and (c) (2) of this order shall not apply to an emergency repair loan of new scales when no used scales are available for such use.

(d) *Repair and maintenance parts.* (1) No person shall produce any repair or maintenance parts for scales for household use.

(2) Commencing October 1, 1942, no person shall fabricate during any calendar quarter a quantity of parts for repair and maintenance of scales which contains, when finished, a total weight of metals greater than three-eighths of the total weight of metals in the parts (exclusive of those for scales for household use) used or sold by him for repair and maintenance of scales during the calendar year of 1941.

(e) *Restrictions on types, sizes and materials.* (1) So far as any other order of the Director General for Operations may have the effect of limiting or curtailing the use of any material in any scales or parts thereof to an extent greater than herein provided, the limitations of such order shall be observed.

(2) After a period of sixty days following the issuance of this order, no manufacturer shall assemble scales equipped with poises, weighbeams, pans, scoops or commodity receivers of copper or copper base alloys. This restriction does not apply to type bars, equal-arm balances with suspended pans, or racks, pinions and rollers for registering poises.

(3) After a period of sixty days following the issuance of this order, no manufacturer may fabricate weights of copper or copper base alloys if such weights are of denominations of 20 grams (metric) or ½ ounce (avoirdupois) and over. This restriction does not apply to weights of classes A, B, M, S, and S2 as defined and recognized by the National Bureau of Standards.

(4) The Director General for Operations may from time to time issue schedules establishing simplified practices with respect to the types, sizes, forms, materials and specifications or other qualifications for scales. After the effective date of any such schedule no scales shall be fabricated, or assembled, except such as conforms to the issued schedule and except as specifically permitted by such schedule.

(f) *Applicability of priorities regulations.* This order and all transactions

[1] 7 F.R. 6673.

affected thereby are subject to all applicable provisions of the priorities regulations of the War Production Board, as amended from time to time.

(g) *Records.* All persons to whom this order applies shall keep, and preserve for not less than two years, accurate and complete records concerning inventories, production and sales.

(h) *Audit and inspection.* All records required to be kept by this order shall, upon request, be submitted to audit and inspection by duly authorized representatives of the War Production Board.

(i) *Reports.* All persons affected by this order shall execute and file with the War Production Board such reports and answers to questionnaires as the War Production Board shall from time to time request.

(j) *Violations.* Any person who willfully violates any provisions of this order, or who, in connection with this order, willfully conceals a material fact or furnishes false information to any department or agency of the United States is guilty of a crime, and upon conviction, may be punished by fine or imprisonment. In addition, any such person may be prohibited from making or obtaining further deliveries of, or from processing or using, material under priority control and may be deprived of priorities assistance.

(k) *Appeals.* Any person affected by this order who considers that compliance therewith would work an exceptional and unreasonable hardship upon him, may appeal to the War Production Board setting forth the pertinent facts and the reasons such person considers that he is entitled to relief. The Director General for Operations may thereupon take such action as he deems appropriate.

(l) *Communications.* All reports to be filed hereunder, or communications concerning this order, should be addressed to: War Production Board, Services Branch, Service Machinery Section, Washington, D. C. Ref: L–190.

(C.D. Reg. 1, as amended, 6 F.R. 6680; W.P.B. Reg. 1, 7 F.R. 561; E.O. 9024, 7 F.R. 329; E.O. 9040, 7 F.R. 527; E.O. 9125, 7 F.R. 2719; sec. 2(a), Pub. Law 671, 76th Cong., as amended by Pub. Laws 89 and 507, 77th Cong.)

Issued this 10th day of October 1942.

ERNEST KANZLER,
Director General for Operations.

[F. R. Doc. 42–10175; Filed, October 10, 1942; 12:39 p. m.]

PART 3056—PETROLEUM COKE

[Conservation Order M–212]

The fulfillment of requirements for the defense of the United States has created a shortage in the supply of petroleum coke for defense, for private account and for export; and the following order is deemed necessary and appropriate in the public interest and to promote the national defense:

§ 3056.1 *Conservation Order M–212*—(a) *Applicability of priorities regulations.* This order and all transactions affected thereby are subject to all applicable provisions of the priorities regulations of the War Production Board, as amended from time to time.

(b) *Definitions.* (1) "Person" means any individual, partnership, association, business trust, corporation, governmental corporation or agency, or any organized group of persons, whether incorporated or not.

(2) "Petroleum" means petroleum, petroleum products and associated hydrocarbons, including but not limited to natural gas.

(3) "Raw petroleum coke" means any solid, infusible, carbonaceous residue produced by the destructive distillation of petroleum, when the residue equals or exceeds 5 pounds for every barrel (of 42 gallons) of petroleum processed by destructive distillation.

(4) "Calcined petroleum coke" means raw petroleum coke after being calcined or graphitized.

(5) "Petroleum coke" means raw petroleum coke or calcined petroleum coke.

(c) *Limitations on delivery and use of petroleum coke.* Subject to the exceptions in paragraph (d) of this order, no person shall deliver, and no person shall accept delivery of or use, petroleum coke except where (1) it is to be incorporated into the following materials and articles:

Anodes
Arc carbons
Bearings
Blocks (for other than fuel purposes)
Bricks (for other than fuel purposes)
Bushings
Cathodes
Diffusers
Dry battery electrodes
Dry battery mixes
Electrical contacts
Electrodes
Extruded specialties
Filters
Fittings
Generator brushes
Joint compounds
Machined specialties
Motor brushes
Moulded specialties
Packing rings
Pipes
Powder
Raschig rings
Resister discs
Structural material
Telephone specialties
Tower sections
Tubes
Welding plates
Welding rods, or

(2) It is to be incorporated into silicon carbide abrasives, or

(3) It is to be used (otherwise than as fuel) in the treating of metals or ores after receipt of the written authorization of the Director General for Operations authorizing the specific use. Applications for such authorization should be made by the prospective user by letter filed in quadruplicate addressed to the War Production Board, Aluminum and Magnesium Branch, Washington, D. C., Ref.: M–212, which letter should state:

(i) His name and address,

(ii) The quantity and specifications of petroleum coke he proposes to use in the ensuing three months,

(iii) Why he believes no other material may be used instead of petroleum coke,

(iv) The quantity of petroleum coke in his inventory on the date of the letter,

(v) The quantity, if any, of petroleum coke he desires permission to acquire, and

(vi) The name and address of the supplier, if any, from whom he wishes to acquire the petroleum coke.

(d) *Exceptions.* (1) Until October 26, 1942, any person may use petroleum coke which was in his possession or under his control on the date of issuance of this order, free from the restrictions of paragraph (c) hereof.

(2) Any person who has in his possession or under his control not in excess of 100 short tons of petroleum coke (exclusive of briquets) on the date of the issuance of this order, may deliver or use, free from the restrictions of paragraph (c) hereof, any petroleum coke from such stocks; and any person may accept delivery of any petroleum coke from such stocks and thereafter such petroleum coke shall be free from the restrictions of paragraph (c) hereof.

(3) Any person may deliver or use free from the restrictions of paragraph (c) hereof and any person may accept delivery of or use free from the restrictions of paragraph (c) hereof, petroleum coke already manufactured into briquets for fuel purposes on the date of issuance of this order.

(e) *Special directions.* The Director General for Operations may from time to time issue specific directions or prohibitions with respect to the production and qualities of petroleum coke.

(f) *Reports.* Reports shall be made at such times and on such forms as may be prescribed therefor by the Director General for Operations, War Production Board.

(g) *Appeals.* Any person affected by this order (otherwise than by the failure of the Director General for Operations to grant an authorization under paragraph (c) (3) hereof) who considers that compliance therewith would interfere with the war effort, may appeal to the Director General for Operations, setting forth the pertinent facts, and the reasons he considers that he is entitled to relief. Such appeal should be made by letter in quadruplicate and shall be addressed to: War Production Board, Aluminum and Magnesium Branch, Washington, D. C., Ref.: M–212. The Director General for Operations may thereupon take such action as he deems appropriate.

(h) *Communications.* All statements and reports required to be filed hereunder, and all communications concerning this order, shall, unless otherwise directed, be in duplicate and addressed to: War Production Board, Aluminum and Magnesium Branch, Washington, D. C., Ref.: M–212.

(i) *Violations.* Any person who willfully violates any provision of this order

or who, in connection with this order, wilfully conceals a material fact or furnishes false information to any department or agency of the United States is guilty of a crime, and, upon conviction may be punished by fine or imprisonment. In addition, any such person may be prohibited from making or obtaining further deliveries of, or from processing or using, material under priority control, and may be deprived of priorities assistance.

(P.D. Reg. 1, as amended, 6 F.R. 6680; W.P.B. Reg. 1, 7 F.R. 561; E.O. 9024, 7 F.R. 329; E.O. 9040, 7 F.R. 527; E.O. 9125, 7 F.R. 2719; sec. 2 (a), Pub. Law 671, 76th Cong., as amended by Pub. Laws 89 and 507, 77th Cong.)

Issued this 10th day of October 1942.

ERNEST KANZLER,
Director General for Operations.

[F. R. Doc. 42-10170; Filed, October 10, 1942; 12:41 p. m.]

PART 3064—COTTON TEXTILES FOR AGRICULTURAL AND FOOD PROCESSING USES

[Amendment 1 to Schedule II to General Preference Order M-218]

Section 3064.3 *Schedule II*[1] *to General Preference Order M-182*[2] is hereby amended in the following respects:

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

(b) *Assignment of preference rating.* Purchase orders for crop cultivation fabrics placed with the manufacturer thereof by cloth merchants, or users, are hereby assigned a preference rating of A-2.

2. Paragraph (d) is amended by striking the period at the end thereof and adding thereto the following:

", and users may use the same."

(P.D. Reg. 1, as amended, 6 F.R. 6680; W.P.B. Reg. 1, 7 F.R. 561; E.O. 9024, 7 F.R. 329; E.O. 9040, 7 F.R. 527; E.O. 9125, 7 F.R. 2719; sec. 2 (a), Pub. Law 671, 76th Cong., as amended by Pub. Laws 89 and 507, 77th Cong.)

Issued this 10th day of October 1942.

ERNEST KANZLER,
Director General for Operations.

[F. R. Doc. 42-10172; Filed, October 10, 1942; 12:41 p. m.]

PART 944—REGULATIONS APPLICABLE TO THE OPERATIONS OF THE PRIORITIES SYSTEM

[Priorities Regulation 15]

§ 944.36 *Priorities Regulation 15*—(a) *Application of limitation and conservation orders to exports.* Exports and deliveries of material to be exported may be made regardless of any order of the Director General for Operations restricting inventories of material or uses thereof in manufacture or otherwise, or requiring certificates with respect to such inventories or uses, insofar as such inventories are maintained or such uses occur in the country to which such material is to be exported, but shall be subject to such restrictions with respect to inventories maintained or uses occurring within the United States prior to export.

(P.D. Reg. 1, as amended, 6 F.R. 6680; W.P.B. Reg. 1, 7 F.R. 561; E.O. 9024, 7 F.R. 329; E.O. 9040, 7 F.R. 527; E.O. 9125, 7 F.R. 2719; sec. 2 (a), Pub. Law 671, 76th Cong., as amended by Pub. Laws 89 and 507, 77th Cong.)

Issued this 10th day of October 1942.

ERNEST KANZLER,
Director General for Operations.

[F. R. Doc. 42-10171; Filed, October 10, 1942; 12:41 p. m.]

PART 935—VINYL POLYMERS

[General Preference Order M-10, as Amended October 10, 1942]

Part 935—Polyvinyl Chloride is hereby amended to read Part 935—Vinyl Polymers.

Section 935.1 *General Preference Order M-10,*[1] is hereby amended to read as follows:

The fulfillment of requirements for the defense of the United States has created a shortage in the supply of vinyl polymers for defense, for private account and for export; and the following order is deemed necessary and appropriate in the public interest and to promote the national defense:

§ 935.1 *General Preference Order M-10*—(a) *Definitions.* For the purposes of this order:

(1) "Vinyl polymers" means plasticized or unplasticized polymers and copolwmers of vinyl acetate, vinyl chloride and polyvinyl alcohol and includes their condensation products. Such term also includes, but is not limited to, vinyl chloride-acetate copolymers, polyvinyl butyral, polyvinyl formal and polyvinyl acetal and the materials known by the trade names of Koroseal, Vinylite V, Saran, Butvar, Formvar, Alvar, Butacite, Heydenite, Saflex, Vinylite X, Vinylite A, PVA, Gelva and Solva. Such term also includes vinyl polymer scrap regardless of the source from which derived.

(2) "Producer" means any person engaged in the production of any vinyl polymer and includes any person who has any vinyl polymer produced for him pursuant to toll agreement.

(b) *Restrictions on use and delivery.* (1) During the period commencing October 10, 1942, the effective date of this amendment, and ending October 31, 1942, no producer shall deliver, and no person shall accept delivery of, any polyvinyl chloride, as defined in General Preference Order M-10 as in effect prior to the date of this amendment, except in accordance with the provisions of such order.

(2) On and after November 1, 1942, no producer shall, subject to the exemptions provided for in paragraph (c) hereof, deliver any vinyl polymer except as specifically authorized or directed by the Director General for Operations.

(3) On and after November 1, 1942, no person, including a producer, shall, subject to the exemptions provided for in paragraph (c) hereof, use or accept delivery of any vinyl polymer except as specifically authorized or directed by the Director General for Operations upon application pursuant to paragraph (d) hereof.

(4) Each person affected by this order shall comply with such directions as may be given from time to time by the Director General for Operations, with respect to the use or delivery of any vinyl polymer.

(c) *Exemptions.* The restrictions provided for in paragraphs (b) (1) and (b) (2) hereof shall not apply to, and the specific authorization provided for in paragraph (b) (3) hereof shall not be required with respect to, the following:

(1) Delivery of any vinyl polymer to a producer by any person other than a producer, or to the acceptance of any such delivery.

(2) Delivery, acceptance of delivery or use of any material made in whole or in part from any vinyl polymer pursuant to any specific authorization or direction issued by the Director General for Operations: *Provided, however,* That this exemption shall not be construed to apply to vinyl polymer scrap.

(d) *Reports.* In addition to such other reports as may from time to time be required by the Director General for Operations:

(1) Each person seeking authorization to use or accept delivery of any vinyl polymer pursuant to paragraph (b) (3) hereof, shall apply for such authorization on Form PD-36. Such applicant shall file with the War Production Board the original and two copies of such form on or before the 20th day of the month preceding the month for which such authorization is requested, which form shall be prepared in the manner prescribed therein.

(2) Each producer shall file with the War Production Board the original and one copy of Form PD-33 on or before October 5, 1942, and on or before the 5th day of each month thereafter, which form shall be prepared in the manner prescribed therein.

(e) *Notification of customers.* Producers shall, as soon as practicable, notify each of their regular customers of the requirements of this order, but failure to give such notice shall not excuse any such person from complying with the terms thereof.

(f) *Miscellaneous provisions*—(1) *Applicability of priorities regulations.* This order and all transactions affected hereby are subject to all applicable provisions of War Production Board Priorities Regulations, as amended from time to time.

(2) *Violations.* Any person who wilfully violates any provision of this order, or who, in connection with this order,

[1] 7 F.R. 7432.
[2] 7 F.R. 7433.

[1] 6 F.R. 2838; 7 F.R. 70, 3231.

wilfully conceals a material fact, or furnishes false information to any department or agency of the United States is guilty of a crime, and upon conviction may be punished by fine or imprisonment. In addition, any such person may be prohibited from making or obtaining further deliveries of, or from processing or using, material under priority control and may be deprived of priorities assistance.

(3) *Communications to War Production Board.* All reports required to be filed hereunder, and all communications concerning this order, shall, unless otherwise directed, be addressed to: War Production Board, Chemicals Branch, Washington, D. C. Ref: M–10.

(P. D. Reg. 1, as amended, 6 F.R. 6680; W.P.B. Reg. 1, 7 F.R. 561; E.O. 9024, 7 F.R. 329; E.O. 9040, 7 F.R. 527; E.O. 9125, 7 F.R. 2719; sec. 2 (a), Pub. Law 671, 76th Cong., as amended by Pub. Laws 89 and 507, 77th Cong.)

Issued this 10th day of October 1942.

ERNEST KANZLER,
Director General for Operations.

[F. R. Doc. 42–10176; Filed, October 10, 1942; 12:40 p. m.]

PART 976—MOTOR TRUCKS, TRUCK TRAILERS AND PASSENGER CARRIERS

[Amendment 2 to Supplementary General Limitation Order L–1–e]

Section 976.15 *Supplementary General Limitation Order L–1–e*[1] *as amended,* is hereby further amended by adding paragraph (f) to read as follows:

(f) *Protection of production schedules.* Producers of off-the-highway motor vehicles under the terms of this order may, notwithstanding the provisions of Priorities Regulation No. 1 (Part 944), schedule their production of such vehicles as if the orders therefor bore a rating of AA–2X.

(P.D. Reg. 1, as amended, 6 F.R. 6680; W.P.B. Reg. 1, 7 F.R. 561; E.O. 9024, 7 F.R. 329; E.O. 9040, 7 F.R. 527; E.O. 9125, 7 F.R. 2719; sec. 2 (a), Pub. Law 671, 76th Cong., as amended by Public Laws 89 and 507, 77th Cong.)

Issued this 10th day of October 1942.

ERNEST KANZLER,
Director General for Operations.

[F. R. Doc. 42–10180; Filed, October 10, 1942; 12:39 p m.]

PART 1179—GOLF CLUBS

[General Limitation Order L–93, as Amended October 12, 1942]

Section 1179.1 *General Limitation Order L–93*[2] is hereby amended to read as follows:

§ 1179.1 *General Limitation Order L–93*—(a) *Definitions.* For the purposes of this order:

(1) "Manufacturer" means any individual, partnership, association, business trust, corporation, governmental corporation or agency, or any organized group of persons, whether incorporated or not, engaged in the production of golf clubs, repair or replacement parts, or of any parts made specifically for incorporation into golf clubs.

(2) "Critical material" means plastics which are not in a completely fabricated shape ready for assembly, cork, and any metal other than iron, steel, gold and silver.

(3) "Repair or replacement part" means any part for a golf club which is not produced for or used in a new golf club.

(b) *General restrictions.* (1) No manufacturer shall process, fabricate, work on or assemble any iron, steel or critical materials for use in the production of golf clubs, golf club parts, or repair or replacement parts. Nothing in this subparagraph shall be construed to prevent the assembly of repair or replacement parts which were completely processed, fabricated, worked on or assembled prior to October 12, 1942, with used golf clubs for repair purposes.

(2) No manufacturer shall procure or acquire any iron, steel or critical materials for use in the production of golf clubs, golf club parts, or repair or replacement parts.

(c) *Records.* All persons affected by this order shall keep and preserve for not less than two years accurate and complete records concerning inventories, production and sales.

(d) *Reports.* All persons affected by this order shall execute and file with the War Production Board such reports and questionnaires as said Board shall from time to time request.

(e) *Audit and inspection.* All records required to be kept by this order shall, upon request, be submitted to audit and inspection by duly authorized representatives of the War Production Board.

(f) *Violations.* Any person who wilfully violates any provision of this order, or who, in connection with this order, wilfully conceals a material fact or furnishes false information to any department or agency of the United States, is guilty of a crime, and upon conviction may be punished by fine or imprisonment. In addition, any such person may be prohibited from making or obtaining further deliveries of or from processing or using material under priority control and may be deprived of priorities assistance.

(g) *Appeal.* Any appeal from the provisions of this order must be made on Form PD–500 and must be filed with the field office of the War Production Board of the district in which is located the plant to which the appeal relates.

(h) *Applicability of priorities regulations.* This order and all transactions affected thereby are subject to all applicable provisions of the priorities regulations of the War Production Board, as amended from time to time.

(i) *Communications.* All reports required to be filed hereunder and all communications concerning this order shall, unless otherwise directed, be addressed to the War Production Board, Washington, D. C., Ref: L–93.

(P.D. Reg. 1, as amended, 6 F.R. 6680; W.P.B. Reg. 1, 7 F.R. 561; E.O. 9024, 7 F.R. 329; E.O. 9040, 7 F.R. 527; E.O. 9125, 7 F.R. 2719; sec. 2 (a), Pub. Law 671, 76th Cong., as amended by Pub. Laws 89 and 507, 77th Cong.)

Issued this 12th day of October 1942.

ERNEST KANZLER,
Director General for Operations.

[F. R. Doc. 42–10227; Filed, October 12, 1942; 11:25 a. m.]

PART 1217—COCOA

[Amendment 1 to Conservation Order M–145]

Paragraph (c) of § 1217.1 *Conservation Order M–145*[1] is amended in the following respects:

1. By amending the introductory phrase in paragraph (c) (1) to read as follows: "Except as otherwise permitted in this paragraph".

2. By adding a new paragraph numbered (c) (6) and reading as follows:

(6) During any quota period, any person who processes cocoa beans may utilize not more than one-tenth of his quota for the preceding quota period if the portion of the quota so carried over was not utilized by him during such preceding quota period.

(P.D. Reg. 1, as amended, 6 F.R. 6680; W.P.B. Reg. 1, 7 F.R. 561, E.O. 9024, 7 F.R. 329; E.O. 9040, 7 F.R. 527; E.O. 9125, 7 F.R. 2719; sec. 2 (a), Pub. Law 671, 76th Cong., as amended by Pub. Laws 89 and 507, 77th Cong.)

Issued this 12th day of October, 1942.

ERNEST KANZLER,
Director General for Operations.

[F. R. Doc. 42–10226; Filed, October 12, 1942; 11:25 a. m.]

PART 1233—THERMOPLASTICS

[Revocation of Supplementary Order M–154–a]

Section 1233.2 *Supplementary Order M–154–a*[2] is hereby revoked, the subject matter of said order now being covered by § 935.1 *General Preference Order No. M–10, as amended October 10, 1942.* This action shall not be construed to affect in any way any liability or penalty accrued or incurred under said Order M–154–a.

This order shall take effect November 1, 1942.

(P.D. Reg. 1, as amended, 6 F.R. 6680; W. P. B. Reg. 1, 7 F.R. 561; E.O. 9024, 7 F.R. 329; E.O. 9040, 7 F.R. 527; E.O. 9125, 7 F.R. 2719; sec. 2 (a), Pub. Law 671, 76th Cong., as amended by Pub. Laws 89 and 507, 77th Cong.)

Issued this 12th day of October 1942.

ERNEST KANZLER,
Director General for Operations.

[F. R. Doc. 42–10242; Filed, October 12, 1942; 11:25 a. m.]

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[1] 7 F.R. 2782.
[2] 7 F.R. 2735, 2868, 3518, 4272.

[1] 7 F.R. 3489, 4380.
[2] 7 F.R. 6419.

PART 1292—USED SILK HOSIERY

[Conservation Order M–182, as Amended October 12, 1942]

Section 1292.1 *Conservation Order M–182*[1] is hereby amended to read as follows:

§ 1292.1 *Conservation Order M–182*—(a) *Applicability of priorities regulations.* This order and all transactions affected thereby are subject to all applicable provisions of the priorities regulations of the War Production Board, as amended from time to time.

(b) *Definitions.* For the purposes of this order:

(1) "Used silk hosiery" means any women's or misses' hosiery of any length or size of which the body is silk and/or nylon and which has been worn or otherwise used or damaged so that it can be sold only as second hand material.

(2) "Sorter" means any person regularly engaged in the course of his business in sorting rags or other waste materials received by him into grades, kinds or classes, and shall include persons sorting used silk hosiery from such rags or other material whether sorted separately or sorted together with other used women's hosiery of rayon or nylon.

(3) "Dealer" means any person, other than a sorter as hereinabove defined who, in the course of his business buys, holds or sells in bulk or in bales any used silk hosiery as such or women's used hosiery as such, and the term shall also include exporters, importers, agents or brokers, whether or not they hold title to the used hosiery.

(4) "Processor" means any person engaged in the purchasing or collecting of used silk hosiery as such or women's used hosiery as such for use in the manufacture of any product or for processing in any manner, and so using and processing the same.

(c) *Restrictions on sorters.* Every sorter shall separate women's used hosiery from all other rags or materials received by him and shall only sell and deliver such segregated hosiery in accordance with the provisions of paragraph (e) of this order.

(d) *Restrictions on sales and deliveries of used silk hosiery.* Except as permitted in paragraph (e), no sorter, dealer, or processor shall sell or deliver and no processor shall purchase, accept delivery of, cut, or process any used silk hosiery.

(e) *General exceptions.* The prohibitions and restrictions of this order shall not apply to:

(1) Sales and deliveries by dealers of mixed rags or waste materials a portion of which is used silk hosiery.

(2) Sales and deliveries by dealers and sorters to other dealers or sorters of used silk hosiery as such or women's used hosiery as such.

(3) The processing and use by any processor of used silk hosiery owned by such processor for physical incorporation into powder bags required to be delivered under orders placed by, or contracts held with, the Army or Navy of the United States, the United States Maritime Commission or the War Shipping Administration.

(4) Sales and deliveries by or to the Defense Supplies Corporation, or to any person designated by it to purchase, sell, deliver, and accept delivery of such used silk hosiery for its account.

(5) The processing and use of used silk hosiery purchased from the Defense Supplies Corporation to the extent and for the purpose authorized by the Director General for Operations.

(6) Deliveries by or to any person having temporary custody of used silk hosiery for the sole purpose of transportation or public warehousing.

(7) Sales or deliveries to reprocessors of hosiery for mending, cleaning or other repair and sales of such reconditioned hosiery for use as hosiery.

(8) Sales or deliveries by retail stores or to such stores by their retail customers either on return for credit or otherwise.

(f) *Applications for authorization to purchase and use.* Any person desiring to purchase used silk hosiery from the Defense Supplies Corporation for physical incorporation into material or equipment to be delivered to, or for the account of, the Army or Navy of the United States, the United States Maritime Commission, the War Shipping Administration, or the Defense Plant Corporation, shall make application therefor by letter addressed to the War Production Board, stating the amount required, the intended use thereof, the number or designation of the contract with one of the said agencies for the fulfillment of which it will be used, and the present inventory thereof. Such applications as are granted will carry therewith an authorization to use the used silk hosiery purchased from the Defense Supplies Corporation for the purposes specified in such authorization.

(g) *Inventory and other reports.* Any sorter, dealer or processor having in his possession on October 12, 1942 any used silk hosiery sorted or baled as such or sorted or baled with other women's used hosiery as such shall file with the War Production Board the inventory, receipts and distribution record required by Form PD–686 for the month of October 1942 and monthly thereafter; and such other reports or questionnaires as shall from time to time be required by said Board. Copies of Form PD–686 may be obtained on application to the War Production Board, Textile, Clothing and Leather Branch, Washington, D. C., Reference: M–182.

(h) *Appeals.* Any person affected by this order who considers that compliance therewith would work an exceptional and unreasonable hardship upon him, or that it would result in a degree of unemployment which would be unreasonably disproportionate compared with the amount of used silk hosiery conserved, or that compliance with this order would disrupt or impair a program of conversion from non-defense to defense work, may appeal to the War Production Board by letter or telegram, Reference M–182, setting forth the pertinent facts and the reason he considers he is entitled to relief. The Director General for Operations may thereupon take such action as he deems appropriate.

(i) *Records.* All persons affected by this order shall keep and preserve for not less than two years accurate and complete records concerning inventories, production and sales.

(j) *Communications to the War Production Board.* The applications referred to in paragraph (f), the reports required to be filed under paragraph (g), all other reports required to be filed hereunder, and all communications concerning this order, shall, unless otherwise directed, be addressed to: War Production Board, Textile, Clothing and Leather Branch, Washington, D. C., Reference M–182.

(k) *Violations.* Any person who wilfully violates any provision of this order, or who, in connection with this order, wilfully conceals a material fact or furnishes false information to any department or agency of the United States is guilty of a crime, and upon conviction may be punished by fine or imprisonment. In addition, any such person may be prohibited from making or obtaining further deliveries of, or from processing or using, material under priority control and may be deprived of priorities assistance.

(P.D. Reg. 1, as amended, 6 F.R. 6680; W.P.B. Reg. 1, 7 F.R. 561; E.O. 9024, 7 F.R. 329; E.O. 9040, 7 F.R. 527; E.O. 9125, 7 F.R. 2719; sec. 2 (a), Pub. Law 671, 76th Cong., as amended by Pub. Laws 89 and 507, 77th Cong.)

Issued this 12th day of October 1942.

ERNEST KANZLER,
Director General for Operations.

[F. R. Doc. 42–10243; Filed, October 12, 1942; 11:25 a. m.]

[1] 7 F.R. 5557.

Chapter XI—Office of Price Administration

PART 1304—IRON AND STEEL SCRAP

[Amendment 8 to Revised Price Schedule 4[1]]

IRON AND STEEL SCRAP

A statement of the considerations involved in the issuance of this amendment has been issued simultaneously herewith and has been filed with the Division of the Federal Register.*

Subparagraph (5) of § 1304.6 (a), item 11 of § 1304.13 (a) (2), subdivision (iii) of § 1304.13 (a) (4), § 1304.13 (a) (7), § 1304.13 (d) (1) are amended; introductory text to Exception 3 of § 1304.13 (d) (4), subparagraph (3) of § 1304.13 (e), items (2), (11), (13), (14) and (16) of § 1304.13 (f), subparagraph (4)

*Copies may be obtained from the Office of Price Administration.

[1] 7 F.R. 1207, 1836, 2132, 2155, 2507, 3087, 3550, 3889, 4488, 6217.

of § 1304.14 (e), subparagraph (4) of § 1304.15 (a), subparagraph (1) of § 1304.15 (b), are amended. Paragraph (f) of § 1304.8, item 28a of § 1304.13 (a) (3) are added.

The text of § 1304.13 (a) (5) is designated § 1304.13 (a) (5) (i) and amended and a new subdivision (ii) is added. Subparagraphs (4) and (5) of § 1304.13 (e), item (28a) of § 1304.13 (f) and paragraph (f) § 1304.14 are added. Item (17) of § 1304.13 (f) is revoked; all to read as set forth below:

§1304.6 *Commissions.* (a) * * *

(5) The commission is shown as a separate item on the invoice.

No commission shall be payable to a person for scrap which he prepares; nor shall any commission be payable to a person controlling, or holding directly or indirectly a substantial financial interest in, the person preparing the scrap, or to a person controlled by the person preparing the scrap, or to a person in whom the person preparing the scrap holds directly or indirectly a substantial financial interest.

* * * * *

§ 1304.8 *Record-keeping and reporting requirements.* * * *

(f) Reports regarding initial sales of inferior unlisted grades of scrap shall be filed in accordance with the requirements of §§ 1304.13 (a) (7) and 1304.15 (a) (4).

* * * * *

§ 1304.13 *Appendix A: Maximum prices for iron and steel scrap other than railroad scrap.* (a) * * *

(2) *Basing point prices of standard grades.* * * *

Standard grades:	*Adjustments (plus or minus)*
* * * * *	
11. No. 2 busheling	—$2.50
* * * * *	

(3) *Basing point prices of special grades.* * * *

Special grades	*Adjustments (plus or minus)*
* * * * *	
28a. Baled machine shop turnings	------
* * * * *	

(4) *Premiums for alloy content.* * * *

(iii) Where high manganese steel scrap containing at least 10% manganese, cut 12" x 24" x 8" and under, and suitable without further preparation for direct charging into an electric furnace, is sold for electric furnace use only, the basing point price at the applicable basing point shall be $7.00 per gross ton over No. 1 Heavy Melting Steel. If the material is larger than 12" x 24" x 8" and is sold for electric furnace use only, the basing point price at the applicable basing point shall be $3.00 per gross ton over No. 1 heavy melting steel.

* * * * *

(5) *Special preparation charges.* (i) Except as otherwise provided in this subparagraph, no charge may be made for special preparation without prior approval by the Office of Price Administration. A $2.00 per gross ton charge may be made by scrap dealers for crushing turnings other than heavy turnings, Item 26. An industrial producer may charge $1.00 per gross ton for crushing turnings other than heavy turnings, Item 26.

(ii) Whenever scrap has arrived at the point of delivery, and the consumer engages a dealer to prepare such scrap, no charge may be made for such service unless prior approval is secured from the Office of Price Administration.

* * * * * *

(7) *Grades inferior to No. 1 heavy melting steel.* Grades (other than those listed in this paragraph) which are inferior to the base grade, No. 1 heavy melting steel, shall be priced at the average differential below the base grade price which the seller received during the base period September 1, 1940 to January 31, 1941: *Provided, however,* That if the seller's base period experience was inadequate or unrepresentative, the seller shall apply to the Office of Price Administration, Washington, D. C., for the establishment of an appropriate price. For the initial sale after October 15, 1942, of each unlisted grade of scrap priced according to the seller's base period experience, such seller shall file with the Office of Price Administration, Washington, D. C., within 15 days after delivery of such scrap, a complete description of the material sold and the price charged.

For the purposes of this subparagraph only, the term seller means the person selling to the broker, or, in cases where a broker is not involved in the transaction, the person selling to the consumer.

* * * * *

(d) *Maximum prices delivered to the plant of a consumer.* * * *

(1) Where transportation from shipping point to point of delivery is wholly or partially by rail, by vessel, or combination of rail and vessel, the maximum delivered price shall be the shipping point price as determined in paragraph (c) of this section, plus the established charge for transporting the scrap from the shipping point to the point of delivery by the mode of transportation employed.

Where transportation from shipping point to point of delivery includes a rail-truck movement to a consumer lacking adequate facilities for receiving the scrap by rail, and the truck portion of such rail-truck movement occurs in a motor vehicle other than a public carrier, no established charges or costs incurred in unloading the scrap from the railroad car and hauling the scrap to point of delivery may be included in the delivered price. In lieu thereof, $1.00 per gross ton may be included in the delivered price. If the consumer has adequate facilities for receiving the scrap by rail, no charge may be made for the truck portion of such rail-truck movement.

* * * * *

(4) * * *

Exception 3. "Remote scrap" means all the kinds and grades of iron and steel scrap referred to in § 1304.13, Appendix A, having a shipping point and a point of origin within the States of Montana, Idaho, Wyoming, Nevada, Arizona, New Mexico, Texas, Oklahoma, Florida, Oregon, Utah, Washington, North Dakota, South Dakota and Louisiana. Nebraska and Kansas shall be remote for shipping points having a maximum shipping point price of $13.00 per gross ton. Colorado scrap shall be remote scrap for Colorado consumers only. Shipping points in California having a maximum shipping point price of $13.00 per gross ton shall be remote for California consumers only.

* * * * *

(e) *Unprepared scrap.* * * *

(3) Except as otherwise provided in this paragraph, where scrap is to undergo preparation prior to its arrival at the point of delivery, such scrap is not at its shipping point, as that phrase is defined in paragraph (c) of this section, until after such preparation has been completed.

(4) Where a consumer purchases unprepared remote scrap in rail carload lots, if no adequate facilities for preparation exist at or near the shipping point, the consumer may designate a dealer or dealers to prepare such scrap on a preparation fee basis. The maximum preparation fee shall be $4.00 per gross ton for No. 1, No. 2, and No. 3 bundles, and $2.50 per gross ton for all other grades. The maximum delivered price shall be the maximum shipping point price for the unprepared scrap at the remote shipping point, plus the rail transportation charges incurred in moving the scrap to the dealer's yard, plus the applicable maximum preparation fee, plus transportation charges from the dealer's yard to the point of delivery. The transportation charges from the dealer's yard to the point of delivery shall be computed in the same manner as the charges allowable under § 1304.13 (d) on an identical tonnage of scrap shipped by the dealer from his yard to the same point of delivery. The maximum delivered price of such scrap shall not exceed by more than $5.00 the price at the basing point nearest the consumer's plant except upon prior approval of the Office of Price Administration as provided in Exception 3 in paragraph (d) (4) of this section. Every purchase of scrap on this preparation fee basis shall likewise be subject to all the filing and other requirements in Exception 3 of paragraph (d) (4) of this section. At no time shall ownership of such scrap reside in the dealer to whom the preparation fee is paid.

(5) If unprepared scrap in rail carload lots is allocated by the War Production Board to a consumer lacking facilities for preparing such scrap, such consumer may designate a dealer or dealers to prepare such scrap on a preparation fee basis. The maximum preparation fee shall be the differential established in paragraph (a) of this section between the unprepared scrap and the listed grade into which the scrap is prepared—e. g. $2.50 per gross ton for No. 1 heavy melting steel, $3.50 per gross ton for cut automotive steel 1 foot and under, and $4.00 per gross ton for No. 1, No. 2, and No. 3 bundles. The maximum delivered price shall be the maximum shipping point price for the unprepared scrap

at the original shipping point, plus the rail transportation charges incurred in moving the scrap to the dealer's yard, plus the applicable maximum preparation fee, plus transportation charges from the dealer's yard to the point of delivery. The transportation charges from the dealer's yard to the point of delivery shall be computed in the same manner as the charges allowable under § 1304.13 (d) on an identical tonnage of scrap shipped by the dealer from his yard to the same point of delivery pursuant to an allocation order. At no time shall the ownership of such scrap reside in the dealer to whom the preparation fee is paid.

(f) *Definitions of grades referred to in paragraph* (a). * * *

(2) *No. 2 heavy melting steel.* Wrought iron or steel scrap, black or galvanized, ⅛ inch and over in thickness, not over 18 inches in width and not over 5 feet in length. (Uncut bumpers and front axles of passenger automobiles, and uncut rear ends of passenger automobiles free of wheels and brake assemblies and drained of oil, may be included even though over 5 feet in length.) Individual pieces must be free from attachments and so cut as to lie flat in the charging box. May include pipe; heavy oil field or similar cable not less than 1 inch in diameter and cut to lengths of 3 feet or less; and car sides and light plate cut 15 inches by 15 inches or under. May not include auto body and fender stock.

* * * * *

(11) *No. 2 busheling.* Cut hoops, netting, cut unbaled fence wire, light sheets, rusted car sides, cotton ties, and galvanized light material. No dimension over 12 inches. May be black or galvanized. No hard steel, cast, malleable, or enameled or metal coated material may be included.

* * * * *

(13) *Billet, bloom and forge crops.* Billet, bloom, axle, slab, heavy plate and heavy forge crops, not over 0.05% phosphorus or sulphur, not over 0.5% silicon and free from alloys. Must be not less than 2 inches in thickness, not over 18 inches in width, and not over 36 inches in length. No piece to weigh less than 10 pounds nor more than 500 pounds. Must be new material.

(14) *Bar crops and plate scrap.* Bits, jars, tool joints, shell forgings, flashings, bar crops, and plate scrap, not over 0.05% of phosphorus or sulphur, not over 0.5% of silicon, and free from alloys. Must be not less than 2 inches in thickness, not over 18 inches in width, and not over 36 inches in length, except that plate scrap may not be less than ½ inch in thickness. Flashings may be of any thickness but may not exceed 2 feet in length.

* * * * *

(16) *Punchings and plate scrap.* Punchings and plate scrap, not over 0.05% of phosphorus or sulphur, not over 0.5% of silicon and free of alloys. May include bar crops. All material must be cut 12 inches and under. Punchings may not be less than ¼ inch in diameter.

* * * * *

(28a) *Baled machine shop turnings.* Machine shop turnings, Item 8, hydraulically compressed into bundles weighing not less than 75 pounds per cubic foot. May not include any binding or wrapping material.

* * * * *

§ 1304.14 *Appendix B: Maximum prices for iron and steel scrap originating from railroads*—(a) * * *

(e) *Unprepared scrap.* * * *

(4) Where a consumer purchases grades of unprepared scrap for which maximum prices have been authorized under paragraph (a) (1) (ii) or paragraph (b) (2) of this section, the consumer may designate a dealer or dealers to prepare such scrap on a preparation fee basis. The maximum preparation fee shall be the differential established in paragraph (a) of § 1304.13 between the unprepared scrap and the listed grade into which the scrap is prepared—e. g. $2.50 per gross ton for No. 1 heavy melting steel, and $4.50 per gross ton for cut structural and plate scrap 1' and under. In such cases the maximum delivered price shall be the maximum delivered price applicable to an identical shipment of the unprepared scrap direct to such consumer, plus the applicable maximum preparation fee. At no time shall ownership of such scrap reside in the dealer to whom the preparation fee is paid.

(f) *Mixed shipments.* (1) When grades of scrap commanding different maximum prices under the provisions of this Revised Price Schedule No. 4, are included in one vehicle, the maximum price for the scrap in such vehicle shall be the maximum price applicable to the lowest priced grade in the vehicle.

(2) The limitation in (1) of this paragraph shall not affect shipments involving vessel movement if each grade commanding a different maximum price under the provisions of Revised Price Schedule No. 4 is segregated in the vessel.

(3) Where one vehicle contains exclusively grades of scrap for which premiums for alloy content are established under the provisions of this Revised Price Schedule No. 4, such premiums shall not apply (and the limitations set forth in (1) of this paragraph shall apply), unless each such grade is segregated in the vehicle.

§ 1304.15 *Appendix C: Maximum prices for cast iron scrap other than railroad scrap*—(a) * * *

(4) *Grades inferior to No. 1 cupola cast.* Grades (other than those listed in this paragraph) which are inferior to No. 1 cupola cast shall be priced at the average differential below the base grade price which the seller received during the base period September 1, 1940 to January 31, 1941: *Provided however,* That if the seller's base period experience was inadequate or unrepresentative, the seller shall apply to the Office of Price Administration, Washington, D. C., for the establishment of an appropriate price. For the initial sale after October 15, 1942, of each unlisted grade of scrap priced according to the seller's base period experience, such seller shall file with the Office of Price Administration, Washington, D. C., within 15 days after delivery of such scrap, a complete description of the material sold and the price charged.

For the purposes of this subparagraph only, the term seller means the person selling to the broker, or, in cases where a broker is not involved in the transaction, the person selling to the consumer.

* * * * *

(b) *Maximum price delivered to a consumer.* * * *

(1) Where transportation from shipping point to point of delivery is wholly or partially by rail or vessel, or combination of rail and vessel, the maximum delivered price shall be the shipping point price listed in paragraph (a) of this section, plus the established charge for transporting the scrap from the shipping point to the point of delivery by the mode of transportation employed. Where transportation from shipping point to point of delivery includes a rail-truck movement to a consumer lacking adequate facilities for receiving rail deliveries of scrap, and the truck portion of such rail-truck movement occurs in a motor vehicle other than a public carrier, no established charges or costs incurred in unloading the scrap from the railroad car and hauling the scrap to point of delivery may be included in the delivered price. In lieu thereof, $1.00 per gross ton may be included in the delivered price. If the consumer has adequate facilities for receiving the scrap by rail, no charge may be made for the truck portion of such rail-truck movement.

* * * * *

§ 1304.12a *Effective dates of amendments.* * * *

(h) Amendment No. 8 (§§ 1304.6 (a) (5), 1304.8 (f), 1304.13 (a) (2), (a) (3), (a) (4) (iii), (a) (5), (a) (7), (d) (1), (d) (4), (e) (3), (e) (4), (e) (5), (f), 1304.14 (e) (4), 1304.15 (a) (4), (b) (1)) to Revised Price Schedule No. 4 shall become effective October 15, 1942.

(Pub. Laws 421 and 729, 77th Cong.; E.O. 9250, 7 F.R. 7871)

Issued this 9th day of October 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10136; Filed, October 9, 1942; 2:53 p. m.]

PART 1305—ADMINISTRATION

[Supplementary Order 23]

SALES TO OFFICE OF SCIENTIFIC RESEARCH AND DEVELOPMENT

A statement involved in the issuance of this supplementary order, issued simultaneously herewith, has been filed with the Division of the Federal Register.* For the reasons set forth in that statement and under the authority vested in the Price Administrator by the Emergency Price Control Act of 1942, *It is hereby ordered:*

§ 1305.26 *Removal of sales to Office of Scientific Research and Development from the operation of all price regulations.* (a) Sales and deliveries of com-

*Copies may be obtained from the Office of Price Administration.

modities and sales of services pursuant to:

(1) Contracts with the Office of Scientific Research and Development or,

(2) Subcontracts under such contracts which are designated as "secret" by the Office of Scientific Research and Development, shall not be subject to any price regulation issued, or which may be issued by the Office of Price Administration, unless specific provisions making a price regulation applicable to such sales shall hereafter be included in such regulation.

(b) "Price regulation", as used in this Supplementary Order No. 22 means a price schedule effective in accordance with the provisions of section 206 of the Emergency Price Control Act of 1942, maximum price regulation or temporary maximum price regulation issued by the Office of Price Administration, or any amendment or supplement thereto or order issued thereunder.

(c) This Supplementary Order No. 22 (§ 1305.26) shall become effective October 15, 1942.

(Pub. Laws 421 and 729, 77th Cong.; E.O. 9250, 7 F.R. 7871)

Issued this 9th day of October 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10137; Filed, October 9, 1942; 2:50 p. m.]

PART 1337—RAYON

[Amendment 1 to Maximum Price Regulation 168[1]]

CONVERTED RAYON YARN AND CONVERTING CHARGES

A statement of the considerations involved in the issuance of this amendment has been issued simultaneously herewith and has been filed with the Division of the Federal Register.*

In § 1337.56, paragraph (c) is amended and in § 1337.62 in paragraph (a) Tables I, III, IV, V, VII and VIII are amended and Tables XVI, XVII, XVIII, XIX, XX, and XXI are added and a new § 1337.61a is added as set forth below:

§ 1337.56 *Records and reports.* * * *

(c) *Reports.* On or before November 10, 1942 and on or before the 10th day of each month thereafter, every person performing a converting operation for which maximum prices are established by Table XXI of paragraph (a) of § 1337.62 shall file a report with the Office of Price Administration in Washington, D. C., in the detail required by the Form 268: setting forth for each type of conversion operation performed, the details thereof and the maximum price charged therefor.

§ 1337.62 *Appendix A: Maximum prices.* (a) * * *

*Copies may be obtained from the Office of Price Administration.

[1] 7 F.R. 4663.

TABLE I—HOSIERY THROWING

[Prices based on the use of graded yarns supplied on cleaned cones, with original twist, delivery to be on 4" base cones, 5" tops]

Denier	Base price per pound up to 10 t. p. inch	Differentials: If delivered on 5" base cones	If received on unsalled cones	If received in skeins or cakes	If cones are to be reeled	Each turn over 10 t. p. inch	If inferior skeins used	If bemberg yarn is used[2]	Special hosiery throwing[1]: Each turn in and each turn backed out	Special hosiery throwing[1]: Redraw and extra cost allowance
50	$.62	$−.03	$+.035	$+.03	$+.23	$+.005	$+.03	$+.045	$+.005	*Per pound* $+.37
65	.54	−.03	+.035	+.03	+.20	+.005	+.03	+.045	+.005	+.23
75	.425	−.03	+.035	+.07	+.19	+.005	+.03	+.035	+.005	+.23
100	.325	−.03	+.035	+.07	+.17	+.005	+.03	+.030	+.005	+.21
125	.32	−.03	+.035	+.03	+.15	+.005	+.02	+.025	+.005	+.18
150	.23	−.03	+.035	+.03	+.14	+.005	+.02	+.020	+.005	+.18
200	.23	−.02	+.035	+.03	+.12	+.005	+.01	----------	+.005	+.15
250	.27	−.02	+.035	+.03	+.12	+.005	+.01	----------	+.005	+.15
275	.23	−.02	+.035	+.03	+.10	+.005	+.01	----------	+.005	+.15
300	.23	−.02	+.035	+.03	+.10	+.005	+.01	----------	+.005	+.15

[1] Invoice for commission work or bill of sale for yarn twisted on the above basis must indicate number of turns "in" applied, and number of turns backed out.

[2] Based on no original twist price for special lubricating treatment.

Price for special lubricating treatment

If yarns are specially treated with a wax or wax-like substance requiring an organic volatile solvent as a carrier agent and the retained basic sizing substance is not less than 10% of the weight of the yarn, there may be added an additional charge of 14 cents per pound. A statement of the special lubrication treatment and the charges therefor shall be enumerated on each invoice delivered.

Other lubricants

The maximum prices for other lubricants are to be determined pursuant to Table XXI of this paragraph. The prices so established are to be reported pursuant to § 1337.56 (c).

TABLE III—CREPE TWISTING

[Unless otherwise indicated, prices are based on the use of graded yarns supplied in standard long skeins, with original twist, delivery to be on spools]

Denier	Basic total turns twist	Price per pound	If from doped cones or cakes	Differentials: If inferior skeins used	If short skeins used[2]	Each turn over basic total turns twist	Each turn under basic total turns twist
50	65	$.72	$−.04	$+.05	$+.02	$+.005	$−.005
75	57½	.43	−.03	+.03	+.02	+.005	−.005
100	53	.30	−.02	+.03	+.015	+.004	−.004
125	48	.25	−.02	+.02	+.015	+.003	−.003
150	48	.22	−.02	+.02	+.01	+.003	−.003
200	40	.23	−.02	+.015	+.01	+.002	−.001
75 Bemberg[1]	57½	.45	.09	+.05	.00	+.005	−.005

[1] Based on no original twist.

[2] Under 7,500 yards.

All delivered weights based on Standard 11% moisture regain.

TABLE IV—VOILE TWISTING

[Unless otherwise indicated, prices are based on the use of graded yarns supplied in standard long skeins with original twist, with delivery to be on spools]

Process	Denier	Basic total turns twist	Price per pound	Differentials: If from doped cone or cakes	If inferior skeins used	If short skeins used[3]	Each turn over basic total turns twist	Each turn under basic total turns twist
Acetate	75	23 to 30 inc.	$.30	[1] $.00	$+.05	$+.02	$+.005	$−.005
Viscose	75	24 to 30 inc.	.33	−.03	+.03	+.02	+.005	−.005
Acetate	100	21 to 28 inc.	.23	[1] .00	+.03	+.015	+.004	−.004
Viscose	100	21 to 28 inc.	.27	−.02	+.03	+.015	+.004	−.004
Viscose	150	20 to 22 inc.	.32	−.02	+.02	+.01	+.003	−.003
Acetate	150	20 to 22 inc.	.21	[1] .00	+.02	+.01	+.003	−.003
Acetate	200	23	.18	[1] .00	+.015	+.01	+.002	−.002
Acetate	300	15	.10	[1] .00	+.01	+.01	+.002	−.002
Bemberg[2]	65	23	.03	----------	+.05	----------	----------	----------

[1] Original yarn supplied on cones, whether doped or not.

[2] No original twist.

[3] Less than 7,500 yards.

All delivered weights based on Standard 11% moisture regain.

TABLE V—COMBINATION YARN TWISTING [2]

[Prices are based on the use of graded yarns supplied in standard long skeins, with original twist, delivery to be on spools]

Type of combination	Basic no. turns twist in single yarn	Basic no. turns twist in ply	Base price per pound	Differentials				
				If supplied in pretreated cones	If inferior skeins used	If short skeins used [1]	Each turn in ply over indicated base	Each turn in ply under indicated base
75 Denier Viscose 75 Denier Acetate	55-60 Standard	15	$.43	$−.015	$+.015	$+.01	$+.005	$−.005
75 Denier Viscose 100 Denier Acetate	55-60 Standard	15	.39	−.015	+.015	+.01	+.005	−.005
100 Denier Viscose 100 Denier Acetate	52½-57½ Standard	12	.35	−.01	+.01	+.01	+.005	−.005
100 Denier Viscose 150 Denier Acetate	52½-57½ Standard	15	.27	−.01	+.01	+.01	+.005	−.005
150 Denier Viscose 150 Denier Acetate	45-50 Standard	10	.24	−.01	+.01	+.01	+.005	−.005

[1] Under 7,500 yards.
[2] These prices apply only to sales in quantities of more than 20 pounds.

All delivered weights are based on Standard 11% moisture regain.

TABLE VII—SCHIFFLI TWISTING [1]

[Prices are based on the use of graded or inferior yarn supplied either on cones or in skeins, with original twist, delivery to be on cones or headless packages]

Denier	Ply	Twist	Price per pound
75	2 or 3	10 x 12	$.31
100	2 or 3	10 x 12	.295
125	2 or 3	10 x 12	.28
150	2 or 3	7 to 10 inc. x 7 to 10 inc.	.26
200	2 or 3	7 to 10 inc. x 7 to 10 inc.	.24
300 (or coarser)	2 or 3	7 to 10 inc. x 7 to 10 inc.	.22

[1] These prices apply only to sales in quantities of more than 20 pounds.

TABLE VIII—BRAIDER TUBE WINDING [1]

[Prices are based on the use of graded or inferior yarns supplied in skeins or cones with original twist, delivery to be on braider tubes]

A—STANDARD TWIST

Denier	Differentials				
	Base price per pound for one end up	If delivered on metal shipping spools	For two ends up	For three ends up	For four ends up
150	$.16	$−.02	$+.02	$+.02½	$+.03
200	.15	−.02	+.02	+.02½	+.03
300	.14	−.02	+.02	+.02½	+.03

B—OPEN TWIST

150	.27	−.04			
200	.26	−.04			
300	.21	−.04			

[1] These prices apply only to sales in quantities of more than 20 pounds.

TABLE XVI—COMBINATION SILK AND VISCOSE YARN TWISTING

[Viscose yarn to be received on oiled cones. Silk to be received on spools. Combination to be delivered on 2 lb. cones]

Type of combination	Price per pound						Differentials		
	5 turns	10 turns	15 turns	20 turns	25 turns	30 turns	If Viscose is received in cakes or skeins	If combination is 4 ends Japan 13/15	If combination is 5 ends Japan 13/15
50 Denier Viscose and 1 end [1] 13/15 Japan	$.5875	$.6500	$.68125	$.7125	$.74375	$.7750	$+.08	$+.01	$+.02
60 Denier Viscose and 1 end [1] 13/15 Japan	.5625	.6250	.65625	.6875	.71875	.7500	+.08	+.01	+.02
75 Denier Viscose and 1 end [1] 13/15 Japan	.4375	.5000	.53125	.5625	.59375	.6250	+.08	+.01	+.02
100 Denier Viscose and 1 end [1] 13/15 Japan	.3750	.4375	.46875	.5000	.53125	.5625	+.07	+.01	+.02
125 Denier Viscose and 1 end [1] 13/15 Japan	.3250	.3875	.41875	.4500	.48125	.5125	+.06	+.01	+.02
150 Denier Viscose and 1 end [1] 13/15 Japan	.3000	.3625	.39375	.4250	.45625	.4875	+.06	+.01	+.02
200 Denier Viscose and 1 end [1] 13/15 Japan	.2750	.3375	.36875	.4000	.43125	.4625	+.06	+.01	+.02

[1] For 2 or 3 ends 13/15 Japan combination, same price is applicable. Delivered weights are with full boil off allowance.

TABLE XVII.—DYEING 100% SPUN VISCOSE YARNS IN SKEINS

Yarn sizes	Lot size	Ordinary direct dye, per pound	Sunfast dye per pound
All	200 lbs. or over	$.14	$.16
All	100 lbs. to 199 lbs. inc.	.15	.17
All	49 lbs. to 99 lbs. inc.	.17	.19
All	25 lbs. to 48 lbs. inc.	.20	.22
All	11 lbs. to 24 lbs. inc.[1]	.25	.27

[1] In quantities of less than 11 pounds, a minimum charge of $2.50 may be made.

TABLE XVIII.—DYEING SPUN VISCOSE AND ACETATE BLENDED YARNS IN SKEINS[1] VISCOSE DYED, ACETATE WHITE[2]

Yarn sizes	Lot size	Ordinary direct dyes, per pound	Union or cross-dyed
All	200 lbs. or over	$0.18	(3)
All	100 lbs. to 199 lbs.	.20	(3)
All	49 lbs. to 99 lbs., inc.	.23	(3)
All	25 lbs. to 48 lbs., inc.	.27	(3)
All	11 lbs. to 24 lbs., inc.[3]	.30	(3)

[1] Above prices apply to the following blends: 50% Spun Viscose, 50% Spun Acetate; 60% Spun Viscose, 40% Spun Acetate; 80% spun Viscose, 20% Spun Acetate; and all blends within these limits

[2] If yarn is union or cross-dyed, prices in Table XIII are applicable.

[3] In quantities of less than 11 pounds, a minimum charge of $4.00 may be made for ordinary direct dyes.

TABLE XIX.—DYEING SPUN VISCOSE AND WOOL BLENDED YARNS IN SKEINS[1]

Yarn sizes	Lot size	Price per pound employing viscose dyeing only
All	200 lbs. or over	$0.14
All	100 lbs. to 199 lbs. inc.	.15
All	49 lbs. to 99 lbs. inc.	.17
All	25 lbs. to 48 lbs. inc.	.20
All	11 lbs. to 24 lbs. inc.[2]	.25

[1] Above prices apply to the following blends: 50% Spun Rayon, 50% Wool; 60% Spun Rayon, 40% Wool; 80% Spun Rayon, 20% Wool; and all blends within these limits.

[2] In quantities of less than 11 pounds a minimum charge of $2.50 may be made.

TABLE XX.—DYEING SPUN ACETATE AND WOOL BLENDED YARNS IN SKEINS[1]

Yarn Sizes	Lot sizes	Price per pound union or cross-dyed			Acetate dyed only wool white
		light	medium	dark	
All	200 lbs. or over	$.34	$.40	$.50	(2)
All	100 lbs. to 199 lbs. inc.	.36	.42	.52	(2)
All	49 lbs. to 99 lbs. inc.	.39	.45	.55	(2)
All	25 lbs. to 48 lbs. inc.	.43	.49	.59	(2)
All	11 lbs to 24 lbs. inc.[3]	.57	.63	.69	(2)

[1] Above prices apply to the following blends: 50% Spun Acetate, 50% wool; 60% Spun Acetate, 40% Wool; 80% Spun Acetate, 20% Wool and all blends within these limits.

[2] Prices in Table XIII are applicable.

[3] In quantities of less than 11 pounds, a minimum charge of $6.50 may be made for light and medium shades, and $7.50 for dark shades.

TABLE XXI—IN LINE PRICES

The maximum price for all other types of conversion operations shall be a price in line with the nearest related conversion operation for which a maximum price is established by this paragraph. The term "in line with" means having a justifiable relation to such maximum price with commensurate increases or decreases to give effect to the differences in cost due to differences in yarn, the number of turns per inch, the turns in ply, and other differences in specifications.

§ 1337.61a *Effective date of amendments.* (a) Amendment No. 1 (§ 1337.56 (c), § 1337.62 (a), Tables I, III, IV, V, VII, VIII, XVI, XVII, XVIII, XIX, XX, and XXI and § 1337.61a) to Maximum Price Regulation No. 168 shall become effective October 10, 1942.

(Pub. Laws 421 and 729, 77th Cong.; E.O. 9250, 7 F.R. 7871)

Issued this 9th day of October 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10138; Filed, October 9, 1942; 2:53 p. m.]

PART 1346—BUILDING MATERIALS

[Maximum Price Regulation 236]

HEATING BOILER CONVERSION PARTS

In the judgment of the Price Administrator it is necessary and proper, in order to effectuate the purpose of the Emergency Price Control Act of 1942, to replace the General Maximum Price Regulation with a separate regulation establishing maximum prices for the sale of conversion parts used in converting heating boilers from oil to hand fired solid fuels and for installation services relating thereto.

So far as practicable, the Price Administrator consulted with representatives of the trade and industry which will be affected by this regulation. In the judgment of the Price Administrator, the maximum prices established by this regulation are generally fair and equitable and will effectuate the purposes of said Act. A statement of the considerations involved in the issuance of this regulation, issued simultaneously herewith, has been filed with the Division of the Federal Register.*

Therefore, under the authority vested in the Price Administrator and the Emergency Price Control Act of 1942 and in accordance with Procedural Regulation No. 1[1] issued by the Office of Price Administration, Maximum Price Regulation No. 236 is hereby issued.

Sec.

1346.151 Applicability of the General Maximum Price Regulation.
1346.152 Export sales.
1346.153 Geographical applicability.
1346.154 Prohibition.
1346.155 Maximum prices for the sale and delivery of conversion parts.
1346.156 Maximum prices for installation service.
1346.157 Less than maximum prices.
1346.158 Federal and State taxes.
1346.159 Conditional agreements.
1346.160 Evasion.
1346.161 Records and reports.
1346.162 Details required in contract of sale and invoice.
1346.163 Licensing.
1346.164 Application for adjustment and petition for amendment.
1346.165 Enforcement.
1346.166 Definitions.
1346.167 Effective date.

AUTHORITY: §§ 1346.151 to 1346.167, inclusive, issued under Pub. Laws 421 and 729, 77th Cong.; E.O. 9250, 7 F.R. 7871.

§ 1346.151 *Application of the General Maximum Price Regulation.* The provisions of the General Maximum Price Regulation are superseded by this Maximum Price Regulation No. 236 with respect to sales, deliveries, and installations of conversion parts for which maximum prices are in effect pursuant to this Maximum Price Regulation No. 236.

§ 1346.152 *Revised Maximum Export Price Regulation applicable.*[2] The maximum price at which a person may export any conversion parts shall be determined in accordance with the provisions of the Revised Maximum Export Price Regulation issued by the Office of Price Administration. An "export sale" is any sale between a seller in the continental United States and a purchaser outside thereof in which the commodity sold is transported from the continental United States to a point outside thereof and includes any sale of a commodity outside the continental United States by an agent of the exporter or by a corporation owned or controlled by the exporter within a period of two years after the date of shipment of the commodity from the continental United States.

§ 1346.153 *Geographical applicability.* The provisions of this Maximum Price Regulation No. 236 shall be applicable to the Eastern part of the United States defined herein as the states of: Connecticut, Delaware, Florida, Georgia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, West Virginia, and the District of Columbia. This Maximum Price Regulation No. 236 applies to all sales of conversion parts where delivery or installation is to be made within the above described geographical area although the person making the sale or installation may be located outside the area.

§ 1346.154 *Prohibitions against sales and the installation of conversion parts at higher than maximum prices.* On and after October 14, 1942, regardless of any contract, lease, or other obligation:

(a) No person shall sell or deliver any conversion parts and no person shall supply conversion parts service at a price higher than the maximum price permitted by this Maximum Price Regulation No. 236: *Provided,* That the provisions of this paragraph shall not be applicable to sales and deliveries of conversion parts or the supplying of installation services relating thereto to a purchaser, if prior to October 14, 1942:

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*Copies may be obtained from the Office of Price Administration.

[1] 7 F.R. 971, 3663, 6367.

[2] 7 F.R. 6959, 7242.

(1) Such conversion parts have been received by a carrier, other than a carrier owned or controlled by the seller, for shipment to such purchaser, or

(2) If the seller has delivered the conversion parts to the site designated by the purchaser where the installation is to be made, or

(3) The service of installation has actually begun.

(b) No person in the course of trade or business shall buy or receive any conversion parts or installation services at a price higher than that permitted by this Maximum Price Regulation No. 236: *Provided,* That if upon the purchase of any conversion parts, the purchaser shall receive from the seller or supplier a written affirmation that to the best of his knowledge, information, and belief, the prices charged do not exceed the maximum price established by this Maximum Price Regulation No. 236; and if in such case the purchaser shall have no knowledge of the maximum price and no cause to doubt the accuracy of the affirmation, the purchaser shall be deemed to have complied with this section.

(c) No person shall agree, offer, solicit, or attempt to do any of the acts prohibited in subparagraphs (a) and (b) of this paragraph.

§ 1346.155 *Maximum prices for the sale and delivery of conversion parts.* (a) The maximum price for the sale and delivery of conversion parts to the ultimate purchaser shall not exceed 18¢ per net pound.

(b) The maximum price for the sale and delivery of conversion parts to retailers shall not exceed 13¾¢ per net pound.

(c) The maximum price f. o. b. manufacturer's foundry for the sale of conversion parts to wholesalers shall not exceed 11¢ per net pound.

§ 1346.156 *Maximum prices for the installation of conversion parts.* The maximum price for the installation of conversion parts shall not be in excess of a sum computed in the following manner:

(a) Take the number of hours utilized in making the installation.

(b) Multiply the number of hours utilized by the highest hourly price charged by the installer during the month of March, 1942, for the same or similar mechanical service employing the same class of mechanics or, in the event the installer had no such established hourly price for such service or similar service during March, 1942, the maximum hourly price of the nearest competitor who pays the same wage rate and employs the same class of mechanics: *Provided,* That the hourly price charged may be adjusted to reflect actual increases in wage rates paid by the installer becoming effective between March 31, 1942, and July 1, 1942, by adding to such March hourly price charged only the actual hourly increase in the wage rate during such period.

§ 1346.157 *Less than maximum prices.* Lower prices than those set forth under §§ 1346.155 and 1346.156 may be offered, charged, demanded, or paid.

§ 1346.158 *Federal and State taxes.* There may be added to the maximum price established by this Maximum Price Regulation No. 236 the amount of tax levied by any Federal excise tax statute or any State or municipal sales, gross receipts, gross proceeds, or compensating use tax statute or ordinance, under which the tax is measured by gross proceeds or units of sale, if, but only if, (a) such statute or ordinance requires the vendor to state the tax separately from the purchase price paid by the purchaser, consumer, or user, on the bill, sales check, or evidence of sale, at the time of the transaction; or (b) such statute or ordinance requires such tax to be separately paid by the purchaser, consumer or user with tokens or other media of State or municipal tax payment; or (c) such a statute or ordinance permits the vendor to state such tax separately, and such tax is in fact stated separately, by the vendor. The amount of tax permitted to be added by this paragraph shall in no event exceed that paid by the purchaser, consumer, or user.

§ 1346.159 *Conditional agreements.* No manufacturer of conversion parts shall enter into an agreement permitting the adjustment of the price to prices which may be higher than the maximum prices provided by §§ 1346.155 or 1346.156 in the event that this Maximum Price Regulation No. 236 is amended or is determined by a court to be invalid or upon any other contingency: *Provided,* That if a petition for amendment or application for adjustment has been filed, and such petition or application requires extensive consideration, and the Administrator determines that an exception would be in the public interest pending such consideration, the Administrator may grant an exception from the provisions of this section permitting the making of contracts adjustable upon the granting of the petition for amendment or application for adjustment. Requests for such an exception may be included in the aforesaid petition for amendment or application for adjustment.

§ 1346.160 *Evasion.* (a) The price limitations set forth in this Maximum Price Regulation No. 236 shall not be evaded, whether by direct or indirect methods, in connection with an offer, solicitation, agreement, sale, supply, or delivery of, or relating to conversion parts or installation services relating thereto, either alone or in conjunction with any other commodity, or by way of commission, service, transportation, or other charge, or discount, premium, or other privilege, or by tying-agreement or other trade understanding, or otherwise. No retailer or installer shall require an ultimate purchaser to buy conversion parts not actually required to complete in good mechanical working order the conversion of his oil fired heating boiler for the use of hand fired solid fuel. No seller shall require any purchaser for resale to purchase conversion parts which he does not want as a condition of receiving conversion parts which he does want.

§ 1346.161 *Records and reports.* (a) Every person making sales of conversion parts subject to this Maximum Price Regulation No. 236 shall keep for inspection by the Office of Price Administration for so long as the Emergency Price Control Act of 1942 remains in effect complete and accurate records of each such sale, showing the date thereof, the name and address of the purchaser, an itemized list of conversion parts sold, and the total net weight of the conversion parts sold.

(b) Every person engaged in the sale or supply of conversion parts installation services shall preserve for inspection by the Office of Price Administration for so long as the Emergency Price Control Act of 1942 remains in effect complete and accurate records of each such sale or supply of installation services showing:

(1) The name and address of the purchaser of such service or installation;

(2) The date thereof;

(3) The actual number of hours employed for completion of the conversion;

(4) The rate charged the purchaser per hour;

(5) The type and number of unit converted.

(c) Every person engaged in the sale and supply of conversion parts installation service shall file, on or before November 1, 1942, with the War Price and Rationing Board of the Office of Price Administration having jurisdiction over the area in which the seller is located the following:

(1) The hourly prices charged for conversion parts installation services during the month of March, 1942;

(2) The hourly rate of wages paid to employees performing such service or a similar service in March, 1942;

(3) If there has been any increase in the hourly wage rate between the period of March 31, 1942, and July 1, 1942, the amount thereof and the effective date of such increase;

(4) If the installer of conversion parts did not have such established hourly price for such service or a similar service during March, 1942, the maximum hourly price of the nearest competitor who pays the same wage rate and employs the same class of mechanics.

(d) Every person engaged in the sale and supply of conversion parts installation service shall prepare on or before November 1, 1942, to the full extent of all available information and records and thereafter keep posted in a conspicuous manner at his place of business for examination by any person during ordinary business hours a statement showing the highest prices which he may charge for installation services pursuant to the terms of § 1346.156 of this regulation.

(e) Persons affected by this Maximum Price Regulation No. 236 shall submit such other reports to the Office of Price Administration as it may from time to time require.

§ 1346.162 *Details required in contract of sale and invoice.* (a) Every seller of conversion parts shall with respect to every sale thereof deliver to the purchaser an invoice which shall contain the name and address of the purchaser and the seller; the date upon which the sale was made; an itemized list of the conversion parts sold; the total net weight of all conversion parts sold; the price per net pound of such conversion parts; and the total price paid.

(b) Every person supplying conversion parts installation service shall furnish with respect to each installation an invoice which shall contain the name and address of the purchaser and the seller; the date on which the installation was made; the total number of hours actually employed to complete the conversion; the rate per hour charged for such service; and the type and number of unit converted.

(c) Every person selling conversion parts and supplying the services necessary for their installation shall furnish to the purchaser an invoice containing all of the information required in paragraphs (a) and (b) of this section. The invoice shall also bear the following statement signed by the seller and shall be true to the knowledge of the seller in all respects:

The total conversion parts used do not exceed the actual requirements for the conversion of the heating boiler from oil firing to the use of solid fuels. The weight of the parts so used and listed on this invoice is accurate and the prices therefor conform with Maximum Price Regulation No. 236 issued by the Office of Price Administration to the best of my knowledge and belief.

§ 1346.163 *Licensing.* The provisions of Supplementary Order No. 18 (§ 1305.22) licensing persons selling lumber, lumber products or building materials are applicable to every person (except manufacturers) making a sale of conversion parts for which maximum prices are fixed by this regulation.

§ 1346.164 *Application for adjustment and petition for amendment.* (a) Any person seeking relief from a maximum price established under this Maximum Price Regulation No. 236, may present the special circumstances of his case in an application for an order of adjustment. Such an application shall be filed in accordance with Procedural Regulation No. 1 and shall set forth the facts relating to the hardship to which such maximum price subjects the applicant together with a statement of reasons why he believes that the granting of relief in his case and in all like cases will not defeat or impair the policy of the Emergency Price Control Act of 1942 and of this Maximum Price Regulation No. 236 to eliminate the danger of inflation.

(b) Any person seeking a modification of any provision of this Maximum Price Regulation No. 236 (other than an adjustment provided by paragraph (a)) may file a petition for amendment in accordance with the provisions of Procedural Regulation No. 1 issued by the Office of Price Administration.

§ 1346.165 *Enforcement.* (a) Persons violating any provisions of this Maximum Price Regulation No. 236 are subject to the criminal penalties, civil enforcement actions, license suspension proceedings, and suits for treble damages provided for by the Emergency Price Control Act of 1942.

(b) Persons who have evidence of any violation of this Maximum Price Regulation No. 236 or any price schedule, regulation, or order issued by the Office of Price Administration, or of any acts or practices which constitute such a violation are urged to communicate with the nearest state, district, or regional office of the Office of Price Administration, or its principal office in Washington, D. C.

(c) The provisions of paragraph (a) of this section shall not be applicable to any war procurement agency or any contracting officer thereof, and any such contracting officer or any paying finance officer shall be relieved of any and every liability, civil or criminal, imposed by this Maximum Price Regulation No. 236 or by the Emergency Price Control Act of 1942.

§ 1346.166 *Definitions.* (a) When used in the Maximum Price Regulation No. 236, the term:

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

(2) "Manufacturer" means a person operating a foundry or plant which produces conversion parts.

(3) "Wholesaler" means a person who purchases conversion parts for purposes of resale primarily from a manufacturer and sells primarily to persons who will resell to the ultimate purchaser.

(4) "Retailer" means a person who purchases conversion parts for purposes of resale to ultimate purchasers, whether or not he is an installer.

(5) "Ultimate purchaser" means a person who purchases conversion parts for use rather than resale.

(6) "Installation service" means a mechanical service necessary to convert an oil fired heating boiler and make it ready for use for hand fired solid fuels.

(7) "Installer" means a person who furnishes installation services.

(8) "Conversion parts" means the metal parts necessary to convert an oil fired heating boiler and make it ready for use for hand fired solid fuels, and shall include the following parts whether actually used for conversion or otherwise:

(i) Grate assemblies and parts.
(ii) Grate supports.
(iii) Shaker handles.
(iv) Ashpit doors and frames.
(v) Poker.
(vi) Ash hoe.
(vii) Clinker tongs (Domestic type). (Only when sold with grate assemblies)
(viii) Smokehood, with check control.

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

§ 1346.167 *Effective date.* This Maximum Price Regulation No. 236 (§§ 1346.151 to 1346.167, inclusive) shall become effective October 14, 1942.

(Pub. Laws 421 and 729, 77th Cong.; E.O. 9250, 7 F.R. 7871)

Issued this 9th day of October 1942.

LEON HENDERSON,
Administrator.

[P. R. Doc. 42-10139; Filed, October 9, 1942; 2:54 p. m.]

[Amendment 2 to Temporary Maximum Price Regulation 22[1]]

PART 1351—FOODS AND FOOD PRODUCTS

CERTAIN ESSENTIAL FOOD PRODUCTS

A statement of the considerations involved in the issuance of this amendment has been issued simultaneously herewith and filed with the Division of the Federal Register.*

A new § 1351.802a, a new sub-paragraph (3) to § 1351.803 (a) and a new § 1351.814 (b) are added as set forth below.

1351.802a *Maximum prices for fresh citrus fruits at retail.* (a) The seller's maximum price at retail for fresh citrus fruits shall be established as provided in this section. Any provision of this Temporary Maximum Price Regulation 22 which is contrary to or inconsistent with the provisions of this section, shall not apply to sales of fresh citrus fruits at retail, but each and every provision or definition of Temporary Maximum Price Regulation 22, which is not contrary to or inconsistent with the provisions of this section, shall remain in full force and effect and shall apply to all sales of fresh citrus fruits at retail.

(b) Sales of fresh citrus fruits by mail or express shipment to the ultimate consumer shall not be deemed sales of fresh citrus fruits at retail for the purposes of this Temporary Maximum Price Regulation 22.

(c) For the purposes of this section, oranges shall include tangerines and all oranges wherever grown; lemons shall include all lemons, wherever grown; and limes shall include all limes, wherever grown.

(d) The seller's maximum price at retail for all fresh citrus fruits, except grapefruit, and including but not limited to oranges, lemons and limes, shall be the highest price charged by the seller during the period September 28, 1942, to October 2, 1942, inclusive, for the same commodity. If the seller did not sell the same commodity during that period, his maximum price shall be the highest price charged during that period by his most closely competitive seller of the same class for the same commodity.

(e) The seller's maximum price at retail for California or Arizona grapefruit shall be the highest price charged by the seller during the period September 28,

*Copies may be obtained from the Office of Price Administration.

[1] 7 F.R. 7914.

1942, to October 2, 1942, inclusive, for the same commodity. If the seller did not sell California or Arizona grapefruit during that period, his maximum price shall be the highest price charged during that period by his most closely competitive seller of the same class, for the same commodity. If the seller is unable to obtain a maximum price by either of the foregoing methods, his maximum price for California or Arizona grapefruit shall be either ten cents per grapefruit, or the cost to him of each such grapefruit plus two and one half cents, whichever results in the lower price.

(f) The seller's maximum price at retail for all grapefruit other than California and Arizona grapefruit, shall be the highest price charged by the seller during the period September 28, 1942, to October 2, 1942, inclusive, for the same commodity. If the seller did not sell such grapefruit during that period, his maximum price shall be the highest price charged during that period by his most closely competitive seller of the same class for the same commodity. If the seller is unable to obtain a maximum price for such grapefruit by either of the foregoing methods, his maximum price shall be either ten cents per grapefruit, or the cost to him of each such grapefruit plus two and one-half cents, whichever price is lower.

(g) The cost of a grapefruit to the seller shall be the actual cost delivered at the seller's place of business, less any cash discounts or allowances to the seller.

* * * * *

§ 1351.803 *Exempt sales.* (a) * * *

(3) Sales and deliveries of all fresh citrus fruits, including but not limited to oranges, tangerines, grapefruit, lemons and limes, except sales of fresh citrus fruits at retail.

* * * * *

§ 1351.814 *Effective dates of amendments.* * * *

(b) Amendment No. 2 to Temporary Maximum Price Regulation 22 (§§ 1351.802a, 1351.803 (a) (3) and 1351.814) shall become effective on October 9, 1942.

Issued this 9th day of October 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10147; Filed, October 9, 1942; 5:20 p. m.]

PART 1382—HARDWOOD LUMBER

[Amendment 8 to Maximum Price Regulation 146[1]]

APPALACHIAN HARDWOOD LUMBER

A statement of the considerations involved in the issuance of this amendment has been issued simultaneously herewith and has been filed with the Division of the Federal Register.*

In § 1382.13 (b) a new subparagraph is added as set forth below:

§ 1382.13 *Appendix C: Maximum price for Appalachian hardwood lumber in "non-recurring special" grades or items.* * * *

(b) * * *

In case of direct mill sales by wholesalers, the wholesaler need not file a report under this sub-section but the producing mill must file such report. The report of the price charged for the stock shall show the price before deduction of the functional discount allowed the wholesaler or commission salesman. The maximum price which the wholesaler may charge is the price charged by the mill.

* * * * *

§ 1382.10 a *Effective dates of amendments* * * *

(h) Amendment No. 8 (§ 1382.13 (b)) to Maximum Price Regulation No. 146 shall become effective October 15, 1942.

(Pub. Laws 421 and 729, 77th Cong.; E.O. 9250, 7 F.R. 7871)

Issued this 9th day of October 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10141; Filed, October 9, 1942; 2:53 p. m.]

PART 1390—MACHINERY AND TRANSPORTATION EQUIPMENT

[Amendment 29 to Maximum Price Regulation 136, as Amended[1]]

MACHINES AND PARTS AND MACHINERY SERVICES

A statement of the considerations involved in the issuance of this amendment has been issued simultaneously herewith and filed with the Division of the Federal Register.*

New subparagraph (19) is added to § 1390.25 (c) and new paragraph (cc) is added to § 1390.31a as set forth below:

§ 1390.25 *Petitions for amendment or adjustment.* * * *

(c) *Amendments.* * * *

(19) *The Parks Woodworking Machine Company.* Notwithstanding the provisions of §§ 1390.5 and 1390.6, the maximum price applicable to the sale by The Parks Woodworking Machine Company, Cincinnati, Ohio, of any woodworking machine except the No. 95 12" Heavy Duty Planer shall be determined pursuant to the provisions of § 1390.5, except that the date November 15, 1941, shall be substituted for the date October 1, 1941 wherever that date appears in § 1390.5: *Provided,* That said company shall have notified its dealers that they may not charge prices higher than their maximum prices established by this Maximum Price Regulation No. 136, as amended. The maximum price for the No. 95 12" Heavy Duty Planer shall be determined pursuant to the provisions of § 1390.5.

§ 1390.31a *Effective dates of amendments.* * * *

(cc) Amendment No. 29 (§ 1390.25 (c) (19)) to Maximum Price Regulation No. 136, as amended, shall become effective October 15, 1942.

(Pub. Laws 421 and 729, 77th Cong.; E.O. 9250, 7 F.R. 7871)

Issued this 9th day of October 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10142; Filed, October 9, 1942; 2:51 p. m.]

PART 1390—MACHINERY AND TRANSPORTATION EQUIPMENT

[Amendment 30 to Maximum Price Regulation 136,[1] as Amended]

MACHINES AND PARTS AND MACHINERY SERVICES

A statement of the considerations involved in the issuance of this amendment has been issued simultaneously herewith and filed with the Division of the Federal Register.*

New subparagraph (20) is added to § 1390.25 (c) as set forth below:

§ 1390.25 *Petitions for amendment or adjustment.* * * *

(c) *Amendments.* * * *

(20) *Union Fork and Hoe Company.* Notwithstanding the provisions of §§ 1390.5 and 1390.6 the maximum price applicable to the sale of twenty-three (23) #303 Rome Diesel Powered Road Graders manufactured by the Rome Grader and Machinery Division of the Union Fork and Hoe Company, Columbus, Ohio, shall be $5,000.54 net each: *Provided,* That if any such grader is sold to a dealer, the said Company shall notify such dealer that he may not resell such grader at a price in excess of his maximum price for such grader established by this Maximum Price Regulation No. 136, as amended.

* * * * *

§ 1390.31a *Effective dates of amendments.* * * *

(dd) Amendment No. 30 (§ 1390.25 (c) (20)) to Maximum Price Regulation No. 136, as amended, shall become effective October 6, 1942.

(Pub. Laws 421 and 729, 77th Cong.; E.O. 9250, 7 F.R. 7871.)

Issued this 9th day of October 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10148; Filed, October 9, 1942; 5:20 p. m.]

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*Copies may be obtained from the Office of Price Administration.

[1] 7 F.R. 3776, 4179, 4852, 5520, 6053, 6998, 7600, 7747.

[1] 7 F.R. 5047, 5362, 5665, 5908, 6425, 6682, 6899, 6937, 6964, 6965, 6973, 7010, 7246, 7320, 7365, 7509, 7602, 7739, 7744, 7907, 7912, 7913, 7944, 7945.

[1] 7 F.R. 5047, 5362, 5665, 5908, 6425, 6682, 6899, 6937, 6964, 6965, 6973, 7010, 7246, 7320, 7365, 7509, 7602, 7739, 7744, 7907, 7912, 7913, 7944, 7945.

PART 1426—WOOD PRESERVATION AND PRIMARY FOREST PRODUCTS

[Amendment 1 to Maximum Price Regulation 216 [1]]

RAILROAD TIES

A statement of the considerations involved in the issuance of this amendment has been issued simultaneously herewith and filed with the Division of the Federal Register.*

In paragraph (b) of § 1426.6, the date of "October 1, 1942" is amended to read "November 1, 1942"; in paragraph (b) of § 1426.8 the filing period of 30 days is amended to read "60 days"; and a new § 1426.13a is added to read as set forth below:

§ 1426.13a *Effective dates of amendments.* (a) Amendment No. 1 (§§ 1426.6 (b), 1426.8 (b), and 1426.13a) shall become effective October 15, 1942.

(Pub. Laws 421 and 729, 77th Cong.; E.O. 9250, 7 F.R. 7871)

Issued this 9th day of October 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10140; Filed, October 9, 1942; 2:51 p. m.]

PART 1499—COMMODITIES AND SERVICES

[Amendment 40 to Supplementary Regulation 14 [2] to General Maximum Price Regulation [3]]

STORAGE AND WAREHOUSING OF COTTON

A statement of the considerations involved in the issuance of this amendment has been issued simultaneously herewith and filed with the Division of the Federal Register.*

Subparagraph (14) of paragraph (a) of § 1499.73 is amended to read as set forth below:

§ 1499.73 *Modification of maximum prices established by § 1499.2 of General Maximum Price Regulation for certain commodities, services and transactions.* (a) The maximum prices established by § 1499.2 of the General Maximum Price Regulation for the commodities, services, and transactions listed below are modified as hereinafter provided:

* * * * *

(14) *Storage and warehousing of cotton and services incident thereto*—(i) *Cotton other than Government loan or Government owned cotton.* Maximum prices for storage and handling in and out of warehouse of cotton, other than government loan or government owned cotton, actually received for storage on or before August 24, 1942, shall be the prices set forth in inferior subdivision (i) (*a*) hereof. Maximum prices for storage and handling in and out of warehouse of cotton, other than government loan or government owned cotton, actually received for storage on or after August 25, 1942, shall be either the prices set forth in inferior subdivision (i) (*a*) hereof or the prices set forth in inferior subdivision (i) (*b*) hereof and every person engaged in the storage and warehousing of cotton other than government loan cotton or government owned cotton must file with the appropriate field office of the Office of Price Administration, within 30 days after the date of this amendment, on the form set forth in Appendix A hereto, a notice of his election to observe as his maximum prices either the maximum prices specified in inferior subdivision (i) (*a*) hereof or the maximum prices specified in inferior subdivision (i) (*b*) hereof:

(*a*) Maximum prices for storage and handling in and out of warehouse computed under § 1499.2 of the General Maximum Price Regulation, or

(*b*) (*1*) For handling of cotton in and out of warehouse, 35¢ per bale;

(2) For storage: cotton stored in warehouses operating compress facilities, 17½¢ per bale per month, or fraction thereof, for the first six months of storage and 15¢ per bale per month, or fraction thereof, thereafter; cotton stored in warehouses not operating compress facilities, 20¢ per bale per month, or fraction thereof, for the first six months of storage and 17½¢ per bale per month, or fraction thereof, thereafter. The storage charge provided for in this inferior subdivision (*b*) includes fire insurance if the seller included fire insurance in the storage charge made to purchasers of the same class during the month of March 1942.

(ii) *Government loan cotton.* Maximum prices for storage and handling in and out of warehouse of government loan cotton actually received for storage on or after August 25, 1942, shall be the prices set forth in inferior subdivision (i) (*b*) hereof. Maximum prices for storage and handling in and out of warehouse of government loan cotton actually received for storage on or before August 24, 1942, shall be the prices set forth in inferior subdivision (i) (*a*) hereof.

(iii) *Government owned cotton.* Maximum prices for storage and handling in and out of warehouse of government owned cotton shall be the prices set forth in inferior subdivision (i) (*a*) hereof.

(iv) *Definitions.* When used in this subparagraph (14):

(*a*) The term "handling in and out" includes services ordinarily incident to receiving cotton for and delivering it from storage, such as weighing, marking, tagging, and sampling, but does not include services for which the particular seller customarily made a separate or different charge during the season from August 1, 1941, to July 31, 1942, in addition to or apart from his charges for receiving and delivering, and does not include penalty charges assessed for the delivery of uncompressed cotton from a warehouse operating compress facilities.

(*b*) The term "government loan cotton" means cotton which is subject to a loan made by the United States Government or any agency thereof.

(*c*) The term "government owned cotton" means cotton which is owned by the United States Government or any agency thereof.

(*d*) The term "warehouse operating compress facilities" means a warehouse which has compress facilities and which customarily makes a charge for compressing cotton or collects a penalty charge for delivery of uncompressed cotton.

(*e*) The term "warehouse not operating compress facilities" means a warehouse which does not have compress facilities, or a warehouse which does not customarily make a charge for compressing cotton or make a penalty charge for delivery of uncompressed cotton even though such warehouse does operate compress facilities.

(v) *Appendix A. O. P. A. Form No. SR 14:7. Form of Election Under Amendment No. 40 to Supplementary Regulation No. 14 to General Maximum Price Regulation.*

Office of Price Administration

(City)

(State)

Pursuant to the provisions of Amendment No. 40 to Supplementary Regulation No. 14 to the General Maximum Price Regulation, I hereby elect to observe as maximum prices for the handling in and out of warehouse and storage of cotton other than government loan or government owned cotton:

( ) (1) The maximum prices specified in inferior subdivision (i) (*a*) of said Amendment.

( ) (2) The maximum prices specified in inferior subdivision (i) (*b*) of said Amendment.

My maximum prices for such storage and handling:

( ) (1) Are set forth in the attached tariff.

( ) (2) Are as follows:

For handling in and out of warehouse:

For storage:

(Name of Company)

(location of warehouse—a separate form must be filed for each separate warehouse unless the same election is made as to all warehouses operated by this company)

(Name of person signing this form and position occupied in company.)

(b) *Effective dates.* * * *

(41) Amendment No. 40 (§ 1499.73 (a) (14)) to Supplementary Regulation No. 14 shall become effective October 9, 1942.

(Pub. Laws 421 and 729, 77th Cong.; E.O. 9250, 7 F.R. 7871)

Issued this 9th day of October 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10149; Filed, October 9, 1942; 6:08 p. m.]

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* Copies may be obtained from the Office of Price Administration.

[1] 7 F.R. 7097, 7368.

[2] 7 F.R. 5486, 5709, 6008, 5911, 6271, 6369, 6477, 6473, 6774, 6775, 6793, 7400, 6887, 6892, 6776, 6939, 7011, 7012, 6965, 7250, 7269, 7203, 7365, 7401.

[3] 7 F.R. 3153, 3330, 3666, 3990, 3991, 4339, 4487, 4659, 4738, 5027, 5276, 5192, 5365, 5445, 5775, 5784, 5783, 6058, 6081, 5484, 5565, 6007, 6216, 6615, 6794, 6939 7093, 7322.

PART 1499—COMMODITIES AND SERVICES

[Order 65 Under § 1499.18 (c) of General Maximum Price Regulation]

P. SHARKEY AND SON

For the reasons set forth in an opinion issued simultaneously herewith, *It is ordered:*

§ 1499.915 *Denial of application for adjustment of maximum price of horse collars sold by P. Sharkey and Son of Portland, Oregon.* (a) The application of P. Sharkey and Son of Portland, Oregon, filed July 30, 1942 and assigned Docket No. GF3-860, requesting permission to increase the maximum price of horse collars sold by it, is denied without prejudice.

(b) This Order No. 65 (§ 1499.915) shall become effective October 10, 1942.

(Pub. Laws 421 and 729, 77th Cong.; E.O. 9250, 7 F.R. 7871)

Issued this 9th day of October 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10133; Filed, October 9, 1942; 2:50 p. m.]

PART 1499—COMMODITIES AND SERVICES

[Order 66 Under § 1499.18 (c) of General Maximum Price Regulation—Docket GF3-1230]

INDUSTRIAL CIGAR COMPANY

For the reasons set forth in an opinion issued simultaneously herewith, *It is ordered:*

§ 1499.916 *Adjustment of maximum prices for stogies manufactured by Industrial Cigar Company.* (a) Industrial Cigar Company, 610-614 South Mathilda Street, Pittsburgh, Pennsylvania, wholesalers and retailers, may sell and deliver and any person may buy and receive from Industrial Cigar Company, wholesalers and retailers, "Arco Specials", "Tech", and "Gold Flower" stogies manufactured by Industrial Cigar Company at prices not higher than those set forth below:

(1) *Industrial Cigar Company.* $24.00 per 1000 less trade discount of 12% and cash discount of 2% (f. o. b. destination).

(2) *Wholesalers.* $24.00 per 1000 less the customary discounts established by the particular wholesaler for sales to the particular class of purchasers, (f. o. b. destination).

(3) *Retailers.* 3 cents per stogie.

(b) The adjustment granted to Industrial Cigar Company, wholesalers and retailers is subject to the condition that Industrial Cigar Company shall forthwith by circular or other appropriate means notify all wholesalers and retailers selling stogies manufactured by it that their maximum prices have been adjusted to those set forth in paragraph (a).

(c) All prayers of the application not granted herein are denied.

(d) This Order No. 66 may be revoked or amended by the Price Administrator at any time.

(e) This Order No. 66 (§ 1499.916) is hereby incorporated as a section of Supplementary Regulation No. 14, which contains modifications of maximum prices established by § 1499.2.

(f) This Order No. 66 (§ 1499.916) shall become effective October 10, 1942.

(Pub. Laws 421 and 729, 77th Cong.; E.O., 9250, 7 F.R. 7871)

Issued this 9th day of October 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10134; Filed October 9, 1942; 2: 50 p. m.]

PART 1499—COMMODITIES AND SERVICES

[Order 67 under § 1499.18 (c) of the General Maximum Price Regulation—Docket GF1-710-P]

BUSH PAN-AMERICA, LTD.

For the reasons set forth in an opinion issued simultaneously herewith, *It is ordered:*

§ 1499.917 *Adjustment of maximum price of 3,401 pounds of essence of guiacum imported by Bush Pan-America, Ltd. of New York, New York.* (a) The maximum price for sales of the 3,401 pounds of essence of guiacum imported by Bush Pan-America, Ltd., of New York, New York and received by said company in the following shipments, i. e., 1,235 pounds on June 22, 1942, and 2,166 pounds on August 12, 1942, is established at $6.25 per pound. The Bush Pan-America, Ltd. may sell and any person may buy the whole or any part thereof at the maximum price set forth above.

(b) All discounts, trade practices and trade allowances upon the sale by Bush Pan-America, Ltd. of the commodity referred to in paragraph (a) above during March, 1942, shall apply to the maximum price set forth in paragraph (a).

(c) This Order No. 67 may be revoked or amended by the Price Administrator at any time.

(d) All prayers of the applicant not granted herein are denied.

(e) This Order No. 67 (§ 1499.917) is hereby incorporated as a section of Supplementary Regulation No. 14 which contains modifications of the maximum price established by § 1499.2.

(f) This Order No. 67 (§ 1499.917) shall become effective October 5, 1942.

(Pub. Laws 421 and 729, 77th Cong.; E.O. 9250, 7 F.R. 7871)

Issued this 9th day of October 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10135; Filed, October 9, 1942; 2:50 p. m.]

PART 1302—ALUMINUM

[Amendment 2 to Revised Price Schedule 2,[1] as Amended]

ALUMINUM SCRAP AND SECONDARY ALUMINUM INGOT

A statement of the considerations involved in the issuance of this amendment is issued simultaneously herewith and has been filed with the Division of the Federal Register.*

Paragraph (a) of § 1302.14 is amended as set forth below:

§ 1302.14 *Appendix A: Maximum prices for aluminum scrap.*—(a) *Schedule of prices.*

* * * * *

§ 1302.13a *Effective dates of amendments.* * * *

(c) Amendment No. 2 to Revised Price Schedule No. 2, as amended (§ 1302.14

*Copies may be obtained from the Office of Price Administration.

[1] 7 F.R. 1203, 1600, 1836, 2132, 3746, 4584, 5513, 6468, 7973.

Grade of aluminum scrap	Column I: Maximum price (cents per pound) for shipment at one time of less than 1,000 pounds	Column II: Maximum price (cents per pound) for shipment at one time of 1,000 to 20,000 pounds (if shipped by truck) or 1,000 pounds to minimum carload (if shipped by rail)	Column III: Maximum price (cents per pound) for shipment at one time of 20,000 pounds or more (if shipped by truck) or minimum carload or more (if shipped by rail)
(1) Plant scrap, segregated:			
2S solids	10	11	11¼
17S, 24S, and 52S solids:			
Briquetted, or in large pieces too heavy to briquette	10½	11½	12
Baled or packaged, suitable for briquetting	10	11	11¼
Loose, suitable for briquetting	9½	10½	11
All other solids	9½	10½	11
Borings and turnings	7½	8½	9
(2) Plant scrap, mixed:			
All solids	8½	9½	10
Borings and turnings	6½	7½	8
(3) Obsolete scrap:			
Pure cable	10	11	11¼
Old sheet and utensils	8½	9½	10
Old castings and forgings	9	9½	10
Pistons free of struts	9	9½	10
Pistons with struts	7	7½	8
(4) Drosses, skimmings, grindings, sweepings, savings and spatters:			
Containing 15 percent or more by weight of metallic aluminum, as determined by fire assay.	8 cents per pound of metallic aluminum contained, as determined by fire assay, irrespective of quantity.		
Containing less than 15 percent by weight of metallic aluminum, as determined by fire assay.	1.2 cents per pound of material irrespective of aluminum content and irrespective of quantity.		

(a)) shall become effective October 16, 1942.

(Pub. Law 421, 77th Cong., Pub. Law 729, 77th Cong. and E.O. 9250, 7 F.R. 7871.)

Issued this 10th day of October 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10157; Filed, October 10, 1942; 12:20 p. m.]

PART 1316—COTTON TEXTILES

[Amendment 8 to Revised Price Schedule No. 35 [1]]

CARDED GREY AND COLORED-YARN COTTON GOODS

A statement of the considerations involved in the issuance of this Amendment has been issued simultaneously herewith and has been filed with the Division of the Federal Register.*

The item in footnote 5 to Table III of § 1316.61 (b) (4) beginning "For any osnaburg 42" or over in width" is hereby amended to read as set forth below:

§ 1316.61 *Appendix A: Maximum prices for cotton goods.*

(b) * * *

(4) *Maximum price tables,* * * *

TABLE III—SHEETING YARN GROUP

* * * * *

* * * * For any osnaburg 42" or over in width a premium of 5 per cent over the otherwise applicable maximum price: *Provided,* That maximum prices for deliveries of osnaburgs 42" and over in width against contracts entered into between May 4, and May 29, 1942, both inclusive, shall be determined in accordance with Maximum Price Regulation No. 118 (7 F.R. 3038, 3211, 3522, 3578, 3824, 3905, 4405, 5224, 5405, 5567, 5836, 6005, 6484): *Provided further,* That contracts entered into between May 30, 1942, and October 11, 1942, both inclusive, under the terms of and at prices in compliance with this Revised Price Schedule No. 35, may be carried out at the contract price.

* * * * * *

§ 1316.60a *Effective dates of amendments.* * * *

(h) Amendment No. 8 (Footnote 5 to Table III of § 1316.61 (b) (4) to Revised Price Schedule No. 35 shall become effective October 12, 1942.

(Pub. Law 421, 77th Cong., Pub. Law 729, 77th Cong., E.O. 9250, 7 F.R. 7871.)

Issued this 10th day of October 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10158; Filed, October 10, 1942; 12:22 p. m.]

PART 1335—CHEMICALS

[Amendment 1 to Revised Price Schedule 21 [2]]

FORMALDEHYDE

A statement of the considerations involved in the issuance of this amendment has been issued simultaneously herewith and filed with the Division of the Federal Register.*

Paragraph (a) of § 1335.56 is amended and new §§ 1335.56a and 1335.59a are added, to read as set forth below:

§ 1335.56 *Enforcement.* (a) Persons violating any provision of this Revised Price Schedule No. 21 are subject to the criminal penalties, civil enforcement actions, license suspension proceedings, and suits for treble damages provided for by the Emergency Price Control Act of 1942.

* * * * *

§ 1335.56a *Licensing.* (a) The provisions of Supplementary Order No. 11, licensing distributors of chemicals and drugs, are applicable to every distributor selling formaldehyde for which maximum prices are established by Appendix A (§ 1335.60). The term "distributor" shall have the meaning given to it by Supplementary Order No. 11.

(b) The registration and licensing provisions of §§ 1499.15 and 1499.16 of the General Maximum Price Regulation are applicable to every person selling at retail formaldehyde for which maximum prices are established by Appendix A (§ 1335.60). The term "selling at retail" shall have the meaning given it by § 1499.20(o) of the General Maximum Price Regulation.

§ 1335.59a *Effective dates of amendments.* (a) Amendment No. 1 (§§ 1335.56(a), 1335.56a, and 1335.59a) to Revised Price Schedule No. 21 shall become effective October 16, 1942.

(Pub. Laws 421, and 729, 77th Cong., E.O. 9250, 7 F.R. 7871.)

Issued this 10th day of October, 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10192; Filed, October 10, 1942; 12:24 p. m.]

PART 1335—CHEMICALS

[Amendment 1 to Revised Price Schedule 31 [1]]

ACETIC ACID

A statement of the considerations involved in the issuance of this amendment has been issued simultaneously herewith and filed with the Division of the Federal Register.*

Paragraph (a) of § 1335.206 is amended and new §§ 1335.206a and 1335.209a are added, to read as set forth below:

§ 1335.206 *Enforcement.* (a) Persons violating any provision of this Revised Price Schedule No. 31 are subject to the criminal penalties, civil enforcement actions, license suspension proceedings, and suits for treble damages provided for by the Emergency Price Control Act of 1942.

* * * * *

§ 1335.206a *Licensing.* (a) The provisions of Supplementary Order No. 11, licensing distributors of chemicals and drugs, are applicable to every distributor selling Acetic Acid for which maximum prices are established by Appendix A (§ 1335.210). The term "distributor" shall have the meaning given to it by Supplementary Order No. 11.

(b) The registration and licensing provisions of §§ 1499.15 and 1499.16 of the General Maximum Price Regulation are applicable to every person selling at retail acetic acid for which maximum prices are established by Appendix A (§ 1335.210). The term "selling at retail" shall have the meaning given it by § 1499.20 (o) of the General Maximum Price Regulation.

§ 1335.209a *Effective dates of amendments.* (a) Amendment No. 1 (§§ 1335.206, 1335.206a, and 1335.209a) to Revised Price Schedule No. 31 shall become effective October 16, 1942.

(Pub. Laws 421 and 729, 77th Cong., E.O. 9250, 7 F.R. 7871.)

Issued this 10th day of October 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10193; Filed, October 10, 1942; 12:24 p. m.]

PART 1335—CHEMICALS

[Amendment 1 to Revised Price Schedule 34 [1]]

WOOD ALCOHOL

A statement of the considerations involved in the issuance of this amendment has been issued simultaneously herewith and filed with the Division of the Federal Register.*

Paragraph (a) of § 1335.256 is amended, and new §§ 1335.256a and 1335.258a are added, to read as set forth below:

§ 1335.256 *Enforcement.* (a) Persons violating any provision of this Revised Price Schedule No. 34 are subject to the criminal penalties, civil enforcement actions, license suspension proceedings, and suits for treble damages provided for by the Emergency Price Control Act of 1942.

* * * * *

§ 1335.256a *Licensing.* (a) The provisions of Supplementary Order No. 11, licensing distributors of chemicals and drugs, are applicable to every distributor selling wood alcohol for which maximum prices are established by Appendix A (§ 1335.259). The term "distributor" shall have the meaning given to it by Supplementary Order No. 11.

(b) The registration and licensing provisions of §§ 1499.15 and 1499.16 of the General Maximum Price Regulation are applicable to every person selling at retail wood alcohol for which maximum prices are established by Appendix A (§ 1335.259). The term "selling at retail" shall have the meaning given it by § 1499.20 (o) of the General Maximum Price Regulation.

§ 1335.258a *Effective dates of amendments.* (a) Amendment No. 1 (§§ 1335.256, 1335.256a, and 1335.258a) to

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*Copies may be obtained from the Office of Price Administration.

[1] 7 F.R. 1270, 1836, 2132, 2738, 2795, 3060, 3164, 3447, 3900, 6640, 7248, 7318.

[2] 7 F.R. 1249, 1836, 2000, 2132, 6385.

[1] 7 F.R. 123, 1263, 1836, 2000, 2132, 6385.

[1] 7 F.R. 1263, 1836, 2000, 2132, 6335.

Revised Price Schedule No. 34 shall become effective October 16, 1942.

(Pub. Laws 421 and 729, 77th Cong., E.O. 9250, 7 F.R. 7871.)

Issued this 10th day of October 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10197; Filed, October 10, 1942; 12:24 p. m.]

PART 1335—CHEMICALS

[Amendment 3 to Revised Price Schedule 38[1]]

GLYCERINE

A statement of the considerations involved in the issuance of this amendment has been issued simultaneously herewith and filed with the Division of the Federal Register.*

Paragraph (a) of § 1335.406 is amended and new § 1335.406a is added, to read as set forth below:

§ 1335.406 *Enforcement.* (a) Persons violating any provision of this Revised Price Schedule No. 38 are subject to the criminal penalties, civil enforcement actions, license suspension proceedings, and suits for treble damages provided for by the Emergency Price Control Act of 1942.

* * * * *

§ 1335.406a *Licensing.* (a) The provisions of Supplementary Order No. 11, licensing distributors of chemicals and drugs, are applicable to every distributor selling glycerine for which maximum prices are established by Appendix A (§ 1335.410). The term "distributor" shall have the meaning given to it by Supplementary Order No. 11.

(b) The registration and licensing provisions of §§ 1499.15 and 1499.16 of the General Maximum Price Regulation are applicable to every person selling at retail glycerine for which maximum prices are established by Appendix A (§ 1335.410). The term "selling at retail" shall have the meaning given it by § 1499.20 (o) of the General Maximum Price Regulation.

§ 1335.409a *Effective dates of amendments.* * * *

(c) Amendment No. 3 (§§ 1335.406 and 1335.406a) to Revised Price Schedule No. 38 shall become effective October 16, 1942.

(Pub. Laws 421 and 729, 77th Cong., E.O. 9250, 7 F.R. 7871.)

Issued this 10th day of October 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10194; Filed, October 10, 1942; 12:25 p. m.]

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*Copies may be obtained from the Office of Price Administration.

[1] 7 FR. 1277, 1836, 2000, 2132, 2997, 5178, 6385.

PART 1335—CHEMICALS

[Amendment 3 to Revised Price Schedule 42[1]]

PARAFFIN WAX

A statement of the considerations involved in the issuance of this amendment has been issued simultaneously herewith and filed with the Division of the Federal Register.*

Paragraph (a) of § 1335.456 is amended and new §§ 1335.456a and 1335.460a are added, to read as set forth below:

§ 1335.456 *Enforcement.* (a) Persons violating any provision of this Revised Price Schedule No. 42 are subject to the criminal penalties, civil enforcement actions, license suspension proceedings, and suits for treble damages provided for by the Emergency Price Control Act of 1942.

* * * * *

§ 1335.456a *Licensing.* (a) The provisions of Supplementary Order No. 11, licensing distributors of chemicals and drugs, are applicable to every distributor selling paraffin wax for which maximum prices are established by Appendix A (§ 1334.410). The term "distributor" shall have the meaning given to it by Supplementary Order No. 11.

(b) The registration and licensing provisions of §§ 1499.15 and 1499.16 of the General Maximum Price Regulation are applicable to every person selling at retail paraffin wax for which maximum prices are established by Appendix A (§ 1335.460). The term "selling at retail" shall have the meaning given it by § 1499.20 (o) of the General Maximum Price Regulation.

§ 1335.460a *Effective dates of amendments.* * * *

(c) Amendment No. 3 (§§ 1335.456 and 1335.456a) to Revised Price Schedule No. 42 shall become effective October 16, 1942.

(Pub. Laws 421 and 729, 77th Cong., E.O. 9250, 7 F.R. 7871.)

Issued this 10th day of October 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10193; Filed, October 10, 1942; 12:25 p. m.]

PART 1335—CHEMICALS

[Amendment 2 to Revised Price Schedule 78[2]]

OXALIC ACID

A statement of the considerations involved in the issuance of this amendment has been issued simultaneously herewith and filed with the Division of the Federal Register.*

Paragraph (a) of § 1335.555 is amended and new § 1335.555a is added, to read as set forth below:

[1] 7 F.R. 1285, 1836, 2000, 2132, 3430, 4853, 6385.

[2] 7 F.R. 1353, 1836, 2132, 2512, 6385.

§ 1335.555 *Enforcement.* (a) Persons violating any provision of this Revised Price Schedule No. 78 are subject to the criminal penalties, civil enforcement actions, license suspension proceedings, and suits for treble damages provided for by the Emergency Price Control Act of 1942.

* * * * *

§ 1335.555a *Licensing.* (a) The provisions of Supplementary Order No. 11, licensing distributors of chemicals and drugs, are applicable to every distributor selling oxalic acid for which maximum prices are established by Appendix A (§ 1335.559). The term "distributor" shall have the meaning given to it by Supplementary Order No. 11.

(b) The registration and licensing provisions of §§ 1499.15 and 1499.16 of the General Maximum Price Regulation are applicable to every person selling at retail oxalic acid for which maximum prices are established by Appendix A (§ 1335.559). The term "selling at retail" shall have the meaning given it by § 1499.20 (o) of the General Maximum Price Regulation.

§ 1335.558a *Effective dates of amendments.* * * *

(b) Amendment No. 2 (§§ 1335.555 and 1335.555a) to Revised Price Schedule No. 78 shall become effective October 16, 1942.

(Pub. Laws 421 and 729, 77th Cong., E.O. 9250, 7 F.R. 7871.)

Issued this 10th day of October, 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10195; Filed, October 10, 1942; 12:25 p. m.]

PART 1335—CHEMICALS

[Amendment 3 to Revised Price Schedule 79[1]]

CARBON TETRACHLORIDE

A statement of the considerations involved in the issuance of this amendment has been issued simultaneously herewith and filed with the Division of the Federal Register.*

Paragraph (a) of § 1335.605 is amended, and new § 1335.605a is added, to read as set forth below:

§ 1335.605 *Enforcement.* (a) Persons violating any provision of this Revised Price Schedule No. 79 are subject to the criminal penalties, civil enforcement actions, license suspension proceedings, and suits for treble damages provided for by the Emergency Price Control Act of 1942.

* * * * *

§ 1335.605a *Licensing.* (a) The provisions of Supplementary Order No. 11, licensing distributors of chemicals and drugs, are applicable to every distributor selling carbon tetrachloride for which maximum prices are established by Appendix A (§ 1335.609). The term "dis-

[1] 7 F.R. 1354, 1836, 2132, 2792, 5056.

tributor" shall have the meaning given to it by Supplementary Order No. 11.

(b) The registration and licensing provisions of §§ 1499.15 and 1499.16 of the General Maximum Price Regulation are applicable to every person selling at retail carbon tetrachloride for which maximum prices are established by Appendix A (§ 1335.609). The term "selling at retail" shall have the meaning given it by § 1499.20 (o) of the General Maximum Price Regulation.

§ 1335.608a *Effective dates of amendments.* * * *

(c) Amendment No. 3 (§§ 1335.605 and 1335.605a) to Revised Price Schedule No. 79 shall become effective October 16, 1942.

(Pub. Laws 421 and 729, 77th Cong., E.O. 9250, 7 F.R. 7871)

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LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10161; Filed, October 10, 1942; 12:23 p. m.]

PART 1335—CHEMICALS

[Amendment 3 to Revised Price Schedule 80 [1]]

LITHOPONE

A statement of the considerations involved in the issuance of this amendment has been issued simultaneously herewith and filed with the Division of the Federal Register.*

Paragraph (a) of § 1335.655 is amended and new § 1335.655a is added, to read as set forth below:

§ 1335.655 *Enforcement.* (a) Persons violating any provision of this Revised Price Schedule No. 80 are subject to the criminal penalties, civil enforcement actions, license suspension proceedings, and suits for treble damages provided for by the Emergency Price Control Act of 1942.

* * * * *

§ 1335.655a *Licensing.* (a) The provisions of Supplementary Order No. 11, licensing distributors of chemicals and drugs, are applicable to every distributor selling lithopone for which maximum prices are established by Appendix A (§ 1335.659). The term "distributor" shall have the meaning given to it by Supplementary Order No. 11.

(b) The registration and licensing provisions of §§ 1499.15 and 1499.16 of the General Maximum Price Regulation are applicable to every person selling at retail lithopone for which maximum prices are established by Appendix A (§ 1335.659). The term "selling at retail" shall have the meaning given it by § 1499.20 (o) of the General Maximum Price Regulation.

§ 1335.658a *Effective dates of amendments.* * * *

(c) Amendment No. 3 (§§ 1335.655 and 1335.655a) to Revised Price Schedule No. 80 shall become effective October 16, 1942.

(Pub. Laws 421 and 729, 77th Cong., E.O. 9250, 7 F.R. 7871)

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LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10190; Filed, October 10, 1942; 12:26 p. m.]

PART 1335—CHEMICALS

[Amendment 2 to Revised Price Schedule 98 [1]]

TITANIUM PIGMENTS

A statement of the considerations involved in the issuance of this amendment has been issued simultaneously herewith and filed with the Division of the Federal Register.*

Paragraph (a) of § 1335.755 is amended and new § 1335.755a, is added, to read as set forth below:

§ 1335.755 *Enforcement.* (a) Persons violating any provision of this Revised Price Schedule No. 98 are subject to the criminal penalties, civil enforcement actions, license suspension proceedings, and suits for treble damages provided for by the Emergency Price Control Act of 1942.

* * * * *

§ 1335.755a *Licensing.* (a) The provisions of Supplementary Order No. 11, licensing distributors of chemicals and drugs, are applicable to every distributor selling titanium pigments for which maximum prices are established by Appendix A (§ 1335.759). The term "distributor" shall have the meaning given to it by Supplementary Order No. 11.

(b) The registration and licensing provisions of §§ 1499.15 and 1499.16 of the General Maximum Price Regulation are applicable to every person selling at retail titanium pigments for which maximum prices are established by Appendix A (§ 1335.759). The term "selling at retail" shall have the meaning given it by § 1499.20 (o) of the General Maximum Price Regulation.

§ 1335.758a *Effective dates of amendments.* * * * (b) Amendment No. 2 (§§ 1335.755 and 1335.755a) to Revised Price Schedule No. 98 shall become effective October 16, 1942.

(Pub. Laws 421 and 729, 77th Cong., E.O. 9250, 7 F.R. 7871)

Issued this 10th day of October 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10191; Filed, October 10, 1942; 12:26 p. m.]

PART 1335—CHEMICALS

[Amendment 1 to Revised Price Schedule 99 [1]]

ACETYL SALICYLIC ACID

A statement of the considerations involved in the issuance of this amendment has been issued simultaneously herewith and filed with the Division of the Federal Register.*

Paragraph (a) of § 1335.805 is amended and new § § 1335.805a and 1335.808a are added, to read as set forth below:

§ 1335.805 *Enforcement.* (a) Persons violating any provision of this Revised Price Schedule No. 99 are subject to the criminal penalties, civil enforcement actions, license suspension proceedings, and suits for treble damages provided for by the Emergency Price Control Act of 1942.

* * * * *

§ 1335.805a *Licensing.* (a) The provisions of Supplementary Order No. 11, licensing distributors of chemicals and drugs, are applicable to every distributor selling acetyl salicylic acid for which maximum prices are established by Appendix A (§ 1335.809). The term "distributor" shall have the meaning given to it by Supplementary Order No. 11.

(b) The registration and licensing provisions of §§ 1499.15 and 1499.16 of the General Maximum Price Regulation are applicable to every person selling at retail acetyl salicylic acid for which maximum prices are established by Appendix A (§ 1335.809). The term "selling at retail" shall have the meaning given it by § 1499.20 (o) of the General Maximum Price Regulation.

§ 1335.808a *Effective dates of amendments.* (a) Amendment No. 1 (§ § 1335.805, 1335.805a and 1335.808a) to Revised Price Schedule No. 99 shall become effective October 16, 1942.

(Pub. Laws 421 and 729, 77th Cong., E.O. 9250, 7 F.R. 7871)

Issued this 10th day of October 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10159; Filed, October 10, 1942; 12:24 p. m.]

PART 1335—CHEMICALS

[Amendment 1 to Revised Price Schedule 103 [2]]

SALICYLIC ACID

A statement of the considerations involved in the issuance of this amendment has been issued simultaneously herewith and filed with the Division of the Federal Register.*

Paragraph (a) of § 1335.955 is amended and new §§ 1335.955a and 1335.958a are added, to read as set forth below:

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* Copies may be obtained from the Office of Price Administration.

[1] 7 F.R. 1355, 1643, 1836, 2132, 2759, 6385.

[1] 7 F.R. 1392, 1836, 2103, 2132, 6385.

[1] 7 F.R. 1402, 1836, 2132.

[2] 7 F.R. 1393, 1836, 2103, 2132.

§ 1335.955 *Enforcement.* (a) Persons violating any provision of this Revised Price Schedule No. 103 are subject to the criminal penalties, civil enforcement actions, license suspension proceedings, and suits for treble damages provided for by the Emergency Price Control Act of 1942.

* * * * *

§ 1335.995a *Licensing.* (a) The provisions of Supplementary Order No. 11, licensing distributors of chemicals and drugs, are applicable to every distributor selling salicylic acid for which maximum prices are established by Appendix A (§ 1335.959). The term "distributor" shall have the meaning given to it by Supplementary Order No. 11.

(b) The registration and licensing provisions of §§ 1499.15 and 1499.16 of the General Maximum Price Regulation are applicable to every person selling at retail salicylic acid for which maximum prices are established by Appendix A (§ 1335.959). The term "selling at retail" shall have the meaning given it by § 1499.20 (o) of the General Maximum Price Regulation.

§ 1335.958a *Effective dates of amendments.* (a) Amendment No. 1 (§§ 1335.955, 1335.955a and 1335.958a) to Revised Price Schedule No. 103 shall become effective October 16, 1942.

(Pub. Laws 421 and 729, 77th Cong., E.O. 9250, 7 F.R. 7871.)

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LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10160; Filed, October 10, 1942; 12:24 p. m.]

PART 1351—FOOD AND FOOD PRODUCTS

[Amendment 11 to Revised Price Schedule 53 [1]]

FATS AND OILS

A statement of the considerations involved in the issuance of this amendment has been issued simultaneously herewith and has been filed with the Division of the Federal Register.*

A new sub-paragraph (13) is added to paragraph (b) of § 1351.151 as set forth below:

§ 1351.151 *Maximum prices for fats and oils.* * * *

(b) * * *

(13) On and after October 16, 1942, § 1351.151 (b) (1) to (5), both inclusive, of this paragraph (b) shall have no application to the following fats and oils, and the maximum prices thereof shall be the following prices:

Wool Grease: f. o. b. producer's plant, in returnable drums, carlots.

	Cents per pound
U. S. P. lanolin, anhydrous cosmetic grade	35
U. S. P. lanolin, pharmaceutical type	33
U. S. P. lanolin, hydrous	32
Technical lanolin, bleached and deodorized, ash maximum 1/10 of 1%, moisture maximum 3/4 of 1%, acid maximum 3/4 of 1%, 1 1/2% loss with petroleum ether extraction, color 3 1/2 A. S. T. M. standard	31
Neutral wool grease, fully refined, acid maximum 2%, ash maximum 1/10 of 1%, moisture maximum 1%	29
Neutral wool grease, fully refined, over 2% acid, ash maximum 1/10 of 1%, moisture maximum 1%	27 1/2
Crude centrifugal wool grease, known as dry, moisture maximum 2 1/2%, ash maximum 3/4 of 1%, maximum 1 1/2 F. F. A.	20
Crude centrifugal wool grease, known as wet, over 5% moisture, maximum 2 1/2 F. F. A., not refined, anhydrous grease basis	17
Common Degras, moisture maximum 2 1/2%, 1/4 to 1% ash, maximum 11% F. F. A.	12
Common Degras, moisture maximum 2 1/2%, 1/4 to 1% ash, maximum 20% F. F. A.	11
Common Degras, moisture maximum 2 1/2%, 1/4 to 1% ash, maximum 30%, F. F. A.	10

(i) The usual or normal differential for type of container shall continue to apply.

(ii) The usual or normal differentials for grades above or below the listed grades shall continue to apply

(iii) The maximum price of an imported wool grease, duties and taxes paid, shall be the maximum price established above for the closest grade of domestic wool grease.

* * * * *

§ 1351.159 *Effective dates of amendments.* * * *

(k) Amendment No. 11 (§ 1351.151 (b) (13)) to Revised Price Schedule No. 53 shall become effective October 16, 1942.

(Pub. Law 421, 77th Cong., Pub. Law 729, 77th Cong., E.O. 9250, 7 F.R. 7871.)

Issued this 10th day of October 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10162; Filed, October 10, 1942; 12:19 p. m.]

PART 1351—FOOD AND FOOD PRODUCTS

[Amendment 12 to Revised Price Schedule 53 [1]]

FATS AND OILS

A statement of the considerations involved in the issuance of this Amendment has been issued simultaneously herewith and has been filed with the Division of the Federal Register.*

A new subparagraph (14) is added to paragraph (b) of § 1351.151 as set forth below:

§ 1351.151 *Maximum prices for fats and oils.* * * *

(b) * * *

(14) On and after October 16, 1942 § 1351.151 (b) (1) to (5) shall have no application to the following fats and oils, and the maximum prices thereof shall be the following prices:

(i) *Raw soap stocks.*

	Cents per lb. delivered in tankcars
Cottonseed foots, basis 50% T. F. A.:	
Midwest	3 1/2
East	3 5/8
Corn foots, basis 50% T. F. A.:	
Midwest	3 5/8
East	3 1/2
Soybean foots, basis 50% T. F. A.:	
Midwest	3 5/8
East	3 1/2

(ii) *Recovered or acidulated soap stocks.*

	Cents per lb. delivered in tankcars
Soybean oil, basis 95% T. F. A.:	
Midwest	7
East	7 1/4
Corn oil,, basis 95% T. F. A.:	
Midwest	7
East	7 1/4
Peanut oil, basis 95% T. F. A.:	
Midwest	8
East	8 1/4
Acidulated cottonseed foots (black grease), basis 95% T. F. A.:	
Midwest	7 1/4
East	7 3/8
Coconut oil, 93% saponifiable	10 1/8

(iii) *Distilled fatty acids.*

	Cents per lb. delivered, tank cars	Cents per lb. delivered, carloads, in returnable drums or non-returnable packages
Tallow:		
East	12	12 3/4
Texas and Oklahoma	12 1/2	13 1/4
West of Rockies	13	13 3/4
Cottonseed, single distilled:		
East	11 1/4	12
Texas and Oklahoma	11 3/4	12 1/2
West of Rockies	12 1/4	13
Cottonseed, double distilled:		
East	11 3/4	12 1/4
Texas and Oklahoma	12 1/4	13
West of Rockies	12 3/4	13 1/2
Coconut, undistilled, #2 grade	13 3/8	
Coconut, distilled, #1 grade		16 1/2
Coconut, triple distilled, special light color		16 3/4
Soya bean oil, from foots	10	10 3/4
Soya bean oil, from crude	10 3/4	10 1/2
Corn oil	10 1/2	10 3/8
Peanut oil	11 1/4	12

(a) When shipped in less than carload lots, the usual or normal premium shall continue to apply.

(b) The usual or normal differential for type of container shall continue to apply.

(c) The maximum prices of fractionated fatty acids shall be computed in accordance with § 1351.151 (b) (1) to (5) of this Revised Price Schedule No. 53.

(d) The maximum toll which may be charged for splitting fats and oils shall be (in addition to the retention of the glycerin for the account of the splitter) 75 cents per 100 lbs. in tankcar lots for all material testing under 20 F. F. A. and $1.00 per 100 lbs. in tankcar lots for all material testing 20 F. F. A. and over. All freight shall be for the account of the buyer. The normal premium for less than tankcar lots shall continue to apply.

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*Copies may be obtained from the Office of Price Administration.

[1] 6 F.R. 6409; 7 F.R. 81, 756, 1009, 1309, 1836, 2132, 3430, 3821, 4229, 4294, 4484, 5605, 7665, 7666, 7977.

[1] 6 F.R. 6409; 7 F.R. 81, 756, 1009, 1309, 1836, 2132, 3430, 3821, 4229, 4294, 4484, 5605, 7665, 7666, 7977.

(iv) *Stearic acid and oleic acid.*

	Cents per lb. del'd east of Rockies	Cents per lb. del'd Texas and Oklahoma	Cents per lb. del'd west of Rockies
Stearic acid, carloads, in bags:			
Single pressed	15⅜	15⅞	16⅜
Double pressed	15⅞	16⅜	16⅞
Triple pressed	18⅜	19¼	19⅞
Oleic acid:			
Tankcars	12½	13	13½
Carloads, in returnable drums or barrels	13¼	13¾	14¼
Double distilled oleic acid:			
Carloads, in returnable drums	15⅞	16⅜	16⅞
Carloads, in special drums or barrels (packages included)	16⅝	17½	17⅝

(*a*) When shipped in less than carload lots, the usual or normal premium shall continue to apply.

(*b*) The usual or normal differential for type of container shall continue to apply.

(*c*) The usual or normal differentials for grades above or below the listed grades shall continue to apply.

§ 1351.159 *Effective dates of amendments.* * * *

(l) Amendment No. 12 (§ 1351.151 (b) (14)) to Revised Price Schedule No. 53 shall become effective October 16, 1942.

(Pub. Law 421, 77th Cong., Pub. Law 729, 77th Cong., E.O. 9250, 7 F.R. 7871.)

Issued this 10th day of October, 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10163; Filed, October 10, 1942; 12:21 p. m.]

PART 1351—FOOD AND FOOD PRODUCTS

[Maximum Price Regulation 237]

ADJUSTED AND FIXED MARKUP REGULATION FOR SALES OF CERTAIN FOOD PRODUCTS AT WHOLESALE

In the judgment of the Price Administrator, it is necessary and proper to establish new maximum prices for the sale of certain food products at wholesale where the maximum prices established by the General Maximum Price Regulation threaten the continued distribution of those food products through their normal channels.

The maximum prices established by this regulation are, in the judgment of the Price Administrator, generally fair and equitable and will effectuate the purposes of the Emergency Price Control Act of 1942. A statement of the considerations involved in the issuance of this regulation has been issued simultaneously herewith and has been filed with the Division of the Federal Register.*

Therefore, under the authority vested in the Price Administrator by the Emergency Price Control Act of 1942, as amended, and Executive Order No. 9250, Maximum Price Regulation No. 237 is hereby issued.

*Copies may be obtained from the Office of Price Administration.

Sec.

1351.501 Applicability of this Maximum Price Regulation No. 237.
1351.502 How a wholesaler calculates his maximum prices for food products listed in Appendix A.
1351.503 How a wholesaler calculates his maximum prices for food products listed in Appendix B.
1351.504 How a wholesaler may re-calculate a new maximum price if his "net cost" increases before the final date for calculating a maximum price.
1351.505 Maximum prices set under this regulation cannot be changed.
1351.506 Final dates for calculating and filing maximum prices.
1351.507 Fractions of cents.
1351.508 How a service wholesaler calculates his maximum price when he makes cash-and-carry sales.
1351.509 Addition allowed for delivery by a retailer-owned cooperative wholesaler or a cash-and-carry wholesaler.
1351.510 Adjustment of maximum prices for different classes of purchasers.
1351.511 Records.
1351.512 Relation between Maximum Price Regulation No. 237 and the General Maximum Price Regulation.
1351.513 Evasion.
1351.514 Enforcement.
1351.515 Definitions.
1351.516 Geographical applicability.
1351.517 Effective date.
1351.518 Appendix A.
1351.519 Appendix B.
1351.520 Appendix C.

AUTHORITY: §§ 1351.501 to 1351.520, inclusive, issued under Pub. Law 421, 77th Cong., Pub. Law 729, 77th Cong.; and E.O. 9250, 7 F.R. 7871.

§ 1351.501 *Applicability of this Maximum Price Regulation No. 237—(a) What commodities may be priced under this regulation.* This regulation applies only to the particular food products listed in Appendix A (§ 1351.518) and Appendix B (§ 1351.519) of this regulation.

(b) *To what types of sellers this regulation applies.* This regulation applies only to sellers at wholesale (hereinafter referred to as wholesalers), which for the purpose of this regulation are divided into the following three classes:

(1) *Class 1: Retailer-owned cooperative wholesaler.* A retailer-owned cooperative wholesaler is either a nonprofit organization or a corporation, 51% of the stock of which is owned by its retailer customers, and which distributes food products for resale without materially changing their form.

(2) *Class 2: Cash-and-carry wholesaler.* A cash-and-carry wholesaler is a wholesaler not in Class 1 who distributes food products for resale or to commercial, industrial or institutional users without materially changing their form and who does not customarily deliver or extend credit to retail buyers.

(3) *Class 3: Service wholesaler.* A service wholesaler is a wholesaler not in Class 1 who distributes food products for resale or to commercial, industrial or institutional users without materially changing their form and who customarily delivers, or delivers and extends credit to retail buyers.

(c) *Purpose of this regulation—(1) Food products listed in Appendix A.* This regulation provides that for the particular food products listed in Appendix A, a wholesaler may use either a new adjusted maximum price calculated under this regulation or, if it is higher, his maximum price calculated under the provisions of any other applicable price regulation or order issued by the Office of Price Administration.

(2) *Food products listed in Appendix B.* This regulation provides new maximum prices for the particular food products listed in Appendix B. These new maximum prices are to be the only maximum prices for all sales of such food products after the effective date of this regulation and are to be used instead of the maximum prices calculated under any other price regulation or order issued by the Office of Price Administration.

(3) *Prohibition.* On and after October 15, 1942, the date this regulation takes effect, regardless of any contract or obligation, no person is permitted to sell or deliver at wholesale any of the food products listed in Appendix A or B at a price which is higher than the maximum price fixed by this regulation, and no person is permitted to buy or receive any of these food products in the course of trade or business at a price higher than that maximum price. Lower prices than the maximum prices may be charged and paid.

§ 1351.502 *How a wholesaler calculates his maximum prices for food products listed in Appendix A.* (a) The wholesaler may calculate his maximum prices for each item (that is, for each kind, brand, grade and container size) of a food product listed in Appendix A as follows:

(1) The wholesaler should first find from paragraph (b) of § 1351.501 of this regulation in what class of wholesaler he falls.

(2) The wholesaler will next find his net cost of the item he is pricing. "Net cost" in this regulation means the amount he paid for an item delivered at his customary receiving point less all discounts allowed him except the discount for prompt payment; however, no charge or cost for local unloading or local trucking shall ever be included. "Net cost" shall be based on the wholesaler's most recent purchase since May 11, 1942, of a customary quantity from a customary supplier and on the customary mode of transportation.

(3) The wholesaler will then multiply his net cost by the figure in Appendix A which applies to a wholesaler of his class for the item being priced.

(4) The wholesaler may use the resulting amount as his maximum price if it is higher than his maximum price under any other applicable price regulation or order issued by the Office of Price Administration.

(b) If a wholesaler uses this resulting amount as his new maximum price, he must fill out Form No. 337:1 (or a copy thereof) as set forth in Appendix C (§ 1351.520) of this regulation before making any sales at this new price.

(c) If a wholesaler fails to file such new maximum price as required by paragraph (b) of § 1351.506 of this regulation, any such price calculated under this section shall no longer be applicable to

such wholesaler, and sales or deliveries of that item shall be made thereafter at prices no higher than those established by any other applicable price regulation or order issued by the Office of Price Administration.

§ 1351.503 *How a wholesaler calculates his maximum price for food products listed in Appendix B.* The wholesaler must calculate his maximum price for each item (that is, for each kind, brand, grade and container size) of a food product listed in Appendix B as follows:

(1) The wholesaler shall multiply his "net cost" of the item he is pricing by the figure in Appendix B which applies to a wholesaler of his class for that item. He must find his "net cost" and "class of wholesaler" by following the rules of paragraphs (1) and (2) of the foregoing § 1351.502.

(2) The resulting amount shall be the wholesaler's maximum price for the particular item, but before making any sales at this new price, he must fill out Form No. 337:1 (or a copy thereof) as set forth in Appendix C of this regulation.

§ 1351.504 *How a wholesaler may recalculate a new maximum price if his "net cost" increases before the final date for calculating a maximum price.* If, after calculating any maximum price and after filling out Form No. 337:1 (or a copy thereof), a wholesaler, before the final date set opposite the name of the food product in Appendix A or B for the calculation of a maximum price, purchases a customary quantity of the same item from a customary supplier at a higher "net cost" than he used in calculating his maximum price, he may calculate a new maximum price on the basis of his new "net cost". Before making any sales at this new price, he must fill out Form No. 337:1 (or a copy thereof) as set forth in Appendix C of this regulation. The facts recorded in Form No. 337:1 (or a copy thereof) for the first new maximum price must not be changed, and a wholesaler should note on the form that a new maximum price has been calculated.

§ 1351.505 *Maximum prices set under this regulation cannot be changed.* A maximum price for any item of a food product calculated by a wholesaler under §§ 1351.502 and 1351.503 of this regulation and entered on Form No. 337:1 (or a copy thereof) shall be his maximum price for that item from that time forward. However, where a wholesaler recalculates a maximum price under § 1351.504 of this regulation, such recalculated price shall be his maximum price for that item from and after the date that the re-calculated price is entered on Form No. 337:1 (or a copy thereof).

§ 1351.506 *Final dates for calculating and filing maximum prices*—(a) *Recording of maximum prices.* A wholesaler must calculate and record on Form No. 337:1 (or a copy thereof) as set forth in Appendix C of this regulation all new maximum prices for any item of a food product on or before the date set opposite the name of that food product in Appendix A or B.

(b) *Filing of maximum prices.* Within ten days after the final date for the calculation of a maximum price for a food product under this regulation, a wholesaler must report all his new maximum prices to the nearest district office or, in the absence of a district office, to the nearest state office of the Office of Price Administration on Form No. 337:1 (or a copy thereof) as set forth in Appendix C of this regulation. This form shall be signed and subscribed or sworn to before a notary or other proper official.

§ 1351.507 *Fractions of cents.* Any maximum price calculated under this regulation shall be based on the wholesaler's customary unit of sale, that is, per case, per box, per bag, per dozen or the like. All such calculations resulting in a fraction of a cent shall be reduced to the nearest lower cent if the fraction is less than one-half cent and shall be increased to the nearest higher cent if the fraction is one-half cent or more.

§ 1351.508 *How a service wholesaler calculates his maximum price when he makes cash-and-carry sales.* Where a service wholesaler (Class 3) makes cash-and-carry sales (Class 2) and has customarily maintained a price differential between cash-and-carry sales and his service sales, he must use for the cash-and-carry sales the figure in Appendix A or B, which applies to a cash-and-carry wholesaler (Class 2).

§ 1351.509 *Addition allowed for delivery by a retailer-owned cooperative wholesaler or a cash-and-carry wholesaler.* (a) A retailer-owned cooperative wholesaler (Class 1) or a cash-and-carry wholesaler (Class 2), who has customarily added a set amount or percentage to his sales price for delivering to retail buyers, may continue to add such set amount or percentage to his total sales price of those sales which he delivers to his retail buyers. Such amount or percentage must be shown on the wholesaler's invoice.

(b) A retailer-owned cooperative wholesaler (Class 1) or a cash-and-carry wholesaler (Class 2), who has not customarily added a set amount or percentage to his sales price for delivering to retail buyers, may add one percent (1%) of the total amount of a sale of the food products covered by this regulation, to his total sales price of those sales which he delivers to his retail buyers. Such percentage must be shown on the wholesaler's invoice.

§ 1351.510 *Adjustment of maximum prices for different classes of purchasers.* If a wholesaler had a practice during March 1942 of giving to different classes of purchasers allowances, discounts or other price differentials, he is required to reduce his maximum price calculated for any food product by the amount of such allowances, discounts or price differentials. No wholesaler shall change his customary allowances, discounts and price differentials if the change results in a higher net price.

§ 1351.511 *Records.* (a) On the same day as a wholesaler calculates any new maximum price under this regulation and fills out Form No. 337:1 (or a copy thereof) he shall record on his base-period record required in § 1499.11 of the General Maximum Price Regulation, any new maximum price. The record of the old maximum price shall not be destroyed.

(b) In addition to the records required in § 1499.11 of the General Maximum Price Regulation or any other applicable price regulation, every wholesaler shall keep all records showing how he calculated any maximum price under this regulation, which records shall be kept for so long as the Emergency Price Control Act of 1942 remains in effect.

§ 1351.512 *Relation between Maximum Price Regulation No. 237 and the General Maximum Price Regulation.* The provisions of this Maximum Price Regulation No. 237 supersede the provisions of the General Maximum Price Regulation or any other applicable price regulation or order issued by the Office of Price Administration with respect to sales and deliveries for which maximum prices are established by this regulation. However, the following sections of the General Maximum Price Regulation, as well as the amendments to them, shall continue to be applicable to every wholesaler selling any food product listed in Appendix A or B:

(1) Transfers of business or stock in trade (§ 1499.5).
(2) Sales for export (§ 1499.6).
(3) Federal and State Taxes (§ 1499.7).
(4) Base-period records (§ 1499.11).
(5) Current records (§ 1499.12).
(6) Sales slips and receipts (§ 1499.14).
(7) Registration (§ 1499.15).
(8) Licensing (§ 1499.16).

§ 1351.513 *Evasion.* The price limitations set forth in this Maximum Price Regulation No. 237 shall not be evaded, whether by direct or indirect methods, in connection with any offer, solicitation, agreement, sale, delivery, purchase or receipt of, or relating to, any of the commodities listed in Appendix A or B hereof, alone or in conjunction with any other commodity or by way of commission, service, transportation, or any other charge, or discount, premium or other privilege, or by tying-agreement or other trade understanding, or by calculating "net cost" on purchases from non-customary suppliers, purchases of non-customary quantities or non-customary modes of transportation, or otherwise.

§ 1351.514 *Enforcement.* Persons violating any provisions of this Maximum Price Regulation No. 237 are subject to the criminal penalties, civil enforcement actions, suits for treble damages and proceedings for suspension of licenses provided by the Emergency Price Control Act of 1942.

§ 1351.515 *Definitions.* Unless the context otherwise requires, the definitions set forth in section 302 of the Emergency Price Control Act of 1942, and in § 1499.2 and § 1499.20 of the General Maximum Price Regulation shall apply to terms used herein.

§ 1351.516 *Geographical applicability.* The provisions of this Maximum Price Regulation No. 237 shall be applicable to the forty-eight states of the United States and the District of Columbia.

§ 1351.517 *Effective date.* This Maximum Price Regulation No. 237 (§§ 1351.501 to 1351.520, inclusive) shall become effective October 15, 1942.

§ 1351.518 *Appendix A.*

[Figures to be used by wholesale distributors in determining new maximum prices under 1351.102 of this regulation (new maximum prices are optional: Wholesaler may continue to use present maximum prices)]

Food product[1]	Last date for determining new maximum prices under this regulation	Last date for filing new maximum prices with appropriate OPA District or State Offices	Figure to be multiplied by net cost of item in determining new maximum prices under this regulation[2]		
			Class 1 Retail-owned co-operative	Class 2 Cash and carry	Class 3 Service and delivery
Cereals, breakfast	November 20, 1942	December 10, 1942	1.035	1.05	1.08
Coffee	November 20, 1942	December 10, 1942	1.035	1.035	1.05
Fish, canned	November 20, 1942	December 10, 1942	1.05	1.11	1.135
Oils, cooking and salad	November 20, 1942	December 10, 1942	1.04	1.035	1.05
Rice	November 20, 1942	December 10, 1942	1.04	1.035	1.05
Shortening, hydrogenated	November 20, 1942	December 10, 1942	1.03	1.03	1.035
Shortening, other	November 20, 1942	December 10, 1942	1.035	1.035	1.04
Sugar, cane and beet	November 20, 1942	December 10, 1942	1.02	1.02	1.04
Vegetables, canned	November 20, 1942	December 10, 1942	1.05	1.08	1.13

[1] As described below.

[2] See "Example of how to compute new maximum prices," below. For definition of classes of wholesalers, see paragraph (b) of 1351.101 of this regulation.

1. *Example of how to compute new maximum prices.* A wholesaler desires to secure a new maximum price on "XX" brand, No. 2 can, large green asparagus for which he paid $8.40 delivered. This wholesaler operates as a service and delivery distributor. Therefore, he takes the canned vegetable figure for his class (service and delivery—1.135), and multiplies it by his delivered cost of $8.40 ($8.30 f. o. b.—$.10 freight) per case. The resulting figure of $7.33 would be his new ceiling, as shown in the calculation below:

Invoice cost	per case	$8.30
		.10
Total warehouse delivered cost (excluding local trucking charges)		$8.40
Multiplied by adjustment figure		1.135
		3360
		1680
		840
		840
New ceiling		$7.33210

Since the fractional part of a cent is more than one-half cent, the wholesaler's permitted ceiling is $7.33, under § 1351.507 of this regulation, which provides that fractions one-half cent or more shall be adjusted to the next higher cent.

2. *Definition of food products on which wholesalers are allowed to determine new maximum prices under 1351.102 (j) this regulation.* a. Breakfast cereals shall mean canned bulk or packaged processed cereal grains used as breakfast foods, both uncooked and ready-to-eat types. Included in this classification are hominy grits, puffed rice, and puffed wheat; excluded are *rice*, corn meal, pearled barley, and pancake or buckwheat flour.

b. Coffee shall mean all roasted coffee, either whole or ground, and shall include all decaffeinated coffees, but shall exclude coffee concentrates.

c. Canned fish shall mean all processed fish and sea food in hermetically sealed containers, except canned shrimp and crab meat; excluded are fresh and frozen fish and sea food.

d. Cooking and salad oils shall mean all vegetable oils, whether pure or mixed; but shall not include prepared dressings.

e. Rice shall mean all bulk and packaged rice.

f. Hydrogenated shortening shall include all *fully* hydrogenated pure vegetable shortenings, such as Bakerite, Crisco, Dexo, Krego, Royal Satin, Spry & Tex.

g. Other shortenings shall include all shortenings except those included in (f) above, and except pure lard.

h. Sugar shall mean all bulk and packaged cane and beet sugar.

i. Canned vegetables shall include vegetable juices, pickles, tomato sauce, tomato catsup, tomato paste, chili sauce, cocktail sauce, pureed or chopped vegetables, and *all other vegetables* packed in containers of metal, glass, or other material.

3. *Additional instructions.* a. A new maximum price calculated under the requirements of this regulation need not be taken on all brands, grades, sizes, or kinds of a food product. The wholesaler may establish new maximum prices on whichever brands, grades, sizes, or kinds he desires, and may retain his present maximum prices on other brands, grades, sizes, or kinds of the same food product.

b. When a wholesaler elects to take a new ceiling, he must apply the figure given in this appendix to his net cost based on his usual unit of purchase (per dozen, per box, etc.). This applies even though his invoice normally shows a smaller unit; i. e., coffee is often quoted by the processor on a per pound basis even though sold in cases. For purposes of this regulation, the case would be considered the usual unit of purchase.

c. Adjustments may be made as soon as this regulation becomes effective, but before making any sales at new prices, form No. 337:1 must be filled out. Filing of this form is not required until the date specified in Appendix A. If the wholesaler's net cost on a food product increases before the final date for calculating new maximum prices under this regulation, a new maximum price may be calculated, but must also be entered on form No. 337:1 before any sales are made. If more than one maximum price is computed on any item, the one in effect on the final date for determining new prices under this regulation shall be the permanent maximum price from that date forward.

§ 1351.519 *Appendix B.*

[Figures to be used by wholesale distributors in determining new maximum prices under § 1351.503 of this regulation (new maximum prices are required after the effective date of this regulation)]

Food product[1]	Last date for determining new maximum prices under this regulation	Last date for filing new maximum prices with appropriate OPA District or State Offices	Figure to be multiplied by net cost of item in determining new maximum prices under this regulation[2]		
			Class 1 Retail-owned co-operative	Class 2 Cash and Carry	Class 3 Service and Delivery
Fruit, dried	November 30, 1942	December 10, 1942	1.055	1.125	1.165
Lard	November 30, 1942	December 10, 1942	1.035	1.035	1.075

[1] As described below.

[2] See "Example of how to compute new maximum prices," below. For definition of classes of wholesalers, see paragraph (b) of § 1351.501 of this regulation.

1. *Example of how to compute new maximum prices.*—A wholesaler must calculate a new maximum price on bulk, choice, Blenheim apricots for which he paid $5.78 delivered. This wholesaler is a cash and carry wholesaler Therefore, he takes the dried fruit figure for his class (cash and carry—1.125), and multiplies it by the cost of $5.78 per 25-lb box which includes his f. o. b. invoice cost and his freight payment. The resulting figure of $6.50250 will be his new ceiling per box. This figure will be rounded to $6.50.

Invoice cost one 25-lb. box @ $0.21¾ per lb.....per box...	$5.42
Freight	.36
Total warehouse del. cost (excluding local trucking charges)	$5.78
Multiplied by adjustment figure	1.125
	2890
	1156
	578
	578
New ceiling	$6.50250

Since the fractional part of a cent is less than one half cent the wholesaler's permitted ceiling is $6.50, under section 1351.507 of this regulation which provides that fractions of less than one half cent shall be adjusted to the next lower cent. Fractions equal to *one half cent or more* shall be rounded to the next higher cent.

2. *Definition of food products on which wholesalers must determine new maximum prices under § 1351.503 of this regulation.*—a. Dried fruits shall mean dried apples, apricots, currants, nectarines, peaches, pears, prunes, raisins and any combination of the above, package or bulk. Stuffed or glaced dried fruit and figs shall be excluded.

b. Lard shall mean all pure packaged or bulk lard derived wholly from pork.

3. *Additional instructions.*—a. A new maximum price must be calculated before making a sale of any brand, grade, size, or kind of the food products included in Appendix B. after the effective date of this regulation.

b. When a wholesaler calculates his new ceiling, he must apply the figure given in this Appendix B to his net cost based on his usual unit of purchase (per dozen, per box, etc.). This applies even though his invoice normally shows a smaller unit; i. e., Blenheim apricots in bulk are usually quoted by the processor on a per pound basis even though they are sold in 25-pound boxes. For purposes of this regulation, 25-pound boxes would be considered the usual unit of purchase.

c. New ceilings must be calculated as soon as this regulation becomes effective, and before making any sales after the effective date of this regulation, form No. 337:1 must be filled out. Filing of this form is not required until the date specified in Appendix B. If the wholesaler's net cost on a food product increases before the final date for calculating new maximum prices under this regulation, he may calculate a new maximum price based on his last cost, but must also enter this new price on form No. 337:1 before making any sales. The maximum price on any item in effect on the final date for determining new prices under this regulation shall be the permanent maximum price from that date forward.

§ 1351.520 *Appendix C: OPA Form No. 337.1.*

Make two copies, keep one, mail one to your OPA State or District Office before Dec. 10, 1942 — Do not write in this space

UNITED STATES OF AMERICA

OFFICE OF PRICE ADMINISTRATION

Wholesaler's report on new maximum prices calculated under the adjusted mark-up method authorized in MPR #237

Typewrite or use ink:

A. Name of wholesaler _____ C. Type of operation (check one): D. Number of pages in this report _____

B. Address: Street _____ Retailer-owned ____

City _____ State _____ Cash and carry ____

Service ____

(1) Date of calculating new ceiling price	(2) Class of food product	(3) Name and brand of item	(4) Grade and type	(5) Weight or container size	(6) Supplier's name—	(7) Date of last invoice	(8) Customary unit of purchase	(9) Net cost per customary unit of purchase	(10) Applicable figure	(11) New ceiling price for customary unit of sale	(12) Old ceiling price
Example: Oct. 16, 1942	Canned vegetables	King asparagus	Large green	#2 can	Jones and Co.	10/15/42	24's	$6.45	1.135	7.33	8.50

(Use as many copies of this form as needed to list all ceiling price changes determined under the allowed mark-up method).

Notary: _____ Name of wholesaler _____

_____ Signature _____

Send this form to the OPA Office for your State or District on or before December 10, 1942

INSTRUCTIONS FOR PREPARING WHOLESALER'S OFFICIAL REPORT

The following information must be reported in the spaces shown on the form:

Line A: *Name of wholesaler* Write name of wholesale organization.
Line B: *Address.* Write business address of organization.
Line C: *Type of operation.* Check type of wholesale operation you conduct
Line D: *Number of pages.* At the time you send this report to OPA, write the number you are sending in this space.
Col. 1: *Date.* Show the date you calculate your new ceiling price.
Col. 2: *Class of food product.* Write the class of food product in which this item falls as listed in the table of mark-ups.
Col. 3: *Brand and name of item.* Write brand name of item. Examples: "Princess Corn", "King Salmon", "Queen Sugar", etc.
Col. 4: *Grade and type.* Show additional description here. Examples: Standard, extra standard, etc. for canned goods; granulated, brown, etc. for sugar.
Col. 5: *Weight or container size.* Show weight or size of individual container Examples: 1 pound, #2½ can, 1 pint, etc. For sugar, dried fruit lard, etc. sold by retailers from bulk, show size of sack, can or box: 25 lbs., 100 lbs., etc.
Col. 6: *Supplier's name.* Write name of company who sold this item to you on your last purchase.
Col. 7: *Date of last invoice.* Write date shown on invoice covering your last purchase of this item.
Col. 8: *Customary unit purchase.* Write size of unit you normally purchase. Examples: Canned goods, unit: 24's, 36's, 48's, etc. Packaged rice, cereals, unit: 1b's, 24's, 36's, etc. Bulk sugar, rice, dried fruit, unit: 25 lb., 100-lb., etc.
Col. 9: *Net cost per customary unit of purchase.* Show the price you paid for this item delivered to your customary receiving point, less all discounts (except discounts for prompt payment). Exclude local unloading and trucking charges.
Col. 10: *Applicable figure.* Show figure in mark up table applying to this item for your class of business.
Col. 11 *New ceiling price for customary unit of sale* Write new ceiling price obtained by multiplying your net cost per customary unit of purchase (Col. 9) by the applicable figure (Col. 10). If your customary unit of purchase differs from your customary unit of sale for this item, divide the product of Columns 9 and 10 to obtain your new ceiling price Example: If your net cost for rice in 100-lb. bags is $7.45 and you sell in 25-lb. bags, multiply $7.45 by your applicable figure and divide by four to obtain your ceiling price for your customary selling unit for this item (25-lb. bags).
Col. 12: *Old ceiling price for customary unit of sale.* Write ceiling price you have been using for this item before calculating new ceiling price.

Issued this 10th day of October 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10202; Filed, October 10, 1942; 1:01 p. m.]

PART 1351—FOOD AND FOOD PRODUCTS

[Maximum Price Regulation 238]

ADJUSTED AND FIXED MARKUP REGULATION FOR SALES OF CERTAIN FOOD PRODUCTS AT RETAIL

In the judgment of the Price Administrator, it is necessary and proper to establish new maximum prices for the sale of certain food products at retail where the maximum prices established by the General Maximum Price Regulation threaten the continued distribution of those food products through their normal channels.

The maximum prices established by this regulation are, in the judgment of the Price Administrator, generally fair and equitable and will effectuate the purposes of the Emergency Price Control Act of 1942. A statement of the considerations involved in the issuance of this regulation has been issued simultaneously herewith and has been filed with the Division of the Federal Register.*

Therefore, under the authority vested in the Price Administrator by the Emergency Price Control Act of 1942, as amended, and Executive Order No. 9250 Maximum Price Regulation No. 238 is hereby issued.

*Copies may be obtained from the Office of Price Administration.

See.

1351.691 Applicability of this Maximum Price Regulation No. 238.
1351.692 How a retailer calculates his maximum price for food products listed in Appendix A.
1351.693 How a retailer calculates his maximum price for food products listed in Appendix B.
1351.694 How a retailer may re-calculate a new maximum price if his "net cost" increases before the final date for calculating a maximum price.

Sec.
1351.605 Maximum prices set under this regulation cannot be changed.
1351.606 Final dates for calculating and filing maximum prices.
1351.607 How a retailer determines whether he is an independent outlet or a member of a chain.
1351.608 How a retailer determines his annual gross sales volume.
1351.609 Fractions of cents.
1351.610 Adjustment of maximum prices for different classes of purchasers.
1351.611 Records.
1351.612 Relation between Maximum Price Regulation No. 238 and the General Maximum Price Regulation.
1351.613 Evasion.
1351.614 Enforcement.
1351.615 Definitions.
1351.616 Geographical applicability.
1351.617 Effective date.
1351.618 Appendix A.
1351.619 Appendix B.
1351.620 Appendix C.

AUTHORITY: §§ 1351.601 to 1351.620, inclusive, issued under Pub. Law 421, 77th Cong., Pub. Law 729, 77th Cong., E.O. 9250, 7 F.R. 7871.

§ 1351.601 *Applicability of this Maximum Price Regulation No. 238*—(a) *What commodities may be priced under this regulation.* This regulation applies only to the particular food products listed in Appendix A (§ 1351.618) and Appendix B (§ 1351.619) of this regulation.

(b) *To what types of sellers this regulation applies.* This regulation applies only to sellers at retail (hereinafter referred to as retailers) which for the purpose of this regulation are divided into the following five classes:

(1) Class 1: Independent retail outlets with an annual gross sales volume of less than $20,000.

(2) Class 2: Independent retail outlets with an annual gross sales volume of $20,000 to $50,000.

(3) Class 3: Independent retail outlets with an annual gross sales volume of $50,000 to $250,000.

(4) Class 4: Chain retail outlets with an annual gross sales volume of less than $250,000.

(5) Class 5: Chain or independent retail outlets with an annual gross sales volume of $250,000 or more.

(c) *Purpose of this regulation*—(1) *Food products listed in Appendix A.* This regulation provides that for the particular food products listed in Appendix A, a retailer may use either a new adjusted maximum price calculated under this regulation or, if it is higher, his maximum price calculated under the provisions of any other applicable price regulation or order issued by the Office of Price Administration.

(2) *Food products listed in Appendix B.* This regulation provides new maximum prices for the particular food products listed in Appendix B. These new maximum prices are to be the only maximum prices for all sales of such food products after the effective date of this regulation and are to be used instead of the maximum prices calculated under any other price regulation or order issued by the Office of Price Administration.

(3) *Prohibition.* On and after October 15, 1942, the date this regulation takes effect, regardless of any contract or obligation, no person is permitted to sell or deliver at retail any of the food products listed in Appendix A or B at a price which is higher than the maximum price fixed by this regulation, and no person is permited to buy or receive any of these food products in the course of trade or business at a price higher than that maximum price. Lower prices than the maximum prices may be charged and paid.

§ 1351.602 *How a retailer calculates his maximum price for food products listed in Appendix A.* (a) The retailer may calculate his maximum price for each item (that is, for each kind, brand, grade and container size) of a food product listed in Appendix A as follows:

(1) The retailer should first find from §§ 1351.607 and 1351.608 of this regulation in what class of retailers as set forth in paragraph (b) of § 1351.601 he falls.

(2) The retailer will next find his net cost of the item he is pricing.

(i) Where the item being priced is purchased by the retailer from the manufacturer, "net cost" in this regulation means the amount the retailer paid for an item delivered at his customary receiving point, less all discounts allowed him except the discount for prompt payment; however, no charge or cost for local unloading or local trucking shall ever be included.

(ii) Where the item being priced is purchased by the retailer from a wholesaler, "net cost" in this regulation means the amount paid by the retailer as shown on the invoice of the wholesaler, less all discounts allowed him except the discount for prompt payment. When transportation charges, other than local trucking, are paid by the retailer and are not shown on the wholesaler's invoice, they may be added to the wholesaler's invoice in calculating "net cost".

(iii) "Net cost" shall in all cases be based on the retailer's most recent purchase since May 11, 1942, of a customary quantity from a customary supplier and on the customary mode of transportation.

(3) The retailer will then multiply his net cost by the figure in Appendix A which applies to a retailer of his class for the item being priced.

(4) The retailer may use the resulting amount as his maximum price if it is higher than his maximum price under any other applicable price regulation or order issued by the Office of Price Administration.

(b) If a retailer uses this resulting amount as his new maximum price, he must fill out Form No. 338:1 (or a copy thereof) as set forth in Appendix C (§ 1351.620) of this regulation before making any sales at his new price.

(c) If a retailer fails to file such new maximum price as required by paragraph (b) of § 1351.606 of this regulation, any such price calculated under this section shall no longer be applicable to such retailer, and sales or deliveries of that item shall be made thereafter at prices no higher than those established by any other price regulation or order issued by the Office of Price Administration.

§ 1351.603 *How a retailer calculates his maximum price for food products listed in Appendix B.* The retailer must calculate his maximum price for each item (that is, for each kind, brand, grade and container size) of a food product listed in Appendix B, as follows:

(1) The retailer shall multiply his "net cost" of the item he is pricing by the figure in Appendix B which applies to a retailer of his class for that item. He must find his "class of retailer" and "net cost" by following the rules of paragraphs (1) and (2) of the foregoing § 1351.602.

(2) The resulting amount shall be the retailer's maximum price for the particular item, but before making any sales at this new price, he must fill out Form No. 338:1 (or a copy thereof) as set forth in Appendix C of this regulation.

§1351.604 *How a retailer may recalculate a new maximum price if his "net cost" increases before the final date for calculating a maximum price.* If, after calculating any maximum price and after filling out Form No. 338:1 (or a copy thereof), a retailer, before the final date set opposite the name of the food product in Appendix A or B for the calculation of a maximum price, purchases a customary quantity of the same item from a customary supplier at a higher "net cost" than he used in calculating his maximum price, he may calculate a new maximum price on the basis of his new "net cost". Before making any sales at this new price, he must fill out Form No. 338:1 (or a copy thereof) as set forth in Appendix C of this regulation. The facts recorded on Form No. 338:1 (or a copy thereof) for the first new maximum price must not be changed, and the retailer should note on the form that a new maximum price has been calculated.

§ 1351.605 *Maximum prices set under this regulation cannot be changed.* A maximum price for any item of a food product calculated by a retailer under § 1351.602 or § 1351.603 of this regulation and entered on Form No. 338:1 (or a copy thereof) shall be his maximum price for that item from that time forward. However, where a retailer recalculates his maximum price under § 1351.604 of this regulation, such recalculated price shall be his maximum price for that item from and after the date that the re-calculated price is entered on Form No. 338:1 (or a copy thereof).

§ 1351.606 *Final dates for calculating and filing maximum prices*—(a) *Recording of maximum prices.* A retailer must calculate and record on Form No. 338:1 (or a copy thereof) as set forth in Appendix C of this regulation all new maximum prices for any item of a food product on or before the date set opposite the name of that food product in Appendix A or B.

(b) *Filing of maximum prices.* Within ten days after the final date for the calculation of a maximum price for a food product under this regulation, a retailer must report all his new maximum prices to the War Price and Rationing Board of the Office of Price Administration which has charge of the area in which his outlet is located on Form No. 338:1 (or a copy thereof) as set forth in Appendix C of this regulation. This form shall be signed and subscribed and sworn to before a notary or other proper official.

§ 1351.607 *How a retailer determines whether he is an independent outlet or a member of a chain.* For the purpose of this regulation, a retailer shall be considered an independent outlet or a member of a chain as follows:

(1) A retail outlet shall be a member of a chain if it is a unit of 4 or more retail outlets under one ownership.

(2) A retail outlet shall be an independent outlet if it is not a unit of 4 or more retail outlets under one ownership.

§ 1351.608 *How a retailer determines his annual gross sales volume.* (a) For the purpose of this regulation, a retailer shall determine his annual gross sales volume as follows:

(1) If the retailer filed a Federal Income Tax Return for the taxable year 1941, then his annual gross sales volume shall be his total gross sales as stated in such tax return.

(2) If the retailer did not file a Federal Income Tax Return for the year 1941, or was not in operation during the year 1941, then his annual gross sales volume shall be determined by dividing his total gross sales for the period in operation during 1942, as shown on his records, by the number of weeks in operation during 1942 and multiplying the result by 52.

(3) If the retailer filed a Federal Income Tax Return for the taxable year 1941 which return covered a period of less than 52 weeks, then his annual gross sales volume shall be determined by dividing his total gross sales as shown in such tax return by the number of weeks covered by such return and multiplying the result by 52.

(b) If a retailer makes sales through more than one retail outlet or is a department store in which the sales of food products are made in a separate department, then each retail outlet or department shall be considered a separate retailer for the purpose of determining annual gross sales volume. If the retailer in such a case did not file a separate Federal Income Tax Return for the taxable year 1941 for each outlet or department, then the gross sales volume for the particular outlet or department, as shown on the retailer's records for the same period as covered by the retailer's Federal Income Tax Return for the taxable year 1941, shall be the annual gross sales volume of that outlet or food department.

(c) If a retailer sells food products in a retail outlet in which sales of food products are made by more than one retailer, and in which no more than one retailer sells the same food products, then each retailer shall use as his annual gross sales volume for the purpose of determining in what class of retailers he falls, the combined annual gross sales volume of all the retailers of food products in that retail outlet. (For example, a retailer who leases the meat department in his retail outlet must include the annual gross sales volume of the meat retailer as well as the sales of all other departments selling food products in determining his class of retailers. Similarly, the meat retailer in this outlet must include the annual gross sales of all food products in the outlet in determining his class of retailer.)

(d) If a retailer sells food products in a retail outlet in which sales of food products are made by more than one retailer, and in which more than one retailer sells the same food products, then each retailer shall be considered a separate retailer for the purpose of determining annual gross sales volume. (For example, if more than one retailer operates a grocery stall in a public market, then each grocery retailer shall use only his own annual gross sales volume in determining his class of retailers.)

§ 1351.609 *Fractions of cents.* Any maximum price calculated under this regulation shall be based on the retailer's customary unit of sale, that is, per can, per jar, per package, per pound or the like. All such calculations resulting in a fraction of a cent shall be reduced to the nearest lower cent if the fraction is less than one-half cent and shall be increased to the nearest higher cent if the fraction is one-half cent or more.

§ 1351.610 *Adjustment of maximum prices for different classes of purchasers.* If a retailer had a practice during March 1942 of giving to different classes of purchasers allowances, discounts or other price differentials, he is required to reduce his maximum price calculated for any food product by the amount of such allowances, discounts or price differentials. No retailer shall change his customary allowances, discounts and price differentials if the change results in a higher net price.

§ 1351.611 *Records.* (a) On the same day as a retailer calculates any new maximum price under this regulation and fills out Form No. 338:1 (or a copy thereof) he shall record on his base-period record, required in § 1499.11 of the General Maximum Price Regulation, any new maximum price. The record of the old maximum price shall not be destroyed.

(b) In addition to the records required in § 1499.11 of the General Maximum Price Regulation or any other applicable price regulation, every retailer shall keep all records showing how he calculated any maximum price under this regulation, which records shall be kept for so long as the Emergency Price Control Act of 1942 remains in effect.

§ 1351.612 *Relation between Maximum Price Regulation No. 238 and the General Maximum Price Regulation.* The provisions of this Maximum Price Regulation No. 238 supersede the provisions of the General Maximum Price Regulation or any other applicable price regulation or order issued by the Office of Price Administration with respect to sales and deliveries for which maximum prices are established by this regulation. However, the following sections of the General Maximum Price Regulation, as well as the amendments to them, shall continue to be applicable to every retailer selling any food product listed in Appendix A or B:

(1) Determination of maximum prices by sellers at retail operating more than one retail establishment (§ 1499.4a).

(2) Transfers of business or stock in trade (§ 1499.5).

(3) Sales for export (§ 1499.6).

(4) Federal and State Taxes (§ 1499.7).

(5) Base-period records (§ 1499.11).

(6) Current records (§ 1499.12).

(7) Sales slips and receipts (§ 1499.14).

(8) Maximum prices of cost-of-living commodities; statement, marketing, or posting (§ 1499.13).

(9) Registration (§ 1499.15).

(10) Licensing (§ 1499.16).

§ 1351.613 *Evasion.* The price limitations set forth in this Maximum Price Regulation No. 238 shall not be evaded, whether by direct or indirect methods, in connection with any offer, solicitation, agreement, sale, delivery, purchase or receipt of, or relating to, any of the commodities listed in Appendix A or B hereof, alone or in conjunction with any other commodity or by way of commission, service, transportation, or any other charge, or discount, premium or other privilege, or by tying-agreement or other trade understanding, or by calculating "net cost" on purchases from non-customary suppliers, purchases of non-customary quantities or non-customary modes of transportation, or otherwise.

§ 1351.614 *Enforcement.* Persons violating any provisions of this Maximum Price Regulation No. 238 are subject to the criminal penalties, civil enforcement actions, suits for treble damages and proceedings for suspension of licenses provided by the Emergency Price Control Act of 1942.

§ 1351.615 *Definitions.* Unless the context otherwise requires, the definitions set forth in section 302 of the Emergency Price Control Act of 1942, and in §§ 1499.2 and 1499.20 of the General Maximum Price Regulation shall apply to terms used herein.

§ 1351.616 *Geographical applicability.* The provisions of this Maximum Price Regulation No. 238 shall apply to the forty-eight states of the United States and the District of Columbia.

§ 1351.617 *Effective date.* This Maximum Price Regulation No. 238 (§§ 1351.601 to 1351.620, inclusive) shall become effective October 15, 1942.

§ 1351.618 *Appendix A.*

[Figures to be used by retail distributors in determining new maximum prices under § 1351.602 of this regulation (New maximum prices are optional: Retailer may continue to use present maximum prices)]

Food product[1]	Last date for determining new maximum prices under this regulation	Last date for filing new maximum prices with local war price and rationing board	Figure to be multiplied by net cost of item in determining new maximum prices under this regulation[2]				
			Independent retailer with annual volume				
			Class 1 Under $20,000	Class 2 $20,000 but less than $50,000	Class 3 $50,000 but less than $250,000	Class 4 Chain retailer with annual volume under $250,000	Class 5 Any retailer (chain or independent) with annual volume of $250,000 or more
Cereals, breakfast	December 31, 1942	January 10, 1943	1.22	1.22	1.20	1.13	1.11
Coffee	December 31, 1942	January 10, 1943	1.11	1.10	1.10	1.09	1.07
Fish, canned	December 31, 1942	January 10, 1943	1.23	1.20	1.20	1.16	1.14
Oils, cooking and salad	December 31, 1942	January 10, 1943	1.23	1.20	1.17	1.16	1.14
Rice	December 31, 1942	January 10, 1943	1.20	1.20	1.20	1.18	1.16
Shortening, hydrogenated	December 31, 1942	January 10, 1943	1.07	1.07	1.05	1.05	1.05
Shortening, other	December 31, 1942	January 10, 1943	1.16	1.14	1.12	1.09	1.07
Sugar, cane and beet	December 31, 1942	January 10, 1943	1.17	1.16	1.12	1.07	1.06
Vegetables, canned	December 31, 1942	January 10, 1943	1.25	1.23	1.23	1.21	1.19

[1] As described below.

[2] See "Example of how to compute new maximum prices," below. For definition of classes of retailers, see paragraph (b) of § 1351.601 of this regulation.

1. *Example of how to compute new maximum prices.* A retailer desires to secure a new maximum price on "XX" brand, No. 2 can, large green asparagus which he has bought from a wholesaler at a net cost as shown on the invoice) of $7.33 per case. This independent retailer had an annual volume of $18,000 in total sales in 1941. Therefore, he takes the canned vegetable figure for his class (independent retailers with less than $20,000 annual volume—1.25) and multiplies it by the cost of $7.33 per case. The resulting figure is divided by 24 to secure his ceiling per can. This will give a unit price of 38¢ as his new ceiling, as shown in the calculation below.

Invoice cost, (from wholesaler) ---------- per case of 24 -- $7.33
Multiplied by adjustment figure ---------- 1.25

3665
1466
733

Divided by number of cans in purchase unit ---------- 24 / $9.1625 / $.38177

7 2

1 96
1 92

42
21

185
163

170
168

+2

Since the fractional part of a cent is less than one-half cent the retailer's permitted ceiling is 38¢, under § 1351.609 of this regulation which provides that fractions of less than one half cent shall be adjusted to the next lower cent. Fractions equal to *one-half cent or more* shall be rounded to the next higher cent.

2. *Definition of food products on which retailers are allowed to determine new maximum prices under § 1351.602 of this regulation.* a. Breakfast cereals shall mean bulk or packaged, processed cereal grains used as breakfast foods, both uncooked and ready-to-eat types. Included in this classification are hominy grits, puffed rice, and puffed wheat; excluded are *rice*, corn meal, pearled barley, and pancake or buckwheat flour.

b. Coffee shall mean all roasted coffee, either whole or ground, and shall include all decaffeinated coffees, but shall exclude coffee concentrates.

c. Canned fish shall mean all processed fish and sea food in hermetically sealed containers except canned shrimp and crab meat; excluded are fresh and frozen fish and sea food.

d. Cooking and salad oils shall mean all vegetable oils whether pure or mixed; but shall not include prepared dressings.

e. Rice shall mean all bulk and packaged rice.

f. Hydrogenated shortening shall mean all *fully* hydrogenated pure vegetable shortenings, such as Bakerite, Crisco, Dexo, Krogo, Royal Satin, Spry and Tex.

g. Other shortenings shall include all shortenings, except those included in (f) above, and except pure lard.

h. Sugar shall mean all bulk and packaged cane and beet sugar.

i. Canned vegetables shall include vegetable juices, pickles, tomato sauce, tomato catsup, tomato paste, chili sauce, cocktail sauce, pureed or chopped vegetables and all other vegetables packed in containers of metal, glass, or other material.

3. *Additional instructions* a. A new maximum price calculated under the requirements of this regulation need not be taken on all brands, grades, sizes, or kinds of a food product. The retailer may establish new maximum prices on whichever brands, grades, sizes, or kinds he desires, and may retain his present maximum prices on other brands, grades, sizes, or kinds of the same food product.

b. When a retailer elects to take a new ceiling, he must apply the figure given in this appendix to his net cost based on his usual unit of purchase (per dozen, per box, etc.). After he has determined a new maximum price on this basis, he divides the resulting figure by the number of sales units (cans, pounds, etc.) included in the unit of purchase, to obtain a new ceiling on a sales unit basis.

c. Adjustments may be made as soon as this regulation becomes effective, but before making any sales at new prices, form No. 338:1 must be filled out. Filing of this form is not required until the date specified in Appendix A. If the retailer's net cost on a food product increases before the final date for calculation of new maximum prices under this regulation, he may calculate a new maximum price, but must also enter this new price on form No. 338:1 before making any sales. If more than one maximum price is computed on any item, the price in effect on the final date for determining new prices under this regulation shall be the permanent maximum price from that date forward.

§ 1351.619 *Appendix B.*

[Figures to be used by retail distributors in determining new maximum prices under §1351.603 of this regulation (new maximum prices are required after the effective date of this regulation)]

Food product [1]	Last date for determining new maximum prices under this regulation	Last date for filing new maximum prices with appropriate local war price and rationing board	Figure to be multiplied by net cost of item in determining new maximum prices under this regulation [2]				
			Independent retailer with annual volume			Class 4	Class 5
			Class 1 Under $50,000	Class 2 $50,000 but less than $100,000	Class 3 $100,000 but less than $200,000	Chain retailer with annual volume under $200,000	Any retailer (chain or independent) with annual volume $200,000 or more
Fruit, dried	December 31, 1942.	January 10, 1943.	1.27	1.25	1.23	1.23	1.22
Lard	December 31, 1942.	January 10, 1943.	1.20	1.20	1.16	1.13	1.10

[1] As described below.
[2] See "Example of how to compute new maximum prices," below. For definition of classes of retailers, see paragraph (b) of §1351.601 of this regulation.

1. *Example of how to compute new maximum prices.* A retailer must secure a new maximum price on bulk choice, Blenheim apricots which he has bought from a wholesaler at a net cost (as shown on the invoice) of $5.40 per 25-pound box. This independent retailer had an annual volume of $15,000 in total sales in 1941. Therefore, he takes the dried fruit figure for his class (independent retailers with less than $50,000 annual volume—1.27), and multiplies it by the cost of $5.40 per box. The resulting figure is divided by 25 to secure the ceiling per pound. This will give a unit price of 33¢ as his new ceiling, as shown in the calculation below.

Invoice cost (from wholesaler)..... per 25# box... $5.40
Multiplied by adjustment figure..... 1.27

540
1080
540

No. of pounds in purchase unit..... 25)6.8580(.2743

75

75
75

80
75

Since the fractional part of a cent is less than one-half cent, the retailer's permitted ceiling is 33 under § 1351.603 of this regulation which provides that fractions of less than one-half cent shall be adjusted to the next lower cent. Fractions equal to *one-half cent or more* shall be rounded to the next higher cent.

2. *Definition of food products on which retailers must determine new maximum prices under 1351.603 of this regulation.*
a. Dried fruit shall mean dried apples, apricots, currants, nectarines, peaches, pears, prunes, raisins and any combination of the above, packaged or bulk. Stuffed or glazed dried fruit and figs shall be excluded.
b. Lard shall mean all pure packaged or bulk lard derived wholly from pork.

3. *Additional instructions.* a. A new maximum price must be calculated before making a sale of any brand, grade, size or kind of the food products included in this Appendix B after the effective date of this regulation.
b. When a retailer calculates his new ceiling, he must apply the figure given in this appendix to his net cost based on his usual unit of purchase (per dozen, per box, etc.). After he has determined a new maximum price on this basis, he divides the resulting figure by the number of sales units (cans, pounds, etc.) included in the unit of purchase, to obtain a new ceiling on a sales unit basis.
c. New ceilings must be calculated as soon as this regulation becomes effective, and, before making any sales, form No. 338.1 must be filled out. Filing of this form is not required until the date specified in this Appendix B. If the retailer's net cost on a food product increases before the final date for calculating new maximum prices under this regulation, he may calculate a new maximum price based on his last invoice cost, but must also enter this new price on form No. 338.1 before making any sales. The maximum price on any item in effect on the final date for determining new prices under this regulation shall be the permanent maximum price from that date forward.

§ 1351.620 *Appendix C: OPA Form No. 338:1.*

Make two copies. Keep one. Mail one to your Local War Price & Rationing Board before Jan. 10, 1943. Do not write in this space

UNITED STATES OF AMERICA

OFFICE OF PRICE ADMINISTRATION

Retailers report on new maximum prices calculated under the adjusted mark-up method authorized in MPR #238

Typewrite or use ink:

A. Name of retailer.....

B. Address: Street..... City..... State.....

C. Total annual sales volume (check one):
Independent under $20,000 ☐
Independent $20,000–$50,000 ☐
Independent $50,000–$250,000 ☐
Chains under $250,000 ☐
Independent or chain over $250,000 ☐

D. Number of pages in this report ☐

(1) Date of calculating new ceiling price	(2) Class of food product	(3) Name and brand of item	(4) Grade and type	(5) Weight or container size	(6) Supplier's name	(7) Date of last invoice	(8) Customary unit of purchase	(9) Net cost per customary unit of purchase	(10) Applicable figure	(11) New ceiling price for customary unit of sale	(12) Old ceiling price
(Example:) Oct. 18/42	Canned vegetables.	King asparagus	Large green	#2 Can	Smith and Co	Oct. 17, 1942	24's	$7.33	$1.25	$0.38	$0.35

(Use as many copies of this form as needed to list all ceiling price changes determined under the allowed mark-up method)

Notary.....

.....

Name of retailer.....

Signature.....

Title.....

Send this form to your local War Price and Rationing Board on or before January 10, 1943

INSTRUCTIONS FOR PREPARING RETAILER'S OFFICIAL REPORT

The following information must be reported in the spaces shown on this form:

Line A: *Name of retailer.* Write name of retail store.

Line B: *Address.* Write address of store.

Line C: *Total annual sales volume.* Check the volume group in which your store falls according to 1941 total sales.

Line D: *Number of pages.* At the time you send this report to your Local War Price and Rationing Board, write the number of pages you are sending in this space.

Col. 1: *Date.* Show the date you calculate your new ceiling price.

Col. 2: *Class of food product.* Write the class of food product in which this item falls, as listed in the table of mark-ups.

Col. 3: *Brand and name of item.* Write brand and name of item. Examples: "Princess Corn", "King Salmon", "Queen Sugar", etc.

Col. 4: *Grade and type.* Show additional description here. Examples: Standard, extra standard, etc. for canned goods. Granulated, brown, etc. for sugar.

Col. 5: *Weight or container size.* Show weight or size of individual container. Examples: 1 pound, #2½ can, 1 pint, etc. For sugar, dried fruits, lard, etc. sold by retailers from bulk, show size of sack, can or box: 25 lbs., 100 lbs., etc.

Col. 6: *Supplier's name.* Write name of company who sold this item to you on your last purchase.

Col. 7: *Date of last invoice.* Write date shown on invoice covering your last purchase of this item.

Col. 8: *Customary unit purchase.* Write size of unit you normally purchase. Examples: Canned goods, unit: 24's, 36's, 48's, etc. Packaged rice, cereals, unit: 18's, 24's, 36's, etc. Bulk sugar, rice, dried fruit, unit: 25-lb., 100-lb., etc.

Col. 9: *Net cost per customary unit of purchase.* If last purchase of this item was from a wholesaler, show price appearing on the invoice, less all discounts, except discount for prompt payment. If last purchase of this item was from a manufacturer, show price you paid delivered at your customary receiving point, less all discounts, except discount for prompt payment. If you purchased from a wholesaler and you paid for the delivery of this item from a point outside of your local community, you may add this delivery charge. Under no circumstances can you add charges made for local trucking or local unloading.

Col. 10: *Applicable figure.* Show figure in mark-up table applying to this item for your class of business.

Col. 11: *New Ceiling price for customary unit of sale.* Write new ceiling price obtained by multiplying net cost (col. 9) by applicable figure (col. 10) and dividing this result by unit of purchase (col. 8). Example: Net cost for 100-lb. bag of sugar is $5.60. Applicable mark-up is 1.06. Unit of purchase is 100 lbs. Multiply $5.60 by 1.06 and divide by 100=5.9¢ (6¢ after rounding fraction) per lb., your new ceiling price.

Col. 12: *Old ceiling price for customary unit of sale.* Write ceiling price you have been using for this item before calculating the new ceiling price.

Issued this 10th day of October 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10203; Filed, October 10, 1942; 1:01 p. m.]

PART 1363—FEEDINGSTUFFS

[Amendment 2 to Maximum Price Regulation 74,[1] as Amended]

ANIMAL PRODUCT FEEDINGSTUFFS

A statement of the considerations involved in the issuance of this amendment has been issued simultaneously herewith and has been filed with the Division of the Federal Register.*

Sections 1363.52, 1363.56 (a), 1363.59, subparagraphs (2), (5) and (6) of paragraph (a) of §§ 1363.60, and 1363.62 are amended and subparagraphs (9) to (13) inclusive of paragraph (a) of § 1363.60 and §§ 1363.63, 1363.64, and 1363.65 are added as set forth below.

§ 1363.52 *Sales at retail.* Sales at retail as defined in § 1363.60 (a) (6) are not governed by Maximum Price Regulation No. 74 as amended but are governed by the General Maximum Price Regulation.[2]

§ 1363.56 *Records and reports.* (a) Every person making a purchase or sale of animal product feedingstuffs in the course of trade or business after May 1942, except sales at retail, shall keep for inspection by the Office of Price Administration, so long as the Emergency Price Control Act of 1942 remains in effect, complete and accurate records of each such purchase and sale including the date thereof, the name of the seller and purchaser, the price, classification, amount and grade of animal product feedingstuffs.

* * * * *

*Copies may be obtained from the Office of Price Administration.

[1] 7 F.R. 4177, 4762, 4884.

[2] 7 F.R. 3153, 3330, 3666, 3990, 3991, 4339, 4487, 4659, 4738, 5027, 5276, 5192, 5365, 5445, 5565, 5484, 5775, 5784, 5763, 6058, 6081, 6007, 6216, 6615, 6794, 6939, 7093, 7322, 7454, 7758, 7913.

§ 1363.59 *Application of the General Maximum Price Regulation.* Except as provided in § 1363.52 the provisions of Maximum Price Regulation No. 74 as amended, supersede the provisions of the General Maximum Price Regulation with respect to sales for which maximum prices are established by this regulation.

* * * * *

§ 1363.60 *Definitions.* (a) When used in Maximum Price Regulation No. 74 as amended, the term:

* * * * *

(2) "Classifications" of animal product feedingstuffs are: dry rendered tankage, wet rendered tankage, dried blood, blood meal, blood flour, meat scraps, and digester tankage.

* * * * *

(5) "Grade" means in case of meat scraps, digester tankage, blood meal and blood flour, the guaranteed minimum percentage of protein. It means in the case of dry rendered tankage either the actual analysis of protein content or the guaranteed minimum percentage of protein. It means in the case of wet rendered tankage either the actual analysis of protein content or the guaranteed minimum percentage of protein. It means in the case of wet rendered tankage or dried blood, either the actual analysis of units of ammonia or the guarranteed minimum units of ammonia.

(6) "Sale at retail" means a sale to the feeder; *Provided,* That the following shall not be deemed to be a sale at retail:

(i) Sales of wet or dry rendered tankage or dried blood.

(ii) Sales of animal product feedingstuffs to a person who receives delivery and resells without processing or grinding.

(iii) Sales to a person who mixes animal product feedingstuffs with other feed ingredients for sale.

(iv) Sales in carload lots of meat scraps, digester tankage, blood meal and blood flour.

* * * * *

(9) "Dried blood" means blood dried and processed for feeding or for blending with other animal product feedingstuffs and containing a minimum of 15 units of ammonia.

(10) "Blood meal" means ground dried blood for animal feeding.

(11) "Blood flour" means dried blood prepared by special processes and reduced to a fine powder for animal feeding.

(12) "Dry rendered tankage" means the dry rendered residue from animal tissues exclusive of hoof, horn, blood, manure and stomach contents except in such traces as might occur unavoidably in good factory practice. It shall not contain more than 15 per cent fat.

(13) "Wet rendered tankage" means the wet rendered residue from animal tissues exclusive of hoof, horn, manure and stomach contents except in such traces as might occur unavoidably in good factory practice. It shall not contain more than 15 per cent fat.

* * * * *

§ 1363.62 *Maximum prices for sales of animal product feedingstuffs.* (a) Maximum prices for sales of the following classifications of animal product feedingstuffs, bulk, less than carload lots f. o. b. conveyance at production plant located in the following zones:

(1) *Maximum prices for sales of dry rendered tankage and meat scraps.*

Zone 1: California, Washington and Oregon.

Zone 2: Idaho, Nevada, Utah, Montana, Wyoming and Arizona.

Zone 3: North Dakota, South Dakota, Nebraska, Kansas, Minnesota, Iowa and Buchanan County, Missouri.

Zone 4: Michigan, Wisconsin, Illinois, Indiana, Ohio, Missouri (except Buchanan County), Kentucky, Oklahoma, Arkansas, Louisiana, Texas, Colorado and New Mexico.

Zone 5: Tennessee, Alabama, Florida, Georgia, Mississippi and South Carolina.

Zone 6: West Virginia, western 25 counties of Pennsylvania including all counties west of the eastern borders of the following counties: Potter, Cameron, Clearfield, Cambria, and Somerset; and western ten counties of New York including all counties west of the eastern borders of the following counties: Monroe, Livingston and Allegheny.

Zone 7: Those portions of New York and Pennsylvania not included in zone 6, New Jersey, Delaware, Maryland, Virginia, North Carolina and the District of Columbia.

Zone 8: Maine, Vermont, New Hampshire, Massachusetts, Connecticut and Rhode Island.

	Dry rendered tankage dollars per unit of protein	Meat scraps dollars per ton guaranteed minimum percentage of protein				
		45%	50%	55%	60%	65%
Zone 1	$1.01	$42.05	$48.00	$53.05	$58.10	$63.15
Zone 2	1.00	60.45	62.00	67.45	72.90	78.35
Zone 3	1.25	63.75	70.00	76.25	82.50	88.75
Zone 4	1.21	61.05	68.00	74.05	80.10	86.15
Zone 5	1.17	60.15	66.00	71.85	77.70	83.55
Zone 6	1.15	52.25	58.00	63.75	69.50	82.25
Zone 7	1.09	60.45	62.00	67.45	72.90	78.35
Zone 8	1.11	57.45	63.00	68.55	74.10	79.65

(2) *Maximum prices for sales of wet rendered tankage, dried blood and digester tankage*

	Wet rendered tankage dollars per unit of ammonia	Dried blood dollars per unit of ammonia	Digester tankage dollars per ton guaranteed minimum percentage of protein		
			50%	55%	60%
Zone 1	$3.10	$4.05	$58.10	$61.05	$68.02
Zone 2	3.33	3.83	60.23	63.60	71.04
Zone 3	3.10	4.05	56.10	61.05	65.02

(3) To determine the maximum prices per ton for dry rendered tankage, wet rendered tankage and dried blood, multiply the percentage of protein (in the case of dry rendered tankage) or ammonia (in the case of wet rendered tankage and dried blood) by the zone price per unit of protein or per unit of ammonia. There shall be no increase in maximum prices for bone phosphate of lime content. There shall be no rounding of maximum prices.

(4) *Maximum Prices for sales of blood meal and blood flour.* $7.50 per ton more than the maximum zone price per ton of dried blood of the same grade.

(5) *Grades*—(i) *Standard guaranteed minimum percentages of protein.* Except as permitted under subdivision (ii) of this subparagraph (5) no person shall sell or offer to sell and no person in the course of trade or business, shall buy or offer to buy meat scraps or digester tankage except on the basis of the following guaranteed minimum percentages of protein:

For meat scraps—45%, 50%, 55%, 60% and 65%.

For digester tankage—50%, 55% and 60%.

If, however, the actual analysis differs from the guaranteed minimum percentage of protein then:

(*a*) If above the guaranteed minimum percentage of protein, no increase in maximum prices is permitted.

(*b*) If one percent or less below the guaranteed minimum percentage of protein, deduct $1.50 per ton from the selling price.

(*c*) If more than one percent below the guaranteed minimum percentage of protein, deduct $3.00 per ton from the selling price for every percent or fraction thereof.

(ii) Any person desiring to sell meat scraps or digester tankage of a different grade from those standard guaranteed minimum percentages of protein listed in subdivision (i) may file with the Feed and Grain Section, Food and Food Products Branch, Office of Price Administration, Washington, D. C. an application verified by his oath or affirmation setting forth what grade he desires to sell and the reasons therefor, including all circumstances of hardship which he will suffer if required to sell meat scraps or digester tankage of a standard guaranteed minimum percentage of protein listed above in subdivision (i). No meat scraps or digester tankage of a different grade from the standard guaranteed minimum percentages of protein listed

in subdivision (i) shall be sold or purchased unless the maximum price therefor has been established by the Office of Price Administration by order in writing after an application has been filed hereunder.

(b) *Customary trade differentials—Requirement of filing*—(1) *For sales not at retail.* If a seller had customary trade differentials prevailing during March 1942 for different kinds of purchasers or for different quantities or for different conditions of sale, establishing prices lower than his less-than-carload price, such differentials shall not be reduced or narrowed.

(2) *Filing.* Every seller (packer, renderer, jobber, or wholesaler) making sales for which maximum prices are established by this Maximum Price Regulation No. 74 as amended, shall file with the Feed and Grain Unit of the Office of Price Administration, Washington, D. C., on or before November 1, 1942, a complete list of his customary trade differentials prevailing during March 1942. If he had no customary trade differentials prevailing during March 1942, he shall so state.

(c) *Maximum prices in bags or other containers*—(1) *Seller's bags or other containers.* To determine maximum prices in seller's bags or other containers add cost of bags or other containers used at replacement cost at production point of the animal product feedingstuffs to the applicable maximum price, but in no event may more than $3.50 per ton be added to cover cost of bags or other containers.

(2) *Buyer's bags or other containers.* To determine a maximum price in buyer's bags or other containers, add 50 cents per ton to the applicable maximum bulk price.

(d) *Maximum delivered prices.* To determine maximum delivered prices add the seller's transportation costs as defined in § 1363.60 (a) (7) to the applicable maximum prices

(e) *Maximum grinder's service charges.* The maximum service charge of a grinder for grinding dry or wet rendered tankage shall be so limited that the cost of the meat scraps and digester tankage to any person delivered at his point of delivery shall not exceed the maximum prices of meat scraps and digester tankage delivered to the buyer's receiving point as determined under paragraph (d) of this section if purchased by said person from said grinder.

§ 1363.63 *Duty to describe classification and grade.* No person shall sell or offer to sell and no person in the course of trade or business shall buy or receive any animal product feedingstuffs which have not been described according to classification and grade. The description of animal product feedingstuffs sold in bags or other containers shall be by means of a label or tag printed on or attached to the bags or other containers. Descriptions in the case of sales in bulk shall be by means of tag or certificate accompanying the shipment. A duplicate thereof shall be attached to the invoice, bill of lading or other documents accompanying the shipment.

§ 1363.64 *Licensing—Applicability of the registration and licensing provisions of the General Maximum Price Regulation.* The registration and licensing provisions of §§ 1499.15 and 1499.16 of the General Maximum Price Regulatior are applicable to every person subject to this Maximum Price Regulation No. 74, as amended, selling at wholesale any animal product feedingstuffs covered by this Maximum Price Regulation No. 74, as amended. When used in this section, the term "selling at wholesale" has the definition given to it by § 1499.20 (p) of the General Maximum Price Regulation. Said registration and licensing provisions became effective as to persons selling at wholesale on May 11, 1942.

§ 1363.65 *Applicability.* The provisions of this Maximum Price Regulation No. 74 as amended, shall be applicable to the several states of the United States and the District of Columbia.

§ 1363.61a *Effective dates of amendments.* * * *

(b) Amendment No. 2 (§§ 1363.52, 1363.56, 1363.59, 1363.60 (a) (2), (a) (5), (a) (6), (a) (9), (a) 10, (a) (11), (a) (12), and (a) (13), §§ 1363.62, 1363.63, 1363.64 and 1363.65) to Maximum Price Regulation No. 72 as amended, shall become effective October 16, 1942.

(Pub. Law 421, 77th Cong. Pub. Law 729, 77th Cong., E. O. 9250, 7 F.R. 7871.)

Issued this 10th day of October 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10182; Filed, October 10, 1942; 12:21 p. m.]

PART 1385—NAVAL STORES

[Amendment 1 to Maximum Price Regulation 179 [1]]

PINE OIL

A statement of the considerations involved in the issuance of this amendment has been issued simultaneously herewith and filed with the Diyision of the Federal Register.*

Paragraph (a) of § 1385.8 is amended and new §§ 1385.8a and 1385.13 are added, to read as set forth below:

§ 1385.8 *Enforcement.* (a) Persons violating any provision of this Maximum Price Regulation No. 179 are subject to the criminal penalties, civil enforcement actions, license suspension proceedings, and suits for treble damages provided for by the Emergency Price Control Act of 1942.

* * * * *

§ 1385.8a *Licensing.* (a) The provisions of Supplementary Order No. 11, licensing distributors of chemicals and drugs, are applicable to every distributor selling pine oil for which maximum prices are established by Appendix A (§ 1385.11). The term "distributor" shall have the meaning given to it by Supplementary Order No. 11.

(b) The registration and licensing provisions of §§ 1499.15 and 1499.16 of the General Maximum Price Regulation are applicable to every person selling at retail pine oil for which maximum prices are established by Appendix A (§ 1385.11). The term "selling at retail" shall have the meaning given it by § 1499.20 (o) of the General Maximum Price Regulation.

§ 1385.13 *Effective dates of amendments.* (a) Amendment No. 1 (§ § 1385.8, 1385.8a and 1385.13) to Maximum Price Regulation No. 179 shall become effective October 16, 1942.

(Pub. Laws 421 and 729, 77th Cong., E.O. 9250, 7 F.R. 7871)

Issued this 10th day of October 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10183; Filed, October 10, 1942; 12:23 p. m.]

*Copies may be obtained from the Office of Price Administration.

[1] 7 F.R. 5482.

PART 1400—TEXTILE FABRICS: COTTON, WOOL, SILK, SYNTHETICS AND ADMIXTURES

[Amendment 12 to Maximum Price Regulation 118 [1]]

COTTON PRODUCTS

A statement of the considerations involved in the issuance of this amendment has been issued simultaneously herewith and has been filed with the Division of the Federal Register.*

Amended:

1400.118 (b) (2).
The sixth item in the table of premiums in § 1400.118 (d) (3).
1400.118 (d) (13) (i).
1400.118 (d) (13) (iv) (*a*).
(d) (13) (v) (*a*).
(d) (13) (vi)
(d) (13) (vii) (*a*).
(d) (23) (ii).

Revoked:

1400.118 (d) (23) (i) (*c*).

Added:

An unnumbered paragraph to § 1400.118 (d) (29) (v) (i).

§ 1400.118 *Specific and formula prices for certain cotton products: construction reports.* * * *

(b) Each maximum price set forth in (d) below shall apply, in lieu of the maximum price established by § 1400.101 (b) and (d), to:

* * * * *

(2) Deliveries of cotton products to which title has not passed (within the terms of the Worth Street Rules) to the purchaser prior to said effective date: *Provided,* That such prices shall not apply:

(i) To deliveries pursuant to contracts entered into on or after May 4, 1942, and prior to said effective date; and

(ii) Where a maximum price in (d) below is altered by amendment and no provision to the contrary is made there-

[1] 7 F.R. 3038, 3211, 3522, 3578, 3824, 3905, 4405, 5224, 5405, 5567, 5836, 6005, 6484, 7451.

in, to deliveries pursuant to contracts entered into on and after said effective date and prior to the effective date of such amendment at prices in compliance with this Maximum Price Regulation No. 118.

* * * * *

(d) * * *

(3) *Gray soft-filled sheeting.* * * *

The following premiums may be added to the above base maximum price:

* * * * *

	Percent
For goods 42 inches and over in width as sold:	
If napped add to napped price	5
If unnapped add to the unnapped price	5

* * * * *

(13) *Wide sheeting, drills, twills, broken twills, and sateens.*

(i) The maximum prices established herein are for wide fabrics of the types listed below, whether sold for industrial uses or conventional textile uses, except that such prices shall not apply to wide domestic sheetings which are subject to Revised Price Schedule No. 89.[2]

* * * * *

(iv) *Wide sheeting.* (*a*) The base maximum prices for clean sheetings 42" and wider (other than domestic sheetings which are subject to Revised Price Schedule No. 89)[2] shall be:

Class	Average yarn numbers	Cents per lb.
A	Up to 15s	43.50
B	16s to 21s	46.625
C	22s to 28s	46.25
D	Finer than 28s	48.50

* * * * *

(v) *Wide broken twills.* (*a*) The base maximum price for clean broken twills 42" and wider shall be 42 cents per pound.

* * * * *

(vi) *Wide drills and four-leaf twills.* The maximum price for clean drills and four-leaf twills 42" and wider and made of single yarns throughout shall be:

Class	Yds. per lb., pro rata to 37"	Cents per lb.
A	2.00 and under	42.00
B	2.01 to 2.50	43.00
C	2.51 to 3.00	44.125
D	3.01 to 3.50	45.125
E	3.51 to 4.00	46.25
F	4.01 and over	48.375

(vii) *Wide sateens.* (*a*) The base maximum price for clean sateens 42" and wider and made of single yarns throughout shall be 43½ cents per pound.

* * * * *

(23) *Wide print cloths.* * * *

(ii) (*a*) Except as provided in (*b*) below, the maximum prices for print cloth 42 inches and more in width shall be:

Class:	Cents per lb.
A	51.625
B	53.25
C	54.875

(*b*) For window shade or book cloth, 42 inches or more in width, of the same constructions as print cloth of Class A or Class B, the maximum prices shall be:

Class:	Cents per lb.
A	59.5
B	53

These prices shall not be applicable to selected print cloth but only to goods manufactured for use in high quality window shades or for other uses requiring cloth equally free of imperfections. On or before the 10th day of November, 1942, and on or before the 10th day of each month thereafter, every person who has sold window-shade or book cloth at a price which exceeds the maximum price set forth in (*a*) above, shall submit to the Office of Price Administration, Washington, D. C., a report showing for the calendar month preceding that in which the report is due: The name and address of the person making the report. The name and address of each person to whom such cloth was sold or contracted to be sold during such month. The quantity sold (in yards). The price charged (in cents per lb.). The use to which the goods are to be put by the purchaser.

(*c*) No premiums shall be charged for feeler motion, special packaging, specification requirements, or any other element of construction, regardless of whether the goods have in the past commanded a premium for such reason.

* * * * *

(29) *Huck and crash towels and corded napkins.* * * *

(v) * * *

(i) * * *

For stamping, if required by the specifications, a premium of 5 cents per dozen may be added to the maximum price set forth herein.

* * * * *

§ 1400.117 *Effective dates of amendments.* * * *

(1) Amendment No. 12 (§§ 1400.118 (b) (2), (d) (3), (d) (13) (i), (d) (13) (iv) (*a*), (d) (13) (v) (*a*), (d) (13) (vi), (d) (13) (vii) (*a*), (d) (23) (i) (*c*), (d) (23) (ii), (d) (29) (v) (i)) shall become effective October 12, 1942.

(Pub. Law 421, 77th Cong., Pub. Law 729, 77th Cong., E.O. 9250, 7 F.R. 7871.)

Issued this 10th day of October 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10184; Filed, October 10, 1942; 12:22 p. m.]

PART 1407—RATIONING OF FOOD AND FOOD PRODUCTS

[Amendment 1 to Restriction Order 1[1]]

MEAT RESTRICTION ORDER

The references in §§ 1407.908 (a) and 1407.913 (a) to "§§ 1407.905 and 1407.906" are amended to read "§§ 1407.906 and 1407.907"; the reference in § 1407.912 (h) (5) to "§ 1407.910" is amended to read "§ 1407.913"; the reference in § 1407.912 (i) to "(f)" is amended to read "(h)"; the word "live" is inserted in § 1407.913 (a) between the word "average" and the words "purchase weight of the total number"; the words "live purchase weight" are inserted in § 1407.913 (a) between the word "average" and the word "falls"; the words "Average Live" are deleted from the title of the Weight Range table in § 1407.913 (a); the registration date specified in § 1407.914 (a) is amended to read "November 15, 1942"; the word "exemption" in the title of § 1407.917 is amended to read "exception"; the references in §§ 1407.918 and 1407.919 to "§ 1407.912 (b)" are amended to read "§ 1407.912"; § 1407.913 (b) is amended to read as follows; and a new § 1407.925 is added to read as set forth below:

§ 1407.913 *Conversion weight factors.* * * *

(b) * * *

Type of controlled meat	Description of product	Conversion factor (multiplier)	
		Bone in	Bone out
Beef	Dressed carcasses and cuts, bone in, fresh (chilled) or frozen.	1.00	
	Boned beef and trimmings, fresh (chilled) or frozen.		1.33
	Cured other than dried	1.67	
	Dried (including smoked)	2.00	
Veal	Dressed carcasses hide off, and cuts, bone in, fresh (chilled) or frozen.	1.00	
	Dressed carcasses hide on, fresh (chilled) or frozen.	.67	
	Boned, fresh (chilled) or frozen.		1.33
Lamb and mutton	Dressed carcasses pluck out, and cuts, bone in, fresh (chilled) or frozen.	1.00	
	Dressed carcasses pluck in, fresh (chilled) or frozen.	.67	
	Boned, fresh (chilled) or frozen.		1.33
Pork	Dressed carcasses (with cutting fats on), fresh (chilled) or frozen.	.67	
	Cuts:		
	Fresh (chilled)	1.00	1.15
	Cured	1.00	1.10
	Smoked	1.10	1.20
	Cooked	1.20	1.25
	Trimmings:		
	Fresh (chilled) or frozen		1.10

* * * * *

§ 1407.925 *Effective dates of amendments.* (a) Amendment No. 1 (§§ 1407.903 (a), 1407.912 (h) (5) and (i), 1407.913 (a) and (b), 1407.914 (a), 1407.917, 1407.918, and 1407.919) to Restriction Order No. 1 shall be effective as of October 1, 1942.

(Pub. Law 671, 76th Cong., 3rd Sess., as amended by Pub. Law 89, 77th Cong., 1st Sess., and by Pub. Law 507, 77th Cong., 2d Sess., Pub. Law 421, 77th Cong., 2d Sess., Pub. Law 729, 77th Cong., 2d Sess., WPB Directive No. 1, Supp. Dir. No. 1-M, 7 F.R. 562, 7234).

Issued this 10th day of October, 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10185; Filed, October 10, 1942; 12:19 p. m.]

PART 1416—COAL TAR

[Amendment No. 1 to Maximum Price Regulation No. 192[1]]

REPORTED CRESYLIC ACID

A statement of the considerations involved in the issuance of this amendment

[2] 7 F.R. 1375, 1836, 2107, 2000, 2132, 2299, 2739, 3163, 3327, 3447, 3962, 4176, 4732, 7599.

[1] 7 F.R. 7639.

[1] 7 F.R. 5093.

has been issued simultaneously herewith and filed with the Division of the Federal Register.*

Paragraph (a) of § 1416.56 is amended and new §§ 1416.56a and 1416.62 are added, to read as set forth below:

§ 1416.56 *Enforcement.* (a) Persons violating any provision of this Maximum Price Regulation No. 192 are subject to the criminal penalties, civil enforcement actions, license suspension proceedings, and suits for treble damages provided for by the Emergency Price Control Act of 1942.

* * * * *

§ 1416.56a *Licensing.* (a) The provisions of Supplementary Order No. 11, licensing distributors of chemicals and drugs, are applicable to every distributor selling imported cresylic acid for which maximum prices are established by Appendix A (§ 1416.60). The term "distributor" shall have the meaning given to it by Supplementary Order No. 11.

(b) The registration and licensing provisions of §§ 1499.15 and 1499.16 of the General Maximum Price Regulation are applicable to every person selling at retail imported cresylic acid for which maximum prices are established by Appendix A (§ 1416.60). The term "selling at retail" shall have the meaning given it by § 1499.20 (o) of the General Maximum Price Regulation.

§ 1416.62 *Effective dates of amendments.* (a) Amendment No. 1 (§§ 1416.56, 1416.56a and 1416.62) to Maximum Price Regulation No. 192 shall become effective October 16, 1942.

(Pub. Laws 421 and 729, 77th Cong., E.O. 9250, 7 F.R. 7871.)

Issued this 10th day of October 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10186; Filed, October 10, 1942; 12:23 p. m.]

PART 1419—EXPLOSIVES

[Amendment 2 to Maximum Price Regulation 191 [1]]

COTTON LINTERS AND HULL FIBERS

A statement of the considerations involved in the issuance of this amendment has been issued simultaneously herewith and filed with the Division of the Federal Register.*

Paragraph (a) of § 1419.6 is amended and new § 1419.6a is added, to read as set forth below:

§ 1419.6 *Enforcement.* (a) Persons violating any provision of this Maximum Price Regulation No. 191 are subject to the criminal penalties, civil enforcement actions, license suspension proceedings, and suits for treble damages provided for by the Emergency Price Control Act of 1942.

* * * * *

§ 1419.6a *Licensing.* (a) The provisions of Supplementary Order No. 11, licensing distributors of chemicals and drugs, are applicable to every distributor selling cotton linters and hull fibers for which maximum prices are established by § 1419.1. The term "distributor" shall have the meaning given to it by Supplementary Order No. 11.

(b) The registration and licensing provisions of §§ 1499.15 and 1499.16 of the General Maximum Price Regulation are applicable to every person selling at retail cotton linters and hull fibers for which maximum prices are established by § 1419.1. The term "selling at retail" shall have the meaning given it by § 1499.20 (o) of the General Maximum Price Regulation.

§ 1419.12 *Effective dates of amendments.* * * *

(b) Amendment No. 2 (§§ 1419.6 and 1419.6a) to Maximum Price Regulation No. 191 shall become effective October 16, 1942.

(Pub. Laws 421 and 729, 77th Cong., E.O. 9250, 7 F.R. 7871)

Issued this 10th day of October 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10187; Filed, October 10, 1942; 12:23 p. m.]

PART 1421—IRON AND STEEL FOUNDRY PRODUCTS

[Maximum Price Regulation 235]

MANGANESE STEEL CASTINGS AND MANGANESE STEEL CASTINGS PRODUCTS

In the judgment of the Price Administrator it is necessary and proper to establish maximum prices for sales of manganese steel castings and manganese steel castings products. Such action is required as the General Maximum Price Regulation [1] does not provide a satisfactory method for the pricing of manganese steel castings and manganese steel castings products, and the Price Administrator has ascertained and given due consideration to the prices of manganese steel castings and manganese steel castings products prevailing between October 1 and October 15, 1941, and has determined that those prices are generally more fair and equitable than the prices established by the General Maximum Price Regulation and has made adjustments for such relevant factors as he has determined and deemed to be of general applicability. So far as practicable, the Price Administrator has advised and consulted with representative members of the industry which will be affected by this regulation.

In the judgment of the Price Administrator the maximum prices established by this Regulation are and will be generally fair and equitable and will effectuate the purposes of the Emergency Price Control Act of 1942. A statement of the considerations involved in the issuance of this regulation has been issued simultaneously herewith and has been filed with the Division of the Federal Register.*

Therefore, under the authority vested in the Price Administrator by the Emergency Price Control Act of 1942, and in accordance with Procedural Regulation No. 1,[2] issued by the Office of Price Administration, Maximum Price Regulation No. 235, is hereby issued.

Sec.

1421.51 Maximum prices for manganese steel castings and manganese steel castings products.
1421.52 Less than maximum prices.
1421.53 Adjustable pricing.
1421.54 Evasion.
1421.55 Records and reports.
1421.56 Filing.
1421.57 Enforcement.
1421.58 Petitions for amendment, adjustment and exceptions.
1421.59 Federal and State taxes.
1421.60 Applicability of General Maximum Price Regulation.
1421.61 Export sales.
1421.62 Definitions.
1421.63 Effective date.
1421.64 Appendix A: Maximum delivered prices for manganese steel castings and manganese steel castings products.
1421.65 Appendix B: Maximum prices referred to in § 1421.64 (b).
1421.66 Appendix C: Form No. 335:1.
1421.67 Appendix D: Form No. 335:2.

AUTHORITY: §§ 1421.51 to 1421.67, inclusive, issued under Pub. Law 421, 77th Cong.

§ 1421.51 *Prohibition against sales of manganese steel castings and manganese steel castings products above maximum prices.* On and after October 14, 1942, regardless of any contract, agreement, lease or other obligation:

(a) No person shall sell or deliver any manganese steel castings and manganese steel castings products at higher prices than the maximum prices set forth in Appendix A of this Maximum Price Regulation No. 235.

(b) No person shall buy or receive any manganese steel castings and manganese steel castings products in the course of trade or business at higher prices than the maximum prices set forth in this Maximum Price Regulation No. 235.

(c) No person shall agree, offer, solicit or attempt to do any of the foregoing: *Provided,* That the provisions of this section shall not be applicable (i) to sales or deliveries of manganese steel castings and manganese steel castings products to a purchaser if prior to October 14, 1942, such manganese steel castings and man-

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*Copies may be obtained from the Office of Price Administration.

[1] 7 F.R. 6000, 6150, 7093.

[1] 7 F.R. 3153, 3330, 3666, 3991, 4339, 4487, 4659, 4738, 3990, 5027, 5276, 5192, 5365, 5445, 5565, 5484, 5775, 5784, 5783, 6058, 6081, 6007, 6216, 6615, 6794, 6939, 7093, 7322, 7454, 7758.

[2] 7 F.R. 971, 3663, 6967.

ganese steel castings products had been received by a carrier other than a carrier owned or controlled by the seller for shipment to such purchaser or (ii) to deliveries made on or before January 1, 1943, of manganese steel castings and manganese steel castings products for which maximum prices are established by paragraph (c) of § 1421.64 in cases where such deliveries are made pursuant to sales or contracts of sale which were in existence before October 14, 1942.

(d) The maximum prices in this regulation shall not be increased by any charges for the extension of credit.

(e) If upon the purchase of any manganese steel castings and manganese steel castings products the purchaser shall receive from the seller or supplier a written affirmation that to the best of his knowledge, information and belief the price charged does not exceed the maximum price established by this Maximum Price Regulation No. 235, and if in such case the purchaser shall have no knowledge of the maximum price and no cause to doubt the accuracy of the affirmation, the purchaser shall be deemed to have complied with this section.

§ 1421.52 *Less than maximum prices.* Lower prices than those set forth in Appendix A (§ 1421.64) may be charged, demanded or offered.

§ 1421.53 *Adjustable pricing.* Any person may offer or agree to adjust prices to or at prices not in excess of the maximum prices in effect at the time of delivery.

§ 1421.54 *Evasion.* The price limitations set forth in this Maximum Price Regulation No. 235 shall not be evaded, whether by direct or indirect methods, in connection with an offer, solicitation, agreement, sale, delivery, purchase or receipt of or relating to manganese steel castings and manganese steel castings products alone or in conjunction with any other commodity or by way of commission, service, transportation, or other charge, or discount, premium or other privilege, or by tying agreement or other trade understanding or otherwise; without limiting the foregoing the price limitations set forth in this Maximum Price Regulation No. 235 shall not be evaded by improper classification, unnecessary pattern changes, improper application of extras, exchange of patterns, or division of orders to obtain more favorable quantity price differentials.

§ 1421.55 *Records and reports.* (a) Every person making purchases and every person making sales of manganese steel castings and manganese steel castings products in the course of trade or business on and after October 14, 1942, shall keep for inspection by the Office of Price Administration for a period of not less than two years, complete and accurate records of each such purchase or sale, showing the date thereof, the name and address of the buyer or seller, either the shipping point or delivered price paid or received, and transportation charges or allowances, if any.

(b) Every producer shall preserve and keep for inspection by the Office of Price Administration all of its records in regard to its labor rates for each class of laborer and its material costs and machine hour rates prevailing and in effect at each of its foundries and machine shops, between October 1 and October 15, 1941, inclusive, together with records in regard to the methods and rates used for figuring or estimating burden or overhead, transportation charges or allowances, and selling and administrative expense customarily used between October 1 and October 15, 1941, inclusive.

(c) Persons affected by this Maximum Price Regulation No. 235 shall submit such reports to the Office of Price Administration as it may, from time to time, require.

§ 1421.56 *Filing.* (a) Each seller of manganese steel castings and manganese steel castings products shall file with the Iron and Steel Branch, Office of Price Administration, Washington, D. C., on or before October 31, 1942, its published price lists and schedules, including extras and whether tentative or subject to change or otherwise, for manganese steel castings and manganese steel castings products insofar as such lists and schedules were in effect for such seller and distributed and outstanding with one or more of such seller's customers or prospective customers between October 1 and October 15, 1941, inclusive. If a seller had no such lists or schedules, he shall file a statement to that effect.

(b) Each seller of manganese steel castings and manganese steel castings products shall file with the Iron and Steel Branch, Office of Price Administration, Washington, D. C., on or before October 31, 1942, a statement listing or describing its customary commissions, discounts and other allowances and quantity price differentials in effect between October 1 and October 15, 1941, inclusive. If a seller had no such commissions, discounts or allowances, he shall file a statement to that effect.

§ 1421.57 *Enforcement.* (a) Persons violating any provisions of this Maximum Price Regulation No. 235 are subject to the criminal penalties, civil enforcement actions and suits for treble damages provided for by the Emergency Price Control Act of 1942.

(b) Persons who have evidence of any violation of this Maximum Price Regulation No. 235 or any price schedule, regulation or order issued by the Office of Price Administration or any acts or practices which constitute such a violation are urged to communicate with the nearest field or regional office of the Office of Price Administration or its principal office in Washington, D. C.

§ 1421.58 *Petitions for amendment, adjustment and exceptions.* (a) Any person who has entered into or proposes to enter into a contract for the sale of manganese steel castings and manganese steel castings products, who believes that the maximum prices for such manganese steel castings and manganese steel castings products as established by this Maximum Price Regulation No. 235 impedes or threatens to impede the production of manganese steel castings and manganese steel castings products, which are essential to the war program and which are or will be the subject of a contract for production essential to the war program may petition for, and the Price Administrator may grant, adjustment of the maximum price. The petition for adjustment pursuant to this paragraph shall be made on Form No. 335: 1 set out in Appendix C, incorporated herein as § 1421.66 and separate forms shall be used for each manganese steel casting and manganese steel castings product of different design or specification. Petitions for such adjustment must be filed in accordance with Procedural Regulation No. 1[3] issued by the Office of Price Administration. These forms can be obtained at the Iron and Steel Branch of the Office of Price Administration, in Washington, D. C., or may be copied from Appendix C (§ 1421.66). After a petition has been filed and pending the issuance of an order granting or denying the petition, the petitioner may enter into or offer to enter into contracts and may make deliveries at the price requested in the petition. If the order issued denies the petition in whole or in part, the contract price shall be revised downward to the maximum price ordered, and if any payment has been made at the requested price the petitioner shall refund the excess.

(b) The Price Administrator may grant an exception permitting a seller to charge more than the maximum price set forth in this Maximum Price Regulation No. 235 in cases where the seller shows that he must otherwise absorb abnormally high transportation costs resulting from the emergency demands of war. In all such cases the petitioner shall submit a description of the shipment or shipments, the reasons why the shipment or shipments bear abnormally high transportation costs, the price or proposed price, the transportation costs and the relation of such shipment or shipments to the war effort. Petitions for such exception must be filed in accordance with Procedural Regulation

[3] *Supra.*

No. 1 [4] issued by the Office of Price Administration. After a petition has been filed and pending the issuance of an order granting or denying the petition, the petitioner may enter into or offer to enter into contracts and may make deliveries at the price requested in the petition. If the order issued denies the petition in whole or in part, the contract price shall be revised downward to the maximum price ordered, and if any payment has been made at the requested price the petitioner shall refund the excess.

(c) Persons seeking any modification of this Maximum Price Regulation No. 235, or an adjustment or exception not provided for therein, may file petitions for amendment in accordance with the provisions of Procedural Regulation No. 1 [5] issued by the Office of Price Administration. Any person may offer or agree to adjust prices upon deliveries made during the pendency of a petition for amendment in accordance with the disposition of such petition.

§ 1421.59 *Federal and State taxes.* Any tax upon, or incident to, the sale, delivery, processing, or use of manganese steel castings and manganese steel castings products, imposed by any statute of the United States or statute or ordinance of any state or subdivision thereof, shall be treated as follows in determining the seller's maximum price for such manganese steel castings and manganese steel castings products and in preparing the records of such seller with respect thereto:

(a) *As to a tax in effect between October 1 and October 15, 1941, inclusive.* (1) If the seller paid such tax, or if the tax was paid by any prior vendor, irrespective of whether the amount thereof was separately stated and collected from the seller, but the seller did not customarily state and collect separately from the purchase price between October 1 and October 15, 1941, inclusive, the amount of the tax paid by him or tax reimbursement collected from him by his vendor, the seller may not collect such amount in addition to the maximum price, and in such case shall include such amount in determining the maximum price under this Maximum Price Regulation No. 235. (2) In all other cases, if, at the time the seller determines his maximum price, the statute or ordinance imposing such tax does not prohibit the seller from stating and collecting the tax separately from the purchase price, and the seller does state it separately, the seller may collect, in addition to the maximum price, the amount of the tax actually paid by him or an amount equal to the amount of tax paid by any prior vendor and separately stated and collected from the seller by the vendor from whom he purchased, and in such case the seller shall not include such amount in determining the maximum price under this Maximum Price Regulation No. 235.

(b) *As to a tax or increase in a tax which becomes effective after October 15, 1941.* If the statute or ordinance imposing such tax or increase does not prohibit the seller from stating and collecting the tax or increase separately from the purchase price, and the seller does separately state it, the seller may collect in addition to the maximum price, the amount of the tax or increase actually paid by him or an amount equal to the amount of tax paid by any prior vendor and separately stated and collected from the seller by the vendor from whom he purchased.

§ 1421.60 *Applicability of general maximum price regulation.* The provisions of this Maximum Price Regulation No. 235 supersede the provisions of the General Maximum Price Regulation [6] with respect to sales and deliveries for which maximum prices are established by this regulation.

§ 1421.61 *Export sales.* The maximum price at which a producer may export manganese steel castings and manganese steel castings products shall be determined in accordance with the provisions of the Maximum Export Regulation [7] issued by the Office of Price Administration. "Export" or "export sale" means any sale or sales of a manganese steel casting or manganese steel castings product located within the Continental United States by a seller in the Continental United States to a purchaser outside thereof in which the manganese steel casting or manganese steel castings product sold is transported from the Continental United States to a point outside thereof and includes any sale of the exported manganese steel castings or manganese steel castings products by an agent of the exporter or by a corporation owned or controlled by the exporter within a period of two years after the date of shipment of the manganese steel casting or manganese steel castings product from the Continental United States: *Provided,* That it shall not include such a sale if the agent or subsidiary has processed, fabricated or otherwise substantially changed the form of the manganese steel casting or manganese steel castings product exported, or if the sale by the agent or subsidiary is through a regularly established retail outlet owned or operated by the agent or subsidiary.

§ 1421.62 *Definitions.* (a) When used in this Maximum Price Regulation No. 235 the term:

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

(2) "Producer" means any person engaged in the production of manganese steel castings and manganese steel castings products.

(3) "Manganese steel castings" means any cast steel object, rough or machined, that has been initially cast into the desired shape of the finished product and which contains 10% to 16% manganese.

(4) "Manganese steel castings products" means devices, assemblies and parts primarily produced from manganese steel castings and also includes such devices, assemblies and parts when complemental products are assembled therewith or added thereto; it does not mean or include completed pumps, whether furnished with or without driving units; it does not mean or include finished, fabricated trackwork such as assembled frogs, switches and crossings.

(5) "Continental United States" means only the forty-eight states and the District of Columbia.

(6) "Point of destination" means the point at which a manganese steel casting or manganese steel casting product will first be put to the use for which it was purchased.

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

§ 1421.63 *Effective date.* This Maximum Price Regulation No. 235 (§§ 1421.51 to 1421.67 inclusive) shall become effective October 14, 1942.

§ 11421.64 *Appendix A: Maximum delivered prices for manganese steel castings and manganese steel castings products*—(a) *Maximum delivered prices for manganese steel castings and manganese steel castings products listed in a seller's published price lists or schedules effective October 1 to October 15, 1941, inclusive.* The maximum delivered price, including extras, for a seller for a manganese steel casting and a manganese steel castings product shall be the price and applicable extras for such casting or product listed in any published price lists or schedules, whether tentative or subject to change or otherwise, in effect for such seller and distributed and outstanding with one or more of such seller's customers or prospective customers between October 1 and October 15, 1941, inclusive: *Provided,* That (1) where any commission or other discount or any applicable and established quantity price differential was or would have been customarily allowed by such seller between October 1 and October 15, 1941, inclusive, to any manufacturer, jobber, dealer or other distributor or to specific classes of purchasers, the amount of such commission or discount shall be deducted and adjustment shall be made for such quantity price differential; (2) the maximum charge for transportation which may be added is the charge computed at the lowest applicable rail rate in effect at the time of shipment from whatever producer's foundry (even though other than the actual foundry where produced) is situated most favorably freightwise to the point of destination and which foundry also has the necessary physical equipment to produce such casting or product at the time of sale and is a producer at the time of sale, except that (i)

[4] *Supra.*
[5] *Supra.*
[6] *Supra.*
[7] 7 F.R. 3096, 3824, 4294, 4541, 5059, 7242.

where the purchaser specifies a means of transportation costing in excess of the charge computed at the lowest applicable rail rate for the actual shipment, the seller may also add the amount of such excess and (ii) on shipments from points east of the states of Washington, Oregon and California wholly by rail or motor vehicle to points in said states, the seller may, in any case where cost of transportation is required to be computed on an equalized basis under the provisions of this subparagraph, add the amount of the difference obtained by subtracting the charge computed at the lowest applicable rail and water rate in effect between October 1 and October 15, 1941, inclusive, for the transportation of an identical quantity from the producer's foundry to the point of destination from the actual cost of transportation for the shipment; (3) where packing for export shipment is specified there may be added an amount not exceeding such extra charge therefor, if any, as was or would have been customarily made by the seller between October 1 and October 15, 1941, inclusive; and (4) there shall be deducted one-half of one percent after adjustment for transportation allowances and charges, for payment within ten days from receipt of the invoice by the purchaser.

(b) *Maximum delivered prices for manganese steel castings and manganese steel castings products other than those in paragraph* (a) *but of types classified in Appendix B* (§ *1421.65*). The maximum delivered prices for manganese steel castings and manganese steel castings products other than those in paragraph (a) but of types classified in Appendix B (§ 1421.65) shall be the price listed in said Appendix B: *Provided,* That (1) where any commission or other discount or any applicable and established quantity price differential was or would have been customarily allowed by such seller between October 1 and October 15, 1941, inclusive, to any manufacturer, jobber, dealer or other distributor or to specific classes of purchasers, the amount of such commission or discount shall be deducted and adjustment shall be made for such quantity price differential; (2) the maximum charge for transportation which may be added is the charge computed at the lowest applicable rail rate in effect at the time of shipment from whatever producer's foundry (even though other than the actual foundry where produced) is situated most favorably freightwise to the point of destination and which foundry also has the necessary physical equipment to produce such casting or product at the time of sale and is a producer at the time of sale, except that (i) where the purchaser specifies a means of transportation costing in excess of the charge computed at the lowest applicable rail rate for the actual shipment, the seller may also add the amount of such excess and (ii) on shipments from points east of the states of Washington, Oregon and California wholly by rail or motor vehicle to points in said states, the seller may, in any case where cost of transportation is required to be computed on an equalized basis under the provisions of this subparagraph, add the amount of the difference obtained by subtracting the charge computed at the lowest applicable rail and water rate in effect between October 1 and October 15, 1941, inclusive, for the transportation of an identical quantity from the producer's foundry to the point of destination from the actual cost of transportation for the shipment; (3) where packing for export shipment is specified there may be added an amount not exceeding such extra charge therefor, if any, as was or would have been customarily made by the seller between October 1 and October 15, 1941, inclusive; and (4) there shall be deducted one-half of one percent after adjustment for transportation allowances and charges, for payment within ten days from receipt of the invoice by the purchaser.

(c) *Maximum delivered prices for manganese steel castings and manganese steel castings products other than those in paragraphs* (a) *and* (b). The maximum delivered price for any manganese steel casting and manganese steel castings product for which a maximum price is not established by paragraphs (a) and (b) of this section shall be the price for any seller which is established as follows: A producer who proposes to sell or offer to sell such casting or product shall file with the Iron and Steel Branch of the Office of Price Administration, Washington, D. C., a cost estimate and proposed maximum selling price for such casting or product on and pursuant to Form No. 335:2 (set out in Appendix D, incorporated herein as § 1421.67, which Form may be duplicated or copies may be obtained from the Office of Price Administration, Washington, D. C.) which proposed maximum selling price shall be approved as filed, or approved subject to such adjustments, conditions and limitations as the Office of Price Administration may provide, or shall be disapproved, within seven days from the time it is received by said Iron and Steel Branch, and in the event the Office of Price Administration does not send out in writing its approval or disapproval within seven days as above, the proposed maximum selling price as filed shall be deemed approved for the proposed sale with respect to which it was stated on Form No. 335:2 to be filed: *Provided,* That (1) in filling out the items on Form No. 335:2 the cost factors and profit margin used shall be those in effect and prevailing between October 1 and October 15, 1941 for the producer filing said Form No. 335:2; (2) where a price for a casting or a product has been approved pursuant to this paragraph for a producer, such producer may submit to the Iron and Steel Branch of the Office of Price Administration, Washington, D. C., for approval a quantity price differential for such casting or product, and if approved, such prices shall constitute the maximum prices at which such producer may sell such castings or products, except that maximum prices so established shall be subject to adjustment by the Office of Price Administration; (3) where a price for a manganese steel casting or manganese steel castings product was established by a seller on or before October 15, 1941, such seller may, in lieu of the other provisions of this paragraph, submit to the Iron and Steel Branch of the Office of Price Administration, Washington, D. C., such price as his proposed maximum selling price for such casting or product together with a statement of the manner in which such proposed selling price is alleged to have been established, and said proposed maximum price shall be either approved or disapproved within seven days from the time it is received by said Iron and Steel Branch, and in the event the Office of Price Administration does not send out, in writing, its approval or disapproval within seven days, the proposed maximum selling price shall constitute the maximum price at which such seller may sell such casting or product; (4) The maximum charge for transportation which may be added is the charge computed at the lowest applicable rail rate in effect at the time of shipment from whatever producer's foundry (even though other than the actual foundry where produced) is situated most favorably freightwise to the point of destination and which foundry also has the necessary physical equipment to produce such casting or product at the time of sale and is a producer at the time of sale, except that (i) where the purchaser specifies a means of transportation costing in excess of the charge computed at the lowest applicable rail rate for the actual shipment, the seller may also add the amount of such excess and (ii) on shipments from points east of the states of Washington, Oregon and California wholly by rail or motor vehicle to points in said states, the seller may, in any case where cost of transportation is required to be computed on an equalized basis under the provisions of this subparagraph, add the amount of the difference obtained by subtracting the charge computed at the lowest applicable rail and water rate in effect between October 1 and October 15, 1941, inclusive, for the transportation of an identical quantity from the producer's foundry to the point of destination from the actual cost of transportation for the shipment; and (5) there shall be deducted one-half of one percent after adjustment for transportation allowances and charges, for payment within ten days from receipt of the invoice by the purchaser.

§ 1421.65 *Appendix B: Maximum prices referred to in § 1421.64* (b). The maximum prices for manganese steel castings or manganese steel castings products referred to in § 1421.64 (b) are set forth hereinafter. Where no prices are listed for pieces of certain weights per piece, the maximum prices for manganese steel castings or manganese steel castings products falling within such weight per piece classification shall be determined in accordance with the provisions of § 1421.64 (c).

(a) *Brick and clay machinery—pug mills or brick machines:*

(1) AUGERS, CAMS AND KNIVES

Weight per piece	Number of pieces					
	1-11	12-24	25-49	50-99	100-149	150 and over
	Pound	*Pound*	*Pound*	*Pound*	*Pound*	*Pound*
5 lbs., up to 10 lb. each	$.22	$.185	$.1725	$.1625	$.1575	$.1525
10 lbs., up to 20 lb. each	.21	.175	.165	.155	.15	.145
20 lbs., each and over	.20	.1675	.1575	.1475	.1425	.1375

(2) TIPS, SHANKS OR HOLDERS, BLADES

Weight per piece	Number of pieces				
	1-24	25-49	50-99	100-199	200 and over
	Pound	*Pound*	*Pound*	*Pound*	*Pound*
1 lb. up to 5 lbs. each	$.23	$.22	$.215	$.21	$.205
5 lbs. up to 10 lbs. each	.21	.205	.20	.195	.19
10 lbs. up to 25 lbs. each	.20	.195	.19	.185	.1775
25 lbs. up to 50 lbs. each	.19	.185	.1775	.1725	.1675
50 lbs. each and over	.1775	.1725	.1675	.1625	.1575

(3) SCREEN PLATES

(i) WHEN ORDERED IN LOTS OF SIX (6) OR MORE

Weight per piece—pounds	Size of slots			
	1/8" to 3/16"	3/16" to 1/4"	1/3" to 1/2"	1/2" and over
	Pound	*Pound*	*Pound*	*Pound*
Less than 100 pounds each	$.2725	$.2625	$.2525	$.2425
100 to 150 pounds each	.2525	.2425	.23	.22
150 to 200 pounds each	.23	.22	.21	.20
200 pounds and over each	.21	.20	.19	.1775

(ii) WHEN ORDERED IN LOTS OF LESS THAN SIX (6) ADD 10 PERCENT TO PRICES IN SUBDIVISION (i)

(4) TREAD OR MULLER PLATES

Weight per piece	Number of pieces	
	1-3	4 and over
	Pound	*Pound*
Less than 100 lbs. each	$.1375	$.13
100 lbs. up to 250 lbs.	.13	.125
250 lbs. each and over	.125	.12

(5) MULLER TIRES

Weight per piece	Number of pieces	
	1-3	4 and over
	Pound	*Pound*
Less than 1,000 lbs. each	$.13	$.1275
1,000 lbs. to 2,000 lbs. each	.12	.1175
2,000 lbs. each and over	.1175	.115

(6) PAN SCRAPERS

Pan scrapers ..... $.1775 per lb., regardless of weight or quantity.

(7) CLAY ROLLS

Weight per piece—100 lbs. or more ..... $.1775 per lb. regardless of quantity.

This price does not include zincing of the roll.

(b) *Crushing machinery:*

(1) BALL, ROD & TUBE MILLS

(i) LINERS—SHELL

Feed end other than cylindrical type

Weight per piece lbs.	Under 10 tons	10 tons and over
	Pound	*Pound*
Less than 100 lbs. each	$.1375	$.1350
100 lbs. up to 250 lbs. each	.1275	.1250
250 lbs. up to 500 lbs. each	.1175	.1150
500 lbs. each and over	.1125	.11

(ii) LINERS—FEED END CYLINDRICAL TYPE

For prices on feed end trunnion liners add 3¢ per lb., to the prices in subdivision (i).

(iii) WEDGE OR LIFTER BARS

Weight per piece lbs.:	*Any quantity (pound)*
Less than 50 lbs. each	$.1475
50 lbs. up to 75 lbs. each	.1425
75 lbs. up to 100 lbs. each	.1350
100 lbs. each and over	.1250

(iv) FEEDER LIPS

Weight per piece lbs.:	*Any quantity (pound)*
Less than 100 lbs. each	$.215
100 lbs. each and over	.195

(v) GRATES

Weight per piece lbs.	Less than 5/16"	5/16"-1/2"	Over 1/2"
	Pound	*Pound*	*Pound*
Less than 100 lbs. each	$.2775	$.2550	$.2350
100 lbs. up to 150 lbs. each	.2375	.2175	.1950
150 lbs. up to 250 lbs. each	.2250	.2025	.1825
250 lbs. up to 500 lbs. each	.2150	.1925	.1725
500 lbs. up to 750 lbs. each	.21	.1875	.1675
750 lbs. each and over	.1950	.1750	.1625

(2) COAL CRUSHERS

(i) SEGMENTS BREAKER

Weight per piece lbs.:	*Pound*
Less than 100 lbs. each	$.19
100 lbs. up to 150 lbs. each	.18
150 lbs. up to 250 lbs. each	.165
250 lbs. up to 500 lbs. each	.155
500 lbs. each and over	.145
	Per lb.
Extra for machining eyes in soft steel inserts	$.03

(3) GYRATORY CRUSHERS

(i) MANTLES—ROUGH

Weight per piece lbs.:	*Pound*
Less than 500 lbs. each	$.21
500 lbs. up to 1,000 lbs. each	.1875
1,000 lbs. each and over	.175
Where furnished with soft steel inserts there may be added	.003

(ii) CONCAVES—SECTIONAL—KEY CONCAVES INCLUDED IN PRICE OF SET

Weight per piece lbs.:	*Pound*
Less than 20 lbs. each	$.23
20 lbs. up to 50 lbs. each	.18
50 lbs. up to 100 lbs. each	.17
100 lbs. up to 250 lbs. each	.16
250 lbs. each and over	.15

(iii) OTHER CASTINGS NOT LESS THAN 1" THICK INCLUDING DIAPHRAGM LINERS, DUST CAPS AND SPIDER ARM SHIELDS

Weight per piece lbs.:	*Pound*
1 lb. up to 50 lbs. each	$.25
50 lbs. up to 500 lbs. each	.21
500 lbs. up to 1,000 lbs. each	.1925
1,000 lbs. each and over	.17

(4) JAW CRUSHERS

(i) JAWS OR DIES

Weight per piece lbs.	Number of pieces		
	1-3	4-9	10 and over
	Pound	*Pound*	*Pound*
Less than 100 lbs. each	$.245	$.235	$.22
100 lbs. up to 250 lbs. each	.21	.20	.19
250 lbs. up to 750 lbs. each	.195	.185	.175
750 lbs. up to 1,500 lbs. each	.175	.1675	.16
1,500 lbs. each and over	.16	.1575	.155

(ii) CHECK PLATES AND TOGGLES; KEY PLATES

Weight per piece lbs.	Number of pieces		
	1-3	4-9	10 and over
	Pound	*Pound*	*Pound*
Less than 100 lbs. each	$.235	$.225	$.21
100 lbs. up to 250 lbs. each	.20	.19	.18
250 lbs. up to 750 lbs. each	.185	.175	.165
750 lbs. up to 1,500 lbs. each	.165	.1575	.15
1,500 lbs. each and over	.15	.1475	.145

(m) TOGGLE BEARINGS OR SEATS; FINISHED DIE WEDGES

Weight per piece lbs.	Number of pieces		
	1-3	4-9	10 and over
	Pound	*Pound*	*Pound*
Less than 25 lbs. each	$.47	$.45	$.43
25 lbs. up to 50 lbs. each	.415	.39	.63
50 lbs. up to 100 lbs. each	.39	.365	.365
100 lbs. up to 150 lbs. each	.365	.123	.23
150 lbs. up to 200 lbs. each	.329	.123	----
200 lbs. up to 250 lbs. each	.312	.123	----
250 lbs. each and over	.23	.22	----

(o) ROLL SHELLS*

Weight per piece (lbs.)	Rough ground	Trued up Is or Os	Finished Is or Os	Trued up Is and Os	Finished Is trued up Os	Finished Is and Os
	Pound	*Pound*	*Pound*	*Pound*	*Pound*	*Pound*
200 lbs. up to 500 lbs. each	$.19	$.2075	$.21	$.21	$.2275	$.2325
500 lbs. up to 1,000 lbs. each	.1825	.1925	.1975	.1975	.205	.21
1,000 lbs. up to 2,000 lbs. each	.165	.1725	.1775	.1775	.185	.1925
2,000 lbs. up to 4,000 lbs. each	.155	.165	.17	.17	.1775	.1825
4,000 lbs. each and over	.1525	.1625	.1675	.1675	.175	.18

Where furnished with slugger teeth there may be added ..... $.01 per lb.
Where finished grinding is done on both ends there may be added ..... $4.00 per shell

*As used in this subparagraph "Is" means inside and "Os" means outside.

(c) *Pulverizer parts—Hammer or ring type:*

(1) HAMMERS—ONE PIECE AND SINGLE ARM ONLY

(i) RINGS—PLAIN ONLY; SPACERS

Weight per piece lbs.	Number of pieces			
	1-19	20-49	50-99	100 and over
Less than 2 lbs. each	$.60 ea.	$.54 ea.	$.49 ea.	$.47 ea.
2 lbs. up to 5 lbs. each	$.235 lb.	$.225 lb.	$.23 lb.	$.22 lb.
5 lbs. up to 10 lbs. each	$.23 lb.	$.21 lb.	$.205 lb.	$.20 lb.
10 lbs. up to 25 lbs. each	$.21 lb.	$.195 lb.	$.18 lb.	$.175 lb.
25 lbs. up to 50 lbs. each	$.195 lb.	$.175 lb.	$.17 lb.	$.165 lb.
50 lbs. up to 100 lbs. each	$.175 lb.	$.165 lb.	$.16 lb.	$.155 lb.
100 lbs. each and over	$.17 lb.	$.155 lb.	$.15 lb.	$.145 lb.

(m) RINGS—LUG OR SHREDDER TYPE—ADD $.01 PER LB. TO SUBDIVISION (i)

(2) HAMMERS WITH RENEWABLE TIPS

Two or three piece design, requiring accurate fitting. Holders, shanks or tips ordered separately or assembled. This does not apply to Lucas Type Hammers and other similar patented types.

Weight per piece lbs.	Number of pieces			
	1-19	20-49	50-99	100 and over
Less than 2 lbs. each	$.60 ea.	$.60 ea.	$.55 ea.	$.53 ea.
2 lbs. up to 5 lbs. each	.315 lb.	.295 lb.	.29 lb.	.25 lb.
5 lbs. up to 10 lbs. each	.29 lb.	.27 lb.	.265 lb.	.23 lb.
10 lbs. up to 25 lbs. each	.24 lb.	.215 lb.	.21 lb.	.205 lb.
25 lbs. up to 50 lbs. each	.215 lb.	.205 lb.	.20 lb.	.195 lb.
50 lbs. up to 100 lbs. each	.205 lb.	.195 lb.	.19 lb.	.195 lb.
100 lbs. each and over	.20 lb	.195 lb	18 lb.	.175 lb.

Where assembling is required by the purchaser there may be added an amount not in excess of the charge which was or would have been customarily made for such assembling between October 1 and October 15, 1941, inclusive.

(3) HAMMERS—DOUBLE ARM—STIRRUP OR "U" SHAPED CAST IN ONE PIECE

Weight per piece lbs.	Number of pieces			
	1-19	20-49	50-99	100 and over
Less than 2 lbs. each	$.60 ea.	$.62 ea.	$.60 ea.	$.54 ea.
2 lbs. up to 5 lbs. each	.2375 lb.	.2325 lb.	.2325 lb.	.2275 lb.
5 lbs. up to 10 lbs. each	.2325 lb.	.24 lb.	.225 lb.	.2275 lb.
10 lbs. up to 25 lbs. each	.24 lb.	.2125 lb.	.205 lb.	.20 lb.
25 lbs. up to 50 lbs. each	.2125 lb.	.20 lb.	.195 lb.	.1875 lb.
50 lbs. up to 100 lbs. each	.20 lb.	.1875 lb.	.1825 lb.	.1775 lb.
100 lbs. each and over	.195 lb.	.1775 lb.	.17 lb.	.165 lb.

(4) STAVES: COVER OR BREAKER PLATES; BLANK CHEEK PLATES: LINERS EXCEPT FOR RAYMOND MILLS

Weight per piece lbs.	Number of pieces			
	1-9	10-24	25-49	50 and over
	Pound	*Pound*	*Pound*	*Pound*
5 lbs. up to 10 lbs. each	$.27	$.2375	$.21	$.205
10 lbs. up to 25 lbs. each	.24	.2075	.185	.18
25 lbs. up to 50 lbs. each	.22	.185	.175	.17
50 lbs. up to 100 lbs. each	.1975	.17	.165	.1575
100 lbs. each and over	.185	.1675	.1525	.1475

(5) GRATES OR SCREENS: GRATE BARS, MULTIPLE OR SLOTTED

Weight per piece lbs.	Size of slots					
	1/8"-3/16"	3/16"-1/4"	1/4"-1/2"	1/2"-3/4"	3/4"-1"	1" and over
	Pound	*Pound*	*Pound*	*Pound*	*Pound*	*Pound*
Less than 40 lbs. each	$.2025	$.2625	$.23	$.22	$.21	$.20
40 lbs. up to 80 lbs. each	.2825	.25	.22	.21	.20	.1875
80 lbs. up to 150 lbs. each	.2625	.24	.21	.20	.1875	.1775
150 lbs. each and over	.25	.23	.20	.1875	.1775	.1675

(6) GRATE BARS—SINGLE; CAGE BARS

Weight per piece lbs.	Number of pieces			
	1-9	10-24	24-49	50 and over
Under 3 lbs. each	$1.15 ea.	$1.10 ea.	$1.05 ea.	$1.00 ea.
3 lbs. up to 5 lbs. each	.37 lb.	.35 lb.	.33 lb.	.31 lb.
5 lbs. up to 7½ lbs. each	.33 "	.31 "	.29 "	.27 "
7½ lbs. up to 10 lbs. each	.29 "	.27 "	.25 "	.23 "
10 lbs. up to 25 lbs. each	.26 "	.24 "	.22 "	.20 "
25 lbs. up to 50 lbs. each	.24 "	.20 "	.19 "	.18 "
50 lbs. up to 100 lbs. each	.21 "	.19 "	.18 "	.17 "
100 lbs. each and over	.19 "	.17 "	.16 "	.15 "

(d) *Dredges—Hydraulic:*

(1) TEETH CUTTERHEAD

Weight per piece lbs.	Less than 50 pieces	50 pieces and over
	Pound	*Pound*
Less than 5 lbs. each	$.34½	$.30¾
5 lbs. up to 10 lbs. each	.24¾	.22½
10 lbs. up to 25 lbs. each	.18¾	.17¾
25 lbs. up to 50 lbs. each	.15¾	.14¾
50 lbs. each and over	.13¾	.12¼

(2) BLADES—CUTTERHEAD

Weight per piece lbs.	*Per pound*
Less than 100 lbs. each	$.24¼
100 lbs. up to 150 lbs. each	.21¼
150 lbs. up to 250 lbs. each	.17¾
250 lbs. up to 500 lbs. each	.15¾
500 lbs. each and over	.15¼

(e) *Placer dredge castings:*

(1) BUCKETS

Weight per piece lbs.:	*Per cwt.*
300 lbs. up to 600 lbs. each	$20.25
600 lbs. up to 1,000 lbs. each	17.75
1,000 lbs. to 3,000 lbs. each	15.25
3,000 lbs. and over	14.75

(2) LIPS

Weight per piece lbs.:	*Per cwt.*
100 lbs. up to 125 lbs. each	$21.00
125 lbs. up to 170 lbs. each	18.00
170 lbs. up to 300 lbs. each	15.50
300 lbs. up to 600 lbs. each	14.75
600 lbs. and over	14.50

(3) ASSEMBLY CHARGES

	Each
1 up to 4.99' capacity	$9.75
5' up to 9.99' capacity	12.75
10' capacity and over	14.00

(4) BUSHINGS

Weight per piece lbs.:	*Per cwt.*
Under 10 lbs.	$24.75
10 lbs. up to 20 lbs.	20.00
20 lbs. and over	16.50

(5) TUMBLERS

(i) ONE PIECE

Weight per piece lbs.:	*Per cwt.*
Under 5,000 lbs. each	$20.00
5,000 lbs. up to 10,000 lbs. each	18.75
10,000 lbs. up to 20,000 lbs. each	17.75
Over 20,000 lbs.	16.50

(ii) TWO PIECES

Weight per piece lbs.:	*Per cwt.*
Under 5,000 lbs. each half	$17.75
5,000 lbs. up to 10,000 lbs. each half	17.00
10,000 lbs. up to 20,000 lbs. each half	16.00
Over 20,000 lbs. each half	14.75

(6) MACHINING CHARGES ON TUMBLERS

Weight per piece lbs.:	*Each*
Under 5,000 lbs.	$235.00
5,000 lbs. up to 10,000 lbs.	300.00
10,000 lbs. up to 20,000 lbs.	365.00
Over 20,000 lbs.	445.00

(7) ASSEMBLY CHARGES

Tumblers and shafts (one or two pieces)

Weight per piece lbs.:	*Each*
Under 5,000 lbs.	$40.75
5,000 lbs. up to 10,000 lbs.	45.25
10,000 lbs. up to 20,000 lbs.	49.50
Over 20,000 lbs.	53.00

(8) HEEL, TREAD AND EAR PLATES, HOPPER & SCREEN DISCHARGE LINER BARS

Weight per piece lbs.:	*Per cwt.*
Under 20 lbs.	$16.00
20 lbs. up to 50 lbs.	13.75
50 lbs. up to 100 lbs.	12.50
Over 100 lbs.	11.75

(9) SCREEN LINER PLATES AND BUCKET IDLER LINERS

$14.00 per cwt.

(10) SCREEN PLATES

$16.00 per cwt.

(11) SCREEN LIFTER BARS AND BUTT STRAPS

$16.00 per cwt.

(12) OBSTRUCTION SEGMENTS

$17.50 per cwt.

(f) *Ladder—Sand dredge:*

(1) BUCKETS

Weight per piece lbs.	Number of pieces		
	1-9	10-24	25 and over
	Pound	*Pound*	*Pound*
Less than 600 lbs. each	$.18	$.17	$.1625
600 lbs. each and over	.1625	.1525	.145

(2) LIPS

Weight per piece lbs.	Number of pieces		
	1-9	10-24	25 and over
	Pound	*Pound*	*Pound*
Less than 75 lbs. each	$.265	$.255	$.25
75 lbs. up to 125 lbs.	.22	.21	.205
125 lbs. each and over	.195	.185	.18

(3) BUSHINGS

Weight per piece lbs.	Number of pieces				
	1-24	25-49	50-99	100-999	1000 and over
Less than 1 lb. each	$.70 cn.	$.60 cn.	$.45 cn.	$.40 cn.	$.35 cn.
1 lb. up to 3 lb. each	.49 lb.	.44 lb.	.375 lb.	.325 lb.	.30 lb.
3 lb. up to 5 lb. each	.425 "	.375 "	.3125 "	.29 "	.2475 "
5 lb. up to 10 lb. each	.375 "	.33 "	.2475 "	.225 "	.1975 "
10 lb. up to 20 lb. each	.3225 "	.2475 "	.215 "	.1925 "	.1925 "
20 lb. each and over	.27 "	.225 "	.1725 "	.1625 "	.14 "

(4) CHAIN—SMOOT TYPE

(i) LINKS—ATTACHMENTS

Weight per piece lbs.:	Pound
Under 40 lb. each	$.155
40 lb. up to 60 lb. each	.145
60 lb. each and over	.14

(ii) LINKS—PLAIN

Regardless of Weight $.15 lb.

(iii) BAR TYPE LINKS—PLAIN

Weight per piece lbs.:	Pound
Under 10 lb. each	$.1925
10 lb. up to 15 lb. each	.1825
15 lb. up to 25 lb. each	.1675
25 lb. up to 50 lb. each	.15
50 lb. each and over	.14

(iv) HORN WHEEL SEGMENTS—(ROUGH GROUND)

Regardless of Weight $.1725 lb.

(g) *Elevating and conveying equipment:*

(1) BUCKETS—ELEVATOR

Weight per piece	Number of pieces			
	1-24	25-49	50-99	100 and over
	Pound	Pound	Pound	Pound
10 up to 25 lbs. each	$.2375	$.2375	$.2725	$.2025
25 up to 50 lbs. each	.2125	.2025	.2275	.2125
50 lbs. each and over	.2375	.2125	.2325	.22

(2) GUDGEONS & HANGERS

(i) ROUGH GROUND

Weight per piece	Number of pieces	
	1-9	10 and over
	Pound	Pound
Less than 10 lbs. each	$.2175	$.2025
10 up to 25 lbs. each	.2075	.19
25 lbs. each and over	.19	.175

(ii) FINISH GROUND

Add $.03 lb. to above prices in subdivision (i).

(3) FLIGHTS, SCREW CONVEYOR

(i) SINGLE FLIGHTS—ONE SECTION OR ONE PITCH WITH OR WITHOUT INTEGRAL HUB

Weight per piece	Number of pieces		
	1-3	4-9	10 and over
	Pound	Pound	Pound
10 up to 25 lbs. each	$.425	$.43	$.4025
25 up to 50 lbs. each	.4025	.33	.3075
50 up to 100 lbs. each	.3775	.3425	.325
100 lbs. each & over	.325	.3075	.2925

(ii) MULTIPLE FLIGHTS—LESS THAN 5 FT. IN LENGTH

Regardless of quantity or weight ..... $.3225 lb.

(4) TUBES, CONVEYOR

	Number of pieces	
	1-3	4 and over
	Pound	Pound
Regardless of weight	$.2975	$.2925

(5) CHAIN

(i) BARRING DOWN

Pitch (inches):	Price per foot
4.0225	$0.90
6	0.70

(ii) DRAG

Chain No.	Pitch (inches)	Pin diameter (inches)	Sprocket No.	Width (inches)	Price per foot assembled	Price plain links (each)
H-102	5	5/8	H-102	0.6225	$4.45	$1.50
H-110	6	5/8		12.5	4.00	1.00
H-112	8	5/8	H-112	12	5.00	3.10
H-116	8	5/8		10.5	5.75	2.80
H-120	6	3/4		12.875	5.80	3.80
H-480	8	3/4	H-480	10.25	6.05	3.00
405	6	3/4		13.5	5.00	2.25
990	6.07	3/4	990	14.25	6.05	2.05

(III) COMBINATION STANDARD

Chain No.	Pitch (inches)	Pin, diameter	Sprocket No.	Plain chain, per foot	Plain center links (each)	Side bars, per pair	Coupling links (each)	Type	Bucket wings (each)
188	2.60	½	75-78-88	$3.08	$.41	$.41			
131	3.07	½	103	2.63	.41	.40	$.47	G60	$1.21
102	3.95	½	102	2.37	.70	.62	.81		
102½	4.028	¾	102½	2.99	.70	.64	.81		
111	4.70	¾	108	2.47	.64	.62	.99	A	.64
110 or 141	6.00	⅝	110	1.93	.85	.70	.99		
132	6.125	1	122	3.15	1.51	1.04	1.47	4A	.64
111	Special 4.78-inch side bars 7.22 pitch 4 percent over above list.								

(IV) ATTACHMENT LINKS—COMBINATION STANDARD

Chain No.	A42 (each)	A114 (each)	F2 (each)	F2½ (each)	G6 (each)	G17 (each)	K-1 (each)	K-2 (each)
188			$.87		$.87		$.87	
131	$.81	$.81	.81		.81	$.81	.81	
102								$1.38
102½			1.38		1.38			1.38
111					1.04			1.04
110 or 141			1.28	$1.28				1.28
132	2.54							2.31
111	Special 4.78" pitch center link and side bars 7.22" pitch—4 percent over above list.							

Chain No.	Price per foot with F2, G6, K1, or K2 attachments every [1]—						
	2-P	3-P	4-P	5-P	6-P	7-P	8-P
188	$4.15	$3.78	$3.61	$3.50	$3.43	$3.38	$3.34
131	3.40	3.16	3.02	2.94	2.90	2.86	2.83
102	3.15	3.07	2.87	2.79	2.70	2.67	2.63
102½	4.03	3.68	3.51	3.38	3.34	3.28	3.24
111	2.96	2.79	2.70	2.66	2.62	2.61	2.58
110 or 141	2.37	2.22	2.15	2.12	2.09	2.06	2.05
132	4.21	3.94	3.81	3.74	3.68	3.65	3.62
111	Special 4.78" pitch center link and side bars 7.22" pitch—4 percent over above list.						

[1] "2-P" means that one of the attachments (F2, G6, K1, or K2) appears every second pitch. "3-P" means every third pitch, etc.

(V) COMBINATION POSSELT

Chain No.	Pitch (inches)	Pin, diameter (inches)	Sprocket No.	Plain chain, per foot	Center links, each	Side bars, per pair	Coupling links, each
131	3.07	1 9/32	103	$3.43	$0.41	$0.81	
131½	3.07	1 9/32	325	3.67	.41	.93	
102½	4.028	¾	102½	3.71	.70	1.28	
102½S	4.02	¾	825	3.71	.70	1.28	
111	4.70	¾	108	2.99	.64	1.04	$1.10
110 or 141	6.00	⅝	110	2.73	.85	1.35	
132	6.125	1	122	4.21	1.51	1.50	1.39
132S	6.125	1.125	122	[1]	[1]	[1]	

[1] 6 percent over above list.

(VI) COMBINATION POSSELT ATTACHMENT LINKS

Chain No.	Price, each					
	A42	A114	F2½	G6	G19	K2
131		$.81	$.81	$.81	$.81	$.81
131½						.90
102½				1.38		1.38
102½S						1.38
111				1.04		1.04
110 or 141			1.28	1.28		1.28
132	$2.31					2.31
132S						

(WITH COMBINATION POSITIVE ASSEMBLED WITH ATTACHMENTS

A42, G6 or K2 Every—	Price per foot						
	131	131½	102⅛	102⅛S	111	110 or 141	132
2nd pitch	$4.20	$4.62	$4.75	$4.75	$3.43	$3.15	$3.03
3rd pitch	3.94	4.20	4.20	4.42	3.22	3.09	4.76
4th pitch	3.80	4.15	4.24	4.24	3.21	2.93	4.02
5th pitch	3.74	4.05	4.14	4.14	3.19	2.90	4.54
6th pitch	3.69	3.99	4.09	4.09	3.15	2.83	4.09
7th pitch	3.65	3.94	4.01	3.14	3.14	2.85	4.45
8th pitch	3.63	3.91	3.97	3.97	3.12	2.83	4.43

(WITH DETACHABLE LINK

Chain No.	Pitch (inches)	Plain chain, per foot	Coupplings per pair	Price per foot				
				A-1	A-3	A-7	A-11	A-12
55		$1.07						
67		1.41						
66		1.56						
75		1.48						
77	2.293	1.21	$1.79	$2.00				
85	4.00	1.33	2.00					
88	2.00	1.02	1.77	2.23			$2.01	
93	4.05	1.33	2.00					
95	4.00	1.25	2.23					
103	3.07	1.00	1.60	2.19	$2.19	$2.19	2.09	
104½	4.52	1.00	3.13					
105	6.00	2.00	3.20					
108	4.70	1.67	2.00					
114	3.25	1.08	2.19					
122	6.15	3.00	3.09					
124	4.05	1.08	1.94					$2.05
126	6.03	3.00	5.05					
145	7.625	3.00	6.37					

Price per foot

Chain No.	Pitch (inches)	Plain chain (foot)	Coupplings per pair	C-7	C-8	F-2	F-4	F-8	F-15
55		$1.07							
67		1.41							
66		1.56							
75		1.48							
77	2.293	1.21	$1.79			$2.19			
85	4.00	1.33	2.00						
88	2.00	1.02	1.77			2.03	$2.03	$2.01	
93	4.05	1.33	2.00						$3.09
95	4.00	1.25	2.23			2.49			
103	3.07	1.00	1.60		$1.89	1.89		2.09	
104½	4.52	1.00	3.13						
105	6.00	2.00	3.20						
108	4.70	1.67	2.00						
114	3.25	1.08	2.19	$2.07		2.53		2.02	
122	6.15	3.00	3.09						
124	4.05	1.08	1.94			2.53			2.53
126	6.03	3.00	5.05						
145	7.625	3.00	6.37		3.73	3.19			

Price per foot

Chain No.	Pitch (inches)	G-1	G-6 & 8	G-10	H-1	H-2	H-6	H-13	K-1	K-2	M-3	A-3 Att. cplg. pair
77	2.293	$2.10								$2.01		
85	4.00			$3.15						2.10		
88	2.00	2.61	$2.30	2.30	$2.30	$2.30			$2.61	2.61	$2.61	
93	4.05											
95	4.00									2.30		
103	3.07		1.80	2.10		2.10		$2.00	1.87	1.87		$3.73
104½	4.52									2.02		
105	6.00									3.00		
108	4.70									3.19		
114	3.25								2.61	2.61		
122	6.15									4.73		
124	4.053		2.85						2.02	2.02	3.32	
126	6.03						$4.00			4.00		
145	7.625									4.73		

(IX) PINTLE STANDARD H SERIES

Chain No.	Pitch (inches)	Pin dia. (inches)	Sprocket No.	Plain chain ft.	Att. links including pins per foot	Plain links each	Attachment links				
							F2	F4	G6	K2	K1
H78 or R78	2.6	½	78 & 88	$2.63	$5.82	$.41	$1.10	$1.10	$1.10	$1.10	$1.10
0326-4103	3.07	5/8	103	2.76	3.94	.51	.81		.81	.81	
H82 or R82	3.07	5/8	103	2.76	3.94	.51	.81		.81	.81	
H108	4.7	9/16	108	3.06	4.21	.93				1.38	
H124	4.05	¾	124	3.16		.90					
335	4		335	2.63	4.32	.81				1.38	
345	5	5/8	345	2.93	4.04	.93				1.51	
325	3.08	5/8		2.79	3.93	.55			.85	.85	
4124	4.1	13/16		3.27	4.39	.83					1.21

(X) PINTLE 700 SERIES

Chain No.	Pitch (inches)	Pin dia. (inches)	Sprocket No.	Width	Plain chain foot	A114, G6 or K2 att. ft.	F2 att. ft.	Plain links each	Attachment links			
									A114	G6	K2	F2
710	4.7	1 1/16	710	5 11/16	$2.65	$3.82		$.81			$1.28	
714	3.25	¾	714	4¼	3.34	5.06		.53			1.04	
730	6	¾	730	3 5/8	2.94	4.54	$5.03	1.28		$2.07		$2.31
744	6	¾	744	6⅛	2.76	4.39		1.04			1.85	
746	9	1	746	6⅞	5.42	6.79	7.42	3.38	$4.38		4.39	4.88
755	12	1⅛	755	8½	5.81	6.07	6.54	4.98			5.26	5.72

(XI) PINTLE 800 SERIES

Chain No.	Pitch (inches)	Pin, diameter (inch)	Sprocket No.	Width (inches)	Plain chain, foot	Plain links (each)	Price per foot					
							AZ att.	A12 att.	A42 att.	F2 att.	G6 att.	K
823S	4.109	½	823S	3⅛	$3.11	$.84			$4.73	$5.00		$4.35
825S	4.00	¾	825S	4	2.94	.70	$3.99	$3.99	3.99	4.20	$3.99	3.99
830	6	¾	830	4	3.00	1.28			4.59	4.42		
830S	6	1⅛	830S	4⅜	3.71	1.28			5.31	5.13	4.62	4.62
835S	4	5/8	835S	6	4.09	1.04						5.85
843S	6	¾	843S	6	3.21	1.38				4.52		4.15
844A	6	1	844S	6¼	4.35	1.66				5.72		5.13
844S	6	¾	844S	6¼	3.59	1.47			4.89	4.89		4.06
844SA	6	⅞	844S	6¼	4.06	1.50						4.70
S844SA	6	1⅛	844S	6¼	5.07	1.85				6.54		6.01
846S	9.3135	⅞	846S	6 3/16	6.27	4.27						8.22
847S	6	1	847S	7½	5.45	2.09					9.06	8.67

(XII) PINTLE 800 SERIES

Chain No.	Pitch (inches)	Pin, diameter (inches)	Sprocket No	Width (inches)	AZ	A-12	A-42	F-2	G-6	K-2	Bucket wings (each)
823S	4.109	½	823S	3⅛			$1.40			$1.28	
825S	4.00	¾	825S	4	$1.04	$1.04	1.04	$1.13	$1.04	1.04	
830	6	¾	830	4			2.07	1.98			$.81
830S	6	1⅛	830S	4⅜			2.07	1.98	1.74	1.74	
835S	4	5/8	835S	6						1.62	
843S	6	¾	843S	6				2.04		1.85	
844A	6	1	844S	6¼			2.35			2.05	
844S	6	¾	844S	6¼			2.12	2.12		1.69	
844SA	6	⅞	844S	6¼						1.81	
S844SA	6	1⅛	844S	6¼			2.55			2.31	
846S	9.3135	⅞	846S	6 3/16						5.80	
847S	6	1	847S	7½					3.90	3.69	

(6) SPROCKETS—STANDARD

Sprocket No.	Pitch (inches)	Number of teeth											
		5	6	7	8	9	10	11	12	13	14	15	16
45-55	1.63								$7.00				$8.35
67-77	2.3		$11.35		$16.00	$17.60	$18.45	$19.20	20.05		$22.50	$23.15	24.05
75-78-83-188	2.6		16.80	$17.65	18.45	19.20	19.95	21.10	22.10	$22.85	24.05	24.80	26.05
83-93	4.03			20.70	22.35	24.05	25.55		28.85		32.05		34.50
85-95	4				24.05		27.25	28.85	30.40		33.75	35.40	36.80
102	3.96		21.55					28.00	30.40	32.85	34.15	35.50	36.80
102½	4.028		20.85			25.55	27.55	29.05	30.60		33.65	35.25	36.80
103-131	3.07	$18.25	19.40	20.40	21.50	22.65	23.85	24.80	26.05	26.95	27.90	28.85	29.60
108-111	4.7				27.25	28.85	30.40	32.05	33.70	35.75	37.70	39.70	41.55
110-141	6		22.10		27.35	29.55	32.60		38.40	42.40			52.85
114	3.25	18.40	18.55		19.20	21.55	23.30	26.45	28.00	30.20	32.05	34.10	36.00
124	4.05		23.85		25.90	27.25	28.85	30.40	32.05	33.65	35.35	36.80	38.40
126	6.03			33.65	37.70	42.40	44.80		49.55	52.05		56.10	
132	6.15					35.40	38.40		44.80	47.60	50.50	54.45	59.30
145	7.625								76.05				
325	3.08								26.05	26.95			
325S	4				26.90	28.30	29.65		32.50				38.55

(6) SPROCKETS—STANDARD—Continued

Sprocket No.	Pitch (inches)	Number of teeth											
		5	6	7	8	9	10	11	12	13	14	15	16
710	4.7						$37.65		$44.85	$48.45			$61.05
714	3.25						33.00		40.40			$30.85	64.85
730	6						44.85		52.05	59.05			68.00
744	6						44.80				$54.05	63.05	73.00
755	12				$88.00								
822S	4				28.00	$33.20	39.05		32.50			37.25	33.35
825S	4				27.25	28.85	30.85	$32.80	34.00		39.25	43.00	41.15
830S	6				42.70	48.05	50.70		58.15		64.10	67.85	71.60
835S	6											69.05	
843S	6								57.00			67.40	71.40
844S	6					46.60	51.15		60.85	64.65	68.05	73.00	77.85
846S	9⅝o						85.65			115.15			
847S	6		$42.85			69.75	77.75		91.20		104.55	111.10	117.00
990	6					63.20	63.25						75.45
1130	6					82.60							69.40
1131	6						38.65						
4124	4.1								37.40		41.75		

Sprocket No.	Pitch (inches)	Number of teeth										
		17	18	19	20	21	22	23	24	25	26	27
45-55	1.63			$10.05	$11.85			$14.25		$20.05		
67-77	2.3		$25.25		27.25	$27.95						
75-78-88-188	2.6	$27.25	23.20	23.85	29.75	30.20	$31.80	31.40	$32.05	32.40	$33.05	$34.00
83-93	4.03		36.75		39.25				43.85			
85-95	4		38.40	40.00	41.55				47.40		51.20	
102	3.86			40.00	41.15							
102½	4.023		39.60	40.00		43.50	44.80	45.40				
103-131	3.07	30.40	31.35	31.95	32.85	33.60	34.20	33.35	35.05	37.70	38.40	40.00
108-111	4.7	44.80	49.10	53.30	57.00				75.00			
110-141	6											
114	3.25	37.70	39.25	40.85	42.40	43.60	44.70	45.05	45.40		48.05	
124	4.05	39.95	41.55	42.40	44.80		46.70	52.85	53.05	59.00		62.45
126	6.68	59.00		62.45								
132	6.15		67.40									
145	7.625											
325	3.68		32.35									
325S	4				44.70							
710	4.7	62.80			73.00							
714	3.25	69.00				87.15			100.50			
730	6		76.70									
744	6											
755	12											
822S	4				44.70							
825S	4	42.20	43.35	48.05	52.00		52.45	57.40	72.05	76.75		
830S	6		78.00									
835S	6		69.85					63.05				
843S	6											
844S	6	82.45	86.00	91.20	93.05							
846S	9⅝o											
847S	6	123.25	130.25		144.05				165.05			
990	6											
1130	6											
1131	6											
4124	4.1											

Sprocket No.	Number of teeth													
	28	29	30	31	32	33	34	35	36	37	38	39	40	41
45-55														
67-77	$31.05		$32.05					$35.85			$39.80		$23.40	
75-78-88-188	36.00	$38.85	37.70		$33.40		$33.45	40.00	$42.00		43.00	$44.10	44.80	
83-93														
85-95														
102														
102½			60.05								71.05			
103-131	41.55		44.80	$48.40	48.05		52.85		57.05	$57.00	60.05		63.75	$68.00
108-111		103.45				124.05								
110-141														
114			52.85		54.05	58.05	57.00	59.05	60.85					70.40
124	64.00		67.40		70.40		73.20		80.10		84.05			92.05
126			69.05						69.00					
132														
145														
325														
325S														
710														
714														
744														
755														
825S	94.40		100.00				110.45				110.00			
830S														
835S														
843S														
844S														
846S														
847S														
990														
1130														
1131														
4124														

Sprocket Number	Number of teeth													
	42	43	46	48	49	50	51	52	55	56	57	58	60	61
45–55														
67–77														
75–78–88–188		$47.25		$51.35							$56.70		$58.40	
83–93														
85–95														
102														
102½														
103–131	$68.00		73.90	76.55	$78.35							$90.35		$95.60
108–111														
110–141														
114	72.65		80.55	84.85		$85.95	$88.15	$92.60	$99.30	$99.30			108.25	
124				108.90		114.20								
128														
132														
145														
325														
325S														
710														
714							149.45			162.90				
730														
744														
755														
825S	132.25											148.75		
830S														
835S														
843S														
844S														
846S														
847S														
990														
1130														
1131														
4124														

Bores—Add or deduct as applicable

Length of hub	Ground bores			Bores carbon steel bushed			
	1 to 1¼"	1 5/16–2½"	2 9/16–12"	1" to 3"	3 1/16–6"	6 1/16–9"	9 1/16–12"
3"	Minus $0.40	Minus $0.40	Minus $0.35	Minus $0.70	Minus $0.55	Minus $0.25	Plus $0.80
4"	Plus .25	Plus .15	Plus .10	Minus .55	Minus .25	Plus .30	Plus 1.90
5"	Plus 1.45	Plus 1.15	Plus 1.65	Minus .35	Plus .85	Plus 1.75	Plus 3.85
6"	Plus 3.20	Plus 2.65	Plus 3.50	Plus .15	Plus 1.75	Plus 2.65	Plus 5.20
7"		Plus 4.90	Plus 5.20		Plus 2.65	Plus 4.15	Plus 6.60
8"		Plus 6.65	Plus 7.75		Plus 3.85	Plus 5.80	Plus 8.20
9"			Plus 10.45		Plus 5.25	Plus 8.00	Plus 10.20
10"			Plus 12.10				

The following extras apply where furnished:

(i) ADD FOR FINISH GRINDING ENDS OF HUB

	One end	Both ends
1" to 1¼" bore	$.70	$1.40
1 5/16" to 2½" bore	1.25	2.45
2 9/16" to 12" bore	3.50	6.85

(ii) WHERE THE LENGTH OF HUB COMES ON THE HALF INCH OR ABOVE, TAKE THE NEXT HIGHER INCH; WHEN LENGTH IS UNDER THE HALF INCH, TAKE THE NEXT LOWER

(7) SPLITTING SPROCKETS

For those listed up to and including $15.00, add 35%, before adding figures in tables:

Over $15.00 to $25.00 add	25%
Over $25.00 to $50.00 add	20%
Over $50.00 add	12%

(8) TRACTION WHEELS

Take the same prices as sprockets of corresponding diameter and hub sizes ..... Less 10%

For example, price on one 24-tooth #103 sprocket, ground bore, 3 7/16" diameter, K. S. and S. S., hub 5¾" long central, finish one end.

Price list shows	$36.00
Add for new bore and hub	3.50
Add for finish one end of hub	3.50
	43.00

(Price on same sprocket split)

Price list shows	$36.00
Add 20% of above for split	7.20
Add for new bore	3.50
Add for finish one end of hub	3.50
	50.20

(h) *Manganese steel coil type—Dragline bucket pulling chain:*

(1) CHAIN—END RINGS INCLUDED

Size chain	Pitch	Weight per ft.	Price per ft.
		Pounds	
1/2"	4"	5⅝	$4.70
5/8"	4½"	7¾	5.00
1"	4½"	10¾	5.40
1⅛"	5"	11⅞	5.85
1¼"	5½"	14	6.40
1⅜"	6¾"	17½	6.90
1½"	6"	20⅝	7.50
1¾"	6¾"	31	8.75
2"	7"	46	10.25
2¼"	8¼"	48	11.85

(2) COUPLING LINKS

Size chain	Pitch	Wt. per complete link	Price per complete link
		Pounds	
7/8"	4¼"	4½	$2.10
1" and 1⅛"	6"	7	2.65
1¼"	6¼"	9½	3.60
1⅜"	6¾"	13	3.85
1½"	6"	15½	4.15
1¾"	6¾"	23	5.35
2"	7"	31	7.10
1"			2.10
1⅛"			4.15
1½"	Pear Coup. Link 5"	23	6.50
1¾"	Pear Coup. Link 6"	30	8.85

(i) *Excavating machines—Power shovels and cranes:*

(1) LIPS FOR GRAB BUCKET, DRAG SCRAPER AND TRAY

[Grab bucket or clam shell type]

Weight per piece per lb.	Width of lip *								
	Under 3'	3-4'	4-5'	5-6'	6-7'	7-8'	8-9'	9-10'	10-12'
	Pound	*Pound*	*Pound*	*Pound*	*Pound*	*Pound*	*Pound*	*Pound*	*Pound*
Less than 100 lb. **	$.375	$.385	$.395						
100 up to 200 lb. ea	.28	.295	.305	$.315					
200 up to 300 lb. ea	.24	.25	.26	.2625	$.62				
300 up to 400 lb. ea	.21	.24	.25	.275	.285	$.31			
400 up to 500 lb. ea		.21	.22	.24	.275	.285	$.295		
500 up to 600 lb. ea		.205	.215	.23	.24	.2525	.275	$.285	
600 up to 700 lb. ea			.205	.215	.22	.24	.2525	.275	
700 up to 800 lb. ea			.20	.21	.215	.23	.23	.24	
800 up to 900 lb. ea			.1925	.21	.21	.22	.22	.225	$.225
900 up to 1000 lb. ea				.205	.205	.205	.205	.205	.205
1000 lb. ea. and over				.1975	.1975	.1975	.1975	.1975	.1975

* The width of the lip or tray is determined by measurement of the outside dimension.
** Where lips weighing less than 100 pounds each are sold in lots of 25 and over deduct 5%.

(2) TRAYS—GRAB BUCKET OR CLAM SHELL TYPE

Weight per piece per pound	4-5'	5-6'	6-7'
	Pound	*Pound*	*Pound*
700 up to 800 pounds each	$.225	$.23	$.21
800 up to 900 pounds each	.23	.21	.195
900 up to 1,000 pounds each	.21	.195	.17
1,000 pounds each and over	.195	.17	.165

(3) DIPPER PARTS

(i) FRONTS, PLAIN; FRONTS, BASES INTEGRAL; FRONTS, HIGH SIDES; BACKS; BAILS; DOORS; DOOR REINFORCEMENTS; HINGES; LIPS, PLAIN.

Weight per piece	Number of pieces			
	1-3	4-9	10-24	25 and over
	Pound	*Pound*	*Pound*	*Pound*
Less than 250 pounds each	$.235	$.23	$.27	$.225
250 to 400 pounds each	.235	.23	.2425	.2475
400 to 750 pounds each	.23	.2325	.2425	.2375
750 to 1,000 pounds each	.2425	.235	.225	.22
1,000 to 1,250 pounds each	.225	.23	.215	.21
1,250 to 1,500 pounds each	.215	.21	.20	.195
1,500 pounds each and over	.21	.20	.195	.1875

(a) Fronts with bases cast integral add $.01 to above schedule up to and including 1,500 pounds. Over 1,500 pounds—no extra.

(b) Fronts with high sides add $.015 to above schedule up to and including 2,000 pounds. Over 2,000 pounds—no extra. The height of a dipper is the vertical distance from the front casting to the back. A high side front is a front casting having integral sides, the uppermost part of which measures more than 50% of the inside width. The height to be measured on the center line of the front at the foremost part of the cutting edge.

(c) Latch mechanism assembled with door, the same pound price applies as for the door except that hinges are not included.

(ii) Other Dipper Parts: Bail Brackets; Bail bracket supports; Bottom Bands; Brace Arms; Hinge Frames; Hinge Bumpers; Latches; Latch Bars; Latch Brackets; Latch Guides; Latch Keepers; Latch Keepers with "not drilled" inserts[1]; Latch Levers; Latch Plates; Heel Bands.

[1] Up to 100 pounds each the above pound prices apply, plus piece price for insert; where 100 pounds or more, the above pound prices include weight of insert "not drilled."

Weight per piece	Number of pieces			
	1-3	4-9	10-24	25 and over
	Pound	*Pound*	*Pound*	*Pound*
Under 5 pounds each	$.47	$.4525	$.435	$.43
5 to 10 pounds each	.41	.3875	.375	.37
10 to 25 pounds each	.3525	.3475	.3275	.3225
25 to 50 pounds each	.3275	.3125	.2975	.2925
50 to 100 pounds each	.285	.28	.265	.26
100 to 250 pounds each	.27	.265	.245	.24
250 pounds each and over	.245	.24	.23	.225

(4) BUSHINGS—DIPPER

For Hinges, Bails, Latches, etc.

The pound price of the article into which a bushing is pressed or assembled applies to bushings, assembled with bails, hinges, brackets, etc.

(5) DRAGLINE BUCKET PARTS

(i) ARCHES; BOTTOMS; WEARING STRIPS; LIPS; DIPPER AND/OR DRAGLINE; LIPS WITH BASES CAST INTEGRAL AND ALL COMPLICATED DESIGNS WHEN SOLD AS REPLACEMENT PARTS.

Weight per piece	Number of pieces			
	1-3	4-9	10-24	25 and over
Less than 250 lbs. ea	$.26	$.2525	$.2475	$.2425
250 up to 400 lbs. ea	.2425	.235	.2275	.225
400 up to 750 lbs. ea	.235	.2275	.22	.215
750 up to 1,000 lbs. ea	.22	.2125	.2075	.2025
1,000 up to 1,250 lbs. ea	.2075	.2025	.1925	.19
1,250 up to 1,500 lbs. ea	.1925	.1875	.1825	.1775
1,500 lbs ea. and over	.1875	.1825	.175	.1725

(6) CLEVISES AND SHACKLES

Weight per piece	Number of pieces				
	1-9	10-24	25-49	50-99	100 and over
5 lbs. up to 10 lbs.	$.345	$.3125	$.295	$.275	$.2625
10 lbs. up to 25 lbs.	.2675	.245	.23	.2175	.205
25 lbs. up to 50 lbs.	.2575	.23	.2175	.205	.1925
50 lbs. and over	.245	.2175	.205	.1925	.18

(7) RACKS—TRUED UP ONLY WITH CORED HOLES

Weight per Piece Lb.	Number of pieces		
	1-3	4-9	10 and over
	Pound	*Pound*	*Pound*
Less than 150 lbs. ea	$.31	$.2925	$.2675
150 lbs. up to 300 lbs. ea	.2675	.25	.24
300 lbs. up to 500 lbs. ea	.24	.2275	.215
500 lbs. up to 750 lbs. ea	.22	.21	.195
750 lbs. each and over	.195	.195	.185

If drilled holes are required—Add for each hole drilled ..... $.85

(8) DIPPER TEETH—ONE PIECE SOLID

Weight per piece per pound	Number of pieces		
	1-9	10-49	50 and over
	Pound	*Pound*	*Pound*
Less than 25 lbs. each	$.2575	$.23	$.22
25 lbs. up to 50 lbs. each	.2125	.1925	.185
50 lbs. up to 75 lbs. each	.18	.165	.1575
75 lbs. up to 100 lbs. each	.17	.1525	.1475
100 lbs. up to 250 lbs. each	.1575	.1425	.1375
250 lbs. each and over	.1475	.13	.125

(j) *Excavating machines; trenching or ditching machines.* Where sold on a piece price basis, the following apply to the nearest five cents:

(1) BUCKETS, EXCAVATOR

Over-all Width (inches)	Number of pounds			
	25-30	30-50	50-75	75 and Over
	Pound	*Pound*	*Pound*	*Pound*
12	$.3825			
15		$.35		
18			$.295	
24				$.2625
30				.24

(2) LINKS—EXCAVATOR

Weight per piece lbs.:	*Per pound*
Less than 6 lbs., each	$.35
6 lbs. up to 10 lbs., each	.3225
10 lbs. up to 15 lbs., each	.2950
15 lbs. each and over	.2675

(3) PINS, EXCAVATOR LINK

Weight per piece lbs.:	*Per pound*
Less than 1 lb., each	$.845
1 lb. up to 2 lbs., each	.57
2 lbs. each and over	.4325

(4) BUSHINGS, EXCAVATOR LINK

Weight per piece lbs.:	*Per pound*
Less than ½ lb. each	$2.50
½ lb. up to 1 lb. each	1.25
1 lb. each and over	.85

(5) TEETH

(i) SPROCKET

Weight per piece lbs.:	*Per pound*
Less than 2½ lbs. each	$0.63
2½ lbs. up to 10 lbs. each	.515
10 lbs. each and over	.46

(ii) CUTTER

Weight per piece lbs.	Number of pieces			
	1-9	10-49	50-99	100 and over
	Pound	*Pound*	*Pound*	*Pound*
5 lbs. up to 10 lbs. each	$.295	$.2725	$.2625	$.25
10 lbs. up to 20 lbs. each	.2725	.25	.24	.23
20 lbs. up to 30 lbs. each	.25	.24	.23	.2175
30 lbs. up to 50 lbs. each	.23	.2175	.2075	.195

(k) *Mixing machines—asphalt:*

(1) TIPS, SHANKS OR HOLDERS, BLADES

Weight per piece	Number of pieces				
	1-24	25-49	50-99	100-199	200 and over
	Lb.	*Lb.*	*Lb.*	*Lb.*	*Lb.*
1 lb. up to 5 lb. ea	$.23	$.22	$.215	$.21	$.205
5 lb. up to 10 lb. ea	.21	.205	.20	.195	.19
10 lb. up to 25 lb. ea	.20	.195	.19	.185	.1775
25 lb. up to 50 lb. ea	.19	.185	.1775	.1725	.1675
50 lb. and over, each	.1775	.1725	.1675	.1625	.1575

(2) LINERS—FLAT

Weight per piece	Number of pieces less than 1/2" thick			Number of pieces 1/2" to 5/16" thick			Number of pieces 11/16" to 3/4" thick		
	1-9	10-24	25 and over	1-9	10-24	25 and over	1-9	10-24	25 and over
	Pound	*Pound*	*Pound*	*Pound*	*Pound*	*Pound*	*Pound*	*Pound*	*Pound*
25 up to 50 lbs. each	$.25	$.2425	$.2375	$.2325	$.2275	$.22	$.22	$.2125	$.2075
50 up to 75 lbs. each	.2425	.2375	.2375	.2275	.22	.2125	.2125	.2075	.2025
75 up to 100 lbs. each	.2375	.2325	.2275	.22	.2125	.2075	.2125	.2075	.2025
100 up to 150 lbs. each	.2325	.2275	.22	.2125	.2075	.2025	.2075	.2025	.195
150 up to 200 lbs. each	.2275	.22	.2125	.2075	.2025	.195	.2025	.195	.19
200 up to 250 lbs. each	.22	.2125	.2075	.2025	.195	.19	.195	.19	.1825
250 lbs. each & over	.2125	.2075	.2025	.195	.19	.1825	.19	.1825	.1775

(3) LINERS—CURVED

The prices set forth in subparagraph (2) apply except that there may be added ..... $.015 lb.

(1) *Rolling mill and steel plants:*

(1) BENDING DIES

Weight per piece	Number of pieces	
	1-6	7 and over
	Pound	*Pound*
100 lbs. up to 250 lbs. each	$.18	$.17
250 lbs. each and over	.17	.1575

(2) BELL BLOCKS—REGARDLESS OF QUANTITY

Weight per piece:	*Pound*
1 lb. up to 25 lbs. each	$.1925
25 lbs. up to 50 lbs. each	.18
50 lbs. up to 100 lbs. each	.17
100 lbs. Each and over	.1575

(3) HOPPER PARTS

(i) BELLS—HALVES

Weight per piece:	*Pound*
Less than 3,000 lbs. total weight	$.245
3,000 lbs. up to 3,500 lbs. weight	.2325
3,500 lbs. to 4,500 lbs. weight	.2275
4,500 lbs. and over	.2125

(ii) BELL SEATS—HALVES

Weight per piece:	*Pound*
2500 lbs. up to 4500 lbs. weight	$.2375
4500 lbs. up to 6500 lbs. weight	.2325
6500 lbs. up to 8500 lbs. weight	.2325
8500 lbs. and over	.2125

(iii) BELL ROD PROTECTORS OR SHIELDS (ROUGH GROUND CASTINGS ONLY)

Weight per piece:	*Pound*
Less than 100 lbs. each	$.165
100 lbs. to 250 lbs. each	.155
250 lbs. to 500 lbs. each	.15
500 lbs. each and over	.1425

(4) PIG CASTING MACHINE

(i) LINKS—BRIDGE TYPE

Weight per piece	Number of pieces		
	1-49	50-99	100 and over
	Pound	*Pound*	*Pound*
Less than 10 lbs. each	$.2375	$.2325	$.2275
10 lbs. to 20 lbs. each	.18	.175	.17
20 lbs. each and over	.17	.1625	.1575

(ii) WHEELS OR ROLLERS

Weight per piece	Number of pieces			
	1-49	50-99	100-199	200 and over
	Pound	*Pound*	*Pound*	*Pound*
8 lbs. to 15 lbs. each	$.1825	$.175	$.17	$.1625
15 lbs. each and over	.17	.1625	.1575	.1525

(iii) PINS—PLAIN CASE, NO OIL HOLES

Under 100 pieces	$.05 each
100 pieces and over	.04 each

(5) ROLLING MILL PARTS

(i) COUPLING BOXES, CHAFS, SPINDLES

Weight per piece	Number of Pieces			
	1-3	4-9	10-24	25 and over
	Pound	*Pound*	*Pound*	*Pound*
Less than 50 lbs. each	$.22	$.2025	$.1925	$.185
50 lbs. up to 100 lbs. each	.1925	.18	.1875	.175
100 lbs up to 251 lbs. each	.15	.14	.135	.125
250 lbs. up to 499 lbs. each	.14	.135	.12	.115
500 lbs. up to 1,000 lbs. each	.12	.115	.115	.115
1,000 lbs. each and over	.115	.11	.11	.11

(m) *Screening and washing equipment:*

(1) SCREENS—GRIZZLY (FIXED TYPE)

(i) GRIZZLY BARS (PLAIN STRAIGHT BARS ONLY) AND GRIZZLY BAR CAPS

Weight per piece:	*Pound*
Less than 10 pounds, each	$.2175
10 pounds up to 15 pounds, each	.1925
15 pounds up to 25 pounds, each	.1925
25 pounds up to 100 pounds, each	.14
100 pounds up to 200 pounds, each	.1275
200 pounds each and over	.1175

(ii) BAR FRAMES—ROUGH GROUND

Weight per piece:	*Pound*
Less than 25 pounds, each	$.1925
25 pounds up to 50 pounds, each	.18
50 pounds up to 75 pounds, each	.1675
75 pounds up to 100 pounds, each	.155
100 pounds up to 150 pounds, each	.1425

(2) SCREENS, GRIZZLY (ROLL TYPE)

(i) DISC-GRIZZLY SINGLE OR MULTIPLE

Weight per piece	Number of pieces				
	1-12	13-49	50-99	100-199	200 and over
	Lb.	*Lb.*	*Lb.*	*Lb.*	*Lb.*
1 pound up to 5 pounds each	$.2675	$.2575	$.235	$.2725	$.2575
5 pounds up to 10 pounds each	.2725	.2625	.2575	.2	.2425
10 pounds up to 25 pounds, each	.25	.2575	.2325	.2275	.22
25 pounds up to 50 pounds, each	.2325	.22	.2125	.205	.20
50 pounds up to 100 pounds, each	.22	.21	.205	.20	.1925
100 pounds each and over	.205	.20	.1925	.1875	.18

(3) PLATES (SCREENS—ROTARY)

(i) 5/8" TO 1" THICK—PERFORATED

[Round perforations not less than 3/4" diameter; slotted perforations not less than 3/4" square]

Weight per piece	1-9 pieces		10 pieces and over	
	Flat	Curved	Flat	Curved
	Pound	*Pound*	*Pound*	*Pound*
10 pounds up to 25 pounds each	$.2775	$.3125	$.267	$.3025
25 pounds up to 50 pounds each	.23	.2775	.2175	.2625
50 pounds up to 100 pounds each	.2225	.2575	.2125	.2475
100 pounds up to 250 pounds each	.1925	.2325	.1825	.2225
250 pounds each and over	.1825	.2175	.17	.2025

(ii) 1 INCH THICK AND OVER—PERFORATED

The prices in subdivision (i) apply except that there shall be deducted $.01 pound.

(n) *Track work:*

(1) ELECTRIC AND STEAM RAILWAY

(i) GUARD RAILS—ONE-PIECE MANGANESE STEEL

Weight per piece:	*Regardless of quantity per pound*
Less than 275 lbs. each	$.1225
275 lbs. up to 399 lbs. each	.12
399 lbs. up to 499 lbs. each	.1175
499 lbs. each and over	.115

(o) *Gears and pinions:*

(1) GEARS AND PINIONS, BUT NOT INCLUDING GYRATORY CRUSHERS SHIPPER SHAFT AND MILL PINIONS

(i) ROUGH CASTINGS OF PLAIN DESIGN WITH PITCH OF TEETH NOT LESS THAN 1 1/4" BUT NOT INCLUDING CASTINGS HAVING SMALL SPOKELIKE ARMS OR THIN WEBS BETWEEN HUB AND RIM

Weight per piece	Number of pieces			
	1-3	4-9	10-24	25 and over
	Pound	*Pound*	*Pound*	*Pound*
Less than 25 lbs. each	$.2825	$.2725	$.2525	$.235
25 lbs. up to 50 lbs. each	.24	.235	.2225	.2075
50 lbs. up to 100 lbs. each	.2025	.1975	.185	.1725
100 lbs. up to 250 lbs. each	.17	.165	.16	.155
250 lbs. up to 500 lbs. each	.165	.16	.155	.1475
500 lbs. up to 1,000 lbs. each	.16	.155	.1475	.1425
1,000 lbs. up to 2,500 lbs. each	.1475	.145	.1425	.135
2,500 lbs. each and over	.1425	.1425	.135	.1325

(2) MACHINING CHARGES

(i) GRINDING BORES AND CUTTING SOFT STEEL BORES

Bore diameter:	*Price per inch*
Up to 5"	$.75
5" up to 8" incl	.85
Over 8"	.95

(ii) GRINDING HUB ENDS

Hub diameter:	*Price, each end*
Less than 6"	$1.80
6" and over	2.75

(iii) GRINDING KEYWAYS

Ground in solid manganese Minimum bore 3" diameter		Cutting in soft steel inserts	
Length (inches	Price each	Length (inches)	Price each
3 up to 4	$4.85		
Over 4 up to 5	5.45	Under 5	$3.30
Over 5 up to 6	6.65		
Over 6 up to 8	7.85	5 to 8 Incl	4.40
Over 8 up to 10	9.10	Over 8	5.50
10 and over	11.50		

(iv) GRINDING KEYWAYS—OUTSIDE OF HUB

Outside diameter	Ground in solid mang.	Cut in soft steel	Keyways cut or ground over 1¼" wide
	Inch	*Inch*	*Inch*
Less than 6" O. D	$1.55	$1.10	$.75
6" O. D. and over	.95	.85	.75

(p) *Liners or plates—Miscellaneous* (for chutes, skip cars and similar uses):

(1) LINERS OR PLATES

(i) FLAT

Weight per piece	Thickness of plate (inches)			
	½	½-¾	¾-1	Over 1
	Pound	*Pound*	*Pound*	*Pound*
Under 50 lbs. each	$.2475	$.205	$.1725	$.1625
50 lbs. up to 100 lbs	.2225	.1875	.1575	.1425
100 lbs. up to 250 lbs	.2025	.175	.15	.1375
250 lbs. up to 500 lbs	.1925	.1675	.1425	.1325
500 lbs. each and over	.18	.1575	.1375	.125

(ii) CURVED PLATES

Under 250 lbs. each there may be added $.01 lb.
250 lbs. each and over there may be added $.005 lb.

(2) KOMINUTER PLATES

Dry or Wet—Regardless of weight or quantity $.12 lb.

(3) END LINERS

Regardless of weight or quantity $.155 lb.

(4) SCREEN GRATES

Regardless of weight or quantity $.21 lb.

(q) *Miscellaneous sprockets:*

(1) SPROCKETS

Solid but not including Sprockets for the following: Standard Chain, Travelling Suction Screen, Trench Machine.

Weight per piece	Number of pieces			
	1-3	4-9	10-24	25 and over
	Pound	*Pound*	*Pound*	*Pound*
Less than 10 lbs. each	$.3625	$.34	$.33	$.3075
10 lbs. to 25 lbs. each	.295	.275	.2625	.24
25 lbs., to 50 lbs. each	.23	.22	.2075	.1975
50 lbs., to 100 lbs. each	.185	.18	.175	.165
100 lbs., to 250 lbs. each	.17	.165	.1575	.1525
250 lbs., to 500 lbs. each	.1575	.1575	.1525	.1475
500 lbs., to 1,000 lbs. each	.1475	.1475	.1425	.1425
1,000 lbs., each and over	.1425	.1425	.1375	.1375

(2) TRACTION WHEELS OR IDLERS

Prices in subparagraph (1) apply in exactly the same manner as for sprockets of corresponding dia. and hub size. When price is determined, deduct 10%.

(3) MACHINING CHARGES

(i) GRINDING OR CUTTING BORES

Bore diameter:	
2-5"	$.75 per in.
5-8" incl	.85 per in.
Over 8 diameter	.95 per in.

(ii) GRINDING HUB ENDS

Bore diameter:	
1" to 1¼"	$0.55 per end
1 5/16" to 2½"	1.05 per end
2½" to 6"	1.80 per end
Over 6"	2.75 per end

(iii) SPLITTING SPROCKETS

Determine actual or estimated weight and multiply by correct pound price for quantity or weight. If piece price for rough castings is less than—

$15.00	Add 25%
If over $15.00 to $25.00	Add 20%
If over $25.00 to $50.00	Add 15%
If over $50.00	Add 10%

(iv) GRINDING OUTSIDE DIAMETER OF EXTENDED HUBS

Hub diameter:	
4-6"	$3.55 each
Over 6-11"	5.00 each
Over 11"	5.70 each

(v) KEYWAYS—IN BORE

(a) *Ground in Solid Manganese; Minimum Bore 5" Diameter*

Length:	*Price each*
3" up to 4"	$4.40
4" up to 5"	4.95
5" up to 6"	6.05
6" up to 8"	7.15
8" up to 10"	8.25
10" & Over	10.45

(b) *Cutting in Soft Steel Inserts*

Length:	*Price each*
Less than 5"	$3.30
5-8" incl	4.40
Over 8"	5.50

(vi) KEYWAYS—ON OUTSIDE DIAMETER

(a) *Ground in Solid Manganese*

Outside diameter:	*Price per in.*
Less than 6" O. D	$1.40
6" O. D. and over	.85

(b) *Cut in Soft Steel*

Outside diameter:	*Price per in.*
Less than 6" O. D	$1.00
6" O. D. and over	.75

(c) *Keyways cut or Ground over 1¼"*

Outside diameter:	*Price per in.*
Less than 6" O. D	$.65
6" O. D. and over	.65

(r) *Wheels—Crane:*

(1) SCHEDULE FOR ROUGH CASTINGS

[Double or single flange; spoke or web design]

Weight per piece	Number of pieces		
	1-3	4-9	10 and over
	Pound	*Pound*	*Pound*
25 up to 50 lbs. each	$.23	$.19	$.1875
50 up to 100 lbs. each	.19	.1775	.16
100 up to 250 lbs. each	.1625	.145	.13
250 lbs. each and over	.145	.13	.12

(2) MACHINING CHARGES

(i) GRINDING TREADS—DOUBLE FLANGE

Wheel diameter	Plain treads	Tapered treads
	Each	
12" up to 14"	$5.05	Plus 20%
14" up to 16"	6.35	Plus 20%
16" up to 18"	7.75	Plus 20%
18" up to 20"	9.10	Plus 20%
20" up to 22"	10.00	Plus 20%
22" up to 24"	10.00	Plus 20%
24" up to 26"	11.70	Plus 20%
26" up to 28"	12.70	Plus 20%
28" up to 30"	14.00	Plus 20%
30"	18.15	Plus 20%

(ii) GRINDING TREADS—SINGLE FLANGE OVER 22"

The charges in subdivision (i) apply except that there shall be deducted 5 percent.

(iii) GRINDING BORES AND CUTTING SOFT STEEL BORES

Bore diameter (inches):	*Each*
2-5	$.75
5-8, inclusive	.85
Over 8	.95

(iv) GRINDING HUB ENDS

Hub diameter (inches):	*Each end*
Less than 6	$1.80
6 and over	2.75

(v) GRINDING OUTSIDE DIAMETER OF EXTENDED HUBS

Hub diameter (inches):	*Each*
4-6	$3.05
6-11, inclusive	5.20
Over 11	6.30

(v.) KEYWAYS—IN BORE

(a) *Ground in Solid Manganese Minimum Bore 5" Diameter*

Length (inches):	*Price each*
3 up to 4	$1.85
4 up to 5	5.45
5 up to 6	6.65
6 up to 8	7.85
8 up to 10	9.10
10 and over	11.50

(b) *Cutting in Soft Steel Inserts*

Length (inches):	*Price each*
Less than 5	$3.30
5 to 8	4.40
Over 8	5.50

(vii) KEYWAYS—ON OUTSIDE DIAMETER

Outside Diameter	Ground in solid manganese, price per inch	Cut in soft steel, price per inch	Keyways cut or ground over 1½ inches wide, price per inch
Less than 6 inches outside diameter	$1.55	$1.10	$.75
6 inches outside diameter and over	.95	.85	.75

(s) *Mine car wheels:*

(1) ROUGH CASTINGS

Weight per piece	Number of pieces				
	1-24	25-49	50-99	100-199	200 and over
	Per pound	*Per pound*	*Per pound*	*Per pound*	*Per pound*
25 pounds to 50 pounds, each	$.175	$.165	$.1525	$.1475	$.1425
50 pounds to 75 pounds, each	.165	.1525	.1425	.1375	.13
75 pounds to 100 pounds, each	.1525	.1425	.1375	.13	.125
100 pounds to 125 pounds, each	.1475	.1375	.13	.125	.115
125 pounds each and over	.1425	.13	.125	.12	.11

(2) SCHEDULE FOR MACHINING

(i) GRINDING TREADS CONCENTRIC WITH BORE

(a) Where under 100 wheels from one pattern

Wheel Diameter	Tread Size	Price
12"	2"	$1.55
12"	3"	1.80
14"	2½"	1.80
14"	3"	2.70
16"	3"	3.65
16"	3½"	4.35

(b) Where 100 or more there shall be deducted 10%

(ii) FACING ONE OR BOTH HUB ENDS—REGARDLESS OF WHEEL DIAMETER

(a) Where under 100 wheels from one pattern

Bore Diameter	Price each end
2" to 3"	$.50
3" to 4"	.60
4" to 5"	.85

(b) Where 100 or more there shall be deducted 10%

(iii) GRINDING OR CUTTING BORES

2"–5" diam. bores ..... .75¢ per in. length
Where 100 or more ..... deduct 10%

(iv) GRINDING OUTSIDE DIAM. OF HUBS

3" to 4" o. d ..... .45¢ per run. inch
4" to 5" o. d ..... .60¢ per run. inch
Where 100 or more ..... deduct 10%

(t) *Sheaves—Miscellaneous:*

(1) ROUGH CASTINGS

[No machine work and without cast steel inserts or bushings of any type]

Weight per piece	Number of pieces		
	1-9	10-49	50 and over
	Pound	*Pound*	*Pound*
Less than 25 lbs. each	$0.315	$0.23	$0.27
25 lbs. up to 50 lbs. each	.24	.2125	.21
50 lbs. up to 100 lbs. each	.2025	.1975	.1875
100 lbs. up to 200 lbs. each	.19	.1875	.1775
200 lbs. up to 300 lbs. each	.1775	.17	.1625
300 lbs. each and over	.16	.155	.1525

(2) MACHINING CHARGES

(i) MACHINING PRICE OF ROPE GROOVES

Under 8" diameter	$2.65 each
8"–12" diameter	3.50 each
12"–18" diameter	3.50 each
18"–22" diameter	4.50 each
22"–28" diameter	6.00 each
28"–30" diameter	7.25 each
30"–36" diameter	9.25 each

(n) GRINDING BORES AND CUTTING SOFT STEEL BORES

Bore diameter:	*Price per inch*
2"–5"	$.75
5"–8" inc.	.80
Over 8"	.85

(m) GRINDING HUB ENDS

Hub diameter:	*Price*
Less than 6"	$1.50 each end
6" and over	$2.75 each end

§ 1421.66 *Appendix C: Form No. 335:1* (referred to in § 1421.58 (a)).

UNITED STATES OF AMERICA

OFFICE OF PRICE ADMINISTRATION

Form OPA 335:1[1]

Petition for adjustment of maximum prices for manganese steel castings and manganese steel castings products[2] under § 1421.58 (a) of Maximum Price Regulation No. 235.

The petitioner, _____,
(insert name and address of establishment)

hereby petitions the Price Administrator, under § 1421.58 (a) of Maximum Price Regulation No. 235 and Procedural Regulation No. 1 for adjustment of the maximum price established for the particular manganese steel casting or manganese steel castings product[2] described below.

The following facts are furnished to the OPA in support of this petition:

I. Description of casting:

Item	Casting	Casting	Casting	Casting
a. Classification or type				
b. Product in which used				
c. Chemical analysis specified in contract of sale				
d. Pattern No.				
e. Kind of Pattern				
f. Size flask				
g. No. Patterns in flask				
h. No. Cores				
i. Method of molding				
j. Heads, gates, recovered scrap (estimate in lbs. for each casting)				
k. Defectives (estimate per cent)				
l. Yield from charge (estimate)				
m. Shipping weight each (estimate)				

II. *Description of contract or proposed contract.*[3] Answer (a) and either (b) or (c).

(a) Give name and address of purchaser or prospective purchaser:

(1) Name of Purchaser _____

(2) Address of Purchaser _____

_____
(street) (city) (state)

(b) Give serial number or other identification of contract and the other details shown if price adjustment is sought with respect to deliveries under an existing contract:

(1) Identification of Contract _____

(2) Date of Contract _____

(3) Estimated date of completion _____

(4) Total quantity of castings or products contracted for _____ (lbs.)

(5) Total quantity of castings or products remaining to be delivered or supplied _____

(c) Give the following details if price adjustment is sought under a proposed contract:

(1) Final delivery date to be stipulated by proposed contract _____

(2) Estimated date at which deliveries will begin _____

(3) Total quantity of castings or products to be contracted for _____ (lbs.)

(4) Value of proposed contract (proposed price per casting or product times quantity) _____

III. *Importance of the contract in petitioner's operations.* The term "sales" means sales as usually computed by petitioner.

(a) Total of petitioner's sales of manganese steel castings or manganese steel castings products for last six calendar months prior to the date of this petition $_____

(b) Estimated sales for next six months of particular manganese steel casting or manganese steel castings product with respect to which this petition is made, assuming the price adjustment requested is granted $_____

(c) Total of petitioner's sales of all castings and all products (castings and other), for last six calendar months prior to the date of this petition $_____

[1] One original and four copies of this form shall be filed with the Secretary of the Office of Price Administration, Washington, D. C., in accordance with § 1300.39 of Procedural Regulation No. 1. The provision of that section with respect to the contents of a petition may be disregarded except insofar as required by this form.

[2] Where the information is furnished in respect to a product, the information requested in section I should be furnished in regard to each manganese steel casting used in the product. Add a statement describing the other parts of the product and the nature of the assembled product. Use the columns appearing herein, and if more manganese castings must be reported than there are columns available, attach a supplementary page hereto giving the complete information requested in lines a. to m. for each such additional casting, using a separate column for each casting.

[3] The term "contract" includes purchase orders.

IV. *Costs of producing particular casting or product.* The following instructions should be followed in furnishing the information required in Columns I and II below. The furnishing of the information required in Column I is optional.

(a) Where the information is furnished with respect to a product rather than a casting table IV shall be duplicated for *each manganese steel casting* used in the product. In addition a detailed statement shall also be furnished of the cost of the other parts of the product and the cost of assembly.

(b) Give actual cost data if available. If no actual cost data are available, give estimates as to current costs. Indicate, however, by encircling the appropriate figures where estimates are being employed.

(c) Net Metal Cost. In computing "net metal cost," use costs shown on your books. Report "net metal cost" as the difference between the cost of gross metal charged and the value of recovered scrap. "Conversion Cost" will include labor, fuel, power, electrodes, supplies, furnace repairs, and other overhead items applicable to the melting department.

(d) Direct Labor. State cost of direct or production labor following the classifications in your own records; and for each classification, use actual wages of men employed on the job, or if not practicable, base cost on departmental or shop average wage rates for each classification.

(e) Other foundry costs. If the practice of your foundry is to allocate shop overhead to departments, report overhead by departments. If, however, "General Shop Overhead" is not broken down by departments, report only as "General Shop Overhead." If shop overhead by departments is used as well as "General Shop Overhead" not directly applicable to departments, report both by departments and also by "General Shop Overhead."

(f) Costs shall be given on either a per piece or per 100 pound basis. Indicate whichever basis is used.

Details of cost	Column I Oct. 1 to Oct. 15, 1941	Column II Current date
MELTED METALS		
Net metal cost		
Conversion cost		
1. Total metal cost		
MOLDING DEPT.		
2. Direct labor		
3. Overhead		
CORE DEPT.		
4. Direct labor		
5. Overhead		
CLEANING DEPT.		
6. Direct labor		
7. Overhead		
8. Heat treating		
9. General shop overhead		
10. Shop cost (total 1 through 9)		
11. Defectives (% of 10)		
12. Total shop cost (10+11)		
MACHINE DEPT.		
13. Direct labor		
14. Overhead		
15. Adm. and sales		
16. Total cost (12 through 15)		
17. Margin of profit		
18. Selling price (16+17)		
19. Pattern expense		
20. Special rigging		
21. Total selling price (18 through 20)		

V. Indicate by a cross (X) in the space provided whether the petitioner has entered into, or will enter into a contract or will make deliveries at the requested price pending final action by the Office of Price Administration. Yes [ ] No [ ].

VI. Submit on separate pages any other facts relevant to this request for a price adjustment, including a statement of the established maximum price for the particular casting or product at the time this petition was filed and the computation by which said maximum price was ascertained.

VII. Submit the following:

A. Balance Sheets as of the close of:
1. 1936 through 1941 (fiscal or calendar years: indicate which and give dates).
2. Most recent accounting period.

B. Income Statements for:
1. 1936 through 1941 (fiscal or calendar years: indicate which and give dates).
2. Most recent accounting period.

C. Sales:
1. Of all products in 1941.
2. Of manganese steel castings or manganese steel castings products in 1941.

Instructions. (1) Income statements must show: (a) net sales; (b) cost of products sold, stating separately total direct material costs, and total other manufacturing costs; (c) general and administrative expenses, segregating compensation to officers and directors, and; (d) net profits before income and excess profits taxes. All charges to operations representing accumulations of reserves must be shown in detail on the statements.

(2) The petitioner need not file with the petition any required financial data which were previously submitted on Form A—Annual Financial Report—or Form B—Interim Financial Report—or any other questionnaire issued by the Office of Price Administration.

_____
Applicant

By _____

_____
Title

Affidavit

STATE OF _____ }
County of _____ } *ss:*

The undersigned _____, being first duly sworn according to law, on oath, deposes and says: that he is the person whose name appears subscribed to the above petition for Adjustment; and that he has read the same and knows to his own knowledge that the facts contained therein are true and correct.

_____
Signature

Subscribed and sworn to before me this _____ day of _____ A. D. 194___.

_____
Officer Administering Oath

§ 1421.67 *Appendix D: Form No. 335:2* (referred to in § 1421.64 (c)).

UNITED STATES OF AMERICA
OFFICE OF PRICE ADMINISTRATION
Form No. 335:2

*Cost estimate sheet for manganese steel castings and manganese steel castings products based upon cost factors and profit margin in effect October 1-15, 1941**

Name of foundry_____ Date_____
Name of customer_____ Priority rating_____
Description of casting_____
Product where used_____

Pattern No._____ Est. rough weight_____
Dwg. No._____ Est. finished wt._____
No. Cstgs. ordered_____ Est. defective_____% Yield _____%

Method of manufacture
☐ Floor ☐ Bench ☐ Machine
(check above)

*For a manganese steel castings product prepare a separate sheet for each different manganese steel casting incorporated in the product. In addition furnish a statement of the nature and cost of the other parts entering into the assembly; and the total assembling and other costs of the completed product.

Line No.	Details of cost	Cost per piece [3]	Cost per net ton [3]	Pattern equipment
	MELTED METALS			
	Net metal cost [1]			No. of Patts.
	Conversion cost [1]			Kind of Patt.
1	Total metal cost			Size of Flask
	MOLDING DEPT.			
2	Direct labor			No. of Patts. in Flask
3	Overhead [2]			No. of cores per cvty.
	CORE DEPT			
4	Direct labor			
5	Overhead [2]			
	CLEANING DEPT.			
6	Direct Labor			
7	Overhead [2]			
8	Heat treating			
9	Genl. shop overhead [2]			
10	Shop cost (total 1 through 9)			
11	Defectives (% of 10)			
12	Total shop cost (10+11)			
	MACHINE DEPT.			
13	Direct Labor			
14	Overhead			
15	Adm. and sales			
16	Total cost (12 through 15)			
17	Margin of profit			
18	Selling price (16+17)			
19	Pattern expense			
20	Special rigging			
21	Total selling price (18 through 20)			

[1] Report "Net Metal Cost" as the difference between gross metal charged and recovered scrap. "Conversion Cost" will include labor, fuel, power, electrodes, supplies, furnace repairs, and other overhead items applicable to the melting department.

[2] If the practice of your foundry is to allocate shop overhead to departments, report overhead by departments. If, however, "General Shop Overhead" is not broken down by departments, report only as "General Shop Overhead." If shop overhead by departments is used as well as "General Shop Overhead" not directly applicable to departments, report both by departments and also by "General Shop Overhead."

[3] Either method is satisfactory.

A. Do you propose to sell the above castings through a dealer?

B. If the answer to "A" is in the affirmative, what discount, if any, do you propose to give to the dealer?

Remarks: _____

_____

State of _____

County of _____, *ss:*

_____
Name of Applicant

By _____ _____
Officer Signing Title

_____, being duly sworn, deposes and says: That he is the person whose name appears subscribed to this Form No. 335:2 and that he has read the same and to the best of his knowledge and belief the facts contained therein are true and correct.

_____
Signature

Subscribed and sworn to before me this _____ day of _____ A. D. 194__.

_____
Officer Administering Oath

Issued this 9th day of October 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10201; Filed, October 10, 1942; 1:00 p. m.]

PART 1499—COMMODITIES AND SERVICES

[Amendment 38 to Supplementary Regulation 14 to General Maximum Price Regulation]

TIN BASE, LEAD BASE, OR TIN-LEAD BASE SOLDERS

A statement of the considerations involved in the issuance of this amendment has been issued simultaneously herewith and filed with the Division of the Federal Register.*

A new subparagraph (32) is added to paragraph (a) of § 1499.73 as set forth below.

§ 1499.73 *Modification of maximum prices established by § 1499.2 of the General Maximum Price Regulation for certain commodities, services, and transactions.* (a) The maximum prices established by § 1499.2 of the General Maximum Price Regulation for the commodities, services, and transactions listed below are modified as hereinafter provided:

* * * * *

(32) *Solder containing silver*—(i) *Maximum prices for solder containing silver.* On sales and deliveries made on and after August 31, 1942, the seller's maximum price for any tin base, lead base, or tin-lead base solder containing silver shall be the maximum price for such article established by § 1499.2 of the General Maximum Price Regulation, plus 9.634 cents per fine troy ounce of silver content.

(ii) *Discounts, allowances, and differentials.* All discounts, allowances, quantity price differentials, and trade practices in effect during March, 1942, with respect to solder as defined herein, shall remain in effect under this Amendment No. 38.

(iii) *Report of maximum prices.* Within 30 days of the effective date of this Amendment No. 38 or before making further sales and deliveries of solder as defined herein, whichever is later in time, each seller of such solder shall file with the Office of Price Administration in Washington, D. C., a statement showing:

(*a*) The highest prices which he charged to each class of purchaser for such of those solders as he sold and delivered during March, 1942, or, if no sales were made during that month, his highest offering prices to each class of purchaser for the sale and delivery of such solders during March 1942, together with a detailed description as to shape, dimension and metal content of each such solder;

(*b*) All his allowances, discounts, and other price differentials applicable to sales of solder as defined herein which prevailed during the month of March, 1942.

(iv) *Definitions.* As used in this § 1499.73 (a) (32), the term "solder" shall mean tin base, lead base, or tin-lead base solder containing silver.

(v) This Amendment No. 38 to Supplementary Regulation No. 14 may be revoked or amended by the Price Administrator at any time.

* * * * *

(b) *Effective date.* * * *

(39) Amendment No. 38 (§ 1499.73 (a) (32)) to Supplementary Regulation No. 14 shall become effective October 16, 1942.

(Pub. Laws 421 and 729, 77th Cong., E.O. 9250, 7 F.R. 7871)

Issued this 10th day of October 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10183; Filed, October 10, 1942; 12:21 p. m.]

* Copies may be obtained from the Office of Price Administration.

PART 1499—COMMODITIES AND SERVICES

[Amendment 3 to Maximum Price Regulation 211 [1]]

COTTON GINNING SERVICES

A statement of the considerations involved in the issuance of this amendment has been issued simultaneously herewith and has been filed with the Division of the Federal Register.*

In § 1499.552, paragraph (a) is amended and a new paragraph (c) is added; § 1499.553 is amended; the text of § 1499.558 is amended and designated paragraph (a); paragraphs (a), (b), (c), (d), (e), (f), (g) and (h) are redesignated subparagraphs (1), (2), (3), (4), (5), (6), (7) and (8) and a new paragraph (b) is added; in § 1499.564 subparagraphs (1) and (2) of paragraph (a) are amended and in § 1499.565 a new subparagraph (13) is added to paragraph (a), as set forth below:

§ 1499.552 *Maximum prices for cotton ginning services*—(a) *Maximum prices for cotton ginning services which are the same as or substantially similar to those sold by the ginner during the base period.* Except as provided in paragraph (c) below, the maximum price for cotton gin-

[1] 7 F.R. 6823, 7406, 7322, 7813.

ning services which are the same as or substantially similar to the cotton ginning services sold or supplied by the ginner during the base period shall be:

* * * * *

(c) Maximum prices for bagging and ties costing the ginner more than his maximum price for bagging and ties established under paragraph (a) of this § 1499.552. In the event that a ginner has exhausted his supply of bagging and ties costing him less than his maximum price [2] established therefor in accordance with paragraph (a) of § 1499.552, he may use in place of that maximum price a maximum price determined in accordance with this paragraph (c). In such case, his maximum price for bagging and ties shall be his actual cost or $1.75 per unit of bagging and ties, whichever is lower: *Provided,* That no ginner shall sell or supply bagging and ties at a price determined under this paragraph (c) until he has filed a report with the appropriate Regional Office of the Office of Price Administration in accordance with paragraph (b) of § 1499.558 and the Regional Office has acknowledged in writing that this report conforms with the requirements set forth in this paragraph and paragraph (b) of § 1499.558.

§ 1499.553 *Prohibition against using more than one pricing method set forth in § 1499.552 (a).* No ginner whose maximum price for cotton ginning services is determined in accordance with paragraph (a) or paragraphs (a) and (c) of § 1499.552 shall employ more than one of the three pricing methods set forth in paragraph (a).

* * * * *

§ 1499.558 *Reports to be submitted by ginners to the appropriate Regional Office of the Office of Price Administration*—(a) *Reports to be filed by all ginners.* On or before September 19, 1942, each ginner shall submit to the appropriate Regional Office of the Office of Price Administration, with respect to each of his ginning establishments a report containing (1) his name, (2) his address, (3) the pricing method he employed in determining his maximum price for cotton ginning services in accordance with § 1499.552 (a), (4) the highest price he charged during the base period for ginning cotton, (5) the highest price he charged during the base period for bagging and ties, (6) the highest price he charged during the base period for any other cotton ginning services, (7) his maximum price, if determined by one of the three pricing methods set forth in § 1499.552 (a), and (8) such other information as the Office of Price Administration may from time to time require.

(b) *Reports to be filed by ginners electing to determine their maximum prices for bagging and ties in accordance with paragraph (c) of § 1499.552.* Each ginner who elects to establish a maximum price for bagging and ties in accordance with paragraph (c) of § 1499.552 shall submit to the appropriate Regional Office of the Office of Price Administration with respect to each of his ginning establishments a report [3] containing:

(1) His name;

(2) His address;

(3) The pricing method set forth in paragraph (a) of § 1499.552 which he has employed in determining his maximum price for cotton ginning services and his maximum price for bagging and ties as established thereunder;

(4) A complete list of the units of bagging and ties [4] purchased or ordered by the ginner during the 1942 ginning season up to the date of the filing of this report and which cost him less than the maximum price established therefor in accordance with paragraph (a) of § 1499.552, showing with respect to each such purchase or order (i) the date, (ii) the name and address of the supplier, (iii) the quantity of bagging and ties purchased or ordered, (iv) the price paid or agreed to be paid and (v) the freight cost incurred by the ginner for delivery of the bagging and ties to his ginning establishment;

(5) The number of units of bagging and ties which the ginner sold or supplied during the 1942 ginning season up to the date of the filing of this report; and

(6) A statement by the ginner that at the date of the filing of this report he has sold or supplied a number of units of bagging and ties equal to the number of units which he had received from and still has on order with suppliers during the 1942 ginning season up to the date of the filing of this report and which cost him less than the maximum price established therefor in accordance with paragraph (a) of § 1499.552.

* * * * *

§ 1499.564 *Petitions for adjustment and amendment.* (a) * * *

(1) Any ginner who can show that the maximum price for cotton ginning services established for him by this Maximum Price Regulation No. 211 is abnormally low in relation to the maximum prices for the same or substantially similar services rendered by ginners in the same competitive area and that this abnormality subjects him to substantial hardship; and

(2) Any ginner who can show that the maximum prices for cotton ginning services established for him and substantially all of the ginners in the same competitive area by this Maximum Price Regulation No. 211 are abnormally low in relation to the maximum prices for the same or substantially similar services rendered by substantially all of the ginners in the nearest competitive area and that this abnormality subjects him to substantial hardship.

* * * * *

§ 1499.565 *Definitions.* (a) When used in this Maximum Price Regulation No. 211, the term:

* * * * *

(13) "Actual cost" means the cost to the ginner of bagging and ties at his establishment and shall consist of the net price charged by the supplier to the ginner for the bagging and ties plus the freight costs.

* * * * *

[2] It is possible that a ginner who has selected pricing method (1) set forth in paragraph (a) of § 1499.552 may be unable to compute a separate maximum price for bagging and ties because he did not make a separate charge for these commodities during the base period. In this event, a ginner may elect to determine his maximum price for bagging and ties in accordance with paragraph (c) above when he has exhausted his supply of bagging and ties costing him less than $1.50 per unit which, for the purposes of paragraph (c), shall be considered his maximum price as established by paragraph (a).

[3] It is suggested that ginners in submitting to the Office of Price Administration the data required in paragraph (b) above use the following form with such modifications as may be necessary:

1. Name_____
2. Address_____
(Street) (Town or city)
_____
(County) (State
3. My maximum price for bagging and ties under paragraph (a) of Section 1499.552 is $_____ per unit. This price is determined pursuant to the pricing method indicated below which I have elected in determining my maximum prices for cotton ginning services.
(check one)
1499.552 (a) (1) ☐ 1499.552 (a) (2) ☐
1499.552 (a) (3) ☐
4. The following is a complete list of all of my purchases or orders of bagging and ties during the 1942 ginning season to date costing me less than my maximum price as stated in 3 above:

Date of purchase or order	Name of supplier	Address of supplier	Number of units of bagging and ties purchased or ordered	Freight cost per unit	Total cost per unit
1					
2					
3					
4					
5					
6					
7					

5. I have sold _____ units of bagging and ties during the 1942 ginning season to date.
6. I have sold or supplied to date during this 1942 ginning season a number of units of bagging and ties equal to the number of units of bagging and ties which I have received from and still have on order with my suppliers and which cost me less than my maximum price for bagging and ties set forth in 3 above.

_____
(Signed)
Date_____

[4] As used in this Maximum Price Regulation No. 211, the term "unit of bagging and ties" means the quantity of bagging and ties customarily used for the baling and wrapping of one bale of lint cotton.

§ 1499.566a *Effective dates of amendments.* * * *

(d) Amendment No. 3 (§§ 1499.552 (a), 1499.553, 1499.558, 1499.564 (a) and 1499.565 (a) to Maximum Price Regulation No. 211 shall become effective October 10, 1942.

(Pub. Laws, 421 and 729, 77th Cong., E.O. 9250, 7 F.R. 7871)

Issued this 10th day of October 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10188; Filed, October 10, 1942; 12:19 p. m.]

PART 1499—COMMODITIES AND SERVICES

[Order 68 Under § 1499.18 (c) of General Maximum Price Regulation]

U. S. MICA MFG. CO.

For the reasons set forth in an opinion issued simultaneously herewith, *It is ordered:*

§ 1499.918 *Denial of adjustment of maximum prices for roofing grade mica sold by the U. S. Mica Mfg. Co.* (a) The petition of the U. S. Mica Mfg. Co., 1521-1527 Circle Avenue, Forest Park, Illinois, to increase its maximum price for its roofing grade mica from $30.00 to $31.00 per ton is hereby denied.

(b) This Order No. 68 (§ 1499.918) is hereby incorporated as a section of Supplementary Regulation No. 14, which contains modifications of maximum prices established by § 1499.2.

(c) This Order No. 68 (§ 1499.918) shall become effective October 12, 1942.

(Pub. Laws 421 and 729, 77th Cong., E.O. 9250, 7 F.R. 7871)

Issued this 10th day of October 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10190; Filed, October 10, 1942; 12:20 p. m.]

PART 1499—COMMODITIES AND SERVICES

[Amendment 2 to Maximum Price Regulation 165 as Amended[1]]

SERVICES

A statement of the considerations involved in the issuance of this amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.*

In § 1499.102, paragraph (a), the word "or" is deleted at the end of the proviso, and a new proviso is added as set forth below:

§ 1499.102 *Maximum prices for services: general provisions.* * * *

(a) * * * *Provided, further,* That a person engaged in commission selling, auctioneering, or the brokerage of commodities may continue to determine his maximum price by the use of the highest percentage rate he used during March 1942 in connection with the sale of the particular commodity, or, when the same or a similar commodity was not sold or purchased by him in March 1942, he may use such highest percentage rate used in the same calendar month of 1941 as the month in which he is presently supplying the service; or

* * * * *

§ 1499.121a *Effective dates of amendments.* * * *

(b) This Amendment No. 2 (§ 1499.102 (a)) to Maximum Price Regulation No. 165 as amended shall become effective October 10, 1942.

(Pub. Law 421 and 729, 77th Cong.; E.O. 9250, 7 F.R. 7871)

Issued this 10th day of October 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10200; Filed, October 10, 1942; 12:58 p. m.]

Chapter XVII—Office of Civilian Defense

[Amendment 2 to Regulations 1]

PART 1901—LOANS OF EQUIPMENT AND SUPPLIES TO CIVIL AUTHORITIES

DUTIES OF REGIONAL DIRECTORS—FOREST FIRE FIGHTERS SERVICE ARM BANDS

By virtue of the authority vested in me by Executive Order No. 8757, dated May 20, 1941, as amended by Executive Order No. 9134, dated April 15, 1942, and Executive Order No. 9088, dated March 6, 1942, and pursuant to section 1 of the Act approved January 27, 1942, and in accordance with Article 13 of Executive Order No. 9088 dated March 6, 1942, authorizing the Director of Civilian Defense to make and issue such rules, regulations, and ordefs as he may deem necessary or desirable to carry out the purposes of the aforementioned Act of January 27, 1942, it is hereby ordered that §§ 1901.1 to 1901.11 of this chapter (Regulations No. 1 of the Office of Civilian Defense),[1] as heretofore issued and amended, be further amended as follows:

AUTHORITY: Pub. Law 415, 77th Cong.; E.O. 8757, 6 F.R. 2517; E.O. 9088, 7 F.R. 1775; E.O. 9134, 7 F.R. 2887.

By striking out § 1901.4 thereof and substituting the following:

§ 1901.4 *Duties and authority of Regional Directors.* (a) Regional Directors of the Office of Civilian Defense, appointed by the Director, will supervise the activities of State Property Officers and Local Property Officers with the view of assuring compliance with rules, regulations, orders, and instructions of the Director. Regional Directors are authorized to take such steps as may be deemed by them to be desirable to supervise the arrangements made by State Property Officers and Local Property Officers with respect to the storage, handling, maintaining, protecting, delivering, and returning of all property and the maintaining and filing of proper reports, records, and accounts with respect thereto, and in particular with respect to the distribution of property in the communities in accordance with the provisions of § 1901.7 of this chapter; and they shall from time to time make inspections for such purpose.

(b) Each Regional Director is authorized, to the extent deemed by him to be necessary in his region for the protection of persons and property in the event of actual or imminently threatened enemy attack, or in the event of an act of sabotage, to recall any property loaned to any community (whether in the custody of a State Property Officer, a Local Property Officer, or any distributee), to transfer and loan any of such property, as well as any property in any Office of Civilian Defense warehouse or in transit within his Region, to any other community deemed by him to be in need of, but unable to provide, such property in accordance with § 1901.7 of this chapter, or otherwise. In making any such loan of property, the Regional Director may dispense with, or accept any modification of, OCD Form No. 501 if deemed advisable by him under the circumstances. State Property Officers and Local Property Officers are authorized and directed to act in accordance with any instructions of any Regional Director with respect to the recall, transfer, and loan of property.

By adding a new § 1901.12 as follows:

§ 1901.12 *Forest Fire Fighters Service arm bands.* (a) The Forest Fire Fighters Service has been established by the Director to assist in safeguarding forest lands and other timber facilities and resources, to aid in prevention and suppression of fires which might endanger such facilities and resources, and to minimize the effects of any such fires. Its members (herein called the "members") are required to perform duties in localities which embrace national, State and private forest lands, national and State parks, rural areas and sparsely settled areas in the public domain. Members require arm bands embodying the prescribed insigne of the Forest Fire Fighters Service as a means of identification in order that they may be permitted to move on the public ways during an air raid or other emergency. The aforesaid localities in which the members are to operate are in need of such arm bands so that the members may adequately perform their duties, including the protection of persons and property from fire resulting from bombing attacks, sabotage, or other war hazards; and such localities are unable satisfactorily to provide such arm bands. Accordingly, the Director will make such arm bands available to such localities by loans to the State Foresters, or other State officials responsible for administering affairs relative to forest lands and timber resources (herein referred to as the "foresters"), as the duly constituted civil authorities of the States comprising or situated within such localities.

*Copies may be obtained from the Office of Price Administration.

[1] 7 F.R. 4734, 5028, 5567, 6428, 6966, 7249, 7539.

[1] 7 F.R. 2172, 6370.

(b) Each borrowing forester may distribute the arm bands only to duly enrolled members located within his State and shall promptly recall any arm band from any person ceasing to be a member. Distribution in every case shall be as directed by the State Coordinator of the Forest Fire Fighters Service. Whenever ordered by the Regional Director, foresters shall distribute any such arm bands only with the approval of the State Defense Council.

(c) Each forester shall agree, as a condition of such loans, that the arm bands so loaned shall be adequately protected and maintained, that they shall not be used otherwise than for the protection of persons or property from bombing attacks, sabotage, or other war hazards, or for training or instructions incidental to such use, that such arm bands, unless lost, destroyed, or consumed in the course of such use, shall be returned to the United States Government at any time upon order of, or pursuant to rules and regulations prescribed by, the Director, and that he shall comply with all rules, regulations, orders, and instructions issued by the Director with respect to said arm bands.

(d) The duties and responsibilities of each forester with respect to borrowed arm bands shall be, to the extent applicable, the same as set forth in § 1901.9 of this chapter, with respect to Local Property Officers. Foresters may appoint agents to assist in the performance of their duties, and may delegate all or any of their powers to such agents, but shall be responsible for the acts and omissions of such agents.

(e) Arm bands will be shipped directly to the foresters, who shall be responsible and accountable therefor. The State Property Officers and Local Property Officers shall have no duties, obligations, or responsibility with respect to such arm bands.

[SEAL] JAMES M. LANDIS,
Director.

OCTOBER 9, 1942.

[F. R. Doc. 42-10124; Filed, October 9, 1942; 12:30 p. m.]

TITLE 46—SHIPPING

Chapter IV—War Shipping Administration

[General Order 21, Supp. 1]

PART 306—GENERAL AGENTS AND AGENTS

SERVICE AGREEMENTS FOR VESSELS TIME CHARTERED FROM OTHERS

§ 306.48 *Part II to Service Agreement (TCA).* Vessels of which the United States of America, by and through its governmental agencies or departments other than the War Shipping Administration, is owner or owner pro hac vice, are from time to time released to the War Shipping Administration so that the latter may conduct the business of booking, loading and discharging cargo. Such vessels will be assigned to agents under the "Service Agreement for Vessels Time Chartered From Others By the War Shipping Administration" (TCA-4/4/42 as set forth in G.O. 21 § 306.45)[1] modified by "Part II" to said agreement as follows:

PART II TO SERVICE AGREEMENT FOR VESSELS TIME CHARTERED FROM OTHERS BY THE WAR SHIPPING ADMINISTRATION

(Provisions Relating to Vessels of Which the United States of America, By and Through Its Agencies or Departments Other Than The War Shipping Administration, Is Owner Or Owner Pro Hac Vice Which Are Released to the War Shipping Administration)

Whereas the United States of America (herein called the "United States") acting by and through the Administrator, War Shipping Administration, and _____ _____ (herein called the "Agent") entered into an Agreement (Contract WSA ____) dated _____ (herein called the "Service Agreement") whereby the United States appointed the Agent as its agent to conduct the business of vessels time chartered by the United States and assigned to it by the United States from time to time, and

Whereas the Army, the Navy, and other departments and agencies of the United States release to the War Shipping Administration, from time to time, vessels of which the United States (through such departments or agencies) is the owner or owner pro hac vice, under an arrangement whereby the War Shipping Administration is responsible for the booking and/or loading and/or discharging activities in connection with such vessels for certain voyages; and

Whereas it is desirable to have both the vessels which are released to the War Shipping Administration by other departments or agencies of the United States as well as vessels which are time chartered by the War Shipping Administration, subject to the uniform provisions of one agreement.

Now, therefore, in consideration of the reciprocal covenants and agreements contained in the Service Agreement, it being understood that nothing herein contained shall alter the terms of the Service Agreement (TCA4/4/42) in respect of vessels time chartered from others by the War Shipping Administration, it is hereby agreed that, as to vessels heretofore or hereafter released by the Army, the Navy or some other agency or department of the United States Government to the War Shipping Administration and, in turn, assigned to the Agent under the Service Agreement, the parties hereto shall be governed by the provisions of the said Service Agreement modifid as follows:

Section 1. Article 1 of the Service Agreement shall be considered altered and amended to read as follows:

"The United States appoints the Agent as its agent and not as an independent contractor, to conduct the business of vessels of which the United States, acting by and through any of its departments or agencies other than the War Shipping Administration, is owner or owner pro hac vice and which are released, allocated or assigned to the War Shipping Administration and, in turn, assigned to the Agent under the terms of this Service Agreement."

Section 2. Article 3A (a) of the Service Agreement shall be considered altered and amended to read as follows:

"Perform all of the customary duties of an agent for the booking of cargo and all loading and discharging activities in connection with the vessels subject to this Agreement, subject to the orders of the United States as to voyages, cargoes, priorities of cargoes, charters, rates of freight and other charges and as to all matters connected with the use of the vessels; or in the absence of such orders, the Agent shall follow reasonable commercial practice;"

Section 3. Article 3A (c) of the Service Agreement shall be considered altered and amended as follows:

"In the first line the words "fuel, fresh water" shall be deleted. In the sixth line the words "time charterer of" shall be deleted and the words "carrier of the cargo in" shall be inserted in place of the deletion. In line 9 the words "and supplying fuel" shall be deleted.

Section 4. Article 3A (d) shall be considered altered and amended so as to read as follows:

"Issue or cause to be issued to shippers customary freight contracts and Bills of Lading in accordance with orders, instructions and regulations promulgated by the War Shipping Administration. All Bills of Lading shall be issued by the Agent or its agents as Agent for the Master and the signature clause may provide as follows:

The Agent makes no warranty or representation as to the authority of the United States or the Master to enter into the agreement, and the Agent assumes no liability with respect to the goods described therein or the transportation thereof."

Section 5. Article 9 of the Service Agreement shall be considered altered and amended as follows:

The last sentence shall be deleted.

Section 6. Article 10 of the Service Agreement shall be considered altered and amended so as to read as follows:

"The negotiation and settlement of all salvage claims for services rendered by vessels shall be controlled by the United States. The Agent shall furnish the United States with full reports and information on all salvage services renderd."

In witness whereof the parties hereto have executed this Part II to the Service Agreement in triplicate this _____ day of _____, 19____.

UNITED STATES OF AMERICA,
By E. S. LAND,
Administrator,
War Shipping Administration.

By _____
For the Administrator.

By _____

Attest:

_____

Approved as to form:

_____
Assistant General Counsel,
War Shipping Administration.

(E.O. 9055, 7 F.R. 837.)

[SEAL] E. S. LAND,
Administrator.

OCTOBER 10, 1942.

[F. R. Doc. 42-10216; Filed, October 12, 1942; 10:05 a. m.]

[1] 7 F.R. 7561.

Notices

OFFICE OF PRICE ADMINISTRATION.

[Order 2 Under § 1362.59a of Maximum Price Regulation 116—China and Pottery]

PADEN CITY POTTERY CO.—MONTGOMERY WARD

ORDER GRANTING ADJUSTMENT

For the reasons set forth in an opinion issued simultaneously herewith, and filed with the Division of the Federal Register,

It is ordered, That:

(a) The Paden City Pottery Co., Paden City, West Virginia, may sell china and pottery of the Rosalee pattern to Mont-

gomery Ward at prices no higher than the prices determined by adding to the maximum prices for such sales, as determined under Maximum Price Regulation No. 116, the amounts appearing in the following table:

32-piece set	$0.17 each.
53-piece set	.25 each.
95-piece set	.40 each.
Open stock	.25 pound sterling.

(b) All prayers of the petition not heretofore granted are hereby denied.

(c) Order No. 2 under § 1362.59a of Maximum Price Regulation No. 116 shall become effective October 10, 1942.

Issued this 9th day of October 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10130; Filed, October 9, 1942; 2:52 p. m.]

[Order 3 Under Revised Price Schedule 28—Ethyl Alcohol—Docket GF3-1604]

PARK & TILFORD DISTILLERS, INC.

ORDER GRANTING ADJUSTMENT

For the reasons set forth in an opinion issued simultaneously herewith, and pursuant to the authority vested in the Price Administrator by the Emergency Price Control Act of 1942, *It is ordered:*

(a) Notwithstanding anything to the contrary contained in Revised Price Schedule No. 28 or in the General Maximum Price Regulation, Park & Tilford Distillers, Inc., of New York, New York, may charge for deliveries of ethyl alcohol of 188 proof or higher, of any formulae thereof, including pure ethyl alcohol, which were made to the Defense Supplies Corporation between August 15, 1942, and September 30, 1942, from its distillery at Midway, Kentucky, and the Defense Supplies Corporation may pay for such ethyl alcohol, at prices not in excess of those set forth below:

$.653 per wine gallon, f. o. b. plant.

(b) All prayers of the applicant not granted herein are denied.

(c) This Order No. 3 under Revised Price Schedule No. 28 shall become effective October 10, 1942.

Issued this 9th day of October 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10129; Filed, October 9, 1942; 2:52 p. m.]

[Order 25 Under Revised Price Schedule 64—Domestic Cooking and Heating Stoves]

J. B. SLATTERY & BROTHER, INC.

ORDER GRANTING ADJUSTMENT

On July 13, 1942, J. B. Slattery & Brother, Inc., of Brooklyn, New York, filed an application pursuant to § 1356.1 (d) of Revised Price Schedule No. 64 for approval of maximum prices of a new model gas range designated in said application as Model No. V42-T.

Due consideration has been given to the application and an opinion has been issued simultaneously herewith and has been filed with the Division of the Federal Register.

For the reasons set forth in the opinion and under the authority vested in the Price Administrator by the Emergency Price Control Act of 1942, *It is hereby ordered:*

(a) J. B. Slattery & Brother, Inc., of Brooklyn, New York, may sell, offer to sell, deliver or transfer Model No. V42-T With Control at a maximum price of $32.14 to the real estate trade delivered within the Metropolitan area of New York, New York, and Model No. V42-T Without Control at a maximum price of $24.27 to the real estate trade delivered within the Metropolitan area of New York, New York, subject to discounts and allowances no less favorable than those in effect as to Model No. 214IMTJ With Control, and Model No. 214IMTJ Without Control respectively, under § 1356.1 (a) (1) of Revised Price Schedule No. 64.

(b) This Order No. 25 may be revoked or amended by the Price Administrator at any time.

(c) Unless the context otherwise requires, the definitions set forth in § 1356.11 of Revised Price Schedule No. 64 shall apply to the terms used herein.

(d) This Order No. 25 shall become effective on the 10th day of October 1942.

Issued this 9th day of October 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10128; Filed, October 9, 1942; 2:52 p. m.]

[Order 4 Under Revised Price Schedule 83[1]—Petroleum and Petroleum Products]

GULF COAST REFINERS AND TERMINAL OPERATORS

ORDER REQUIRING CERTAIN INFORMATION

Order requiring information of Gulf Coast refiners of petroleum and/or Gulf Coast terminal operators handling petroleum products.

Pursuant to the authority vested in the Price Administrator in accordance with section 202 (b) of the Emergency Price Control Act of 1942 and paragraph (e) of § 1340.154 of Revised Price Schedule No. 88, *It is hereby ordered,* That refiners of petroleum and/or terminal operators handling petroleum products shall file, within 30 days from receipt of a written notice hereinafter referred to, with the Office of Price Administration at its principal office in Washington, D. C., a statement listing each invoice issued in connection with each domestic sale in bulk from their refineries or terminals at Gulf Coast ports of aviation gasoline of less than 91 octane and of components, base stocks or fractions manufactured for, and used in aviation gasoline of less than 91 octane grade, in the period September 15, 1941, to October 14, 1941, inclusive. Such statement shall be made and the information shall be given in accordance with a written notice to be sent by registered mail. Such written notice shall contain a reference to this order.

(a) This Order No. 4 shall become effective October 10, 1942.

Issued this 9th day of October 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10131; Filed, October 9, 1942; 2:51 p. m.]

[Order 5 Under Revised Price Schedule 83[1]—Petroleum and Petroleum Products]

GULF COAST REFINERS AND TERMINAL OPERATORS

ORDER REQUIRING CERTAIN INFORMATION

Order requiring information of refiners of petroleum and/or terminal operators handling petroleum products.

Pursuant to the authority vested in the Price Administrator in accordance with section 202 (b) of the Emergency Price Control Act of 1942 and paragraph (e) of § 1340.154 of Revised Price Schedule No. 88 *It is hereby ordered,* That refiners of petroleum and/or terminal operators handling petroleum products shall file, within 30 days from receipt of a written notice hereinafter referred to, with the Office of Price Administration at its principal office in Washington, D. C., a statement listing each invoice issued in connection with each spot sale in bulk of all petroleum products, excepting aviation gasoline and asphalt, under whatever designation sold, at each actual shipping point at which such seller as designated above sold the specified petroleum products in the period September 15, 1941, to October 14, 1941, inclusive. Such statement shall be made and the information shall be given in accordance with a written notice to be sent by registered mail. Such written notice shall contain a reference to this order.

(a) This Order No. 5 shall become effective October 10, 1942.

Issued this 9th day of October 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10132; Filed, October 9, 1942; 2:51 p. m.]

[Amendment 1 to Administrative Order 25]

REGIONAL ADMINISTRATORS

DELEGATION OF AUTHORITY TO ACT FOR THE PRICE ADMINISTRATOR

Subparagraph (1) of paragraph (a) and subparagraph (1) of paragraph (b) of Administrative Order 25 are hereby amended to read as set forth below:

(a) * * *

(1) Applications for adjustment of maximum prices pursuant to § 1499.18 (a) of the General Maximum Price Regulation, or any identical provision of any maximum price regulation, or § 1499.18 (d) of the General Maximum Price Regulation, or pursuant to § 1499.114 of Maximum Price Regulation No. 165, as amended, (Services), pursuant to §§ 1393.8 (a) and 1393.8 (b) of Maximum

[1] 7 F.R. 1107, 1371, 1793, 1789, 1836, 2132, 2304, 2352, 2634, 2945, 3116, 3452, 3524, 3570, 3695, 3963, 4483, 4653, 4854, 4857, 5481, 5907, 5988, 6057, 6167, 6471, 3166, 3552, 6868, 6889, 7242, 7838.

Price Regulation No. 154, as amended, (Ice).

* * * * *

(b) * * *

(1) Applications for adjustment of maximum prices pursuant to § 1499.18 (a) of the General Maximum Price Regulation or any identical provisions of any maximum price regulation, or § 1499.18 (d) of the General Maximum Price Regulation, or pursuant to § 1499.114 of Maximum Price Regulation No. 165, as amended, (Services), or pursuant to §§ 1393.8 (a) and 1393.8 (b) of Maximum Price Regulation No. 154, as amended, (Ice).

* * * * *

This Amendment No. 1 to Administrative Order 25 shall be effective this 16th day of October, 1942.

(Pub. Laws 421 and 729, 77th Cong.; E.O. 9250, 7 F.R. 7871)

Issued this 10th day of October 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10165; Filed, October 10, 1942; 12:22 p. m.]

[Order 25 Under Revised Price Schedule 6—Iron and Steel Products—Docket 3006-24]

KEYSTONE DRAWN STEEL COMPANY

ORDER GRANTING EXCEPTION

On September 21, 1942, Keystone Drawn Steel Company, Spring City, Pennsylvania, filed a petition for an exception to Revised Price Schedule No. 6, as amended, pursuant to § 1306.7 (c) thereof. Due consideration has been given to the petition and an opinion in support of this Order No. 25 has been issued simultaneously herewith and has been filed with the Division of the Federal Register. For the reasons set forth in the opinion and in accordance with Procedural Regulation No. 1,[3] issued by the Office of Price Administration, *It is hereby ordered:*

(a) Keystone Drawn Steel Company may sell and deliver, and agree, solicit and attempt to sell and deliver, cold finished steel bars at prices not in excess of those stated in paragraph (b), when such bars are shipped to points not located within its usual market area under its contracts DA-TPS-9528, DA-TPS-10706 and DA-TPS-15511 with the Procurement Division of the Treasury Department or under subsequent contracts entered into by it under allocations or directives of the War Production Board.

(b) The maximum price which may be charged by Keystone Drawn Steel Company on sales of cold finished bars covered by paragraph (a) above shall be the Pittsburgh base price on cold finished bars plus the carload freight rate on hot rolled bars from Pittsburgh to Spring City, Pennsylvania, f. o. b. Spring City, Pennsylvania.

(c) This Order No. 25 may be revoked or amended by the Price Administrator at any time.

(d) The definitions set forth in § 1306.8 of Revised Price Schedule No. 6 shall apply to terms used herein.

(e) This Order No. 25 shall become effective October 12, 1942.

(Pub. Laws 421 and 729, 77th Cong.; E.O. 9250, 7 F.R. 7871.)

Issued this 10th day of October 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-10164; Filed, October 10, 1942; 12:20 p. m.]

NORMAN TUCKER AND SAMUEL SLOME

ORDER RESTRICTING TRANSACTIONS

[Suspension Order 141]

Norman Tucker and Samuel Slome, 112 Lunenberg Street, Fitchburg, Massachusetts, hereinafter called respondents, were duly served with a notice of charges of violations of Ration Order No. 5A, Gasoline Rationing Regulations. Pursuant to said notice, a hearing upon such charges was held in Concord, New Hampshire, September 9, 1942. There appeared a representative of the Office of Price Administration and Samuel Slome, one of the respondents. The evidence pertaining to such charges was presented before an authorized presiding officer. Such evidence having been considered by the Deputy Administrator,

It is hereby determined that:

1. Since July 22, 1942, in Keene, New Hampshire, respondents have operated a filling station known as Sterling Service Station, at which station gasoline was regularly transferred to consumers.

2. Respondents have violated the Gasoline Rationing Regulations in that at divers times between July 22 and September 5, 1942, respondents sold and transferred gasoline to consumers in exchange for gasoline rationing coupons Class A, Number 2.

Because of the great scarcity and critical importance of gasoline in New Hampshire, violations of the gasoline rationing regulations have necessarily resulted in the diversion of gasoline from military and essential civilian uses into non-essential uses. It appearing to the Deputy Administrator from the evidence before him that further violations of the gasoline rationing regulations by respondents are likely unless appropriate administrative action be taken.

It is therefore ordered:

(a) That during the period in which this suspension order shall be in effect,

(1) Respondents shall not accept any deliveries or transfers of, or in any manner directly or indirectly, receive from any source, any gasoline at or for the Sterling Service Station, Keene, New Hampshire.

(2) Respondents shall not sell, transfer or deliver or otherwise deal or trade in any gasoline at the Sterling Service Station, Keene, New Hampshire.

(b) Any terms used in this order that are defined in the gasoline rationing regulations shall have the meaning therein given them.

(c) This Suspension Order No. 141 shall become effective 12:01 A. M. October 12, 1942, and unless sooner terminated, shall expire 12:01 A. M. November 11, 1942.

(Pub. Laws 421 and 729, 77th Cong., E.O. 9250, 7 F.R. 7871; sec. 2 (a) of Pub. Law 671, 76th Cong., as amended by Pub. Law 89, 77th Cong. and by Pub. Law 507, 77th Cong.; E.O. 9125 (7 F.R. 2719); WPB Directive No. 1 and Supplementary Directive No. 1H, 7 F.R. 562, 3478, 3877)

Issued this 10th day of October 1942.

PAUL M. O'LEARY,
Deputy Administrator
In Charge of Rationing.

[F. R. Doc. 42-10199; Filed, October 10, 1942; 1:00 p. m.]

WAR MANPOWER COMMISSION.

[Directive XIII]

EMPLOYMENT OF WORKERS PREVIOUSLY EMPLOYED AS PRODUCTION OR MAINTENANCE WORKERS IN GOLD MINES

By virtue of the authority vested in me as Chairman of the War Manpower Commission, and having found after consultation with the members of the War Manpower Commission that substantial numbers of persons, heretofore employed as production or maintenance workers in gold mines, are or will be unemployed, that such persons possess skills needed in and readily adaptable for use in essential non-ferrous metal industries, that critical labor shortages in essential non-ferrous metal industries can be greatly alleviated by the employment in such industries of such persons, and that the measures hereinafter set forth are necessary to promote the effective mobilization and maximum utilization of the Nation's manpower in the prosecution of the war, it is hereby declared to be the policy of the War Manpower Commission that:

I. On and after the date hereof no employer shall hire in, or hire for work in, Alaska or any State west of the Mississippi River, any person who on or after October 7, 1942, has ceased to be employed as a production or maintenance worker in connection with gold mining except upon referral of such worker to such employer by the United States Employment Service.

II. No person who on or after October 7, 1942, has ceased to be employed as a production or maintenance worker in connection with gold mining shall be referred by the United States Employment Service to any work in Alaska or a State west of the Mississippi River other than work in essential non-ferrous metal mining, milling, smelting, and refining activities unless such referral would be in the best interests of the war effort or unless the denial of such referral would entail an undue hardship upon the individual concerned, as determined in accordance with regulations and standards prescribed by the Chairman of the War Manpower Commission.

III. Any worker or employer, or group of workers or employers, dissatisfied with any act or failure to act pursuant to this directive shall be given a fair opportunity to present his or their case to the local area War Manpower Committee. Such Committee shall make recommendations concerning such cases as well as other matters pertaining to the carrying out of this directive in its area to the manager of the appropriate local employment office of the United States Employment Service. The Chairman of the War Manpower Commission shall prescribe regulations and procedures for the carrying out of the responsibilities of local area committees under this directive, including procedures for the review of the recommendations of such committees by Regional War Manpower Committees and by the National Management-Labor Policy Committee.

IV. All persons are hereby enjoined to observe strictly all provisions of this directive and all provisions of regulations and interpretations issued by the Chairman of the War Manpower Commission in implementation of this directive.

V. Each department and agency of the Federal Government is hereby directed to take all lawful and appropriate steps under authority vested in it by law to achieve and promote compliance with the provisions of this directive.

VI. This directive may be cited as the "Employment of Gold Mine Production and Maintenance Workers Directive."

PAUL V. McNUTT,
Chairman.

OCTOBER 7, 1942.

[F. R. Doc. 42-10123; Filed, October 9, 1942; 12:30 p. m.]