

THE NATIONAL ARCHIVES  
LITTERA SCRIPTA MANET  
1934  
OF THE UNITED STATES

# FEDERAL REGISTER

VOLUME 10 NUMBER 177

Washington, Saturday, September 8, 1945

*The President*

EXECUTIVE ORDER 9610

**AUTHORIZING THE ADMINISTRATOR OF VETERANS' AFFAIRS TO ACQUIRE AND DISPOSE OF PROPERTY**

WHEREAS the Veterans' Administration is declared by section 100 of the Servicemen's Readjustment Act of 1944 (58 Stat. 284) as amended by Public Law 138, 79th Congress, approved July 6, 1945, to be an essential war agency; and

WHEREAS I find that there exists an acute shortage of space of the type required by the Veterans' Administration to perform the essential war-agency functions which the Veterans' Administration is authorized and directed by law to perform:

NOW, THEREFORE, by virtue of the authority vested in me by Title II of the Second War Powers Act, 1942, approved March 27, 1942 (56 Stat. 177), the Administrator of Veterans' Affairs, or any officer of the Veterans' Administration acting in behalf of the Administrator during his absence or disability, is hereby authorized to exercise the authority contained in the said Title II of the Second War Powers Act, 1942, to acquire, use, and dispose of any real property, temporary use thereof, or other interest therein, together with any personal property located thereon, or used therewith, that shall be deemed necessary for military, naval, or other war purposes.

HARRY S. TRUMAN

THE WHITE HOUSE,  
September 6, 1945.

[F. P. Doc. 45-16673, Filed, Sept. 6, 1945; 3:49 p. m.]

*Regulations*

TITLE 7—AGRICULTURE

Subtitle A—Office of the Secretary of Agriculture

SURPLUS REAL PROPERTY

**DELEGATION OF AUTHORITY TO DESIGNATED OFFICERS OF FEDERAL FARM MORTGAGE CORPORATION TO ADVERTISE SALES**

Whereas, pursuant to section 8 of the Surplus Property Act of 1944 (58 Stat.

765), § 8301.3 (f) (1) of Regulation 1 issued by the Surplus Property Board on April 2, 1945 (10 F.R. 3784), order of the Secretary of Agriculture issued on April 26, 1945 (10 F.R. 4647), and order of the Governor of the Farm Credit Administration issued on April 28, 1945 (10 F.R. 4694), there was delegated to the Federal Farm Mortgage Corporation, subject to the general supervision and direction of the Governor of the Farm Credit Administration and to regulations to be approved by the Secretary of Agriculture, the authority and responsibilities conferred upon the Department of Agriculture by the Surplus Property Board under said § 8301.3 (f) (1) of Regulation 1 of the Board as the disposal agency for surplus agricultural and forest real property, together with such other authority or responsibilities as the Department of Agriculture might be called upon from time to time to exercise or discharge with respect to carrying out the provisions of the Surplus Property Act of 1944 concerning surplus real property, and as might be delegated by the Secretary of Agriculture to the Governor of the Farm Credit Administration; and

Whereas section 3828, Revised Statutes, provides that no advertisement, notice, or proposal for any executive department of the Government, bureau thereof, or office therewith connected shall be published in any newspaper except in pursuance of written authority for such publication from the head of such department, and that no bill for any such advertising or publication shall be paid unless accompanied by a copy of such written authority:

Now, therefore, each Regional Director of Surplus Property Disposal and each Vice President of the Federal Farm Mortgage Corporation are hereby severally authorized, in connection with the disposal of such surplus real property, to order the publication of advertisements and notices in newspapers in accordance with applicable law and regulations.

Issued this 7th day of August 1945.

[SEAL] J. B. HUTSON,  
Acting Secretary of Agriculture.

[F. R. Doc. 45-16728; Filed, Sept. 7, 1945; 11:02 a. m.]

CONTENTS

THE PRESIDENT

	Page
<b>EXECUTIVE ORDER:</b>	
Veterans' Affairs Administrator, authorization to acquire and dispose of property.....	11415
<b>REGULATIONS AND NOTICES</b>	
<b>AGRICULTURE DEPARTMENT:</b>	
Surplus real property; designation of authority to certain officers of Federal Farm Mortgage Corporation to advertise sale.....	11415
<b>COAST GUARD:</b>	
Equipment, withdrawal of approval.....	11540
<b>COMMERCE DEPARTMENT:</b>	
Patents; oral hearing and applications.....	11525
<b>FEDERAL COMMUNICATIONS COMMISSION:</b>	
Applications relating to stations in agriculture, coastal, marine relay, fixed public, emergency, aviation, miscellaneous and experimental services.....	11525
Extension of lines and discontinuance of service by carriers.....	11526
Radio operators, commercial, rules governing.....	11526
<b>FISH AND WILDLIFE SERVICE:</b>	
Alaska game regulations; game animals, fur animals, game birds, non-game birds, and game fishes.....	11528
East central region national wildlife refuges; Seney National Wildlife Refuge, Mich., hunting regulations.....	11528
<b>FISHERIES' COORDINATOR:</b>	
Production of fishery commodities or products, allocation of halibut.....	11529
<b>FOOD AND DRUG ADMINISTRATION:</b>	
Antibiotic drugs, tests and methods of assay; penicillin.....	11478
<b>INTERSTATE COMMERCE COMMISSION:</b>	
Demurrage charges:	
Box cars.....	11527
Fiat cars.....	11526
State Belt Railroad of California.....	11527

(Continued on next page)



Published daily, except Sundays, Mondays, and days following legal holidays, by the Division of the Federal Register, the National Archives, pursuant to the authority contained in the Federal Register Act, approved July 26, 1935 (49 Stat. 500, as amended; 44 U.S.C., ch. 8B), under regulations prescribed by the Administrative Committee, approved by the President. Distribution is made only by the Superintendent of Documents, Government Printing Office, Washington 25, D. C.

The regulatory material appearing herein is keyed to the Code of Federal Regulations, which is published, under 50 titles, pursuant to section 11 of the Federal Register Act, as amended June 19, 1937.

The FEDERAL REGISTER will be furnished by mail to subscribers, free of postage, for \$1.50 per month or \$15.00 per year, payable in advance. The charge for individual copies (minimum 15¢) varies in proportion to the size of the issue. Remit check or money order, made payable to the Superintendent of Documents, directly to the Government Printing Office, Washington 25, D. C.

There are no restrictions on the republication of material appearing in the FEDERAL REGISTER.

**NOTICE**

**1944 Supplement**

Book 1 of the 1944 Supplement to the Code of Federal Regulations, containing Titles 1-10, including Presidential documents in full text, is now available from the Superintendent of Documents, Government Printing Office, at \$3.00 per copy.

A limited sales stock of the Cumulative Supplement and the 1943 Supplement is still available as previously announced.

**CONTENTS—Continued**

INTERSTATE COMMERCE COMMISSION—Continued.	Page
Newsprint paper at St. Louis, Mo., unloading.....	11529
MARITIME COMMISSION:	
Settlement of claims arising under terminated war contracts; contracts by commission or its officers.....	11525
OFFICE OF DEFENSE TRANSPORTATION:	
Administration; rationing of new commercial motor vehicles.....	11527
Conservation of motor equipment; rationing of new commercial motor vehicles.....	11527
Direction of motor traffic movement; motor transportation of anthracite from designated areas.....	11528
Toledo, Peoria & Western Railroad, termination of Government possession, operation and control.....	11529

**CONTENTS—Continued**

OFFICE OF ECONOMIC STABILIZATION:	Page
Price stabilization, maximum prices; frozen vegetables, 1945.....	11525
OFFICE OF PRICE ADMINISTRATION:	
Adjustments and pricing orders:	
Acme Mastercrafts Co. Inc.....	11537
Ainsworth, William, and Sons, Inc.....	11545
Art Metal Guild Co.....	11535
Associated Cigar Co.....	11542
Benson and Hedges.....	11538
Brown Stove Works, Inc.....	11530
Butler Boiler and Tank Co., Inc. et al.....	11543
Commonwealth Co.....	11543
Ekco Products Co.....	11535
Elmont Lamp Shade.....	11534
Ennis Manufacturing Co.....	11532
Ethyl Corp.....	11530
Ferrer, Justino.....	11539
Horst Specialty Manufacturing Co.....	11535
Inspiration Cigar Co.....	11540
Island Creek Sales Co.....	11531
James Cigar Co.....	11541
Kaplan, Nathan D.....	11541
Kent Foundry Co.....	11534
Locke Stove Co.....	11531
Markley, Irwin, Cigar Co., Inc.....	11538
Marley, William C.....	11540
Merit Lamp Co.....	11533
Niagara Searchlight Co.....	11532
Oakes, W. L., Manufacturing Co.....	11533
Ohio Art Co.....	11531
Pocahontas Fuel Co., Inc.....	11532
Reading Foundry Co.....	11543
Rothschild and Regan Cigar Co.....	11538
Sanchez & Montesino Cigar Factory.....	11539
Scovill Manufacturing Co.....	11529
Second Front Cigar Factory.....	11538
Sewell Foundry.....	11537
Sheetz, Carl K. (2 documents).....	11537, 11538
Stadler & Meuwirth.....	11536
Straight Havana Cigar Co.....	11538
Sugardale Provision Co. et al.....	11542
Telescope Folding Furniture Co., Inc.....	11532
Tiedmann, Arthur.....	11530
Valenti, D., Cigar Factory.....	11539
Fish and seafood, certain fresh and frozen, sold at retail (RMFR 507, Am. 5).....	11514
Grains and cereals, feeds, tobacco and tobacco products, agricultural chemicals, insecticides and beverages; exemption from price control (SO 132).....	11512
Grey goods or yarns (SO 130, Order 1).....	11543
Household furniture, exemption and suspension from price control (SO 126, Am. 2).....	11512
Livestock slaughter and meat distribution (Control Order 1, Am. 22).....	11514
Lumber, western pine and associated species (RMFR 94, incl. Am. 1, 2).....	11496

**CONTENTS—Continued**

OFFICE OF PRICE ADMINISTRATION—Continued.	Page
Military uniforms, services of altering and repairing in California, Oregon, and Washington (RMFR 165, Am. 1 to Rev. Supp. Service Reg. 28).....	11515
Pennsylvania anthracite (MPR 112, Am. 20).....	11513
Petroleum products (MPR 88, Am. 1 to Order 50).....	11531
Regional and district office orders. See also Adjustments.	
Solid fuels:	
Cleveland, Ohio, area.....	11545
Denver region.....	11547
Detroit, Mich., area.....	11545
Grand Rapids, Mich., area.....	11545
Martinsburg, W. Va., area.....	11544
St. Joseph County, Ind.....	11544
Sales under WPB Order L-210 (SO 49, Am. 1).....	11512
Shirts, specified utility (RMFR 304, Am. 2).....	11495
Spirits and wines, distilled (MPR 445, Am. 30).....	11515
Waxes, vegetable, and beeswax (RMFR 264, Am. 1, 2, 3, 4, and 5).....	11514
SECURITIES AND EXCHANGE COMMISSION:	
Hearings, etc.:	
Columbia Gas & Electric Corp. et al.....	11548
Northern New England Co., and New England Public Service Co.....	11547
WAR CONTRACTS PRICE ADJUSTMENT BOARD:	
Renegotiation regulations:	
Agreements and statements.....	11518
Authority and organization for renegotiation.....	11515
Excessive profits, determination and elimination.....	11518
Forms for renegotiation.....	11510
Renegotiable business and costs, determination.....	11516
Statutes, orders, joint regulations and directives; text.....	11520
WAR DEPARTMENT:	
Supplies and equipment:	
Procurement:	
Bonds and insurance.....	11424
Contracts.....	11420
Forms.....	11430
Labor.....	11420
Personal property, requisitioning.....	11443
Purchases:	
Foreign.....	11426
General policies.....	11418
Interbranch and interdepartmental.....	11427
Miscellaneous instructions.....	11430
Renegotiation and price adjustment.....	11431
Disposition:	
Personal property:	
Disposition for war purposes.....	11447
General.....	11444
Non-military property, serviceable.....	11452
Non-repairable property.....	11451
Reports.....	11472
Surplus property.....	11450

CONTENTS—Continued

WAR DEPARTMENT—Continued.	Page
Supplies and equipment—Con.	
Disposition—Continued.	
Industrial installations:	
General.....	11475
Procedure.....	11475
WAR MANPOWER COMMISSION:	
Regulations, general orders and directives, rescission.....	11417
WAR PRODUCTION BOARD:	
Construction (L-41; revocation of Int., 2, 9, 11, 13, Dir. 3, 5, 6, 7; Dir. 8) (10 documents).....	11486, 11488, 11489
Containers:	
Closures, new tinplate (L-103-b).....	11494
Malt beverages, glass and closure simplification (L-103, Sch. B).....	11491
Controlled materials plan; sales of controlled materials by warehouses and distributors (CMP Reg. 4).....	11489
Highways, public, and street construction (L-41-e, revocation).....	11489
Kapok (M-85).....	11495
Motor fuel distribution facilities (Cert. 149, revocation).....	11549
Petroleum:	
Marketing (Cert. 76, revocation).....	11549
Supply (Cert. 72).....	11549
Transportation in western and southern States (Cert. 46, revocation).....	11549
Suspension orders:	
Cramer, R. C., Lumber Co.....	11485
Gordon Stores Co., Inc.....	11485
Mid-West Equipment Co.....	11485
Royal Heating Co.....	11485

CODIFICATION GUIDE

A numerical list of the parts of the Code of Federal Regulations amended or added by documents published in this issue. Documents carried in the Cumulative Supplement by uncodified tabulation only are not included within the purview of this list.

TITLE 3—THE PRESIDENT:	Page
Chapter II—Executive orders:	
9610.....	11415
TITLE 7—AGRICULTURE:	
Subtitle A—Office of the Secretary of Agriculture.....	11415
TITLE 10—ARMY: WAR DEPARTMENT:	
Chapter VIII—Supplies and equipment:	
Part 802—General purchase policies.....	11418
Part 803—Contracts.....	11420
Part 804—Bonds and insurance.....	11424
Part 805—Foreign purchases.....	11426
Part 806—Interbranch and interdepartmental purchases.....	11427
Part 809—Labor.....	11429
Part 811—Miscellaneous purchase instructions.....	11430
Part 812—Renegotiation and price adjustment.....	11431
Part 813—Forms of contracts.....	11439

CODIFICATION GUIDE—Continued

TITLE 10—ARMY: WAR DEPARTMENT—Continued.	Page
Chapter VIII—Supplies and equipment—Continued.	
Part 814—Requisitioning of personal property.....	11443
Part 821—General disposition of personal property.....	11444
Part 823—Disposition of personal property for purposes directly related to prosecution of war.....	11447
Part 824—Disposition of non-repairable personal property.....	11451
Part 826—Disposition of serviceable non-military personal property.....	11452
Part 827—Disposal of surplus personal property.....	11459
Part 828—Reports connected with disposition of personal property.....	11472
Part 830—General disposition of industrial installations.....	11475
Part 832—Procedure with respect to disposition of industrial installations.....	11475
TITLE 21—FOOD AND DRUGS:	
Chapter I—Food and Drug Administration:	
Part 141—Tests and methods of assay for antibiotic drugs.....	11473
TITLE 29—LABOR:	
Chapter VII—War Manpower Commission:	
Part 902—Training programs for armed forces carried on in non-Federal educational institutions.....	11417
TITLE 32—NATIONAL DEFENSE:	
Chapter XIV—War Contracts Price Adjustment Board:	
Part 1601—Authority and organization for renegotiation.....	11515
Part 1603—Determination of renegotiable business and costs.....	11516
Part 1604—Determination and elimination of excessive profits.....	11518
Part 1605—Agreements and statements.....	11518
Part 1607—Forms for renegotiation.....	11519
Part 1608—Text of statutes, orders, joint regulations and directives.....	11520
Chapter XVIII—Office of Economic Stabilization:	
Part 4004—Price stabilization; maximum prices.....	11525
TITLE 37—PATENTS AND COPYRIGHTS:	
Chapter I—Patent Office, Department of Commerce:	
Part 1—Patents.....	11525
TITLE 46—SHIPPING:	
Chapter II—United States Maritime Commission:	
Part 298—Settlement of claims arising under terminated war contracts.....	11525

CODIFICATION GUIDE—Continued

TITLE 47—TELECOMMUNICATIONS:	Page
Chapter I—Federal Communications Commission:	
Part 5—Experimental radio.....	11525
Part 6—Fixed public radio services.....	11525
Part 7—Coastal and marine relay services.....	11525
Part 9—Aviation services.....	11525
Part 10—Emergency radio services.....	11525
Part 11—Miscellaneous radio services.....	11525
Part 13—Commercial radio operators.....	11526
Part 63—Extension of lines and discontinuance of service by carriers.....	11526
TITLE 49—TRANSPORTATION AND RAILROADS:	
Chapter II—Office of Defense Transportation:	
Part 501—Conservation of motor equipment.....	11527
Part 503—Administration.....	11527
Part 504—Direction of motor traffic movement.....	11523
TITLE 50—WILDLIFE:	
Chapter I—Fish and Wildlife Service:	
Part 26—East central region national wildlife refuges.....	11523
Part 91—Alaska game regulations.....	11523
Chapter IV—Office of Coordinator of Fisheries:	
Part 401—Production of fishery commodities or products.....	11529

TITLE 29—LABOR

Chapter VII—War Manpower Commission  
RESCISSON OF VARIOUS REGULATIONS, GENERAL ORDERS AND DIRECTIVES

Pursuant to the authority vested in me as Chairman of the War Manpower Commission by Executive Orders Nos. 9133, 9279 and 9309 (7 F.R. 2919, 10177, 8 F.R. 2911), the following War Manpower Commission Regulations, General Orders and Directives are hereby rescinded:

Regulation No. 2, Part 902, §§ 902.1 to 902.5 inclusive, originally entitled "General Order No. 2 (8 F.R. 1440) Training Programs for Armed Forces Carried on in Non-Federal Educational Institutions."

General Order No. 4 entitled "Order Designating Certain Activities and Occupations as Non-Deferable" issued February 3, 1943 (8 F.R. 1936).

General Order No. 7 entitled "Interim Procedure for Requesting Deferment of Government Employees" issued March 10, 1943 (8 F.R. 3384).

Directive No. XIII, entitled "Classification of Field Positions in Federal Service" issued September 24, 1942 (7 F.R. 7650).

PAUL V. McNUTT,  
Chairman.

SEPTEMBER 6, 1945.

[F. R. Doc. 45-16720; Filed, Sept. 7, 1945; 10:19 a. m.]

## TITLE 10—ARMY: WAR DEPARTMENT

## Chapter VIII—Supplies and Equipment

[Procurement Regs. 2-7, 9, 11-14]

## MISCELLANEOUS AMENDMENTS

The following amendments and additions to the regulations contained in Parts 802-806 inclusive, 809, 811-814, inclusive, and Parts 821-832 are hereby prescribed. These regulations are also contained in War Department Procurement Regulations dated September 5, 1942 (9 F.R. 8363<sup>1</sup>) as amended by change 51, August 23, 1945, the particular regulations being Nos. 2-7, 9, 11-14.

**AUTHORITY:** Sec. 5a. National Defense Act, as amended, 41 Stat. 764, 54 Stat. 1225; 10 U.S.C. 1193-1195; the First War Powers Act 1941, 55 Stat. 838, 50 U.S.C. Supp., 601-622; and the Contract Settlement Act of 1944, 58 Stat. 649.

## Subchapter A—Procurement

[Procurement Reg. 2]

## PART 802—GENERAL PURCHASE POLICIES

## SUBPART A—GENERAL

Section 802.201 is amended to read as follows:

§ 802.201 *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, have been rescinded.

## SUBPART B—CONTRACT PLACEMENT

1. Section 802.223 is amended to read as follows:

§ 802.223 *Factors governing placement of contracts.* (a) In planning for and in the actual placement of war contracts the paramount consideration at all times shall be the retention and utilization in war production of facilities with a proven capacity to produce known and contingent future requirements. Subject to this overriding objective, disruption of the national economy should be minimized to the greatest extent practicable.

(b) The selection of a contractor for a particular contract from among the available qualified producers depends on a number of factors. In making such selections effect must be given to various policies expressed by the Office of War Mobilization and Reconversion, by the War Production Board (see Directive No. 2, as amended, May 12, 1945; 10 F.R. 5512), by the War Manpower Commission in its directives, and by Congress, as in the Smaller War Plants Act. These policies, their relation and relative importance are discussed in the following sections, which are applicable both to the placement of new business and to the revision or reduction of existing programs.

2. In § 802.223-4a, paragraph (a) is amended to read as follows:

§ 802.223-4a *Group I areas.* Placement of contracts in Group I areas is to be avoided so far as possible.

(a) *Contracts permitted to be placed in Group I areas.* The only contracts or contract supplements which may be placed in a Group I area are those:

(1) Which can not be placed elsewhere with adequate assurance of obtaining satisfactory performance and timely deliveries;

(2) Which in the considered judgment of the chief of the technical service concerned, or his authorized representative, it is impracticable to place elsewhere;

(3) Which are continuation contracts (or contract supplements having the same effect as continuation contracts) with experienced satisfactory producers or with contractors deemed by the chief of the technical service to be necessary to the national defense;

(4) Which are placed, pursuant to § 802.224 with originating manufacturers for newly developed articles; or

(5) Which will not increase employment above 100 wage earners in a plant currently employing less than 100 wage earners.

3. Section 802.223-7 is amended to read as follows:

§ 802.223-7 *Other factors.* When policies relating to ability to perform and labor supply have been met, contracts will be placed so as to give due weight in each instance to the following objectives:

(a) *Cost and efficiency.* Placement of contracts so as to use the minimum number of manhours and the minimum quantity of material to make the supplies needed. In the long run this will result in the lowest cost to the Government. In the absence of actual data as to the relative efficiency of producers in utilizing manpower and material, their comparative prices are normally the best test of their relative efficiency in these respects, unless other differences between them (such as differences in their cost of transportation or in their expenditures for facilities) distort the comparison. Whenever such information is needed producers will be required to furnish actual or estimated cost data covering their production. In so far as possible contracts should provide the maximum incentive to the producer for the reduction of his costs, including subcontract prices.

(b) *Plants available for multiple uses.* Placement of contracts in plants which can be utilized only for specialized war production, in cases where this is desirable in order to leave available plants which can also be utilized in other lines of war production or in essential civilian production.

(c) *Release of privately-owned plants.* Privately-owned plants not normally engaged in production of a military character will be given first priority of release from war production in order to facilitate their reconversion to civilian production, due consideration being given to the wishes of the contractor. Govern-

ment-owned plants will be kept in operation or reserve until their production is clearly no longer required for military needs.

(d) *New facilities.* Avoidance, so far as possible, of the creation of additional new (as distinguished from existing) machinery, equipment or facilities.

(e) *Transportation.* Conservation of transportation facilities by avoiding unnecessary cross-hauling of raw, semi-finished or finished material from the point of origin to the point of consumption and by avoiding long hauling when such materials are available at a shorter distance.

(f) *Small business concerns.* Placement of contracts so as to make the most effective utilization of the small plants of the nation. To this end as large a proportion of awards as practicable will be made to qualified small concerns, directly, if feasible, and if not, through awards to larger firms which will subcontract to small concerns. In connection with the release from war production, independent small concerns should be retained to the fullest extent practicable, due consideration being given to the wishes of such small concerns as may desire to be released from war production.

(g) *More than one source of supply.* Placement of contracts so as to have for each item of supply and equipment at least two producers so located as not to be subject to the same hazard. This standard need not be adhered to if the chief of the technical service concerned shall determine (1) that such placement is impracticable or (2) that, although such placement is practicable, (i) the plant protection arrangements of the source selected are in his judgment entirely satisfactory, (ii) the source has adequate capacity for all foreseeable needs and (iii) adequate information with regard to the costs of operation of the source and the prices of comparable items are and will be available to ensure that an adequate and efficient analysis may be made of the prices to be charged to the Government for such item. In this connection, consideration will be given to the relative needs of the source selected and of proposed secondary sources for facilities and equipment to perform the contract.

Not all of the seven objectives stated in this section will apply to each case, and no one of them should alone be regarded as controlling. The placement or revision of contracts should reflect an evaluation of all of these objectives which are applicable to the particular case.

4. Section 802.223-8 is amended to read as follows:

§ 802.223-8 *Price*—(a) *With respect to labor areas (prime contracts).* To effectuate the policy with respect to avoiding the placement of prime contracts in Group I labor areas, the technical services are authorized and directed to pay a premium price up to 15 percent higher than the lowest of the prices bid by bidders located in Group I labor areas in any case where payment of such a

<sup>1</sup>See also 10 F.R. 10449.

premium price is necessary to avoid placing the particular prime contract in a Group I labor area.

(b) *With respect to small business concerns (prime contracts).* To effectuate the policy with respect to the placement of prime contracts with small concerns, the technical services are authorized and directed to pay a premium price up to 15 percent higher than the average price at which the purchase can be made by the contracting office from suitable large concerns (over 500 wage earners), regardless of the labor area or areas in which such large concerns are located, in any case where payment of such a premium price is necessary to place a prime contract with a small concern. In this connection, payment of a premium price will only be made when the price bid by the small concern is higher than that of the larger concerns because of justifiably higher costs.

(c) *With respect to other policies.* The technical services are authorized and directed to pay higher prices, subject to applicable maximum price regulations, than would otherwise be required to whatever extent such action is necessary to carry out the other policies expressed in §§ 802.223-1 to 802.223-7, inclusive, including the policies with respect to (1) avoiding placement of subcontracts in critical labor areas and (2) placement of subcontracts with small concerns. The necessity for paying such higher prices, will, however, decrease as manpower, transportation and other shortages are overcome.

(d) If, in the opinion of the chief of a technical service, a premium higher than 15 percent should be paid in a particular case to achieve the purposes referred to in paragraphs (a) and (b) of this section, the proposed prime contract, with supporting data, will be submitted to the Director, Purchases Division, for approval.

(e) When a determination has been made that a contract will be placed at a premium price, such contract will be so placed with due regard for other War Department pricing policies.

(f) When the policies expressed in §§ 802.223-1 to 802.223-7, inclusive, have been met and selection among available contractors is still possible, contracts will be so placed as to obtain the lowest price for the Government.

5. Section 802.225a is amended to read as follows:

§ 802.225a. *Policies for the protection of manufacturers of materials and components.* (a) The Procurement Policy Board of the War Production Board has adopted the following policies for the protection of manufacturers of materials and components:

(1) Manufacturers and suppliers of certain materials and components (including certain B products as defined in the Controlled Materials Plan) used in war production have been obligated to carry stocks of such materials, finished components and work in process and to enter into commitments for work and supplies for the manufacture of such materials and components, in excess of requirements under firm orders of such

components actually placed with them by their war production customers.

(2) Without such inventory and commitments and without manufacture in anticipation of firm orders, the manufacturers in question would not be in a position to meet promptly the purchase orders which are placed with them by war producers, frequently on short notice or on a short-term basis. These manufacturers are thus faced with a continuing large volume of short-term war production orders requiring the maintenance of an inventory of materials, completed components and work in process, but without the protection of a back-log of legal commitments from customers necessary to cover the production cycle involved. In the event of mass termination, such manufacturers would be unable to collect costs under existing termination procedures, except to the extent that they hold orders for such materials and components.

(3) In view of the administrative difficulties involved in direct dealings with the manufacturers of materials and components, the policy is to afford protection to such manufacturers of materials and components in the following manner:

(i) Such manufacturers will look for protection to the war contractors and subcontractors with whom they deal by requiring from them adequate placement of advance orders.

(ii) Prime war contractors and their subcontractors requiring use of such materials and components should place advance orders with their respective subcontractors and suppliers, from time to time (but within the total quantitative requirements of the particular contracts), sufficient to protect such subcontractors and suppliers throughout the cycle of production required to produce such materials and components.

(iii) In carrying out this policy it is important to avoid the unreasonable accumulation of excess inventories either by the manufacturers of such materials and components or by the war contractors and subcontractors to whom such manufacturers sell these materials and components. Accordingly, war contractors and subcontractors should carefully schedule production and deliveries under such advance orders and require the manufacturers of such materials and components to adhere reasonably to the schedules so arranged in accordance with sound production planning. However, in the event of the termination of such advance orders, inventories of such materials, components or work in process reasonably acquired for the performance of such orders should be taken into account and paid for in the termination settlement of such orders.

(iv) So far as possible, advance orders placed for such materials and components should contain the approved subcontract termination article for use in fixed price orders or subcontracts. The inclusion of this provision is intended to provide fair compensation to the manufacturer of the materials and components in the event of termination, but the absence of this provision will not operate to deprive such manufacturers of fair compensation in the event of termination of orders placed with them.

(b) In connection with the foregoing policies, reference is made to § 803.303a of this subchapter providing for the inclusion in subcontracts and sub-subcontracts of a reference to the number of the applicable prime contract.

6. Section 802.225b is added as follows:

§ 802.225b *Purchases from or through jobbers, distributors or other intermediaries.* The policy of the War Department is not to pay for functions or services which are of no benefit to it. During the period following VE-day, some manufacturers who formerly dealt directly with the War Department have attempted to require that contracts for their products be placed with intermediaries, such as jobbers, brokers and distributors. Intervention of an intermediary in this manner will not be permitted unless the intermediary performs a necessary and substantial function or service for the War Department or such intervention will not result in a contract price higher than that which would properly be payable by the War Department if the contract were placed directly with the manufacturer.

7. Section 802.228 is redesignated § 802.227 and a new § 802.223 is added as follows:

§ 802.223 *Transfers of production to and from other war procurement agencies.* Under a statement of policy adopted by the Procurement Policy Board of the War Production Board, the War Department has appointed a Liaison Officer for Transfer and an Alternate charged with the responsibility of administration of a system of coordinating, supplying and utilizing information concerning terminations or cutbacks of other war procurement agencies and of the War Department so that when desired, practicable and economical, transfers of such cutback and terminated production can be effected. The policy is set forth in detail in § 842.241-3 (d) of this chapter and Procurement Policy Board Document No. 164, reproduced in JIR (PR 15) Appendix C.

#### SUBPART C—CONTRACT PRICE POLICIES

Section 802.239 is amended to read as follows:

§ 802.239 *Subsidy prohibited.* None of the funds appropriated in the Military Appropriation Act, 1946 (Pub. Law 126, 79th Congress) shall be used for the payment of any subsidy on agricultural or other products. (See section 1 of Pub. Law 126, 79th Congress, under subtitle "Subsistence of the Army".)

#### SUBPART D—NEGOTIATION OF CONTRACTS

Section 802.240-1 is amended to read as follows:

§ 802.240-1 *By negotiation.* Except as provided in § 802.240-2 all contracts and purchases, whether for supplies, services, construction or otherwise, which are made by the War Department will be made by negotiation under authority of the First War Powers Act, 1941, and Executive Order No. 9031, and in accordance with this chapter. While this act and Executive order are construed to embody all the authority conferred by sec-

tions 1 (a) and (b) of the act of July 2, 1940 (Public Law No. 703, 76th Congress), as extended, the earlier act may also be cited as authority for contracting in appropriate cases if desired (see § 802.204-1).

#### SUBPART E—PRICE SUPERVISION

Section 802.257 is added as follows:

§ 802.257 *Relation of company pricing to pricing of individual contracts.* Information developed in an overall review with a company pursuant to the company pricing program (see Subpart B of Part 812 of this subchapter) may be useful to contracting officers in connection with the pricing of individual contracts. An agreement reached as the result of a company pricing review may establish pricing policies to be followed by the company in preparing and submitting data upon which the negotiations for the prices of subsequent contracts will be based. In the limited instances described in § 801.1220-3 (b) (2) the company pricing agreement may establish the prices to be charged to the Government for items to be sold under future contracts. In either of these cases the contracting officer in negotiating the price under a new contract should recognize and give effect to the company pricing agreement in accordance with its terms. Similar effect and recognition should be given in supervising purchases under cost-plus-a-fixed-fee contracts.

[Procurement Reg. 3]

#### PART 803—CONTRACTS

##### SUBPART A—GENERAL

1. Section 803.303-2 is amended to read as follows:

§ 803.303-2 *Formal contracts; when required.* A formal contract is one which is contained in one instrument executed by both parties. Examples are W. D. Contract Forms Nos. 1 (§ 813.1301 of this subchapter), 5 (§ 813.1317d of this subchapter) and 47 (§ 813.1317c of this subchapter). Formal contracts may be used for any purchase transaction, regardless of amount and will be used for all purchase transactions, the contract price of which exceeds \$500,000.

2. Paragraph (b) of § 803.303a is amended to read as follows:

§ 803.303a *Letters of intent and letter orders.* \* \* \*

(b) *Report on letters of intent, etc.*

(1) On or before the 10th of each month the chief of each technical service will file with the Director, Purchases Division, Headquarters, Army Service Forces, a report entitled "Age Analysis of Outstanding Letters of Intent, Etc." (Reports Control Symbol PDS-17) and described in subparagraph (2) below. Notwithstanding the provisions of § 801.108-5 of this subchapter, commanding generals of service commands are not required to submit these reports.

(2) The reports "Age analysis of outstanding letters of intent, etc." (Reports Control Symbol PDS-17) will be submitted in original only, on an unclassified basis. For the purposes of these reports, the phrase "letters of intent, etc." shall be deemed to include letters of intent, letter orders, letter purchase orders,

letter contracts, etc. Negative reports and letters of transmittal will not be submitted. Chiefs of technical services where necessary will obtain appropriate data from their procurement district officers, using the same reporting method as required for their report to the Purchases Division, Headquarters, Army Service Forces. These reports shall be in two parts and shall set forth the following information:

Part I. A tabulation, classified by month of origin, of the number of letters of intent, etc. outstanding at the close of the preceding month.

Part II. A separate listing of each letter of intent, etc. which at the close of the reporting month had been outstanding more than 90 days. This listing shall set forth:

- (i) Contract number.
- (ii) Name of contractor.
- (iii) Date of original issuance of letter of intent, letter order, letter purchase order, etc.
- (iv) The month in which it is anticipated the outstanding letter of intent, etc. will be converted to a definitive agreement.
- (v) A brief statement of the reasons why each letter of intent, etc., which had been outstanding more than 90 days as of the end of the reporting period, had not been converted into a definitive contract.

(3) Letters of commitment (see W. D. Contract Form No. 28 and §§ 802.222-7 and 813.1328 of this subchapter) will not be included in either Part I or Part II of these reports.

#### SUBPART B—AUTHORITY TO MAKE AWARDS, CONTRACTS, AND MODIFICATIONS THEREOF; REQUIRED APPROVALS

1. In § 803.304-1, a new subdivision (x) is added to paragraph (a) and former subdivision (x) is redesignated (xi) and amended, and paragraph (b) is amended to read as follows:

§ 803.304-1 *Standard forms of contract.* \* \* \*

(x) Contracts with Reconstruction Finance Corporation:

Sale by R. F. C. (Office of Defense Supplies)—(See § 813.1311a).

Sale by R. F. C. (Office of Metals Reserve)—(See § 813.1311b).

Sale by R. F. C. (Office of Defense Plants)—(See § 813.1311c).

Sale by War Department to R. F. C. (Office of Defense Plants)—(See § 813.1311d).

(xi) Miscellaneous contracts:

War Supplies Limited (See § 813.1313).

Government-Owned Equipment Rental Agreement (See § 813.1314).

Invitation, Bid and Acceptance (Sale of Property and Waste Material). (See § 813.1326).<sup>1</sup>

Contract of Sale of Property (See § 813.1326).<sup>1</sup>

Letter of Commitment (Raw Materials under CMP) (See § 813.1328).

(b) Forms of contract devised by a particular technical service, or by a staff division exercising procurement functions, to meet the needs of a recurrent situation of a special type which may from time to time be approved by the Legal Assistant to the Director of Materiel or the Chief, Legal Branch, Director of Materiel, Headquarters, Army Service Forces (see § 801.107-8 of this subchapter), for the use of that techni-

<sup>1</sup> To be used in accordance with instructions appearing in the cited section.

cal service or staff division. Forms so approved should be periodically revised (see § 803.301-1) to accord with requirements of this chapter published following approval of the forms. If deviation from such requirements appears to be necessary, the forms should be resubmitted for approval.

2. Paragraph (g) of § 803.308h-6 is amended to read as follows:

§ 803.308h-6-*Form of contract or supplemental agreement.* \* \* \*

(g) The contract provisions appearing at § 803.322 (Officials not to benefit), § 803.323 (Covenant against contingent fees), § 803.326 (Disputes), and § 813.1301-23 of this subchapter (Definitions); and the first sentence of § 813.1301-8 of this subchapter (Payments), and paragraph (a) of § 803.342-1 (Renegotiation), to the extent such contract provisions are required when the procurement is being contracted for in the usual manner.

#### SUBPART C—FORMALITIES IN CONNECTION WITH EXECUTION OF CONTRACTS AND MODIFICATIONS THEREOF

In § 803.309-1, paragraph (c) is amended to read as follows:

§ 803.309-1 *When required.* \* \* \*

(c) The provisions of paragraphs (a) and (b) are not applicable to delivery orders evidencing interbranch or interdepartmental purchases (see § 806.605a and Subpart C of Part 806 of this subchapter). Such delivery orders will not be numbered pursuant to the system described in §§ 803.309-2 and 803.318b-5, but may be given such other identification as may be prescribed by the chiefs of the technical services. If it is contemplated, however, that any such delivery order will involve more than one payment, the procedure prescribed in paragraph (c) of § 803.318-1 will be followed.

#### SUBPART D—DISTRIBUTION OF CONTRACTS AND ORDERS THEREUNDER

Paragraph (a) of § 803.318-1 is amended to read as follows:

§ 803.318-1 *Purchases under contracts of Procurement Division, Treasury Department; Navy Department; Post Office Department; etc.* (a) Delivery orders covering such purchases will be distributed in accordance with § 803.317 above.

#### SUBPART H—MANDATORY AND OPTIONAL CONTRACT PROVISIONS

1. Section 803.324-2 is amended to read as follows:

§ 803.324-2. *Termination at the option of the Government (short form).* The following article may be used in any fixed-price supply or construction contract where neither of the articles set out in §§ 803.324 and 803.324-1 is required to be used.

ARTICLE ... *Termination at the option of the Government.* The performance of work under this contract may be terminated by the Government whenever the Contracting Officer shall determine that such action is for the best interests of the Government. If this contract is so terminated, fair compensation, within the meaning of the Contract Settlement Act of 1944 (Public No. 395, 76th Cong.), as the same may from time to time

be amended, will be provided for the contractor.

2. Section 803.324-3 is added, as follows:

§ 803.324-3 *Termination article to be inserted in cost-plus-a-fixed-fee contracts.* The uniform termination article for cost-plus-a-fixed-fee prime contracts set forth in § 849.932 of this chapter will be inserted in every cost-plus-a-fixed-fee supply or construction contract hereafter entered into.

3. Sections 803.335-1 to 803.335-3, inclusive, are amended to read as follows:

§ 803.335-1 *License under foreground patents.* Where it is proper in a development contract (see §§ 811.1116-1 to 811.1116-7 inclusive, of this subchapter) to require the contractor to grant the government a license under foreground patents, the appropriate contract article is as follows:

**ARTICLE. Patent rights.** (1) Where, used in this article, and not elsewhere in this contract, the expression "Subject Invention" means each invention, improvement and discovery (whether or not patentable) conceived or first actually reduced to practice (i) in the performance of this contract, including any subcontract hereunder except subcontracts for standard commercial items or subcontracts which do not involve either research or development (including engineering which amounts to either research or development) beyond that normally incident to the performance of a supply contract for the class of item involved, or (ii) in the performance of any research or development work relating to the subject-matter hereof which was done upon the understanding that this contract or any subcontract hereunder would be awarded; the expression "Technical Personnel" means each person employed by or working under the direction of Contractor or any subcontractor hereunder who, by reason of the nature of his duties in connection with the performance of this contract, or any subcontract hereunder, would reasonably be expected to make inventions; and the expression "Contractor's Patent Rights" means all patents and applications for patent, under which Contractor now has or may hereafter acquire the right to grant a license, to the extent that they are based upon the disclosure of inventions other than a Subject Invention.

(2) Contractor agrees to and does hereby grant to the Government an irrevocable, non-exclusive, non-transferable and royalty-free license to practice, and cause to be practiced for the Government, throughout the world, each Subject Invention in the manufacture, use and disposition according to law of any article or material, and the use of any method; *Provided, however,* (i) That as respects any Subject Invention made by Technical Personnel employed by or under contract with the Contractor prior to the date of this contract whom Contractor has in good faith endeavored to bring under agreement to pass, or giving Contractor the right to pass, to the Government the rights herein provided, and as respects any Subject Invention made by others than Technical Personnel, and as respects the practice of any Subject Invention in foreign countries, the said license and other rights hereinafter provided shall be to the extent of Contractor's right to grant the same; (ii) that nothing contained in this sentence shall be deemed to grant a license under Contractor's Patent Rights; and (iii) that with respect to any subcontract hereunder, Contractor's obligations under this article will be discharged upon its including in such subcontract a patent rights article not less favorable to the Government than as herein provided.

(3) Contractor agrees (i) to deliver to the Contracting Officer or his designee, promptly and in any event prior to final settlement, a complete written disclosure of each Subject Invention which reasonably appears to be patentable and, as to each such invention, to exert its best efforts to effect such delivery within six months after first publication, public use or sale; (ii) to designate, at the time of such delivery, whether or not said invention has been or will be claimed in a patent application, and to file or cause to be filed in due form and time an application covering each such invention affirmatively so designated; (iii) to furnish to the Contracting Officer or his designee, on request, copies of an irrevocable power to inspect and make copies of each patent application filed by or on behalf of the Contractor covering any Subject Invention; (iv) to deliver to the Contracting Officer or his designee, duly executed, such instruments of assignment, application papers and rightful oaths, prepared by the Government, as the Contracting Officer or his designee deems necessary to vest in the Government (but, as hereinabove provided, only to the extent of Contractor's right to do so) the sole and exclusive ownership in, and the right to apply for and prosecute patent applications covering each Subject Invention which Contractor does not affirmatively designate as aforesaid (subject, however, to the reservation of a non-exclusive and royalty-free license thereunder to Contractor which license shall be assignable to the successor of that part of Contractor's business to which it pertains); and (v) to deliver to the Contracting Officer or his designee, duly executed, such instruments of license, prepared by the Government, confirmatory of any license rights herein agreed to be granted to the Government, as the Contracting Officer or his designee may require.

(4) Contractor agrees to and does hereby grant to the Government, to the full extent of Contractor's right to do so, the right to reproduce, use and disclose for any governmental purpose all or any part of the reports, drawings, blueprints, data and technical information to be delivered by Contractor to the Government under this contract: *Provided, however,* That nothing contained in this sentence shall be deemed to grant a license under any patent now or hereafter issued.

§-803.335-2 *License under foreground and background patents.* Where it is proper in a development contract (see §§ 801.1116-8 to 801.1116-10 inclusive, of this subchapter) to require the contractor to grant the Government a license under foreground and background patents, the appropriate contract article is as follows:

**ARTICLE. Patent rights.** (1) Where used in this Article and not elsewhere in this contract, the expression "Subject Invention" means each invention, improvement and discovery (whether or not patentable) conceived or first actually reduced to practice (i) in the performance of this contract, including any subcontract hereunder except subcontracts for standard commercial items or subcontracts which do not involve either research or development (including engineering which amounts to either research or development) beyond that normally incident to the performance of a supply contract for the class of item involved, or (ii) in the performance of any research or development work relating to the subject-matter hereof which was done upon the understanding that this contract or any subcontract hereunder would be awarded; the expression "Technical Personnel" means each person employed by or working under the direction of Contractor or any subcontractor hereunder who, by reason of the nature of his duties in connection with the performance of this contract, or any sub-

contract hereunder, would reasonably be expected to make inventions; and the expression "Contractor's Patent Rights" means all patents and applications for patent, under which Contractor now has or may hereafter prior to final settlement acquire the right (without obligation to make payment to others) to grant the license hereinafter set forth, to the extent that they are based upon the disclosure of inventions (other than a Subject Invention) which relate to or are useful in connection with the manufacture or use of the subject-matter of this contract.

(2) Contractor agrees to and does hereby grant to the Government an irrevocable, non-exclusive, non-transferable and royalty-free license to practice, and cause to be practiced for the Government, throughout the world, (a) each Subject Invention in the manufacture, use and disposition according to law of any article or material, and the use of any method; *Provided, however,* That as respects any Subject Invention made by Technical Personnel employed by or under contract with the Contractor prior to the date of this contract whom Contractor has in good faith endeavored to bring under agreement to pass, or giving Contractor the right to pass, to the Government the rights herein provided, and as respects any Subject Invention made by others than Technical Personnel, and as respects the practice of any Subject Invention in foreign countries, the said license and other rights hereinafter provided shall be to the extent of Contractor's right to grant the same; and *provided further,* That with respect to any subcontract hereunder, Contractor's obligations under this article will be discharged upon its including in such subcontract a patent rights article not less favorable to the Government than as herein provided; and (b) each invention covered by Contractor's Patent Rights in the manufacture, use and disposition according to law of any and all ----- and parts thereof of the type made or developed in the performance of this contract or any subcontract hereunder, and any modification or improvement thereof, but acceptance or exercise of said license shall not stop the Government at any time to contest the enforceability, validity or scope of, or the title to, any patent so licensed.

(3) Contractor agrees (i) to deliver to the Contracting Officer, or his designee, promptly and in any event prior to final settlement, a complete written disclosure of each Subject Invention which reasonably appears to be patentable and, as to each such invention, to exert its best efforts to effect such delivery within six months after first publication, public use or sale; (ii) to designate, at the time of such delivery, whether or not said invention has been or will be claimed in a patent application, and to file or cause to be filed in due form and time an application covering each such invention affirmatively so designated; (iii) to furnish to the Contracting Officer or his designee, on request, copies of an irrevocable power to inspect and make copies of each patent application filed by or on behalf of the Contractor covering any Subject Invention; (iv) to deliver to the Contracting Officer or his designee, duly executed, such instruments of assignment, application papers and rightful oaths, prepared by the Government, as the Contracting Officer or his designee deems necessary to vest in the Government (but, as hereinabove provided, only to the extent of Contractor's right to do so) the sole and exclusive ownership in, and the right to apply for and prosecute patent applications covering, each Subject Invention which Contractor does not affirmatively designate as aforesaid (subject, however, to the reservation of a non-exclusive and royalty-free license thereunder to Contractor which license shall be assignable to the successor of that part of Contractor's business to which it pertains); and (v) to deliver to the Contracting Officer, or his designee, duly executed, such instruments of license, prepared by the

Government, confirmatory of any license rights herein agreed to be granted to the Government, as the Contracting Officer or his designee may require.

(4) Contractor agrees to and does hereby grant to the Government, to the full extent of Contractor's right to do so, the right to reproduce, use and disclose for any governmental purpose all or any part of the reports, drawings, blueprints, data and technical information to be delivered by Contractor to the Government under this contract: *Provided, however*, That nothing contained in this sentence shall be deemed to grant a license under any patent now or hereafter issued.

§ 803.335-3 *Title to foreground patents.* Where it is proper in a development contract (see §§ 801.1116-11 and 801.1116-12 of this subchapter) to require the contractor to assign to the Government title to foreground patents, the appropriate contract article is as follows:

ARTICLE ... *Patent rights.* (1) Where used in this Article and not elsewhere in this contract, the expression "Subject Invention" means each invention, improvement and discovery (whether or not patentable) conceived or first reduced to practice (i) in the performance of this contract, including any subcontract hereunder except subcontracts for standard commercial items or subcontracts which do not involve either research or development (including engineering which amounts to either research or development) beyond that normally incident to the performance of a supply contract for the class of item involved, or (ii) in the performance of any research or development work relating to the subject-matter hereof which was done upon the understanding that this contract or any subcontract hereunder would be awarded, unless disclosed in a patent application filed prior to the commencement of such performance; the expression "Technical Personnel" means each person employed by or working under the direction of Contractor or any subcontractor hereunder who, by reason of the nature of his duties in connection with the performance of this contract, or any subcontract hereunder, would reasonably be expected to make inventions; and the expression "Contractor's Patent Rights" means all patents and applications for patent, under which Contractor now has or may hereafter acquire the right to grant a license, to the extent that they are based upon the disclosure of inventions other than a Subject Invention.

(2) Each Subject Invention made by Technical Personnel and, to the extent of Contractor's assignable rights therein, each Subject Invention made by others than Technical Personnel, shall be the sole and exclusive property of the Government, and the Contracting Officer or his designee shall have sole power to determine to whom, and in what manner and form, consistent with law, title thereto shall be assigned and patent protection therefor shall be obtained in any country; *Provided, however*, (i) That as respects any Subject Invention made by Technical Personnel employed by or under contract with the Contractor prior to the date of this contract whom Contractor has in good faith endeavored to bring under agreement to pass, or giving Contractor the right to pass, to the Government the rights herein provided the foregoing and other rights herein after provided shall be to the extent of Contractor's right to assign or grant the same; (ii) that nothing contained in this sentence shall be deemed to grant a license under Contractor's Patent Rights; and (iii) that with respect to any subcontract hereunder. Contractor's obligations under this article will be discharged upon its including in such subcontract a patent rights article not less fa-

vorable to the Government than as herein provided.

(3) Contractor agrees (i) to deliver to the Contracting Officer or his designee, promptly and in any event prior to final settlement, a complete written disclosure of each Subject Invention which reasonably appears to be patentable and, as to each such invention, to exert its best efforts to effect such delivery within six months after first publication, public use or sale; and (ii) to deliver to the Contracting Officer or his designee, duly executed, such instruments of assignment, application papers and rightful oaths, relating to each Subject Invention title to which is to be assigned pursuant to this contract, as the Contracting Officer or his designee may require in order to enable patent applications therefor to be filed and prosecuted, and title to such applications to be assigned and recorded, in any country.

(4) Contractor agrees to and does hereby grant to the Government, to the full extent of Contractor's right to do so, the right to reproduce, use, and disclose for any governmental purpose all or any part of the reports, drawings, blueprints, data and technical information to be delivered by Contractor to the Government under this contract; *Provided, however*, That nothing contained in this sentence shall be deemed to grant a license under any patent now or hereafter issued.

4. Section 803.350 is revoked, as follows:

§ 803.350 *CPFF construction contracts; termination article.* [Revoked]

5. Paragraph (a) of § 803.363 is amended to read as follows:

§ 803.363 *Disposition of Government-owned property by contractors.* (a) An article substantially as follows may be inserted in cost-plus-a-fixed-fee contracts when authorized by the provisions of § 827.306 of this chapter:

It is recognized that property (including without limitation machine tool and processing equipment, manufacturing aids, raw, manufactured, scrap and waste materials), title to which is or may hereafter become vested in the Government, will be used by or will be in the care, custody or possession of the Contractor in connection with the performance of this contract. With the approval in writing of the Contracting Officer (whether such approval is given prior to or after the giving of a notice of the termination of this contract for the convenience of the Government), the Contractor may transfer or otherwise dispose of such Government-owned property to such parties and upon such terms and conditions as the Contracting Officer may approve or ratify, or, with like approval by the Contracting Officer, the Contractor may itself acquire title to such property or any of it at a price mutually agreeable. The proceeds of any such transfer or disposal or the agreed price of any property, title to which is so acquired by the Contractor, shall be applied in reduction of any payments to be made by the Government to the Contractor under this contract, or shall otherwise be paid in such manner as the Contracting Officer may direct.

6. Sections 803.370-4a and 803.370-4b are added as follows:

§ 803.370-4a *Price revision after filing of Federal income tax returns.* (a) Ordinarily a contractor keeping its accounts on an accrual basis will accrue an amount estimated reasonably to cover price revisions on billings for the current year before closing its books, when the event requiring price revision occurs before the close of that year and the closing takes place before settlement

of the revised prices. In such a case, where the Federal income and excess profits tax returns have not been filed before completion of negotiation of the revised price, the price revision is not affected by such taxes or the computation thereof.

(b) On the other hand, where no amount has been accrued in the prior year for a price reduction under a price revision article; and where a price is ultimately decreased under that article and the decrease affects income for a period for which the contractor has previously filed its Federal income and excess profits tax returns, the payment or credit to be made by the contractor shall be reduced as provided in section 3808 of the Internal Revenue Code. The procedure to be followed in any such instance shall be that prescribed in § 1004-442 of Title 32, Chapter XIV, of the Code of Federal Regulations.

§ 803.370-4b *OPA maximum prices.* In any instance where the item or supplies are subject to OPA maximum prices, neither the original prices nor the revised prices negotiated under any of the price revision articles shall exceed the applicable OPA maximum prices. The responsibilities of contracting officers with regard to OPA maximum prices are stated in § 811.1132-7 of this subchapter.

7. Paragraph (h) of § 803.372-7 is amended to read as follows:

§ 803.372-7 *Text of Form I-C.* \* \* \*

(h) *Termination provisions.* For any of the purposes of Article \* \* \* (Termination at the Option of the Government) of this contract (including, without limitation, the computation of "the total contract price" and "the contract price of work not terminated") the contract price of delivered articles shall be deemed to be,

(1) For all items delivered prior to the effective date of the price revision, the contract price (giving effect to any prior revisions under this Article) applicable to each such item; *Provided, however*, That if this contract is terminated after the effective date of the first price revision but prior to completion of such revision the contract price for all items delivered during the first period shall be determined as provided in subparagraph (2) (B) below;

(2) For all items delivered on or after the effective date of the price revision,

(A) The contract price as revised in accordance with this Article, if such revision shall have been agreed upon; and

(B) If such revision shall not have been agreed upon, then such estimated prices as the Contractor and the Contracting Officer may agree upon as reasonable under all the circumstances and in the absence of such agreement such reasonable prices as may be determined in accordance with Article ... (Disputes).

8. In § 803.372-8, subparagraph (3) of the optional paragraph (e) is amended to read as follows:

§ 803.372-8 *Optional paragraph (e) (Disagreements) for use with Form I-A, I-B or I-C.*

(3) The Contractor's delivery of a notice pursuant to this paragraph (e) shall constitute (1) a refusal, within the meaning of section 801, to agree to prices for the items and services to be furnished under this contract lower than those specified in the Contractor's notice, (2) a waiver and release of any right (under said section 801 or other-

wise) of the Contractor to further negotiation with any representative of the War Department as to fair and reasonable prices and (3) a consent by the Contractor that an order may be made pursuant to section 801 without other or further notice to the Contractor than the service of such order. In the event of the service of such an order, the contract shall continue in effect except as modified by said order and the Contractor shall have the rights and remedies granted to it under paragraph (c) of said section 801. It is agreed (i) that the prices which shall be applicable from the time at which such price revision was to be effective under this Article until the date of the order shall be the prices fixed in the order and (ii) that if the effect of any court action pursuant to said section 801 is to increase or decrease the prices fixed in the order a corresponding change shall be made in the prices established by clause (i).

9. In § 803.373-7, subparagraph (3) of the optional paragraph (e) is amended to read as follows:

§ 803.373-7 *Optional paragraph (e) (Disagreements) for use with Form II-A or II-B.*

(3) The Contractor's delivery of a notice pursuant to this paragraph (e) shall constitute (1) a refusal, within the meaning of section 801, to agree to prices for the items and services to be furnished under this contract lower than those specified in the Contractor's notice, (2) a waiver and release of any right (under said section 801 or otherwise) of the Contractor to further negotiation with any representative of the War Department as to fair and reasonable prices and (3) a consent by the Contractor that an order may be made pursuant to section 801 without other or further notice to the Contractor than the service of such order. In the event of the service of such an order, the contract shall continue in effect except as modified by said order and the Contractor shall have the rights and remedies granted to it under paragraph (c) of said section 801. It is agreed (i) that the prices which shall be applicable from the time at which such price revision was to be effective under this article until the date of the order shall be the prices fixed in the order and (ii) that if the effect of any court action pursuant to said section 801 is to increase or decrease the prices fixed in the order a corresponding change shall be made in the prices established by clause (i).

10. Paragraphs (b) (1) and (2) of the article in § 803.374-5 are amended to read as follows:

§ 803.374-5 *Text of Form III.*

(b) *Conditions precedent.* If all the following conditions are satisfied, the Contracting Officer shall enter into negotiations with the Contractor for the revision of the prices of items called for under this contract but only to the extent set forth in paragraph (c) of this article:

(1) The Contractor shall advise the Contracting Officer in writing of any reference to the War Labor Board or to any other similar Government agency of any request on behalf of the employees of the Contractor for any adjustment in wages which may materially affect the costs of performing this contract. This advice shall be given within twenty days after the Contractor shall learn that such reference has been made. In the event that the reference has been made prior to the inclusion of this article . . . in this contract and has not been finally acted upon, the written advice shall be given at the time of execution of the instrument effecting such inclusion.

(2) The Contractor, prior to the expiration of thirty days (or such greater period as may be agreed upon in writing within said thirty

days) after the date of the order for or authorization of any adjustment in wages, but, in any event, prior to the expiration of one year after the date specified for the delivery of the last item of supplies called for by this contract as it may from time to time be amended, shall submit to the Contracting Officer the following:

A. A true copy of the order or authorization for such adjustment.

B. A written demand that the parties negotiate to revise the contract prices of items delivered and to be delivered under the contract during a period stated in the demand. That period shall not commence at a date earlier than the first day specified in the order or authorization for the adjustment in wages.<sup>1</sup> That period shall not extend after the earliest date after the demand as of which the contract prices of items to be delivered under this contract can be revised pursuant to Article \_\_\_\_ (Revision of Prices).

C. Estimates of the probable effects of such adjustment in wages upon the Contractor's costs of producing the items delivered or to be delivered during the period stated in the demand. These estimates shall give due effect to estimates of completed items and work in process on hand at the beginning of such period and to the fact that the full effect of such adjustment will not normally be reflected immediately in the cost of items delivered under the contract. The estimates shall be accompanied by estimates of the effect of such adjustment on the direct and indirect labor costs of the items delivered and to be delivered during the stated period.

D. Proposed revised prices for the items delivered or to be delivered under the contract during the stated period.

11. Section 803.377-2 is amended to read as follows:

§ 803.377-2 *Conditions for use.* (a) The contingency must come within one of the following categories: (1) Cases where the Government actually fixes the price or effectively controls the entire supply of material to be used by the contractor in performance of the contract (e. g., natural or synthetic rubber); (2) cases where freight rates upon specified materials to be used by the contractor in performing the contract are changed under authority of the Interstate Commerce Commission; (3) cases where the cost of freight on specified materials to be used by the contractor in performing the contract is changed as the result of allocation or priority orders of the Government or any of its instrumentalities; (4) cases where the contractor contemplates the purchase of a single specified important material or component, which is to be used in performing the contract, from a stated source or at a stated price and such source or price is necessarily changed without fault or any voluntary action on the part of the contractor; (5) cases where the contractor's compliance with the delivery schedule of the contract is prevented as a direct or proximate result of any act of the Government or any of its instrumentalities. In each of such cases the probable effect of the happening of the contingency should be a substantial change in the contractor's costs.

(b) The contingency upon which the equitable adjustment is to take place will be set forth in the blank space provided in the Article and will substantially follow the language of the appropriate sample statement set out in the next succeeding paragraph. The statement of any contingency not illustrated by a sam-

ple statement but which comes within the provisions of paragraph (a) above, will follow as closely as possible the form and content of the sample statement of the contingency falling within the same category. For example, the statement of a contingency coming within subparagraph (1) in paragraph (a), but which is not made the subject of a sample statement, will be patterned, as nearly as may be, after the apposite sample statement under (1) in paragraph (c) below.

(c) *Sample statements of contingencies.* The categories herein follow the lettering of those in paragraph (a) above.

*Category (1)*

That the prices which the contractor shall pay for the natural or synthetic rubber to be used by it in the performance of this contract will be the prices now fixed by the agreement between Rubber Reserve Company and the War department, which are shown below:

Type of rubber	Price per pound	Estimated quantity
----------------	-----------------	--------------------

In making any adjustment under this article, the difference between the unit price specified above for the particular kind of rubber and the weighted average unit price which the contractor is actually required to pay therefor shall be applied to the estimated quantity shown above.

*Category (2)*

That the freight rate of \_\_\_\_\_ per ton upon \_\_\_\_\_, \_\_\_\_\_ tons of which are estimated by the contractor to be used in performance of this contract, will not be changed by or under authority of the Interstate Commerce Commission. In making any adjustment under this Article, the difference between the freight rate per ton specified above and the weighted average freight rate per ton which the contractor is actually required to pay for the shipment of the material specified above shall be applied to the estimated quantity shown above.

*Category (3)*

That the cost of freight upon \_\_\_\_\_ based upon the rate of \_\_\_\_\_ per ton applied to the estimated quantity of \_\_\_\_\_ tons of the material aforesaid to be used by the contractor in the performance of this contract, will not be changed as the result of any allocation or priority order of the Government or any of its instrumentalities relating to said material. In making any adjustment under this Article, the difference between the freight rate per ton specified above and the weighted average freight rate per ton which the contractor is actually required to pay shall be applied to the estimated quantity shown above.

*Category (4)*

(1) That the contractor will purchase \_\_\_\_\_, in the estimated quantity of \_\_\_\_\_ to be used by it in the performance of this contract, from \_\_\_\_\_ at a unit price of \$ \_\_\_\_\_ per \_\_\_\_\_. No adjustment shall be made under this Article unless the contractor shall be unable, without fault or negligence on its part, to purchase said \_\_\_\_\_ from the source stated above. In making any adjustment under this Article, the difference between the unit price specified above and the weighted average unit price actually paid or to be paid by the contractor for said \_\_\_\_\_ shall be applied to the estimated quantity shown above.

(2) That the contractor will purchase \_\_\_\_\_ in the estimated quantity of \_\_\_\_\_ to be used by it in the performance of this contract, at a unit price of \$ \_\_\_\_\_ per \_\_\_\_\_. No adjustment shall be made under this Article because of any

change in the applicable O. P. A. maximum price for said \_\_\_\_\_ nor in the event the contractor's inability to purchase at the price aforesaid shall be due its fault or negligence. In making any adjustment under this Article, the difference between the unit price specified above and the weighted average unit price actually paid or to be paid by the contractor for said \_\_\_\_\_ shall be applied to the estimated quantity shown above.

#### Category (5)

That the contractor's compliance with the delivery schedule provided in article \_\_\_\_\_ of this contract will not be prevented as a direct and proximate result of any act of the Government or any of its instrumentalities.

(4) The article is not authorized for use to cover any of the following contingencies: (a) changes in taxes or duties (see § 803.357); (b) changes in wage rates or employment conditions (see § 803.374); (c) changes in OPA maximum prices of either components or end items (see § 803.351); (d) risks arising in connection with patents (see § 803.335); (e) termination of the contract in whole or in part (see § 803.324).

(5) The price must contain no charge or allowance on account of the specified contingency.

(6) In appropriate cases the article may be included in a new contract even though such contract may also contain one of the Form I or Form II Price Revision Articles.

#### SUBPART J—MISCELLANEOUS

1. Section 803.390-7 is redesignated § 803.390-8 and a new § 803.390-7 is added as follows:

§ 803.390-7 *Coordination with Renegotiation Division, ASF.* An assignment or transfer of a contract, particularly where made in connection with the transfer of the entire business or of a substantial portion of the assets of the contractor, may under certain circumstances affect the interest of the Government by impeding the recovery of excessive profits through statutory renegotiation. While it shall continue to be the responsibility of the person approving any such assignment or transfer to protect the interest of the Government in connection therewith, nevertheless, in any such case the chief of the technical service concerned will notify the Price Adjustment Section to which the contractor has been assigned for statutory renegotiation and will withhold approval or recognition of the proposed assignment pending advice from such Price Adjustment Section. Information with respect to the Price Adjustment Section to which contractors are assigned may be had from the Assignments and Statistics Branch, Renegotiation Division, Headquarters, A. S. F.

2. Sections 803.395 and 803.395-1 are amended to read as follows:

§ 803.395 *Contracts within section 9, Military Appropriation Act, 1945 and 1946.*

§ 803.395-1 (a) Section 9, Military Appropriation Act, 1945 (Public Law 374, 78th Congress) provides:

Whenever, during the fiscal year ending June 30, 1945, the Secretary of War should deem it to be advantageous to the national defense, and if in his opinion the existing facilities of the War Department are inadequate, he is hereby authorized to employ, by contract or otherwise, without reference to section 3709, Revised Statutes, civil service or classification laws, or section 5 of the act of

April 6, 1914 (38 Stat. 335), and at such rates of compensation (not to exceed \$25 per day and travel expenses, including actual transportation and per diem in lieu of subsistence while traveling from their homes or places of business to official duty station and return as may be authorized in travel orders or letters of appointment for individuals) as he may determine, the services of architects, engineers, or firms or corporations thereof, and other technical and professional personnel as may be necessary.

(b) Section 9, Military Appropriation Act, 1946 (Public Law 126, 79th Congress) provides:

Whenever, during the fiscal year ending June 30, 1946, the Secretary of War should deem it to be advantageous to the national defense, and if in his opinion the existing facilities of the War Department are inadequate, he is hereby authorized to employ, by contract or otherwise, without reference to section 3709, Revised Statutes, civil service or classification laws, or section 5 of the act of April 6, 1914 (38 Stat. 335), and at such rates of compensation (not to exceed \$25 per day and travel expenses, including actual transportation and per diem in lieu of subsistence while traveling from their homes or places of business to official duty station and return as may be authorized in travel orders or letters of appointment for individuals) as he may determine, the services of architects, engineers, or firms or corporations thereof, and other technical and professional personnel as may be necessary.

3. Section 803.395-5 is amended to read as follows:

§ 803.395-5 Where such contract is with an individual, it will expressly limit the compensation payable to him to not more than twenty-five dollars per day, plus additional compensation for overtime pursuant to the provisions of the War Overtime Pay Act of 1943 (Public Law 49, 78th Congress, approved May 7, 1943), effective during the fiscal year 1945, or the provisions of the Federal Employees Pay Act of 1945 (Public Law 106, 79th Congress, approved June 30, 1945), effective during the fiscal year 1946, as the case may be.

#### [Procurement Reg. 4]

#### PART 804—BONDS AND INSURANCE

##### SUBPART B—BONDS

1. Section 804.407-2 is amended to read as follows:

§ 804.407-2 *Fidelity bonds.* Fidelity bonds will be approved in connection with cost-plus-a-fixed-fee supply contracts, construction contracts or contracts for the operation of Government-owned plants only in those cases where in the opinion of the chief of the technical service concerned it is desirable to obtain the investigating and claims facilities of a surety company and such bonds are considered to be reasonably necessary for the protection of the contractor or the Government. A Primary Commercial Blanket form of bond with a rider providing for retroactive reinstatement for prior losses in the penal sum of \$10,000 will be considered sufficient. The following additional clauses will be required:

(a) A rider excluding any claim on the part of the surety company to be subrogated on the payment of loss or otherwise, to any claim against the United States;

(b) A rider providing for pro rata refund of premium in the event of cancellation by the insured;

(c) A rider providing for a notice to the chief of the technical service concerned in the event of any change in or cancellation of the bond;

(d) A rider providing for investigation of all claims;

(e) A rider providing for investigation of all Class "A" employees.

There are a variety of discounts which may be applied to blanket fidelity insurance under certain circumstances. A 30% class discount may be applicable to the class A employee premium charge, depending on the nature of the assured's contracts on hand when the bond is written or renewed. A 10% general discount may be applicable to the combined class A and class B employee premium charge for a Primary Commercial Blanket Bond, depending on the number of employees involved and the amount of the bond. An experience discount ranging as high as 25% may be applicable to the final premium, depending on the size of the premium and the amount of claims or losses incurred. Therefore, when blanket fidelity insurance is purchased, carriers should be cautioned to apply all appropriate discounts.

2. In § 804.409-2, paragraph (c) (2) is amended to read as follows:

§ 804.409-2 *Forwarding of bonds and consents of surety to Judge Advocate General.* \* \* \*

(c) \* \* \*

(2) Blanket fidelity and forgery bonds.

##### SUBPART C—SURETIES ON BONDS

1. Paragraph (a) of § 804.418 is amended to read as follows:

§ 804.418 *Procedure for accomplishing execution of consent or correction of bonds and consents.* \* \* \*

(a) *Expediter plan.* There has been established in Washington at the Office of the Association of Casualty and Surety Executives, Washington Building, an arrangement whereby either Mr. Howard M. Starling or Mr. Charles M. Walker, on his sole unwitnessed signature, will execute consents of surety and make corrections in bonds and consents in compliance with requests originating either in Washington or in the field offices. These representatives of the surety industry have been so empowered by all of the surety companies on the Treasury Department List and authenticated evidence of their authority as above described has been filed with Office of The Judge Advocate General and with the Section of Surety Bonds, Treasury Department. Whenever a technical service desires to avail itself of the Expediter Plan, it should transmit an unexecuted consent or the incorrect bond or consent in the manner described in paragraph (b) of § 804.409-2 to the Office of The Judge Advocate General. That office will get in touch with Mr. Starling or Mr. Walker who will handle all the details for the surety companies concerned and will execute or correct the instrument. The Office of The Judge Advocate General will then handle the document in the manner set forth in § 803.314-4.

2. Section 804.419-1 is amended to read as follows:

§ 804.419-1 *Corporate surety acceptability requirements.* In order to be acceptable to the War Department, the corporate surety 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 semi-annually by the Treasury Department as Form No. 356 (Section of Surety Bonds). This list indicates the maximum penal sum in which any corporate surety may underwrite any one obligation. Any corporation whose name is on this list is acceptable within the limits of such approval. The chiefs of the technical services are responsible for distributing copies of the list. It may be procured through The Judge Advocate General to whom a requisition for the requirements of each technical service should be sent semi-annually on or before March 15 and September 15.

#### SUBPART D—INSURANCE

1. Section 804.434 is amended to read as follows:

§ 804.434 *Insurance on Government-owned property.* (a) It is the policy of the War Department not to require or approve insurance covering loss of or damage to property, legal title to which is in the United States and which is to be used in connection with a cost-plus-a-fixed-fee contract. The principle of self-insurance rests to a large degree upon savings to the Government obtained by eliminating the cost of insurance which would otherwise be added to the contract price. To implement this policy of self-insurance on Government-owned property, there will be included in the contract the clause set forth in § 803.365-1 of this subchapter.

(b) Where it is considered advisable to impose specific standards of care such as an obligation to keep the facilities in good operating condition and repair and to make all necessary repairs and replacements, a clause to this effect may be included in the contract.

2. Section 804.436-4 is amended to read as follows:

§ 804.436-4 *Self-insurance.* Self-insurance by cost-plus-a-fixed-fee contractors, in lieu of the requirements outlined in §§ 804.436-1 to 804.436-3, inclusive, will not be approved except in unusual circumstances. Generally self-insurance will be permitted only where the contract operations are commingled with other self-insured operations, or where the contractor has suitable facilities for the administration of a self-insurance program and has successfully operated such a program. Where the chief of the technical service is of the opinion that self-insurance is appropriate, the self-insurance program of the contractor should be examined in detail before approval, paying particular attention to the following:

(a) If the self-insurance program provides for reimbursement on an average rate basis rather than on the basis of losses incurred, the contractor should be advised that the propriety of the average rate will be reviewed in the light of all rating plans available from the insurance industry.

(b) That the contractor's costs for excess insurance in connection with such self-insurance program are not excessive.

In no event should a self-insurance program be approved where the contractor has purchased insurance coverage reimbursing for all or practically all of the contractor's self-insured liability.

3. Section 804.437 is amended to read as follows:

§ 804.437 *Miscellaneous insurance.* The chiefs of the technical services may consider that other forms of insurance are necessary in special instances. When operations under a cost-plus-a-fixed-fee contract are segregated from the contractor's other operations, the circumstances under which these forms of insurance may be authorized are described in §§ 804.437-1 to 804.437-10, inclusive. When the operations under a cost-plus-a-fixed-fee contract are commingled with the contractor's other operations the chief of the technical service concerned may authorize these forms of insurance to be carried.

4. Section 804.440-10 is amended to read as follows:

§ 804.440-10 *Minimum contribution by employees.* If any contractor has a group insurance policy under which the employees' contributions are at a rate lower than specified in this paragraph, the United States shall not make or be liable for reimbursement in an amount greater than the maximum reimbursement that could result under such plan of group insurance if the employees' contributions were at the rates herein set forth. If the group insurance was in force on March 1, 1943, the minimum rate of contributions for the purpose of this paragraph shall be the scale of contributions applicable at that time, and if the group insurance was not in force on March 1, 1943, the minimum contributions shall be the equivalent of 60¢ per month per \$1,000 of group life insurance and 60¢ per month per \$10 of weekly indemnity for accidents and sickness, unless a lower scale of contributions is approved by the Contract Insurance Branch.

5. Sections 804.440-17, 804.440-18, 804.441 and 804.442 are amended to read as follows:

§ 804.440-17 *Approval of Contract Insurance Branch.* If in the opinion of the Contract Insurance Branch, there are circumstances which would make the application of this plan inappropriate, it shall not become operative, anything contained herein to the contrary notwithstanding.

§ 804.440-18 *Regulation of charges.* Nothing contained herein shall be construed as regulating the charges which an insurance company can make under any policy or policies.

§ 804.441 *Benefits in event of capture or detention of employees.* Standards for the amount of benefits and the methods of providing payment to employees in the event of their capture or detention are set forth in Public Law 784, 77th Congress, as amended. This law sets forth the policy of Congress and provides that upon claims being filed as specified therein, payment or reimbursement will be negotiated through United States Employees' Compensation Commission.

§ 804.442 *Insurance in connection with cost-plus-a-fixed-fee contracts outside the continental United States.* Sections 804.434 to 804.441, inclusive, may not be applicable to cost-plus-a-fixed-fee contracts for work to be performed outside the continental United States. Under each such contract the chief of the technical service concerned will determine the appropriate insurance program. In arriving at this determination consideration will be given, among other factors, to the following:

(a) Nationality of the employees concerned and the applicability of Public Law 784, 77th Congress, as amended, or the propriety of waiving the provisions of that law.

(b) Laws and customs of the country or countries concerned.

(c) Treaties involved.

(d) Insurance facilities available.

(e) Medical and hospital facilities available.

6. Section 804.470-2 is amended to read as follows:

§ 804.470-2 The chief of the technical service concerned will pass upon the acceptability of the insurance carrier whether selected by the contractor or chosen on a competitive basis. The chief of the technical service will obtain from the contractor the following information which will be used by him in conjunction with the standards set forth in § 804.470-1 in determining the acceptability of the carrier:

(a) The name of the insurance carrier;

(b) The jurisdiction in which the insurance carrier is organized;

(c) Whether the insurance carrier is qualified to write the required insurance in the jurisdiction in which the project is located;

(d) A statement executed by an authorized official of the insurance carrier that the insurance carrier meets the standards of acceptability set forth in § 804.470-1;

(e) The engineering, claims and medical facilities, if required, which will be provided at the project by the insurer; and

(f) The latest financial statement of the insurance carrier.

7. Paragraph (b) of § 804.471-3 is amended to read as follows:

§ 804.471-3. \* \* \*

(b) Where the operations of the contractor under a cost-plus-a-fixed-fee contract are commingled with its other operations, or where operations are being performed by the contractor under more than one cost-plus-a-fixed-fee contract with one or several of the technical services or government agencies, the use of

the War Department Insurance Rating Plan may not be appropriate. In such cases the chief of the technical service principally concerned, after coordinating with the other services or agencies involved, if any, will determine the proper insurance requirements.

8. Section 804.471-4 is amended to read as follows:

§ 804.471-4 Insurance coverages which cannot be written under the War Department Insurance Rating Plan will be purchased on the competitive bid basis or as set forth in §§ 804.436-4 or 804.471-3 when the chief of the technical service principally concerned determines that competitive bidding would not be feasible.

9. Section 804.482-1 is amended to read as follows:

§ 804.482-1 Those classifications in the Manual for which no rates appear will be submitted by the insurance carrier to the appropriate rating authority if any, for the establishment of a rate. The rate so established shall be submitted to the chief of the technical service concerned and will be effective upon his approval thereof. Any liability rate so established will be subject to the 50% discount applicable to other liability insurance classifications.

10. In § 804.484, paragraph (c) is deleted.

11. Paragraph (a) of § 804.485 is amended to read as follows:

§ 804.485 *Workmen's compensation policies.* \* \* \*

(a) The War Department Insurance Rating Plan is not available for use in connection with workmen's compensation insurance in the states of Nevada, North Dakota, Ohio and Washington, but the Plan will be used in those states for comprehensive general liability and automobile liability and property damage if the premiums involved are estimated to exceed \$5,000. In the State of Ohio special arrangements have been made whereby War Department cost-plus-a-fixed-fee contractors are written under two (2) special classifications erected by the state rating authorities for the Workmen's Compensation liability for such contractors.

12. The last paragraph of § 804.486 is amended to read as follows:

§ 804.486 *Average rates for construction projects insured under the War Department Insurance Rating Plan.* \* \* \*

Upon promulgation by the board or bureau having jurisdiction, all average rates will be submitted to the chief of the technical service concerned and will be effective upon his approval thereof.

13. Section 804.490-2 is amended to read as follows:

§ 804.490-2 *Distribution of copies.* Insurance carriers will be required to submit to the contractor seven properly executed copies of the forms of preliminary settlement, together with any refund which may be called for by the settlement form. The contractor will be instructed to retain one copy and to sub-

mit the remaining six copies, together with the refund, to the contracting officer. The contracting officer will make the following distribution:

(a) One copy, together with the refund, to the disbursing officer.

(b) One copy to the General Accounting Office.

(c) Two copies to the chief of the technical service concerned.

(d) Two copies to be retained by the contracting officer. The chief of the technical service will forward one copy to the Contract Insurance Branch.

14. Sections 804.490-4 and 804.490-5 are amended to read as follows:

§ 804.490-4 *Final settlements.* The insurance carriers will be notified to submit simultaneously (a) to the technical service concerned the number of properly completed copies of final settlement statements required by it and (b) directly to the Contract Insurance Branch one (1) properly completed copy of such settlement statement. The Contract Insurance Branch will take appropriate action to reach agreement with the insurance carriers concerning adjustment of losses and allocated expense and will advise the technical service concerned of the amount of losses and allocated expenses approved for inclusion in gross adjusted premium computation. If settlement is deferred, the Contract Insurance Branch will so notify the technical service. The technical service concerned will determine the accuracy of the items other than losses incurred and allocated expense and upon receipt of advice as to approved losses and allocated expenses, will take appropriate steps to secure all necessary revised copies of final settlement statements, releases, and any other pertinent papers, and will close the account.

§ 804.490-5 *Action on claims.* All appropriate action will be taken by the Contract Insurance Branch with respect to the valuation and adjustment of losses and claims.

15. Sections 804.491-1 and 804.491-2 are amended to read as follows:

§ 804.491-1 *Claims service by insurance carriers.* The carrier is required to provide sufficient claims facilities to afford prompt and adequate claims service to the contractor. Any complaints concerning the claims service which is rendered by a carrier in connection with a particular project will be referred for necessary action to the Contract Insurance Branch.

§ 804.491-2 *Claims settlements by insurance carriers.* (a) It is the duty of the insurance carrier to make all decisions with respect to the investigation, settlement and litigation of claims against contractors covered by its policies of insurance "to the extent of its coverage, said policies having been issued under the War Department Insurance Rating Plan."

(b) *Medical benefits in excess of statutory limits.* Medical benefits in excess of the statutory limits on compensation claims may be provided by the insurance carrier if in its best judgment, such ex-

ension of benefits will probably reduce disability and the ultimate cost of indemnity payments provided the carrier has received the prior written approval of the Contracting Officer or his representative; or receives the approval of the Contract Insurance Branch.

16. Paragraphs (b) and (c) of § 804.491-6 are amended to read as follows:

§ 804.491-6 *Loss reports.* \* \* \*

(b) *Preliminary settlement.* The approved forms set forth in §§ 804.497-15 to 804.497-21, inclusive, will be used by the insurance carrier in the preparation of preliminary settlements. Distribution of these forms when completed will be made as set forth in § 804.490-2. The chief of the technical service concerned will determine acceptability of a preliminary settlement statement and will take the necessary action thereon. If in his opinion, before accepting such statement, it is advisable to review the losses and allocated expense, he will refer such preliminary settlement statement to the Contract Insurance Branch for the necessary review and approval of such losses and allocated expense.

(c) No other reports by insurance carriers concerning insured losses will be required unless requested by the Contract Insurance Branch.

17. Section 804.493 is amended to read as follows:

§ 804.493 *Reports.* There will be forwarded promptly to the Contract Insurance Branch the following information:

(a) In connection with insurance written under the War Department Insurance Rating Plan copies of all policies, endorsements and any data pertaining to, or bearing upon the review of losses by the Contract Insurance Branch. The Contract Insurance Branch will be notified promptly of the cancellation of any policies.

(b) In connection with any insurance where approval of losses by the Under Secretary of War is required for the determination of premium, copies of all policies or agreements, endorsements, and any data pertaining to, or bearing upon, the review of losses by the Contract Insurance Branch. The Contract Insurance Branch will be notified promptly of the cancellation of any policies or agreements.

[Procurement Reg. 5]

#### PART 805—FOREIGN PURCHASES

1. Section 805.501 is amended to read as follows:

§ 805.501 *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, have been rescinded.

2. The introductory text of § 805.502 is amended to read as follows:

§ 805.502 *Buy American Act.* The Buy American Act (47 Stat. 1520; U.S.C. 10a), as amended, provides in part as follows:

3. Section 805.502-1 is amended to read as follows:

§ 805.502-1 *Restriction created by Appropriation Act.* (a) The Military Appropriation Act, 1946, approved July 3, 1945 (Public Law 126, 79th Congress) 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."

(b) The restriction created by the provision quoted in paragraph (a) will, for convenience, be referred to hereafter as the Appropriation Restriction.

4. Section 805.503-4 is amended to read as follows:

§ 805.503-4 *Items of food exempt when purchased from specified countries.* The following items of food have been exempted when purchased from the countries specified.

- Canned fish—Mexico.
- Fish fillet—Bahama Islands.

- Fresh beef—Mexico.
- Fresh fish—Mexico and Iceland.
- Frozen fish—Iceland.
- Fresh fruits—Cuba, Mexico and Puerto Rico.
- Fresh vegetables—Cuba, Mexico and Puerto Rico.
- Guava concentrate—Cuba.
- Guava jelly—Cuba.
- Guava puree—Cuba.

5. The headnote to § 805.503-6 is amended to read "Insertion of contract clause."

6. Section 805.504 is amended to read as follows:

§ 805.504 *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 technical 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 technical service finds it essential to purchase articles of food or clothing of foreign production, a request for authority to make such purchase should be submitted to the Director, Purchases Division, Headquarters, Army Service Forces.

7. Section 805.505 is amended to read as follows:

§ 805.505 *Clearance thru customs.* The procedure for clearing through customs materials imported by the War Department is set forth in detail in Circular No. 180, War Department, 1945. That

circular also describes the circumstances under which such materials may be admitted free of duty. All personnel concerned with procurement of materials abroad should familiarize themselves with the contents of the circular.

8. The introductory text of § 805.505-1 is amended to read as follows:

§ 805.505-1 In connection with Circular No. 180, attention is invited to the following points:

9. Sections 805.507-1 and 805.507-2 are redesignated paragraphs (a) and (b), respectively, of § 805.507.

[Procurement Reg. 6]

PART 806—INTERBRANCH AND INTERDEPARTMENTAL PURCHASES

SUBPART B—INTERBRANCH PROCUREMENT

Section 806.605d is amended to read as follows:

§ 806.605d *Indefinite quantity contracts executed by the Office of The Quartermaster General.* The tabulation set forth below contains certain information with respect to all indefinite quantity contracts executed by the Office of The Quartermaster General, which are applicable to purchases made by activities outside the jurisdiction of The Quartermaster General. More complete information as to these contracts is contained in the War Department Supply Bulletins referred to in the tabulation. These Supply Bulletins are available at Adjutant General Depots.

INDEFINITE QUANTITY CONTRACTS EXECUTED BY OFFICE OF QUARTERMASTER GENERAL

Supply bulletin No.	Date	Commodity	Contract period	Contract symbol No.	Contractor	Area served	Applicability
10-87	June 1945	Books	Fiscal year 1946	See Supply Bulletin No. 10-87		Continental United States and its possessions	General utilization by the War Department except the Medical Corps.
To be numbered	To be issued	Compressed yeast	Fiscal year 1945	W 11-003-qn-4937	Federal Yeast Corp., Colgate Creek - Highlandtown, P. O., Baltimore, Md.	2nd Service Command	All branches of the War Department.
				W 11-003-qn-4935	National Grain Yeast Corp., Belleville, N. J.	1st Service Command	
				W 11-003-qn-4933	Standard Brands, Incorporated, 125 Madison Ave., N. Y., N. Y.	4th, 8th and 9th Service Commands	
				W 11-003-qn-4932	Anheuser-Busch, Inc., 721 Perdue St., St. Louis, Mo.	21st and 7th Service Commands and 1 Military District of Washington	
				W 11-003-qn-4931	Red Star Yeast & Products Co., 221 E. Buffalo St., Milwaukee, Wis.	6th and 9th Service Commands	
10-28	May 1945	Paper rolls, for cash registers	Fiscal year 1946	W 23-021-qn-3773	The National Cash Register Co., Main & K Sts., Ohio	See Supply Bulletin No. 10-28	All posts, camps and stations.
10-237	June 1945	Oil, engine, greases and gear lubricants <sup>1</sup>	1 July 1945 to 31 December 1945	W 44-103-qn-610	The Texas Co.	Continental United States, exclusive of Arizona, California, Illinois, Maryland, Massachusetts, New Jersey, North Dakota, Oregon, Pennsylvania, Vermont and Washington.	All War Department activities within continental United States (not including Alaska) for domestic consumption, exclusive of quantities ordered by Army Ground Force Headquarters.
				W 44-103-qn-611	Shell Oil Co. Inc. of California	California, Oregon and Washington.	
				W 44-103-qn-612	Shell Oil Co. Inc. of New York	Illinois	
				W 44-103-qn-613	Atlantic Refining Co.	Maryland, Massachusetts, New Jersey, and Pennsylvania.	

<sup>1</sup> The basic contracts for greases and gear lubricants are contracts of Treasury Department, Procurement Division.

## INDEFINITE QUANTITY CONTRACTS EXECUTED BY OFFICE OF QUARTERMASTER GENERAL—Continued

Supply bulletin No.	Date	Commodity	Contract period	Contract symbol No.	Contractor	Area served	Applicability
To be numbered.	To be issued.	Malt.....	1 July 1945 to 31 December 1945	W 11-009-qm-48954..	Malt-Diastase Company Wyckoff Ave., and Decatur St., Brooklyn, N. Y.	1st, 2nd and 3rd Service Commands; Military District of Washington.	All branches of the War Department.
				W 11-009-qm-48951..	Anheuser-Busch, Inc., 721 Pestalozzi St., St. Louis, Mo.	4th Service Command...	
				W 11-009-qm-48952..	Birk Bros. Brewing Co., Webster and Wayne Sts., Chicago, Ill.	6th Service Command..	
				W 11-009-qm-48953..	Standard Brands, Inc., War Prod. and Supply Dept. 593 Madison Ave., New York, N. Y.	5th, 7th, 8th and 9th Service Commands.	
10-193.....	January 45.....	Ink, duplicating machine, black 1-lb. cans.	1 February 1945 to 31 August 1945.	W 23-021-qm-27720..	Howard Flint, Ink Co., Clark Ave. and M.C. R. R., Detroit 9, Mich.	See Supply Bulletin No. 10-193.	All branches of the War Department.

## SUBPART C—INTERDEPARTMENTAL PURCHASES

1. Section 806.606-7 is amended to read as follows:  
 § 806.606-7 *Mandatory schedules.* The following is a list of the classes of the General Schedule of Supplies which are mandatory by the terms of the schedules on the field services of the War Department:

Description of item	Schedule of supplies	Period
Explosives and blasting accessories.....	4, Supp. No. 1.....	July 1 to Dec. 31, 1944 (extended to Dec. 31, 1945).
Gasoline: Tank wagon and drum deliveries, tank-car, transport-truck and marine deliveries.	7 and Supps., Regions 1 to 6, incl.	July 1, 1945, to June 30, 1946.
Fuel oil: Tank wagon and drum deliveries, tank-car, transport-truck, and marine deliveries.	7 and 14 and Supps., regions 1 to 6, inclusive.	July 1, 1945, to June 30, 1946.
Gasoline Diesel oil and lubricating oil, service-station deliveries.	7 and 14.....	July 1, 1945, to June 30, 1946.
Tire chains.....	8.....	July 1, 1945, to June 30, 1946.
Motor-vehicle accessories, etc., item 8-C-5400 (clutch facings) only.	8 and 66.....	July 1, 1945, to June 30, 1946.
Automotive storage batteries.....	17, Supp. No. 2, revised.....	March 16 to Sept. 15, 1945.
Telephones and parts.....	17, Supp. No. 6, revised.....	Mar. 1 to Aug. 31, 1944 (extended to Aug. 31, 1945).
Electric lamps.....	17, Supp. No. 3.....	Sept. 1, 1944, to Aug. 31, 1945.
Wood furniture.....	26, part I.....	Jan. 1 to Dec. 31, 1945.
Steel furniture.....	26, part II, revised.....	Jan. 1 to Dec. 31, 1942 (extended to Dec. 31, 1945).
Steel insulated filing cabinets.....	26, part II, Supp. No. 1.....	July 1 to Dec. 31, 1943 (extended to Dec. 31, 1945).
Floor and window coverings.....	27, revised.....	Oct. 1, 1944, to Sept. 30, 1945.
Books.....	35.....	Dec. 1, 1944, to Nov. 30, 1945.
Encyclopaedia Britannica.....	35.....	Feb. 15 to Nov. 30, 1945.
Machine tools (only the following items: 40-M-9-100, and 40-P-22 to 40-P-37, inclusive).	40.....	Sept. 1, 1944, to Aug. 31, 1945.
Woodworking saws.....	40.....	July 1, 1945, to June 30, 1946.
Solvents.....	51.....	July 1, 1945, to June 30, 1946.
Paper drinking cups.....	53.....	July 1, 1944, to June 30, 1945 (extended to June 30, 1946).
Office equipment.....	54.....	July 1, 1944, to June 30, 1945 (extended to June 30, 1946).
Offset duplicating supplies, etc.....	54.....	July 1, 1945 to June 30, 1946.
Typewriters.....	54.....	July 1, 1945 to June 30, 1946.
Portable drinking fountains.....	63.....	March 1, 1945 to Feb. 28, 1946.
Feed and forage (applicable to certain D. C. installations only).	67.....	June 1 to Sept. 30, 1945.
Airplane tires and tubes.....	83, revised.....	April 24 to June 30, 1942 (extended to Sept. 30, 1945).
Consolidated public utilities contracts in Baltimore, Md.; New York, N. Y.; and Philadelphia, Pennsylvania.	101 (electric service).....	Effective Dec. 1, 1944, and thereafter until further notice.
Slide film prints.....	103.....	Feb. 1, 1945, to Jan. 31, 1946.
Recording and transcription service.....	103, Supp. No. 2, revised.....	Sept. 1, 1944, to Aug. 31, 1945.

NOTE 1: Some of the schedules listed above are mandatory only upon some of the activities of the War Department. In case of doubt as to whether it is mandatory that a particular item be procured under a schedule, the schedule itself should be consulted and provisions of the schedule should be regarded as controlling.

NOTE 2: Attention is called to the provisions of § 811.1187 *et seq.*, as to restrictions concerning local purchases and the purchases of restricted or prohibited items. Such restrictions apply to items, even though they may be listed on the General Schedule of Supplies.

2. In § 806.608-3 the item "Wood furniture and specialties" is amended to read as follows:

§ 806.608-3 *General clearance.* \* \* \*

Wood furniture and specialties: Desk trays; costumers; striking tool handles as listed in Fed. Spec. NN-H-93, Grade A only.

3. Section 806.612-1 is amended to read as follows:

§ 806.612-1 *Powers of Secretary of Agriculture and Reconstruction Finance Corporation under Public Law 670.* The functions, powers, and duties, with respect to placing orders for materials, supplies, equipment, work, or services of any kind that any requisitioned Federal agency may be in a position to supply, or to render or to obtain by contract, which are vested in the War Department, Navy

Department, Treasury Department, Civil Aeronautics Administration and the Maritime Commission under Public Law 670 may also be exercised (a) by the Secretary of Agriculture and (b) by the Reconstruction Finance Corporation, and by any constituent, subsidiary or controlled agency or corporation thereof designated by it. (See Executive Orders No. 9418 (9 F.R. 1073), February 1, 1944; No. 9440 (9 F.R. 4999), May 12, 1944; and 9577 (10 F.R. 8087), July 3, 1945.)

4. Section 806.613-2 is amended to read as follows:

§ 806.613-2 *Disposal agencies.* (a) The disposal agencies and the general types of property for which they are responsible are as follows:

Reconstruction Finance Corporation—Capital and producers goods.

Department of Commerce—Consumers goods.

U. S. Maritime Commission—Ships and Maritime property.

Department of Agriculture—Food and related products.

A detailed statement of the specific kinds of property assigned to each of the foregoing disposal agencies is set forth in § 827.791 of this chapter.

(b) The surplus property operations of Reconstruction Finance Corporation within the United States are conducted through regional offices. The addresses of these regional offices and the areas that they serve are set forth in § 827.792 of this chapter.

(c) The surplus property operations of the Department of Commerce within the United States are likewise conducted through regional offices. The addresses of these regional offices and the areas that they serve are set forth in § 827.793 of this chapter.

(d) The surplus property operations of U. S. Maritime Commission are conducted through a centralized office, the address of which is:

United States Maritime Commission, Attention: Mr. E. W. Gorman, Assistant to the Director of the Procurement Division, Washington 25, D. C.

5. Section 806.613-3 is amended to read as follows:

§ 806.613-3 *Information as to available surpluses.* Information as to available surpluses may be obtained from the

regional offices of Reconstruction Finance Corporation and of the Department of Commerce, and from the Washington offices of U. S. Maritime Commission and of the Department of Agriculture. Although the regional offices of Reconstruction Finance Corporation and of the Department of Commerce maintain detailed inventories only for surplus property located within their respective geographical areas, they are prepared to furnish information as to the availability of specific items of property held by other regional offices, upon request. Both Reconstruction Finance Corporation and the Department of Commerce periodically publish listings of available surplus property, and these lists may be obtained from any of the regional offices of these disposal agencies.

6. Section 806.613-5 is amended to read as follows:

§ 806.613-5. *Procedure for acquiring surplus property.* In general, surplus property will be transferred with reimbursement by the War Department at a fair valuation determined by the disposal agency. Details of transfer procedure may be ascertained from the offices of the disposal agencies. See § 806.614 as to the appropriate form of delivery order to be used in acquiring surplus property from disposal agencies. However, where the property being transferred was declared surplus by another element of the War Department or by the Navy Department, non-reimbursable transfer can be arranged wherever permitted by Special Order No. 6 of the Surplus Property Board, dated May 1, 1945. Non-reimbursable transfers between the War Department and the Navy Department are authorized by 10 U. S. C. 1274. Non-reimbursable transfers between the War Department and Veterans' Administration are authorized by section 102, Title I, Public Law 346, 78th Congress, approved June 22, 1944.

[Procurement Reg. 9]

PART 809—LABOR

SUBPART H—WAGE AND SALARY STABILIZATION

1. In § 809.952-3, paragraph (d) is amended to read as follows:

§ 809.952-3 *Agencies which exercise functions of the Board subject to its review.* \* \* \*

(d) *War Department Wage Administration Agency.* Pursuant to appropriate delegations of authority, the Wage Administration Section, Industrial Personnel Division, Headquarters, Army Service Forces (referred to as the War Department Wage Administration Agency when acting under such delegations), acting upon behalf of the Secretary of War, is authorized to rule upon all applications for voluntary wage and salary adjustments (insofar as approval thereof has been made a function of the Board) covering civilian employees within the continental limits of the United States employed by (1) the War Department, (2) the Army Exchange Service and (3) certain Government

owned, privately operated facilities of the War Department designated in lists furnished from time to time to the Board by the War Department Wage Administration Agency. The chiefs of the technical services are responsible, respectively, for (i) designating to the War Department Wage Administration Agency the facilities which, in their opinion, should be placed upon such lists and (ii) advising the officers of their services concerned of the names of facilities which have been placed upon such lists. The War Department Wage Administration Agency has also been authorized, subject to certain limitations, to establish wage or salary schedules for civilian employees of the War Department in the various Government owned, Government operated installations located in the Territory of Hawaii. The delegations of the Board, contained in the Board's General Orders Nos. 14 and 37, are set forth in full at § 809.993 *et seq.*

2. Section 809.952-7 is amended to read as follows:

§ 809.952-7 *Procedure in dispute cases involving wages or salaries subject to the jurisdiction of the Board.* A dispute case arises out of a disagreement as to wages or working conditions, or both. The National War Labor Board usually accepts dispute cases only on certification by the U. S. Conciliation Service although the Board also has power to take cases on its own initiative. A dispute case is referred to the New Case Committee of the National Board which determines whether the case shall be retained by the National Board for disposition or referred to the appropriate regional board or industry commission for decision. Upon certification of the case to a regional board, the case is considered by a New Case Committee of the regional board and prepared for a hearing. The Committee designates a tripartite panel to hear the case or, if the parties agree, a single person is appointed. Upon conclusion of the hearing by the panel or individual, the findings are reported to the regional board which makes a decision on the panel's findings and recommendations. Arguments may be heard if the panel's report is not unanimous. A regional board may certify to the National Board any case or any question in the case upon which it desires a National Board ruling. Directive orders of agencies (including regional boards to which the National Board has delegated authority to issue, subject to review by the Board, final directive orders in dispute cases) are issued to the parties when made, except that issuance of any provision of a directive order which relates to a wage or salary adjustment may be stayed if two or more public members or one public member of an agency of the Board, which is permitted to function and in fact does function with a quorum of three dissent from the provision and request that its issuance be stayed. In such an event a copy of the directive order and the request of stay, together with a statement of the reason for such request is transmitted to the National Board. Reconsideration of rulings and orders of regional boards may be had upon filing of petition under

established rules. For a statement of procedure to be followed by War Department personnel in cases before the Board (or before agencies upon which it has conferred appropriate authority) in which the War Department has an interest, reference is made to § 809.963.

3. Section 809.956 is amended to read as follows:

§ 809.956 *Jurisdiction of the Secretary of Agriculture with respect to the stabilization program.* The Secretary of Agriculture, subject to certain limitations, is authorized to determine whether any salary or wage payments to agricultural labor are made in contravention of the act or any rulings, orders or regulations promulgated thereunder. The authority of the Secretary of Agriculture does not extend to any person whose salary payments, exclusive of bonuses and additional compensation and without regard to the contemplated adjustment, are at a rate, computed on an annual basis, which exceeds \$5,000 per annum.

4. Section 809.964 is added as follows:

§ 809.964 *Policy with respect to reimbursement of increases in wages and salaries directed or approved by the Wage Stabilization Agencies.* (a) It is the policy of the War Department that wages and salaries paid by a War Department cost or cost-plus-a-fixed-fee contractor in conformity with Orders or Rulings of the National War Labor Board, the National Railway Labor Panel, or the Salary Stabilization Unit ordering or approving such payments should be considered as reasonable and proper in rate and amount, unless the facts in the particular case clearly indicate the contrary, and, if otherwise properly allowable under or chargeable to the contract, should be accepted for reimbursement under the contract. (In this connection attention is called to memoranda of April 25, 1945 from the Under Secretary of War to the Commanding Generals, Army Air Forces and the Army Service Forces providing, in part, that under the following circumstances the amount of compensation proposed for reimbursement should be scrutinized with particular care to determine its appropriateness: (1) When the total compensation paid to an individual is in excess of \$25,000 per annum or (2) when the compensation for the position has been increased substantially since June 30, 1940).

(b) As used in this section:

(1) "Wages and salaries" refer not only to basic rates of pay but also to payments on account of overtime, holiday premiums, shift premiums, vacations and similar matters to the extent otherwise properly allowable under or chargeable to the contract; and

(2) "Orders" and "rulings" mean final mandatory directive orders, and final permissive rulings approving voluntary applications for a wage or salary adjustment directed to the contractor as a party to the proceeding, and General Orders, resolutions and regulations of the Board, the Commissioner, and the National Railway Labor Panel, and of the agencies to which they have delegated appropriate authority.

## SUBPART M—MISCELLANEOUS

Section 809.993-1 is amended to read as follows:

§ 809.993-1 *General Order No. 14 of the National War Labor Board.* General Order No. 14, adopted by the National War Labor Board on November 24, 1942, as subsequently amended, reads as follows:

## AUTHORIZATION TO THE WAR DEPARTMENT TO PASS ON WAGE AND SALARY ADJUSTMENTS FOR DESIGNATED AND CIVILIAN EMPLOYEES

(a) The National War Labor Board hereby delegates to the Secretary of War, to be exercised on his behalf by the Wage Administration Section within the Industrial Personnel Division, Headquarters, Army Service Forces (hereinafter referred to as the "War Department Agency"), the power to rule upon all applications for voluntary wage and salary adjustments (insofar as approval thereof has been made a function of the National War Labor Board) covering civilian employees within the continental limits of the United States, employed by:

- (1) The War Department
- (2) The Army Exchange Service, and
- (3) Government-owned, privately-operated facilities of the War Department all in accordance with the further provisions of this order.

(b) In the performance of its respective duties the War Department Agency shall comply with the terms of Executive Order No. 9250, dated October 3, 1942, Executive Order No. 9328, dated April 8, 1943, the Directives of the Director of Economic Stabilization, and all general orders and policies of the National War Labor Board announced thereunder.

Any wage or salary adjustment approved by the Agency "which may increase production costs above the level prevailing in comparable plants or establishments" shall become effective only if also approved by the Director of Economic Stabilization. Notice to this effect shall be contained in all rulings and orders issued by the War Department Agency in wage cases.

Applications for approval of voluntary wage adjustments within the jurisdiction of the War Department Agency shall state whether or not the adjustment if granted may increase production costs above the level prevailing in comparable plants or establishments. If the answer is in the affirmative, the War Department Agency shall send to the War Labor Board for processing to the Office of the Director of Economic Stabilization a copy of the application and a copy of its ruling at the time of issuance thereof, for approval as mentioned above.

The War Department Agency, without making an initial ruling thereon, may refer to the Board for decision by the Board any case which, in the opinion of the Agency, presents doubtful questions of sufficient seriousness and import to warrant direct action by the Board.

(c) The War Department Agency shall transmit to the Wage Stabilization Division of the National War Labor Board copies of its rulings and rules of procedure as they are issued. In administering the provisions of this order the Agency shall also transmit monthly reports of its rulings to the Wage Stabilization Director of the National War Labor Board, and such additional data as said Division or the Board may from time to time deem necessary.

(d) Any ruling by the War Department Agency hereunder shall be final, subject:

- (1) To the National War Labor Board's ultimate power to review rulings on its own initiative, and
- (2) In cases under category (a) (3) above, to the right of any aggrieved party, within a period of fourteen days after the mailing

of the ruling denying, in whole or in part, the application for approval of a voluntary wage or salary adjustment, to mail to the National War Labor Board an original and six copies of a petition, including supporting documents, seeking review by the National War Labor Board of such ruling on the merits. Also, the party or parties seeking review shall mail a copy of the petition and supporting documents thereto to the Commanding Officer of the facility at the time of mailing the original and copies thereof to the National War Labor Board. The petition shall (1) set forth fully and in detail the contentions of the petitioner with respect to the merits of each issue raised by the petition, with specific reference to any pertinent portions of the record in the case, and (2) state that a copy of the petition, together with any supporting documents, has been served upon the other parties to the case, and the date of such service.

Within fourteen days after a copy of such a petition for review is mailed by the petitioning party to any other party to the case, such other party may mail an answer to the petition to the National War Labor Board. An original and six copies of the answer shall be transmitted to the National War Labor Board and a copy shall at the same time be served upon the other parties to the case, including a copy thereof to the Commanding Officer of the facility. Such an answer shall include a statement that a copy thereof has been served as required above, and shall show the date of such service. The National War Labor Board shall notify and send to the War Department Agency two copies of the petition and answer, together with two copies of the supporting documents. Upon notification by the National War Labor Board the War Department Agency shall transmit to the National War Labor Board the entire record of the case. The War Department Agency, within fourteen days after notification of the petition and answer, may file its brief with the National War Labor Board and shall mail a copy thereof to each of the interested parties. The National War Labor Board will process the petition and answer thereto in accordance with its regular appeals procedure.

(e) Any ruling by the War Department Agency hereunder shall be deemed to be the Act of the National War Labor Board unless and until reversed or modified by the Board.

(f) The term "government-owned, privately-operated facilities of the War Department" shall include for the purposes of this Order only those facilities (1) in which the War Department has contractual responsibility for the approval of pay roll costs, and (2) which are designated in lists furnished from time to time, to the Board by the War Department Agency. The Board may at any time, upon at least seven days' notice to the War Department Agency, strike from the list any facility if the Board believes that the policies of Executive Order No. 9017, Executive Order No. 9250, Executive Order No. 9328, or the Supplementary Directive of May 12, 1943, will be furthered by the Board's action directly upon the wage and salary adjustments of such facility.

(g) Where disputes about wages and salaries arise between the private operators of said facilities and their employees, the following procedure shall be followed. The dispute shall first be referred for negotiation to the U. S. Conciliation Service. If an agreement is reached, that portion of the agreement pertaining to wages shall be submitted to the War Department Agency for approval. If no agreement is reached, the dispute shall be referred for decision to the appropriate Regional Board, subject to the regular rules of procedure of the National War Labor Board. At the same time, the War Department Agency shall be notified of the dispute and the nature of the case. On its own initiative

the Agency may request the Regional Board for any further information concerning the case. When a decision has been reached by the Regional Board, copies of the Board's decision shall be sent to the War Department Agency and the Wage Stabilization Director of the National War Labor Board at the same time that copies are sent to the parties in the dispute. Within the fourteen day period allowed for filing a petition for review, the War Department Agency may request a review of the case according to the rules of procedure, as amended, of the National War Labor Board.

## [Procurement Reg. 11]

## PART 811—MISCELLANEOUS PURCHASE INSTRUCTIONS

## SUBPART E—PATENTS

1. Section 811.1116-3 is amended to read as follows:

§ 811.1116-3 So far as concerns both domestic and foreign practice of the inventions of foreground patents, such license normally will extend for the life of any patent involved, will not be limited to any particular governmental purpose and will include rights of disposal for any purpose authorized by law (see paragraph (d) of § 811.1118); but as to foreign practice of such inventions the license will normally be only to the extent of the contractor's right to grant the same.

2. Section 811.1116-14 is added as follows:

§ 811.1116-14 (a) In order to protect rights acquired by the Government under contracts which provide for the grant to the Government of rights under inventions, it is essential that the contracting officer, or such other persons as the chief of the technical service may authorize, establish a system of follow-up of such contracts, preferably one based on personal contact with representatives of the contractor, in order that inventions under which the Government is entitled to rights may be identified and formal legal instruments evidencing the Government's rights duly obtained. Such follow-up system should include the necessary mechanics and procedures for effectuating the provisions of the contract articles specified in §§ 803.335-1 to 803.335-3 inclusive.

## SUBPART D—PRICE AND RATIONING REGULATIONS

In § 811.1135 (c), subparagraph 4 is amended to read as follows:

§ 811.1135 *Rationing regulations.*

\* \* \* (c) *Where certain War Department instructions may be found.* \* \* \*

4. Circular 224, W. D., 1945—Certain petroleum products; and

## SUBPART E—CONTROLLED MATERIALS PLAN

Section 811.1140-4 is amended to read as follows:

§ 811.1140-4 *Adjustment of schedules in contracts.* Appropriate adjustment of a contract to conform to reduced schedules made necessary under the Controlled Materials Plan or otherwise may in many cases be made under contract provisions already in effect, if the contract contains such provisions (see, for

example, §§ 803.329 and 803.329a). Where a contract contains no provision permitting such an adjustment, the chief of the technical service concerned is authorized to amend the contract by supplemental agreement, inserting one or more of the contract articles contained in §§ 803.329 and 803.329a so as to provide in the contract itself authority for the making of any later adjustments made necessary by changes in the CMP allotments (see § 812.1233 of this subchapter).

**SUBPART F—CONTRACTS INVOLVING RUBBER OR SYNTHETIC RUBBER**

Sections 811.1150 to 811.1153, inclusive, are amended to read as follows:

§ 811.1150 *Agreement with Rubber Reserve Company.* (a) Reconstruction Finance Corporation, as successor in interest to Rubber Reserve Company (formerly a subsidiary of Reconstruction Finance Corporation) owns and controls the supply of all natural rubber and substantially all synthetic rubber in this country. Effective June 1, 1943 Rubber Reserve Company found it necessary to increase its price for natural rubber from 22½ cents per pound to 40 cents per pound, but reduced its prices for synthetic rubber to 36 cents per pound for GRS (Buna S); 33 cents per pound for GRI (Butyl); and 45 cents per pound for GRM (Neoprene Type GN).

(b) In order to avoid the necessity of adjusting the outstanding contracts of the War Department and subcontracts thereunder based on a price for natural rubber of 22½ cents per pound and in order to facilitate transition from natural to synthetic rubber and to simplify future procurement of rubber products, the War Department made an agreement with Rubber Reserve Company to pay directly to it part of the cost of such natural and synthetic rubber used for War Department purposes and thereby to maintain lower, stable, prices to rubber manufacturers for such natural and synthetic rubber.

(c) Under this agreement Rubber Reserve Company agreed to supply natural and synthetic rubber to War Department contractors and subcontractors upon payment by them to Rubber Reserve Company at the following rates per pound.

Type	Price per pound
Natural	22½¢
GRS Synthetic (Buna S)	18½¢
GRI Synthetic (Butyl)	15½¢
GRM Synthetic (Neoprene Type GN)	27½¢

These rates apply to natural, GRS and GRI Synthetic used after June 1, 1943 and to GRM Synthetic used after August 1, 1943.

(d) The War Department agreed to pay Rubber Reserve Company the difference between these amounts and the prices fixed by Rubber Reserve Company specified in paragraph (a) above, or such lower prices as the Rubber Reserve Company might fix from time to time. This agreement, as amended, will remain in force until June 30, 1946, unless terminated by either party on thirty days notice before that time.

(e) By Joint Resolution approved June 30, 1945 (Public Law 103—79th Congress), Rubber Reserve Company and certain other corporations were dissolved and all of their assets and liabilities transferred to Reconstruction Finance Corporation, which has accordingly succeeded to the rights and obligations of Rubber Reserve Company under the agreement.

§ 811.1151 *Administration of agreement.* (a) To simplify administration of this agreement with Rubber Reserve Company the Ordnance Department is handling the contract on behalf of the entire War Department and will administer it for all of the technical services.

(b) Rubber Reserve Company will obtain from rubber manufacturers reports of the amount of natural and synthetic rubber used on account of War Department contracts and subcontracts and will bill the War Department monthly through the Ordnance Department on the basis of these reports showing the amount due with respect to the contracts and subcontracts of each technical service.

(c) Each technical service has been directed to make available to the Ordnance Department by special allotment or otherwise sufficient funds to cover the estimated amounts payable under the agreement with respect to its contracts and subcontracts up to June 30, 1946. The Chief of Ordnance is authorized to issue such directives or instructions to the chiefs of the other technical services as he deems necessary for the administration of the agreement and the furnishing of such allotments.

§ 811.1152 *Effect of agreement on contracts involving natural rubber.* (a) Since natural rubber will continue to be supplied to rubber manufacturers by Reconstruction Finance Corporation at 22½ cents per pound as heretofore, existing contracts made on this basis will not need to be adjusted.

(b) Likewise, future contracts involving the use of natural rubber can continue to be made on the same basis of 22½-cent rubber, as heretofore.

§ 811.1153 *Existing contracts involving synthetic rubber.* (a) The prices for synthetic rubber specified in the agreement are substantially lower than the prices previously in effect for the same types of synthetic rubber.

(b) Accordingly, the prices under existing contracts involving the use of synthetic rubber and made on the basis of the prices in effect before the agreement, should be promptly adjusted to reflect the reduced prices for such synthetic rubbers.

(c) By its Circular No. 21 dated May 31, 1943, the Rubber Reserve Company directed all rubber manufacturers to report to it all existing contracts made on the basis of prices for natural or synthetic rubber higher than those fixed by this agreement with the War Department and has directed such rubber manufacturers promptly to adjust their prices under such contracts to reflect the reduced prices for synthetic.

**SUBPART H—MISCELLANEOUS MATTERS**

Section 811.1189 is amended to read as follows:

§ 811.1189 *Certificate required in procurement with respect to motor-propelled passenger-carrying vehicles.* All procuring instruments covering the purchase of supplies, equipment, spare parts, accessories or services, for use in the operation, maintenance, or repair of motor-propelled passenger-carrying vehicles will bear the following certificate:

None of the supplies or services covered by this instrument are to be used in violation of the legal restrictions quoted in Circular No. 195, War Department, 1945.

[Procurement Reg. 12]

**PART 812—RENEGOTIATION AND PRICE ADJUSTMENT**

**SUBPART A—STATUTORY RENEGOTIATION**

Section 812.1201-1 is amended to read as follows:

§ 812.1201-1 *Definitions.* As used in this part, the following terms have the meaning set forth below:

(a) "*Renegotiation Act of 1943*"; "*1943 Act*". These terms mean section 403 of the Sixth Supplemental National Defense Appropriation Act, 1942 (Public Law 526, 77th Congress, approved April 23, 1942) as amended by section 701 of the Revenue Act of 1943 (Public Law 235, 78th Congress, approved February 25, 1944) and by Public Law 104—79th Congress, approved June 30, 1945, and as effective with respect to fiscal years ending after June 30, 1943;

(b) "*Renegotiation Act of 1942*"; "*1942 Act*". These terms mean section 403 of the Sixth Supplemental National Defense Appropriation Act, 1942, as amended through July 14, 1943, and as further amended by those provisions of section 701 of the Revenue Act of 1943 which are made effective as if they had been a part of section 403 of the Sixth Supplemental National Defense Appropriation Act, 1942, as amended, on the date of its enactment. (See Public Law 235, 78th Congress, sec. 701 (d).)

(c) "*Statutory renegotiation*". This term means renegotiation pursuant to the provisions of the Renegotiation Act of 1943.

(d) "*Departments*". This term means the War, Navy, and Treasury Departments, the Maritime Commission, the War Shipping Administration, the Defense Plant Corporation, Metals Reserve Company, Defense Supplies Corporation and Rubber Reserve Company.<sup>1</sup>

(e) "*Secretary*". This term means the Secretary of the War, Navy and Treasury Departments, the Chairman of the Maritime Commission, the Administrator of the War Shipping Administration, and the Boards of Directors of the Defense

<sup>1</sup>By Joint Resolution of Congress (Public Law 103—78th Congress), which took effect on 1 July 1945, Defense Plant Corporation, Metals Reserve Company, Rubber Reserve Company and Defense Supplies Corporation were dissolved, and their assets and liabilities transferred to Reconstruction Finance Corporation.

Plant Corporation, Metals Reserve Company, Defense Supplies Corporation and Rubber Reserve Company.

(f) "War Contracts Board": This term means the War Contracts Price Adjustment Board established by the Renegotiation Act of 1943.

#### SUBPART B—COMPANY PRICING

Subpart B is added as follows:

Sec.	
812.1220	Scope of subpart.
812.1221	Procedure.
812.1222	Company pricing agreements.
812.1223	Procedure after completion of company pricing review.
812.1224	Approved forms.
812.1225	Standard form of report.

§ 812.1220 *Scope of subpart.* This subpart establishes War Department policy and procedure with respect to company pricing.

§ 812.1220-1 *In general.* (a) Company pricing is an additional technique for furthering the War Department's policy of obtaining sound prices from its prime contractors and subcontractors. It involves an approach to proper pricing and proper prices from an over-all company viewpoint and is particularly useful in cases where a contractor's or subcontractor's high prices, high costs or excessive profits indicate the employment of pricing methods which are inconsistent with the policies stated in §§ 802.230 and 802.231 of this subchapter.

(b) Company pricing involves a voluntary review with the appropriate officials of the company of its prices and of its cost and pricing policies and methods, with the objective of arriving at a voluntary agreement as to proper prices and proper cost and pricing policies and methods with respect to all Government business done by the company. Such an over-all review enables Government personnel better to understand the purchasing, pricing and costing problems of the contractor and enables the contractor to conduct a review of all of the war end-use business at one time.

(c) The company pricing technique has been developed because notwithstanding the application of techniques of price analysis and negotiation in the placement of individual contracts, the prices at which war goods have been sold at prime and subcontract levels have not always been sufficiently close to proper costs to accomplish the War Department pricing objectives. This fact has been evidenced in part by the amounts of money which have been recaptured as the result of proceedings under the Renegotiation Act. In some instances unreasonably high prices have resulted from defects in the company's overall cost estimating and pricing practices as, for example, in the case of over-absorption of indirect expenses. In other instances high prices, high costs or excessive profits have occurred at subcontract levels beyond the effective control of a contracting officer negotiating an individual contract.

(d) Company pricing does not eliminate or in any way make less important the necessity for obtaining proper prices at the time of placing individual contracts. In limited types of cases prices

of future individual contracts and particularly of materials furnished by subcontractors may be affected by agreements made as a result of a company pricing review (see § 802.257 of this subchapter and § 812.1220-3 (b) (2)). It is important to note that company pricing furnishes a method of achieving proper pricing by subcontractors and suppliers through direct negotiation.

§ 812.1220-2 *The company pricing review.* The company pricing review consists of three principal steps. The first is the consideration by the company pricing team of all the relevant data available, including information in renegotiation files, comparative prices and costs and trends thereof, experience under price revision articles, and other facts known to procurement personnel, in preparation for the meeting with representatives of the company. The second step is the discussion with company officials of the data previously studied by the company pricing team, together with recent sales data, estimates for the future and such other information as may be supplied by the company at the request of the team or at the instance of the company, with a view to the company's acceptance or adoption of prices and pricing policies designed to assist in carrying out the pricing aims of the War Department. Thirdly, when the discussion is concluded the agreement reached is reduced to writing in the form of a formal or an informal agreement.

§ 812.1220-3 *Particular objectives of company pricing.* (a) Ordinarily the over-all company pricing review should result in corrections of erroneous or improper pricing practices and should develop information which will lead to improved pricing of future individual contracts.

Among the types of improvements which may be achieved are:

(1) Elimination of excessive contingency allowances whether explicitly shown, included in profit margin, or concealed in specific elements of cost.

(2) Correction of improper quantities, allowances and prices for labor, materials and factory burden used in estimating costs and the methods of establishing such quantities, allowances and prices. (Such estimating rates ordinarily should be set on projections and budgets of future expenses and bases for distribution thereof, rather than on records of prior periods.)

(3) Adjustment of the profit margins used in establishing the prices where not consistent with the requirement that prices be fair and reasonable.

(4) Elimination from estimates of all items of general and other overhead expense not reasonably related to Government business.

(5) Correction of mis-allocation to fixed price war end-use business of portions of general expense (i) reimbursable under cost-plus-a-fixed-fee contracts or (ii) properly chargeable to civilian business. Civilian business should be charged with the portion of the general expense shown to be expended for its benefit. The amount of remaining general expense subject to allocation should be reasonable in the light of prewar ex-

penses and the basis for allocation should produce an equitable apportionment as between civilian and war end-use business.

(6) Correction of faulty or inefficient methods of purchasing materials and subcomponents.

In many cases the review will, in addition, afford an opportunity for clarification of the company's understanding of the use of contract articles designed to assist in obtaining closer prices, e. g., the price revision articles and the incentive type contract article (see §§ 803.370 to 803.378-5, inclusive, of this subchapter).

(b) In addition to leading to improvement of pricing policies, the over-all review will ordinarily result in agreements improving the prices charged by the contractor for specified war end-use items (see § 812.1222-2).

(1) The agreement may take the form of reduction in prices under existing prime contracts, either as specific price reductions or as percentage discounts from specific prices. Reduction in prices under existing subcontracts may also be achieved by means of specific price reductions or percentage discounts. In limited cases reduction in prices under both existing and future subcontracts may be achieved by means of periodic rebates payable directly to the Government but based on war end-use sales.

(2) In the case of standard commercial items and of "stock" or "shelf" items or components made to standard specifications sold repeatedly in the same form, the agreement may establish for a specified period (ordinarily not to exceed six months) (i) the price to be charged under future contracts on sales directly to the Government, (ii) maximum prices which will not be exceeded in negotiations, if any, for the prices of future first tier subcontracts with cost-plus-a-fixed-fee prime contractors and (iii) maximum prices which will not be exceeded in negotiations for the prices of future subcontracts with other contractors.

(3) In a case where a company wishes to establish itself as incurring close pricing risks for the remainder of a fiscal year already partially completed, and thereby to obtain added consideration for purposes of statutory renegotiation, it may wish to improve the prices of past sales by making a retroactive refund with respect thereto (see § 812.1222-3).

(c) ASF Manual M-609, Company Pricing, contains suggestions for the conduct of a company pricing review, including the selection of appropriate types of agreements. Reference is also made to ASF Manual M-601, Pricing of War Contracts, for certain techniques which may also be employed on an over-all basis in company pricing, and to Renegotiation Regulations and the Army Renegotiation Manual.

§ 812.1220-4 *Responsibility for company pricing.* (a) The Director, Purchases Division, Headquarters, Army Services Forces, is responsible for establishing the policies and procedures relating to company pricing and for staff supervision of company pricing activities. In addition he assists in the correlation of the work of the several technical services in carrying out these activ-

ities. He maintains a central file of all company pricing reports and agreements and maintains liaison on company pricing matters with other departments of the Government. He distributes monthly a directory of the company pricing coordinators in the War Department and in other departments and periodic reports as to agreements received and in effect.

(b) The chief of each technical service is responsible for examination and continuing supervision of the pricing policies of all companies assigned to his technical service for company pricing (see § 812.1221-2), for the selection of appropriate companies for company pricing reviews (see § 812.1221-3), for the conduct of such reviews including the execution of the company pricing agreements (see § 812.1222) and the preparation of reports of the reviews (see § 812.1223-2), for taking appropriate action under all company pricing agreements, and for continuing administration of agreements executed by his technical service (see § 812.1223-4).

#### § 812.1221 Procedure.

§ 812.1221-1 *Company pricing personnel*—(a) *Company pricing coordinators*. The chief of each technical service will appoint an individual in his headquarters and in each district or field office conducting company pricing to coordinate company pricing operations and will keep the Director, Purchases Division, Headquarters, ASF, advised as to the names and addresses of these coordinators. Direct communication among company pricing coordinators is authorized and encouraged.

(b) *Operating personnel*. The chief of each technical service is responsible for the establishment within his service of an organization which will effectively discharge his responsibility with regard to company pricing. As experience has demonstrated that company pricing can be conducted effectively only with the closest cooperation of renegotiation and procurement personnel, including price analysts, it is recommended that the chief of each technical service designate "company pricing teams" to conduct the reviews. These teams should include both renegotiation and procurement personnel.

§ 812.1221-2 *Assignments*. Three methods of assignment for company pricing are described below. Companies so assigned are those whose pricing policies will be examined and from among which some companies will be selected for company pricing review (see § 812.1221-3).

(a) *Basic assignment*. The chief of each technical service is assigned company pricing responsibility for all companies assigned to his technical service for statutory renegotiation.

(b) *Transfers of assignment for both renegotiation and company pricing*. If a company's assignment for renegotiation is transferred for any reason, responsibility for company pricing will be similarly transferred. In such cases all company pricing information will immediately be delivered to the technical service or department to which the rene-

gotiation assignment is transferred. If at the time of transfer, the technical service from which the assignment is transferred has completed a substantial portion of an original or periodic company pricing review, that technical service will carry the review to a conclusion after notice to the technical service or department to which the assignment is transferred.

(c) *Assignments apart from renegotiation*. The Director, Purchases Division, Headquarters, ASF, may from time to time assign to the chief of a technical service for company pricing review companies not assigned to that technical service for statutory renegotiation. Any request for such an assignment should indicate the department or technical service, if any, to which the company is currently assigned for company pricing, the department or technical service to which assignment is desired, and, to the extent practicable, the recommendations of the operating offices of the technical services and departments concerned.

§ 812.1221-3 *Selections for company pricing review from among assigned companies*—(a) *Priorities for selection*. The chief of each technical service will make selections for company pricing reviews from the companies assigned to his service. These selections will be made in the order of the necessity for such reviews, based on the following considerations:

(1) Prices or costs which appear to be unduly high in themselves or in comparison with those of other producers.

(2) Record of excessive profits in statutory renegotiation.

(3) Request by the company for special consideration of its pricing problems.

A company will not be selected for company pricing review if, after preliminary study, it is evident that a review with that company is not necessary in view of the company's pricing policies or the small amount of its anticipated war end-use business.

(b) *Class A and Class B selections*. For administrative convenience, companies selected for company pricing review are designated as Class A cases where the review is conducted and concluded concurrently with statutory renegotiation and as Class B cases where the review is continued after or is otherwise conducted at a different time from the statutory renegotiation. The chief of the technical service responsible for the review will promptly notify the Director, Purchases Division, Headquarters, ASF, in writing of each Class B case, indicating the name and address of the company, its renegotiation assignment and the district or field office which will conduct the review.

(c) *Cancellation of selections*. If after selection of a company and commencement of a company pricing review, it is determined in view of the company's pricing policies or the small amount of its anticipated war end-use business that conclusion of the review would not be necessary, the selection may be canceled by the responsible technical service. The selection will also be canceled in the event of a transfer of company pricing

assignment pursuant to § 812.1221-2 unless the review is to be completed as provided therein. No standard form of report (see § 812.1223-2) is required with respect to companies whose selections have been canceled, but notice of the cancellation will be given through channels in Class B cases previously reported pursuant to paragraph (b) above.

§ 812.1221-4 *Coordination with other interested services and departments*. Company pricing may affect the procurement interests of technical services and departments other than the technical service responsible for company pricing. As it is necessary that these interests be adequately protected, before commencing a company pricing review the chief of the technical service conducting the review will determine, so far as practicable, the nature and extent of the prime and subcontract interests of other technical services and departments.

(a) No coordinating action is required with respect to nonidentifiable subcontract interest. No coordinating action is required with respect to the interest of a technical service or department which is nominal in size except in cases where it is proposed to change the prices in existing prime contracts or first tier subcontracts under cost-plus-a-fixed-fee prime contracts with that technical service or department or to establish future prices under such contracts or subcontracts.

(b) In all other cases, the chief of the technical service will notify all interested technical services and departments that a company pricing review is to be conducted, what prime or subcontract interest the technical service or department addressed has in the company (when this information is obtainable), why the company was selected for company pricing, the time and place of any preliminary meetings among the interested technical services and departments, and the time and place of the meetings with the company.

(c) The chief of the technical service will obtain specific written approval by the interested technical services and departments of a company pricing agreement, either at the time of the review or subsequent to it, in the following cases (where another department is concerned, the agreement will also be executed by an authorized individual of that department. See § 803.302-3 (e) regarding execution of agreements for another technical service):

(1) When the company pricing agreement changes the prices in the prime contracts of another technical service or department.

(2) When the company pricing agreement changes the prices in a first-tier subcontract under a cost-plus-a-fixed-fee prime contract of another technical service or department.

(3) When the company pricing agreement affects the future pricing activities of another technical service or department, by establishing specific prices for future contracts or maximum prices for future first-tier subcontracts under cost-plus-a-fixed-fee prime contracts or by establishing specific elements of price which will affect future price negotiations

under such contracts or subcontracts. If all currently interested technical services concur in writing in such an agreement, the technical service conducting the review may act for the entire War Department, binding any other technical services which may acquire an interest in the future. However, Government departments other than the War Department cannot be bound without obtaining their specific written approval.

(d) Any disagreement among the technical services, or with other Government departments, in the course of coordination will be referred immediately to the Director, Purchases Division, Headquarters, ASF.

§ 812.1221-5 *Assignment of company to supervised list.* In some cases where it is determined that the company pricing review of a selected company is necessary it may nevertheless be concluded that no specific action as to prices or pricing policies is currently required. In such cases the company may be assigned to the "supervised list." Such action contemplates periodic reexamination of the necessity for specific action as to prices or pricing policy.

§ 812.1222 *Company pricing agreements.*

§ 812.1222-1 *In general.* (a) As indicated in § 812.1220-1, the purpose of the company pricing review is to arrive at a negotiated agreement which will improve the company's prices and pricing policies. The agreement should of course be reduced to writing and should be assented to by duly authorized representatives of the company and of the Government (see § 812.1221-4 (c)). The War Department signatories will be duly appointed contracting officers (see § 803.302-3) or, where the agreement is made a part of a renegotiation agreement, an authorized representative of the War Contracts Price Adjustment Board. The agreement may take the form of a formal or an informal contract (as defined in §§ 803.303-2 and 803.303-3) or of a statement of intention by the parties which is intended not to create any legally enforceable obligation. It may be embodied in a forward pricing article in a renegotiation agreement pursuant to the Renegotiation Act (see § 812.1224-4), supplemental agreement or separate agreement affecting the prices under specified contracts (see § 803.313-1), a separate company pricing agreement (see e. g. § 812.1224-5) or an informal memorandum or exchange of letters.

(b) In every case the agreement should clearly and expressly indicate whether and to what extent it is intended to affect prices under future contracts, and whether or not it is intended to be legally binding upon the parties.

(c) Except where the company pricing agreement indicates clearly that the parties do not intend it to be legally binding, it is the policy of the War Department to treat it as being legally binding for all administrative purposes including, for example, the numbering and distribution of such agreements (see § 812.1223-3 (a)), amendment of the agreement without consideration moving to the Government (see §§ 803.308a

through 803.308g) and the effect to be given the agreement for purposes of statutory renegotiation.

(d) Wherever the results of a company pricing review are predicated upon the volume of all or specific portion of the company's war end-use business, this fact should be recognized and reflected in the company pricing agreement, by means of a sliding scale or otherwise, in order that the written agreement shall be sufficiently flexible to accommodate changes in volume due to changes in the Government's needs. However, such an arrangement should not provide for the increase of the prices under prime contracts above those specified in such contracts.

§ 812.1222-2 *Types of agreement—(a) In general.* The variety of problems raised by company pricing reviews indicates the need for flexibility in the preparation of the company pricing agreements to fit the particular situation. Approved contract articles and forms of agreement which with minor modifications will be suitable for most situations are set out in § 812.1224. Agreements which are substantially in the form there set out may be concluded by chiefs of technical services without further approval by higher authority. In addition, chiefs of technical services, without approval of higher authority, may conclude agreements establishing specific or maximum prices to be paid under future contracts as provided in § 812.1220-3 (b) (2) if the requirements of § 812.1221-4 (c) are met. Any agreement which is intended to be legally binding and which changes the substance of approved articles or forms of agreement, or which does not comply with the rules set out in § 812.1222, and any understanding as to future price policies (see paragraph (e)) which is not specifically authorized by this chapter, shall be made subject to the approval of the Director, Purchases Division, ASF.

(b) *Specific price change.* The article set out in § 812.1224-1 may be used where it is desired to effect specific price changes in existing prime contracts or subcontracts.

(c) *Discount.* The article set out in § 812.1224-2 may be used where it is desired to effect price reductions under existing prime contracts or subcontracts in the form of percentage reductions from specific prices. This method may be useful where large numbers of contracts or items are to be affected. The discounts may be applied against the prices under specific contracts or to catalogue prices, but will be given effect on invoices as currently issued by the company. Such a discount arrangement may be put into effect without amendment of the contracts concerned by having the contractor place the following standard discount stamp on each invoice:

Special discount granted in recognition of the volume of war business done directly or indirectly with all departments of the United States Government. Remittance for the net amount shown on the invoice will be accepted in full payment of the items enumerated herein.

War Department disbursing officers have been authorized to pay invoices bearing such stamp (see Finance Bulletin 30, April 4, 1945).

(d) *Rebate.* The article set out in § 812.1224-3 may be used under the conditions set out in this paragraph where it is desired to effect net reductions in the company's receipts under subcontracts. Under this article the company agrees to pay directly to the Government a specified rebate measured by designated subcontract prices received during a particular period. The company does not reduce its prices to its customers. The rebate will not be based on prime contract sales. This technique may be used only in one of the following cases:

(1) Where the subcontractor cannot distinguish at the time of invoicing between sales for war end-use and sales for civilian end-use.

(2) Where the subcontractor's price structure cannot be changed without serious post-war results, provided that the chief of the technical service determines that (i) the existing price structure has been developed through a long previous competitive period, (ii) present prices are comparable to those prevailing before the war, (iii) the pre-war price structure was a firm one and not simply a list from which competitive discounts were quoted, (iv) the articles involved will probably be sold after the war in similar form to that in which they were sold before the war, and (v) changed prices in war time would be likely to disrupt the post-war market.

(e) *Understanding as to future pricing policies.* A company pricing review may result in an agreement or understanding as to policies to be followed by the company and reflected in the pricing of contracts thereafter to be negotiated during a specific period. Examples of the types of improvement in pricing policies which may be the subject of such an understanding are listed in § 812.1220-2 (a). That list is not however intended to be exclusive. Because of the nature of such understandings ordinarily it will not be the intention of the parties to make them legally binding.

§ 812.1222-3 *Voluntary retroactive refunds.* (a) A retroactive refund relates only to past business of the company. It is not the policy of the War Department to solicit retroactive refunds in connection with company pricing reviews. Offers of refunds of excessive profits for previous fiscal years will not be dealt with in connection with company pricing reviews but will be referred to the appropriate price adjustment section.

(b) Offers of retroactive refunds of profits accumulated during the current fiscal year may be considered and accepted in connection with a company pricing review where the company desires to effect a reduction of its profits for the current fiscal year. In such cases the refunds will be handled in accordance with current fiscal regulations. (See War Department Memorandum 35-45, June 25, 1945). In § 812.1224-6 there is set out a suggested form of letter agreement designed to secure for such a refund the protection of section 3806 of the Internal Revenue Code. In cases

where the company desires to have the refund considered as a prepayment of excessive profits under the Renegotiation Act the offer will be referred to the appropriate price adjustment section for handling under the Renegotiation Regulations.

(c) No provisions for a retroactive refund will be included in any company pricing agreement which is or is intended to be legally enforceable, whether or not the refund is handled by a price adjustment section.

(d) Whenever the refund is based on or measured by procurement of the Reconstruction Finance Corporation the refund will be allocated between the Reconstruction Finance Corporation and the Treasurer of the United States in the manner provided by § 1605.5025 of Title 32, Chapter XIV, of the Code of Federal Regulations.

§ 812.1223 *Procedure after completion of company pricing review.*

§ 812.1223-1 *Procedure in event of failure to agree.* If it is impossible to conclude an agreement on a voluntary basis, the chief of the responsible technical service, after exhausting every possible alternative, will discontinue company pricing negotiations and make a report of the disagreement, through channels, to the Director, Purchases Division, Headquarters, ASF. This report will be made on the standard report form (§ 812.1225) and will include an outline of the negotiations, a statement of the reasons for disagreement, and a specific recommendation as to further action, including, if justified under the policy set forth in § 812.1275 et seq., action under Title VIII of the Revenue Act of 1943, in which event the information required by § 812.1276 must be furnished.

§ 812.1223-2 *Report of results of company pricing review.* The standard report form (§ 812.1225) will be prepared for each company reviewed (whether Class A or B) unless its selection has been cancelled. The form will be completed even when no agreement is reached, or when the company is placed upon the supervised list. If a standard form of report has previously been prepared, subsequent reports need include only the information which differs from that previously forwarded, together with adequate references to prior reports.

§ 812.1223-3 *Numbering and distribution of agreements and reports.* (a) Any company pricing agreement which may involve the receipt or expenditure of public monies will be numbered and distributed in accordance with Subparts C and D of Part 803 of this subchapter unless the agreement indicates clearly that the parties do not intend that it shall be legally binding.

(b) The chief of the responsible technical service will also furnish copies of each standard form of company pricing report and the related company pricing agreement as follows:

(1) One copy to the Headquarters office of each other interested service or department, marked to the attention of the company pricing coordinator;

(2) Two copies through channels to the Director, Purchases Division, Head-

quarters, ASF, together with a list of the services and departments to which copies were sent pursuant to subparagraph (1);

(3) One copy direct to the Price Adjustment Section to which the company is currently assigned for renegotiation; and

(4) One copy of the standard report form only direct to the company pricing coordinator, Procurement Division ATSC, Wright Field, Dayton, Ohio.

(c) Additional distribution of reports and agreements will be made as required within the technical services to contracting officers, price analysis sections and price adjustment sections, fiscal officers, certifying officers, disbursing officers, purchase inspectors under cost-plus-fixed-fee contracts and others.

(d) The Director, Purchases Division, Headquarters, Army Service Forces, publishes a cumulative monthly list of all company pricing agreements currently in effect and also issues weekly supplements to that list. Services which desire additional copies of any agreement will determine from these lists the office which concluded the agreement and will request the desired copies directly from the company pricing coordinator of that office.

§ 812.1223-4 *Administrative responsibilities.* The chief of a technical service, upon receipt of a copy of a company pricing agreement, will be responsible for taking any action necessary to put the agreement into effect with respect to existing contracts with or future purchases by his service. The chief of the technical service responsible for conducting company pricing will be responsible for all other action necessary to put the company pricing agreement into effect, including the handling of overall refunds and rebates, the conduct of periodic reviews and any similar action. He will also be responsible for periodic review of the prices and pricing policies of companies placed on the "supervised list" (see § 812.1221-5).

§ 812.1224 *Approved forms.* Contract articles for insertion in agreements resulting from company pricing reviews are set forth in §§ 812.1224-1 through 812.1224-3. These articles may be inserted either in a skeleton forward pricing article (see § 812.1224-4) in a renegotiation agreement made at the conclusion of a statutory renegotiation, or in a skeleton company pricing agreement (see § 812.1224-5). As indicated in § 812.1222-2 (a), these articles and forms of agreement may be modified by the chiefs of technical services without approval of higher authority, provided that there is no change in substance.

§ 812.1224-1 *Article for specific price change.*

*Article ---- Modifications of prices under specific contracts (or for specific items).* The prices for the items listed on Schedule A furnished by the Company to the Government (or to the vendee) shall be modified in the amounts and at the time set out in that schedule.

SCHEDULE A

As stated in Article ---- [Modification of prices under specific contracts (or for specific items)] the prices under the contracts and

for the items set out below shall be modified in the amounts and at the time shown below.

- (1) Contract number.
- (2) Name of item.
- (3) Old price.
- (4) New price.
- (5) Effective time of price change. (May be stated as the date of shipment or of delivery, or with reference to the number of items already delivered under the particular contract.)<sup>1</sup>

§ 812.1224-2 *Article for discounts.*

*Article ---- Discounts.* (1) The Contractor agrees that during the period from \_\_\_\_\_ to \_\_\_\_\_ it will allow to the vendee a discount of \_\_\_\_\_% on each sale of the types described in Schedule A made during that period. It is contemplated that for each succeeding (three months) period the parties hereto will negotiate to agree upon (1) the rate of discount to be allowed by the Contractor during such (three months) period and (2) the sales with respect to which such discount shall be applicable. All discounts called for under this Article will be effected by appropriate reductions in the net amounts payable to the Contractor shown in each billing affected by this Article. Each invoice will bear a stamp which states, "Special discount granted in recognition of the volume of war business done directly or indirectly with all departments of the United States Government. Remittance for the net amount shown on the invoice will be accepted in full payment of the items enumerated herein."

(2) Not later than twenty days before the beginning of each subsequent discount period the Contractor will submit to the (Government representative) (1) a Statement (estimated to the extent necessary) of its total sales and costs and of the aggregate sales and related costs with respect to which the Contractor has agreed to allow a discount for the current discount period;<sup>2</sup> and (2) an estimate of its total sales and costs for the next discount period, which estimate shall be as accurate as can reasonably be made at that time.

(3) Upon each filing of the data required under paragraph (2) of this Article, the Contractor and the (Government representative) will negotiate in good faith to agree upon the rate of discount to be allowed by the Contractor during the next discount period and the sales with respect to which such discount shall be applicable. In negotiating the rate of discount consideration will be given to the statements submitted by the Contractor as herein provided and to all factors pertinent to the negotiation of a new contract. Whenever the Contractor by skillful management has reduced costs, and the Government would benefit therefrom by an increased rate of discount for the next discount period, the amount of increase in the discount may be so limited as to provide an increase in the contemplated margin of profit for the next discount period.

(4) After each negotiation any agreement reached will be evidenced by a supplemental agreement to this agreement stating the rate of discount and the sales with respect to which such discount shall be applicable. If no agreement can be reached prior to the commencement of the discount period under consideration, this contract shall terminate.

(5) The Contractor agrees that after the rate of discount for any discount period has been agreed upon, it will not during the

<sup>1</sup> See also Schedule A, § 812.1224-2 for suggestions as to identification of subcontract and item prices.

<sup>2</sup> If desired, clause (1) may be appropriately changed to call for experienced sales and cost data over a three-month period ending, for example, one month before the end of the current discount period.

period increase the prices which prevailed at the time of such agreement. Any price increase proposed by the Contractor for a discount period will be taken into consideration in the negotiation of a discount for that period.

(6) The Contractor agrees to supply any additional information relative to this Article which may reasonably be requested by the (Government representative) and to make its books and records available to representatives of the United States for check, verification or audit as the (Government representative) may require, and in particular without limiting the foregoing to supply any additional information as to its estimated sales and related costs of particular items or classes of items and of item sold under specified contracts or to specified vendees.

#### SCHEDULE A<sup>1</sup>

As stated in paragraph (1) of Article ---- (Discounts) the contractor will allow a discount on each sale of the following types at the rate and during the period stated in that paragraph.

(a) Sales under the following Contracts with United States:

- (1) Contract No.
- (2) Name of item.
- (3) Unit price.

(4) Number of items already delivered at the beginning of period.

(b) All sales to the following:

- (1) Name.
- (2) Address.

(c) Sales under the following specified contracts:

- (1) Name of vendee.
- (2) Number, date, and other identification of the contract, purchase order, etc.
- (3) Name of item.
- (4) Unit price.
- (5) Number of items delivered at the beginning of the period.

(d) All sales of the following items to any purchasers:

- (1) Name of items.

#### § 812.1224-3 Article for percentage rebate on prospective business.

Article ---- percentage rebate on prospective business. (1) Within 20 days after ----- (end of fiscal quarter) the Contractor agrees to pay the Government a rebate equal to -----% of the sales described in Schedule A made during the period from ----- (beginning of fiscal quarter) to ----- (end of fiscal quarter). For each succeeding three-month period, the parties hereto will negotiate (1) the rate of rebate the Contractor will pay during that period and (2) the sales by which the rebate will be measured.

(2) Not later than ----- (not more than 20 days after) the beginning of each subsequent rebate period the Contractor will submit to the (Government representative) (1) a statement of its total sales and costs and of the sales by which the rebate is to be measured and the related costs for the rebate period then most recently expired,<sup>2</sup> and (2) estimates—as reasonably accurate as possible under the circumstances—of its total sales and costs, for the rebate period then current.

<sup>1</sup> The purpose of this schedule is to identify adequately the particular transactions to which the discount is to be applied. The methods of description are illustrative and are not intended to be exclusive.

<sup>2</sup> If desired, clause (1) may be appropriately changed to call for experienced sales and cost data over a three-month period ending, for example, one month before the end of the last rebate period. However, additional figures for the rebate period itself will later be required to calculate the amount of the rebate.

(3) Upon each filing of the data required under paragraph (b) of this Article the Contractor and the (Government representative) will negotiate in good faith to agree upon the rate of rebate and the sales by which the rebate is to be measured in computing the rebate to be paid to the Government for the then current rebate period. Within 20 days after the end of a rebate period the Contractor will pay to the Government the rebate computed in the foregoing manner. In negotiating the rate of rebate, consideration will be given to the statements submitted by the Contractor as herein provided and to all factors pertinent to the negotiation of a new contract. Whenever the Contractor by skillful management has reduced costs and the Government would benefit therefrom by an increased rate of rebate for the current rebate period, the amount of increase in the rebate may be so limited as to provide an increase in the contemplated margin of profit for the current rebate period.

(4) After each negotiation any agreement reached will be evidenced by a supplemental agreement to this agreement setting forth the sales by which the rebate is to be measured and the rate of rebate for the then current rebate period. If no agreement for a rebate period can be reached within 20 days after the date on which data is required to be filed pursuant to paragraph (2) this contract shall terminate.

(5) The Contractor agrees that after the rate of rebate for any rebate period has been agreed upon it will not during that period increase the prices which prevailed at the time of such agreement. Any price increase proposed by the contractor for a succeeding rebate period will be taken into consideration in the negotiation of the rebate for that period.

(6) The Contractor agrees to supply any additional information relative to this Article which may reasonably be requested by the (Government representative), and to make its books and records available to representatives of the United States for check, verification or audit, as the (Government representative) may require, and in particular without limiting the foregoing to supply any additional information as to its estimated sales and related costs of particular items or classes of items and of items sold under specified contracts or to specified vendees.

#### SCHEDULE A

In computing the rebate required by paragraph (a) of this Article ---- (Percentage Rebate) the sales by which the rebate is to be measured shall be those sales which would be renegotiable within the meaning of the Renegotiation Act of 1943 and the Regulations thereunder as in effect at the date hereof<sup>3</sup> regardless of whether that act is in effect when such sales are made and regardless of whether such sales may not be subject to renegotiation by reason of Clause B of subsection 403 (c) 6 of that act. For the purposes of the foregoing the term "sales" shall mean billings net after deducting returns and trade discounts.<sup>4</sup> The use of re-

<sup>3</sup> If when this language is inserted the Renegotiation Act shall no longer be in effect it will be necessary to change the wording so as to refer to a date when that act was in effect.

<sup>4</sup> The method described above for determining the sales by which a price rebate on the renegotiable sales is to be measured is not intended to be exclusive. Other methods may be used. For example, in some cases it may be possible to describe the sales by which the rebate is to be measured by reference to the types of articles or the specific contracts, or classes of vendees, or the departments in vendor's company; or simply as a percentage of the contractor's total sales, etc. If any such methods are used it will be necessary to make appropriate changes to make this standard article fit the paragraph.

negotiable sales for purposes of measuring and determining the rebate payable hereunder shall be without prejudice to any segregation or determination or renegotiable sales for purposes of statutory renegotiation.

#### § 812.1224-4 Article for inclusion in a renegotiation agreement.

Article ---- Forward Pricing. (1) (Insert one or more of the standard contract Articles (see §§ 812.1224-1, 812.1224-2, and 812.1224-3) as lettered paragraphs of the forward pricing section. Appropriate changes will be made in the language in the body of the standard contract Articles and any related schedules to conform to the scheme of numbering in the renegotiation agreement.)

(2) Effect on existing contracts. It is agreed by the parties hereto that except as expressly modified hereby the contracts so enumerated herein or in any attached schedules shall remain in full force and effect. It is further agreed that this agreement shall be and be deemed to be an amendment of each of such contracts which is between the contractor and the Government.

(3) Title VIII, Revenue Act, 1943. The modifications and adjustments provided for by, and the terms of, this forward pricing Article, are without prejudice to the right of the head of any department or agency of the Government, including the Secretary of War, to exercise the powers granted him by Title VIII of the Revenue Act of 1943 under the circumstances set forth in, and in accordance with the terms of that act.

(4) Renegotiation. Any modification or adjustment, provided for in this forward pricing Article, to any of said contracts and subcontracts is without prejudice to renegotiation under the Renegotiation Act of the sums received or accrued under said contracts and subcontracts in any period during which such modification or adjustment is in effect.

(5) Duration. This forward pricing Article may be altered, amended or terminated by agreement of the parties at any time or from time to time. Failing such action it shall remain in full force and effect until -----

(date)

#### § 812.1224-5 Over-all Company Pricing 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 -----<sup>1</sup> a corporation organized and existing under the laws of the State of -----<sup>1</sup> a partnership consisting of -----

<sup>1</sup> an individual trading as -----

of the city of ----- in the State of ----- (hereinafter called the Company), witnesseth that the parties hereto do mutually agree as follows:

Whereas this contract is authorized by and negotiated under the First War Powers Act of 1941 and Executive Order No. 9001; and

Whereas, the Company sells items which immediately or ultimately are used in the production of end products purchased by the Government in its war procurement; and

Whereas, the prices for such items are payable, directly or indirectly, by the Government, and

Whereas, the Secretary of War has made inquiry whether, in the light of existing circumstances, the prices for such items are fair and reasonable; and

Whereas, as a result of this inquiry the parties hereto after negotiation have reached

<sup>1</sup> Delete all lines which do not apply.

an agreement for the modification of the prices for such items; and

Whereas, as a result of such negotiations the parties hereto are willing entirely to rescind the contracts under which such items are furnished by the Company together with all rights and liabilities contained therein and to enter into new contracts embodying the modifications in prices agreed to herein, but have determined that such rescission of such contracts is inconvenient and administratively undesirable; and

Whereas, the Company represents that the prices for such items as modified by Article hereof are fair and reasonable.

Now, therefore, the parties hereto in consideration of the premises and intending to be legally bound do mutually agree as follows:

ARTICLE 1. (Insert here one or more of the standard contract articles—see §§ 812.1224-1, 812.1224-2, and 812.1224-3, modified to fit the particular agreement.)

ARTICLE ... Effect on existing contracts. It is agreed by the parties hereto that except as expressly modified hereby the contracts enumerated herein or in any attached schedules shall remain in full force and effect. It is further agreed that this agreement shall be and be deemed to be an amendment of each such contract which is between the contractor and the Government.

ARTICLE ... Title VIII, Revenue Act, 1943. The modifications and adjustments provided for by, and the terms of, this agreement, are without prejudice to the right of the head of any department or agency of the Government, including the Secretary of War, to exercise the powers granted him by Title VIII of the Revenue Act of 1943 under the circumstances set forth in, and in accordance with the terms of, that act.

ARTICLE ... Renegotiation. Any modification or adjustment provided for in this agreement to any of the contracts enumerated herein, or in any attached schedules, is without prejudice to renegotiation under the Renegotiation Act of the sums received or accrued under said contracts in any period during which such modification or adjustment is in effect.

ARTICLE ... General provisions. (a) Officials not to benefit. (§ 803.322) (b) Covenant against contingent fees. (§ 803.323) (c) Anti-discrimination. (§ 803.325) (d) Disputes. (§ 803.326)

ARTICLE ... Duration This agreement shall remain in full force and effect until (date)

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) (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 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 \_\_\_\_\_, 194\_\_\_\_ [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. § 812.1224-6 Letter agreement. Date \_\_\_\_\_ Procurement District \_\_\_\_\_

GENTLEMEN: Our check in the amount \$\_\_\_\_\_ payable to the order of the Treasurer of the United States [is] [was] forwarded [herewith] [by our letter dated \_\_\_\_\_].

This payment [is] [has been] tendered upon the following conditions:

- 1. The payment represents a reduction of prices charged by us with respect to contracts with the United States, or any agency thereof, or subcontracts thereunder. 2. The payment is made with respect to our receipts or accruals during our fiscal year ending \_\_\_\_\_. 3. The payment (a) shall not constitute a final or other agreement as to the amount of excessive profits, as defined by the Renegotiation Act, received or accrued by the undersigned, or a "renegotiation" as that term is used in the Renegotiation Act, or any subsection thereof; but (b) shall constitute a refund of "excessive profits" pursuant to a "renegotiation" as those terms are defined in section 3806 (a) (1) of the Internal Revenue Code. 4. No part of the payment shall be refunded to the undersigned as a result of any subsequent renegotiation pursuant to the Renegotiation Act, or pursuant to any contract article inserted in accordance with said Act. 5. The payment shall be considered as a rebate made pursuant to our letter dated \_\_\_\_\_ 1945 with respect to our prices and pricing policies and your reply dated \_\_\_\_\_.

If you agree to the foregoing conditions, please endorse your acceptance upon the original and copy of this letter and return the copy to the undersigned.

Very truly yours, \_\_\_\_\_ By \_\_\_\_\_ (Title) Accepted: \_\_\_\_\_ UNITED STATES OF AMERICA, By \_\_\_\_\_ (Title)

§ 812.1225 Standard form of report. Attached to every company pricing agreement, understanding, or report of other disposition forwarded to the Director, Purchases Division, Headquarters, ASF, the individual responsible for company pricing will supply the information indicated below. Any information which is not appropriate in a particular case may be omitted, with an adequate explanation such as "Not considered relevant in this case because \_\_\_\_\_" or, "Would not contribute materially to the accomplishment of the objectives of company pricing."

- 1. General Information. (a) Name and address of company. (b) Statutory renegotiation: service and district to which company was last assigned; fiscal year and date of completion. (c) Company pricing: service and district which selected company; period covered; and date of completion. (d) Principal products: peacetime and wartime.

(e) Procurement interests of Army services and other Government departments; estimate in dollars of uncompleted portions of prime contracts and subcontracts of each agency, and total (if dollar estimate is not possible, indicate the approximate percentages of renegotiable sales in prime and subcontracts); also estimate in dollars of total of uncompleted portions of subcontracts as to which interested service or department cannot be identified. What portion of the business is represented by contracts containing price adjustment clauses?

(f) If company is a subcontractor, the names and addresses of its important war customers, where the agreement will have substantial effect on the costs of the end item purchased on Government prime contracts.

2. Recruit and description of company pricing.

- (a) Description of agreement. (i) State form: Legally binding or non-binding. (ii) State type: Specific price reductions; Discount on current invoices; Specific percentage rebate from specific prices on prospective sales; Understanding as to other pricing policies; Assignment to the supervised list; or disagreement. (iii) State briefly: main provisions of agreement, or reasons for other disposition. (iv) State whether agreement affects existing prime contract prices, or first-tier subcontract prices under CPEF primes, or any other service or department; and whether it restricts the activities of any other service or department in negotiating prices in future prime contracts or first-tier subcontracts under CPEF primes.

(b) Statement on coordination: have services and departments affected participated in meetings on, delegated authority for, or otherwise concurred in any provisions which (1) change the prices in their existing prime contracts or first-tier subcontracts under CPEF primes, or (2) restrict their pricing activities with respect to future prime contracts or first-tier subcontracts under CPEF primes. (c) Schedule of dates: Effective date; Overall expiration date; Period for which agreement is firm pending the next review or interim negotiation; Dates for review during life of agreement; and date for review prior to expiration. (d) Statement on rebate article if used: how does company meet requirements for use of rebate article in § 812.1222-2 (d).

3. Interpretation and appraisal of company pricing. (a) State briefly the reasons for selecting the company for company pricing. (b) Indicate trends in the company's prices and costs. (c) Indicate comparative prices and costs, and the trends thereof. (d) Summarize the extent to which estimated costs are supported as to their accuracy by realized costs on finished work. (e) Summarize the company's methods of estimating costs for pricing purposes. Indicate particularly the methods of computing overhead rates, and the frequency with which they are corrected. Indicate also any improvements in estimating which the company pricing review brought about.

(f) State whether the company's cost accounting system is designed for item, class, job, or process costing, and whether it is based on standard or actual costs. Describe particularly the promptness of correction of rates to reflect current volume of business, the effect of such corrections in developing accurate overhead rates and absorptions in the past, and any improvements which company pricing brought about.

(g) Evaluate the company's purchasing methods and practices. Describe any improvements which company pricing brought about.

(h) Describe and evaluate any cost and efficiency controls which the company may have in effect.

(i) Indicate any other relevant aspects of the company's general pricing policies and practices, including estimated profit margins, and changes and improvements therein for the purpose of obtaining sounder prices under individual contracts.

#### 4. Financial data.

Submit operating statements for the periods indicated, in the following tabular forms:

(a) The most recent completed fiscal period for which the results of renegotiation are available. (Final or preliminary figures available to FAB).

Particulars	Renegotiable Business		Total Business	
	Before Reneg.	After Reneg.	Before Reneg.	After Reneg.
Sales				
Profit before taxes				
% of sales				

(b) The most recent quarter or similar accounting period. (Before renegotiation reserves. Actual or estimated figures.)

Particulars	Renegotiable Business		Total Business	
	Company Pricing	Company Pricing	Company Pricing	Company Pricing
Sales				
Profit before taxes				
% of sales				

(c) Projected figures for the fiscal period covered in company pricing, by quarters or for the entire year. If the agreement includes a retroactive refund for a portion of the period, supply a separate projection of operating data for the forward pricing portion of the period alone.

Particulars	Renegotiable Business		Total Business	
	Company Pricing	Company Pricing	Company Pricing	Company Pricing
Sales				
Profit before taxes				
% of sales				

5. (a) The office which conducted the company pricing review will state its opinion on the following:

(1) Accuracy, reliability, and adequacy of the financial data submitted by the company.

(2) The adequacy of the arrangement entered into, in the light of the principles laid down in the procurement regulations and ASF Manual M-609, and in the circumstances of the particular case.

(b) What other types of agreement were offered to the contractor, but not accepted by him?

#### 6. Include any other pertinent remarks:

(a) Any action which other interested departments or services should take in amending their contracts with the company, or in following up subcontract price reductions.

(b) Any guidance which can be given to contracting officers to aid them in negotiating individual contract prices. (Refer to above statements on estimating and accounting methods if appropriate.)

(c) Any other comment on the company or the results of the company pricing review.

#### APPENDIX

In § 812.1290-2, RR 841 and RR 844 are amended to read as follows:

§ 812.1290-2 *Interpretation and application of the mandatory exemption relating to contracts for certain raw materials and agricultural commodities.* \* \* \*

RR 841 provides as follows:

841 *Raw Material Exemption.* Pursuant to subsection. (1) (2) of the 1943 Act the War Contracts Board has issued the following regulations concerning the exemption of contracts and subcontracts for certain products of the kind described in subsection (1) (1) (B) of the 1943 Act.

(1) The term "exempted products," as used in this regulation, shall mean any of the following products:

Aggregates including such items as washed or screened sand, gravel or crushed stone. Alumina; aluminum sulfate; aluminum ingots and pigs.

Asphalt, natural.

Antimony ore, crude; antimony ore, concentrated; antimony metal; antimony oxide; antimony sulfide.

Arsenic, crude; arsenic powder; arsenious oxide (white arsenic).

Asbestos rock; asbestos fibre.

Barite, crude crushed.

Bauxite, crude; calcined or dried bauxite; bauxite abrasive grains.

Bentonite, dried, crushed, granulated and pulverized.

Beryll ore and concentrates; beryllium oxide; beryllium metal; beryllium master alloys. Bismuth metal.

Borax.

Cadmium flue dust; cadmium oxide; cadmium balls and slabs.

China clay; kaolin; fire clay; brick and tile made from clays other than kaolin, china and fire clay.

Chlorine and hydrogen produced directly by electrolysis of salt brine.

Chromium ore and ferrochrome; chromite not processed beyond the form or state suitable for use as a refractory; bichromates.

Coal, prepared; run-of-mine coal.

Cobalt oxide; cobalt anodes, shot and rounds.

Columbium ore and concentrates; columbium oxide; ferrocolumbium.

Copper ore, crude; copper ore, concentrated; copper matte; blister copper; copper billets, cathodes, cakes, ingots, ingot bars, powder, slabs and wirebars.

Corundum ore and concentrates; corundum grain.

Cryolite ore and concentrates.

Diaspore; diaspore brick.

Diatomaceous silica, lump, block, brick and powder.

Dolomite; crushed dolomite.

Feldspar, crude and ground.

Ferrosilicon.

Fluorspar ore; fluorspar fluxing gravel; lump ceramic ground fluorspar; acid grades of fluorspar.

Fuller's earth.

Gas, natural, not processed or treated further than the processing or treating customarily occurring at or near the well.

Graphite ore and concentrates; flake graphite; graphite fines, lump and chip; graphite powder.

Gypsum, crude; calcined gypsum.

Indium metal.

Industrial diamonds.

Iridium metal, including ingot and powder.

Iron ore, crude; pig iron.

Kyanite ore and concentrates; kyanite brick.

Lead ore; refined lead bars, ingots and pigs; antimonial lead bars, ingots and pigs.

Limestone; crushed limestone.

Lithium bearing ores and concentrates.

Magnesite; dead burned magnesite.

Magnesium-bearing minerals, including brucite; magnesium oxide; magnesium chloride; metallic magnesium, pigs and ingots.

Mercury ore; mercury metal.

Manganese ore; ferromanganese, including spiegeleisen; silicomanganese.

Mica, crude, hand-cobbed; block mica; sheet mica, including splittings; wet or dry ground mica.

Molybdenum ore and concentrates; molybdenum oxide; calcium molybdate; ferromolybdenum.

Monel ore; monel matte; monel ingots, pigs, and shot, produced from monel matte.

Natural gasoline; casinghead gasoline; residue gas.

Nickel ore and concentrates; nickel matte; nickel oxide; nickel ingots; cathodes and shot.

Oil, crude, not processed or treated further than the processing or treating customarily occurring at or near the well.

Osmium metal, including ingot and powder.

Palladium metal, including ingot and powder.

Phosphate rock; elemental phosphorus; ferrophosphorus; phosphorus pentoxide and phosphoric acid derived directly by treatment of phosphate rock; superphosphate.

Platinum ore and concentrates; platinum metal, including ingot and powder.

Pumice, lump.

Quartz, crystal, raw.

Radium bromide; radium sulfate; radium gas.

Rhodium metal, including ingot and powder.

Ruthenium metal, including ingot and powder.

Salt, rock; evaporated salt; soda ash, ammonia and electrolytic caustic soda and bicarbonate of soda when derived directly by treatment of brine.

Sea shells; oyster shells; clam and reef shells.

Selenium metal.

Silver, refined, including bars, shot, powder and grains.

Sodium aluminate.

Stone, rough dimension.

Sulfur crude.

Sulfuric acid; oleum (other than sulfuric acid of oleum produced from crude sulfur or any other product having an industrial use).

Standing timber, logs, logs sawed into length, and logs with or without bark.

Talc, crude, ground and sawed.

Tantalum ore and concentrates; tantalum double fluoride.

Tellurium metal.

Tin ore and concentrates; refined pig tin.

Titanium-bearing ores and concentrates, including ilmenite and rutile; titanium oxide; ferrotitanium; ferro carbon titanium.

Tungsten ore and concentrates; sodium tungstate; ferrotungsten; tungsten metal, including powder; tungstic oxide; tungstic acid.

Uranium ores and concentrates; uranium oxide.

Vanadium ores and concentrates; sodium vanadate; vanadium pentoxide; ferrovandium.

Whiting; chalk lump.

Zeolites derived from Glauconite.

Zinc ores and concentrates; zinc anodes, bars, oxide, powder and slabs.

Zirconium ores and concentrates.

(2) Subject to the provisions of paragraph (3) hereof, it is determined that each of the exempted products is "the product of a mine, oil or gas well, or other mineral or natural deposit, or timber, which has not been processed, refined, or treated beyond the first form or state suitable for industrial use" within subsection (1) (1) (B) of the Renegotiation Act. The provisions of such Act shall not apply to contracts and subcontracts for any of the exempted products.

(3) This determination is made under the principles set forth in paragraph 344.1 of the Renegotiation Regulations, including subdivision (2) (d) thereof. The products listed under paragraph (1) of this regulation are exempt only when they represent products of a mine, oil or gas well, or other mineral or natural deposit, or timber, which have not been processed, refined or treated beyond the first form or state suitable for industrial use and are not exempt if manufactured from raw materials which do not fall within the above description or which have at some prior stage been processed, refined or treated beyond such first form or state suitable for industrial use. For example, magnesium products derived from sea water, products manufactured from the atmosphere, secondary aluminum pigs and ingots, and other similar products are not considered exempted products.

(4) This determination applies to fiscal years ending after June 30, 1943.

(5) This regulation may be amended from time to time, revising, amending or supplementing the list of exempted products contained in paragraph (1) hereof.

RR 844 provides as follows:

844. List of Exempted Agricultural Commodities. Determination of the War Contracts Price Adjustment Board of the exemption from renegotiation of contracts and subcontracts for agricultural commodities under section 403 (i) (1) (C) of the Renegotiation Act of 1943.

1. Pursuant to the authority conferred upon the War Contracts Price Adjustment Board by Section 403 (i) (2) of the Renegotiation Act of 1943, the Board hereby determines that under subsection (i) (1) (C) of such section, relating to the exemption of contracts or subcontracts for agricultural commodities, the form or state indicated in the following list, is the last form or state at which the exemption applies:

Agricultural commodity	Last form or state at which exemption is to apply
Beans and peas, dry.	Threshed.
Beeswax	In the comb, or in bulk (not packed).
Berries, edible	Fresh.
Cinchona bark	As bark (unprocessed).
Cocoa bean	Fermented and dried.
Coffee	Beans (green).
Corn	As grain (shelled).
Cotton	Ginned (in the bale).
Cottonseed	Unprocessed (as they come from the gin).
Cream, fluid	As sold from farms (not pasteurized).
Drugs (botanical)	Crude (unground, unprocessed, unstandardized, unpurified) as customarily sold by the basic producer.
Eggs	In the shell (raw).
Fiber flax straw	Deseeded (baled or unbaled).
Flaxseed (linseed)	As seed (unprocessed).
Fruits, edible	Fresh.
Gum opium	As gum in its natural state.
Hay	Baled or unbaled.
Hemp fiber	In bales.
Honey	Crude or "country run."
Jute and sisal fiber	In bales.
Latex (base for chewing gum)	Crude, not processed beyond coagulation or dehydration, for handling and shipping.
Livestock	On the hoof.
Milk, raw fluid	As sold from farms (not pasteurized).
Peanuts	In the shell (raw).
Pine gum	Not distilled or purified.
Poultry	Alive.

Agricultural commodity	Last form or state at which exemption is to apply
Rice	Rough, unpolished (as it comes from the thresher).
Sugar beets	As beets.
Sugar cane	As cane.
Tobacco	Not processed beyond the form or state at which farmers ordinarily sell it.
Tree nuts, edible	In the shell (raw).
Vegetables	Fresh.
Vegetable seeds	Not processed beyond the form or state at which they may be used as seeds.
Wheat, rye, oats and barley	As threshed grain.
Wool	In the grease (as clipped from live animals).

2. This determination is made under the principles set forth in paragraph 344.2 of the Renegotiation Regulations including subdivision (2) (b) thereof.

3. This determination applies to all receipts or accruals under any contract or subcontract for the commodities listed in paragraph 1 of this regulation regardless of the date when such contract or subcontract was made.

4. This regulation may be amended from time to time, revising, amending or supplementing the list of exempted commodities contained in paragraph 1 hereof.

[Procurement Reg. 13]

PART 813—FORMS OF CONTRACTS

1. The note preceding the text of Part 813 is amended to read as follows:

NOTE: The regulations governing the use of the contract forms in this part are contained in Subparts A, B, C, D, E and F of Part 803 of this subchapter.

Many of the clauses to be included when these forms are used are not set forth in full in the forms themselves, but are incorporated only by reference to particular sections in Subpart H of Part 803 of this subchapter, in which they are set forth. These clauses will be included only as provided in such sections.

Where, as in the case of many of the short forms (see § 813.1317), the forms themselves contain shorter or modified versions of some of these clauses, the use of the shorter or modified versions is authorized notwithstanding the provisions of Subpart H. Except in the case of clauses required to be inserted without deviation, it will often be found desirable to change some of the words and phrases in the clauses set out in Subpart H to conform them to those used in other parts of the contract in which they will appear.

All or some part of War Department Contract Forms Nos. 1-4, 8-10, 12-10, 20-23, 23A and 27-34 are set forth in this Part 813, the parts not set forth in full being incorporated by reference to specific sections elsewhere in the Procurement Regulations. Certain short forms of contracts for procuring supplies or materials (including War Department Contract Forms No. 9, 383, 383a, 383b, 383c, 18, 47, 47a, 5, 19 and 6) are similarly set forth in § 813.1317 and the succeeding sections bearing numbers beginning with § 813.1317. Certain instructions as to the use of Standard Procurement Form No. 3 and related forms, and Standard Procurement Form No. 4, are contained in §§ 813.1327 and 813.1327a.

2. In § 813.1310, paragraph 3 of the letter order is amended to read as follows:

§ 813.1310 *W. D. Contract Form No. 10.*

3. All applicable articles (other than the article "Termination at the Option of the Government") now required by Federal law, Executive order, or War Department procurement regulations to be included in contracts for work of the kind herein described are incorporated herein by reference.

3. A new § 813.1311 is added as follows, and former §§ 813.1311, 813.1311a, 813.1311b and 813.1311c are redesignated §§ 813.1311a to 813.1311d, inclusive, respectively, and amended to read as follows:

§ 813.1311 *Forms of contracts with Reconstruction Finance Corporation.* By Joint Resolution of Congress (Public Law 109—79th Congress), approved June 30, 1945, Defense Plant Corporation, Metals Reserve Company and Defense Supplies Corporation were dissolved, and their assets and liabilities were transferred to Reconstruction Finance Corporation, of which they had been subsidiaries. Business formerly conducted by said corporations is currently being conducted by Reconstruction Finance Corporation through its newly established Office of Defense Plants, Office of Metals Reserve and Office of Defense Supplies, respectively; and the forms of contract formerly set forth in this section and in §§ 813.1311a, 813.1311b and 813.1311c have been amended to reflect this change, and said sections renumbered 813.1311a, 813.1311b, 813.1311c and 813.1311d, respectively.

§ 813.1311a *W. D. Contract Form No. 13A.* Sale of property to War Department by Reconstruction Finance Corporation (Office of Defense Supplies).

Contract No. \_\_\_\_\_

CONTRACT  
(SUPPLIES)  
WAR DEPARTMENT  
and  
RECONSTRUCTION FINANCE CORPORATION

Contract for \_\_\_\_\_  
Amount \_\_\_\_\_  
Location \_\_\_\_\_  
Payment: To be made by \_\_\_\_\_,  
U. S. Army, at \_\_\_\_\_

The supplies and services to be obtained by the instrument are authorized by, are for the purposes set forth in, and are chargeable to the following allotments, 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 \_\_\_\_\_, 19\_\_\_\_, by the United States of America (hereinafter called the Government), represented by the Contracting Officer executing this contract, and Reconstruction Finance Corporation (hereinafter called the Contractor) a corporation organized and existing under and by virtue of an Act of Congress of the United States, approved January 22, 1932 (27 Stat. 5), as amended and supplemented, having its principal office in Washington, D. C., witnesseth that the parties agree as follows:

ARTICLE 1. *Scope of this Contract.* (Insert Article 1, § 813.1301).

ART. 2. *Changes.* (Insert Article 2, § 813.1301).

- ART. 3. *Extras.* (Insert Article 3, § 813.1301).
- ART. 4. *Inspection.* (Insert Article 4, § 813.1301).
- ART. 5. *Delays—damages.* (Insert § 803.352).
- ART. 6. *Responsibility for supplies tendered.* (Insert Article 6, § 813.1301).
- ART. 7. *Increase or decrease.* (Insert Article 7, § 813.1301).
- ART. 8. *Payments.* (Insert Article 8, § 813.1301).
- ART. 9. *Officials not to benefit.* (Insert § 803.322).
- ART. 10. *Covenant against contingent fees.* (Insert § 803.323).
- ART. 11. *Disputes.* (Insert § 803.326).
- ART. 12. *Termination for convenience of the Government.* (Insert § 803.324).
- ART. 13. *Notice of shipments.* (Insert § 803.328).
- ART. 14. *Subcontractor.* (Insert Article 18, § 813.1301).
- ART. 15. *Anti-Discrimination.* (Insert § 803.325).
- ART. 16. *Convict labor.* (Insert § 803.345).
- ART. 17. *Definitions.* (Insert Article 23, § 813.1301).
- ART. 18. *Alterations.* (Insert Article 24, § 813.1301).

In witness whereof, the parties hereto have executed this contract as of the day and year first above written.

UNITED STATES OF AMERICA,  
By \_\_\_\_\_  
(Official Title)

Two Witnesses: \_\_\_\_\_  
\_\_\_\_\_  
(Address)  
RECONSTRUCTION FINANCE CORPORATION,  
By \_\_\_\_\_  
(Business Address)  
\_\_\_\_\_  
(Address)  
(Office of Defense Supplies)

§ 813.1311b *W. D. Contract Form No. 13 B.* Sale of property to War Department by Reconstruction Finance Corporation (Office of Metals Reserve).

Contract No. \_\_\_\_\_  
CONTRACT  
(SUPPLIES)  
WAR DEPARTMENT  
and  
RECONSTRUCTION FINANCE CORPORATION  
(Office of Metals Reserve)

Contract for \_\_\_\_\_  
Amount \_\_\_\_\_  
Location \_\_\_\_\_  
Payment: To be made by \_\_\_\_\_  
\_\_\_\_\_, U. S. Army, at \_\_\_\_\_

The supplies and services to be obtained by the instrument are authorized by, are for the purposes set forth in, and are chargeable to the following allotments, the available balances of which are sufficient to cover the cost of the same: \_\_\_\_\_

This contract is authorized by the following laws: \_\_\_\_\_

CONTRACT

Subject and pursuant to the terms and conditions hereinafter stated and contained in the Exhibit hereto attached and made a part hereof:

Seller: Reconstruction Finance Corporation, 811 Vermont Avenue, N. W., Washington

25, D. C. (hereinafter called "Contractor"), agrees to sell and deliver,  
Buyer: United States of America, (hereinafter called "Government"), represented by the Contracting Officer executing this contract, agrees to buy and receive,

Material \_\_\_\_\_  
Quantity \_\_\_\_\_  
Quality \_\_\_\_\_  
Price and delivery: \_\_\_\_\_ per \_\_\_\_\_,  
f. o. b. railroad cars or trucks at \_\_\_\_\_  
\_\_\_\_\_ in accordance with delivery schedule attached. The Government is to prepare bills of lading, except where the material is sold on a delivered basis at destination designated by the Government.  
Weighing, sampling and analysis \_\_\_\_\_

Payment: Promptly upon receipt of Contractor's invoice with certificates of weights and analysis, if any, attached.

Cancellation: Notwithstanding any other provision hereof, the obligation of the Contractor to deliver any balance of \_\_\_\_\_ which might be undelivered after \_\_\_\_\_, may be canceled by Contractor after \_\_\_\_\_, upon written notice to the Government, provided the Contractor is not in default. Such cancellation shall be effective upon receipt of such notice.

EXECUTED IN QUADRUPPLICATE

Dated \_\_\_\_\_  
RECONSTRUCTION FINANCE CORPORATION  
(Contractor)  
By \_\_\_\_\_  
(Office of Metals Reserve)  
UNITED STATES OF AMERICA,  
By \_\_\_\_\_  
(Official Title)

NOTE: Exhibit to be attached to W. D. Contract Form No. 13B (§ 813.1311b).

EXHIBIT

- ARTICLE 1. *Changes.* (Insert § 803.329a).
- ART. 2. *Extras.* (Insert Article 3, § 813.1301).
- ART. 3. *Inspection.* (Insert Article 4, § 813.1301).
- ART. 4. *Delays — damages.* (Insert § 803.352).
- ART. 5. *Responsibility for supplies tendered.* (Insert Article 6, § 813.1301).
- ART. 6. *Payments.* (Insert Article 8, § 813.1301).
- ART. 7. *Officials not to benefit.* (Insert § 803.322).
- ART. 8. *Covenant against contingent fees.* (Insert § 803.323).
- ART. 9. *Disputes.* (Insert § 803.326).
- ART. 10. *Termination at the option of the Government.* (Insert Article 1 from § 803.324).
- ART. 11. *Notice of shipments.* (Insert § 803.328).
- ART. 12. *Subcontracting.* (Insert § 803.367).
- ART. 13. *Anti-discrimination.* (Insert § 803.325).
- ART. 14. *Convict labor.* (Insert § 803.345).
- ART. 15. *Assignment of rights hereunder.* No claim under this contract shall be assigned.
- ART. 16. *Disclosure of information.* (Insert § 803.336).
- ART. 17. *Employment of aliens.* (Insert § 803.337).
- ART. 18. *Definitions.* (Insert Article 23, § 813.1301).
- ART. 19. *Alterations.* (Insert Article 24, § 813.1301).

§ 813.1311c *W. D. Contract Form No. 13C.* Sale of property to War Department by Reconstruction Finance Corporation (Office of Defense Plants).

Contract No. \_\_\_\_\_  
CONTRACT  
(SUPPLIES)  
WAR DEPARTMENT  
and  
RECONSTRUCTION FINANCE CORPORATION  
Contract for \_\_\_\_\_  
Amount \_\_\_\_\_  
Location \_\_\_\_\_  
Payment: To be made by \_\_\_\_\_

The supplies and services to be obtained by the instrument are authorized by, are for the purposes set forth in, and are chargeable to the following allotments, the available balances of which are sufficient to cover the cost of the same: \_\_\_\_\_

This contract is authorized by the following laws: \_\_\_\_\_

This contract, entered into this \_\_\_\_\_ day of \_\_\_\_\_, 194\_\_\_\_, by and between the United States of America (hereinafter called the Government), represented by the Contracting Officer executing this contract, and Reconstruction Finance Corporation (hereinafter called the Seller), a corporation organized and existing under and by virtue of an Act of Congress of the United States, approved January 22, 1932 (47 Stat. 5), as amended and supplemented, witnesseth that the parties hereto do mutually agree as follows:

ARTICLE 1. *Scope of this contract.* The seller shall sell and deliver and the Government shall buy and accept the property listed in the following schedule, in consideration of the price stated therefor: *Provided, however,* That if at the time of delivery of any such property to the Government a maximum price lower than that stated below shall have been established by the Office of Price Administration and shall be in effect and expressly applicable to such deliveries notwithstanding the existence of a prior contract calling for a higher price, the price hereunder for the items so delivered shall be reduced to such maximum price.

[Schedule of Property and Price]

ART. 2. *Delivery.* Delivery to the Government shall be f. o. b. point of origin, and the Government shall remove the property within \_\_\_\_\_ days after notification to it of the approval of the sale by the seller.

ART. 3. *Payment.* Payment by check to the order of the seller will be made to the seller as follows: within thirty (30) days after receipt by the Government of invoice therefor.

ART. 4. *Responsibility for property sold.* (a) The Government has had ample opportunity for full inspection of the property prior to the execution of this sales agreement and agrees to accept the property "as is". The seller makes no guarantee, warranty, or representation as to the number, quantity, kind, size, weight, quality, character, description, or condition of the property, or its fitness for any particular purpose.

(b) The Government assumes all liability for the property after notification to it of approval of the sale. The seller will exercise its usual care for protection of the property up to the time limit of removal but will not be responsible for any loss or damage for any cause whatsoever. Title to the property shall vest in the Government immediately

ately upon notification to it of approval of the sale.

ART. 5. Officials not to benefit. (Insert § 803.322).

ART. 6. Covenant against contingent fees. (Insert § 803.323, substituting "Seller" for "Contractor").

ART. 7. Definitions. The term "Contracting Officer" as used herein shall include his duly appointed successor or his authorized representative.

In witness whereof, the parties hereto have executed this contract as of the day and year first written.

THE UNITED STATES OF AMERICA, By \_\_\_\_\_

(Official Title)

RECONSTRUCTION FINANCE CORPORATION,

By \_\_\_\_\_

(Office of Defense Plants)

Two witnesses: \_\_\_\_\_

(Address)

(Address)

I, \_\_\_\_\_, certify that I am the \_\_\_\_\_ of the corporation named as seller herein; that \_\_\_\_\_ who signed this contract on behalf of the seller 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.

§ 813.1311d W. D. Contract Form No. 13D. Sale of property to Reconstruction Finance Corporation.

Contract No. \_\_\_\_\_

CONTRACT OF SALE OF PROPERTY WAR DEPARTMENT AND

RECONSTRUCTION FINANCE CORPORATION (Office of Defense Plants)

Contract for Sale of \_\_\_\_\_ Amount \_\_\_\_\_ Location of Property \_\_\_\_\_

This contract, entered into this \_\_\_\_\_ day of \_\_\_\_\_, 194\_\_\_\_, by and between the United States of America (hereinafter called the Government), represented by the contracting officer executing this contract, and \_\_\_\_\_, acting for and on behalf of Reconstruction Finance Corporation (hereinafter called the purchaser), a corporation organized and existing under and by virtue of an Act of Congress of the United States, approved January 22, 1932 (47 Stat. 5), as amended and supplemented, witnesseth that the parties hereto do mutually agree as follows:

ART. 1. Scope of this contract. The Government shall sell and deliver and the purchaser shall buy and accept the property listed in the following schedule, in consideration of the price stated therefor: Provided, however, That if at the time of delivery of any such property to the purchaser a maximum price lower than that stated below shall have been established by the Office of Price Administration and shall be in effect and expressly applicable to such deliveries notwithstanding the existence of a prior contract calling for a higher price, the price hereunder for the items so delivered shall be reduced to such maximum price.

[Schedule of Property and Price]

ART. 2. Delivery. Delivery to the purchaser shall be f. o. b. point of origin, and the purchaser shall remove the property within \_\_\_\_\_ days after notification to it of the approval of the sale by the Government.

ART. 3. Payment. Payment will be made within thirty (30) days after receipt by the purchaser of bill, invoice, or voucher, by check to the order of the Treasurer of the United States or as otherwise directed in said bill, invoice, or voucher.

ART. 4. Responsibility for property sold. (a) The purchaser has had ample opportunity for full inspection of the property prior to the execution of this sales agreement, and agrees to accept the material "as is." The Government makes no guarantee, warranty, or representation as to the number, quantity, kind, size, weight, quality, character, description, or condition of the property, or its fitness for any particular purpose.

(b) The purchaser assumes all liability for the property after notification to it of approval of the sale. The Government will exercise its usual care for protection of the property up to the time limit of removal, but will not be responsible for any loss or damage for any cause whatsoever. Title to the property shall vest in the purchaser immediately upon notification to it of approval of the sale.

ART. 5. Officials not to benefit. (Insert § 803.322 or § 813.1326a (b), Article 13).

ART. 6. Covenant against contingent fees. (Insert § 813.1326a (b), Article 12).

ART. 7. Definitions. The term "contracting officer" as used herein shall include his duly appointed successor or his authorized representative.

In witness whereof, the parties hereto have executed this contract as of the day and year first written.

THE UNITED STATES OF AMERICA, By \_\_\_\_\_

(Official Title)

Acting for and on behalf of Reconstruction Finance Corporation

By \_\_\_\_\_ Two witnesses: \_\_\_\_\_

(Address)

(Address)

I, \_\_\_\_\_, certify that I am the \_\_\_\_\_ of the corporation executing this contract; that \_\_\_\_\_ who signed this contract on behalf of said corporation, 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.

4. Section 813.1315b is amended to read as follows:

§ 813.1315b W. D. Contract Form No. 27—(a) Explanatory notes. The forms set out in this section are available for use by Procuring Agencies for the procurement of electric, gas, water or sewage service (without connection charge) as follows:

(1) Where the estimated annual expenditure under the contract is \$1,000 or less, the form set out in paragraph (b) will be used without any of the Special Provisions contained in the succeeding paragraphs.

(2) Where the estimated annual expenditure under the contract exceeds

\$1,000, the form set out in paragraph (b) will be used together with Special Provisions, as follows:

(i) Contracts for Electric Service; Special Provision A.

(ii) Contracts for Gas Service; Special Provision B.

(iii) Contracts for Water Service; Special Provision C.

(iv) Contracts for Sewage Service; Special Provision D.

(v) Contracts for Steam Service; Special Provision E.

(b) Contract forms.

Contract No. W. \_\_\_\_\_

NEGOTIATED UTILITY SERVICE CONTRACT

(No Connection Charge—Electric Gas Water Sewage Steam Service)

(Station or premises to be served)

(City) (County) (State)

Premises are: ( ) Government-owned. ( ) Government-leased.

Symbol Number of Lease \_\_\_\_\_

Name of Lessor \_\_\_\_\_

Bills will be rendered to \_\_\_\_\_ at \_\_\_\_\_

Payment will be made by Finance Officer, United States Army, at \_\_\_\_\_

Estimated annual cost hereunder: \$ \_\_\_\_\_

This contract is authorized by the following laws: First War Powers Act, 1941 (Public No. 354, 77th Cong.), and Executive Order No. 8001.

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 appropriations indicated below:

Applicable allotments, having available balances sufficient to cover the cost, will be stated on the procuring instruments or invoices (see General Provision 2).

CONTRACTOR'S PROPOSAL

Date \_\_\_\_\_

At the request of the United States the undersigned offers and agrees to furnish required \_\_\_\_\_ service, beginning on \_\_\_\_\_ 194\_\_\_\_, and thereafter until further notice (see Special Provisions, if any), for the use of the United States at the location shown above, in accordance with the rates and other terms set forth below or attached hereto; General Provisions on the reverse side hereof; and Special Provisions numbered 1 to \_\_\_\_\_ inclusive (if attached and made part hereof in accordance with the footnote entitled "Special Provisions").

(Contractor)

(Address)

By \_\_\_\_\_

Title \_\_\_\_\_

(Authorized to make this proposal)

GOVERNMENT'S ACCEPTANCE

The foregoing Proposal is accepted this \_\_\_\_\_ day of \_\_\_\_\_, 194\_\_\_\_

UNITED STATES OF AMERICA,

By \_\_\_\_\_

Title \_\_\_\_\_

(Contracting Officer)

RATES

<sup>1</sup>Delete inapplicable words. <sup>2</sup>Special provisions. When the estimated annual expenditure under this contract is more than \$1000, Special Provisions A (Electric Service), B (Gas Service), C (Water Service), D (Sewage Service) or E (Steam Service) shall be attached and made part hereof.

[Reverse Side of § 803.1315b (b)]

## GENERAL PROVISIONS

1. *Service regulations.* The matter of meters, meter accuracy, reliability of service, and all other similar matters not stipulated in this contract, shall be governed by the rules applicable and on file with the public regulatory body having jurisdiction in said matters.

2. *Payments.* For and in consideration of the faithful performance of the stipulations of this contract, the Contractor shall be paid by the designated disbursing officer for service herein contracted for, at the rates and under the terms and conditions herein set forth. The Contractor hereby declares that said rates are not in excess of the lowest rates now available to any prospective customer under like conditions of service, and agrees that during the life of this contract the Government shall continue to be billed on the lowest available rate for similar conditions of service. Recognition is given to the fact that the Government fiscal year ends on June 30. Payments hereunder shall be contingent upon the availability of appropriations therefor, and shall not be made in advance of service rendered. All bills for service shall be paid without penalty or interest and the Government shall be entitled to any discounts customarily applicable to payment of bills by all customers of the Contractor.

3. *Changes of rates.* If during the life of this contract the public regulatory body having jurisdiction receives for file in authorized manner rates that are higher or rates that are lower than those stipulated herein for like conditions of service, the Contractor hereby agrees to continue to furnish service as stipulated in this contract, and the Government hereby agrees to pay for such service at the higher or lower rates from and after the date when such rates are made effective. Such revised rate schedule, in sextuplicate, shall be promptly furnished to the Contracting Office by the Contractor for attachment to this contract.

4. *Contractor's equipment.* The Government shall provide, free of cost, suitable locations on the premises to be supplied for the installation of the meters and any other equipment of the Contractor necessary to furnish service hereunder, all of which facilities shall be and remain the sole property of the Contractor and shall, at all times during the life of this contract, be operated and maintained by the Contractor at its expense; and all taxes and other charges in connection therewith, together with all liability arising out of the negligence of the Contractor in the construction, operation or maintenance of said facilities shall be assumed by the Contractor. Authorized representatives of the Contractor will be allowed access to the facilities of the Contractor at suitable times to perform the obligations of the Contractor with respect to said facilities. The Contractor shall have the right to remove its property within a reasonable time after termination of this contract, provided termination is not due to fault of the Contractor.

5. *Officials not to benefit.* (Insert § 803.322).

6. *Convict labor.* The Contractor shall not employ any person undergoing sentence of imprisonment at hard labor.

7. *Covenant against contingent fees.* (Insert § 803.323).

8. *Anti-discrimination.* (Insert § 803.325).

9. *Assignment of rights.* If this contract is for an amount of \$1,000 or more, claims for monies due or to become due to the Contractor from the Government hereunder may be assigned to a bank, trust company, or other financing institution, including any Federal lending agency, in accordance with the Assignment of Claims Act of 1940 (Public No. 811, 76th Cong.). Payment to an assignee of

any claim hereunder shall not be subject to reduction or set-off for any indebtedness of the assignor to the United States arising independently of this contract.

10. *Definitions.* 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.

## SPECIAL PROVISIONS A: ELECTRIC SERVICE

Attached to and made part of Contract No. W \_\_\_\_\_

1. *Estimated service requirements.*

Estimated maximum demand: \_\_\_\_\_ KW  
Estimated annual consumption: \_\_\_\_\_ KWH  
(The Government is in no way obligated to use nor is it restricted to the above estimated requirements.)

2. *Point of delivery.* The point of delivery of service shall be \_\_\_\_\_

3. *Description of electric service.* Contractor will supply \_\_\_\_\_ phase, \_\_\_\_\_ wire, \_\_\_\_\_ cycle, alternating current at \_\_\_\_\_ volts.

4. *Metering and billing.* Service will be measured at \_\_\_\_\_ volts by \_\_\_\_\_ watt-hour meter(s) and \_\_\_\_\_ demand meter(s), to be furnished, installed, maintained, calibrated and read by the Contractor. The readings of the meters will be: Billed separately.<sup>1</sup> Combined for billing purposes.<sup>1</sup>

5. *Termination.* Notice of intention to terminate this contract shall be at the option of the Government and shall be given in writing by the Contracting Officer to the Contractor not less than thirty days in advance of the effective date of termination.

6. *Approval.* If the estimated maximum demand stated in paragraph 1 above is 1000 KW or more, this contract shall be subject to the approval of the War Department Power Procurement Officer and shall not be binding until so approved.

7. *Renegotiation.* (a) Unless the provisions of subparagraph (b) of this paragraph are applicable to this contract, (1) this contract shall be deemed to contain all the provisions required by sub-section (b) of the Renegotiation Act, as amended; and (2) in compliance with said sub-section (b) of the Renegotiation Act, the Contractor shall insert in the subcontracts specified in said sub-section (b) either the provisions of this Article, or the provisions required by said sub-section (b).

(b) This contract shall be exempt from statutory renegotiation if (1) the contractor hereunder is a department, bureau, agency or governmental corporation of the United States, or any Territory, possession or State or any agency thereof, or any foreign Government or agency thereof; or (2) made with a public utility for the delivery of electric power of less than 1000 kilowatts of contractual demand except that if the actual demand was 1000 kilowatts or more at any time during any particular fiscal year, amounts received or accrued under this contract for such fiscal year shall not be exempt from renegotiation by reason of anything contained in this sub-paragraph (b) (2).

8. *Disputes.* (Insert General Provision 12 of W. D. Contract Form No. 383, § 813.1317a (b).)

9. *Alterations and additions.*

## SPECIAL PROVISIONS B: GAS SERVICE

Attached to and made part of Contract No. W \_\_\_\_\_

1. *Estimated service requirements.*

Estimated maximum demand: \_\_\_\_\_ MCF per hour.

Estimated annual consumption: \_\_\_\_\_ MCF. (The Government is in no way oblig-

ated to use nor is it restricted to the above estimated requirements.)

2. *Point of delivery.* The point of delivery of gas shall be \_\_\_\_\_

3. *Quality of gas.* The Contractor will supply commercially clean and dry gas with a heat content at 14.7 pounds per square inch absolute and 60 degrees Fahrenheit of not less than \_\_\_\_\_ British thermal units per cubic foot. Deduction for failure to provide gas at the agreed heat value shall be made as follows: One per cent net of the average price per 1000 cubic feet of gas for each one per cent below the agreed heat value.

4. *Unit of measure.* A "cubic foot of gas", for the purpose of this contract, is the amount of gas necessary to fill a cubic foot of space when the gas is at a base pressure of \_\_\_\_\_ ounces per square inch above atmospheric pressure and at a base temperature of 60 degrees Fahrenheit, and the gas volumes shall be computed into such units. It is agreed that the gas shall be assumed to obey Boyle's law and no correction shall be made for any variation from this law; that the atmospheric pressure is \_\_\_\_\_ pounds per square inch; and that the flowing temperature is 60 degrees Fahrenheit.

5. *Metering and billing.* Gas will be measured by \_\_\_\_\_ meters to be (number and type)

furnished, installed, maintained, calibrated and read by the Contractor. The readings of the meters will be billed separately.<sup>1</sup> Combined for billing purposes.<sup>1</sup>

When orifice meters are used to measure gas furnished hereunder, such meters shall be of standard manufacture and shall be installed and operated in accordance with the manufacturer's specifications and recommendations. Computations of gas deliveries shall be made in accordance with the manufacturer's recommendations and shall be corrected for the specific gravity of the gas, which shall be determined by spot specific gravity tests made monthly or at more frequent intervals if required, or by a recording gravitometer.

Upon request of the Contracting Officer or his representative, the Contractor will submit to the Government records and charts from its metering equipment, together with calculations therefrom, for the Government's inspection and verification, subject to return by the Government within ten days after receipt thereof, after which return the charts and records shall be kept on file by the Contractor for the mutual use of both parties for such period and to such extent as may be required by law.

6. *Pressure.* Contractor will maintain at the point of delivery a regulated pressure within ten per cent of the pressure requested by the Contracting Officer but shall not be required to maintain more than \_\_\_\_\_ pounds or less than \_\_\_\_\_ pounds per square inch gauge.

7. *Termination.* Notice of intention to terminate shall be at the option of the Government and shall be given by the Contracting Officer not less than thirty days in advance of the effective date of termination.

8. *Renegotiation.* (a) Unless the provisions of subparagraph (b) of this paragraph are applicable to this contract, (1) this contract shall be deemed to contain all the provisions required by sub-section (b) of the Renegotiation Act, as amended; and (2) in compliance with said sub-section (b) of the Renegotiation Act, the Contractor shall insert in the subcontracts specified in said sub-section (b) either the provisions of this Article or the provisions required by said sub-section (b).

<sup>1</sup> Contractor will supply gas from its low pressure distribution system at a pressure between \_\_\_\_\_ and \_\_\_\_\_ ounces per square inch gauge.

<sup>1</sup>Delete inapplicable language.

(b) This contract shall be exempt from statutory renegotiation if:

(1) the Contractor hereunder is a department, bureau, agency or governmental corporation of the United States, or any Territory, possession or State, or any agency thereof, or any foreign Government or agency thereof; or

(2) the gas to be supplied hereunder is the product of a gas well which has not been processed, refined, or treated beyond the first form or state suitable for industrial use; or

(3) made with a public utility for the delivery of gas, except that if the amounts received or accrued hereunder during any particular fiscal year were \$50,000 or more, amounts received or accrued hereunder for such fiscal year shall not be exempt from renegotiation by reason of anything contained in this subparagraph (b) (3). (If such fiscal year is a fractional part of twelve months, the \$50,000 amount shall be reduced to the same fractional part thereof for the purposes hereof.)

9. *Disputes.* (Insert General Provision 12 of W. D. Contract Form No. 333, § 813.1317a (b)).

10. *Alterations and additions.*

**SPECIAL PROVISIONS C: WATER SERVICE**

Attached to and made part of Contract No. W-----

1. *Estimated service requirements.* Estimated daily maximum demand -----  
Estimated annual consumption -----  
(The Government is in no way obligated to use nor is it restricted to the above estimated requirements.)

2. *Point of delivery.* The point of delivery of water shall be -----

3. *Description of water service.* The Contractor shall have ----- gallons per minute of water continuously available at the point of delivery at a pressure of not less than ----- pounds per square inch gauge.

4. *Quality of water.* The Contractor will supply clear, potable water safe for human consumption in accordance with standards adopted by the United States Public Health Service for drinking and culinary water supplied by common carriers in interstate commerce and such revisions thereof as may be made from time to time.

5. *Metering and billing.* Water will be measured by ----- meters owned, calibrated and maintained by -----  
(number and size)

The readings of the meters will be: billed separately<sup>1</sup> combined for billing purposes.<sup>2</sup>

6. *Termination.* Notice of intention to terminate this contract shall be at the option of the Government and shall be given in writing by the Contracting Officer to the Contractor not less than thirty days in advance of the effective date of termination.

7. *Renegotiation.* (a) Unless the provisions of subparagraph (b) of this paragraph 7 are applicable to this contract, (1) this contract shall be deemed to contain all the provisions required by subsection (b) of the Renegotiation Act, as amended; and (2) in compliance with said subsection (b) of the Renegotiation Act, the Contractor shall insert in the subcontracts specified in said subsection (b) either the provisions of this Article or the provisions required by said subsection (b).

(b) This contract shall be exempt from statutory renegotiation if:

(1) the contractor hereunder is a department, bureau, agency or governmental corporation of the United States, or any Territory, possession or state, or any agency thereof, or any foreign Government or agency thereof; or

(2) made with a public utility for the furnishing of water, except that if the amounts received or accrued hereunder during any particular fiscal year were \$10,000 or more, amounts received or accrued hereunder for such fiscal year shall not be exempt from renegotiation by reason of anything contained in this subparagraph (b) (2). (If such fiscal year is a fractional part of twelve months, the \$10,000 amount shall be reduced to the same fractional part thereof for the purposes hereof.)

8. *Disputes.* (Insert General Provision 12 of W. D. Contract Form No. 333, § 813.1317a (b)).

9. *Alterations and additions.*

**SPECIAL PROVISIONS D: SEWAGE**

Attached to and made part of Contract No. W-----

1. *Estimated service requirements.*

Estimated annual volume -----  
(The Government is in no way obligated to deliver nor is it restricted to the above estimated requirements.)

2. *Service to be rendered.* Contractor shall furnish a sanitary sewer connection and sanitary sewerage service as required by the Government and shall receive, carry, treat and dispose of all sanitary sewage originating at the project in such amounts as the Government desires to release into Contractor's sewer system and in a manner and by such means as will constitute no hazard to the public health. Contractor shall operate its sewage disposal and treatment facilities in conformity with applicable laws, rules, and regulations promulgated by State and Federal governmental authorities.

3. *Point of delivery.* The sewage shall be delivered to Contractor by the Government at -----

4. *Termination.* Notice of intention to terminate this contract shall be at the option of the Government and shall be given in writing by the Contracting Officer to the Contractor not less than thirty days in advance of the effective date of termination.

5. *Renegotiation.* (a) Unless the provisions of subparagraph (b) of this paragraph 5 are applicable to this contract, (1) this contract shall be deemed to contain all the provisions required by subsection (b) of the Renegotiation Act, as amended; and (2) in compliance with said subsection (b) of the Renegotiation Act, the Contractor shall insert in the subcontracts specified in said subsection (b) either the provisions of this Article or the provisions required by said subsection (b).

(b) This contract shall be exempt from statutory renegotiation if:

(1) the contractor hereunder is a department, bureau, agency or governmental corporation of the United States, or any Territory, possession or state, or any agency thereof, or any foreign Government or agency thereof; or

(2) made with a public utility for the removal of sewage, except that if the amounts received or accrued hereunder during any particular fiscal year were \$10,000 or more, amounts received or accrued hereunder for such fiscal year shall not be exempt from renegotiation by reason of anything contained in this subparagraph (b) (2). (If such fiscal year is a fractional part of twelve months, the \$10,000 amount shall be reduced to the same fractional part thereof for the purposes hereof.)

6. *Disputes.* (Insert General Provision 12 of W. D. Contract Form No. 333, § 813.1317a (b)).

7. *Alterations and additions.*

**SPECIAL PROVISIONS E: STEAM SERVICE**

Attached to and made part of Contract No. W-----

1. *Estimated service requirements.*

Estimated hourly maximum demand -----  
Estimated annual consumption -----

(The Government is in no way obligated to use nor is it restricted to the above estimated requirements.)

2. *Point of delivery.* The point of delivery of steam shall be -----

3. *Description of steam service.* The Contractor shall have ----- pounds per hour of steam continuously available at the point of delivery at a pressure of not less than ----- pounds or in excess of ----- pounds per square inch gauge.

4. *Quality of steam.* The steam furnished shall contain not more than 1% moisture and shall be free of condensate at point of delivery.

5. *Metering and billing.* Steam will be measured by -----

(Number & Type—Condensate or Flow Meter) ----- meters owned, calibrated and maintained by -----

The readings of the meters will be: billed separately<sup>1</sup> combined for billing purposes.<sup>2</sup>

6. *Termination.* Termination of this contract shall be at the option of the Government and notice of intention to terminate shall be given in writing by the Contracting Officer to the Contractor not less than thirty days in advance of the effective date of termination.

7. *Renegotiation.* (a) Unless the provisions of subparagraph (b) of this paragraph are applicable to this contract, (1) this contract shall be deemed to contain all the provisions required by subsection (b) of the Renegotiation Act, as amended; and (2) in compliance with said subsection (b) of the Renegotiation Act, the Contractor shall insert in the subcontracts specified in said subsection (b) either the provisions of this Article or the provisions required by said subsection (b).

(b) This contract shall be exempt from statutory renegotiation if: (1) the contractor hereunder is a department, bureau, agency or governmental corporation of the United States, or any territory, possession or state or any agency thereof, or any foreign Government or agency thereof; or (2) made with a public utility for the furnishing of steam, except that if the amounts received or accrued hereunder during any particular fiscal year were \$10,000 or more, amounts received or accrued hereunder for such fiscal year shall not be exempt from renegotiation by reason of anything contained in this subparagraph (b) (2). (If such fiscal year is a fractional part of twelve months, the \$10,000 amount shall be reduced to the same fractional part thereof for the purposes hereof).

8. *Disputes.* (Insert General Provision 12 of W. D. Contract Form No. 333, § 813.1317a (b)).

9. *Alterations and additions.*

[Procurement Reg. 14]

**PART 814—REQUISITIONING OF PERSONAL PROPERTY**

**SUBPART A—GENERAL**

Section 814.1401 is amended to read as follows:

§ 814.1401 *Authority to requisition.* Authority to requisition personal property is conferred under (1) the Act of October 10, 1940 (54 Stat. 1030), as amended by the Act of July 2, 1942 (56 Stat. 467), by the Act of June 23, 1944 (Public Law 379—78th Congress), and by the Act of June 30, 1945 (Public Law 101—79th Congress); (2) the Act of October 16, 1941 (55 Stat. 742), as

<sup>1</sup>Delete inapplicable language.

amended by the Act of March 27, 1942 (56 Stat. 131), by the Act of June 30, 1943 (Pub. Law 104—78th Congress), by the Act of June 28, 1944 (Public Law 378—78th Congress), and by the Act of June 30, 1945 (Public Law 102—79th Congress); and (3) Executive Orders Nos. 8942 (6 F.R. 5909), 9024 (7 F.R. 329), 9040 (7 F.R. 527), 9138 (7 F.R. 2919), 9280 (7 F.R. 10179), 9294 (8 F.R. 221), 9322 (8 F.R. 3807) and 9334 (8 F.R. 5423). By such Executive orders the President delegated to various persons, including the Secretary of War, the power to initiate requisitions under the Act. The Secretary of War, by Order dated December 11, 1941, assigned to the Under Secretary of War the functions, powers and duties so delegated to him. As a result of such delegation and assignment, the Under Secretary of War makes final determination as to the existence of statutory authority to requisition property desired to be requisitioned by the War Department and, if the Proposal to requisition and the proposed disposal of the property is approved by the Army and Navy Munitions Board and by or on behalf of the Chairman of the War Production Board, the Secretary of Agriculture or the Director of the Office of Defense Transportation (as may be required in the particular case), issues the Requisition. He also makes final administrative determination as to the amount of compensation to be paid for property requisitioned by the War Department.

#### SUBPART B—ACQUISITION OF PROPERTY BY REQUISITION

Section 814.1405 is amended to read as follows:

§ 814.1405 *Statutory authority to requisition property.* (a) The act of October 10, 1940, as amended, authorizes the taking of property by requisition when it is determined that:

(1) The property is military or naval equipment or munitions, or component parts thereof, or machinery, tools, or materials, or supplies necessary for the manufacture, servicing, or operation thereof;

(2) The property was ordered, manufactured, procured, or possessed for export purposes, and that the exportation thereof has been prohibited or curtailed in accordance with the provisions of section 6 of the act of July 2, 1940 (54 Stat. 714) as amended by the act of June 30, 1942 (56 Stat. 463, 50 U.S.C. App. 701), by the act of July 1, 1944 (Public Law 397—78th Congress), by the act of June 30, 1945 (Public Law 99—79th Congress) or by any other law; and

(3) It is necessary in the interest of national defense or prosecution of the war to requisition and take over the property for use or operation by the United States or in its interest.

(b) The act of October 16, 1941, as amended, authorizes the taking of property, other than fire arms possessed by an individual for his personal protection or sport, possession of which is not prohibited by existing law, by requisition, if the taking will not impair or infringe in any manner the right of any individ-

ual to keep and bear arms, when it is determined that:

(1) The property is military or naval equipment, supplies, or munitions, or component parts thereof, or machinery, tools, or materials necessary for the manufacture, servicing, or operation of such equipment, supplies, or munitions;

(2) The use of the property is needed for the defense of the United States;

(3) Such need is immediate and impending and such as will not admit of delay or resort to any other source of supply; and

(4) All other means of obtaining the use of the property for the defense of the United States upon fair and reasonable terms have been exhausted.

#### SUBPART D—RETURN OF REQUISITIONED PROPERTY AND DISPOSITION OF PROCEEDS OF REQUISITIONED PROPERTY

Section 814.1415 is amended to read as follows:

§ 814.1415 *Return of requisitioned property to former owner under certain conditions.* The act of October 16, 1941, as amended, provides that whenever it is determined that property requisitioned under that act and retained is no longer needed for the defense of the United States it shall, if the original owner desires the property and pays the fair value thereof, be returned to such owner and that, in any event, property so acquired and retained shall, if such owner desires the property and pays the fair value thereof, be returned to him not later than December 31, 1946. Should a technical service determine that property requisitioned by it and retained is no longer needed for the defense of the United States it shall advise the Legal Branch, Director of Matériel, which will prescribe the procedure to be followed in effecting its return.

#### Subchapter B—Disposition of Property

Subchapter B is amended to read as follows:

##### [Procurement Reg. 7]

#### PART 821—GENERAL DISPOSITION OF PERSONAL PROPERTY

Sec.	
821.100	Scope of Parts 821 to 828, inclusive.
821.102	Definitions.
821.103	Statement of War Department policy.
821.104	Designation of Redistribution and Salvage Officer.
821.105	Establishment of local disposal boards.
821.106	Disposal board at chief of service level.
821.107	Extraordinary cases.
821.109	Direct correspondence authorized.
821.110	Methods of sale.
821.111	Compliance with OPA and WPB regulations.
821.112	Federal excise taxes on property sold.
821.113	Contract formalities, including numbering and distribution.
821.114	Coordination with Property Officer.
821.115	Information as to sales and declarations of War Department property.
821.116	Sales to War Department personnel.
821.117	Assistance in obtaining surplus property.
821.118	Chief of Staff certificate.

#### § 821.100 *Scope of Parts 821 to 828, inclusive.*

§ 821.100-1 *General.* (a) Parts 821 to 828, inclusive, and the regulations, manuals and other instructions to which they make reference, include all outstanding instructions of the War Department on the subject of the disposition of personal property, title to which is in the Government, or to which the Government has the contractual right to acquire title. It applies to contractor inventory as defined in Subchapter C of this chapter only to the extent that plant equipment may be subjected to the procedures set forth in Part 826, Subpart A, of this subchapter, and to the extent that certain portions of Parts 821 to 828, inclusive, are incorporated by reference in Subchapter C of this chapter.

(b) Parts 821 to 828, inclusive, do not rescind or otherwise affect TM 38-220 or other publications concerning stock control for military property. They do not relate to:

- (1) The disposition of real property.
- (2) The repair or reclamation of personal property.
- (3) The disposition of the proceeds of sales of property.
- (4) The disposition of any property located outside of the continental limits of the United States.
- (5) Dispositions to foreign governments.

§ 821.100-2 *Scope of Parts 821 to 828, inclusive, in relation to other regulations.* (a) The matters covered by Parts 821 to 828, inclusive, and other related publications and manuals are as follows:

(1) *Joint Termination Regulation (PR 15).* All War Department policies and procedures on disposition of contractor inventory.

(2) *Procurement Regulation No. 7.* All War Department policies and procedures on the disposition of military and non-military personal property.

(3) *Procurement Regulation No. 7-A.* All War Department policies and procedures for the classification and disposition of stand-by, excess, and surplus industrial installations located within the continental United States, which are on land owned by or leased to the War Department.

(4) *Army Service Forces Manual M-419.* Procedures of Army Service Forces implementing this Regulation and War Department Circular No. 299, 1944, with respect to the redistribution, transfer, and determination as surplus of excess military property of Army Service Forces.

(5) *Army Air Forces Regulation 65-86 and Air Technical Service Command Regulation 116-5.* Procedures of Army Air Forces, implementing this Regulation and War Department Circular No. 299, 1944, with respect to the redistribution, transfer, and determination as surplus of excess military property of Army Air Forces.

(a) *TM 38-505.* All War Department policies and procedures on disposition of salvage.

(b) All future instructions, or changes to existing instructions, in respect to the matters covered in the publications men-

tioned in this section will be issued only as changes to one of such publications.

(c) Instructions of the technical services are not affected hereby, but will be promptly conformed to Parts 821 to 828, inclusive.

§ 821.102 *Definitions.* The following terms, when used in Parts 821 to 828, inclusive, have the meanings indicated:

"Best price obtainable" means the highest price offered which is adequate in the light of a reasonable knowledge or test of the market, having due regard for current prices for any raw materials or products for which quotations are published and to the circumstances, nature, condition, quantity, and location of the particular property.

"Care and handling" includes completing, repairing, converting, rehabilitating, operating, maintaining, preserving, protecting, insuring, storing, packing, handling, and transporting, and in the case of property which is dangerous to public health or safety, destroying, or rendering innocuous, such property.

"Contractor inventory" means (1) any property related to a terminated contract of any type with a Government agency or to a subcontract thereunder; (2) any property acquired under a contract pursuant to the terms of which title is vested in the Government, and in excess of the amounts needed to complete performance thereunder; and (3) any property which the Government is obligated to take over under any type of contract as a result of any change in the specifications or plans thereunder.

"Declaration" means the reporting of surplus property to a disposal agency.

"Determination of surplus" means the decision by an authorized agency that property is surplus to the War Department.

"Disposal" means the disposition of surplus property or salvage outside the War Department accomplished by declaration, sale, donation, abandonment, or destruction.

"Disposal agency" means a Government agency designated by the Surplus Property Board to which surplus property is declared.

"Disposition" means the accomplishment of redistribution, transfer or disposal of excess and surplus property.

"Excess property", in the case of military property, means any property in excess of the control level authorized for a particular organization or supply point; or for a technical service, property in excess of the disposition level until such time as it is determined to be surplus.

"Military property" means all property held for issue or issued to or for troops, to military posts within the United States, and to theaters of operation.

"Non-military property" means all property other than military property and contractor inventory.

"Non-repairable property" means property which cannot in the best interests of the Government be amended or restored to serviceability, and scrap and waste; and includes, but is not limited to, any obsolete non-military items, and industrial materials, industrial

equipment, components, and assemblies (whether partially or completely fabricated, processed or assembled and whether new, used or deteriorated), which have no reasonable use except as scrap.

"Owning agency" means the executive department, the independent agency in the executive branch of the Federal Government, or the corporation (if a Government agency), having control of such property otherwise than solely as a disposal agency.

"Readjustment Division" means Readjustment Division, Headquarters, Army Service Forces.

"Redistribution" means the disposition of property excess to one supply component to another supply component.

"Serviceable property" is property other than scrap or waste which is suitable for use in its existing condition.

"Small lots" means single items or groups of items of excess or surplus property, where the cost, estimated if not known, of all substantially similar items in surplus at any one time and at any one place does not exceed \$300.

"Standard commodity classification number" means the number assigned to a particular item, commodity, or group of commodities in the standard commodity classification.

"Supply components" means any separate station, installation, service command, technical service, or major command under the jurisdiction of the War Department.

"Surplus property" is property which has been determined to be surplus by an authorized agency of the War Department.

"Transfer" means disposition of excess property outside the War Department.

§ 821.103 *Statement of War Department policy.*

§ 821.103-1 *Basic War Department policy.* The demands of the war production program require that the material resources of the nation be used with the utmost efficiency. This can be accomplished only if the accumulation of excess property is avoided and if idle property is put to productive use at the earliest possible moment. Accordingly, it is the policy of the War Department to prevent the acquisition or retention of excess property by the War Department. Excess property will be freely redistributed or transferred under the authority granted in Part 823 of this subchapter. All affected thereby will strictly observe the requirements of ASF Manual M419 "Disposition of Excess and Surplus Army Service Forces Military Property in the Continental United States". In addition, chiefs of technical services will maintain constant and active review of all non-military property on hand or in the process of manufacture, to determine the essentiality of such property for the prosecution of approved functions, activities, projects or industrial operations.

§ 821.103-2 *Policy on direct sales.* Under regulations prescribed by the Surplus Property Board, general responsibility for disposal of surplus Government property has been assigned to certain disposal agencies, as more fully explained

in Part 827 of this subchapter. It is the policy of the War Department to have these disposal agencies dispose of surplus War Department property to the fullest extent provided by the regulations of the Surplus Property Board, and to limit direct disposal by the War Department to those categories for which the War Department is clearly responsible. Accordingly, sales by the War Department will be limited to the following:

(a) Sales of contractor inventory as provided in Subchapter C of this chapter.

(b) Sales of small lots of surplus property as provided in § 827.710 of this subchapter.

(c) Sales to war contractors, other government agencies and other limited classes of persons as provided in Part 823 of this subchapter.

(d) Sales of salvage, scrap and waste.

§ 821.103-3 *Policies affecting surplus property.* Readjustment Division maintains liaison between the War Department and the Surplus Property Board, and between the War Department and the disposal agencies. All policy matters affecting surplus property will be cleared with Readjustment Division.

§ 821.104 *Designation of Redistribution and Salvage Officer.* (a) The chief of each technical service will designate a Redistribution and Salvage Officer in his office to coordinate the following activities:

(1) Determination as to which items of non-military property are excess to the technical service.

(2) Determination as to which items of non-military property are surplus.

(3) The offering to other technical services and the Navy of excess items of non-military property in which those agencies might be interested.

(4) The screening of lists of excess items of non-military property received from other technical services and the Navy and the acquisition thereof when needed.

(5) Salvage activities.

(b) Chiefs of technical services will notify the Director, Readjustment Division, of the appointment or change in the appointment of each such officer.

§ 821.105 *Establishment of local disposal boards.* (a) The chiefs of the technical services will establish in their field installations, disposal boards for reviewing and taking appropriate action with respect to proposed transactions required to be reviewed by Parts 821 to 828, inclusive.

(b) Disposal boards will consist of not less than three members. The members thereof may perform other functions, provided the prompt review of property disposal matters is not hindered and the personnel are qualified by training and experience to afford adequate review with respect to such matters.

(c) Records of the proceedings of disposal boards will be maintained by the offices or installations in which they are established. Cases submitted for review will be accompanied by information pertinent to the transaction, particularly as to the following: number of offers or bids solicited and reviewed, and the amounts thereof; condition of the property; status

of the buyer with respect to the use to be made of the property, and any other information necessary to show that the market has been adequately tested and that the sale should be made at the price and in the quantities stated.

(d) Disposal boards are not authorized to waive or to modify the price policies of the Surplus Property Board relating to the disposition of property made under Parts 821 to 828, inclusive, and will not approve sales which are not in conformity with the price policies.

§ 821.106 *Disposal boards at chief of service level.* Disposal boards may be established in the offices of the chiefs of technical services, or in the case of the Army Air Forces, in the headquarters office of a command, to review and take appropriate action with respect to property transactions as to which review at that level is authorized by Parts 821 to 828, inclusive (see §§ 823.301-3 (b) and 824.401-2) or by Subchapter C of this chapter.

§ 821.107 *Extraordinary cases.* Proposed sales or determinations involving unusual problems or difficulties may be presented for the consideration and advice of the Director, Readjustment Division.

§ 821.109 *Direct correspondence authorized.* Direct correspondence is authorized among all levels of the technical services and representatives of other government agencies with respect to redistribution and transfer of excess property under Parts 821 to 828, inclusive.

§ 821.110 *Methods of sale.* All sales of property under this Regulation, including sales made by cost-plus-a-fixed-fee contractors pursuant to § 823.306, will be made by negotiation in a manner to assure such competition (by taking written bids, making oral inquiry, or otherwise) as is practicable in the circumstances; and consistent with economy, efficiency and the expeditious completion of the proposed sale. The negotiating officer will make every effort to effect the sale in such manner and for such further uses as will most effectively facilitate the prosecution of the war. Sales at ceiling or established market prices and sales under § 823.301, need not be delayed for the purpose of soliciting competitive bids.

§ 821.111 *Compliance with OPA and WPB regulations.*

§ 821.111-1 *General.* All actions involving the disposition of property (except transfers or disposals to other Government agencies) made under the authority of Parts 821 to 828, inclusive, or otherwise, shall conform to applicable orders and regulations of the War Production Board and the Office of Price Administration.

§ 821.111-2 *WPB regulations.* Officers responsible for disposal of War Department property may rely upon a representation by the buyer to the effect that the purchase is being made in compliance with all War Production Board regulations affecting the buyer, unless they have knowledge or reason to believe that such representation is false. Such a rep-

resentation should be incorporated in each written contract of sale.

§ 821.111-3 *Exemptions from OPA price ceilings.* Price ceilings established by the Office of Price Administration do not apply to a sale (other than a sale of food or of a commodity originally purchased solely for the purpose of resale in substantially the same form or for stockpiling) where the sale is:

(a) To another Government agency (§§ 823.307 and 823.308);

(b) To any foreign government or agency thereof;

(c) To a contractor (but not to a subcontractor) for use in carrying out his prime contract with a Government agency (§ 823.301);

(d) To any relief organization for donation or export sale (§ 823.302);

(e) Of a single item or group of items where the sales price estimated to be obtainable for all substantially similar items available for sale at the place of sale does not exceed \$300 (§ 827.710);

(f) Of personal property when sold together with an interest in land or buildings in a single transaction;

(g) Of all or substantially all the Government-owned contents of a factory or plant to the owner, lessee, or operator; or to any other single buyer purchasing for use;

(h) Of building installations, facilities, appurtenances, equipment and personal property attached to the land (except standing timber);

(i) Of scrap metal to a dealer in such material purchasing solely for resale, *Provided:*

(1) That the dealer certifies that he is purchasing such material for resale and that in reselling he will not exceed the applicable OPA maximum prices, and

(2) That the seller has no reason to doubt the accuracy of the dealer's certificate.

§ 821.111-4 *Reliance on buyers' certificates.* Unless contracting officers have reason to doubt the accuracy of the certificate hereinafter set forth, they may make any sale (other than of food or of a commodity originally purchased solely for the purpose of resale in substantially the same form or for stockpiling), without verifying OPA ceiling prices, in reliance upon a certificate in the following form executed by the buyer:

The undersigned hereby certifies that the price paid (to be paid) (to be credited to the Government) for the goods purchased (to be purchased) (to be retained by the undersigned) under (identify contract, bid or quotation) does not exceed one of the following:

(1) The maximum price applicable to purchases by the undersigned, from usual sources of supply, of the goods in the quantity and at the place of delivery specified in such contract (bid, quotation), or

(2) The maximum selling price applicable to sales by the undersigned, in its capacity as a manufacturer, producer or processor of the same goods, disregarding minor differences in specifications or design, in the quantity and at the place of delivery specified in such contract (bid, quotation).

§ 821.111-6 *OPA assistance.* In the event a proposed sale is not exempt from OPA price ceilings (see § 821.111-3), and

is not to be made in reliance upon a certificate (see § 821.111-4), contracting officers may call upon the members of the price staff of any OPA office for aid in determining the OPA maximum price, if any, applicable thereto.

§ 821.111-7 *Information obtainable.* If assistance of OPA officials is not available, interested personnel may refer to the terms of OPA Supplementary Order No. 94 for a recital of various exemptions not discussed and various instructions as to methods of determining OPA price ceilings too numerous to set forth in detail in this chapter.

§ 821.111-8 *Liability for violations.* The OPA grants exemption to War Department officials and employees and to contractors making sales in reliance upon certificates, as set forth in § 821.111-4, from any liability for the violation of any OPA maximum price ceilings, unless the seller has reason to doubt the accuracy of such certificates.

§ 821.112 *Federal excise taxes on property sold.* Where property which is subject to Federal excise tax is sold, provisions governing the collection of such taxes found in Subpart F of Part 808 of this chapter will be observed.

§ 821.113 *Contract formalities, including numbering and distribution.*

(a) In the case of a sale by the War Department the contract of sale will be executed in substantially the form set forth in § 813.1326 of this chapter or in such other form as may be approved by the Director, Readjustment Division, whenever:

(1) The contract is made under the authority of Part 823; or

(2) The contract is for an amount in excess of \$1,000; or

(3) The contract is for an amount in excess of \$500 and is not to be performed within 60 days.

In the case of sales by Salvage Officers contracts will be in the form authorized or required by applicable regulations (TM 38-505). All other sales by the War Department shall be evidenced (i) by any such written contract, or (ii) on accounting forms now or hereafter prescribed by the chiefs of technical services concerned, subject to the approval of the Fiscal Director, Headquarters, Army Service Forces.

(b) The provisions of §§ 803.309 to 803.309-3, inclusive, and § 803.318b-5 of this chapter relating to the numbering of contracts are applicable to contracts for the sale of property except that in connection with such contracts a separate series of numbers will be used in which the letter "s" will be added immediately after the letters representing the technical service concerned.

(c) Contracts for the sale of property will be distributed in the same manner as other contracts (see Subpart D of Part 803 of this chapter) except that (1) when a sale of War Department property is made under a contract or agreement the officer or agent of the War Department by whom funds are received as a result thereof will, in turning the funds over to a disbursing officer, accompany such remittance with a copy of the contract

or agreement covering the terms of the sale; and (2) the original signed number of each unnumbered contract of sale will be forwarded to the General Accounting Office instead of being sent to the disbursing officer, as in the case of unnumbered contracts of purchase.

(d) A copy of each contract of sale of military property the original cost of which exceeded \$2,000 will be distributed to the Chairmen of the Military Affairs Committees of the House and Senate within twenty-four hours after the contract has been made.

§ 821.114 *Coordination with Property Officer.* All transfers or disposals of property under authority herein contained must be coordinated with the Property Officer involved for compliance with applicable property accountability regulations.

§ 821.115 *Information as to sales and declarations of War Department property.*

§ 821.115-1 *General policy.* It is the policy of the War Department to have the facts on all public sales of War Department property kept available at the point of sale for public inspection during normal business hours for any proper purpose. The facts on sales to war contractors will likewise be kept available for inspection by the interested parties.

§ 821.115-2 *Furnishing information to periodicals.* When sales are made on written invitations to bid, copies of invitations and information as to awards may be transmitted to periodicals for publicity purposes, or to persons who request invitations for the purpose of advising their clients. In any event, copies of written invitations to bid and information as to awards will be kept available at the point of sale for inspection by representatives of periodicals or other interested parties during normal business hours for any proper purpose.

§ 821.115-3 *Information as to declarations of surplus.* (a) Information as to declarations of surplus property by the War Department, including the reasons why the property became surplus, is a matter of public interest and such information must be made available to the public to the fullest extent practicable.

(b) Under no circumstances will the War Department ask or expect a disposal agency to dispose of property declared surplus by the War Department under any conditions other than normal full publicity.

(c) In those cases where the Readjustment Division, upon the basis of information received from the chiefs of the technical services, considers that proposed declarations of surplus involve substantial or unusual amounts or types of property, Readjustment Division will prepare a statement of the pertinent facts, including the reasons why the property became surplus, which it will process through normal channels for release by the Bureau of Public Relations. Chiefs of technical services will cooperate with Readjustment Division in the preparation of such statements.

§ 821.115-4 *Advance information.* (a) War Department personnel, military

and civilian, will refrain from furnishing prospective buyers advance information as to surplus property, and from any other action tending to prefer any buyer or class of buyers over other buyers. Information which may properly be divulged includes such information as that a certain disposal agency has been designated to dispose of particular types of property, that certain property is being offered for sale by a certain disposal agency, or that a salvage officer is currently accepting bids for specified property. Negative information, such as that no property of a type in question has been declared surplus, may also be given.

(b) The foregoing is not to be construed as limiting the provisions of § 821.115-3 above as to furnishing disposal agencies with information on declarations of surplus; or as to the official release of such information through the Bureau of Public Relations. Furnishing information to War Department personnel for use in connection with their official duties is not prohibited.

§ 821.116 *Sales to War Department personnel.* Except as authorized by Part 823 of this subchapter, or by AR 30-2290, AR 700-25, TM-38-505, or other War Department publication, no sales of Government-owned property will be made to any official or employee of the War Department nor any officer, enlisted man, or civilian employee of the Army.

§ 821.117 *Assistance in obtaining surplus property.* War Department personnel, military and civilian, whether or not engaged in surplus property activities, will not render assistance to individuals in obtaining surplus property, except (a) such assistance as is incident to making authorized War Department sales or to the disposal of contractor inventory and (b) such assistance as is involved in making proper response to inquiries, as provided in § 821.115-4 (a) above.

§ 821.118. *Chief of Staff certificate.* The authority granted under Parts 821 to 828, inclusive, may be exercised without first obtaining from the Chief of Staff a certificate under the act of June 28, 1940, Title I, section 14a (54 Stat. 681, 10 U.S.C. 1262A).

PART 823 — DISPOSITION OF PERSONAL PROPERTY FOR PURPOSES DIRECTLY RELATED TO THE PROSECUTION OF THE WAR

Sec.	
823.300	Scope of part.
823.301	Sales to contractors.
823.302	Sales to Red Cross and U. S. O.
823.303	Other sales in aid of war production.
823.304	Leases.
823.305	Leases under other statutes.
823.306	Disposition by contractors.
823.307	Transfer to other Government agencies.
823.308	Redistribution to other supply components.
823.313	Procedure for transfers and redistributions.
823.314	Gifts and loans of drawings and other property.
823.315	Exchange of property.
823.316	Donations to schools engaged in pre-induction or aeronautical industrial training

Sec.	
823.317	Sales to contractors for return in kind
823.318	Miscellaneous dispositions under Army Regulations
823.391	Machine tool pricing policy

§ 823.300 *Scope of part.* (a) This part relates to the disposition of property for direct military use, for war production, and for other purposes related to the prosecution of the war. Such disposition may be made of both military and non-military property, without regard to its serviceability or state of supply.

§ 823.301 *Sales to contractors.*

§ 823.301-1 *Sale to war contractors.* The chiefs of the technical services are authorized, when it is determined by them that such action will facilitate the prosecution of the war, to make contracts by negotiation for the sale of, and to sell to manufacturers and suppliers of war contractors, and to employees of the Government engaged in war production, any machine tool equipment, processing equipment, uniforms, safety clothing and equipment, plant protective clothing and other special articles necessary to persons employed in or otherwise connected with war industries or establishments, manufacturing aids, raw materials, manufactured materials or other materials or facilities presently owned or hereafter acquired by the Government. Such sales, however, shall be made only for the purpose of facilitating the performance of war contracts or war production. Sales to war contractors ordinarily will be made for cash. However, property (except non-repairable property) may be sold to war contractors on credit not exceeding sixty days. Contracts executed in accordance with this paragraph will recite that they are entered into pursuant to the First War Powers Act and Executive Order 9001.

§ 823.301-2 *Pricing policy.* (a) Subject to paragraph (b) below, sales under § 823.301-1 will be made at prices that are fair and reasonable, having due regard for the circumstances of the sale and the nature, condition, quantity, and location of the property.

(b) Sales under § 823.301-1 of all used standard general-purpose machine tools and all used standard machines covered by the following standard commodity classification numbers (excluding special machines), will be made at prices determined in accordance with Surplus War Property Administration Regulation No. 3 and Surplus Property Board Special Order No. 2 (see §§ 823.391-1 and 823.391-2):

Major Group 34, Code 34—40,000 to, but not including, 47,000.
Major Group 34, Code 34—49,000 to, but not including, 70,000.
Major Group 34, Code 34—74,000 to, but not including, 74,900.
Major Group 33, Code 33—6300 through 6520, inclusive.
Major Group 33, Code 33—6300.
Major Group 33, Code 33—6310.
Major Group 33, Code 33—6320.
Major Group 33, Code 33—7210.
Major Group 33, Code 33—7220.
Major Group 33, Code 33—7250.

§ 823.301c *Review of sale.* (a) Sales made in accordance with § 823.301-2 (b),

and sales made to a cost-plus-a-fixed-fee contractor for the account of the Government may be made without review by a Disposal Board. All other sales under § 823.301 will be subject to prior review and approval of a Disposal Board in all cases where the cost (estimated if not known) of the property to be disposed of in the sale:

(1) Exceeds \$100,000 and it is proposed to sell below such cost, less freight and handling charges; or

(2) Exceeds \$10,000 and it is proposed to sell at more than 50% below such cost, less freight and handling charges.

(b) The chief of a technical service may require or permit review by Disposal Boards established pursuant to § 821.106 where the cost (estimated if not known) of the property to be disposed of exceeds \$500,000 and it is proposed to sell at more than 25 percent below such cost.

§ 823.302 *Sales to Red Cross and U. S. O.* The chiefs of the technical services are authorized to make contracts by negotiation and to sell to the Red Cross and the United Service Organization any military, subsistence, or other supplies or property which the chief of the technical service finds is needed by such institution in connection with its activities with the Army; *Provided*, That no such sale of military property will be made without the prior approval of the Commanding General, Army Service Forces (Requirements and Stock Control Division), or in the case of the Army Air Forces property, the Commanding General, Army Air Forces, or his delegate or delegates. All such contracts will recite that they are entered into pursuant to the First War Powers Act and Executive Order No. 9001.

§ 823.303 *Other sales in aid of war production.*

§ 823.303a *Aircraft and related property.* The Commanding General, Army Air Forces, is authorized to effect sales of aircraft and related property whenever it is determined by him that such sales are incident to war production or to the rendition of services which facilitate war production; *Provided*, That such sales are made in accordance with allocations or assignments of the Munitions Assignment Board or the Joint Munitions Allocations Committee or its subcommittee, Joint Allocation (Air).

§ 823.303-2 *Other property.* The chiefs of technical services are authorized to effect sales other than those authorized by §§ 823.301, 823.302, or 823.303-1, whenever it is determined by them that such sales are incident to war production or to the rendition of services which facilitate war production: *Provided*, That such determination is approved by the Director, Readjustment Division, Headquarters, Army Service Forces.

§ 823.303-3 *Pricing policy and review.* Sales under §§ 823.303 to 823.303-3, inclusive, will be made in accordance with the pricing policy established by § 823.301. Such sales will be subject to prior review and approval by a Disposal Board to the same extent as is required by § 823.301-3 for sales made under § 823.301.

§ 823.304 *Leases.* Under the First War Powers Act, 1941, and Executive Order No. 9001, and section 1 of the act of July 2, 1940 (Public No. 703, 76th Congress) as continued in effect by section 13 of the Act of June 5, 1942 (Public No. 580, 77th Congress), the chiefs of the technical services are authorized, when it is determined by them that such action will facilitate the prosecution of the war:

(a) To include in supply contracts the Government-Owned Facilities article prescribed in § 803.332 of this chapter, subject to the regulations set forth as notes to § 803.332 and to other applicable sections of this chapter (see Part 810 for approvals of higher authority which must be obtained in certain cases);

(b) To enter into separate lease agreements (i. e., agreements not made part of supply contracts), as authorized by Part 810 of this chapter.

§ 823.305 *Leases under other statutes.* Authority for the execution of lease agreements may be found in certain statutes other than those mentioned in § 823.304. See AR 850-30 for the terms of those statutes.

§ 823.306 *Disposition by contractors.* (a) The chiefs of the technical services are authorized, when it is determined by them that insertion of such provision will facilitate the prosecution of the war or is necessary to carry out the purposes specified in section 1 of the act of July 2, 1940 (Public Law 703, 76th Congress, 54 Stat. 712), to insert in cost-plus-a-fixed-fee contracts and subcontracts heretofore or hereafter executed, the clause set forth in § 803.363 of this chapter, and any property may be disposed of by contractors pursuant to such clause.

(b) Sales pursuant to the clause set forth in § 803.363 of this chapter ordinarily will be made for cash. However, a contractor may sell property (except nonrepairable property) on credit, not exceeding 60 days, at the risk of the Government, if the approval of the contracting officer is first obtained. Such authorization to sell on credit shall be subject to the condition that the contracting officer obtain in advance from the contractor an assignment or a written agreement to assign to the Government at any time on the request of the contracting officer, but in any event before approval of the final voucher of the contract, all the contractor's right, title and interest in claims against buyers arising out of such sale.

§ 823.307 *Transfer to other Government agencies.*

§ 823.307-1 *Authority.* Any property not declared surplus may, upon requisition of another Federal agency, be transferred to such agency by direction of the chief of technical service having control thereof: *Provided*, That military property of Army Service Forces in normal state of supply (not excess or surplus) may be so transferred only with the approval of the Commanding General, Army Service Forces (Requirements and Stock Control Division).

§ 823.307-2 *Transfer without reimbursement under certain statutes.* When transfers are made to the Navy Department (10 U.S.C. 1274), or to the Vet-

erans Administration upon written request stating that the property is needed for authorized hospital care for veterans (Title 1, P.L. 346, 78th Cong.), or when transfers or loans are made to the Administrator of Civil Aeronautics upon his written request stating that the property will be used in carrying out the purposes of the Civilian Pilot Training Act of 1939 as amended (49 U.S.C. 756), or when aircraft is being acquired for replacement purposes by the Civil Aeronautics Administration (Title III, P.L. 61, 79th Congress), they will be effected without reimbursement of, or transfer or allotment of funds to, the transferor by the transferee for the cost of the property or of packaging, handling and shipment thereof, unless the property is procured by the transferor for the transferee

(a) By assignment of sole purchase responsibility, or

(b) Under procurement pooling arrangements, or

(c) Under any arrangement for procurement by the transferor expressly upon the prior requisition of the transferee.

§ 823.307-3 *Transfers with reimbursement under the Economy Act.* Transfers to the Navy Department or the Administrator of Civil Aeronautics or the Veterans Administration except those authorized to be made without reimbursement under § 823.307-2, and transfers to all other Government agencies, will be made pursuant to section 7 (a) of the act of May 21, 1920, as amended (31 U.S.C. 686; see § 806.512 of this chapter for the pertinent portions of this Act) with reimbursement of, or transfer or allotment of funds to, the transferor by the transferee for the cost of the property, and of packaging, handling and shipping thereof.

§ 823.308 *Redistribution to other supply components.*

§ 823.308-1 *Authority.* Any property not declared surplus may be redistributed to any supply component for any authorized use by direction of the chief of technical service having control thereof; *Provided*, That military property of Army Service Forces in normal state of supply (not excess or surplus) may be so redistributed only with the approval of the Commanding General, Army Service Forces (Requirements and Stock Control Division).

§ 823.308-2 *Redistribution with reimbursement.* Such redistribution will be effected with reimbursement of, or transfer or allotment of funds to, the transferor by the transferee for the cost of the property and of packaging, handling and shipment thereof, when:

(a) The property is transferred to the transferee for use in connection with civil functions administered by the War Department; or

(b) The property is procured by the transferor for the transferee:

(1) By assignment of sole purchase responsibility, or

(2) Under procurement pooling arrangements, or

(3) Under any arrangement for procurement by the transferor expressly

upon the prior requisition of the transferee.

§ 823.308-3 *Redistribution without reimbursement.* Such redistribution will be effected without reimbursement of, or transfer or allotment of funds to, the transferor by the transferee for the cost of the property or of packaging, handling or shipment thereof, when made under circumstances other than those set forth in § 823.308-2.

§ 821.313 *Procedure for transfers and redistributions.*

§ 821.313-1 *Without reimbursement.* Officers authorized to transfer or redistribute, or to direct the transfer or redistribution of property without reimbursement under §§ 823.307 and 823.308 will prepare written orders listing in detail the property to be transferred or redistributed, copies of which will be furnished to the Accountable Property Officer and the receiving officers. Such orders will contain a request that the authority directing the transfer be advised of any discrepancies between the order and the property shipped or received. Any discrepancies incident to shipment will be adjusted in accordance with TM 14-904. A copy of such orders will be used as a valid debit or credit voucher to property accounts. It will not be necessary to list for fiscal or property account purposes dollar value of property transferred or redistributed without reimbursement.

§ 823.313-2 *With reimbursement.* Transfers or redistributions of property with reimbursement under §§ 823.307 and 823.308 will require the use of the standard Vendor's Shipping Document (see ASF Manual M-410), or its equivalent, modified as necessary. In addition to the copies required for standard property account purposes, six copies of the document will be prepared, each of which will be marked "Reimbursement Required." Five copies of the document will be furnished to the fiscal officer of the designated billing office and one copy will be furnished to the appropriate property audit office charged with property audits of the shipping office. The fiscal officer will verify prices shown on the documents or will enter prices on all such documents where none have previously been shown. The fiscal officer will sign and return one copy to the initiating property officer as an indication of receipt of the documents. Such receipted copies will be used by the Accountable Property Officer as a credit voucher to his account. Any discrepancies incident to shipment will require action prescribed in TM 14-904.

§ 823.314 *Gifts and loans of drawings and other property.* (a) The chiefs of the technical services are authorized, without further approval, to give or lend drawings, manufacturing and other information and samples of supplies and equipment to be manufactured or furnished, to contractors and private firms which are or may likely be manufacturers or furnishers of supplies and equipment for the use of the War Department under approved production plans.

(b) Whenever they determine that such action will facilitate the prosecution

of the war, the chiefs of technical services are authorized to give or lend, by appropriate written agreement reciting such determination, to organizations engaged in experimental research, testing, or developing, such items and any other material, supplies or equipments for use in connection therewith, provided that if in the case of a gift the estimated value of the property in question exceeds \$1,000, or, in the case of a loan, \$50,000, the approval of the Director, Readjustment Division, Headquarters, Army Service Forces, will first be obtained.

(c) The Commanding General, Army Air Forces, whenever he determines that such action will facilitate the prosecution of the war, may authorize the transfer, loan, bailment or lease, by appropriate written agreement reciting such determination, of aircraft, aircraft engines, or aircraft equipment or matériel, without limitation as to the value thereof, to Army Air Forces contractors for the purpose of experimental research, testing or development, training of contractor's personnel, or urgent transportation requirements of such contractors in connection with the performance of their war contracts.

§ 823.315 *Exchange of property.* The chiefs of technical services are authorized to make any exchanges of property with suppliers which are authorized by the following statutes: 39 Stat. 635, 10 U.S.C. 1271 (sewing and labor saving machinery, vehicles, band instruments); 53 Stat. 739, 10 U.S.C. 1271 (a) (manufacturing and repairing machines and tools, Ordnance matériel); 40 Stat. 43, 849, 10 U.S.C. 1272 (motor propelled vehicles, aeroplanes, engines, and parts thereof); 38 Stat. 1064, 10 U.S.C. 1273 (typewriters and adding machines by Signal Corps); 38 Stat. 1161, 41 U.S.C. 26 (typewriters and adding machines); 50 Stat. 64, 5 U.S.C. 118d (refrigerators; temperature control devices, watchmen's clocks); 44 Stat. 680, 10 U.S.C. 1209, 1210 (deteriorated and unserviceable ammunition and components); Act of July 2, 1940, Public 703, 76th Congress, as extended, 50 U.S.C. War, Appendix, section 1171 (Exchange of deteriorated, unserviceable, obsolescent, or surplus military equipment, munitions, and supplies for other military equipment, munitions and supplies of which there is a shortage); section 203 of the act approved June 26, 1943, Public Law 90, 78th Congress, and section 203 of the act approved June 27, 1944, Public Law 358, 78th Congress and section 204 of the act approved May 3, 1945, Public Law 49, 78th Congress, 5 U.S.C. 118d-1 (vehicles; road, agricultural, manufacturing, or laboratory equipment; boats; parts, accessories, tires, or equipment thereof).

Any other exchanges will be submitted for the approval of the Director, Readjustment Division.

§ 823.316 *Donations to schools engaged in pre-induction or aeronautical industrial training.* Under the authority conferred upon the Secretary of War by the act of May 26, 1928 (45 Stat. 753, 20 U.S.C. 94) and the act of February 28,

1936 (49 Stat. 1147, 10 U.S.C. 1258), the chiefs of the technical services have been authorized to donate property of the classes specified in paragraph (d) to educational institutions under the following conditions:

(a) To be eligible for donations, an institution must:

(1) Be operated by a State or political subdivision thereof, or must be certified by a State department of education, State board for vocational education, or a similar State authority responsible for the supervision of education, to be an institution not operated for profit and having a standard curriculum in the fields for which it offers training;

(2) Provide a regular course of instruction which will require the use of the property;

(3) Use the property in a pre-induction training program recommended by the Director of Military Training, Army Service Forces or an aeronautical industrial training program recommended by the Assistant Chief, Air Staff, Personnel, Headquarters, Army Air Forces; and

(4) Provide adequate facilities to maintain the property.

(b) Requests for the donation of property to educational institutions will be forwarded, in the case of property to be used in pre-induction training, to the commanding general of the service command in which the institution is located (attention: Pre-induction Training Officer) and, in the case of property to be used in aeronautical industrial training, to the commanding general of the area air technical service command in which the institution is located. The commanding general of the service command or the area air technical service command may approve the request if he determines that:

(1) All efforts to supply the property from salvage have been exhausted;

(2) The request is reasonable and proper in view of the training to be given; and

(3) The institution meets the standards set forth in paragraph (a) above.

(c) If the commanding general of the service command or the area air technical service command approves the request, he shall prepare the specific findings required by paragraph (b) above and shall forward them, together with his recommendation, to the chief of the technical service having control of the property to be donated (attention: Redistribution and Salvage Officer), when such property is to be donated by the Army Service Forces, and to the Director, Air Technical Service Command, Wright Field, Ohio, when such property is to be donated by the Army Air Forces. The chief of the technical service or the Director, Air Technical Service Command, if the request is approved by him, will direct the appropriate installations to ship the property to the educational institution concerned and will include in such direction a citation of this section.

(d) The following property may be donated under the authority of this section:

(1) Obsolete or excess machinery, mechanical equipment and tools;

(2) Aircraft, aircraft parts, instruments or engines which are obsolete or

impaired to the extent that repair would not be economical.

However, under no circumstances will any donation be made which will result in current procurement to replace the property donated, nor will property be considered available for donation after it has been reported as surplus to a Disposal Agency. Aircraft, aircraft parts, instruments or engines will be donated only upon the execution of an agreement by the donee that the property donated will not be used in actual flying.

(e) No property will be shipped until receipt of payment by the donee of all expenses necessary for packing, handling and delivery to the carrier. Property shipped by carrier will be on commercial bill of lading with transportation charges collect. Copies of shipping documents listing the property supported by shipping directions described in paragraph (c) above will constitute valid credit vouchers to the property accounts. No further accounting for the property will be required. Two lists of the property donated will be forwarded to the commanding general of the service command or the area air technical service command who recommended the donation.

§ 823.317 *Sales to contractors for return in kind.* (a) The chiefs of technical services are authorized to sell property from War Department stocks to prime contractors for the purpose of maintaining or expediting production, under agreements by such contractors to replace the items delivered with identical articles procured by the contractors or to make payment therefor, in the form prescribed in this section. Property from War Department stocks will be made available to prime contractors under the authority of this section only when the property is needed by the contractor to maintain or expedite the production rate under the prime contract, and when the contractor has outstanding subcontracts for the acquisition of identical articles which can be used to replace the War Department stock. The property sold to a contractor under the authority of this section will not exceed in estimated value an amount equal to 5% of the total amount of the principal contract.

(b) The following procedure will be followed in making property available to contractors under the authority of this section:

(1) Requests for the delivery of property under this section will be addressed to the chief of the technical service or his delegate, and signed by the contracting officer for the contract involved. The request will state the specific quantity or number of articles desired, and will give technical service number and nomenclature, and will specify the time within which the articles will be replaced. The request will also state fully the reasons and circumstances under which the request is made.

(2) The chief of technical service will notify the contracting officer of the approval or disapproval of the request, and will advise him of the depot from which the property will be delivered, if the re-

quest is approved. The chief of the technical service will direct the depot from which the property is to be delivered to make delivery to the contractor, upon receipt of notice from the contracting officer as provided in subparagraph (5) below. The instructions to the depot will require that a special property record be maintained for each such transaction, and that the depot arrange for adequate inspection of the property at the time of its delivery at the contractor's plant, and for inspection of the replacement items upon their delivery to the War Department by the contractor.

(3) Upon approval by the chief of technical service, the contracting officer will arrange with the contractor for the execution of a supplemental agreement in the following form, which agreement will recite that it is executed pursuant to the First War Powers Act and Executive Order No. 9001:

Article \_\_\_\_ In consideration of the sale and delivery by the United States to the contractor of the articles listed on Exhibit A, the contractor agrees:

(1) to replace said articles by delivery to the United States of identical articles at the place or places designated by the contracting officer on or before \_\_\_\_\_, or  
(date)

(2) failing the replacement of said articles on said date, to pay to the United States an amount to be determined by the contracting officer, which will include the cost to the government of the articles, and all packing, handling and other costs;

(3) that said articles will be used by the contractor only for the performance of the contract; and

(4) that the amount of \$\_\_\_\_\_ shall be withheld by the United States until said articles are replaced or the value thereof determined by the contracting officer in accordance with this agreement;

(5) that if an advance payment is outstanding under the prime contract, the advance payment lien shall attach to the said articles listed in Exhibit A, and any amounts to be withheld, as provided in (4) above, shall be withheld only from amounts remaining due after the deduction of liquidation payments required by the advance payment article.

(4) The contracting officer will specify an amount, not exceeding 5% of the total amount of the principal contract, to be withheld which in his opinion is adequate to cover the cost to the government of the articles to be delivered to the contractor.

(5) Upon the execution of such supplemental agreement, the contracting officer will (i) promptly transmit a copy thereof to the finance officer; with a request that the specified amount be withheld until receipt of notice of replacement or instructions to make a final deduction, and (ii) notify the Depot Supply Officer that he is authorized to deliver the articles.

(6) Three copies of the shipping document covering the property delivered to the contractor will be forwarded by the depot to the contracting officer. Two copies will be signed by the contractor acknowledging receipt of the property. One copy will be retained by the contracting officer and the other forwarded to the Depot Supply Officer. The third copy will be retained by the contractor.

(7) The following notation will be typed on the shipping document and signed by the contractor:

Receipt from the United States Government of the property listed hereon for use on Contract No. \_\_\_\_\_ is hereby acknowledged. It is agreed that replacement of this property will be made in kind on or before \_\_\_\_\_ (date) or payment made therefor in accordance with said contract.

\_\_\_\_\_  
(date) (signature of the contractor)

(8) The Depot Supply Officer will notify the contracting officer when the replacement has been made and accepted, and the contracting officer will transmit such notice to the finance officer.

(9) If the property is not replaced in kind by the contractor on or before the date specified in the supplemental agreement, the Depot Supply Officer will report such fact to the contracting officer who will take action to obtain the replacement of the property or will notify the finance officer of the amount payable to the government under the agreement, advising the Depot Supply Officer of the completed action. In the event of payment by the contractor in lieu of replacement, the written advice of the contracting officer to the Depot Supply Officer that settlement has been effected will constitute a valid credit voucher to the Depot Supply Officer's property account.

§ 823.318 *Miscellaneous dispositions under Army Regulations.* The chiefs of the technical services are authorized to sell or otherwise dispose of any property not determined to be surplus, in accordance with AR 30-2280 (Sales of Ice), AR 30-2290 (Sales of Quartermaster supplies and services) AR's. 45-75 and 45-80 (Sales and disposition of Ordnance Property), AR 500-60 (Sales and dispositions for Disaster Relief) and AR 850-100 (Issues for Promotion of Rifle Practice). Property determined to be surplus will be disposed of only in accordance with Part 827 of this subchapter.

§ 823.391 *Machine tool pricing policy.*

§ 823.391-1 *Surplus War Property Administration; Regulation No. 3.* On August 9, 1944, the Administrator of the Surplus War Property Administration issued Regulation No. 3, the text of which is as follows:

STANDARD GENERAL-PURPOSE MACHINE TOOLS

PRICING POLICY FOR SALE BY RFC

*Scope of regulation.* By Regulation No. 1, Reconstruction Finance Corporation was designated as the disposal agency for surplus war property of the type generally described as capital and producers' goods. Property so assigned includes machine tools.

The purpose of this regulation is to establish a pricing policy for the sale by Reconstruction Finance Corporation of standard general-purpose machine tools which have been used and which it has available for disposal as surplus.

The policy has been established on a fixed price basis so that prospective purchasers will be able to make current plans with reasonable certainty involving the purchase of surplus machine tools. The prices fixed are based on the original price of the machine tool at the plant of its manufacturer, depreciated over the period of its active use at rates which take into account, among other things, the usage which most such tools are undergoing in war production.

This regulation does not apply to special types of machine tools or to other production equipment.

This regulation shall become effective August 15, 1944. It is recommended that any arrangements made prior to that date for the sale of used standard general-purpose machine tools at prices differing from those set forth herein, be revised to conform to the prices herein set forth if they have not theretofore become contractually binding.

While this regulation applies only to sales of surplus machine tools, the Administration has been advised by the principal owning agencies that, in such sales of machine tools which have not been declared surplus as may be made by them, they intend to adhere to the prices herein set forth.

**Definitions.** "Standard general-purpose machine-tools" are machine tools being currently produced and are types used in civilian production; they consist of those listed in the Standard Commodity Classification, Vol. I, Major Group 34, Code Number 34 11000 to 34 19900, inclusive, with the exception of Special Machine Tools designed for and used exclusively in the production of war material, such as:

- Special gun reaming, rifling and chambering machines
- Gun boring and turning lathes
- Shell turning lathes
- Shell tappers
- Small arms ammunition machinery
- Special military tank manufacturing machine tools
- Special aircraft manufacturing machine tools
- Special shipbuilding machine tools
- Other special war production machine tools

**Price policy.** All sales of used standard general purpose machine tools, which have been declared surplus to Reconstruction Finance Corporation as disposal agency, shall be made at prices computed as follows, provided that all sales shall be made in conformity with all applicable War Production Board and Office of Price Administration regulations:

- (1) The original price of the manufacturer of the machine tool, inclusive of electric equipment and standard accessories, shall be computed f. o. b. the plant of such manufacturer. If special tooling is to be sold with the machine tool, its original price shall be included, on the same basis.
- (2) The period of active use of the machine tool shall be computed on the basis of the best information reasonably available. This period shall run from the estimated date the machine tool was originally put in use to the date of sale, if the machine tool is then still in use. If the machine tool is not in use at the time of sale, the period shall run to the estimated date when the machine tool became idle.
- (3) The price computed pursuant to paragraph (1) above shall be used as a base. The price at which machine tool shall be offered for sale shall be computed by applying to that base the percentage appearing in Exhibit I to this regulation opposite the period of active use of the machine tool computed pursuant to paragraph (2) above. The percentage appearing in column B of Exhibit I shall be applied where the buyer is the person who is using the machine tool at the time of sale or, if the machine tool is then idle, the person who last used it, and the percentage appearing in column A shall be applied where the sale is to any other buyer.
- (4) The price computed pursuant to paragraph (3) above shall be the sale price f. o. b. cars or trucks at the location of the machine tool at the time of sale.

(Signed) W. L. Clayton,  
W. L. CLAYTON,  
Administrator.

EXHIBIT I

Period of active use	Percent	
	A	B
Less than 1 month.....	85.0	80.0
1 month.....	82.5	77.5
2 months.....	80.0	75.0
3 months.....	77.5	72.5
4 months.....	75.0	70.0
5 months.....	72.5	67.5
6 months.....	70.0	65.0
7 months.....	67.5	62.5
8 months.....	65.0	60.0
9 months.....	62.5	57.5
10 months.....	60.0	55.0
11 months.....	57.5	52.5
12 months.....	55.0	50.0
13 months.....	52.5	47.5
14 months.....	50.0	45.0
15 months.....	47.5	42.5
16 months.....	45.0	40.0
17 months.....	42.5	37.5
18 months.....	40.0	35.0
19 months.....	37.5	32.5
20 months.....	35.0	30.0
21 months.....	32.5	27.5
22 months.....	30.0	25.0
23 months.....	27.5	22.5
24 months.....	25.0	20.0
25 months.....	22.5	17.5
26 months.....	20.0	15.0
27 months.....	17.5	12.5
28 months.....	15.0	10.0
29 months.....	12.5	7.5
30 months.....	10.0	5.0
31 months.....	7.5	2.5
32 months.....	5.0	0.0
33 months.....	2.5	
34 months.....	0.0	
35 months.....		
36 months (or more).....	45.2	50.2

§ 823.391-2 *Surplus Property Board; Special Order No. 2.* On April 11, 1945, the Administrator of the Surplus Property Board issued Special Order No. 2, the text of which is as follows:

MACHINE TOOL PRICING POLICY

The purpose of this special order is to make certain administrative determinations relative to the machine tool price policy contained in Regulation No. 3 of the Surplus War Property Administration (9 F.R. 9370). That regulation provides that used standard general-purpose machine tools shall be sold at specified percentages of the manufacturer's original sales price. These percentages, as set forth in the schedule annexed to the regulation, decrease with each month of active use, up to 36 months. At that point the schedule ends with the percentage of 45.2 of original cost, and all tools that have been in active use for more than 36 months are sold at the same percentage (45.2) of the manufacturer's original sales price.

This special order is designed to facilitate the administration of the foregoing price policy. The order permits the disposal agency at its election, to use the March 1, 1941 price of the nearest equivalent new machine tool, as the base price for machine tools manufactured before March 1, 1941.

The order also permits the disposal agency to sell machine tools manufactured prior to January 1, 1936 at current market prices, even if those prices are below the 45.2% minimum specified in the foregoing regulation.

Pursuant to the authority of the Surplus Property Act of 1944 (Pub. Law 457, 78th Congress, 2d Sess.; 58 Stat. 765), It is hereby ordered, That, in applying the provisions of Regulation No. 3 of the Surplus War Property Administration (9 F.R. 9370) relating to the sale of used standard general-purpose machine tools, the Reconstruction Finance Corporation may:

1. Use as an alternative base price for any machine tool manufactured prior to March 1, 1941, the March 1, 1941 price of the nearest equivalent new machine tool, and

2. Sell any such machine tool manufactured prior to January 1, 1936, at current market prices but not in excess of the applicable prices determined in accordance with SWPA Regulation No. 3, and this Special Order No. 2.

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

SURPLUS PROPERTY BOARD,  
A. E. HOWSE,  
Administrator.

PART 824—DISPOSITION OF NON-REPAIRABLE PERSONAL PROPERTY

- Sec.
- 824.400 Scope of part.
  - 824.401 Non-military property other than current production scrap.
  - 824.402 Current production scrap.
  - 824.404 Non-military property not certified under § 824.401.
  - 824.405 Designation of salvage officer.
  - 824.406 Disposal of salvage.
  - 824.407 Donations to Veterans' organizations, museums and municipal corporations.

§ 824.400 *Scope of part.* This part provides the authority and procedures for determining certain non-military property as non-repairable and for the disposal of non-repairable non-military property and current production scrap. It does not pertain to the classification of military property as non-repairable, which is covered by AR 35-6640 and War Department Circular No. 7, 1944, and current revisions thereof, or to the disposal of non-repairable military property, or post, camp and station salvage, which is covered by AR 700-25 and TM 38-505.

§ 824.401 *Non-military property other than current production scrap.* (a) Government-owned non-military property other than current production scrap may be classified as non-repairable by the submission of a list of the property involved to an authorized officer and the execution thereon by such officer of the following certificate:

It is my opinion that the property listed hereon is (include (1) or (2), whichever is appropriate):

- (1) Used or damaged beyond economic repair;
- (2) Obsolete or so specialized in design or otherwise of such a nature that it has no reasonable use except as scrap;

and is therefore properly classified as non-repairable non-military property in accordance with the provisions of Procurement Regulation No. 7, and that its condition is not due to fault or neglect.

Where the property is new but nevertheless properly classified as non-repairable (i. e., scrap), as will be the case with many obsolete items and items of work in process, the phrase following the last comma may be omitted.

The certifying officer will inspect the property or require the submission of such statement of fact and report of inspection as he deems necessary as a basis for the execution of the certificate.

(b) Property so certified, except property in the possession of a contractor, will be turned over to a salvage officer for disposal.

(c) A copy of the list with the certificate will be furnished to the accountable property officer. In cases where property is shipped to a salvage officer, a copy of the shipping document, supported by such certified list and evidence of shipment in the manner prescribed in § 827.726, will constitute a valid credit voucher to the property account. When the property is turned over to a local salvage officer, the salvage officer's acknowledgment of receipt of the property on the list with the certificate will be considered a valid credit voucher to the property account.

(d) Non-repairable property in the possession of a contractor may be either (1) sold or retained by the contractor pursuant to the contract clause set forth in § 803.363 of this chapter, (2) sold by the contracting officer to the contractor, or (3) sold by the contracting officer or local salvage officer to a third party, or (4) physically transferred to a salvage officer at another station for disposal. In any case, the contracting officer will furnish the accountable property officer with a written order listing the property and directing transfer to a salvage officer or approving the sale, and the certificate prescribed in paragraph (a), above, will not be required. If there is any question as to the liability of the contractor for the condition of the property, the contracting officer will furnish written advice to the accountable property officer, as prescribed in paragraph 103 of TM 14-910 and paragraph 80 of TM 14-911, respectively. If the property is disposed of under (1), (2), or (3), it is required to be accounted for under the provisions of War Department Technical Manuals 14-910, "Manual for Cost-Plus-a-Fixed-Fee Supply Contracts" or 14-911, "Accounting for Government Property Furnished Under Fixed Price Contracts." If the property is disposed of under (4) evidence of disposition as prescribed in paragraph (c) above is required.

(e) Non-repairable property will not be mutilated except when such mutilation is required for reasons of security or safety.

§ 824.401-1 *Review and approval of classification of property as non-repairable.* Government-owned non-military property (other than that worn out through fair wear and tear) will not be classified as non-repairable property under § 824.401 without the prior review and approval of a local disposal board if the cost (estimated if not known) of the property so classified exceeds \$25,000. Property will not be subdivided for the purpose of avoiding this limitation.

§ 824.401-2 *Review at chief of service level.* Disposal boards established pursuant to § 821.106 may review classification of Government-owned non-repairable property under § 824.401, where the cost of such property (estimated if not known) exceeds \$500,000.

§ 824.402 *Current production scrap.* Current production scrap, other than that disposed of by cost-plus-a-fixed-fee contractor under contract provisions, will be turned over to a salvage officer, without the certification required under § 824.401. For the purpose of Parts 821

to 828, inclusive, current production scrap is industrial scrap resulting from the fabricating or processing of raw materials (such as chips, cuttings, borings, and short ends of ferrous and non-ferrous metals, clippings and cuttings from wool and cotton fabric, residues from chemicals and plastics, rubber and treated fabric offal, glass, paper and lumber offal, damaged and unsuitable packing materials and containers).

§ 824.404 *Non-military property not certified under § 824.401.* Non-military property which cannot be certified under § 824.401 may be classified as non-repairable and turned over to a salvage officer in accordance with the provisions of AR 95-6640, and War Department Circular No. 7, 1944, and current revisions thereof.

§ 824.405 *Designation of salvage officer.* Chiefs of technical services may designate the salvage officer to receive and dispose of non-repairable non-military property.

§ 824.406 *Disposal of salvage.* All property sold by contracting officers or salvage officers, or turned over to salvage officers, in accordance with this part will be disposed of in accordance with AR 700-25 and TM 38-505.

§ 824.407 *Donations to veterans' organizations, museums, and municipal corporations.* (a) The chiefs of the technical services are authorized to donate to soldier's monument associations, posts of the Grand Army of the Republic, posts of the Veterans of Foreign Wars of the United States, posts of the American Legion and other recognized war veterans' associations, state museums, and incorporated museums operated and maintained for educational purposes only, whose charters deny them the right to operate for profit, municipal corporation, and posts of The Sons of Veterans Reserve, including those organizations or institutions which contributed matériel in the early scrap drives, any items of surplus combat matériel which they are authorized to demilitarize under current War Department procedures. (See WD Circular No. 183, 1945, and ASF Manual M419). Donations made pursuant to this authority will be with such demilitarization as is consistent with the use of the property. Items of captured enemy matériel will not be donated under the authority of this section.

(b) The authority granted in this section cannot be redelegated by the chiefs of the technical services, and in the case of the Army Air Forces cannot be redelegated beyond the headquarters office of a command.

(c) Donations to any one organization will be limited in the case of rifles for ceremonial purposes to not more than ten and in the case of other items to such amounts as the chief of the technical service determines is reasonably required. Requests for amounts considered to be excessive may be referred to the Director, Readjustment Division.

(d) Each donee shall be required to file with the chief of the technical service effecting donation a certificate stating that the property is being acquired for the donee's own use and if the property

is at any time disposed of by the donee, it will be disposed of only as scrap and then only after it shall have been rendered completely unfit and useless except for its basic material content.

(e) Donations of property under this Regulation shall be without expense to the Government for packing, handling or transportation. Property shipped by carrier will be on commercial bill of lading with transportation charges collect.

(f) Copies of shipping documents listing the property supported by evidence of shipment in the manner prescribed in § 827.726, or a receipt by the donee, together with a copy of the authorization of the donation from the chief of the technical service will constitute a valid credit voucher to the property accounts and no further accounting for the property is required.

#### PART 826—DISPOSITION OF SERVICEABLE NON-MILITARY PERSONAL PROPERTY

Sec.	
826.600	Scope of part.
826.601	War Department policy.
826.602	Determination of excess.
826.603	Disposition of excess.
826.604	Deviation from procedures.

#### SUBPART A—PRODUCTION AND UTILITY EQUIPMENT

826.610	Scope of this subpart.
826.611	Production and utility equipment owned by the War Department.
826.612	Production and utility equipment owned by Office of Defense Plant.

#### SUBPART B—CONSTRUCTION EQUIPMENT

826.620	Scope of this subpart.
826.621	Construction equipment.
826.622	Disposition of excess.
826.623	Determination of surplus.

#### SUBPART C—OTHER NON-MILITARY PERSONAL PROPERTY

826.630	Scope of this subpart.
826.631	Disposition of excess.
826.632	Stockpile materials.
826.633	Determination of surplus.
826.691	Excess Non-Military Property Record.
826.692	Principal Field Procurement Offices of the technical services.
826.693	Stockpile materials.

§ 826.600 *Scope of part.* This part provides authority and procedures for the disposition of excess serviceable non-military property and for the release of War Department sponsorship of equipment owned by Office of Defense Plants (formerly Defense Plant Corporation). This part does not relate to:

(a) The disposition of contractor inventory (except to the extent that production and utility equipment may be subjected to the procedures provided in Subpart A of this part), which is covered by Subchapter C of this chapter.

(b) The disposal of surplus property, which is covered by Part 827.

§ 826.601 *War Department policy.* Basic War Department policy as stated in § 821.103 for all types of property applies equally to non-military property.

§ 826.602 *Determination of excess.*

§ 826.602-1 *Review of stocks.* (a) Chiefs of technical services will require a review of stocks by each installation under their jurisdiction having accountability for non-military property not less

frequently than once a month for determination of excesses.

(b) Production and utility equipment and construction equipment will be determined excess when it becomes idle (that is, when it is no longer required for war purposes by the war contractor in possession or by the War Department industrial installation or construction activity in connection with which it was being used), unless there is a definite, foreseeable need for the item in connection with the prosecution of the war, or unless the item has been selected for current modernization of the permanent military establishment. Efforts should be made to consolidate production on as few items of production equipment as possible consistent with production efficiency, in order to make other items available for other war uses or declaration as surplus.

(c) Non-military property other than production and utility equipment and construction equipment will be determined excess when the stock on hand exceeds the established stock level at the plant or installation involved. Established stock levels will conform to applicable industrial inventory regulations of the War Production Board. Determination of excess Government furnished equipment and Government free-issue material may be made at the stock-control point established within a technical service for such property, instead of at the plant or installation level, in those cases where stock control points have been established for such property above the plant or installation level.

§ 826.602-2 *Records of excess.* Chiefs of technical services will require each installation under their jurisdiction having accountability for non-military property to maintain records of excess determinations and disposition of non-military property in accordance with the following:

(a) In the case of items of production and utility equipment and construction equipment for which stock record cards or historical record cards are maintained, the following shall be shown by current entries on such cards:

- (1) Date of determination of excess.
- (2) Disposition, if not determined surplus (this may be shown by entry in code, if desired).
- (3) Date of determination of surplus.
- (4) Date of declaration of surplus.

(b) Records of small lots and other items that are determined surplus and turned over to a salvage officer for disposal concurrently with, or within a brief period after, determination of excess will be maintained in any form that will enable the preparation of the monthly report required under Part 828.

(c) In the case of all other items of non-military property, the record will be maintained on WD AGO Form R-5086, "Excess Non-Military Property Record." A copy of this form, together with instructions for its preparation, is set forth in § 826.691. Similar records now being maintained which contain the information called for by WD AGO Form R-5086 may be continued, provided the approval of the Director, Readjustment Division is obtained.

§ 826.603 *Disposition of excess.* (a) When a determination of excess of non-military property has been made, vigorous action will be instituted for the redistribution of the property for use within the technical service of origin or another technical service or transfer for other purpose directly related to the prosecution of the war as set forth in Part 823, and will be continued until such disposition is made or the property is determined surplus.

(b) Generally, such disposition can most effectively be made through efforts of the local installation having custody of the property. Accordingly, procedures established by the chiefs of technical services should not restrict the efforts of local installations, except as otherwise provided in this part and except as in the case of those commodities that are so critical to the technical service concerned as to require centralized control.

(c) Informal direct contact is the most effective means of disposition. Accordingly, each technical service should ascertain what types of property, likely to become excess to its needs, would be of interest to other technical services, and to what offices of the other technical services such types of excess property should be referred. For convenient reference, a list of the principal field procurement offices of the technical services is set forth in § 826.692.

(d) Efforts to redistribute excess property within the technical service of origin to other technical services, and to agencies outside of the War Department, for purposes directly related to the prosecution of the war will be made concurrently to the greatest extent practicable.

(e) Circularization of lists of non-military property is not required. Circularization lists may be used, within the limitations set forth in this Part 826, in those cases where they are considered to be an effective aid to disposition; but they should always be regarded as an adjunct of, and not a substitute for, informal direct communication with those procurement offices having an interest in the particular property.

(f) In establishing procedures for the redistribution of excess non-military property, chiefs of service will provide for the consideration of significant items for troop supply purposes.

(g) Although the basic policy and procedure for disposition of excess and determination of surplus is the same for all types of non-military property, some variation in detail is required for certain types. Accordingly, the procedures established under this part for (1) production and utility equipment, (2) construction equipment, and (3) other non-military property are separately stated hereinafter.

§ 826.604 *Deviation from procedures.* The Director, Readjustment Division, is authorized to permit deviation from the procedures established in this part.

#### ▲ SUBPART A—PRODUCTION AND UTILITY EQUIPMENT

§ 826.610 *Scope of Subpart A.* (a) This subpart establishes procedures (1) for disposition of excess production and utility equipment, (2) for determination

of surplus production and utility equipment, and (3) for release of War Department sponsorship of production and utility equipment owned by Office of Defense Plants.

(b) "Production and utility equipment", as used in this subpart includes non-military property of the following types:

Machine tools.  
Metal working machinery.  
Cleaning and spraying equipment.  
Compressors and vacuum pumps.  
Industrial pumps.  
Industrial conveying machinery.  
Engines and turbines, general purpose.  
Heat exchangers.  
Optical machinery.  
Industrial cranes and hoists.  
Thermal driers and dehydrators.  
Fans, blowers, and exhausters, industrial types.  
Pressure and vacuum filters.  
Power boilers and pressure vessels.  
Electric motor, integral horsepower, and electric motor controls.  
Power conversion equipment.  
Foundry equipment.  
Heat treating equipment.  
Packaging machinery.  
Industrial scale and weighing equipment.  
Industrial laboratory equipment.  
Industrial trucks, tractors, trailers, and stackers.  
Welding and cutting equipment, industrial types.  
Crushing, pulverizing, screening, and mixing equipment and machinery, industrial types.  
Special industry machinery (specialized machinery for food products, pulp and paper, printing trades, rubber working, petroleum, ceramics, glass, shoemaking, textile, tanning, pharmaceutical, chemical, and other special industries).  
Major items of equipment used in the generating, processing, transmission, or distribution of electricity, gas, and water, and in the disposal of sewage.

§ 826.611 *Production and utility equipment owned by the War Department.*

§ 826.611-1 *Certain items excluded.* The procedures established under §§ 826.611 to 826.611-11, inclusive, do not apply to any items of production and utility equipment:

(a) Located in complete War Department owned industrial installations that have been placed in stand-by or reported excess under the provisions of Parts 830 and 832.

(b) The cost of which (estimated, if not known) is less than \$350. The procedures established under Subpart C apply to such items.

(c) The condition of which is "X" under the classification prescribed by the Surplus Property Board. The procedures established under Subpart C apply to such items unless they are classified as non-repairable.

(d) Which was manufactured prior to 1930. The procedures established under Subpart C apply to such items.

§ 826.611-2 *Establishment of Industrial Equipment Redistribution Board.* The Industrial Equipment Redistribution Board (hereinafter in this subpart referred to as "The Board") has been established by a memorandum between the War and Navy Departments and the Defense Plant Corporation, April 24, 1945. The chiefs of the technical services (ex-

cept The Quartermaster General and The Surgeon General) will each designate one representative (and one alternate to act in his absence) stationed in the Military District of Washington to serve as members of the Board. The Quartermaster General and The Surgeon General may, if they desire, each designate one representative to serve on the Board. The Director, Readjustment Division, will designate one representative to act as vice chairman of the Board.

§ 826.611-3 *Functions of Board.* The Board will study operating procedures, forms and practices in connection with the redistribution and reporting of production and utility equipment and will take necessary action or make appropriate recommendations to assure the maximum utilization of such property in war production or for national defense. It will direct its efforts toward eliminating the purchase by the Government of new production and utility equipment, when requirements can be supplied from Government-owned idle property.

§ 826.611-4 *Disposition by chief of service.* During a period of 20 days after determination of excess under § 826.602-1 (b), the owning technical service will take such action as is prescribed by the chief of service for the redistribution of excess War Department-owned Production and Utility Equipment for use within the technical service or another technical service, including current modernization of the permanent military establishment, or transfer for other purposes directly related to the prosecution of the war as set forth in Part 823 of this subchapter; all without reference to the Board. If circularization lists are used as an aid to such disposition, they will be confined to the technical service of origin. Property referred to in W. D. Circular No. 33, 1945, will be redistributed in accordance with the provisions thereof.

§ 826.611-5 *Reporting to Board.* If no disposition (including definite assignment for immediate transfer to war production) is made of excess War Department-owned production and utility equipment within the 20 day period prescribed by § 826.611-4, it will be reported to the Board as "War Available" on suitable Kardex forms approved by the Board (address: Industrial Equipment Redistribution Board, % Office of Defense Plants, 811 Vermont Avenue, N. W., Washington 25, D. C.). Each such form shall include only one item of production and utility equipment and its accessories, and shall be prepared as fully and accurately as possible with particular attention to matters of description and condition. Disposition efforts should be continued by the owning technical service after reporting property to the Board as "War Available": *Provided, however,* That no property so reported may be transferred (except to storage) or returned to production without the approval of the Board. When production and utility equipment is reported to the Board, the owning technical service will indicate which, if any, items it requires for future modernization, stand-by, or War Department-industrial reserve, in

the event that the Board is unable to make disposition of such items for immediate war use. If a technical service moves any property to storage after it has been reported to the Board as "War Available", it will notify the Board promptly of the change in location.

§ 826.611-6 *War Available Equipment File.* The Board will maintain a War Available Equipment File of production and utility equipment reported to it by the technical services. Property reported to the Board as "War Available" will be available for disposition through the Board for a period not to exceed 40 days from the date of its receipt of such report: *Provided, however,* That the Board may extend such disposition period for an additional period not to exceed 20 days.

§ 826.611-7 *Screening requirements.* The Board member of each technical service will screen his service's requirements for Production and Utility Equipment against the War Available Equipment File and such records of surplus equipment as are maintained centrally by the Reconstruction Finance Corporation. Under the jurisdiction of the Board, the Joint Army-Navy Screening Staff will review War Production Board 542 (formerly PD-3A) certificates, as provided in WPB Directive 23 as amended, and available order boards of equipment manufacturers, and will screen these equipment requirements against the War Available Equipment File and such records of surplus equipment as are maintained centrally by the Reconstruction Finance Corporation.

§ 826.611-8 *Filing requirements.* When the Board ascertains a requirement for items which can be supplied from the War Available Equipment File, it will direct that the member representing the requiring technical service submit in behalf of his service a written request for transfer of the items, together with appropriate instructions, to the owning technical service or Bureau via the Board. If any item selected from the War Available Equipment File proves, upon inspection by the requiring service, not to be in satisfactory condition, the Board will be so advised. Upon receipt of a request for transfer of an item, indorsed by the Board, the owning technical service will promptly transfer the item in accordance with Part 823, even though the owning technical service or Bureau has earmarked the item for future modernization, stand-by or War Department industrial reserve.

§ 826.611-9 *Determination of surplus.* Any items of Production and Utility Equipment for which the Board has been unable to effect disposition within the period designated in § 826.611-6 will be released by the Board, reported back to the owning technical service, and, except for items which the service has been authorized to retain for future modernization, stand-by or War Department industrial reserve, will be deemed surplus without further action. Immediately upon receipt of such report, the owning service will dispose of the property in accordance with Part 823.

§ 826.611-10 *Certain items excepted—*  
(a) *Plant clearance.* Excess production and utility equipment located in contractors' plants need not be reported to the Board as War Available, but may be determined surplus by the owning technical service after such disposition efforts as the chief of service may prescribe, when:

(1) The contractor in possession has submitted an application for removal of the equipment pursuant to Subchapter C of this chapter and the owning technical service intends promptly to report the equipment to a disposal agency and request shipping instructions; however, in such cases the owning technical service will promptly forward to the Board a copy of the surplus report transmitted to the disposal agency; or

(2) The owning technical service agrees to sell the equipment to the contractor in possession pursuant to Subchapter C of this chapter.

If, subsequent to its report of equipment to the Board as "War Available", the owning technical service receives an application for removal from the contractor in possession and intends promptly to report the equipment to a disposal agency and request shipping instructions, or if the contractor agrees to purchase the equipment, the Board will be notified thereof and will immediately release any of the equipment covered by such application for removal or purchase agreement for which disposition instructions cannot be furnished.

(b) *"Frozen" facilities.* When a technical service contemplates that a facility should be maintained intact for possible further war production or, where appropriate, for disposal as an integrated unit, it may "freeze" excess production and utility equipment and need not report it to the Board as "War Available"; however, the "freeze" will not constitute actual "standby", which requires other action in accordance with Parts 830 and 832. Where production and utility equipment is thus "frozen", the owning technical service will report to the Board the name and address of the plant or installation in which such property is located, together with information as to the nature of the property and purposes for which its retention intact is desired.

§ 826.611-11 *Authorized stand-by, future modernization, and War Department industrial reserve.* Prior to the cessation of hostilities, items of production and utility equipment, other than those suitable solely for production of purely military items, will not be held in stand-by or for future modernization or War Department industrial reserve without the prior approval of the Director, Production Division, Headquarters, Army Service Forces, or, in the case of production and utility equipment of the Army Air Forces, the Commanding General, Army Air Forces.

§ 826.612 *Production and utility equipment owned by Office of Defense Plants.*

§ 826.612-1 The provisions of §§ 826.612 to 826.612-3, inclusive, will not apply to complete Office of Defense Plants projects for which redistribution procedures are established by paragraph 4b, WD Memorandum W5-44, January 25, 1944.

§ 826.612-2 The following procedure has been agreed upon between the War Department and Office of Defense Plants with respect to production and utility equipment owned by Office of Defense Plants and sponsored by a technical service, including Production Division, Headquarters, Army Service Forces (referred to in §§ 826.612 to 826.612-3, inclusive, as Production Division) when it is the sponsor:

(a) The ODP Supervising Engineer will cooperate with the local representative of the sponsoring service (in the case of a technical service) or the Director, Production Division, to ascertain when such property is idle.

(b) The Office of Defense Plants will prescribe a standard form upon which contractors will indicate such idle property. The standard form will be filed by the contractor with the ODP Supervising Engineer who will inform the contractor as to the number of copies to be made. The Supervising Engineer will deliver the original and two copies of the form to the local representative of the sponsoring service (in the case of a technical service) or to the Director, Production Division.

(c) Upon receipt of a duly executed standard form, the local representative will forward the original and two copies to the chief of the technical service, who will determine whether such property is required by the service, or may be released to the Office of Defense Plants as no longer required by such service. When Production Division is the sponsor, the determination will be made by the Director, Production Division. The determination will be made within a period of 20 days from the time when the form is submitted to the local representative of the service or to the Director, Production Division. If the property is not redistributed or definitely assigned for immediate war production, including current modernization of the permanent military establishment, by the sponsoring technical service or the Production Division, the chief of the technical service or the Director, Production Division, will acknowledge its release on the original copy of the form and will forward the original to the Office of Defense Plants through the Board. The Board will attempt to redistribute the property in accordance with the procedures prescribed in § 826.611 so far as they are applicable. If redistribution cannot be accomplished, the form will be turned over to the Office of Defense Plants and will constitute a formal release by the War Department.

(d) When the property is not required by the sponsoring technical service or the Production Division for an immediate war production requirement but is required for authorized future modernization, stand-by, or War Department industrial reserve, the release prescribed by paragraph (c) above will not be executed; however, the forms will nevertheless be forwarded to the Office of Defense Plant through the Board with notation to indicate the intention to withhold the property for future modernization, stand-by, or War Department industrial reserve. The Board will attempt to re-

distribute the property for immediate war production and, if thus redistributed, it will so notify the sponsoring technical service or the Production Division.

§ 826.612-3 The chief of a sponsoring technical service and the Director, Production Division, will expedite the determination of requirements pursuant to § 826.612-2 when notified by the Office of Defense Plant that the contractor in possession has:

(a) Offered to purchase production and utility equipment; or

(b) Requested removal of such property pursuant to section 12 (g) of the Contract Settlement Act of 1944.

In such cases, the chief of the sponsoring service and the Director, Production Division, will not defer action upon a release for a period in excess of 10 days from receipt by the local representatives of the service or by the Director, Production Division, of a request for release accompanied by a schedule of the property and by a notification from Office of Defense Plant as aforesaid.

#### SUBPART B—CONSTRUCTION EQUIPMENT

§ 826.620 *Scope of Subpart B.* This subpart establishes procedures (a) for the disposition of excess construction equipment, and (b) for the determination of surplus construction equipment.

§ 826.621 *Construction equipment.* "Construction equipment," as used in this subpart, includes nonmilitary construction equipment of the following types: drilling and boring equipment, earth and rock, including core drills, rock drills, churn drills, earth borers and horizontal augers; power cranes and shovels, drag lines, buckets, stiff-leg derricks, and dredges; scrapers, maintainers, and graders; tractors, track-laying and wheel types; tractor-mounted construction equipment including angledozers, bull dozers, and power control units; winches and hoists, contractors' elevating; road brooms, concrete buggies and carts, bins, centerline marking equipment, road discs, ditchers, aggregate dryers, joint and crack filling machinery, road forms, form tamping machines, mud jacks, portable snow loaders, tamping rollers, scarifiers, concrete towers, contractors' crawler wagons, and similar equipment; construction material mixers, spreaders, pavers, surfacers, finishers, tampers, vibrators, and related construction machinery, construction material processing equipment, including asphalt plants and portable crushers.

§ 826.622 *Disposition of excess.* Within a period of 30 days after determination of excess, the owning technical service will complete such action as is prescribed by the chief of service for the redistribution of excess construction equipment for use within the technical service or another technical service or transfer for other purposes directly related to the prosecution of the war as set forth in Part 823.

§ 826.622-1 *Small lots and items in "X" condition.* Unless specific requirements therefor are known to exist, the following types of items will be deemed surplus upon determination as excess

and promptly disposed of in accordance with Part 827:

(a) Small lots.

(b) Items the condition of which is "X" under the classification prescribed by the Surplus Property Board (unless such items are classified as non-repairable, in which case they are not regarded as surplus property but as salvage).

§ 826.622-2 *Circularization lists.* If circularization lists are used as an aid to disposition, they will be confined to the technical service of origin and items of the nature set forth in § 826.622-1 will be excluded therefrom.

§ 826.622-3 *Disposition assistance by the Chief of Engineers.* If the owning technical service is other than the Corps of Engineers, it will (in addition to the action prescribed by the chief of service under § 826.622 above), immediately upon determination of excess, transmit to the Chief of Engineers (attention: Redistribution and Salvage Officer) a list of the excess equipment, for redistribution assistance. Reference of excess Construction Equipment to the Chief of Engineers will not be permitted to delay or limit disposition by the owning technical service; nor will approval of the Chief of Engineers be required for disposition by the owning technical service. Requisitions from the Chief of Engineers for excess Construction Equipment will be given the priority usually accorded to requisitions for excess property from other technical services; and requisitions from other agencies referred by the Chief of Engineers to the owning technical service will be given the priority usually accorded to direct requisitions from such agencies. The Chief of Engineers is specifically charged with acquiring items of Construction Equipment which are suitable for troop use or tactical operations of which disposition is not made within the technical service of origin.

§ 826.623 *Determination of surplus.* Excess Construction Equipment for which disposition has not been effected within a period of 30 days after determination of excess will be deemed surplus without further action, and the installation having accountability for the property will promptly dispose of it in accordance with Part 827.

#### SUBPART C—OTHER NON-MILITARY PERSONAL PROPERTY

§ 826.630 *Scope of Subpart C.* This subpart establishes procedures for disposition of excess and determination of surplus of all non-military property except (a) production and utility equipment covered by Subpart A, (b) construction equipment covered by Subpart B and (c) contractor inventory covered by Subchapter C of this chapter. Such property is referred to hereinafter as "other non-military property."

§ 826.631 *Disposition of excess.* Within a period of 30 days after determination of excess, the owning technical service will take such action as is prescribed by the chief of service for the redistribution of other non-military property for use within the technical service or another technical service or transfer for other

purposes directly related to the prosecution of the war as set forth in Part 823.

§ 826.631-1 *Small lots and items in "X" condition.* Unless specific requirements therefor are known to exist, the following types of items will be deemed surplus upon determination as excess and promptly disposed of in accordance with Part 823.

(a) Small lots.

(b) Items the condition of which is "X" under the classification prescribed by the Surplus Property Board (unless such items are classified as nonrepairable, in which case they are not regarded as surplus property but as salvage).

§ 826.631-2 *Circularization lists.* The use of circularization lists is not required. If circularization lists are used as an aid to disposition of other non-military property they will be disseminated on a selective basis to procuring offices which have indicated an interest in the property being circularized. Items of the nature set forth in § 826.631-1 will be excluded from all circularization lists, and items that are peculiar to the technical service of origin will be excluded from any circularization lists that are transmitted to other technical services.

§ 826.632 *Stockpile materials.*

§ 826.632-1 *Report of stockpile materials.* Items of materials listed in § 826.693-1 (herein referred to as "stockpile materials"), in amounts larger than the minimum quantities therein indicated, of which the technical service of origin has been unable to effect disposition within a period of 30 days after determination of excess, will be immediately reported to the chief of service and will be held for disposition instructions. Such request for instructions will be made in triplicate by the local establishment having jurisdiction over the property on WD, AGO Form 257. A sample of this form, together with instructions for its preparation, is set forth in § 826.693-2. Copies of the form may be requisitioned from Adjutant General depots.

*Note:* On WD, AGO Form 257, as now printed, the reference in the 3rd line at the top of the page to §§ 822.210, 826.603 and 829.909 should be read as § 826.632 and, in the space provided for Second Indorsement, the reference to §§ 822.210-2 (b) and 822.210-2 (c) should be changed to §§ 826.632-2 (b) and 826.632-2 (c), respectively.

§ 826.632-2 *Action by chief of service.* Upon receipt of WD, AGO Form 257 covering any lot of stockpile materials, the chief of technical service concerned will take the following action:

(a) Execute First Indorsement thereto and forward two copies to the Director, Production Division, Headquarters, Army Service Forces, who has been designated by the Under Secretary of War as the administrator of War Department stockpile materials, for disposition instructions.

(b) If the Director, Production Division, issues instructions to hold the material for stockpile, the chief of technical service concerned will:

(1) Arrange for permanent storage of this material;

(2) Issue appropriate instructions to the field installation concerned to accomplish permanent storage;

(3) Advise the Director, Production Division, of the location and manner of storage;

(4) Dispose of the material only upon specific authorization of the Director, Production Division.

(c) If the Director, Production Division, issues instructions not to hold the material for stockpile, it will be deemed surplus, without further action, and the chief of technical service concerned will issue instructions to the local establish-

ment of origin to dispose of the material in accordance with Part 827.

§ 826.633 *Determination of surplus.* Excess other non-military property (except stockpile materials covered by § 826.632) of which disposition has not been effected within a period of 30 days after determination of excess will be deemed surplus without further action and the installation having accountability will promptly dispose of it in accordance with Part 827.

§ 826.691 *Excess non-military property record.*

§ 826.691-1 *Form.*

EXCESS NON-MILITARY PROPERTY RECORD

(1) Controlling agency			(3) Excess determination date			(5) List number .....	
(2) Location of property			(4) Surplus determination date			(6) Page ..... of .....	
						(7) .....	
Item No. (8)	Description (9)	Condition (10)	Unit (11)	Number of units (12)	Unit cost (13)	Total cost (14)	Disposition (15)

WD AGO Form R-5086 (Aug. 1, 1945).

§ 826.691-2 *Instructions for preparation.*

Line 1—Name of office, headquarters or installation in possession of the property and maintaining this record.

Line 2—Name of building or plant and city in which the property is located.

Line 3—Date on which the property was determined to be excess. A separate list will be prepared for each date on which property is determined to be excess.

Line 4—Line 3 plus 30 days.

Line 5—Number lists in sequence, beginning with Number "1".

Line 6—Number pages in sequence, beginning with Number "1" for each list.

Line 7—Utility space. May be used to indicate name of officer to contact if copies of record are used as Circularization Lists.

Column 8—Number each item in sequence, starting with Number "1" on each page.

Column 9—Follows SPB instructions for filling out Column b of SPB Form 1.1.

Column 10—Follows SPB instructions for filling out Column d of SPB Form 1.1.

Column 11—Follows SPB instructions for filling out Column e of SPB Form 1.1.

Column 12—Follows SPB instructions for filling out Column f of SPB Form 1.1.

Column 13—Follows SPB instructions for filling out Column g of SPB Form 1.1.

Column 14—Follows SPB instructions for filling out Column h of SPB Form 1.1.

Column 15—Indicate disposition, using substantially the following code and indicating date of action:

- W—Withdrawn from excess.
- RX—Redistributed to another supply component within same technical service.
- R—Redistributed to another technical service.
- SO—Turned over to salvage officer.
- S—Direct sale.
- N—Transferred to Navy.
- G—Transferred to another Government agency.
- D—Declared to Disposal Agency.

§ 826.692 *Principal field procurement offices of the technical services.*

OFFICE OF THE CHIEF OF ORDNANCE

- Birmingham Ordnance District, 700 Frank Nelson Building, Birmingham 1, Alabama.
- Boston Ordnance District, Room 1501-1510 Federal Street, Boston 10, Massachusetts.
- Chicago Ordnance District, 38 South Dearborn Street, Chicago 3, Illinois.
- Cincinnati Ordnance District, The Big Four Building, Cincinnati 1, Ohio.
- Cleveland Ordnance District, 1006 Terminal Tower Building, Cleveland 13, Ohio.
- Detroit Ordnance District, 1832 National Bank Bldg., Detroit 32, Michigan.
- New York Ordnance District, Room 1815, 80 Broadway, New York 5, New York.
- Philadelphia Ordnance District, 150 South Broad Street, Philadelphia 3, Pennsylvania.
- Pittsburgh Ordnance District, 1202 Chamber of Commerce Bldg., Pittsburgh 10, Pennsylvania.

Rochester Ordnance District, 1238 Mercantile Building, Rochester, New York.  
 San Francisco Ordnance District, 402 Empire Hotel, San Francisco, California.  
 St. Louis Ordnance District, 3663 Lindell Blvd., St. Louis 8, Missouri.  
 Springfield Ordnance District, 95 State Street, Springfield 3, Massachusetts.  
 Commanding Officer, Frankford Arsenal, Philadelphia 2, Pennsylvania.  
 Commanding Officer, Picatinny Arsenal, Dover, New Jersey.  
 Commanding Officer, Redstone Arsenal, Huntsville, Alabama.  
 Commanding General, Rock Island Arsenal, Rock Island, Illinois.  
 Commanding Officer, Springfield Armory, Springfield 1, Massachusetts.  
 Commanding Officer, Watertown Arsenal, Watertown, Massachusetts.  
 Commanding General, Watervliet Arsenal, Watervliet, New York.  
 Office, Chief of Ordnance-Detroit, ATTN: Redistribution Division (SPOMC-M), Union Guardian Building, Detroit 32, Michigan.  
 Field Director of Ammunition Plants, 3637 Lindell Blvd., St. Louis 8, Missouri.

OFFICE OF CHIEF OF ENGINEERS

Division Engineer, Great Lakes Division, 20 North Wacker Drive, Chicago 6, Illinois.  
 Division Engineer, Lower Mississippi Valley Division, P. O. Box 80, Vicksburg, Mississippi.  
 Division Engineer, Middle Atlantic Division, Room 909, 101 East Fayette Street, Baltimore 2, Maryland.  
 Division Engineer, Missouri River Division, Farm Credit Building, 19th and Douglas, Omaha 1, Nebraska.  
 Division Engineer, New England Division, 75 Federal Street, Boston 10, Massachusetts.  
 Division Engineer, North Atlantic Division, 21st Floor, 270 Broadway, New York 7, New York.  
 Division Engineer, Northwest Division, 114, #12 128th Street, Edmonton, Alberta, Canada.  
 Division Engineer, Ohio River Division, 1120 Huntington Bank Bldg., Columbus 16, Ohio.  
 Division Engineer, Pacific Division, 351 California Street, San Francisco 19, California.  
 Division Engineer, South Atlantic Division, 50 Whitehall Street, Atlanta 2, Georgia.  
 Division Engineer, Southwestern Division, Santa Fe Building, 1114 Commerce Street, Dallas 2, Texas.  
 Division Engineer, Upper Mississippi Valley Division, Syndicate Trust Bldg., 715 Olive Street, St. Louis 1, Missouri.  
 Area Engineer, P. O. Box 1111, Clinton, Tennessee.  
 Area Engineer, P. O. Box 265, Church Street, New York, New York.  
 Area Engineer, P. O. Box 1712, Wilmington, Delaware.  
 Area Engineer, P. O. Box 2277, Boston, Massachusetts.  
 Area Engineer, P. O. Box 550, Pasco, Washington.

OFFICE OF THE CHIEF OF CHEMICAL WARFARE SERVICE

Commanding General, Edgewood Arsenal, Edgewood, Maryland.  
 Commanding General, Pine Bluff Arsenal, Pine Bluff, Arkansas.  
 Commanding General, Rocky Mountain Arsenal, Denver 2, Colorado.  
 Commanding Officer, Huntsville Arsenal, Huntsville, Alabama.  
 Commanding Officer, Boston CW Procurement District, Room 500, 75 Federal Street, Boston 10, Massachusetts.  
 Commanding Officer, Chicago CW Procurement District, Room 1600, Civic Opera Building, 20 North Wacker Drive, Chicago 6, Illinois.  
 Commanding Officer, Dallas CW Procurement District, Mercantile Bank Building, 106 Ervay Street, Dallas 1, Texas.  
 Commanding Officer, New York CW Procurement District, 292 Madison Avenue, New York, N. Y.

Commanding Officer, San Francisco CW Procurement District, Room 291, 1353 Market Street, San Francisco, California.  
 Commanding Officer, Indianapolis CW Depot, 2060 Northwestern Avenue, Indianapolis 7, Indiana (Subpart C only).

OFFICE OF THE CHIEF OF TRANSPORTATION

Transportation Corps Supply Officer, Marietta Transportation Corps Depot, Marietta, Pa.  
 Transportation Corps Supply Officer, Montgomery Transportation Corps Depot, Montgomery, Alabama.  
 Transportation Corps Supply Officer, Voorheesville Transportation Corps Depot, Voorheesville, New York.  
 Chief, Chicago Procurement Office, TC, 201 North Wells Street, Chicago 6, Illinois.  
 Chief, New Orleans Procurement Office, TC, P. O. Box 1510, New Orleans 5, La.  
 Chief, New York Procurement Office, TC, 25 Broad Street, New York 4, N. Y.  
 Chief, San Francisco Procurement Office, TC, 461 Market Street, San Francisco 6, Calif.  
 Commanding General, Boston Port of Embarkation, Boston 10, Massachusetts.  
 Commanding General, Charleston Port of Embarkation, Charleston, S. C.  
 Commanding General, Hampton Roads Port of Embarkation, Newport News, Va.  
 Commanding Officer, Los Angeles Port of Embarkation, Wilmington, Calif.  
 Commanding General, New Orleans Port of Embarkation, New Orleans 12, La.  
 Commanding General, New York Port of Embarkation, Brooklyn 9, New York.  
 Commanding General, San Francisco Port of Embarkation, Fort Macon, Calif.  
 Commanding General, Seattle Port of Embarkation, Seattle 4, Washington.

OFFICE OF THE CHIEF SIGNAL OFFICER

Commanding Officer, Signal Security Agency, Army Communication Service, Office of the Chief Signal Officer, Pentagon Building, Room 3C340, Washington 25, D. C.  
 Commanding Officer, Storage and Issue Agency, 128 N. Broad Street, Philadelphia 2, Penna., Attn.: Redistribution & Salvage Officer.  
 Officer in Charge, Plant Engineering Agency, SPSLF-82, Architects Building, 17th and Sanson Streets, Philadelphia, Pa.  
 Commanding Officer, Philadelphia Sig. C. Procurement District, 128 North Broad Street, Philadelphia 2, Pennsylvania, Attn.: Production Division.  
 Commanding Officer, Monmouth Sig. C. Procurement District, Bradley Beach, New Jersey, Attn.: Production Staff.  
 Commanding Officer, Dayton Sig. C. Procurement District, 225 South Main Street, Dayton, Ohio, Attn.: Production Staff.  
 Officer in Charge, Los Angeles Signal Corps, Production Field Office, Rm. 1059, Pacific National Bldg., 315 West Ninth Street, Los Angeles 15, California.  
 Officer in Charge, New York Signal Corps, Production Field Office, 165 Broadway, New York 6, New York.  
 Officer in Charge, Philadelphia Signal Corps, Production Field Office, 117 South 17th Street, Philadelphia 3, Pennsylvania.  
 Officer in Charge, Chicago Signal Corps, Production Field Office, 1 North LaSalle Street, Chicago 2, Illinois.

Commanding General, Eastern Signal Corps Training Center, Fort Monmouth, New Jersey.  
 Commandant, Southern Signal Corps School, Camp Murphy, Florida.  
 Commanding Officer, Holabird Signal Depot, Baltimore, Maryland, Attn.: Training Branch.  
 Commanding Officer, Signal Corps Aircraft Signal Agency, Wright Field, Dayton, Ohio, Attn.: Redistribution and Salvage Officer.  
 Commandant, Western Signal Corps Training Center, Camp Kohler, California.  
 Commanding Officer, Dayton Signal Corps Supply Agency, 225 South Main Street, Dayton 2, Ohio, Attn.: Redistribution and Salvage Officer.  
 Commanding Officer, Signal Corps Ground Signal Agency, Shark River Hotel, Bradley Beach, New Jersey, Attn.: Redistribution and Salvage Officer.  
 Officer in Charge, Signal Corps Ground Signal Maintenance Ex., Architects Building, 17th and Sanson Streets, Philadelphia 3, Pennsylvania.

OFFICE OF THE QUARTERMASTER GENERAL

Commanding Officer, Jersey City Quartermaster Depot, 34 Exchange Place, Jersey City 2, N. J., Attn.: Excess Utilization Section, Buying and Purchase Branch, Procurement Division.

OFFICE OF THE SURGEON GENERAL

Redistribution and Salvage Officer, Army Medical Purchasing Office, 52 Broadway, New York 4, New York.

ARMY AIR FORCES

Chief of Property Disposal Section, Readjustment Division, Air Technical Service Command, Wright Field, Dayton, Ohio.  
 District Supervisor, Eastern Procurement District, Attention: Redistribution and Salvage Officer, 67 Broad Street, New York, New York.  
 District Supervisor, Central Procurement District, Attention: Redistribution & Salvage Officer, 3395 West Warren Avenue, Detroit, Michigan.  
 District Supervisor, Midwestern Procurement District, Attention: Redistribution & Salvage Officer, Municipal Airport, P. O. Box 117, Wichita, Kansas.  
 District Supervisor, Western Procurement District, Attention: Redistribution & Salvage Officer, 3636 Beverly Blvd., Los Angeles, California.  
 District Supervisor, Midcentral Procurement District, Attention: Redistribution & Salvage Officer, 111 West Jackson Blvd., Chicago, Illinois.  
 District Supervisor, Southeastern Procurement District, Attention: Redistribution & Salvage Officer, 83 Edgewood Avenue, N. E., Atlanta, Ga.  
 Chief of Disposal Section, Supply Division, Air Technical Service Command, Wright Field, Dayton, Ohio.

NAVY DEPARTMENT

Chief of the Bureau of Supplies and Accounts, Navy Department, Attention: S.P.D.—17, Washington 25, D. C.  
 Officer-in-Charge, P. O. Box "HT"—Chicago 80, Illinois, Attn: Surplus Materials Section.  
 § 826.693 *Stockpile materials.*  
 § 826.693-1 *List of stockpile materials.*

Material and minimum quantity	Specific types and grades
Agar, 250 lbs.....	Medical Department Supply Catalog, Item Numbers 10469, 10467-12, 10469-32, 10463-49, 10469-48, 10469-59, 10469-83, 1E3020, 10469-48 Bulk Agar.
Aluminum Ingot, 50,000 lbs.....	Primary or secondary refined metal (99% minimum Al).
Antimony, 25 sh. tons.....	Refined metal, needle antimony, antimony sulfide, antimony ores and concentrates.

Material and minimum quantity	Specific types and grades
Asbestos: Rhodésian Chrysolite, 5 sh. tons	Commercial grades C & G/1, C & G/2 Unfabricated.
South African Amosite, 5 sh. tons	Commercial grades B-1, B-3, D-3, 3DM-1 Unfabricated.
Bauxite, 25 lg. tons	Commercial Grade A.
Beryl, 5 sh. tons	Beryl ore (minimum 8% BeO), beryllium oxide, beryllium metal.
Bismuth, 5 lbs.	Bismuth metal, pharmaceutical compounds.
Cadmium, 5 lbs.	Metal in sticks, ingots, slabs, ball anodes or other refined forms.
Calcite, Optical, 100 lbs.	Clear, flawless crystals, Minimum 1 1/2" di.
Chromite:	
Chemical Grade, 25 lg. tons	Commercial ore or concentrates. Dry chromium chemicals.
Metallurgical Grade, 25 lg. tons	Ore (42% minimum Cr <sub>2</sub> O <sub>3</sub> , 2.8 minimum Cr/Fe ratio), ferrochromium, chromium metal.
Refractory Grade, 25 lg. tons	All commercial grades.
Chalk, English, 10 sh. tons	Any.
Clay, English China, 10 sh. tons	All commercial grades.
Cobalt, 2,000 lbs. Cobalt Content	Refined metal, oxide, ores, concentrates, crudes.
Columbite, 500 lbs. Columbite Content	Ore (45% minimum Pb <sub>2</sub> O <sub>3</sub> , Ferrochromium).
Copper, 25 sh. tons	All primary copper refinery forms. Brass and brass scrap in accordance with special directions to Chief of Ordnance.
Cordage Fibers: Manila and Sisal, 400 lbs. or 1 bale.	Fiber or new cordage.
Corundum, 10,000 lbs.	Ore or grain.
Cryolite, natural, 25 lg. tons	Natural ore.
Diamonds, Industrial, No minimum	Stones (unset), powder, dust.
Diamond Dies, No minimum	Finished dies.
Emery, 25 sh. tons	Ore or grain. Turkish or Greek origin only.
Emetine, 100 oz.	Medical Department Supply Catalog, Item Numbers 11720, A320800, A320930, A321000, A321010. Emetine in bulk.
Engot, 250 lbs.	Material in bulk quantities.
Fluorspar: Acid or Metallurgical, 25 sh. tons	Commercial grades.
Graphite: Amorphous lump, 97% minimum 5 sh. tons.	Any amorphous lump (97% minimum C).
Crystalline Flakes, 25 sh. tons	Madagascar; or domestic grades A, 1A and 1B, smaller than 60 mesh.
Flake, 5 sh. tons	Madagascar flake, 60 mesh or larger.
Hyoscine, 25 oz.	Hyoscine hydrobromide in bulk or standard packages.
Indium, 100 Troy oz.	Metal in refinery forms. Plating salts.
Iodine, 2,000 lbs.	Crude iodine.
Jewel-Bearings: Instrument Rings, Sapphire Veels, watch rings and other instrument and watch jewels, no minimum.	Set or unset.
Kapok, 100 lbs.	Raw fiber.
Kyanite, Indian, 25 sh. tons	Ore.
Lead, 25 sh. tons	Antimonial, common or corroding grade metal in all refinery forms. Ores and concentrates.
Magnesium Ingot, 50,000 lbs.	Primary or secondary refined metal.
Manganese:	
Battery grade, 25 lg. tons	Commercial battery ore, lump or pulverized. Battery mixes not acceptable.
Metallurgical Grade, 25 lg. tons	Ore (45% minimum Mn)
Mercury, 10 flasks	Metallic or contained in chemicals.
Mica:	
Muscovite Block and Film, Good stained and better, no minimum.	Commercial grade, larger than 1 sq. inch.

Material and minimum quantity	Specific types and grades
Mica—Continued.	
Muscovite Block, stained and lower, no minimum.	Commercial grade, larger than 1 sq. inch.
Phlogopite (Amber) splittings, no minimum.	Commercial grades, unbonded.
Phlogopite (Amber) splittings, no minimum.	Commercial grades, unbonded.
Fluogopite (Amber) Block, no minimum	Commercial grade, larger than 1 sq. inch.
Molybdenum, 10,000 lbs. Molybdenum Content.	Molybdenum concentrates, oxide, calcium molybdate, ferromolybdenum, ammonium molybdate, molybdenum powder.
Monazite, 5 sh. tons	Ore.
Nickel (including Monel), 10,000 lbs. Nickel Content.	Refined metal in any form.
Pepper, 1,000 lbs.	Commercial grades, ground or unground.
Platinum Group Metals:	
Iridium, no minimum	Refined iridium or alloys with other platinum group metals. Crudes or semi-refined forms.
Osmium, no minimum	Refined osmium or alloys with other platinum group metals. Crudes or semi-refined forms.
Palladium, no minimum	Refined palladium or alloys with other platinum group metals. Crudes or semi-refined forms.
Platinum, no minimum	Refined platinum or alloys with other platinum group metals. Crudes or semi-refined forms.
Rhodium, no minimum	Refined rhodium or alloys with other platinum group metals. Crudes or semi-refined forms.
Ruthenium, no minimum	Refined ruthenium or alloys with other platinum group metals. Crudes or semi-refined forms.
Quartz crystals: Radio Grade, 100 lbs.	Crude quartz crystals. Processed quartz in slabs, sections, bars, wafers and blanks in accordance with special instructions to Signal Corps and AAF.
Quebracho, 5 lg. tons	Extract in bulk.
Quinidine Sulfate, 25 oz.	Medical Department Supply Catalog, Item No. 13870. Material in bulk.
Quinine, 100 oz.	Medical Department Supply Catalog, Item Numbers 13900, 13910, 13900-12, 13900-03, 13900-05, A-717000, A-716500, A-716800. Quinine sulfate or hydrochloride in bulk.
Rubber: Crude Rubber and Natural Rubber Latex, 5 lg. tons	Any.
Ruddle, 5 sh. tons	Ore or concentrates.
Sapphire (Natural and synthetic), no minimum.	Any suitable for jewel bearings.
Selenium, 1000 lbs.	Commercial forms or compounds.
Shellac, 10,000 lbs.	Bulk shellac of all grades (dry flake).
Strontium, Celestite, 25 sh. tons	Ores.
Talc:	
Steatite, Block or Lava, 10 sh. tons	Quality suitable for electronic tube spacers, Minimum 3-lb. pieces.
Steatite, Ground, 5 sh. tons	Any.
Tantalite, 100 lbs. Tantalite Content	Tantalite ore, potassium tantalum fluoride, tantalum oxide, tantalum metal powder.
Tin, 100 lbs.	Concentrates. Pig tin.
Tungsten, 10,000 lbs. Tungsten Content	Ores and concentrates (55% minimum WO <sub>3</sub> ), commercial ferrotungsten, tungsten powder.
Vanadium, 10,000 lbs. Vanadium Content	Vanadium oxide and ferrovandium.
Wool, 300 lbs.	Raw wool, greasy or cleaned.
Zinc, 25 sh. tons	Slab zinc, all grades. Zinc ores and concentrates, zinc oxide.
Zirconium: Baddeleyite and Zircon, 5 sh. tons.	Ores or concentrates.

§ 826.693-2 Request for disposition instructions.

Stock-Pile Materials—Request for Disposition Instructions

See instructions on reverse side. See also §§ 822.210, 826.693, and 829.000

1. From: (Requesting Field Installation)		2. (Responsible Chief of Service)		3. Date	
Request is made that disposition instructions be obtained for the following lot of material:					
4. Material	5. Subgroup	6. Quantity		7. Analysis. State whether an actual analysis or guaranteed maximum or minimum.	
	8. Type or grade		9. Physical form and size		Weight (%)
10. Source of analysis shown in 7		11. Specification purchased under		Element	
12. Original producer or source		13. Condition of material		Element	
14. Present location (city)		15. Kind and condition of packaging		Element	
16. Comments or additional descriptive information					
17. Enclosures					
18. Name, position, and signature of person preparing report					

187 ENDORSEMENT

19. From: (Chief of Service)	20. The Director, Production Division, Headquarters Army Service Forces. Attention: Chief, Materials Branch	21. Date	22. Lot No.
Request is made for a determination as to whether subject lot of material is to be held for stock pile or disposed of as surplus.			
23. Name, position, and signature of person making endorsement for chief of service			

20 ENDORSEMENT

24. From: The Director, Production Division, Headquarters Army Service Forces	25. (Chief of Service)	26. Date
Person who determines suitability for stock pile will initial proper action and strike out other.	Subject lot of material is to be held for stock pile. Action required by § 822.210-2 (b) will be taken. This form will be returned with third endorsement completed.	
	Subject lot of material is not desired for stock pile. Action required by § 822.210-2 (c) will be taken. Third endorsement need not be completed.	
27. Name, position, and signature of person recommending action		Chief, Materials Branch.

W. D., A. G. O. Form 237  
June 18, 1945

3D ENDORSEMENT

29. From: (Chief of Service)	30. The Director, Production Division, Headquarters Army Service Forces. Attention: Chief, Materials Branch	31. Date
Subject lot of material has been placed in permanent storage as directed by 2d endorsement. The following refers to permanent storage location. Any necessary future movement will be similarly reported. Material will not be disposed of without authorization.		
32. Name and location of storage point	33. How stored	
34. Custodian	35. Kind and condition of packaging	
36. Name, position, and signature of person making endorsement for Chief of Service		

INSTRUCTIONS

A separate request will be filed for each lot of material. A lot is defined as any quantity to which the same analysis or other means of quality applies. Report all material at a given location if the total of all lots at that location equals or exceeds the minimum shown in § 829.003.

An complete items 4 through 10, any available Government records, or contractor's or supplier's records made available to the Government, will be required in order that the information will be as complete and reliable as possible. Proper attention should be given to the possibility of stock piling will depend upon having complete information. No actual analysis, photographs, or other visual inspection need be carried out in order to complete the information. The following instructions refer to the corresponding items in the request form and endorsements thereto:

- 4 and 5. Use terminology as in § 829.003, col. 1. Leave 5 blank if not applicable.
  6. State quantity of lot in commercial unit and show unit. State whether quantity applies to the gross weight or to the contained weight of the material named in 4.
  7. Show an actual analysis of record, or a guaranteed analysis, if available, and state which. If none available, so state.
  8. Where 4 is a generic term, show here the commercial name of the actual subject material, i. e., where 4 is "vanadium," 8 might be "fused black vanadium oxide" or "ferrovandium."
  9. Quote the source or authority for the analysis shown in 7.
  10. Where 7 is not available, show a recognized specification under which the material was purchased.
  11. Enclose any inspection records or other documents which would add to the information shown in 4 through 10.
  22. The chief of service will serial number, upon receipt, all lots of a given material and subgroup handed through his office, regardless of the originating field installation. This will be used for reference in any necessary separate communications.
  33. State whether stored in the open (and if so, whether on the ground or on a pavement), in an open shed or in an enclosed building. State also, where applicable, any precautions taken to prevent loss or damage by the elements.
  34. Responsible War Department Office or Office.
  35. Repeat item 18 unless material has been packed or repacked or unless condition of packages has changed.
- Three copies of each request will be sent by the requesting field installation to the responsible Chief of Service. After completing 1st endorsement, Chief of Service will forward two copies to the Director, Production Division, Headquarters Army Service Forces.

PART 827—DISPOSAL OF SURPLUS PERSONAL PROPERTY

- Sec. 827.700 General.
- 827.701 Direct disposal by War Department after declaration.
- 827.702 Assignment of property to disposal agencies.
- 827.703 Regional offices of Reconstruction Finance Corporation to which declarations of surplus property will be submitted.
- 827.704 Regional offices of Department of Commerce.
- 827.705 Surplus Property Board declaration forms.
- § 827.700 General. (a) This part provides authority and procedures for the disposal of surplus property within the continental limits of the United States. The policies and procedures prescribed for the determination of surplus are contained in the following:
- ASF Military Property—ASF Manual M 410.  
AAF Military Property—AAF Reg. 09-89 and AFSC Reg. 110-5.

Non-military Property—Part 826 of this subchapter.

Contractor Inventory—Subchapter C of this chapter.

Property loses its distinction as military or non-military after it has been determined surplus, and there is only one standard procedure prescribed for its disposal; although certain deviations from the standard procedure are provided in the case of contractor inventory and other limited categories.

(b) Two basic methods are prescribed for disposal of surplus property. The first, which is applied to small lots and to property that is salable only as scrap or salvage, is direct sale by the War Department, generally through the agency of the local salvage officer. This procedure to be followed under this method is set forth in Subpart A of this part. The second is declaration to a disposal agency. The procedure to be followed under this method is set forth in Subpart B of this part.

(c) When property has been determined surplus, it is essential that disposal action be initiated immediately, in order (1) to relieve the War Department of the burden of administering, handling and storing property which it no longer needs, (2) to recover the value of the property, and (3) to channel the property into civilian use. Accordingly, a target of five days has been established as the elapsed period between determination of surplus and (i) turn-over to a salvage officer or other agency of the War Department for direct sale, or (ii) declaration to a disposal agency. The elapsed period will not, in any case, exceed ten days.

#### SUBPART A—DIRECT DISPOSAL BY WAR DEPARTMENT

##### § 827.710 *Small lots.*

§ 827.710-1 *General procedure.* (a) Small lots of surplus property will be turned over to the local salvage officer for disposal. The salvage officer will dispose of small lots in accordance with Parts 821 to 828, inclusive, of this subchapter and with regulations applicable to the disposal of salvage (see TM 38-505).

(b) Where it is impracticable to turn the property over to a local salvage officer because of its location, small lots of surplus property originating from contractor inventory will be disposed of by the contracting officer or his representative. In such cases, the contracting officer or his representative will dispose of the property in accordance with Parts 821 to 828, inclusive, of this subchapter and with regulations applicable to the disposal of salvage (see TM 38-505).

(c) Although small lots are disposed of under salvage procedures, they are not disposed of as salvage, but as small lots of surplus property. All documents relating to disposal of small lots will be marked clearly to indicate disposal of small lots of surplus property.

§ 827.710-2 *Exceptions.* (a) Under Surplus Property Board regulations, the War Department is urged to dispose of small lots to the fullest extent possible without declaration to a disposal agency. Accordingly, small lots will be declared

to disposal agencies only under the following circumstances:

(1) When the Regional Office of the disposal agency requests declarations of small lots of any given type of property and is in a position to effect expeditious disposition without delaying disposition of other property.

(2) When a disposal agency directs that small lots of a given type of property be declared to it. Under Surplus Property Board regulations, a Disposal Agency is permitted to give such directions where it is of the opinion that direct sales by the War Department of small lots of any given type of property interferes with the orderly marketing of such type of property by the disposal agency. When such directions are given by a disposal agency the particular types of property to which the directions apply will be listed in Parts 821 to 828, inclusive, of this subchapter.

§ 827.710-3 *Standard for determination of small lots.* (a) Determinations as to what are "substantially similar items", as that phrase is used in the definition of small lots (§ 821.102), are not the responsibility of the salvage officer but of the War Department agency directing the transfer to salvage. The standards to be applied in making such determinations are as follows:

(1) Property will not be subdivided or subjected to refined classifications for the purpose of avoiding reporting to disposal agencies.

(2) "Substantially similar items" are items which serve the same immediate purpose. They include items which are commonly considered in ordinary business practice as being in the same class, although they differ in size, weight, color, capacity, composition, quality, or design. Items may be substantially similar although not interchangeable in use.

(b) The phrase "at any one time" appearing in the definition of small lots (§ 821.102) means the time at which the responsible officer has determined the items to be turned over to a salvage officer or declared to a disposal agency. Developments subsequent to the time of the decision need not influence a determination of small lots.

(c) The phrase "at any one place" appearing in the definition of small lots (§ 821.102) means one installation, plant, factory, or location.

##### § 827.711 *Surplus property disposed of as salvage.*

§ 827.711-1 *General.* Under certain circumstances, surplus property may be classified as salvage and disposed of as such, notwithstanding that the property is in fact serviceable for use for the purpose for which it was originally intended. Such disposal is not to be confused with the disposal of small lots, which, although disposed of under salvage procedures, are not disposed of as salvage, but as small lots of serviceable surplus property.

§ 827.711-2 *Demilitarization.* Sections 827.711-827.711-4 do not pertain to the disposal as salvage of the residue remaining after authorized demilitarization of combat matériel, which is covered by War Department Circular No. 183, 1945, and ASF Manual M 419, or after the

authorized destruction of classified matériel, which is covered by AR 380-5.

§ 827.711-3 *Classification by technical services.* (a) Under Surplus Property Board regulations, the War Department is authorized to classify as salvage, and dispose of as such, any property that is of such a specialized nature that it has no reasonable prospect of sale as a unit.

(b) Ordinarily, classification of specialized non-military property as salvage will be made under § 824.401 without determining the property to be surplus. When such classification is made after determination as surplus, the same procedure, as set forth in §§ 824.401-824.406, will be followed.

(c) Chiefs of technical services are authorized to classify surplus specialized military property as salvage upon a determination that the property is peculiarly military in its characteristics, that it has no civilian use and cannot readily be converted for civilian use (or, in the case of parts and components of military equipment, that they are not interchangeable with parts and components of civilian equipment), and that it has no reasonable prospect of sale as a unit. Military property will not be classified as salvage under the provisions of this subparagraph without the prior review and approval of a disposal board, which may be either a local disposal board or a disposal board at chief of service level. Property so classified will be turned over to the local salvage officer for disposal as salvage in accordance with AR 700-25 and TM 38-505.

§ 827.711-4 *Classification by disposal agencies.* Under Surplus Property Board regulations, disposal agencies are authorized to certify in writing to the War Department that any given property or any class of property is in its judgment scrap, regardless of its condition. General procedures for disposal by the War Department of property so certified are in preparation and will be published in this subchapter. Pending the publication of such procedures, cases arising under this subparagraph will be referred to the Director, Readjustment Division, for instructions.

§ 827.712 *Assistance to be rendered by service commands.* When requested, the Commanding Generals of service commands should, to the extent considered practicable by them and within the limits of their existing facilities, assist the technical services in the disposition of small lots and salvage originating at nearby industrial plants and installations under the jurisdiction of the technical services. Where convenient this assistance will include physical receipt of small lots and salvage.

##### § 827.713 *Accountability.*

§ 827.713-1 *Accountability for small lots.* Accountability for small lots will terminate when the accountable officer is in possession of a copy of a property turn-in slip listing the property, which copy has been signed by the salvage officer. The property turn-in slip will describe the property in sufficient detail to furnish a commercial description. Records of surplus property will be main-

tained by salvage officers by item (Technical Service or Army Air Forces classification) and quantity, either by keeping jacket-files or by posting to detailed records.

§ 827.713-2 *Accountability for surplus property disposed of as salvage.* See AR 35-6520, paragraph 17b.

SUBPART B—DECLARATION TO DISPOSAL AGENCIES

§ 827.720 *General.* (a) Under its Regulation No. 1, as amended, the Surplus Property Board has assigned responsibility for disposal of surplus personal property as indicated in § 827.791 by standard commodity classification numbers. Although the detailed assignments as set forth in § 827.791 will govern, the general basis of assignment of responsibility to the major disposal agencies is as follows:

- Reconstruction Finance Corporation—Capital and producers goods.
- Department of Commerce—Consumer goods.
- United States Maritime Commission—Ships and maritime property.
- Department of Agriculture—Agricultural commodities and food.

(b) Promptly upon determination of surplus property, other than that to be disposed of directly by the War Department (see Subpart A), will be declared to the designated disposal agency by the War Department agencies authorized to determine property as surplus, or by installations or offices instructed by these agencies to make declaration, in accordance with the procedures set forth in this subpart.

§ 827.721 *Declarations; where made.*

§ 827.721-1 *Ships, small watercraft and related property.* Surplus ships of commercial design or susceptible to commercial use will be reported to the United States Maritime Commission, Attention: Commodore E. J. Moran, Director, Division of Small Vessel Procurement, Washington 25, D. C. Before reporting, detailed instructions as to descriptive matter and other information to be supplied will be obtained from that office. Small watercraft and other property assigned to the Maritime Commission as set forth in § 827.791 will be reported to the United States Maritime Commission, Attention: Mr. E. W. Gorman, Assistant to the Director of the Procurement Division, Washington 25, D. C.

§ 827.721-2 *Aircraft and related property.* (a) Surplus aircraft, and gliders which have been reported to Headquarters, Army Air Forces, in accordance with Army Air Forces Regulation No. 65-86, dated June 14, 1944, or any amendment thereto, will be declared by Headquarters, Army Air Forces to Reconstruction Finance Corporation, Office of Surplus Property, Washington 25, D. C. Link trainers will continue to be reported by Hq, AAF, but in accordance with (b) below.

(b) Surplus aircraft equipment, components and parts in supply or in Government furnished equipment warehouses (as distinguished from items included in termination inventories) in-

cluded in the following classes listed in Army Air Forces T. O. No. 00-35A-1, and supplements thereto, will be declared to Reconstruction Finance Corporation, Surplus Property Division, Empire Building, Cleveland 1, Ohio.

01-B	01-T	02-Q	10-A <sup>2</sup>
01-C	01-U	03-A	11-A
01-D	02-A	03-B	11-B
01-E	02-B	03-C	11-D
01-F	02-C	03-D	11-E
01-G	02-D	03-E	15
01-H	02-E	03-F <sup>1</sup>	18
01-I	02-F	03-G	19-A <sup>4</sup>
01-J	02-G	03-H	20 <sup>3</sup>
01-K	02-H	03-I	23-A <sup>6</sup>
01-L	02-I	03-J <sup>2</sup>	23-B <sup>7</sup>
01-M	02-J	03-K	23-C
01-N	02-K	03-L	30-A <sup>8</sup>
01-P	02-L	04-A	30-B
01-Q	02-M	05-C	30-C
01-R	02-N	05-D	30-D
01-S	02-P	05-E	30-E

<sup>1</sup>Except safety belts, cushions, fire extinguishers, carbon dioxide (CO<sub>2</sub>) cylinders, valves and accessories, life raft accessories such as cans, inflation pump, bailing bucket, bullet hole plugs, etc., and parts.

<sup>2</sup>Except batteries.

<sup>3</sup>Only aerial cameras, gun cameras and their parts, including lenses.

<sup>4</sup>Only aircraft towing gear (excluding tractors), special maintenance dollies, stands, slings, clamps, and supports, engine transportation cradles, chocks and wheel blocks. Hydraulic wing, nose, and axle and tail jacks. Special airplane ladders. Ground type aircraft engine heaters. Mooring lita.

<sup>5</sup>Only those items originally listed in classes set forth in this subparagraph.

<sup>6</sup>Link trainers to be reported by Hq, AAF.

<sup>7</sup>Except two targets, windlasses, windlass installations, parts and windlass footers.

<sup>8</sup>Only instructional aids for aircraft and aircraft equipment assigned to RFC.

(c) Except as otherwise provided above, surplus property in supply or in Government furnished equipment warehouses will be reported to the Regional Office of the Reconstruction Finance Corporation or Department of Commerce for the region in which the property is located.

§ 827.721-3 *Agricultural commodities and food.* Surplus food and related property assigned to the Department of Agriculture as set forth in § 827.791 will be declared to Office of Supply, Commodity Credit Corporation, Department of Agriculture, Washington 25, D. C.

§ 827.721-4 *Portable housing.* Housing of a portable, demountable or prefabricated nature (except house trailers) will be declared to the National Housing Agency, Washington 25, D. C. Structures (not equipped for housing use) of a portable, demountable or prefabricated nature, including quonset and similar huts, when declared surplus separate from any sites thereof, will be declared to the Regional Office of Reconstruction Finance Corporation for the region in which the property is located.

§ 827.721-5 *Other property.* Surplus property other than the types of property specified in the foregoing subparagraphs of this § 827.721 will be declared to the Regional Offices of Reconstruction Finance Corporation or Department of Commerce for the region in which the property is located. The addresses of

these Regional Offices and the territories within their jurisdiction are set forth in §§ 827.792 and 827.793.

§ 827.722 *Declarations; how made.*

§ 827.722-1 *Declaration forms.* (a) All declarations of surplus property (except contractor inventory, as to which see § 827.724) will be made on Form SPB-1, titled "Declaration of Surplus Personal Property to Disposal Agency". Copies of this form, together with instructions for its preparation, are set forth in § 827.794.

(b) Declarations of surplus shall designate any such property known to have been processed, produced or donated by the American Red Cross.

(c) Declarations of surplus property shall fully set forth any legal restrictions upon the authority of the Government affecting the disposition of the property, including any restrictions upon the disposal or use thereof arising from any patents or any contract relating thereto.

§ 827.722-2 *Transmittal of declarations.* (The following does not apply to declarations of surplus property originating from contractor inventory that are made under the procedures set forth in § 827.724.) Declarations of surplus property made on Form SPB-1 will be filed with disposal agencies in triplicate. One copy will also be sent to the Navy Department, Washington 25, D. C. (Attention: Chief of the Bureau of Supplies and Accounts, SPD 19) if the total cost of the property covered by the declaration exceeds \$1,000. An information copy of each declaration covering property having a total cost of \$25,000 or more will be transmitted at the time of declaration to the Director, Readjustment Division. These copies need not be accompanied by a letter of transmittal. An additional copy of each declaration covering property having a total cost of \$25,000 or more will be sent to Readjustment Division, attached to the monthly report required by Part 828.

§ 827.723 *Withdrawal, and adjustments of declarations.* (a) Property which has been declared to a disposal agency may be withdrawn by the declaring office for further use by the technical service of origin, with the consent of the disposal agency to which the property was declared. See § 827.724 for special procedures on contractor inventory. It is no longer necessary to withdraw declarations for the purpose of transfer without reimbursement to another technical service or to another Government agency. Under Special Order 6 of the Surplus Property Board, disposal agencies are authorized to transfer property declared by one technical service to another technical service or to another Government agency, without reimbursement when transfer could have been made from the declaring technical service to the transferee service or agency without reimbursement under §§ 823-307 or 823-308.

(b) Withdrawal of property under this paragraph will be effected by transmitting to the Disposal Agency Form SPB-1.1 titled, "Adjustment of Prior Declaration of Surplus Personal Prop-

erty". This form will also be used in reporting any modifications or adjustments in prior declarations. Form SPB-1.1 will be prepared and transmitted in the same manner as Form SPB-1. If a withdrawal covers all the items included in a previous declaration, the phrase "All items to be withdrawn" may be inserted in Column (b) instead of listing the items.

(c) Any approved withdrawals, corrections, adjustments or modifications involving a change in total cost of \$25,000 or more will be reported to Readjustment Division, Headquarters, Army Service Forces, by attaching a copy of Form SPB-1.1 to the monthly report required by Part 828 of this subchapter.

(d) See § 827.724-7 as to withdrawals and adjustments of declarations of contractor inventory.

§ 827.724 *Special procedures for contractor inventory.*

§ 827.724-1 *General.* (a) Reconstruction Finance Corporation, with the cooperation of the War Department, has developed a storage system for surplus property originating from contractor inventory, under which disposal centers have already been provided in nearly all major industrial areas, and will be provided in the remaining industrial areas in the immediate future. Through the use of this system, it is contemplated that virtually all surplus property that must be removed from the plants of War Department Contractors (other than property to be disposed of directly by the War Department under Subpart A of this part will be shipped directly from the contractors' plants to RFC Disposal Centers. Under an agreement between Reconstruction Finance Corporation and Department of Commerce, Reconstruction Finance Corporation will move into RFC Disposal Centers surplus items of the types assigned to Department of Commerce which may be included in contractor inventory, or will provide other shipping instructions therefor: Reconstruction Finance Corporation will not, however, provide shipping instructions for property of the types assigned to the United States Maritime Commission or to the Department of Agriculture.

(b) The special procedures set forth in §§ 827.724 to 827.724-7, inclusive, for declaration, request of shipping instructions, issuance of shipping instructions, and documentation of shipment of surplus property from plants of War Department contractors do not apply to property of the types assigned to United States Maritime Commission or Department of Agriculture. Such property will be handled under the procedures set forth in §§ 827.721-1, 827.721-3, 827.722 and 827.723.

§ 827.724-2 *Liaison with Reconstruction Finance Corporation.* Field establishments handling contractor inventories will establish direct and close operational liaison with Regional Offices of Reconstruction Finance Corporation. Such liaison will cover all phases of the operations involved in plant clearance and will include:

(a) Furnishing advance information with respect to impending contract ter-

minations. Insofar as practicable, Regional Offices should be advised of the plant clearance features of pretermination agreements. Upon request, Regional Offices should be furnished copies of termination notices. Termination inventory schedules should be made available to Regional Office representatives.

(b) Consultation with Regional Offices with respect to scrap determinations, possible purchasers of contractor inventory and current market prices of scrap and raw materials.

(c) Consultation with Regional Offices in connection with preparation of declarations. Arrangements should be made for correcting and supplementing inadequate descriptions without delay and without returning declaration forms.

(d) Consultation with Regional Offices on the preparation of property for shipment and shipment to RFC Storage Areas.

(e) Assistance to Regional Offices in obtaining storage space, materials—handling equipment, other facilities, and personnel.

(f) In many cases, Regional Offices are in a position to station representatives in War Department district procurement offices, and vice versa. Such arrangements are desirable, when justified by the work load at the offices concerned.

§ 827.724-3 *Declarations*—(a) *When made.* Declarations should be made as soon as the residual inventory is determined (that is, the serviceable surplus property that will have to be removed after scrapping, sales and retentions by the contractor and diversions to War Department stock or other War Department contractors have been completed). Requests for shipping instructions will usually be made concurrently with declaration (see § 827.724-4).

(b) *Where made.* Declarations will be made to the Regional Office of Reconstruction Finance Corporation for the region in which the property is located.

(c) *Forms used.* (1) Declarations will be made on Form SPB-1.2 (cover sheet), supported by detailed listings on either Termination Inventory Schedules (Office of Contract Settlement Forms 2a, b, c and d), or Form SPB-1.3. In order to meet machine listing limitations of the disposal agencies, no more than ninety-nine pages of detailed listings will be included in a single declaration. Copies of Form SPB-1.2 and Form SPB-1.3, together with instructions for preparation, are set forth in § 827.724.

(2) When Termination Inventory Schedules are used as detailed listings, the type of storage required will be indicated in one of the columns headed "Leave Blank" by the following single letter entry:

- H—Heated warehouse
- C—Closed unheated warehouse
- O—Open storage

(3) Form SPB-1.3 will be used as the detailed listing for termination inventory whenever it is necessary to rewrite Termination Inventory Schedules, because of numerous deletions or failure on the part of the contractor to conform to the requirements of Subchapter C of this chapter as to classification or description

in the preparation of schedules, or when schedules are not submitted on Office of Contract Settlement Forms 2a, b, c and d. In transcribing from Termination Inventory Schedules to Form SPB-1.3, the classification of the particular schedules will be followed and a new page started for each property classification; it is not necessary to further classify the items according to the major groups of the Standard Commodity Classification or to segregate items of the type assigned to Department of Commerce. In transcribing descriptions from OCS Form 2a, the sequence of the description columns of that Form will be followed; the abbreviations "thk" for thick, "w" for wide and "l" for long will be supplied after the dimensions; and the descriptive matter appearing under the respective columns of that Form will be set off by semicolons. Example: "BRASS, HR cold strip, slit edge; ¼ hard, plain pickled; U. S. Army Spec. 57160 R.L. Br.; 0120 thk; 6" w; 42 # coils."

(4) Form SPB-1.3 will in every case be used as the detailed listing for plant equipment. Descriptions of plant equipment for which Historical Record forms are maintained may be confined to a one-line statement of the descriptive name of the machine, manufacturer, size, model or catalog number, and electrical characteristics, provided copies of the pertinent Historical Record forms (edited to conform to the equipment as shipped) are annexed to shipping documents at time of shipment (see § 827.724-6 (a) (3)). A new page will be started for each major group (two digits) of the Standard Commodity Classification; but only one Form SPB-1.2 need be prepared when the detailed listings comprise more than one major group.

(5) Copies of Form SPB-1.2 with supporting detailed listings will be distributed as follows:

(i) Eight (8) sets to the Regional Office of Reconstruction Finance Corporation. The Regional Office will return one set with shipping instructions; or will return 2 or more sets if requested, provided sufficient additional sets are transmitted to the Regional Office in the first instance.

(ii) Declarations covering property having a cost of \$25,000 or more: One (1) set to Readjustment Division for information concurrently with transmittal to Regional Office of Reconstruction Finance Corporation (this set will be omitted when a copy of the declaration of production equipment is transmitted to the Industrial Equipment Redistribution Board under § 826.611-10 (a) (1)); and one (1) set to Readjustment Division, attached to the monthly report required by Part 848 of this chapter.

(iii) Additional distribution within the technical service concerned as required for file and record purposes.

§ 827.724-4 *Request for shipping instructions.* Request for shipping instructions will be made on Form SPB-1.2 (Blocks 12 through 17); and will usually be made concurrently with declaration, using a single Form SPB-1.2 for both declaration and request. Under no circumstances will shipping instructions be requested on property for which a firm "date ready for shipment" can not be set.

It will usually minimize paper-work if declarations are limited to property for which firm shipping date can be set, so that declaration and request for shipping instructions will cover the same property; even though this may require successive declarations for property originating from a single contractor inventory. However, there will be some cases in which it is desirable to include in a single declaration property for which a firm shipping date cannot be set, as well as property for which a firm shipping date can be set, limiting the request for shipping instructions to the latter. Such partial requests will be identified by an appropriate entry in block 24 of Form SPB-1.2.

§ 827.724-5 *Shipping instructions.* The regional office will return one set of the declaration with appropriate shipping instructions in Blocks 18 through 23 of Form SPB-1.2. Usually the shipping date will be scheduled 10 to 14 days from receipt of request for shipping instructions.

§ 827.724-6 *Documentation of shipment.* (a) Separate documents will be prepared for each shipment as follows:

(1) Vendor's Shipping Document (VSD) will be used as a cover sheet, supported by detailed listings on SPB Form 1.3 (see subparagraph (d) for alternate procedure).

(2) The VSD will be prepared in the usual manner, except that:

(i) The "Reporting Agency Number" assigned by Reconstruction Finance Corporation to the declaration under which the shipment is made will be entered in block 13.

(ii) The "RFC Shipping Authorization Code" under which the shipment is made will be entered in block 14.

(iii) In lieu of completing columns 1 through 14, the following will be typed in capital letters:

SEE ATTACHED DETAIL LISTING PAGES THROUGH

(3) Detailed listings will be prepared on SPB Form 1.3, filling out all blocks and columns except 3 and 13. Copies of detailed listings used for declaration may be utilized for this purpose by deleting items withdrawn, sold or scrapped after declaration; filling out columns 6, 7, 8 and 10; and entering "Reporting Agency No." and "Shipping Authorization." When Historical Record forms are used to support one-line descriptions of plant equipment on Form SPB-1.3 (see § 827.724-3 (c) (4)) they will be edited to conform to property shipped and attached to Form SPB-1.3.

(4) As an alternate procedure the use of Form SPB-1.3 may be omitted and detailed listing may be made on the VSD. If this procedure is followed, full descriptions (including condition code), unit of measure, quantity declared, unit cost and total cost will be transcribed to columns 2, 3, 7, 9 and 10 of the VSD from the detailed listings used in connection with declaration. In transcribing descriptions to column 2 of the VSD, description of each item will be started with the page and line number as shown in the detailed listings supporting declaration and ended with the condition code.

See § 827.724-3 (d) (3) for method of transcribing description from OCS Form 2a.

(b) When more than one car or truckload is required to ship property covered by a single declaration, shipments will be serially numbered (beginning with "1" for each declaration) and will be indicated as "final" or "partial" in the space provided on the VSD. When a shipment has been marked "final" and it is discovered that an item or items covered by the declaration have not been shipped, the Regional Office will be consulted as to the manner of adjustment; and, if requested, a new declaration and request for shipment will be made.

(c) If shipment is delayed beyond the usual tolerance period permitted by the particular Regional Office, the Regional Office will be immediately notified. If the matter cannot be adjusted through liaison, a new request for shipping instructions will be made.

(d) Shipping documents will be distributed as follows:

(1) If shipment is by truck:

Four (4) sets with shipment;  
Four (4) sets by mail to the RFC Disposal Center;

One (1) set by mail to the RFC Regional Office.

(2) If shipment is by rail:

Two (2) sets with shipment;  
Six (6) sets by mail to the RFC Disposal Center;

One (1) set by mail to the RFC Regional Office.

(3) Original copy, and additional copies as required, to the contracting officer. The contracting officer will return one (1) copy to the contractor after executing receipt thereon in accordance with the JTR (PR 15).

(4) Additional copies as required by the contractor.

(e) The RFC Disposal Center to which the property is shipped will return two (2) sets of the shipping documents (with "quantity received" column completed) to the contracting officer as a receiving report. When quantity received differs from quantity shipped, or in case of evident damage, the RFC Storage Area will return an "Over, Short and Damage" report.

(f) In view of the number of copies required, all shipping documentation should be prepared by reproduction methods.

§ 827.724-7 *Withdrawals and adjustments.* It will not be necessary to submit Form SPB-1.1 adjusting quantities declared to quantities shipped. However, the Regional Office will be informed through liaison in advance of shipment when adjustments are such as to affect substantially the amount or type of storage space or handling facilities required; and should be informed through liaison of any substantial adjustments resulting from withdrawal, scrapping or sale of contractor inventory between declaration and shipment.

§ 827.725 *Care and handling.*

§ 827.725-1 *General.* (a) The disposal agencies will dispose of all property declared surplus that is not withdrawn under § 827.723.

(b) All agencies of the War Department concerned with the disposal of surplus property will extend the fullest cooperation to the disposal agencies in this connection. Liaison will be promptly established and maintained between field establishments handling surplus property and the field agencies of the Disposal Agencies. Provisions will be made for furnishing additional information to disposal agencies and for exhibiting declared property held in War Department storage to properly accredited prospective purchasers and representatives of disposal agencies to the fullest extent practicable.

(c) After property has been declared to a disposal agency, the field installation concerned will hold the property subject to disposition instructions from the disposal agency.

(d) The responsibilities of the War Department for storage, processing and shipment of declared surpluses are set forth in detail below. (§§ 827.725-2 to 827.725-5, inclusive, do not apply to contractor inventory declared to Reconstruction Finance Corporation, as to which see § 827.724.)

§ 827.725-2 *Storage of declared surpluses—General.* Disposal of declared surplus may be effected by the disposal agency directly from War Department storage or after removal to storage facilities of the disposal agency. In either event, the field installation concerned will provide storage pending receipt of disposition instructions from the disposal agency.

§ 827.725-3 *Storage of declared surpluses; construction equipment.* After construction equipment (see § 826.621

(b)) has been declared to a disposal agency by a technical service other than the Corps of Engineers, it may be turned over to the Corps of Engineers for storage pending disposition by the disposal agency. When a technical service desires to turn over Construction Equipment to the Corps of Engineers, the local establishment having jurisdiction of the equipment will notify the division engineer of the Corps of Engineers nearest to the location of the equipment, who will issue shipping instructions. The technical service requesting storage will prepare and ship the property in accordance with such shipping instructions. All costs of packing, handling and transportation will be borne by the technical service requesting storage. When unserviceable property is shipped to the Corps of Engineers, the property must be listed on a separate shipping document bearing the following statement on all copies thereof:

All property listed hereon is in an unserviceable condition.

Appropriate inspection by those concerned with determination of responsibility for its condition has been made.

Signed \_\_\_\_\_  
Accountable shipping officer

Accountability will be transferred to the Corps of Engineers without transfer of funds. Transfer will be coordinated with the interested accountable property officer for compliance with applicable regulations in regard to the transfer of accountability for property. The technical service requesting storage will notify the

disposal agency of the change of location of the property, and will submit a copy of such notification, together with a copy of the declaration of surplus, to the storing establishment.

§ 827.725-4 *Storage of declared surplus; Department of Commerce storage system.* (a) The Department of Commerce, with the cooperation of the War Department, has established a number of disposal centers for the storage of military property declared surplus by the War Department. Although it is anticipated that each War Department installation which generates surplus military property of the types for which the Department of Commerce is the designated Disposal Agency will eventually be served by a Commerce Disposal Center, the available facilities are limited at present. Accordingly, selected depots under the jurisdiction of Army Service Forces have been keyed to Commerce Disposal Centers and have been assigned priorities consistent with criticalness of storage conditions, for the guidance of Commerce Department. Depots thus keyed have been notified. As additional space becomes available so that additional depots can be served by Commerce Disposal Centers, or in the event it becomes necessary to revise the keying of depots, the depots concerned will be notified by Storage Division, Headquarters, Army Service Forces. In the case of AAF depots, information as to arrangements with the Department of Commerce may be obtained from Resources Division, OAC/AS, M&S, Headquarters, Army Air Forces.

(b) When depots receive notification that they have been keyed to a Commerce Disposal Center, they should request shipping instructions from the Regional Office of the Department of Commerce to which their declarations have been made, citing the numbers of the declaration forms upon which disposal has not been completed and indicating the desired order of removal. The manner of requesting shipping instructions on surpluses already declared and on future declarations should be ascertained through direct liaison with the Regional Office. Where space is available in keeping with the established priorities, the Regional Office will issue shipping instructions.

(c) In some instances the Department of Commerce may not wish to issue shipping instructions, because of action already initiated to effect sale (such as advertising for bids, etc.), or for other reasons. In such cases, depot personnel will cooperate with the Department of Commerce to the fullest extent consistent with the fulfillment of the military mission of the depot. When it is not possible to reach a mutually satisfactory arrangement with the Department of Commerce in such cases, the matter, with pertinent details, will be referred to Storage Division, Headquarters, ASF, or in the case of AAF Depots, to Resources Division, OAC/AS, M&S, Headquarters, AAF. These offices will consult with the central office of the Department of Commerce and will endeavor to work out a satisfactory solution.

(d) When it becomes necessary to remove surpluses from a depot to make

room for storage of troop supplies, and the depot has not been keyed to a Commerce Disposal Center (or if so keyed, has been unable to obtain shipping instruction from the Regional Office), the case with pertinent details will be referred to Storage Division, Headquarters, ASF, or in the case of AAF Depots, to Resources Division, OAC/AS, M&S, Headquarters, AAF. If approval is granted by these offices for the transfer of declared surpluses to another War Department storage point, the depot will notify the Regional Office of the Department of Commerce of the proposed change in location and will fully coordinate the proposed change in location with the Regional Office. In addition, when movement to the new location is completed the Regional Office will be advised.

§ 827.725-5 *Storage of declared surplus; Reconstruction Finance Corporation storage system.* Movement of declared surpluses into Reconstruction Finance Corporation's storage system is at present generally limited to contractor inventory (see § 827.724 for special procedure.) However, Reconstruction Finance Corporation will remove declared surpluses other than contractor inventory into its storage system under emergency conditions. Application for such emergency removal of Army Service Forces property will be made through channels to Storage Division, Headquarters, Army Service Forces, or to Resources Division, OAC/AS, M&S, Headquarters, AAF for Army Air Forces property. These offices will make the necessary arrangements with Reconstruction Finance Corporation.

§ 827.725-6 *Repairing and reconditioning.* The War Department is not required to, and should not, repair, recondition or reprocess surplus property. Where, however, parts, attachments or accessories have been removed temporarily from an item of production equipment, reassembly will be accomplished prior to reporting, if the parts, attachments or accessories are excess to the needs of the owning agency and are on hand or readily available, and if the cost of reassembly is not excessive.

§ 827.725-7 *Removal of components.* The removal, in accordance with applicable directives, regulations, technical orders or other instructions, of needed parts, components and appliances from items determined surplus, and any demilitarization thereof, will be accomplished prior to declaration to the disposal agency, and thereafter only with the concurrence of the disposal agency.

§ 827.725-8 *Shipment upon receipt of disposition instructions.* (a) When property has been disposed of by a Disposal Agency, or when the disposal agency takes custody of the property prior to disposal, the disposal agency will issue appropriate shipping instructions or other disposal documents, sending one copy to the custodian and one copy to the declaring agency (except as otherwise agreed between the declaring agency and the disposal agency in the case of contractor inventory; see § 827.724-3 (c) (5) (1)). As directed by the disposal agency, the field installation

concerned will, upon receipt of the shipping instructions, prepare and load the property and arrange for its shipment. The expense of preparation and loading for shipment will be borne by the field installation concerned, without reimbursement by the disposal agency.

(b) The use of War Department transportation facilities in moving surplus property into storage facilities of a disposal agency is authorized when the use of such transportation facilities will not interfere with the normal military functions of the installation concerned. Payment of transportation expenses incurred in moving surplus property into storage facilities of a disposal agency by means other than War Department transportation facilities is authorized where transfer to a disposal agency will be expedited or is otherwise required.

(c) Expenses of transportation direct to the disposal agency's vendee will not be borne by the War Department. When shipment is made on commercial bill of lading, the requirements of War Department Commercial Traffic Bulletin No. 27, June 6, 1948, are applicable.

§ 827.726 *Fiscal procedures.* The War Department will not be reimbursed for surplus property delivered to or upon the direction of a disposal agency. Where, at the direction of a disposal agency, surplus property is delivered to a disposal agency, other Government agency, or buyer, an authenticated copy of the delivery order received from the disposal agency, cross-referenced to the receipt of the common carrier or transportation agency on file at the station, will constitute a valid credit voucher to the property account for the material so delivered. Where bill of lading files are not maintained at the same station as that of the accountable property officer, he will secure from the transportation officer an authenticated memorandum copy of the bill of lading for association with the related disposal agency order. In the case of direct delivery to the buyer, his written acknowledgment of receipt on the delivery order will constitute a valid credit voucher to the property account for the material so delivered. Whenever the delivery order is not complete in detail as to quantity and nomenclature of the items ordered to be delivered, a shipping document will be originated and a copy filed in support of the delivery order.

§ 827.727 *Direct disposal by War Department after declaration.* Property will be disposed of directly by the War Department after declaration to a disposal agency only after withdrawal under § 827.723, or under the procedures set forth below.

§ 827.727-1 *Sale after clearance by Disposal Agency.* (a) When special circumstances, such as danger of deterioration or sanitary or other hazard, or urgent requirement for storage space for military supplies, make immediate sale by the War Department desirable, application may be made (either before or after declaration) to the appropriate disposal agency for clearance of the property for direct sale by the War Department. If clearance is obtained after declaration, the installation concerned



R. F. C.	Department of Commerce	Maritime Commission	R. F. C.	Department of Commerce	Maritime Commission
<p>27 Nonmetallic mineral basic products—wholly non-structural (except as indicated).</p> <p>0</p>	<p>27-1 Glass basic products (except 3 items):                      27-141 Railroad signal lenses.                      27-142 Radio tubes (glass only).                      27-16 Insulators.                      27-32 Asbestos and asbestos metallic packing and gaskets.                      27-33 Asbestos woven or moulded friction material.                      27-376 Asbestos paper pipe covering insulation.                      27-381 Pipe covering insulation.                      27-62 Pottery.                      27-63 Pottery supplies.                      27-64 Ceramic products.                      29-1 Rubber fabricated materials (except item 29-12 reclaimed rubber).                      29-2 Plastic fabricated materials to be used as components of end products (except items 29-22 plastic electrical fittings; 29-23 plastic construction and maintenance products, less 29-2906 door and window screening; and 29-24 plastic glass).                      29-8 Imitation gem and ornamental stones.                      29-91 Button blanks, moulds, and other parts.                      29-92 Beads, bugles, and spangles.                      29-93 Catgut and wormgut.                      29-1142 Compressor, air, portable, skid or wheel mounted, two stage, powered by gas and oil diesel motors, power less than 500 b. h. p.</p>		<p>34 Metal working machinery.</p> <p>35-31 Oil well machinery.</p> <p>39 Miscellaneous machinery.</p>	<p>33-103 Food products machinery of general purpose.                      33-94 Fire repairing machinery and equipment.                      33-733 Bakery ovens.                      33-693 Automobile service station equipment.                      35 Agricultural machinery and implements.                      36 Construction, mining, excavating and related machinery (except as indicated).                      37 Tractors.                      38 Office machines.                      39-11 Home type laundry equipment.                      39-20 Home sewing machines.                      39-3 Dishwashing machinery.                      39-43 Calculating and computing scales.                      37-44 Coin operated scales.                      39-45 Spring scales, household.                      39-60 Cash registers.                      39-60 Coin operated machines.                      39-91 Lawnmowers.                      41-1 Radio broadcast receivers.                      42-8 Flight equipment for personnel.</p>	
<p>29 Miscellaneous basic materials (except as indicated).</p>	<p>31-22-31-225 Pumpable, portable, can-                      trified plunger diaphragm or pump,                      powered by gasoline, diesel or electric                      motors, ordinarily used for contractors' purposes or by contractors.                      31-226 Hand pumps.                      31-31 Crushers, jaw, roll and crushing plants, portable type (except 31 3160—stamp mills and 31 3160—plek-type breakers).                      31-36 Screening plants, portable type.                      Screens rotary, vibrator and gravity type.                      31-493-31-4931 Conveyors, construction material, portable type; and portable plants.                      31-570 Derrick.                      31-582 Winches (except fixed shipboard or exclusive marine winches).                      31-6 Industrial trucks, tractors, trailers stackers and accessories.                      31-97 Lubrication equipment—to the extent the items are for use in connection with motor vehicles.                      32-112 Battery charging generators (except aircraft).                      32-43 Starter motors except aircraft.                      32-46 Motor ignition equipment (except aircraft).                      32-63 Fuses.                      32-7 Lamps (except 32-73 aviation service lamps).                      32-8 Electric appliances, household and commercial.                      32-91 Dry cell batteries.                      32-92 Storage batteries.                      33-122 Peeling and paring machines.                      33-124 Pliers, seeders and steamers.                      33-127 Juice extractors.                      33-1313 Milk extractors.                      33-1322 Butter cutters.                      33-133 Ice cream manufacturing machinery and equipment.</p>	<p>31-582 Fixed shipboard or exclusive marine winches.                      31-583 Anchor—windlasses.                      31-584 Capstans.</p>	<p>44 Railroad transportation equipment.</p> <p>52-92 Industrial refrigeration units.                      52-12 Central station air conditioning systems.                      53-32 Railroad signal fixtures.                      53-7 Airport, airway and seadrome lighting.                      53-81 Train lighting fixtures.                      53-86 Aircraft lighting fixtures.                      55-12 Aerial cameras.                      55-13 Gun cameras.                      55-15 Camera parts (aerial only).                      55-313 Aerial camera lenses.                      55-8 Motion pictures (instructional aids for equipment assigned to RFC).                      57 Indefinite, recording and controlling instruments and accessories except watches and clocks (except as indicated).</p>	<p>45 Motor vehicles.                      49 Miscellaneous transportation equipment.                      51 Plumbing and heating equipment.                      52 Air conditioning and refrigeration equipment (except as indicated).                      53 Lighting fixtures (except as indicated).                      54 Furniture and fixtures.                      55 Photographic goods and processed motion pictures (except as indicated).                      56 Optical instruments and apparatus.                      57-112 Glass stemmed laboratory thermometers.                      57-113 Glass stemmed clinical thermometers.                      57-114 Household and commercial thermometers.                      57-119 Thermometers not elsewhere classified.                      57-14 Heating and ventilating controls and accessories.                      57-33 Barometers (domestic household types).                      57-34 Refrigeration controls.                      57-56 Taximeters and parking meters.                      57-63 Compasses and accessories (except fixed shipboard types and aircraft types).                      58 Professional and scientific instruments and apparatus.                      59 Miscellaneous equipment (except as indicated).</p>	<p>43 Ships, small water craft and marine propulsion machinery (except items 43-21 batheships, 43-22 cruisers, 43-23 aircraft carriers, 43-24 destroyers, and 43-25 submarines).</p> <p>53-2 Marine fixtures.</p> <p>57-65 Compasses and accessories (fixed shipboard types).                      57-66 Azimuths, sextants and octants.                      57-691 Taff rail logs.</p> <p>59-16 Water safety equipment.</p>
<p>31 General purpose industrial machinery and equipment (except as indicated).</p>			<p>41 Communications equipment and electronic devices (except as indicated).                      42 Aircraft (except as indicated).</p>		
<p>32 Electrical machinery and apparatus (except as indicated).</p>			<p>50-15 Head measuring devices.                      50-18 Machine guards.</p>		
<p>33 Special industry machinery.</p>					



Region X: Arizona, California, Nevada; Office of Surplus Property, Department of Commerce, 30 Van Ness Avenue, San Francisco 2, California.  
 Region XI: Idaho, Oregon, Montana, Washington; Office of Surplus Property, Department of Commerce, 2005 Fifth Avenue, Seattle 1, Washington.

§ 827.794 Surplus Property Board declaration forms.

§ 827.794-1 Form SPB-1 "Declaration of Surplus Property to Disposal Agencies." Form SPB-1 is printed on white paper as follows:

UNITED STATES OF AMERICA SURPLUS PROPERTY BOARD		Budget No. 16-R001.2 Approval expires May 1, 1946.
DECLARATION OF SURPLUS PERSONAL PROPERTY TO DISPOSAL AGENCY (In the continental United States, its territories and possessions)		Page ... of ... Pages
1. To: Name and address of disposal agency	7. Standard commodity classification group code	8. Date of report
2. From: Name and address of reporting agency	9. Reporting agency No.	10. Total cost—this report
3. Custodian: Name and address	Do not fill in	
4. Location of property	Disposal agency No.	
	Department and Bureau	
	State	
	District	
	City	
	Silo	
	Transaction code	

5. Proceeds—If proceeds are "reimbursable," give symbol and title of appropriation or Government corporation

6. Authorized by (Name and title of authorized reporting official (please type))

By (Signature of authorized official)

Item No.	Description	Standard commodity classifications	Condition	Unit	Number of units	Unit cost	Total cost
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)

San Francisco Region: 200 Bush Street, San Francisco 4, Calif.  
 California—except 9 Southern counties in Los Angeles Region.  
 Nevada—except 4 Eastern counties in Salt Lake City Region.

Oregon—2 counties (Klamath and Lake).  
 Seattle Region: Dexter-Horton Bldg., Seattle 1, Washington.  
 Washington—16 Western counties: Clallam, Grays Harbor, Island, Jefferson, King, Kitsap, Kittitas, Lewis, Mason, Pacific, Pierce, San Juan, Skagit, Snohomish, Thurston, Watcom.

§ 827.793 Regional offices of Department of Commerce.

REGIONS AND REGIONAL OFFICES

Region I: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont; Office of Surplus Property, Department of Commerce, Park Square Building, Boston 16, Massachusetts.  
 Region II: New Jersey, New York; Office of Surplus Property, Department of Commerce, 350 Fifth Avenue—62d Floor, New York 1, New York.

Region III: District of Columbia, Delaware, Maryland, Pennsylvania, Virginia; Office of Surplus Property, Department of Commerce, 1126 21st Street NW, Washington 26, D. C.  
 Region IV: Indiana, Kentucky, Ohio, West Virginia; Office of Surplus Property, Department of Commerce, 704 Race Street, Cincinnati 2, Ohio.

Region V: Illinois, Michigan, Minnesota, North Dakota, South Dakota, Wisconsin; Office of Surplus Property, Department of Commerce, 209 South LaSalle Street, Chicago 4, Illinois.

Region VI: Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee; Office of Surplus Property, Department of Commerce, Belle Isle Building, 105 Fryer Street NE., Atlanta 3, Georgia.

Region VII: Arkansas, Louisiana, Oklahoma, Texas; Office of Surplus Property, Department of Commerce, 609 Nell P. Anderson Building, Fort Worth 2, Texas.

Region VIII: Iowa, Kansas, Missouri, Nebraska; Office of Surplus Property, Department of Commerce, 2605 Walnut Street, Kansas City 8, Missouri.

Region IX: Colorado, New Mexico, Utah, Wyoming; Office of Surplus Property, Department of Commerce, 1030 15th Street, 7th Floor, Denver 2, Colorado.

Oregon—except Klamath and Lake counties.  
 Montana.  
 Washington—except 16 Western counties in Seattle Region.

Idaho—10 Northern counties: Benewah, Bonner, Boundary, Clearwater, Idaho, Kootehainai, Latah, Lewis, Nez Perce, Shoshone.  
 Richmond Region: Mutual Assurance Society Bldg., 903 East Main St., Richmond 19, Va.

Maryland.  
 District of Columbia.  
 West Virginia—except 6 Northwestern counties in Cleveland Region.

St. Louis Region: Victoria Bldg., 407 North 8th Street, St. Louis 2, Mo.  
 Missouri—except 19 Western counties in Kansas City Region.

Illinois—44 Southern counties: Adams, Alexander, Bond, Brown, Calhoun, Clay, Clinton, Crawford, Edwards, Effingham, Fayette, Franklin, Gallatin, Greene, Hamilton, Hardin, Jackson, Jasper, Jefferson, Johnson, Lawrence, Macoupin, Madison, Marion, Massac, Monroe, Montgomery, Morgan, Perry, Pike, Pope, Pulaski, Randolph, Richland, St. Clair, Saline, Scott, Union, Wabash, Washington, Wayne, White, Williamson.

Indiana—24 Southern counties: Daviess, Dubois, Gibson, Clark, Crawford, Floyd, Greene, Knox, Martin, Pike, Posey, Spencer, Harrison, Jackson, Perry, Sullivan, Vanderburgh, Warrick, Jefferson, Lawrence, Orange, Scott, Washington, Switzerland, Arkansas.

Kentucky—except 56 Eastern counties in Cleveland Region.  
 Salt Lake City Region: Dooly Bldg., Salt Lake City 1, Utah.

Idaho—except 10 Northern counties in Portland Region.  
 Nevada—4 Eastern counties: Clark, Elko, Lincoln, White Pine.

San Antonio Region: Alamo National Bldg., San Antonio 5, Texas.  
 Texas—52 Southern counties: Aransas, Atascosa, Bandera, Bee, Bexar, Blanco, Brewster, Brooks, Caldwell, Cameron, Comal, De Witt, Dimmit, Duval, Edwards, Frio, Gillespie, Goliad, Gonzales, Guadalupe, Hays, Hidalgo, Jim Hogg, Jim Wells, Karnes, Kendall, Kennedy, Kerr, Kimble, Kinney, Kleburg, La Salle, Live Oak, Llano, McMullen, Mason, Maverick, Medina, Nueces, Presidio, Real, San Patricio, Starr, Terrell, Travis, Uvalde, Val Verde, Webb, Willacy, Wilson, Zapata, Zavala.

§ 827.794-2 Form SPB-1.1: "Adjustment of Prior Declaration of Surplus Property." Form SPB-1.1 is printed on yellow paper as follows:

Form SPB-1.1

UNITED STATES OF AMERICA  
SURPLUS PROPERTY BOARD

Budget Bureau No. 16-8912.  
Approval expires May 1, 1946.

ADJUSTMENT OF PRIOR DECLARATION OF SURPLUS PERSONAL PROPERTY  
(In the continental United States, its territories and possessions)

Important—Instructions for completing this form appear on reverse side.

1. To: Name and address of disposal agency

2. From: Name and address of reporting agency

3. Custodian: Name and address

4. Location of property

5. Proceeds—If proceeds are "reimbursable," give symbol and title of appropriation or Government corporation

6. Authorized by  
(Name and title of authorized reporting official (please type))

By \_\_\_\_\_  
(Signature of authorized official)

7. Standard commodity classification group code

8. Date of report

9. Reporting agency No.

10. Total cost

11. Declaration to be adjusted

Date \_\_\_\_\_ Reporting Agency No. \_\_\_\_\_

Do not fill in

Disposal agency No. \_\_\_\_\_

Department and Bureau \_\_\_\_\_

State \_\_\_\_\_

District \_\_\_\_\_

City \_\_\_\_\_

Site \_\_\_\_\_

Transaction code \_\_\_\_\_

Item No.	Description	Standard commodity classification	Condition	Unit	Number of units	Unit cost	Total cost
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)

§ 827.794-3 Instructions for Preparation of Forms SPB-1 and SPB-1.1. Instructions covering preparation of Forms SPB-1 and SPB-1.1, as published in Regulation 1, Order 3, of the Surplus Property Board, are printed on the reverse of each of said Forms, as follows:

GENERAL INSTRUCTIONS

Forms SPB-1 and SPB-1.1 will be used by all owning agencies for reporting surplus personal property, located in the continental United States, its territories and possessions, to the appropriate disposal agency, as designated by the Surplus Property Board in Regulation No. 1. Detail lists of types of personal property included in the assignments to disposal agencies are contained in Order No. 1, under the above regulation. Form SPB-1 and SPB-1.1 will be filed in triplicate by the owning agency at the disposal agency office specified in the above regulation. The addresses of the disposal agency offices, and the areas served by each, are listed in Order No. 2, under the above regulation.

Form SPB-1 will be used by the owning agency as the original declaration of surplus personal property, whereas Form SPB-1.1 will be used for reporting adjustment including withdrawals, of prior declarations of surplus personal property. (Form SPB-2 will be used by the Washington Office of the owning agen-

cies in reporting declarations to the Surplus Property Board.)

Form SPB-1 may carry the listing of personal property declared surplus, or it may be used as a cover transmittal sheet for either mechanical accounting lists or contract termination inventory schedules. If a machine tabulated form is used for listing the items of property, the columnar arrangement shall conform with Form SPB-1, and the forms shall be 11" x 11 3/4" in size. If contract termination inventory schedules are submitted as the listing of items, the sheets shall meet all the columnar requirements of Form SPB-1, except that column (c) for Standard Commodity Classification need not be provided, nor column (d) for condition when using OCS-2c (Work in Progress).

These forms may be reproduced by the owning agency provided that the size and format are identical with the format prescribed by the Board, or meet the requirements specified above with respect to machine tabulated listings and inventory schedules. These forms may be reproduced by the owning agency in fan fold and carry the name of the owning agency imprinted on the form. The complete instructions will be printed on the back of the forms.

The items of property listed on any one declaration (SPB-1) shall be confined to property at a single location, to be reported to one disposal agency and classified in a single

major group (2 digits) of the Standard Commodity Classification (Government Printing Office). Where an item of property consists of an assembly of component parts in a unit, the unit should be reported to the appropriate disposal agency handling that unit, rather than disassembling and reporting component parts to the disposal agencies handling those parts.

If any legal restrictions exist (including patent restrictions) as to the power of owning agencies to dispose of property reported to a disposal agency as surplus, the report shall include a statement clearly indicating such restrictions.

Continuation sheets. If additional sheets are necessary for the listing of surplus items, continuation sheets in the form prescribed by the Board will be used.

Acknowledgment of receipt. The receipt of each Form SPB-1 and SPB-1.1 by the disposal agency will be acknowledged to the reporting office, e. g., by a post card notice stating the reporting agency number, date of report, and the disposal agency's number. The post card notice will constitute approval of requests for permission to withdraw property submitted on Form SPB-1.1, unless the notice specifically states otherwise.

INSTRUCTIONS FOR FORM SPB-1

Block. 1. State name and complete address of the office of the disposal agency (given in Order No. 2, SPB Reg. No. 1) to which the surplus property is being reported.

2. State the name and complete address of the office transmitting the declaration to the disposal agency. Show department, bureau, office, or other similar subdivision involved. The disposal agency will send one copy of the shipping instructions to the custodian and one copy to the reporting agency shown on the declaration.

3. State the name and complete address of custodian of the property being declared surplus.

4. State the warehouse number and complete address of the site at which the property is located.

5. If the net proceeds from the sale or transfer of such surplus property are reimbursable, pursuant to Section 39 (b) of the Surplus Property Act of 1944, give the symbol and title of the appropriation to be credited, or the name and address of the Government corporation to receive the proceeds; for example—"14 x 6,000 Reclamation Fund, Special Fund," or "Defense Plant Corporation, Washington 25, D. C." Note: A single report on SPB-1 should cover surplus items for which the net proceeds are reimbursable or nonreimbursable—but never both classes of items.

6. On left side of block type in name and title of authorized reporting official, who will enter his signature at right (original only).

7. Enter the code number of the single major group (two digits) of the Standard Commodity Classification in which the items listed on the report are classified.

8. Enter date on which the form is signed by the authorized reporting official.

9. Enter the serial number assigned by the reporting agency to identify each declaration.

10. Enter the sum of all amounts in column (h), Total Cost, of all pages of the declaration and supporting lists.

Column. (a) Enter consecutive numbers starting with "1" on each page for each property item listed, leaving a blank line space across all columns between successive property items for use of the disposal agency. The numbering need not be consecutive for termination inventory schedules which are transmitted by Form SPB-1; the first item on each inventory sheet will be numbered "1."

(b) The reporting agency shall describe the property in sufficient detail to furnish the disposal agency with an adequate basis for disposal. The minimum standards of description prescribed by the Handbook of

Standards for Describing Surplus Property shall be used as a guide for all such descriptions. In accordance with the instructions in the Handbook, each item should be described in commercial terms in sufficient detail to permit transfer or sale by the disposal agency without calling on the owning agency for additional description. Stock numbers and prefixes, manufacturer's part number, and standard catalogue reference numbers should be supplied. The condition of the most important components of an item should be noted. Specify the type of container or package and the quantities in each. Lengthy descriptions should be written across columns (b)-(h) inclusive but entries in all columns must be clearly identifiable with the particular item number.

(c) If it is practicable for the reporting agency to do so, enter the *detailed* classification numbers for each item according to the Standard Commodity Classification (Government Printing Office). Otherwise, the detailed code numbers will be entered by the disposal agencies.

(d) Indicate condition of property by the following combination letter-number code:

<i>Means</i>	<i>Means</i>
N—New	1. Excellent.
E—Used—reconditioned	2. Good.
O—Used—usable without repairs	3. Fair.
R—Used—repairs required	4. Poor.
X—Items of no further value for use as originally intended but of possible value other than as scrap.	

Do not use any code when declaring scrap. In stating the condition of consumer goods (excluding food), use only the letter code. For capital and producer goods, a letter-number combination must be used, except in the case of code X. For example: N4 means new but in poor condition.

Where the condition code does not provide an accurate description of the property's condition, leave this column blank and in appropriate language describe the condition of the property in column (b).

(e) Indicate unit of measure for the container, package, or other applicable customary sales unit, such as each, pounds, tons, dozen, gross, thousands, etc. (See Handbook of Standards for Describing Surplus Property). Distinguish between long, short, and metric tons. Standard, clearly understandable abbreviations may be used.

(f) Specify the quantities of each item reported surplus in terms of the "Unit" used in "e."

(g) Insert the recorded procurement cost or, in its absence, the estimated original cost (in dollars or cents) excluding transportation or handling charges incurred after original purchase. Estimated unit costs will be indicated by the prefix (E). For machine tools, other metalworking machinery, and production equipment enter unit costs f. o. b. manufacturer or vendor to owning agencies; designate with the prefix "U" if the item was purchased as used instead of new equipment.

(h) Compute total cost, that is "Number of Units" multiplied by "Unit Cost" equals "Total Cost."

**Contractor inventory.** If the property being declared surplus is termination inventory, state so by means of a stamp or otherwise in Block 7 provided for the standard commodity classification. All declarations of surplus termination inventory may be filed with the Reconstruction Finance Corporation at the regional office in which the property is located.

INSTRUCTIONS FOR FORM SPB-1.1

Form SPB-1.1 will be used by the owning agency in reporting any adjustments in prior

declarations, including requests for permission to withdraw property, or otherwise modifying the information reported previously on Form SPB-1.

In submitting Form SPB-1.1, specify in Block 11 the date and reporting agency number appearing on the original SPB-1 declaration.

Fill in all numbered blocks correctly, underlining any correction that is being made. To identify the individual item being adjusted, insert in column (a) the page and item number appearing on the original declaration. Show the amount of the change, if reporting a withdrawal or addition of the number of units, column (f), or of the total cost, column (h). Specify as "withdrawal" or "addition" below entry.

If additions and withdrawals are reported on the same adjustment sheet, show the sum of the debits and credits separately in Block 10, Total Cost, preceded by (DR) or (CR).

If a withdrawal covers all the items included in a previous declaration the phrase

"All items to be withdrawn" may be inserted in column (b) instead of listing the items. All the information in the blocks must be provided.

The disposal agency will use Form SPB-1.1 in notifying the owning agency of any adjustments that appear necessary after verification of the declaration and inspection of the property. Two copies of the form used for this purpose will be sent to the reporting office of the owning agency. A brief explanation of the adjustment will be included on the form.

§ 827.794-4 Form SPB-1.2. Form SPB-1.2 bears the same title as Form SPB-1, "Declaration of Surplus Property to Disposal Agency", and is to be used, as set forth in § 827.794-5 in connection with the declaration and shipment of surplus property resulting from contractor inventory. It will be printed in the following form:

Form SPB-1.2		Budget Bureau No. 16-RO 10, Approval expires February 1, 1946.	
UNITED STATES OF AMERICA SURPLUS PROPERTY BOARD			
DECLARATION OF SURPLUS PERSONAL PROPERTY TO DISPOSAL AGENCY			
(In the continental United States, its territories and possessions)			
1. To: Name and address of disposal agency		7. Standard commodity classification group code	8. Date of report
2. From: Name and address of reporting agency		9. Reporting agency No.	10. Total cost, this report \$ .....
3. Custodian: Name and address		Do not fill in	
4. Location of property		Disposal agency No.	
		Department and bureau	
		State	
		District	
		City	
		Site	
		Transaction code	
5. Proceeds—If proceeds are "reimbursable," give symbol and title of appropriation of Government corporation		6. Authorized by	
		By .....	
		(Name and title of authorized reporting official) (Please type)	

(11) The above declaration covers the Surplus Personal on attached list pages .... to .... inclusive. Authority is granted to the Disposal Agency to amend this declaration to conform to the quantities listed on shipping documents at time of receipt of final shipment. Shipping authorization numbers are requested covering the following car or truck shipments:

(12) Documentary requirements	(13) Originating carrier	(14) Estimated weight	(15) Type storage	(16) Number cars	(17) Date ready for shipment	(18) Date to be shipped	(19) Shipping authorization No.
A. Send warehouse receiving report to:							
B. Send the report of over, short and damage to:							

(20) The above shipments are to be consigned as follows:	(22) Shipping instructions issued by:	(24) <input type="checkbox"/> Declaration <input type="checkbox"/> Request for shipping instructions.
(21) Delivering carrier:	(23) Date issued:	

§ 827.794-5 Instructions for preparation of Form SPB-1.2—(a) Surplus Property Board instructions. Form SPB-1.2 will be used only in connection with the declaration and shipment of surplus property resulting from contractor inventory. Instructions covering preparation of Form SPB-1.2, as published in Regulation 1, Order 3, Amendment 1, of the Surplus Property Board are as follows:

INSTRUCTIONS FOR USE OF SPB-1.2

**General instructions.** Form SPB-1.2 is a combined form for declaration of surplus personal property, located in the continental United States, its territories and possessions, for requesting shipping instructions and for issuing shipping instructions and for issuing shipping instructions. Form SPB-1.2 (supported by detailed listings of property on Form SPB-1.3, or other detailed listings of property meeting the requirements set forth in the third paragraph of General Instructions to Form SPB-1) may be used as a substitute for Form SPB-1 as provided in

SPB Reg. 1, Order 3 and amendments thereto. Form SPB-1.2 and supporting detailed listings will be filed in such number of copies as may be agreed between the owning agency and the disposal agency.

Form SPB-1.2 may be reproduced by the owning agency provided that the size and format are identical with the format prescribed by the Board. This form may be reproduced in fanfold and carry the name of the owning agency imprinted on the form.

The items of property covered by any one declaration shall be confined to property at a single location.

If any legal restrictions exist (including patent restrictions) as to the power of owning agencies to dispose of property reported to a disposal agency as surplus, the report shall include a statement clearly indicating such restrictions.

*Instructions for preparation.* Blocks 1 through 10—Follow instructions set forth in General Instructions to Form SPB-1 for blocks 1 through 10 of that Form.

Block 11—Enter page number of supporting detailed listings.

Block 12—Owning agency will designate offices to which disposal agency will transmit Warehouse Receiving Report and Over, Short & Damage Report.

Blocks 13 through 17—Owning agency will complete in accordance with instructions issued by disposal agency.

Blocks 18 through 23—Disposal agency will complete.

Block 24—Owning agency will indicate whether the document constitutes a Declaration or a Request for Shipping Instructions by entering an "x" in the appropriate box; or, if the document is a combined Declaration and Request for Shipping Instructions, by entering an "x" in both boxes.

(b) *Additional instructions issued by War Department and Reconstruction Finance Corporation.* When Form SPB-1.2 is used for declaration of contractor inventories to Reconstruction Finance Corporation, the following additional instructions issued by the War Department and Reconstruction Finance Corporation will apply:

Block 5—State whether the contractor will accept RFC storage agreement, whenever this can be ascertained prior to filing declaration.

Block 7—Enter date of beginning of plant clearance period.

Blocks 13 through 17—Request for shipping instructions will specify the number of car or truck loads to be shipped, broken down by number of cars of property for which a single type of storage is required that can be loaded at one time using the same delivering carrier. For example:

Originating carrier (13)	Estimate weight (14)	Type storage (15)	Number cars (16)	Date ready for shipment (17)
PRR.....	12,000#	H	2	8 20
PRR.....	70,000#	O	1	8 23
PRR.....	70,000#	O	1	9 2
Truck.....	18,000#	H	1	9 3
Truck.....	19,000#	H	1	9 4
Truck.....	8,000#	C	1	9 4
Truck.....	LTL	C	LTL	9 4

Block 22—Partial requests (that is, requests for shipping instructions on only a portion of the property covered by a single declaration) will be serially numbered. The serial number of the partial request will be entered after the phrase "Request for Shipping Instructions". The letter "P" will be added to the serial number of the final partial request. When requests for shipping instructions are made after declaration has been filed, blocks 1, 2, 7, 8, and 9 will be conformed to the original declaration and the Disposal Agency number of the declaration will be entered, if available.

§ 827.794-6 *Form SPB-1.3.* Form SPB-1.3 consists of a detailed listing sheet to be used, as provided in § 827.754-7, in conjunction with Form SPB.1 or Form AFB-1.2. It will be printed in the following form:

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 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50

Form SPB 1.3 Budget Bureau No. 16-RO47. Approval expires February 1, 1946.				UNITED STATES OF AMERICA SURPLUS PROPERTY BOARD LISTING SHEET				Property classification		Reporting agency No.	Shipping authorization		Page of pages	
Item No. (1)	Description and type of storage			Units of meas. (5)	No. of pags. (6)	Type of pag. (7)	Pgs. No. (8)	Quantity declared (9)	Quantity shipped (10)	Unit cost (11)	Total cost (12)	Quantity received (13)		
	Std. Comm. class. (3)	Cond. (4)												

51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100

§ 827.794-7 *Instructions for preparation of Form SPB-1.3—(a) Surplus Property Board instructions.* Form SPB-1.3 will be used only in connection with the declaration and shipment of surplus property resulting from contractor inventory. Instructions covering preparation of Form SPB-1.3, as published in Regulation 1, Order 3, Amendment 1, of the Surplus Property Board are as follows:

*Instructions for use of Form SPB-1.3*  
Form SPB-1.3 is a detailed listing sheet to be used in conjunction with Form SPB-1 or Form SPB-1.2 in the declaration of surplus personal property, located in the continental United States, its territories and possessions. Form SPB-1.3 may be used as the detailed listing sheet in support of Form SPB-1.2 as provided in SPB Regulation No. 1, Order 3, and amendments thereto. Form SPB-1.3 includes certain columns for use by the owning agency and the disposal agency in connection

with shipment and receipt and may be used as a detailed listing in support of shipping and receiving documents.  
Form SPB-1.3 may be reproduced by the owning agency provided that the size and format are identical with the format prescribed by the Board.  
The instructions applicable to columns "a" through "h" of Form SPB-1 (as set forth in General Instructions to Form SPB-1) will be followed in preparing columns 1, 2, 3, 4, 5, 9, 11 and 12, respectively of Form SPB-1.3.

The owning agency will issue instructions for the preparation of columns 6, 7 and 8 (which are provided for use in connection with shipment by the owning agency); and the disposal agency will issue instructions for the preparation of column 13 (which is provided for use in connection with receipt by the disposal agency).

(b) *Additional instructions issued by War Department.* Columns 6, 7 and 8 of Form SPB-1.3 will be prepared in accordance with instructions issued by the War Department for preparation of the corresponding columns of the War Department Vendor's Shipping Document.

#### PART 828—REPORTS CONNECTED WITH DISPOSITION OF PERSONAL PROPERTY

##### Sec.

- 828.800 Scope of part.  
 828.801 Report of disposition of excess and surplus military property; general description.  
 828.802 Report of disposition of excess and surplus nonmilitary property, general description.  
 828.803 Reports of plant equipment.  
 828.804 W. D., A. G. O. Form No. 586; disposition of excess and surplus property.

§ 828.800 *Scope of part.* This part provides procedures for preparation of recurring reports covering property disposition and related matters. The procedures prescribed in this part will become effective with the reports for the month of September 1945. Similar reports for the month of August 1945 will be made under procedures now in effect.

§ 828.801 *Report of disposition of excess and surplus military property; general description.* This report will show the monthly status and activity of all redistributions other than those within the reporting agency and all transfers and disposals of excess and surplus military property. The report will record military property status and action from the time such property is determined to be excess until disposition is complete.

§ 828.801-1 *Form.* Reports on disposition of excess and surplus military property will be submitted on W. D., A. G. O. Form 586, which will be used by all echelons required to submit the report. Reports Control Symbol RCC-25 has been assigned to this report.

§ 828.801-2 *Date for submitting report.* This report will be submitted monthly, to reach the Readjustment Division on or before the 12th day of the month following the report period, by the chief of each technical service, the Commanding General, Army Air Forces (the Assistant Chief of Air Staff, M&S, Resources Division), and the Commanding General of each numbered service command and the Military District of Washington.

§ 828.801-3 *Army Air Forces reports.* (a) The Director, ATSC, Supply Division, Army Air Forces, will submit to the Office, Assistant Chief of Air Staff, M&S, Resources Division, the original and two copies of a report, together with the required copies of SPB-1 and SPB-1.1 Forms, covering the status and activity of excess and surplus Army Air Forces military property. For the purpose of this report, all property reported through

the Supply Division, AAF, will be considered as military property. Property will be determined excess at the time of transfer to Class 27A, and will be considered to have been determined surplus when disposal action, as recorded in Section II of the report form, has been accomplished.

(b) The Commanding General, Army Air Forces (the Assistant Chief of Air Staff, M&S, Resources Division) will submit to the Readjustment Division the original and one copy of a consolidated report covering the status and activity of Army Air Forces excess and surplus military property, including that reported by the Supply Division, and surplus aircraft and related property reported by him under the provisions of § 827.721-2, and one copy of the report, received by him from the Supply Division, AAF, together with the required copies of SPB-1 and SPB-1.1 Forms.

§ 828.801-4 *Service command reports.* (a) Each station commander (including commanders of off-station repair facilities) will submit to the Commanding General of each service command a report, together with the required copies of SPB-1 and SPB-1.1 Forms covering the status and activity of the following types of military property for his station or repair facility.

(1) All excess and surplus property under the jurisdiction of the service commander of a nature as set forth in Section VI of ASF Manual M419, except excesses and surpluses resulting from Army Specialized Training Program and Army Air Forces College Training Contact Terminations;

(2) All salvage property declared to Disposal Agencies by station salvage officers under the provisions of TM 38-505.

(b) Each station commander of Class I and II installations will in addition report all surplus military property under station accountability for which he has been delegated disposal responsibility by the supplying depot or chief of the technical service.

(c) The Commanding General of each service command and the Military District of Washington will submit the original and two copies of a consolidated report for his command, including all stations under his jurisdiction, together with the required copies of SPB-1 and SPB-1.1 Forms, to the Readjustment Division. This report will cover the status and activity of all excess and surplus military property for which the service commander has disposition responsibility.

§ 828.801-5 *Technical service reports.* (a) Each commander of a Repair Facility, Returned Materiel Center, Depot, or Arsenal, under the jurisdiction of a technical service, will submit a report through channels to the appropriate Stock Control Point of the technical service, covering the status and activity of excess and surplus military property for which he is accountable, together with the required copies of SPB-1 and SPB-1.1 Forms.

(b) The commander of each Stock Control Point will consolidate the reports received and submit to the chief of

his technical service a consolidated report, together with the required copies of SPB-1 and SPB-1.1 Forms, covering the status and activity of all excess and surplus military property falling under his disposition responsibility.

(c) The chief of each technical service will submit to the Readjustment Division the original and two copies of a report covering the status and activity of excess and surplus military property for which he has disposition responsibility, together with the required copies of SPB-1 and SPB-1.1 Forms. The chief of each technical service will be responsible for reporting all technical service excess and surplus military property for which he has accountability, regardless of the echelon in which the property is physically stored.

§ 828.801-6 *Information required on report form: Section I—Redistribution and transfer.* (a) The succeeding paragraphs indicate the information to be contained in the various lines of the Gross columns of the report form:

Line 2—Determined excess—Enter the cost of property in excess of the disposition levels, exclusive of that redistributed within the reporting agency, which was made available for redistribution, transfer, or disposal during the report period.

Line 4—Redistributed—Enter the cost of excess property which was redistributed during the report period to another service, or another service command, or to the Army Ground Forces.

Line 5—Transferred—without reimbursement—Navy—Enter the cost of excess property transferred, prior to determination of surplus, to the Navy Department during the report period.

Line 6—Transferred—without reimbursement—Veterans Administration—Enter the cost of excess property transferred, prior to determination of surplus, to the Veterans Administration during the report period.

Line 7—Transferred—without reimbursement—others—Enter the cost of excess property transferred, prior to determination of surplus, to agencies other than the Navy Department and Veterans Administration during the report period.

Line 8—Transferred total—without reimbursement—Enter total of Lines 5, 6, and 7.

Line 9—Transferred—with reimbursement—contractors—Enter the proceeds from sales and the cost of excess property sold, prior to determination of surplus, to contractors during the report period.

Line 10—Transferred—with reimbursement—Government agencies—Enter the proceeds from sales and the cost of excess property transferred, prior to determination of surplus, to Government agencies during the report period.

Line 11—Transferred—with reimbursement—Red Cross and USO—Enter the proceeds from sales and the cost of excess property sold, prior to determination of surplus, to Red Cross and USO during the report period.

Line 12—Transferred—with reimbursement—others—Enter the proceeds from sales and the cost of excess property sold, prior to determination of surplus, to others during the report period.

Line 13—Transferred total—with reimbursement—Enter the total of Lines 9, 10, 11, and 12.

Line 14—Transferred—total—Enter the total of Lines 8 and 13.

Line 15—Determined surplus—Enter the cost of property determined to be surplus during the report period. This entry shall be the amount added to the determined surplus property record account during the report period.

(b) The following paragraphs relate to the information to be contained in the various lines of the adjustment columns of the report form:

(1) Enter on the appropriate lines of the adjustment columns, over-statements or under-statements of previously recorded transactions. All over-statements will be preceded by a minus (-) sign.

(2) Redistribution within the reporting agency not previously recorded as a reduction of Line 2, Column (E), will be recorded as an adjustment on Line 2, Column (F).

(b) The succeeding paragraphs indicate the information to be contained in the various lines of the Net columns of the report form:

Line 1—Awaiting action—Enter the cost of property in excess of the disposition levels which had not been determined surplus at the beginning of the report period. This figure will be identical with that reported on Line 16 of the report for the preceding report period.

Line 2—Determined excess—Enter Line 2, Column (E), plus or minus Line 2, Column (F).

Line 3—Total available—Enter the total of Lines 1 and 2.

Line 4 through 15—Redistributed—transferred—determined surplus—Enter the amounts shown on the various lines in Column (E), plus or minus Column (F).

Line 16—Awaiting action—Enter the cost of property, included in Line 3, in excess of the redistribution and disposal levels which had not been redistributed, transferred, or determined surplus at the end of the report period. This figure will be Line 3 minus the sum of Lines 4, 14, and 15.

§ 828.801-7 *Information required on report form; Section II—Disposal.* (a) The succeeding paragraphs indicate the information to be contained in the various lines of the gross columns of the report form:

Line 18—Determined surplus—Enter the cost of property determined to be surplus during the report period. This figure will be identical with that reported in Line 15, Column (E).

Line 19—Salvage declared to disposal agencies—Enter the cost of property declared to disposal agencies by salvage officers on Forms SPB-1 in accordance with the provisions of TM 38-505.

Line 21—Disposals—declared—Enter the cost of surplus property declared to disposal agencies on Forms SPB-1 during the report period. This figure will be identical with that reported on Line 31, Column (G).

Line 22—Disposals—sold to contractors—Enter the proceeds from sales and the cost of property determined surplus which was sold to contractors. This will not include sales to contractors reported on Line 9, which refers to sales prior to determination of surplus during the report period.

Line 23—Disposals—small lots—Enter the cost of small lots turned in to salvage officers for disposal during the report period.

Line 24—Disposals—salvage—Enter the cost of property other than small lots turned in to salvage officers for disposal during the report period, including the cost of property demilitarized or cannibalized.

Line 25—Disposals—donated—Enter the cost of determined surplus property which was donated during the report period. This does not include property transferred without reimbursement as recorded on Lines 5, 6, or 7.

Line 26—Disposals—abandoned or destroyed—Enter the cost of property determined surplus which was abandoned or destroyed during the report period.

Line 27—Disposals—other—Enter the proceeds from sales and the cost of property determined surplus which was disposed of by any other method during the report period.

Line 28—Disposal total—Enter the total of Lines 21, 22, 23, 24, 25, 26 and 27.

(b) The following subparagraphs relate to the information to be contained in the various lines of the adjustment columns of the report form:

(1) Enter on the appropriate lines of the adjustment columns over-statements or under-statements of previously recorded transactions. All over-statements will be preceded by a minus (-) sign.

(2) Adjustments on Lines 19 and 21 are those recorded on Forms SPB-1.1 relating to corrections of declarations previously recorded as shown in Section III, Line 32, Column (G) of the report form:

(c) The succeeding paragraphs indicate the information to be contained in the various lines of the net columns of the report form:

Line 17—Awaiting disposal—Enter the cost of property which had previously been determined to be surplus but which had not been disposed of at the beginning of the report period. This figure will be identical with that reported on Line 23 of the report for the preceding report period.

Lines 18 and 19—Determined surplus—salvage declared to D. A.—Enter the amounts shown in Column (E) plus or minus Column (F).

Line 20—Total available—Enter the total of Lines 17, 18 and 19.

Lines 21 through 28—disposals—Enter the amount shown on the various lines in Column (E), plus or minus Column (F).

Line 29—Awaiting disposal—Enter the cost of property, included on Line 20, but not disposed of at the end of the report period. This figure will be Line 20 minus Line 23.

§ 828.801-8 *Information required on report form; Section III—Disposal agencies summary.* The succeeding paragraphs indicate the information to be contained in the various lines of the report form:

Line 30—Awaiting delivery orders—Enter the cost of property declared to disposal agencies in previous months for which shipping or other disposition orders had not been received at the beginning of the report period. These figures will be identical with those reported on Line 38 of the report for the preceding report period.

Line 31—Gross declarations—Enter the cost of property declared to disposal agencies during the report period on Forms SPB-1. A copy of each declaration, where the cost of the property included in the declaration is \$25,000 or more, will be attached to the report.

Line 32—Corrections—Enter the cost of adjustments to prior declarations reported on Forms SPB-1.1 during the report period. This amount will not include the withdrawal of items previously declared. If accountability is transferred to another service after it has been included in Line 30, such accountability transfers will be treated as corrections. The adjustments initiated by disposal agencies will also be treated as corrections. The disposal agency will use Form SPB-1.1 in notifying the owning agency of any such adjustments that appear necessary after its verification of the declaration and inspection of the property. A copy of each Form SPB-1.1, where the cost of the adjustment is \$25,000 or more, will be attached to the report.

Line 33—Net declarations—Enter Line 31, plus or minus Line 32. The amount shown on this line must agree with that of Line 21, Column (G).

Line 34—Withdrawals—Enter the cost of approved withdrawals from disposal agencies

during the report period, when withdrawal takes place prior to receipt of delivery orders, as reported on Forms SPB-1.1 prepared for this purpose during the report period. For the purpose of this report, withdrawals which take place after delivery orders have been received will not be recorded. A copy of each Form SPB-1.1 where the cost of the withdrawal is \$25,000 or more will be attached to the report.

Line 35—Available to disposal agencies—Enter the sum of Lines 30 and 33 minus Line 34.

Line 36—Scrap orders received—Enter the cost of property previously declared to a Disposal Agency for which the Disposal Agency has submitted a certificate that the property declared is scrap and should be so treated by the owning agency.

Line 37—Delivery orders received—Enter the cost of property for which shipping or disposition orders, other than scrap orders, were received during the report period.

Line 38—Awaiting delivery orders—Enter the cost of property declared to Disposal Agencies for which shipping or other disposition orders had not been received at the end of the report period. This is Line 35 minus the sum of Lines 36 and 37.

§ 828.801-9 *Information required on report form; remarks.* (a) Explanation of the nature of all transactions recorded on Lines 7, 12, and 27.

(b) Explanation of adjustments to previously reported figures where the size of the adjustment is of significance in interpretation of the net results.

§ 28.802 *Report of disposition of excess and surplus non-military property; general description.* This report will show the monthly status and activity of all redistributions, transfers and disposals of excess and surplus non-military property. The report will record non-military property status and action from the time the property is recorded as excess as provided under § 826.692-2 until disposition is complete.

§ 828.802-1 *Form.* Reports on disposition of excess and surplus non-military property will be submitted on W.D., A.G.O. Form 586, which will be used by all echelons required to submit the report. Reports Control Symbol RCC-25 has been assigned to this report.

§ 828.802-2 *Date for submitting report.* The report will be submitted monthly to reach the Readjustment Division on or before the 12th day of the month following the report period, by the chief of each technical service, the Commanding General, Army Air Forces (the Assistant Chief of Air Staff, M & S, Resources Division), and the Commanding General of each numbered service command and the Military District of Washington.

§ 828.802-3 *Army Air Forces reports.* The Commanding General, Army Air Forces, will submit the original and one copy of a report covering the status and activity of property for which he has disposition responsibility, together with the required copies of SPB-1 and SPB-1.1 Forms, and one copy of each immediately lower echelon report. For the purpose of this report, all property other than contractor inventory reported through the Readjustment Division, ATSC, will be considered as non-military property.

§ 828.802-4 *Service Command reports.* The Commanding General of each Serv-

ice Command and of the Military District of Washington will submit the original and one copy of a report covering the status and activity of property for which he has disposition responsibility, together with the required copies of SPP-1 and SPB-1.1 forms. For the purpose of this report, ASTP and CTP property will be considered as non-military property.

§ 828.802-5 *Technical service reports.* The chief of each technical service will submit the original and one copy of a report covering the status and activity of property for which he has disposition responsibility, together with the required copies of SPB-1 and SPB-1.1 forms, and one copy of each immediately lower echelon report.

§ 828.802-6 *Information required on report form; Section I—Redistribution and transfer.* (a) The succeeding paragraphs indicate the information to be contained in the various lines of the Gross columns of the report form:

Line 2—Determined excess—Enter the cost of property recorded as excess in accordance with § 828.602-2 during the report period.

Line 4—Redistributed—Enter the cost of property which was redistributed during the report period to another service or another service command, or the Army Ground Forces.

Line 5—Transferred—without reimbursement—Navy—Enter the cost of property transferred, prior to determination of surplus, to the Navy Department during the report period.

Line 6—Transferred—without reimbursement—Veterans Administration—Enter the cost of property transferred, prior to determination of surplus, to the Veterans Administration during the report period.

Line 7—Transferred—without reimbursement—others—Enter the cost of property transferred, prior to determination of surplus, to agencies other than the Navy Department and Veterans Administration during the report period.

Line 8—Transferred total—without reimbursement—Enter total lines 5, 6, and 7.

Line 9—Transferred—with reimbursement—contractors—Enter the proceeds from sales and the cost of property sold, prior to determination of surplus, to contractors during the report period.

Line 10—Transferred—with reimbursement—Government agencies—Enter the proceeds from sales and the cost of property transferred, prior to determination of surplus, to Government agencies during the report period.

Line 11—Transferred—with reimbursement—Red Cross and USO—Enter the proceeds from sales and the cost of property sold, prior to determination of surplus, to Red Cross and USO during the report period.

Line 12—Transferred—with reimbursement—others—Enter the proceeds from sales and the cost of property sold, prior to determination of surplus, to others during the report period.

Line 13—Transferred total—with reimbursement—Enter the total of Lines 9, 10, 11 and 12.

Line 14—Transferred—total—Enter the total of Lines 8 and 13.

Line 15—Determined surplus—Enter the cost of property determined to be surplus during the report period.

(b) The following subparagraphs relate to the information to be contained in the various lines of the Adjustment columns of the report form:

(1) Enter on the appropriate lines of the Adjustment columns over-statements

or under-statements of previously recorded transactions. All over-statements will be preceded by a minus (—) sign.

(2) Redistributions of property recorded as excess within the reporting agency will be recorded as an Adjustment on Line 2, Column (F).

(c) The succeeding paragraphs indicate the information to be contained in the various lines of the Net columns of the report form:

Line 1—Awaiting action—Enter the cost of property recorded as excess which had not been determined surplus at the beginning of the report period. This figure will be identical with that reported on Line 16 of the report for the preceding report period.

Line 2—Determined excess—Enter Line 2, Column (E), plus or minus Line 2, Column (F).

Line 3—Total available—Enter the total of Lines 1 and 2.

Line 4 through 15—Enter the amounts shown on the various lines in Column (E), plus or minus Column (F).

Line 16—Awaiting action—Enter the cost of property, included in Line 3, which had not been recorded as excess but which had not been redistributed, transferred, or determined surplus at the end of the report period. This figure will be Line 3 minus the sum of Lines 4, 14 and 15.

§ 828.802-7 *Information required on report form; Section II—Disposal.* (a) The succeeding paragraphs indicate the information to be contained in the various lines of the Gross columns of the report form:

Line 18—Determined surplus—Enter the cost of property determined to be surplus during the report period. This figure will be identical with that reported in Line 15, Column (E).

Line 19—Salvage declared to disposal agencies—Enter the cost of property declared to disposal agencies by salvage officers on Forms SPB-1 in accordance with the provisions of TM 38-505.

Line 21—Disposals—Declared—Enter the cost of surplus property declared to disposal agencies on Form SPB-1 during the report period. This figure will be identical with that reported on Line 31, Column (G).

Line 22—Disposals—sold to contractors—Enter the proceeds from sales and the cost of property determined surplus which was sold to contractors. This will not include sales to contractors reported on Line 9, which refers to sales prior to determination of surplus during the report period.

Line 23—Disposals—small lots—Enter the cost of small lots turned over to salvage officers for disposal during the report period.

Line 24—Disposals—salvage—Enter the cost of property other than small lots turned over to salvage officers for disposal during the report period, including the cost of property cannibalized.

Line 25—Disposals—donations—Enter the cost of property determined surplus and donated during the report period. This does not include property transferred without reimbursement as recorded on Line 5, 6, or 7.

Line 26—Disposals—abandoned or destroyed—Enter the cost of property determined surplus which was abandoned or destroyed during the report period.

Line 27—Disposals—others—Enter the proceeds from sales and the cost of property determined surplus which was disposed of by any other method during the report period.

Line 28—Disposal total—Enter the total of Lines 21, 22, 23, 24, 25, 26, and 27.

(b) The following subparagraphs relate to the information to be contained

in the various lines of the Adjustment columns of the report form:

(1) Enter on the appropriate lines of the Adjustment columns over-statements or under-statements of previously recorded transactions. All over-statements will be preceded by a minus (—) sign.

(2) Adjustments on Lines 19 and 21 are those recorded on Forms SPB-1.1 relating to corrections of declarations previously recorded as shown in Section III, Line 32, Column (G) of the report form:

(c) The succeeding paragraphs indicate the information to be contained in the various lines of the Net columns of the report form:

Line 17—Awaiting disposal—Enter the cost of property which had previously been determined to be surplus but which had not been disposed of at the beginning of the report period. This figure will be identical with that reported on Line 29 of the report for the preceding report period.

Line 18 and 19—Determined surplus—Salvage declared to D. A.—Enter the amounts shown in Column (E), plus or minus Column (F).

Line 20—Total available—Enter the total of Lines 17, 18 and 19.

Lines 21 through 28—Disposals—Enter the amounts shown on the various lines in Column (E), plus or minus Column (F).

Line 29—Awaiting disposal—Enter the cost of property, included on Line 20, but not disposed of at the end of the report period. This figure will be Line 20 minus Line 28.

§ 828.802-8 *Information required on report form; Section III—Disposal agencies summary.* The succeeding paragraphs indicate the information to be contained in the various lines of the report form:

Line 30—Awaiting delivery orders—Enter the cost of property declared to disposal agencies in previous months for which delivery orders had not been received at the beginning of the report period. Those figures will be identical with those reported on Line 38 of the report for the preceding report period.

Line 31—Gross declarations—Enter the cost of property declared to disposal agencies during the report period on Forms SPB-1. A copy of each declaration, where the cost of the property included in the declaration is \$25,000 or more, will be attached to the report.

Line 32—Corrections—Enter the cost of adjustments to prior declarations reported on Forms SPB-1.1 during the report period. This amount will not include the withdrawal of items previously declared. If accountability is transferred to another service after it has been included on Line 30, such accountability transfers will be treated as corrections. The adjustments initiated by Disposal Agencies will also be treated as corrections. The Disposal Agency will use Form SPB-1.1 in notifying the owning agency of any such adjustments that appears necessary after its verification of the declaration and inspection of the property. A copy of each Form SPB-1.1, where the cost of the adjustment is \$25,000 or more, will be attached to the report.

Line 33—Net declarations—Enter Line 31, plus or minus Line 32. The amount shown on this line must agree with that of Line 21, Column (G).

Line 34—Withdrawals—Enter the cost of approved withdrawals from disposal agencies during the report period, when withdrawal takes place prior to receipt of delivery orders, as reported on Forms SPB-1.1 prepared for this purpose during the report period. For the purpose of this report, withdrawals which take place after delivery orders have been

received will not be recorded. A copy of each Form SPB-1.1 where the cost of the withdrawal is \$25,000 or more, will be attached to the report.

Line 35—Available to disposal agencies—Enter the sum of Lines 30 and 33 minus Line 34.

Line 36—Scrap orders received—Enter the cost of property previously declared to a disposal agency for which the disposal agency has submitted a certificate that the property declared is scrap and should be so treated by the owning agency.

Line 37—Delivery orders received—Enter the cost of property for which shipping or disposition orders, other than scrap orders, were received during the report period.

Line 38—Awaiting delivery orders—Enter the cost of property declared to disposal agencies for which shipping or other disposition orders had not been received at the end of the report period. This is Line 35 minus the sum of Lines 36 and 37.

§ 828.802-9 *Information required on report form; remarks.* (a) Explanation of all adjustments in Line 2 other than those reflecting redistributions within the reporting agency.

(b) Explanation of other adjustments to previously reported figures where the size of the adjustment is of significance in interpretation of the net results.

(c) Explanation of the nature of all transactions recorded on Lines 7, 12 and 27.

§ 828.803 *Reports of plant equipment.* Instructions for the preparation of monthly sales and quarterly inventory reports relating to plant equipment as required by Order No. 2 under Surplus Property Board Regulation 6 are contained in Part 848 of this chapter. These instructions are applicable to plant equipment as Non-Military Property for which disposition is in accordance with Parts 821 to 828, inclusive, as well as for plant equipment treated as Contractor Inventory.

§ 828.804 *W. D., A. G. O. Form No. 586. Disposition of Excess and Surplus Property.*<sup>1</sup>

[Procurement Reg. 7-A]

PART 830—GENERAL DISPOSITION OF INDUSTRIAL INSTALLATIONS

Sec.

- 830.100 Scope of Parts 830 and 832.
- 830.101 Prior instructions superseded.
- 830.102 War Department policy.
- 830.103 Definitions.

§ 830.100 *Scope of Parts 830 and 832.* (a) Parts 830 and 332 establish policies and procedures for the classification and disposition of standby, excess, and surplus industrial installations located within the continental United States, which are on land owned by or leased to the War Department. Such installations include arsenals; installations acquired under supply contracts, emergency plant facilities contracts, and special facilities contracts; and industrial material testing and proving grounds.

(b) Parts 830 and 832 do not cover machine tools, production equipment, or other equipment located in private facilities; command installations; facilities acquired for civil functions of the War Department; or industrial installations owned by the Reconstruction Finance

Corporation, Office of Defense Plants (formerly Defense Plant Corporation).

§ 830.101 *Prior instructions superseded.* Parts 830 and 832 supersede instructions relating to disposition of industrial installations contained in WD Circular 8, 1944, which is rescinded by section II, WD Circular 213, 1945.

§ 830.102 *War Department policy.* The policy of the War Department is to prevent retention of excess industrial installations, to effect the prompt return to productive use of idle industrial installations, to aid the disposal agencies in disposing of surplus industrial installations to the fullest extent provided by the regulations of the Surplus Property Board, and to limit sales of surplus installations by the War Department to cases in which the War Department is clearly responsible for direct disposals.

§ 830.103 *Definitions.* As used in Parts 830 and 832, the following terms shall have the following meanings.

§ 830.103-1 *Active.* "Active" is a term used to describe the status of an installation currently in production, or being constructed or modified for immediate production needs. The term "active" is also used to describe an installation used for industrial storage.

§ 830.103-2 *Disposal agency.* "Disposal agency" means any Government agency designated by the Surplus Property Board to dispose of industrial installations.

§ 830.103-3 *Excess.* "Excess" is a term used to describe the status of an installation that has been determined by the using service to be no longer needed for its production requirements, or, if an approved industrial storage installation, no longer needed for storage.

§ 830.103-4 *Industrial installation or installation.* "Industrial installation" or "installation" means any unit of real property (or reasonably separable portion thereof), including its related production equipment, primarily used or useful for the production of matériel, munitions, or supplies, or for closely related functions. It includes all lands and interests therein, leaseholds, buildings, structures, improvements, and appurtenances which are not a part of command installations. It includes housing which is an integral part of an installation.

§ 830.103-5 *Standby.* "Standby" is a term used to describe the status of an installation not currently in use, but which the War Department desires to keep in readiness to resume production, if necessary.

§ 830.103-6 *Surplus.* "Surplus" is a term used to describe the status of an installation that has been determined by the War Department to be no longer needed for its immediate or foreseeable requirements and responsibilities.

§ 830.103-7 *Using service.* "Using service" means that component of the War Department (a technical service of the Army Service Forces or the Army Air Forces) directly accountable for and charged with command jurisdiction over a specific installation.

PART 832—PROCEDURE WITH RESPECT TO DISPOSITION OF INDUSTRIAL INSTALLATIONS

Sec.

- 832.200 Classification and reporting of installations as standby or excess.
- 832.201 Disposition of installations.
- 832.202 Temporary use of standby, excess, or surplus installations.
- 832.203 Use of excess installations for storage or essential military operations.
- 832.204 Withdrawal of excess installations.
- 832.205 Withdrawal of surplus installations.
- 832.206 Reduction of overhead.
- 832.207 Dismantling and removal of equipment.
- 832.208 Custody of an accountability for standby, excess, and surplus installations.
- 832.209 Disposal in advance of excess or surplus.
- 832.210 Sale or lease of installations included for retention in the post-war military establishment.
- 832.211 Monthly report.

§ 832.200 *Classification and reporting of installations as standby or excess.*

§ 832.200-1 *Duty to classify and report.* Each using service will maintain constant surveillance over the utilization of all installations under its control. Within 20 days from the time an installation, or reasonably separable portion thereof, ceases to be active, the using service will classify and report such property to the Chief of Engineers.

§ 832.200-2 *Reporting of installations classified as standby.* (a) When an installation is classified as standby, the using service will submit a report to the Chief of Engineers, through the Production Division, Army Service Forces, or, in the case of the Army Air Forces, through the Assistant Chief of Air Staff, Matériel and Services, Resources Division. The report will contain the following information:

- (1) Location and identification of the installation;
- (2) Date the installation was classified as standby;
- (3) Purpose for which the installation is retained, justification, and estimated period of retention;
- (4) Whether any portion of the installation is available for temporary use by agencies other than the using service, and, if so, the usable portions and the limitations on such use;
- (5) Estimated time required by using service to put the installation in production on a substantial scale.

(b) Upon receipt of a report of standby, the Production Division, Army Service Forces, or, in the case of the Army Air Forces, the Assistant Chief of Air Staff Matériel and Services, Resources Division, will determine within 10 days whether the classification as standby should be approved or modified. If the classification is approved, the respective staff division will forward the report to the Under Secretary of War; if the Under Secretary of War approves the classification, he will forward the report to the Chief of Engineers, with copies to the using service, the Production and Readjustment Divisions, Army Service Forces, and the Industrial Equipment Redistribution Board, Reconstruction Finance

<sup>1</sup> Filed with the division of the Federal Register.

Corporation, Washington, D. C. If the classification is disapproved, the report will be returned to the using service with appropriate instructions.

§ 832.200-3 *Reporting of excess installations.* When an installation is classified as excess, a report will be submitted by the using service to the Chief of Engineers, with copies to the Production and Readjustment Divisions, Army Service Forces, and to the Industrial Equipment Redistribution Board, Reconstruction Finance Corporation, Washington, D. C. In the case of the Army Air Forces, this report will be transmitted through the Assistant Chief of Air Staff, Materiel and Services, Resources Division. The report will contain the following information:

(a) Location and identification of the excess installation, with statement as to whether it includes production equipment or whether land, or buildings and land, alone are involved;

(b) Purpose for which the installation is used;

(c) Date on which the installation will cease to be used, and additional time required, if any, before plant will become available for other use;

(d) Contractual obligations affecting disposition, with copies of pertinent documents;

(e) Any additional information, such as commitments to other War Department agencies or other Government agencies, which aids in redistribution or disposition;

(f) The responsible field office which will, when requested, coordinate with the representatives of the Chief of Engineers and other interested agencies.

§ 832.201 *Disposition of installations.*

§ 832.201-1 *Disposition of standby installations.* Upon receipt of a report that an installation has been classified as standby, the Chief of Engineers will determine the feasibility of making the installation available for temporary use by an agency other than the using service. If the Chief of Engineers determines that such use is feasible, and if the using service approves the proposed use, the Chief of Engineers may take appropriate action, in accordance with § 832.202.

§ 832.201-2 *Disposition of excess installations.* (a) Wherever possible, excess industrial installations, including machinery and equipment, should be transferred as a complete facility to avoid the necessity for dismantling and reinstalling equipment. If the report that an installation is excess states that production equipment is included in the installation, the Chief of Engineers will immediately contact the designated field office of the using service to coordinate the preparation of Forms SPB-1 and SPB-5, so as to avoid duplications and omissions.

(b) Upon receipt of a report that an installation has been classified as excess, the Chief of Engineers will consult, or circularize, the other technical services, Production, Storage, Maintenance, and Mobilization Divisions, Army Service Forces, and the Army Air Forces for not more than 10 days to ascertain if there

is a need for the installation within the War Department for (1) production, (2) storage of War Department property other than surplus property, or (3) command use. Consultation and circularization may be waived by the Under Secretary of War.

(c) In the event a need is found under paragraph (b), the Chief of Engineers will arrange with the using service and the requesting agency for the transfer of the installation, and will notify the Production and Readjustment Divisions, Army Service Forces, of the new use. All requests for transfer of excess installations will be made to the Chief of Engineers and will include the following information:

(1) Name and location of the installation;

(2) Name of using service;

(3) Agency requesting use;

(4) Purpose for which the installation is to be used;

(5) Particular portions of the installation or amount of space required.

Wherever necessary, the requesting service will process promptly a site letter, as provided in Part 810 of this chapter. In such cases, transfers will not be made until the approvals required by Part 810 of this chapter are obtained. Where the requested use is for storage, the requesting service, except in the case of the Army Air Forces, will process a request to and secure the approval of the Storage Division, Army Service Forces, before the transfer is made.

(d) The Chief of Engineers is authorized to effect transfers to Government agencies, in accordance with existing laws and regulations, provided that it has been determined, under the provisions of paragraph (b) above, that there is no further War Department need for the installation, or, if there is a further War Department need, provided that the transfer has been approved by the Under Secretary of War. In the case of transfers to the Navy Department, the Veterans Administration, the Reconstruction Finance Corporation, or a subsidiary of the Reconstruction Finance Corporation, the Chief of Engineers will notify the Surplus Property Board of the transfer, but the approval of the Board need not be obtained. In cases of transfers to other Government agencies, the approval of the Surplus Property Board will be obtained, and such transfers will only be made with reimbursement.

(e) Should more than one service or agency request the same property, the conflict will be resolved by the Under Secretary of War.

§ 832.201-3 *Disposition of surplus installations.* (a) If, within 15 days of receipt of a report that an installation is excess, no need has been found for the property, as provided in § 832.201-2 (b), the Chief of Engineers will determine the installation to be surplus. Except in the case of leased installations, the Chief of Engineers will promptly forward to the Reconstruction Finance Corporation, with a copy to the using service and to the Production Division, Army Service Forces, a memorandum which will:

(1) Indicate that the installation will be declared surplus within 30 days.

(2) Describe the plant and its related machinery and equipment, if any, in general terms.

(3) Request the Reconstruction Finance Corporation to consult with the using service and the Corps of Engineers as soon thereafter as possible as to the date on which custody and accountability for the installation will be transferred, the method whereby such custody and accountability will be transferred, and the method whereby the property will be prepared for protection.

(4) Designate the responsible field offices of the using service and the Corps of Engineers with which the Reconstruction Finance Corporation should consult, in accordance with subparagraph (3) above.

(b) If the reported installation includes production equipment, the using service will, within 42 days after the installation has been reported as excess, forward to the Chief of Engineers the completed Forms SPB-1 covering such equipment, for transmittal to the Surplus Property Board. The Chief of Engineers will transmit these Forms SPB-1 to the Surplus Property Board with the Form SPB-5 when the complete installation is declared surplus.

(c) Within 45 days of the receipt of a report of excess, the Chief of Engineers will declare the installation surplus to the Surplus Property Board, in accordance with the regulations of the Board, unless the installation is leased to the War Department. To insure that declarations of surplus are made as soon as possible, the Chief of Engineers will initiate a title search and take all other necessary action promptly on receipt of the report of excess, and, where practicable, even in advance of such report.

(d) In the case of surplus leased installations, the Chief of Engineers is authorized to terminate outstanding leases, in accordance with their terms. The Chief of Engineers will notify the Readjustment Division, Army Service Forces, of any declaration of surplus or termination of a lease of a surplus installation.

§ 832.201-4 *Direct sales of installations by the War Department.* Recommendations for the sale of an installation by the War Department under any authority not impaired by the Surplus Property Act of 1944 (Public Law 457—78th Congress, 58 Stat. 765) will be made by the Chief of Engineers to the Under Secretary of War through the Readjustment Division, Army Service Forces, except where existing War Department regulations authorize the Chief of Engineers to dispose of buildings and improvements.

§ 832.201-5 *Disposal of leased installations.* Under existing regulations, the Chief of Engineers is authorized to dispose of surplus installations on land leased to the War Department by termination of lease, sale, demolition, removal, or by any appropriate action incident to the War Department's obligation to restore the premises. In general, negotiations for the sale of large industrial installations erected on land leased to the War Department will be conducted by the

Reconstruction Finance Corporation at the request of the Chief of Engineers.

§ 832.202 *Temporary use of standby, excess, or surplus installations.* (a) The Chief of Engineers is authorized to lease or to arrange for the temporary use of standby or excess installations, in accordance with Parts 830 and 832, *Provided, That:*

(1) In the case of standby installations, the using service first approves the finding of the Chief of Engineers that the proposed lease or use will not interfere with the current status of the installation; and

(2) In the case of excess installations, the proposed lease or use will not interfere with the disposal of the installation.

The Chief of Engineers will negotiate leases and make arrangements for temporary use of installations, and will prepare and execute such leases, permits, and other documents as are required.

(b) Property consisting of land alone will not be placed in standby for the sole purpose of providing temporary use.

(c) Leases, permits, or other agreements for use of an installation will not be executed without the prior approval of the Under Secretary of War in any of the following cases:

(1) Where the annual consideration in any lease or other contract exceeds \$50,000;

(2) Where the lease or contract price is less than the approved rental value, established rate, or other prevailing standard of value;

(3) Where the lease or contract term exceeds 5 years; or

(4) Where the lease or contract is not revocable at any time.

Requests for approval under this section will be transmitted to the Under Secretary of War through the Readjustment Division, Army Service Forces.

(d) The Chief of Engineers may serve as the leasing agent of the disposal agency for installations declared surplus.

§ 832.203 *Use of excess installations for storage or essential military operations.* (a) Excess installations will be diverted to storage of War Department property (other than surplus), or to essential military operations, only after production needs are satisfied, and then, except for temporary use, only to the extent required for essential military operations.

(b) When transfer of an excess industrial installation for use as a command installation is approved by the Chief of Engineers, the designation and assignment of the property will be made by The Adjutant General, as provided in AR 170-10.

§ 832.204 *Withdrawal of excess installations.* An excess installation which has been reported to the Chief of Engineers may be withdrawn by the using service. Notice of the action taken will be sent to the Readjustment Division, Army Service Forces, by the Chief of Engineers.

§ 832.205 *Withdrawal of surplus installations.* A surplus installation which has been declared to a disposal agency or to the Surplus Property Board may be withdrawn by the Chief of Engineers, on the request of the Army Air Forces or a technical service made through the

Readjustment Division, Army Service Forces, which will coordinate with other staff divisions, and with the approval of the Under Secretary of War. Form SPB-5 will be used in effecting withdrawals. Upon approval of the request for withdrawal, the Chief of Engineers will assign the property to the service requesting withdrawal and notify the Readjustment Division, Army Service Forces, of the action taken.

§ 832.206 *Reduction of overhead.* The overhead costs of installations in standby, excess, or surplus status will be reduced to the minimum consistent with proper maintenance and security. Unnecessary reports will be discontinued. Administrative duties no longer required will be eliminated. Military personnel no longer needed will be transferred. Civilian personnel will be utilized in place of military personnel, insofar as possible.

§ 832.207 *Dismantling and removal of equipment.* Installations will not, in general, be dismantled, except: (a) To remove production equipment or materials needed for other war purposes, including war reserve and modernization, (b) to provide space for other manufacturing operations, (c) to meet storage requirements for military property, or (d) to make the property safe by decontamination or other means. If it is necessary to raze buildings or structures, the approval of the Chief of Engineers will first be obtained, as provided in section III, WD Circular 195, 1944.

§ 832.208 *Custody of and accountability for standby, excess, and surplus installations.* (a) The using service retains custody of and accountability for installations reported as standby or excess. On request of the using service, however, the Chief of Engineers may assume such custody and accountability on mutually satisfactory terms.

(b) As provided in § 832.201-3, representatives of the Reconstruction Finance Corporation, the Corps of Engineers, and the using service will determine the date on which custody of and accountability for the surplus installation will be transferred from the War Department to the Reconstruction Finance Corporation. Generally, this date should be not later than 30 days after the property has been assigned by the Surplus Property Board to the Reconstruction Finance Corporation for disposal. Custody and accountability will remain the responsibility of the using service until assumed by the Reconstruction Finance Corporation.

(c) If the Reconstruction Finance Corporation is unable, or if it is apparent that it will be unable, to assume custody of and accountability for a surplus installation, the using service may request the Chief of Engineers to assume such custody and accountability on mutually satisfactory terms.

§ 832.209 *Disposals in advance of excess or surplus.* (a) Sales of active installations are to be encouraged; *Provided, That* the continuation of war production is assured for as long as the War Department requires. When a purchase inquiry is received, the using service will refer the prospective buyer to the disposal agency and will inform the

Readjustment Division, Army Service Forces, of its action. Upon receipt of this information, the Readjustment Division will notify the Chief of Engineers that the property is under consideration for disposal.

(b) The Readjustment Division, Army Service Forces, on request of the disposal agency to whom a purchase inquiry has been referred, will ascertain, by coordination with the Production Division, Army Service Forces (in the case of the Army Air Forces, the Assistant Chief of Air Staff, Matériel and Services, Resources Division) and the using service, the need for continuing war production at the installation, the availability of the property for inspection, the terms of any options, and the probable date the installation will become surplus. If requested by the disposal agency, the Readjustment Division, Army Service Forces, will arrange, with consent of the using service, for field inspection of the installation by prospective buyers.

(c) When advised by the disposal agency that an advance disposal is ready to be made, the Readjustment Division, Army Service Forces, or, in the case of the Army Air Forces, the Readjustment Division, Army Service Forces, through the Assistant Chief of Air Staff, Matériel and Services, Resources Division, will request the using service to consent to disposal of the installation, subject to conditions determined by the using service to be necessary to protect the War Department's interest in continued production. When the using service consents to disposal of the installation, the using service will forward a statement to the Under Secretary of War stating the conditions or which the consent is given and will send copies of this statement to the Production and Readjustment Divisions, Army Service Forces, or, in the case of the Army Air Forces, to the Assistant Chief of Air Staff, Matériel and Services, Resources Division, and to the Readjustment Division, Army Service Forces. If the Under Secretary of War consents to the disposal, he will direct the Chief of Engineers to declare the installation surplus, subject to such conditions as the Under Secretary of War may determine.

§ 832.210 *Sale or lease of installations included for retention in the postwar military establishment.* With the approval of the Under Secretary of War upon recommendation by the Commanding General, Army Service Forces, or, where appropriate, the Commanding General, Army Air Forces, an installation scheduled for the postwar military establishment may be sold or leased. In such case, the procedure set forth in § 832.200 will be followed.

§ 832.211 *Monthly report.* The Chief of Engineers will report all actions taken under Parts 830 and 832 in Section 4, Monthly Progress Report, Construction, Real Estate, Repairs and Utilities.

NOTE: FORMS printed in the FEDERAL REGISTER are for information only and do not follow the exact format prescribed by the issuing agency.

[SEAL] EDWARD F. WITSELL,  
Major General,  
Acting The Adjutant General.

[F. R. Dec. 45-16344; Filed, Aug. 23, 1945;  
9:34 a. m.]

## TITLE 21—FOOD AND DRUGS

Chapter I—Food and Drug Administration,  
Federal Security AgencyPART 141—TESTS AND METHODS OF ASSAY  
FOR ANTIBIOTIC DRUGS

## PENICILLIN

By virtue of the authority vested in the Federal Security Administrator by the provisions of section 507 of the Federal Food, Drug, and Cosmetic Act (52 Stat. 1040 ff. 21 U.S.C. 301 et seq., as amended by Public Law 139, 79th Cong., 1st Sess., July 6, 1945), the following regulations are hereby promulgated.

Sec.	
141.1	Sodium penicillin and calcium penicillin; potency.
141.2	Sodium penicillin and calcium penicillin; sterility.
141.3	Sodium penicillin and calcium penicillin; pyrogens.
141.4	Sodium penicillin and calcium penicillin; toxicity.
141.5	Sodium penicillin and calcium penicillin; moisture.
141.6	Sodium penicillin and calcium penicillin; penicillin X.
141.7	Penicillin in oil and wax.
141.8	Penicillin ointment.
141.9	Tablets buffered penicillin.
141.10	Capsules penicillin in oil.
141.11	Penicillin with aluminum hydroxide gel.
141.12	Penicillin troches.
141.13	Penicillin dental cones.

§ 141.1 *Sodium penicillin and calcium penicillin; potency*—(a) *Cylinders (cups)*. Make from standard wall pyrex tubing or from glazed porcelain, stainless steel, or aluminum tubing of the same wall thickness ( $\pm 0.1$  mm), having an outside diameter of 8 mm ( $\pm 0.1$  mm), by cutting into 1.0 cm lengths. Unless made from stainless steel, the cylinders are beveled inside on one end at an angle of 30° to 40°. The beveled surface is ground to a smooth edge.

(b) *Culture media*. (1) Make nutrient agar, for the assay and for carrying the test organism, as follows:

	Gm.
Peptone.....	6.0
Pancreatic digest of casein.....	4.0
Yeast extract.....	3.0
Beef extract.....	1.5
Glucose.....	1.0
Agar.....	15.0
	Ml.
Distilled water, q. s.....	1,000.00
pH 6.5 to 6.8 after sterilization.	

(2) Make nutrient broth, for preparing an inoculum of the test organism, as follows:

	Gm.
Peptone.....	5.00
Yeast extract.....	1.50
Beef extract.....	1.50
Sodium chloride.....	3.50
Glucose.....	1.00
Dipotassium phosphate.....	3.68
Potassium dihydrogen phosphate.....	1.32
	Ml.
Distilled water, q. s.....	1,000.00
pH 7.0 after sterilization.	

(3) *Media ingredients*. (1) The yeast extract used in (1) and (2) is a peptone-like substance which represents the soluble products of yeast cells (*S. cerevisiae*) prepared under optimum conditions, clarified and desiccated to a powder.

One gram of the extract represents not less than 7.5 gms of the original yeast.

It is a reddish-yellow to brown powder with a characteristic but not putrescent odor. It is soluble in water, forming a yellowish to brown solution having a slight acid reaction.

Its nitrogen content after drying to constant weight at 100° C., as determined by the Kjeldahl method, is not less than 7.2% and not more than 9.5%.

Its residue on ignition, as determined by weighing accurately about 0.5 gm and heating slowly until it is thoroughly charred, cooling, adding 1.0 ml of sulfuric acid, and igniting to constant weight, is not more than 15%.

Its loss at 100° C., as determined by weighing accurately about 1.0 gm and drying to constant weight at 100° C., is not more than 5%.

It contains no coagulable protein, as determined by the absence of precipitate when a filtered aqueous solution (1 in 20) is heated to boiling.

Its chloride content, calculated as sodium chloride, is not more than 5%.

It contains no carbohydrate other than that naturally present.

(ii) The pancreatic digest of casein (bacteriological peptone) used in paragraph (b) (1) of this section and in § 141.2 (a) (1), is a grayish-yellow powder, with a characteristic but not putrescent odor. It is freely soluble in water, a 2% solution having a light yellow color, being free from turbidity or sediment, and having a reaction of pH 6.5 to 7.0; it is insoluble in alcohol or ether. The casein used in the preparation of the digest is good commercial grade or better of acid precipitated casein which meets the following specifications.

Ash.....	Not more than 2.5%.
Moisture.....	Not more than 8.0%.
Fat.....	Not more than 0.5%.
Free acid (as lactic acid).....	Not more than 0.25%.
Reducing sugars.....	Trace.
Fineness.....	100% through a 20-mesh sieve.

The sodium chloride content of the pancreatic digest of casein is not more than 1%.

Its loss at 100° C., as determined by weighing accurately above 2 gms and drying to constant weight at 100° C., is not more than 7%.

Its nitrogen content, after drying to constant weight at 100° C., as determined by the Kjeldahl method, is not less than 10%.

Its residue on ignition, as determined by weighing accurately about 0.5 gm (previously dried to constant weight at 100° C.) and heating it slowly until it is thoroughly charred, cooling, adding 1.0 ml of sulfuric acid, and igniting to constant weight, is not more than 15%.

If the peptone meets the above requirements, it need not be dried to constant weight for the following tests:

It meets the following tests for degree of digestion: Dissolve 1 gm in 10 ml of distilled water.

(a) Stratify a few drops of 10% acetic acid in 50% alcohol on about 1 ml of the solution. No ring or precipitate forms at the junction of the two fluids and, when shaken, no turbidity results.

(b) Mix 1 ml with 4 ml of a saturated solution of zinc sulfate. A moderate amount of precipitated proteoses is formed.

(c) To 1 ml of filtrate from (b) add 3 ml of distilled water and 4 drops of saturated bromine water; a distinct reaction for tryptophane is given.

It is free from nitrites as determined by the following test: To about 5 ml of a 2% solution add:

(a) A few drops of sulfanilic acid reagent (sulfanilic acid, 0.8 gm; sulfuric acid of sp. gr. 1.84, 5 ml; distilled water, 100 ml), and

(b) A few drops of dimethylalphanaphthylamine reagent (dimethylalphanaphthylamine, 0.6 ml; glacial acetic acid, 30 ml; distilled water, 70 ml).

Mix and allow to stand for 15 minutes. No pink or red color develops.

It meets the following tests for bacteria-nutrient properties:

Prepare media by adding to distilled water:

(a) 2% of the bacteriological peptone, 0.5% of sodium chloride;

(b) 1% of the bacteriological peptone, 0.5% of sodium chloride;

(c) 0.1% of the bacteriological peptone, 0.5% of sodium chloride;

(d) 1% of the bacteriological peptone, 0.5% of sodium chloride, 0.5% of dextrose;

(e) 2% of the bacteriological peptone, 0.5% of sodium chloride, 1.5% of agar.

Adjust the reaction of all media to pH 7.2 to 7.4.

To medium (a) add sufficient phenol red indicator to give a readable color, tube in Durham fermentation tubes, and autoclave. Inoculate with a loop of 24-hour culture of *Escherichia coli*. Neither acid nor gas is produced during incubation for 48 hours at 37° C.

Inoculate 5 ml of medium (b) with *Eberthella typhosa*. Suspend between the cotton plug and the mouth of the test tube a strip or loop of lead acetate paper so that it hangs about 2 inches above the medium. After incubation at 37° C. for 24 hours the lower tip of the lead acetate paper shows little, if any, darkening; after 48 hours it shows an appreciable amount of brownish blackening (lead sulfide).

Incubate 5 ml of medium (c) inoculated with *Escherichia coli* for 24 hours at 37° C.; add about 0.5 ml of indol reagent (paradimethylaminobenzaldehyde, 1 gm; ethyl alcohol, 95 ml; hydrochloric acid of sp. gr. 1.18, 20 ml); a distinct pink or red color forms which is soluble in chloroform.

Inoculate 5 ml of medium (d) with *Aerobacter aerogenes*, and incubate for 24 hours at 37° C. Test by adding to the culture an equal volume of 10% solution of sodium or potassium hydroxide; shake and allow to stand at room temperature for several hours. The presence of acetyl-methyl-carbinol is shown by the appearance of a pink color.

In lieu of preparing the medium from the individual ingredients specified in paragraph (b) (1) and (2) of this section, they may be made from a dehydrated mixture which, when reconstituted with distilled water, has the same composition as such media.

(c) *Working standard.* Keep the working standard (obtained from the Food and Drug Administration) in tightly stoppered vials, which in turn are kept in larger stoppered tubes containing anhydrous calcium sulfate, constantly at freezing temperature. Weigh out carefully between 4 and 5 mg of the working standard and dilute with sterile 1% phosphate buffer (pH 6.0) to make a stock solution of any convenient concentration. Keep this solution at a temperature of about 10° C.; do not use it later than 3 days after it is made. From this stock solution make daily a working dilution containing 1.0 unit per ml and another containing 0.25 unit per ml.

(d) *Preparation of sample.* Dissolve aseptically, in pyrogen-free sterile distilled water, the sample to be tested to make a stock solution containing 5,000 units (estimated) per ml. In the assay for potency, place 1.0 ml of this solution in a 100 ml volumetric flask and make up to volume by the addition of sterile distilled water. Transfer 1.0 ml of this 50 unit (estimated) per ml solution to a flask containing 49 ml of 1% phosphate buffer (pH 6.0). Transfer 1.0 ml of this 1.0 unit (estimated) per ml solution to 3 ml of buffer to make a solution containing 0.25 unit (estimated) per ml. Use these last two dilutions in the assay for potency.

(e) *Preparation of plates.* Add 21 ml of agar to each Petri dish (20 x 100 mm). After the agar has been distributed evenly in the plates and has hardened, store in the refrigerator until the following day. (They may be kept several days before use.) The test organism is *Staphylococcus aureus* (F. D. A. 209-P). Maintain the test organism on agar slants and transfer to a fresh agar slant about once a week. Prepare an inoculum for the plates by transferring the culture from the agar slant into broth and incubate at 37° C. From 16 to 24 hours thereafter add 2.0 ml of this broth culture to each 100 ml of agar which has been melted and cooled to 48° C. Mix the culture and agar thoroughly and add 4 ml to each of the plates containing the 21 ml of the uninoculated agar. Tilt the plates back and forth to spread the inoculated agar evenly over the surface. Replace the glass covers of these inoculated plates with porcelain covers glazed on the outside. Place four cylinders on the agar surface (beveled end down) so that they are at approximately 90° intervals on a 2.8 cm radius. In so placing the cylinders drop them from a height of ½ inch, using a mechanical guide or device.

(f) *Assay.* Use four plates for each sample. Fill one cylinder on each plate with the 1.0 unit per ml dilution, and one with the 0.25 unit per ml dilution, of the working standard. Add the estimated dilutions of 1.0 unit per ml and 0.25 unit per ml of the sample under test to the remaining 2 cylinders on each plate. Carefully place the plates in racks and incubate 16 to 18 hours at 37° C. After incubation measure the diameter of each circle of inhibition to the nearest 0.5 mm using a colony counter with a mm scale etched into the supporting glass over the

light source. Other measuring devices of equal accuracy may be used.

(g) *Estimation of potency and error.* (1) Use the accompanying chart (Chart 1) and nomograph (Chart 2) for estimating the potency and its error. To use the chart for estimating potency two values, namely, *V* and *W*, are required. For each plate calculate two values.

$$v = \frac{(u_L + u_H) - (s_L + s_H)}{\text{and}}$$

$$w = (u_H + s_H) - (u_L + s_L)$$

where *s<sub>H</sub>* and *s<sub>L</sub>* are the diameters of the zones of inhibition in mm of the 1.0 unit and 0.25 unit dilutions of the standard, respectively, and *u<sub>H</sub>* and *u<sub>L</sub>* refer similarly to the corresponding dilutions of the sample under test. The value *V* is the sum of the *v* values for all plates and *W* is the sum of the *w* values for all plates. To estimate the potency locate the point on the chart corresponding to the values *V* and *W*, and the potency can be read from the radial lines on the chart.

(2) The error of the assay is estimated by using the nomograph which requires five values, namely, the potency, *V*, *W*, *R<sub>v</sub>*, and *R<sub>w</sub>*. *R<sub>v</sub>* (the range of the *v*'s) is the highest value of *v* minus the lowest value of *v* obtained from the individual plates. Similarly, *R<sub>w</sub>* is the difference between the highest and lowest *w* values. After obtaining these five values, connect with a straight edge the points corresponding to *v* and *w* on the respective scales on the right side of the nomograph. Mark with a pin or sharp-pointed pencil the intersection of the straightedge and the diagonal line of the nomograph. Move the straightedge so that it connects the value of *R<sub>v</sub>* on its scale and the diagonal line at the point of the pin. The value for *Q* is thus determined by the scale value where the straightedge crosses the line labeled "Q." *T* is obtained by adding the squares of *Q* and *R<sub>w</sub>*. On the left side of the chart connect the values of *T* and *W* with the straightedge and read the value of the ratio (error of assay + potency) where the straightedge intersects the scale of values for the ratio. This value multiplied by the potency equals the percentage error of the assay. The error of the assay calculated here estimates only how closely one assayist can check himself on any given set of dilutions of unknown and standard. It does not include any errors of weighing or errors due to variations in materials or subdivisions of a lot of penicillin.

The chart for determining potency should not be used for determinations of potency lower than 50% or higher than 150% of the standard. If the potency lies outside these limits, the assay should be repeated using a higher or lower dilution. The radial lines on the chart beyond these limits permit a rough estimation of potency from as low as 5% to as high as 1,000% when low values of *W* are found. If the value of *V* or *W* falls outside the limits of the chart, divide both *V* and *W* by the same proper number to bring them into the range of the chart and read the potency from the radial lines as before. If 11.4 *R<sub>v</sub>* is greater than *W*, the slope of the assay does not differ significantly from zero

and the assay is invalid. (The figure 11.4 was obtained by use of Student's "t" test for determining the significance of a slope.)

In certain laboratories it has been noted that with the 4 to 1 ratio, involving concentrations of 0.25 unit for the low dose, the zone of inhibition given by this dose may either be too small for accurate reading or have edges which are poorly defined. In order to permit the use of a higher concentration of penicillin for the low dose the third of the attached charts (Chart 3) may be used in assays in which the ratio of doses is 2 to 1, i. e., the high dose (*s<sub>H</sub>*) is twice the low dose (*s<sub>L</sub>*). As in the preceding chart (Chart 1), if the potency lies outside the limits of 50% to 150% the assay should be repeated, using a lower or higher dilution. The potencies beyond these limits are to be used for rough estimation purposes only. These extensions can also be used for four (or more) plate assays if both *V* and *W* are divided by the same proper number to bring them into the range of the chart.

(3) The potency of sodium penicillin and calcium penicillin is satisfactory when assayed by the method described in paragraph (f) of this section if the immediate containers are represented to contain:

200,000 units or less and contain 85% or more of the number of units so represented;  
More than 200,000 units and contain 90% or more of the units so represented.

§ 141.2 *Sodium penicillin and calcium penicillin; sterility*—(a) *Culture medium.* (1) Prepare fluid thioglycollate medium as follows:

	Gms.
1-cytine (reagent)-----	0.75
Sodium chloride-----	2.50
Dextrose (anhydrous)-----	5.00
Granular agar (less than 15% moisture by weight)-----	.75
Yeast extract (dehydrated)-----	5.00
Pancreatic digest of casein-----	15.00
Sodium thioglycollate-----	.50

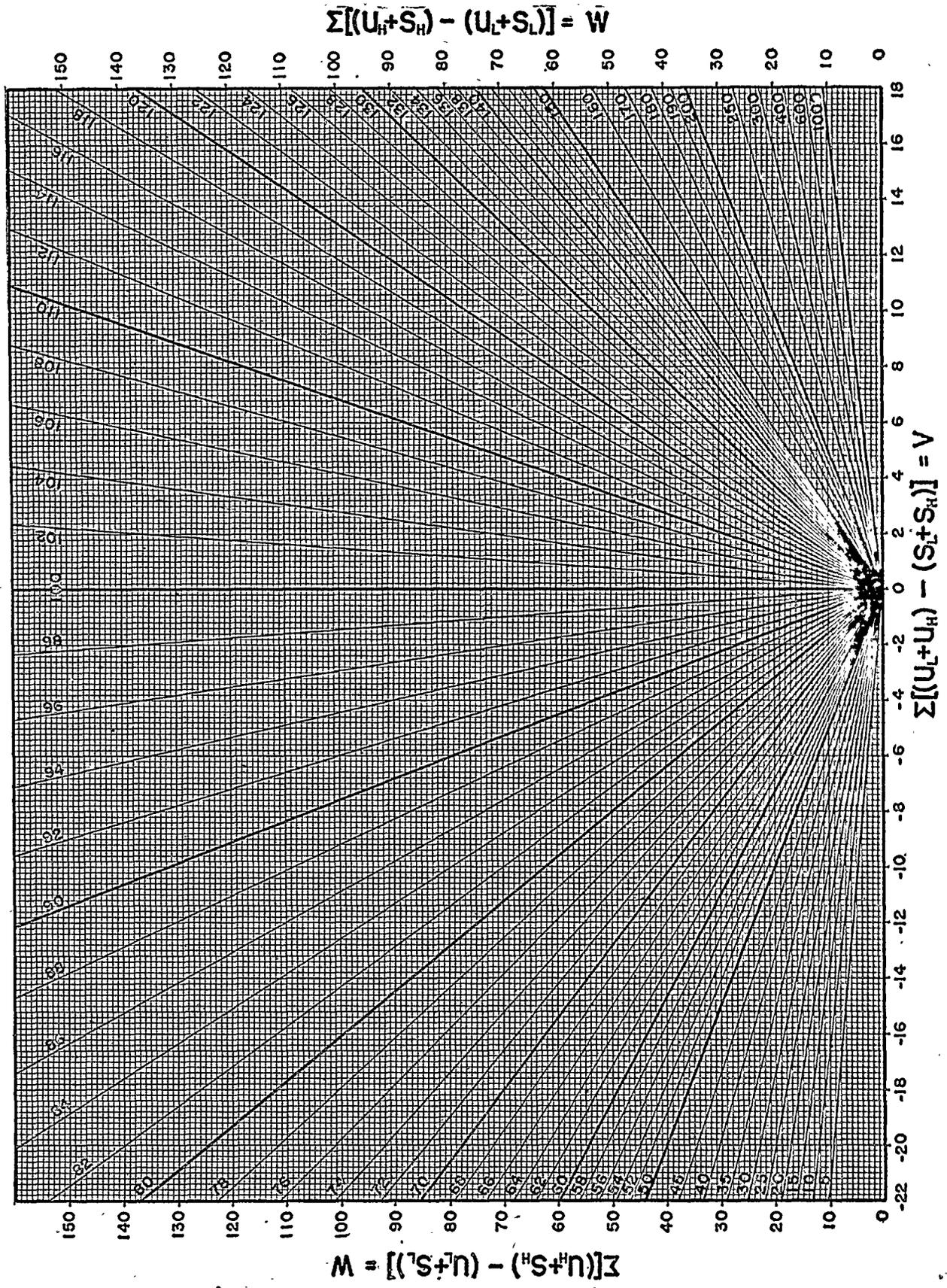
(Thioglycollic acid may be used if a sample of it, when converted to the sodium salt by means of an equivalent weight of sodium hydroxide complies with the requirements of subparagraph (2) (iii) of this section.)

0.1% solution resazurine (freshly prepared)-----	1.00
Distilled water, q. s.-----	1.00

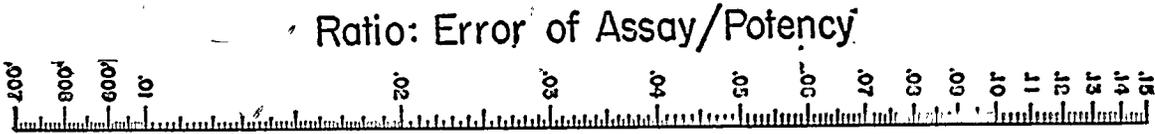
Mix in a mortar all of the dry ingredients except the sodium thioglycollate in the order given above. Mix into a smooth paste with a portion of the distilled water and dissolve by heating in flowing steam or by boiling; dissolve the sodium thioglycollate therein and adjust the reaction with sodium hydroxide so that after sterilization the pH is 7.1±0.1. Clarify the hot medium by filtration and transfer into 150 x 20 mm tubes, using 15 ml per tube; sterilize for 18 to 20 minutes at 121° to 123° C. (15 to 17 pounds pressure). Store in a cool place. If a pinkish color develops during storage and extends more than one-half inch below the surface of the medium, heat for 5 minutes in flowing steam. One reheating only is permissible. Cool before using.

**PENICILLIN ASSAY -- Chart for Determining Potency as Percent of Standard from Two-Dose Plate Method; Ratio of Doses 4:1**

H = High Dose  
 L = Low Dose  
 $\frac{H}{L} = 4$

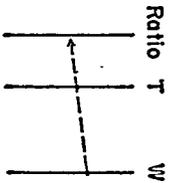


**PENICILLIN ASSAY**  
 Nomographs for estimating Error of Assay  
 (2 dose, 4 plate method. Ratio of doses 4:1)



$$T = R_v^2 + Q^2$$

Legend

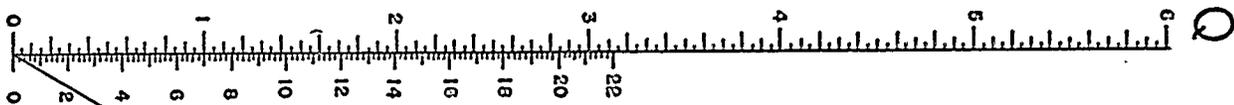


Note:  $R_v$  = Range of  $v$

$$W = \sum [(U_H + S_H) - (U_L + S_L)]$$

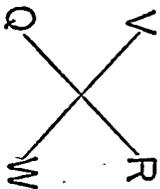


1.00	1.00	1.00
1.10	1.10	1.10
1.20	1.20	1.20
1.30	1.30	1.30
1.40	1.40	1.40
1.50	1.50	1.50
1.60	1.60	1.60
1.70	1.70	1.70
1.80	1.80	1.80
1.90	1.90	1.90
2.00	2.00	2.00
2.10	2.10	2.10
2.20	2.20	2.20
2.30	2.30	2.30
2.40	2.40	2.40
2.50	2.50	2.50
2.60	2.60	2.60
2.70	2.70	2.70
2.80	2.80	2.80
2.90	2.90	2.90
3.00	3.00	3.00
3.10	3.10	3.10
3.20	3.20	3.20
3.30	3.30	3.30
3.40	3.40	3.40
3.50	3.50	3.50
3.60	3.60	3.60
3.70	3.70	3.70
3.80	3.80	3.80
3.90	3.90	3.90
4.00	4.00	4.00



$$V = \sum [(U_H + U_L) - (S_H + S_L)]$$

Legend



$$W = \sum [(U_H + S_H) - (U_L + S_L)]$$

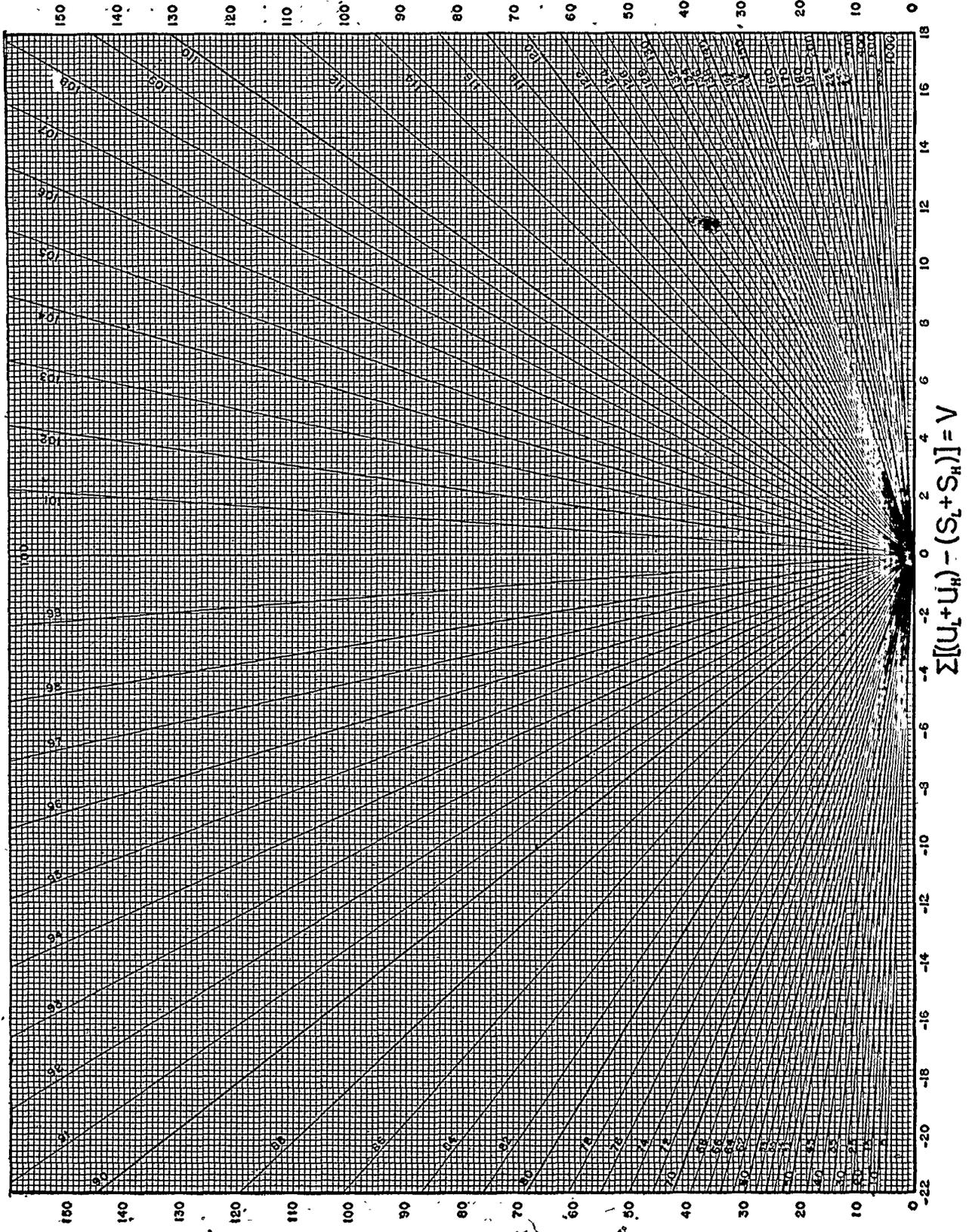


$R_w$  = Range of  $w$

$$\Sigma[(U_H + S_H) - (U_L + S_L)] = W$$

H = High Dose  
L = Low Dose  
n = 2

PENICILLIN ASSAY — Chart for Determining Potency  
as Percent of Standard from Two-Dose Plate Method



$$M = [(S_H + n) - (S_L + n)]Z$$

$$\Sigma[(U_L + U_H) - (S_L + S_H)] = V$$

In lieu of preparing the medium from the individual ingredients specified above, it may be made from a dehydrated mixture which, when reconstituted with distilled water, has the same composition as such medium and has growth-promoting, buffering, and oxygen tension controlling properties equal to or better than those of such medium.

In the preparation of the medium, from either the individual ingredients or any dehydrated mixture, avoid contamination with calcium.

(2) Medium ingredients.

(i) The yeast extract used conforms to the specifications prescribed in § 141.1 (b) (3) (i).

(ii) The pancreatic digest of casein used conforms to the specifications prescribed in § 141.1 (b) (3) (ii).

(iii) The sodium thioglycollate used is a white crystalline powder with a slight but characteristic odor, not of sulfides. Do not use it if it is yellowish or darker. Seventy grams dissolve in 100 ml water. It is slightly soluble in 95% ethyl alcohol or methanol. It meets the following tests for identity: To a very small amount add 5 ml of water, one drop of ferric chloride, then 2 ml of dilute ammonium hydroxide. An intense Burgundy color indicates the presence of the thioglycollate group. Some other organic sulfhydryl compounds also give this test. It gives an intense and persistent golden yellow flame on ignition.

It meets the following test for purity: Accurately weigh 0.2 to 0.3 gm and dissolve in 50 ml of distilled water and 2 ml of 6N hydrochloric acid. Boil 2 minutes to destroy any inorganic sulfides present, cool and titrate with tenth-normal standard iodine solution, using 1% starch solution as indicator. Calculate the percentage of sodium thioglycollate as follows:

$$\% \text{SHCH}_2\text{COONa} = \frac{\text{Normality of I} \times \text{ml used} \times 114.10}{\text{Weight of sample} \times 10}$$

Its purity should be not less than 75% at the time of use.

It is free from sulfides, as determined by dissolving about 0.5 gm in 10 to 20 ml of water and 2 to 3 ml of concentrated hydrochloric acid, bringing to a boil, and placing a strip of paper moistened with lead acetate solution in the vapors. No darkening should take place.

Preserve sodium thioglycollate in tightly stoppered bottles in a cool, dry place protected from light. Special care should be taken to avoid contamination with water.

(iv) The resazurin used is in fine crystals of brownish-purple color. One gram dissolves in 100 ml water. Its solution has a deep violet color. Its dye content is not less than 90%. No other dye, except traces of resorufin, is present; the remainder consists only of sodium carbonate or sodium acetate or both, and moisture.

Hydrogen sulfide and other compounds with the -SH group decolorize aqueous solutions of resazurin. On shaking the decolorized solution in the presence of air a rose color develops (dihydroresorufin to resorufin).

An aqueous solution shows maximum absorption at 605 millimicrons on the spectrophotometer.

(b) *Conduct of test.* Dissolve the sample to be tested in sufficient sterile, freshly prepared solution of 1:300 hydroxylamine hydrochloride, adjusted to pH 6.0 with sodium hydroxide, so that each ml contains approximately 5,000 units. Shake vigorously. Let stand one hour, transfer 1 ml aseptically to each of four tubes containing 15 ml of fluid thioglycollate medium. Inoculate one of these tubes with 1.0 ml of a 1:1000 dilution of an 18 to 24 hour broth culture of *S. aureus* 209-P, and incubate all four tubes for four days at 37° C. The inoculated tube should show growth at the end of four days; if so and no other tube shows growth, the sample is sterile.

§ 141.3 *Sodium penicillin and calcium penicillin; pyrogens.*—(a) *Test animal.* Use healthy rabbits, weighing 1,500 gms or more, which have been maintained for at least one week on a uniform unrestricted diet and have not lost weight during this period. For subsequent tests, animals utilized for previous tests may be used after a rest period of not less than two days. Use a clinical rectal thermometer after it has been tested in a rabbit to determine the time required to reach maximum temperature. (Other recording devices of equal sensitivity are acceptable). Insert the thermometer or other recording device beyond the internal sphincter and allow it to remain a sufficient time to reach maximum temperature as determined above. Make four rectal temperature readings on each of the animals to be used in the test at 2-hour intervals, 1 to 3 days before such use (this may be omitted for any animal that has been used in such tests during a preceding period of two weeks). House the test animals in individual cages and protect them from disturbances likely to cause excitement. Exercise particular care to avoid exciting the animals on the day of taking the control temperatures and on the test day. Maintain the animals in an environment of uniform temperature ( $\pm 5^\circ \text{F}$ .) at all times.

(b) *Conduct of test.* Heat all syringes and needles to be used in a muffle furnace at 250° C. for not less than 30 minutes to render them pyrogen-free and sterile. Perform the test in a room held at the same temperature as that in which the animals are housed. During the test restrain the animals in individual stocks. Withhold all food from one hour before the first temperature reading until after the final reading of the day. Take a control temperature reading not more than 15 minutes after the animal is removed from the cage. Use three animals for each test, but do not use those with control temperature of 38.8° C. or under and 39.9° C. or over. Warm the remainder of the stock solution prepared under § 141.1 (d) to approximately 37° C. and inject 2,000 units (estimated) per kg of rabbit intravenously through an ear vein within 15 minutes subsequent to the control temperature reading. Read temperatures one hour after injection and each hour thereafter until three readings have been made. The sample is nonpyrogenic if when so tested no animal shows a rise in any of the temperature readings, after

injection, of 0.6° C. or more above the control temperature of such animal. If only one animal shows such a rise in temperature, or if the sum of the temperature rises of the three animals exceeds 1.4° C., repeat the test on five additional animals. The sample is nonpyrogenic if not more than one of these five animals shows a rise in temperature of 0.6° C. or more above the control temperature of such animal.

§ 141.4 *Sodium penicillin and calcium penicillin; toxicity.* Inject intravenously each of five mice, within the weight range of 18 to 25 grams, with 0.5 ml of a solution of the sample prepared by diluting with sterile distilled water to approximately 4,000 units per ml a portion of the stock solution referred to in § 141.1 (d). The injection should be made over a period of not more than 5 seconds. If no animal dies within 48 hours, the sample is nontoxic. If one or more animals die within 48 hours, repeat the test with five unused mice weighing 20 grams ( $\pm 0.5 \text{ gm}$ ) each; if all animals survive the repeat test, the sample is nontoxic.

§ 141.5 *Sodium penicillin and calcium penicillin; moisture.* In an atmosphere of about 10% relative humidity, transfer 30 to 50 mgm of the finely powdered sample to a tared weighing bottle or weighing tube equipped with a capillary-tube stopper, the capillary having an inside diameter of 0.20 to 0.25 mm. Weigh the bottle or tube and place it in a vacuum oven, without removing the stopper, and dry at a temperature of 60° C. and a pressure of 5 mm of mercury or less for three hours. At the end of the drying period, fill the vacuum oven with air dried by bubbling it through sulfuric acid; place weighing bottles or tubes in a desiccator over phosphorous pentoxide, allow to cool to room temperature, and reweigh. Divide the loss in weight by the weight of the sample and multiply by 100 to obtain the percentage of moisture.

§ 141.6 *Sodium penicillin and calcium penicillin; penicillin X.* Dissolve the contents of a 100,000 unit ampul in about 20 ml of ice cold distilled water. Transfer quantitatively to a 100 ml volumetric flask, rinsing the ampul with small portions of ice cold water and make to 100 ml. Pipette a 50 ml aliquot into a 125 ml separatory funnel, then add 50 ml of cold chloroform and shake the mixture. Add an amount of approximately 1N H<sub>2</sub>SO<sub>4</sub> to bring the pH of the aqueous layer to 2.0. (The amount of 1N H<sub>2</sub>SO<sub>4</sub> to be added is calculated by titrating a separate 5 ml aliquot of the 100 ml dilution to pH 2.0 using a suitable pH meter.) Shake the mixture vigorously for one minute. Allow the layers to separate and filter the chloroform layer through a small pledget of cotton, moistened with chloroform, into a second 125 ml separatory funnel. Shake the acid aqueous solution with a second 50 ml of cold chloroform and, when the layers have separated, withdraw the chloroform through the same filter into the second separatory funnel. Immediately neutralize the acid aqueous solution, containing the penicillin X, with 0.1N NaOH to pH 6.5 to 7.0 using the pH meter and make to 100 ml with water. Make esti-

mated dilutions of 1.0 unit per ml and 0.25 unit per ml in 1% phosphate buffer at pH 6.0. Assay these last two dilutions as directed in § 141.1 (f). Shake the combined chloroform extracts, containing any penicillin G, etc., with small successive portions of cold NaHCO<sub>3</sub> solution (0.1%), until the combined NaHCO<sub>3</sub> extracts give a pH of 7.0, and make to 100 ml with water. Make estimated dilutions of 1.0 unit per ml and 0.25 unit per ml in 1% phosphate buffer at pH 6.0. Assay these last two dilutions as directed in § 141.1 (f). The potency of the penicillin X fraction plus the potency of the penicillin G, etc., fraction should approximate that of the potency of the original solution. All of the above extractions should be carried out in a cold room.

§ 141.7 *Penicillin in oil and wax*—(a) *Potency*. Proceed as directed in § 141.1 except paragraph (g) (3) thereof and, in lieu of the directions in paragraph (d), prepare sample as follows:

Liquefy the sample by warming, thoroughly mix, and withdraw 1.0 ml using a 5-ml pipette. Wipe the adhering material from the outside of the pipette and transfer the contents to a separatory funnel containing approximately 50 ml of peroxide-free ether. Remove the material adhering to the inside of the pipette by thoroughly rinsing with the ether contained in the separatory funnel. Shake the separatory funnel vigorously to bring about complete mixing of the material with the ether. Shake with a 25-ml portion of 1% phosphate buffer at pH 7.0. Remove the buffer layer and repeat the extraction with a second 25-ml quantity of buffer. Combine the extracts and make estimated dilutions of 1.0 unit per ml and 0.25 unit per ml in 1% phosphate buffer at pH 6.0. If the label represents the potency of the penicillin in oil and wax as 200,000 units per ml or less it is satisfactory if it is 85% or more of the potency so represented; if represented as more than 200,000 units per ml, it is satisfactory if it is 90% or more of the potency so represented.

(b) *Sterility*. Proceed as directed in § 141.2, except that sufficient penicillinase is added to the thioglycollate medium to inactivate the penicillin added in the test and, in lieu of the directions in the first three sentences of paragraph (b), proceed as follows:

Liquefy the sample by warming and add aseptically approximately 1.0 ml to 9.0 ml of sterile warm cottonseed oil. Shake vigorously. Transfer 1.0 ml aseptically to each of four tubes containing 15 ml of fluid thioglycollate medium with added penicillinase.

(c) *Moisture*. Weigh 1.0 (±0.2) gm of the sample into a shallow glass moisture dish. Dry to constant weight in a vacuum oven at a uniform temperature not less than 20° C. nor more than 25° C. above the boiling point of water at the working pressure, which does not exceed 100 mm of mercury. Constant weight is attained when successive dryings for 1-hour periods show additional loss of not more than 0.10%. Cool the sample in an efficient desiccator for 30 minutes before reweighing.

§ 141.8 *Penicillin ointment*—(a) *Potency*. Proceed as directed in § 141.1, except paragraph (g) (3) thereof and, in lieu of the directions in paragraph (d), prepare the sample as follows:

Accurately weigh the tube and contents and squeeze 0.5 to 1.0 gm into a separatory funnel containing approximately 50 ml of peroxide-free ether. Reweigh the tube to obtain weight of ointment used in the test. Shake ointment and ether until homogeneous. Shake with a 25-ml portion of 1% phosphate buffer at pH 7.0. Remove the buffer layer and repeat the extraction with a second 25-ml quantity of buffer. Combine the two-buffer portions. Make estimated dilutions of 1.0 unit per ml and 0.25 unit per ml in 1% phosphate buffer at pH 6.0. The potency of penicillin ointment is satisfactory if it contains not less than 85% of the number of units per gram it is represented to contain.

(b) *Moisture*. Proceed as directed in § 141.7 (c).

(c) *Microorganism count*. Prepare nutrient agar as directed in § 141.1 (b) (1). Cool to approximately 48° C. and add sufficient sterile penicillinase solution so that each 20 ml will contain enough to completely inactivate the amount of penicillin contained in the sample under test. Pour 20 ml of the agar-penicillinase mixture into Petri dishes and allow to harden. Accurately weigh the tube and contents and squeeze from 0.1 to 0.5 gm of the ointment onto the agar surface. Reweigh tube to obtain weight of ointment used in test. Spread the ointment evenly over the surface of the agar with a sterile glass rod, invert, and place in a 37° C. incubator for 48 hours. Count the number of colonies appearing on the plates and calculate therefrom the number of viable microorganisms per gram of ointment.

§ 141.9 *Tablets buffered penicillin*—(a) *Potency*. Proceed as directed in § 141.1, except paragraph (g) (3) thereof and, in lieu of the directions in paragraph (d), prepare sample as follows:

Place 12 tablets in a mortar and add approximately 20 ml of 1% phosphate buffer at pH 6.0. Disintegrate the tablets by grinding with a pestle. Transfer with the aid of small portions of the buffer solution to a 100 ml volumetric flask and make to 100 ml by adding sufficient phosphate buffer. Make estimated dilutions of 1.0 unit per ml and 0.25 unit per ml in 1% phosphate buffer at pH 6.0. The average potency of the tablets of buffered penicillin is satisfactory if it contains not less than 85% of the number of units per tablet it is represented to contain.

(b) *Moisture*. Proceed as described in § 141.5.

§ 141.10 *Capsules penicillin oil*—(a) *Potency*. Proceed as directed in § 141.1, except paragraph (g) (3) thereof and, in lieu of the directions in paragraph (d), prepare sample as follows:

Add 75 ml of peroxide-free ether to a 125 ml separatory funnel. Cut each of 12 capsules with a pair of sharp scissors while holding in the neck of a separatory funnel with a pair of forceps and allow the cut capsule and contents to fall into the funnel. Wash the forceps and scissors in the ether. Shake the separatory

funnel vigorously to bring about complete mixing of the material with the ether. Shake with a 25 ml portion of 1% phosphate buffer at pH 7.0. Remove the buffer layer and repeat the extraction with a second 25 ml quantity of buffer. Combine the two buffer portions. Make estimated dilutions of 1.0 unit per ml and 0.25 unit per ml in 1% phosphate buffer at pH 6.0. The average potency of capsules penicillin in oil is satisfactory if it contains not less than 85% of the number of units per capsule it is represented to contain.

(b) *Moisture*. Proceed as directed in § 141.7 (c).

§ 141.11 *Penicillin with aluminum hydroxide gel*—(a) *Sodium penicillin and calcium penicillin*. Proceed as directed in §§ 141.1, 141.2, 141.4 and 141.5.

(b) *Aluminum hydroxide gel*. Thoroughly shake the aluminum hydroxide gel and transfer aseptically 1.0 and 0.1-ml portions in triplicate to sterile Petri dishes. Pour into each Petri dish 20 ml of nutrient agar, described in § 141.1 (b) (1), which has been melted and cooled to 48° C. Thoroughly mix the aluminum hydroxide and melted agar. Allow the agar to solidify, invert the Petri dishes, and incubate for 48 hours at 37° C. Count the number of colonies appearing on the plates and calculate therefrom the number of viable bacteria per ml of the aluminum hydroxide gel.

§ 141.12 *Penicillin troches*—(a) *Potency*. Proceed as directed in § 141.1, except paragraph (g) (3) thereof and, in lieu of the directions in paragraph (d), prepare sample as follows:

If the troche does not contain a masticatory substance, proceed as directed in § 141.9 (a) using five troches. If the troche contains a masticatory substance, place five troches in a separatory funnel containing 75 ml of *n*-hexane; shake until the troches are dissolved. Shake with a 25-ml portion of 1% phosphate buffer at pH 7.0. Remove the buffer layer and repeat the extraction with a second 25-ml quantity of buffer. Combine the two buffer portions. Make estimated dilutions of 1.0 unit per ml and 0.25 unit per ml in 1% phosphate buffer at pH 6.0. The average potency of the troche is satisfactory if it contains not less than 85% of the number of units per troche it is represented to contain.

(b) *Moisture*. Proceed as directed in § 141.5 or if it contains a masticatory substance as directed in § 141.7 (c).

§ 141.13 *Penicillin dental cones*—(a) *Potency*. Proceed as directed in § 141.1, except paragraph (g) (3) thereof and, in lieu of the directions in paragraph (d), prepare sample using one cone as directed in § 141.9 (a). The potency of the cone is satisfactory if it contains not less than 85% of the number of units per cone it is represented to contain.

(b) *Microorganism count*. Accurately weigh from 3 to 5 cones in a small test tube and add sufficient sterile penicillinase, contained in a total volume of 2 ml to inactivate the penicillin present. Let stand one hour. Thoroughly shake the mixture and transfer, aseptically, the entire amount to a sterile Petri dish. Pour into the Petri dish 20 ml of nutrient agar, described in § 141.1 (b) (1) which has

been melted and cooled to 48° C. Thoroughly mix, allow the agar to solidify, invert the Petri dish, and incubate for 48 hours at 37° C. Count the number of colonies appearing on the plates and calculate therefrom the number of viable microorganisms per gram.

(c) *Moisture*. Proceed as directed in § 141.5.

The regulations hereby promulgated shall become effective on the date of their publication in the FEDERAL REGISTER.

Dated: August 20, 1945.

[SEAL] PAUL V. McNUTT,  
Administrator.

[F. R. Doc. 45-16373; Filed, Aug. 31, 1945;  
11:21 a. m.]

## TITLE 32—NATIONAL DEFENSE

### Chapter IX—War Production Board

**AUTHORITY:** Regulations in this chapter unless otherwise noted at the end of documents affected, issued under sec. 2 (a), 54 Stat. 676, as amended by 55 Stat. 236, 56 Stat. 177, 58 Stat. 827; E.O. 9024, 7 F.R. 329; E.O. 9040, 7 F.R. 527; E.O. 9125, 7 F.R. 2719; E.O. 9599, 10 F.R. 10155; W.P.B. Reg. 1 as amended Dec. 31, 1943, 9 F.R. 64.

#### PART 1010—SUSPENSION ORDERS

[Suspension Order S-560, Amdt. 3]

##### GORDON STORES CO., INC.

The Gordon Stores Company, Inc., a corporation with its principal office at Denver, Colorado, owns and operates seven general merchandise chain stores. The corporation began construction on a store building located at 315 Main Street, Montrose, Colorado, in February 1944, without authorization from the War Production Board, in violation of Conservation Order L-41. In view of the amendment of June 11, 1945 to Order L-41, the Chief Compliance Commissioner has directed that Suspension Order No. S-560 be amended to allow construction up to, but not exceeding \$5,000 for each store building.

In view of the foregoing, it is hereby ordered, that: § 1010.560 *Suspension Order No. S-560*, issued June 8, 1944, amended November 4, 1944, and June 22, 1945, be further amended by the substitution of the following paragraph (a) for the present paragraph (a):

(a) Neither the Gordon Stores Company, Inc., its successors or assigns, nor any other person, shall do any construction on the premises at 315 Main Street, Montrose, Colorado, including putting up or altering the structure, or on any of the other stores owned or operated by that corporation, except that the Gordon Stores Company may do construction to the extent of the \$5,000 limit for each store building permitted by the amendment of L-41 dated June 11, 1945, unless hereafter specifically authorized in writing by the War Production Board.

Issued this 6th day of September 1945.

WAR PRODUCTION BOARD,  
By J. JOSEPH WHELAN,  
Recording Secretary.

[F. R. Doc. 45-16676; Filed, Sept. 6, 1945;  
11:46 a. m.]

#### PART 1010—SUSPENSION ORDERS

[Suspension Order S-775, Reinstatement and Amdt.]

##### MID-WEST EQUIPMENT CO.

Roy R. Williams, doing business as Mid-West Equipment Company, 421 Southwest Boulevard, Kansas City, Missouri, engaged in the business of distributing gasoline service station and bulk plant equipment and steel storage tanks and similar items, was suspended on May 10, 1945, by Suspension Order No. S-775. He appealed from the provisions of the suspension order and, pending determination of the appeal, the suspension order was stayed by the Chief Compliance Commissioner on May 12, 1945. The appeal has been considered by Deputy Chief Compliance Commissioner Flood who has dismissed the appeal and directed that the stay be terminated and the suspension order reinstated.

In view of the foregoing, it is hereby ordered, that: § 1010.775 *Suspension Order No. S-775*, issued April 30, 1945, and effective May 10, 1945, be and hereby is reinstated effective September 9, 1945, to expire December 23, 1945; the stay of execution directed by the Chief Compliance Commissioner on May 12, 1945, be and hereby is revoked effective September 8, 1945; and that the suspension order be amended by substituting the following paragraph (a) for the present paragraph (a) and by striking paragraph (c) therefrom:

(a) Roy R. Williams shall not, from the effective date of this order to December 23, 1945, apply or extend any preference ratings to obtain steel tanks regardless of the delivery date named in any purchase order to which such a rating may be applied or extended.

Issued this 30th day of August 1945.

WAR PRODUCTION BOARD,  
By J. JOSEPH WHELAN,  
Recording Secretary.

[F. R. Doc. 45-16778; Filed, Sept. 7, 1945;  
11:40 a. m.]

#### PART 1010—SUSPENSION ORDERS

[Suspension Order S-308, Reinstatement and Amdt.]

##### ROYAL HEATING CO.

Michael Palmer, doing business as Royal Heating Company, 5328 Chene Street, Detroit, Michigan, engaged in the sale and installation of new and used heating systems, was suspended on June 14, 1945, by Suspension Order No. S-306. He appealed from the provisions of the suspension order and, pending determination of the appeal, the suspension order was stayed by the Chief Compliance Commissioner on June 27, 1945. The appeal has been considered by Deputy Chief Compliance Commissioner Flood who has dismissed the appeal and directed that the stay be terminated and the suspension order reinstated.

In view of the foregoing, it is hereby ordered, that: § 1010.306 *Suspension Order No. S-306*, issued June 7, 1945, and effective June 14, 1945, be and hereby is

reinstated effective September 9, 1945, to expire November 12, 1945; the stay of execution directed by the Chief Compliance Commissioner on June 27, 1945, be and hereby is revoked effective September 8, 1945; and that the suspension order be modified by substituting the following paragraph (a) for the present paragraph (a) and by striking paragraph (b) therefrom:

(a) Michael Palmer shall not, from the effective date of this order to November 12, 1945, apply or extend any preference ratings regardless of the delivery date named in any purchase order to which such ratings may be applied or extended.

Issued this 30th day of August 1945.

WAR PRODUCTION BOARD,  
By J. JOSEPH WHELAN,  
Recording Secretary.

[F. R. Doc. 45-16779; Filed, Sept. 7, 1945;  
11:40 a. m.]

#### PART 1010—SUSPENSION ORDERS

[Suspension Order S-800]

##### R. C. CRAMER LUMBER CO.

R. C. Cramer, Spencer Cramer, Loring Cramer and Clifford Cramer, partners doing business as R. C. Cramer Lumber Company are engaged in the retail buying and selling of lumber and lumber products at 320 North Courtland Street, East Stroudsburg, Pennsylvania. During the period between January 1, 1945 and April 20, 1945, the partners purchased 113,670 board feet of lumber on orders bearing a preference rating of AA-2X or AA-3, when, in fact, they were authorized to place orders bearing these ratings for only 32,784 board feet, in violation of Priorities Regulation No. 3. In addition and during the same period the partners failed to keep and preserve accurate and complete records of the details of their transactions in lumber and failed to maintain proper inventory records of lumber involved, in violation of Priorities Regulation No. 1. The partners were aware of the provisions of Priorities Regulation Nos. 1 and 3 and their actions constituted grossly negligent violations thereof.

These violations have diverted critical materials to uses not authorized by the War Production Board. In view of the foregoing, it is hereby ordered, that:

§ 1010.800 *Suspension Order No. S-800*. (a) R. C. Cramer, Spencer Cramer, Loring Cramer and Clifford Cramer shall not for two months from the effective date of this order apply or extend any preference ratings on purchase orders for lumber, regardless of the delivery date named in any purchase order to which such ratings may be applied or extended.

(b) R. C. Cramer, Spencer Cramer, Loring Cramer and Clifford Cramer shall cancel immediately all preference ratings which they have applied or extended to purchase orders for lumber which have not yet been filled, except orders for lumber already in transit for delivery to them on the effective date of this order.

(c) Nothing contained in this order shall be deemed to relieve R. C. Cramer,

Spencer Cramer, Loring Cramer and Clifford Cramer from any restriction, prohibition, or provision contained in any other order or regulation of the War Production Board, except insofar as the same may be inconsistent with the provisions hereof.

(d) The restrictions and prohibitions contained herein shall apply to R. C. Cramer, Spencer Cramer, Loring Cramer and Clifford Cramer, doing business as R. C. Cramer Lumber Company or under any other name, their successors or assigns, or persons acting on their behalf. Prohibitions against the taking of any action include the taking indirectly as well as directly of any such action.

(e) This order shall take effect on September 7, 1945.

Issued this 31st day of August 1945.

WAR PRODUCTION BOARD,  
By J. JOSEPH WHELAN,  
Recording Secretary.

[F. R. Doc. 45-16780; Filed, Sept. 7, 1945;  
11:40 a. m.]

#### PART 1075—CONSTRUCTION

[Conservation Order L-41, as Amended Sept. 7, 1945]

The fulfillment of requirements for the defense of the United States has created a shortage in the supply of materials and facilities required for construction 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.

##### § 1075.1 Conservation Order L-41—

(a) What this order does. This order forbids certain kinds of construction by any person who has not received specific authorization from the War Production Board. This prohibition applies whether or not the materials needed for the construction are on hand. Other orders of the War Production Board place restrictions on the use of certain kinds of scarce materials. The provisions of these other orders must be observed even though the work does not require permission under L-41.

(b) What is meant by construction. The word "construction" as used in this order means building, putting up, erecting, or constructing any new structure including buildings, bridges, dams, and the like, or adding to, enlarging or extending any structure, or reconstructing any structure after substantially complete demolition. The erection of a pre-fabricated or portable building is construction except where the use to which the building is put requires that it be moved about so frequently that the building is left on skids or wheels.

(c) Prohibited construction. No person shall begin or carry on any construction which has not been specifically authorized under this order unless the construction is of a kind described in and permitted under paragraph (d) or para-

graph (e) of this order. This prohibition applies to a person who does his own construction work, to a person who gets a contractor to do it for him and to any contractor, subcontractor, architect, or engineer who works on the job or gets others to work on it or to supply materials for it. No person shall accept an order for, sell, deliver or cause to be delivered materials which he knows or has reason to believe will be used in violation of the terms of this order.

(d) Permitted construction. (1) It is not necessary to get War Production Board permission under this order for construction jobs done on a unit if the total cost of all of the construction jobs begun on that unit in the same calendar year, including the cost of the proposed job or jobs, does not exceed the appropriate allowance indicated below. If a building is used for more than one purpose and might therefore fall within more than one of the classes indicated, the use to which the greatest part of the floor area is or will be put will determine the allowance. If a building is being converted from one purpose to another, the allowance applicable to the building after the conversion is available for the conversion, less any amounts previously spent on the unit during the calendar year.

(i) \$1,000 for a house or other residential unit designed for occupancy by not more than one family, including a farmhouse (a building on a farm used for residential purposes), or a boarding house; \$2,000 for a residential unit designed for occupancy by two families; \$3,000 for a residential unit designed for occupancy by three families; \$4,000 for a residential unit designed for occupancy by four families.

(ii) [Deleted Sept. 7, 1945.]

(iii) \$1,000 for an irrigation or drainage system serving more than one farm.

(iv) \$5,000 for a hotel, apartment house, tourist camp, motor court, or other residential unit designed for occupancy by five or more families.

(v) \$5,000 for a building or other unit used primarily for one or more commercial or service establishments such as offices, banks, stores, laundries, garages, restaurants, theatres, repair shops, warehouses (other than commercial cold storage warehouses), radio stations, frozen food locker plants serving individual customers, golf courses, amusement parks, or the like.

(vi) \$10,000 for a church, hospital, school, college, USO club, public playground for children, for a publicly owned building or group of buildings used for public purposes, for an orphanage or other building used exclusively for charitable purposes, for a military exchange situated on a reservation of the Army or Navy, or for a canal, storm sewer, dam, levee or for a jetty or retaining wall needed for shore protection.

(vii) [Deleted Sept. 7, 1945.]

(viii) \$1,000 for any other kind of unit.

(2) The word "unit" means a single independently operated structure or building, or a group of buildings or structures (including roadways, pipelines, etc.) which are situated near to each other and which serve the same general purpose or closely related purposes. For example, each of the following is a unit: a suburban house together with a detached garage, tennis court, swimming pool, etc., a farm including the barns, hen houses, dairy, etc., but excluding the farm house, a manufacturing plant with a number of buildings used for the same or different processes together with administration buildings, cafeterias, etc. On the other hand, every separate dwelling house or apartment house constitutes a separate unit. If a person owns several different houses and apartment houses, each one must be treated as a separate unit and the appropriate allowance for each must be determined under paragraph (d). In no case may a single building or structure be treated as more than one unit.

(3) For the purpose of determining whether a construction job may be started without getting permission from the War Production Board, "cost" means the cost of the entire construction job, including the cost of all paid labor, regardless of who pays for it, and including the cost or value of equipment, fixtures and materials incorporated in the construction, whether or not obtained without paying for them, but excluding, however, the cost or value of previously used equipment, fixtures and materials, the value of unpaid labor and the cost of architects' and engineers' fees. A piece of equipment or fixture is considered to be incorporated in the construction when the equipment or fixture is attached to the building and used as a part of the building or when the equipment or fixture is so firmly attached to the building that removal would result in material injury to the building or the fixture. A construction job which would ordinarily be done as a single piece of work may not be subdivided for the purpose of coming within the exemptions given by this paragraph (d). For example, it is not permissible to put in foundations for a house at a cost of \$1,000 in 1945 and to do additional work on the walls of the house for another \$1,000 in 1946. The total cost of the entire building must be taken into consideration at the time the job is started, as the entire building is a single construction job.

(e) Exceptions for special kinds of construction. It is not necessary to get War Production Board permission under this order for the following kinds of construction and the cost of such construction need not be charged against the annual limits stated in paragraph (d);

(1) Maintenance and repair work not involving any exterior addition to a building, including repairs of damages caused by fire, flood, tornado, earth-

quake, explosion or other disaster, and also including reconstructing buildings or structures destroyed by such causes on or after April 9, 1942.

(2) Altering, rehabilitating and modernizing buildings, but not including the making of exterior additions or the complete rebuilding of a building.

(3) [Deleted Sept. 7, 1945.]

(4) [Deleted Sept. 7, 1945.]

(5) [Deleted Sept. 7, 1945.]

(6) [Deleted Sept. 7, 1945.]

(7) Construction on farms, excluding farmhouses (which are covered by paragraph (d) (1) (i)). A "farm" means a place used primarily for raising crops, livestock, dairy products, poultry, etc., for the market. It does not include a suburban residence with a garden or orchard, except where the primary purpose of the entire unit is the raising of crops, etc., for the market.

(8) Drilling and casing water wells, not including any use of pipe to conduct water on the surface.

(9) Grading, ditch-digging or similar earth-moving operations, if no lumber or other building materials are permanently installed, except drainage pipe. This applies only to jobs to the extent that they can be carried on without the permanent installation of any other materials.

(10) [Deleted Sept. 7, 1945.]

(11) Construction of highways, streets and access roads.

(12) [Deleted Sept. 7, 1945.]

(13) Construction which is regulated by any petroleum administrative order or other order issued or administered by the Petroleum Administration for War.

(14) Construction of facilities which will be used directly in furnishing wire communications services, electric, gas, water or steam heating services, or for a sewerage system.

(15) [Deleted Sept. 7, 1945.]

(16) [Deleted Sept. 7, 1945.]

(17) Construction of transportation facilities such as railroad or street railway tracks, airports or airway facilities, bridges, tunnels, overpasses, underpasses, and buildings used directly for transportation, such as railroad stations, repair shops and the like, and bus terminals and truck terminals operated by common or contract carriers by truck, and oil and gas pipelines including terminal, loading and unloading facilities.

(18) [Deleted Sept. 7, 1945.]

(19) Industrial construction. The term "industrial construction" means (i) any construction of or on a factory, plant or other unit, where the unit is to be primarily used for the manufacturing, processing or assembling of any goods or materials (other than as retail service work), (ii) construction in a unit not primarily engaged in industrial work, if

the purpose of the construction is to prepare a part of the unit for the manufacturing, processing or assembling of goods or materials, or (iii) construction of facilities owned by a manufacturer which are not located in an industrial unit and in which no manufacturing, processing or assembling is done, if the facilities are necessary for the handling of raw materials or components in the course of moving them to the manufacturing plant or are necessary for the storage of the manufactured item after manufacture or the distribution of the item to the retailer (not including retail stores or other retail outlets or administration or office buildings owned by the manufacturer, unless they are part of an industrial unit as covered by (i) above).

(a) In addition to the usual manufacturing operations, the following kinds of work are also considered manufacturing, processing, or assembling goods or materials and units primarily engaged in such work are exempted under this paragraph:

(1) Mining, smelting and refining, foundries, and other operations related to the extraction of minerals and their conversion to finished form, including scrap dealers who are primarily engaged in such processing operations as baling, pressing or briquetting light iron, cutting up heavy melting steel, breaking up cast iron, detinning cans or smelting non-ferrous metals for the purpose of making the scrap available for further use.

However, an automobile graveyard where automobiles are taken apart and the parts are sold without any change and a junk dealer's yard where items are sorted and cleaned are not considered to be engaged in manufacturing, processing or assembling goods within the meaning of this paragraph.

(2) Logging and lumbering operations, sawmills, planing mills, kilns and mill-work manufacturers (but not retail lumber yards).

(3) Pilot plants and industrial research laboratories.

(4) Food processing plants, slaughterhouses, commercial food freezing plants, commercial cold storage warehouses, commercial food packing plants, bottling plants, grain elevators, canneries (but not butcher or grocery stores or frozen food locker plants serving individual customers).

(5) Textile mills, cotton mills, clothing manufacturers and the like (but not tailors' or dressmakers' establishments primarily engaged in making clothes for individual customers).

(6) Printing and publishing establishments, including those publishing news-

papers or printing books, magazines or periodicals.

(7) Establishments producing motion pictures, including the construction of temporary or permanent motion picture sets (but not including theatres).

(8) Operations directly incident to the discovery, development or depletion of petroleum pools, the extraction or recovery of natural gasoline and associated hydrocarbons, or the processing, reprocessing or alteration of petroleum, including compounding or blending operations.

(b) Rental service establishments performing services for individual customers are not considered engaged in manufacturing, processing or assembling goods or materials and construction on such units is not exempted from L-41 by this paragraph. See subparagraph (d) (1) (v) above for the annual allowance applicable to commercial and service establishments.

(20) [Deleted Sept. 7, 1945.]

(21) Construction of buildings or structures owned by the United States Army, Navy, Maritime Commission, War Shipping Administration, Coast Guard, Marine Corps, Veterans' Administration, Civil Aeronautics Administration, Coast and Geodetic Survey or Panama Canal.

(22) Facilities to house prisoners of war assigned by the Army to the builder when priorities assistance for the construction has been granted on Form CMPL-593 Navy (Army).

(23) Construction jobs which began before this order originally became effective (April 9, 1942) or at a time when the job was not limited by this order and which have gone on without interruption.

(f) Applications and authorizations.

(1) Applications may be filed for permission to do construction jobs which may not be done under paragraph (d) or paragraph (e) of this order. If the construction to be done is housing covered by WPB Directive 24, application Form WPB-2836 should be filed with the FHA field office having jurisdiction over this site. If the application is for farm construction, including farm dwellings, application Form WPB-617 should be filed with the County Agricultural Conservation Committee having jurisdiction over the site. Applications for other kinds of construction restricted by this order should be made on Form WPB-617 and filed with the local War Production Board District Office. When a specific authorization under L-41 is given for a job, the cost of the authorized job need not be deducted from the annual allowance given under paragraph (d) (1). However, the cost of an authorized job may not be increased by the annual allowance for the unit in question nor may

construction in addition to that which is covered by the authorization be done under the annual allowance if the authorized job and the additional work are so closely related as to be a single construction job. The annual allowance may only be used for jobs separate and distinct from the work covered by an authorization. (The application forms specified in this paragraph have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.)"

(2) In case of emergency, application may be made by wire or in person. Application should be made to the office where the written application form would otherwise be filed. The emergency application should state the cause of the emergency (fire, flood, etc.), the use to which the building will be put, the type of construction, the estimated cost of construction and the reasons why immediate construction is necessary.

(3) The issuance of certain preference rating orders or certificates constitutes authorization under L-41 even though the order or certificate does not specifically state that construction is authorized. If you receive or have in the past received one of the following orders or certificates you are authorized under L-41 to perform the work covered by the authorization: orders in the P-14 series, orders in the P-19 series, P-41, orders in the P-55 series, P-110, PD-3, PD-3A, WPB-542, CMPL-593 Navy (Army), CMPL-224, GA-1456 and WPB-2774. The issuance of preference rating orders or certificates other than those listed in this subparagraph does not authorize construction under this order.

(g) *Penalties for violations.* Any person who willfully 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 any further deliveries of, or from processing or using, material under priority control and may be deprived of priorities assistance.

Issued this 7th day of September 1945.

WAR PRODUCTION BOARD,  
By J. JOSEPH WHELAN,  
Recording Secretary.

[F. R. Doc. 45-16764; Filed, Sept. 7, 1945;  
11:40 a. m.]

#### PART 1075—CONSTRUCTION

[Conservation Order L-41, Revocation of Interpretation 2]

Interpretation 2 to Conservation Order L-41 is revoked.

Issued this 7th day of September 1945.

WAR PRODUCTION BOARD,  
By J. JOSEPH WHELAN,  
Recording Secretary.

[F. R. Doc. 45-16770; Filed, Sept. 7, 1945;  
11:41 a. m.]

#### PART 1075—CONSTRUCTION

[Conservation Order L-41, Revocation of Interpretation 9]

Interpretation 9 to Conservation Order L-41 is revoked.

Issued this 7th day of September 1945.

WAR PRODUCTION BOARD,  
By J. JOSEPH WHELAN,  
Recording Secretary.

[F. R. Doc. 45-16771; Filed, Sept. 7, 1945;  
11:40 a. m.]

#### PART 1075—CONSTRUCTION

[Conservation Order L-41, Revocation of Interpretation 11]

Interpretation 11 to Conservation Order L-41 is revoked.

Issued this 7th day of September 1945.

WAR PRODUCTION BOARD,  
By J. JOSEPH WHELAN,  
Recording Secretary.

[F. R. Doc. 45-16772; Filed, Sept. 7, 1945;  
11:41 a. m.]

#### PART 1075—CONSTRUCTION

[Conservation Order L-41, Revocation of Interpretation 13]

Interpretation 13 to Conservation Order L-41 is revoked.

Issued this 7th day of September 1945.

WAR PRODUCTION BOARD,  
By J. JOSEPH WHELAN,  
Recording Secretary.

[F. R. Doc. 45-16773; Filed, Sept. 7, 1945;  
11:41 a. m.]

#### PART 1075—CONSTRUCTION

[Conservation Order L-41, Revocation of Direction 3]

Direction 3 to Conservation Order L-41 is revoked.

Issued this 7th day of September 1945.

WAR PRODUCTION BOARD,  
By J. JOSEPH WHELAN,  
Recording Secretary.

[F. R. Doc. 45-16765; Filed, Sept. 7, 1945;  
11:41 a. m.]

#### PART 1075—CONSTRUCTION

[Conservation Order L-41, Revocation of Direction 5]

Direction 5 to Conservation Order L-41 is revoked.

Issued this 7th day of September 1945.

WAR PRODUCTION BOARD,  
By J. JOSEPH WHELAN,  
Recording Secretary.

[F. R. Doc. 45-16766; Filed, Sept. 7, 1945;  
11:40 a. m.]

#### PART 1075—CONSTRUCTION

[L-41, Direction 6, as Amended Sept. 7, 1945]

COMPLETION OF PROJECTS WHICH WERE STARTED IN VIOLATION OF L-41 AND HAVE BEEN STOPPED

The following amended direction is issued pursuant to L-41:

(a) In the past certain construction jobs costing more than the limits provided in

L-41 have been stopped as a result of action by the War Production Board. This action may have taken various forms. In some cases the War Production Board has obtained injunctions in the Federal Courts against continuance of construction. In other cases a suspension order or a consent order or a "stop construction" telegram has been issued directing the builder to cease construction on a project. In other cases telegrams have been sent warning builders to "stop violating" Conservation Order L-41.

(b) The limits on the cost of construction permissible without War Production Board authorization under L-41 have been raised by recent amendments. Accordingly, some construction jobs which were violations when started would now be permissible without application. It is the general policy of the War Production Board in such cases to release the builder from the restrictions imposed by the issuance of "stop construction" telegrams, suspension or consent orders or to recommend to the Court which granted the injunction that it be amended or dismissed. Releases from these restrictions will not be given, however, nor will recommendations be made to the Court in the case of an injunction, where completion of the construction would interfere with the war effort.

(c) If the total cost of the entire construction job, including both the cost of the part of the work previously done and the cost of its completion, is within the present applicable annual limit under paragraph (d) (1) of L-41 (after subtracting from the allowance the cost of any other jobs done on the unit within the present calendar year), and if the builder has stopped construction either voluntarily or because of a telegram from an official of the War Production Board instructing him to "stop violating" L-41, the builder may proceed with the work without consulting the War Production Board.

(d) On the other hand, if the continuance of the particular construction job has been specifically forbidden by an official "stop construction" telegram or by a consent or suspension order issued by the War Production Board or by an injunction granted by court, then it is necessary to apply for relief from the telegram, order or injunction before resuming construction, in spite of the fact that the cost of the entire construction job is within the present applicable annual limit under paragraph (d) (1) of L-41 and no priorities assistance is needed. If a suspension order has been issued, the request for relief should be made to the Chief Compliance Commissioner, War Production Board, Washington 25, D. C. If a consent order or "stop construction" telegram has been issued, the request should be made to the nearest field office of the War Production Board. If an injunction has been issued, the request for relief should be made to the Court which granted the injunction (in order to expedite the request, it is suggested that the information requested below be given to the War Production Board field office at the time relief is requested from the Court). The request should contain a statement of the nature and cost of the work previously done and a statement of the nature and cost of the work required for completion. The request should also state whether any other construction work has been done on the unit in question during the present calendar year.

(e) The instructions given above apply when authorization under L-41 is not needed for the completion of the job. If the total cost of the entire construction job, including both the cost of the part of the work previously done and the cost of completion, is in excess of the limit provided in paragraph (d) (1) of L-41, an application for permission under L-41 to complete the job should be filed as indicated in paragraph (f) of that order. The applicant should give, either on

the application or in a letter attached to the application, full information about beginning the construction (including a statement of the nature and cost of the work previously done and a statement of the nature and cost of the work required for completion) and about the circumstances under which construction was stopped, referring particularly to any stop telegram, suspension or consent order or injunction.

Issued this 7th day of September 1945.

WAR PRODUCTION BOARD,  
By J. JOSEPH WHELAN,  
Recording Secretary.

[F. R. Doc. 45-16767; Filed, Sept. 7, 1945;  
11:40 a. m.]

#### PART 1075—CONSTRUCTION

[Conservation Order L-41, Revocation of Direction 7]

Direction 7 to Conservation Order L-41 is revoked.

Issued this 7th day of September 1945.

WAR PRODUCTION BOARD,  
By J. JOSEPH WHELAN,  
Recording Secretary.

[F. R. Doc. 45-16768; Filed, Sept. 7, 1945;  
11:41 a. m.]

#### PART 1075—CONSTRUCTION

[Conservation Order L-41, Direction 8]

EFFECT OF AMENDMENTS TO L-41 INCREASING EXEMPTIONS FOR CERTAIN TYPES OF CONSTRUCTION ON AUTHORIZATIONS PREVIOUSLY ISSUED FOR SUCH CONSTRUCTION

The following direction is issued pursuant to Conservation Order L-41:

(a) *What this direction does.* From time to time amendments and directions to L-41 have increased the amount of construction permitted in a year without getting permission and have exempted completely certain kinds of construction. This direction tells what may and may not be done as to construction and as to use of priorities assistance by builders who have received authorizations on Form GA-1456 to do construction jobs for which permission was necessary at the time the authorization was issued but which could now be done without getting permission.

(b) *Changes in the proposed construction job.* If a person has received an authorization under L-41 on Form GA-1456 to build a building or do other construction at a time when permission under L-41 for the work was necessary, and if, because of an amendment to L-41, it would now be permissible for the builder to do the work without getting permission under L-41, no amendment to the authorization is necessary if the builder wishes to change the proposed construction, as long as the entire job as revised does not require authorization under L-41. For example, a builder who has received permission to build a store 20 feet by 30 feet at a cost of \$3,000 may enlarge the size of the store as long as he stays below the revised exemption (now \$5,000), or a person who has received an authorization to build a \$50,000 one story factory may now build a three story factory regardless of the cost.

(c) *Priorities assistance.* If an authorization on Form GA-1456, covering work which required permission under L-41 at the time the authorization was issued, but which could now be done without getting permission from

the War Production Board, assigned priorities assistance to get materials or equipment for the construction, the builder may continue to use the priorities assistance, within the limitations prescribed in Priorities Regulation 29 and other priorities regulations, if he continues to build the building in accordance with the authorization (note that Priorities Regulation 29 provides that AA ratings and allotment symbols are invalid on orders for deliver after September 30, 1945). However, if the builder wishes to take advantage of the modified exemption given by an amendment to L-41, as indicated in paragraph (b) above, he may not thereafter place any rated orders or any controlled material orders; he may, however, use in the revised construction job materials already delivered to him even though obtained on rated orders and he need not unrate orders previously placed which have not yet been filled.

(d) *Effect of other orders.* The provisions of this direction should be followed by builders who have received GA-1456 authorizations, instead of the provisions of Section 944.10a (b) of Priorities Regulation 1.

Issued this 7th day of September 1945.

WAR PRODUCTION BOARD,  
By J. JOSEPH WHELAN,  
Recording Secretary.

[F. R. Doc. 45-16769; Filed, Sept. 7, 1945;  
11:41 a. m.]

#### PART 1075—CONSTRUCTION

[Conservation Order L-41-c, Revocation]

PUBLIC HIGHWAYS AND STREET CONSTRUCTION

Section 1075.16 *Conservation Order L-41-c* is hereby revoked. This revocation does not affect any liabilities incurred for violation of the order or of actions taken by the War Production Board under this order. All specific orders previously issued by the War Production Board (other than "suspension" orders or "consent" orders issued on the basis of a violation of War Production Board orders or regulations) which directed individual builders to stop construction on public highway or street projects are revoked, including provisions of such orders forbidding delivery of materials for the project. However, the priorities assistance previously assigned for such projects is not reinstated.

Issued this 7th day of September 1945.

WAR PRODUCTION BOARD,  
By J. JOSEPH WHELAN,  
Recording Secretary.

[F. R. Doc. 45-16774; Filed, Sept. 7, 1945;  
11:41 a. m.]

#### PART 3175—REGULATIONS APPLICABLE TO THE CONTROLLED MATERIALS PLAN

[CMP Reg. 4, as Amended Sept. 7, 1945]

SALES OF CONTROLLED MATERIALS BY WAREHOUSES AND DISTRIBUTORS

§ 3175.4 *CMP Regulation 4—(a) Purpose and scope.* This regulation describes the procedure to be followed by warehouses and distributors in delivering controlled materials from stock (including consigned stock) except that in the case of steel, deliveries from one distributor to another are governed by Direction 3 to Order M-21.

#### Steel

(b) *Definitions with respect to steel.* The following definitions shall apply for the purpose of this regulation and for the purpose of any other CMP regulation unless otherwise indicated:

(1) "Steel" means carbon steel, alloy steel, and wrought iron, in the forms and shapes listed in Schedule I of CMP Regulation No. 1.

(2) "Distributor" means any person (including a warehouse, jobber, dealer, retailer, or scrap dealer) who is engaged in the business of receiving steel into one or more warehouse stocks regularly maintained by him for sale or resale in the form received, or after performing such operations as cutting to length, shearing to size, torch cutting or burning to shape, sorting and grading, pipe threading, or corrugating or otherwise forming sheets for roofing and siding; but a person who, in connection with any sale, bends, punches or performs any fabricating operation designed to prepare steel for final use or assembly shall not be deemed a distributor with respect to such sale.

(c) *Rejection of orders.* (1) [Deleted July 10, 1945.]

(2) [Deleted Jan. 13, 1944.]

(3) A distributor must not accept an authorized controlled material order bearing an allotment number which requires a quarterly identification after the end of the quarter for which the allotment was issued. A distributor must not deliver any steel on an authorized controlled material order which requires a quarterly identification earlier than 15 days preceding the beginning or later than 60 days after the end of the calendar quarter for which the allotment was issued. Orders bearing symbols which do not have to bear any quarterly identification such as MRO (see Interpretation 25 to CMP Regulation 1) are not subject to this provision. Such orders may be accepted and delivered at any time.

(4) A distributor may reject any order for steel on which the customer does not specify immediate delivery. Even if he elects to accept an authorized controlled material order calling for future delivery, he is not allowed to set aside the steel covered by such order. He must deliver it on any order calling for immediate delivery that he is required to fill under paragraphs (d) (1), (2) or (3), and may deliver it on any order calling for immediate delivery that he is permitted to fill under paragraph (d) (4).

(5) A distributor may reject any order calling for the delivery of steel which he does not have in stock or which he does not know is in transit to his stock.

(6) A distributor may reject all or any part of an order which the War Production Board specifically authorizes him to reject. If a delivery would deplete his stock to a point where his function in the distribution of steel would be seriously impaired, he may apply to the War Production Board for authority to reject the order and may delay filling the order until his application is acted upon.

(d) *Orders which can be filled.* A distributor must fill orders of the kinds described in paragraphs (d) (1), (2) and (3) unless he is required or permitted to reject them under paragraph (c), Re-

jection of orders) and he may fill orders of the kind described in paragraph (d) (4). Paragraph (p) explains the preference that must be given in filling various classes of orders:

(1) A distributor must fill all authorized controlled material orders.

(2) A distributor must fill orders for delivery to farmers as required by Priorities Regulation No. 19.

(3) A distributor must fill orders bearing preference ratings of AAA.

(4) A distributor may fill any other order. No endorsement is required on orders which a distributor is permitted to fill under this paragraph (d) (4). Deliveries made pursuant to this paragraph (d) (4) shall not be used to support a WH—Authorized Stock Replacement Order.

#### Copper

(e) *Definitions with respect to copper.* The following definitions shall apply for the purpose of this regulation and for the purpose of any other CMP regulation unless otherwise indicated:

(1) "Copper wire mill product" means bare, insulated or armored wire or cable for electrical conduction made from copper or copper base alloy or copper-clad steel containing more than 20% copper by weight.

(2) "Brass mill product" means sheet, wire, rod or tube made from copper or copper base alloy. This does not include copper wire mill products.

(3) "Warehouse" means any industrial supplier, mill supplier, plumbing supply house, electrical wholesaler or other person engaged in the business of distributing brass mill products or copper wire mill products to industry or trade otherwise than as a controlled materials producer and includes warehouses owned by mills.

(4) "Item of copper wire mill product" means any wire or cable made from copper, copper base alloy or copper-clad steel containing more than 20% copper by weight for electrical conduction which is different from all other items of that form by reason of one or more differences of its specifications, such as size, alloy or insulation. Differences in temper or length do not differentiate items.

(5) "Item of brass mill product" means sheet, wire, rod or tube made from copper or copper base alloy, which is different from all other items of that form, by reason of one or more differences of its specifications, such as size, shape, gauge, thickness or alloy. Differences in temper or length do not differentiate items except in the case of copper and brass sheet, where differences in temper will constitute different items.

(6) "Warehouse stock" means brass mill or copper wire mill products physically located in warehouse inventories, whether owned or held on consignment by the warehouse.

(f) *Delivery from warehouse stock on authorized controlled material orders—*

(1) *Delivery from warehouse stock.* (i) A warehouse must fill authorized con-

trolled material orders for brass mill or copper wire mill products, in accordance with this regulation, if it can fill the orders from its stock. A warehouse is entitled to rely on a certificate furnished by any of its customers under paragraph (f) (1) (iv) of this regulation, unless it knows or has reason to believe the certificate to be false.

(iii) [Deleted May 10, 1945.]

(iv) No person shall place an order under this paragraph (f) (1) and no warehouse shall accept an order unless it is accompanied by, or endorsed with, a certificate in the form provided in CMP Regulation No. 7 (or a certificate prescribed by any regulation or order of the War Production Board for use in placing an authorized controlled material order), signed manually or as provided in Priorities Regulation No. 7.

(2) *Delivery from warehouse stock on other than authorized controlled material orders.* Effective immediately, a brass mill warehouse, and effective July 1, 1945, a copper wire mill warehouse may but need not fill any order other than those which it is required or permitted to fill under paragraph (f) (1) or (f) (3).

(3) *Shipments direct to customer or to fill specific orders.* If a warehouse wants to order material to fill a specific authorized controlled material order of a customer instead of filling it from stock, it may order the material either for direct shipment to the customer or for shipment via the warehouse, by placing on its order the customer's name and allotment number or symbol. Such an order is to be treated as an authorized controlled material order. The warehouse may not treat the delivery to the customer as made from stock and may not request a replacement. In addition, a warehouse may, under the provisions of CMP Regulation 1, place unrated orders for material either for direct shipment to a customer or for shipment via the warehouse.

(4) *Rejection of orders.*

(i) [Deleted May 10, 1945]

(ii) A warehouse must not deliver any brass mill or copper wire mill product on an authorized controlled material order except in the quarter for which the allotment appearing on the order is valid. Orders bearing symbols such as "MRO" or "SO" which do not have to bear any quarterly identification may be filled during any quarter, but such orders must indicate when delivery is required if for other than immediate delivery.

(iii) A warehouse may reject any order calling for immediate delivery of brass mill or copper wire mill products which it does not have in stock or know to be in transit to its stock.

(iv) A warehouse may reject an order calling for future delivery. If it elects to accept the order, it must not set aside or hold any material to fill it.

(v) If delivery of an order would deplete a warehouse stock to a point where its function in the distribution of brass mill products or copper wire mill products would be seriously impaired, the warehouse may apply to the War Production Board for authority to reject the order and may delay filling the order until its application is acted upon.

(vi) A warehouse may reject any order other than those it is required to fill by paragraph (f) (1).

#### Aluminum

(g) *Definitions with respect to aluminum.* The following definitions shall apply for the purpose of this regulation and for the purpose of any other CMP Regulation unless otherwise indicated:

(1) "Aluminum" means aluminum in any of the forms and shapes constituting controlled material as defined in CMP Regulation No. 1.

(2) "Distributor" means any person who has received or proposes to receive physical delivery of aluminum into his stock for sale or resale in the same form, or after performing such operations as cutting to length, shearing to size, sorting and grading.

(h) (1) *Deliveries of aluminum by distributors.* Each distributor must, to the extent of his available stock, fill authorized controlled material orders, orders bearing the symbol AM (except orders bearing symbols from AM 9500 through AM 9639) and orders which he has been specifically directed in writing by the War Production Board to fill. Orders bearing symbols from AM 9500 through AM 9599 need not be accepted, but if accepted, must be treated as authorized controlled material orders. Orders bearing symbols from AM 9600 through AM 9699 must be treated as deferred ("Z") orders before July 1, 1945, and as unrated orders on and after that date.

(2) Effective immediately, an aluminum warehouse may, but need not deliver aluminum (except extrusions, CMP Code Numbers 4301 and 4311), and effective July 1, 1945, a warehouse may but need not deliver extrusions on orders other than those he is required to fill under paragraph (h) (1).

(3) The restrictions of this regulation do not apply to aluminum powder, flake, pigment, or paste delivered for the purpose of making paint, ink, or other coating or liquid welding compound. Such aluminum powder, flake, pigment or paste may be delivered by a distributor on rated or unrated purchase orders subject to the provisions of Priorities Regulation No. 1.

(4) A warehouse may reject any order which it is otherwise required or permitted to accept if the order is for delivery at one time to one destination of more than 2,000 pounds of any gauge, alloy and sizes of aluminum sheet, strip or plate, or more than 900 pounds of any alloy shape and size of aluminum wire, rod and bar, or more than 600 pounds of any alloy, size and shape of aluminum tubing, extrusions or structural shapes.

*General Provisions Applicable to Steel, Brass Mill Products, Copper Wire Mill Products and Aluminum*

(i) *Directions to distributors and warehouses.* Each distributor and warehouse shall comply with such directions as may be issued from time to time by the War Production Board with respect to making or withholding deliveries of steel, brass mill products, copper wire mill products or aluminum, and with respect to the earmarking of stocks of such material.

(j) *Placement of authorized controlled material orders.* A delivery order for steel, brass mill products, copper wire mill products or aluminum, shall be deemed an authorized controlled material order, if but only if,

(1) It is specifically designated as an authorized controlled material order by any regulation or order of the War Production Board; or

(2) It is endorsed with the appropriate certification and allotment number or symbol in the way prescribed by paragraph (s) (3) of CMP Regulation No. 1.

(3) A delivery order for steel, brass mill products, copper wire mill products or aluminum, placed with a distributor or warehouse shall be considered as calling for immediate delivery unless the order specifically provides otherwise.

(k) *Verbal delivery orders.* Any delivery order which a distributor is required to fill requiring shipment within seven days may be placed verbally or by telephone by stating to the distributor or warehouse the substance of the information required by this regulation, *Provided*, That the person placing the order furnishes to the distributor or warehouse, within fifteen days after placing the same, written confirmation of the order complying with the requirements of this regulation. In case of failure to receive written confirmation within fifteen days, the distributor or warehouse shall not accept any other order from, or deliver any additional material of any kind to, the purchaser until such written confirmation is furnished. On or before the twentieth day of each month any distributor or warehouse who has received in the prior month a delivery order by telephone, which he is required to fill shall notify the appropriate Regional Compliance Office of the War Production Board, of any case in which a purchaser has failed to furnish to him the written confirmation when due.

(l) *Special provisions with respect to AAA orders.* Notwithstanding the foregoing provisions of this regulation an authorized controlled material order placed with a distributor or warehouse bearing a rating of AAA shall be filled in preference to any other authorized controlled material orders regardless of time of receipt.

(m) [Deleted July 10, 1945.]

(n) *Communications.* All communications concerning this regulation should be addressed to the War Production Board, Washington 25, D. C., Ref: CMP Regulation No. 4 (specify whether steel, copper or aluminum).

(o) *Processing customer's material.* A warehouse or distributor that has facilities for slitting, trimming, bending, etc., may accept controlled material from his customer and re-deliver to him without requiring an authorized controlled material order or other authority as required by this regulation, as long as such work does not interfere with filling authorized controlled material orders.

(p) *Preference in filling orders.* Irrespective of the time the order is received, a distributor or warehouse must not fill an order if filling it would prevent filling another order on hand which calls for delivery of the same item within the next 30 days and which is in a prior class in the following series:

(1) Orders rated AAA.

(2) Authorized controlled material orders, other than orders bearing a CMP allotment symbol including the letter Z; orders specifically authorized by the WPB, and orders for steel described in subparagraph (d) (2) of this regulation.

(3) Orders bearing a CMP allotment symbol including the letter Z.

(4) Unrated orders.

(q) *Expiration.* As provided in Priorities Regulation 29, this regulation and all directions issued under it, including directions issued to named warehouses before August 21, 1945, expires on September 30, 1945. Steel distributors, copper wire mill warehouses, brass mill warehouses, and aluminum warehouses shall schedule and deliver after that date on AAA, MM and CC ratings in accordance with the provisions of Priorities Regulation 1, 3, 29 and other applicable orders and regulations of the War Production Board.

Issued this 7th day of September 1945.

WAR PRODUCTION BOARD,  
By J. JOSEPH WHELAN,  
Recording Secretary.

INTERPRETATION 1

DISTRIBUTORS OF AUTOMOTIVE REPLACEMENT PARTS

The definitions of "distributor" and "warehouse" appearing in paragraphs (b) (2) and (e) (3) of CMP Regulation No. 4 are not deemed to include persons engaged solely in the business of distributing automotive replacement parts. Consequently, such persons may sell, for use as automotive replacement parts, such items as bulk or spooled primary and spark plug wire, battery cables and magnet wire without reference to the terms of CMP Regulation No. 4, but subject to the provisions of General Limitation Order L-168 and other applicable regulations or orders. (Issued Feb. 27, 1943).

[F. R. Doc. 45-16763; Filed, Sept. 7, 1945; 11:42 a. m.]

PART 3270—CONTAINERS

[Limitation Order L-103, Schedule B, as Amended Sept. 7, 1945]

GLASS CONTAINERS AND CLOSURE SIMPLIFICATION; MALT BEVERAGES

§ 3270.48 *Schedule B to Limitation Order L-103—(a) Definitions.* For the purposes of this schedule:

(1) "Malt beverages" means beer, ale, stout, near-beer, and beverages of a similar kind, made by alcoholic fermentation of malted barley with or without other food products, and with hops or hop extracts.

(2) A "standard glass container for malt beverages" means a glass container described in Exhibits B-1, B-2, B-2-a, B-4, B-5-a, B-6 to B-9, inclusive, B-10-a, and B-11 to B-14, inclusive of this schedule, which possesses the finish prescribed for the respective container in the said exhibits or any other finish which is interchanged therewith in accordance with paragraph (g) of Limitation Order L-103.

(b) *Restrictions.* (1) Only standard glass containers for malt beverages may be produced for bottling malt beverages.

(2) No molds may be manufactured for a glass container for malt beverages which do not conform to the specifications of a standard glass container for malt beverages.

(3) The standard glass containers described in Exhibits 12, 13 and 14 shall be manufactured only for malt beverages to be shipped (i) outside of the forty-eight states of the United States and the District of Columbia, and (ii) to points within the 48 States of the United States and the District of Columbia to or for the account of any of the following persons:

Army, Navy, Marine Corps, Maritime Commission, War Shipping Administration of the United States (including persons operating vessels for such administration or commission for use thereon) the United Seamen's Service, Inc., and any person for packing products for retail sale or distribution through post exchanges, sales commissaries, officers' messes, servicemen's clubs, ship service stores or outlets; provided same are located at Army or Navy camps, are not operated for private profit and are established primarily for the use of Army or Navy personnel within Army or Navy establishments or on Army or Navy vessels.

(4) No provision of this schedule shall be construed to restrict the sale, delivery or use of glass containers which were completely manufactured on or before September 12, 1942.

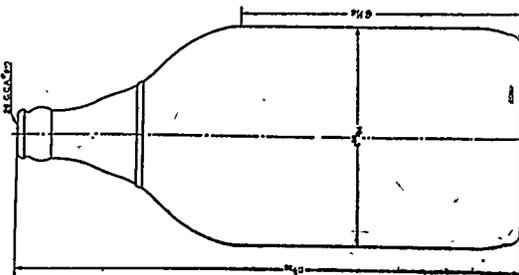
(c) *Lettering.* (1) Except as specifically permitted by the exhibits of this schedule the lettering on standard glass containers for malt beverages shall be limited to manufacturers' identification (which may include trademark, name or symbol), place of manufacture, date of manufacture by year, design number and mold or cavity number.

Issued this 7th day of September 1945.

WAR PRODUCTION BOARD,  
By J. JOSEPH WHELAN,  
Recording Secretary.

EXHIBIT B-1

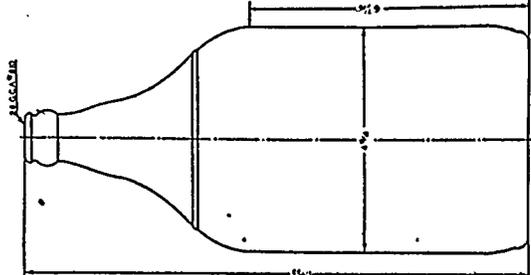
Standard Glass Container—Steinie Shape Beer 64 ounce capacity, 66½ overflow



Bottles must be round—34 oz. wt.

EXHIBIT B-2

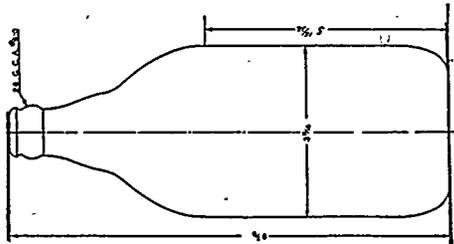
Standard Glass Container—Steinie Shape Beer Bottle for Pasteurized Beer, 64 ounce capacity, 68 overflow



Bottles must be round—39 oz. wt.

EXHIBIT B-3-A

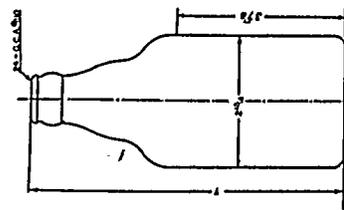
Standard Glass Container—Steinie Shape Beer Bottle, 32 ounce capacity, 33¾ overflow



Any interchangeable finish may be used. Optional weights 20 and 24 oz.—adjust diameter to make capacity. Bottles must be round.

EXHIBIT B-4

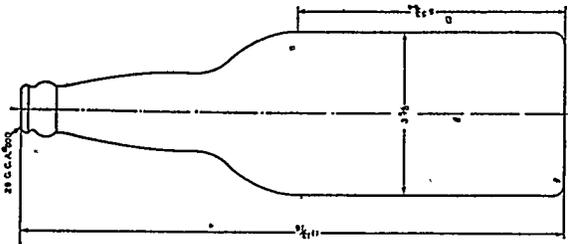
Standard Glass Container—Steinie Shape Beer Bottle, 12 ounce capacity, 12¾ overflow



Bottles must be round—9¾ oz. wt.

EXHIBIT B-5-A

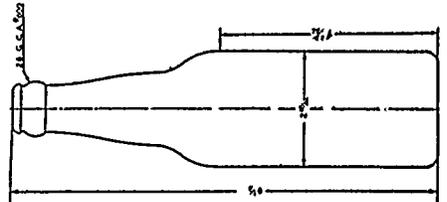
Standard Glass Container—Export Shape Beer Bottle, 32 ounce capacity, 33¾ overflow



Bottles must be round—28 oz. wt. Any interchangeable finish may be used.

EXHIBIT B-6

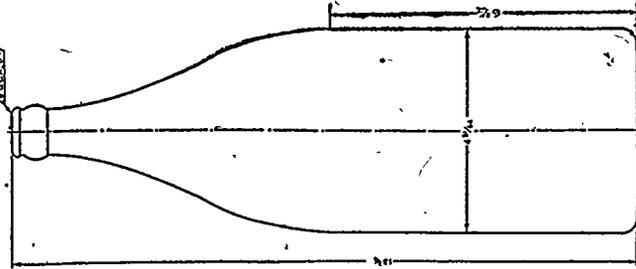
Standard Glass Container—Export Shape Beer Bottle, 12 ounce capacity, 12¾ overflow



Bottles must be round—12 oz. wt.

EXHIBIT B-7

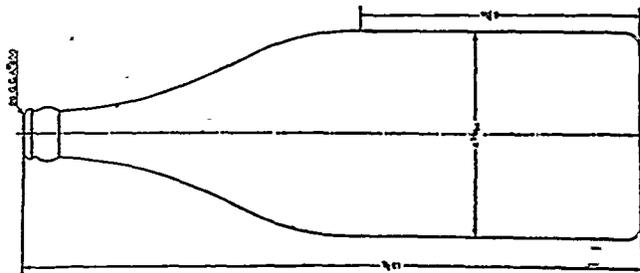
Standard Glass Container—Select Shape Beer Bottle for Pasteurized Beer, 64 ounce capacity, 68 overflow



Bottles must be round—39 oz. wt.

EXHIBIT D-8

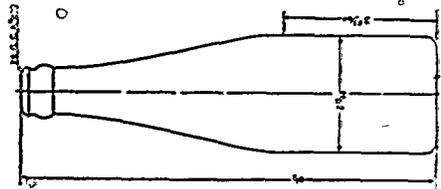
Standard Glass Container—Select Shape Beer Bottle for Unpasteurized Beer, 64 ounce capacity, 69½ overflow



Bottles must be round—80 oz. wt.

EXHIBIT D-9

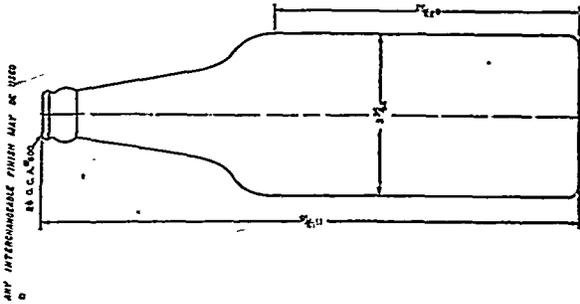
Standard Glass Container—Select Shape Beer Bottle, 12 ounce capacity, 12¾ overflow



Bottles must be round—12 oz. wt.

EXHIBIT D-10-A

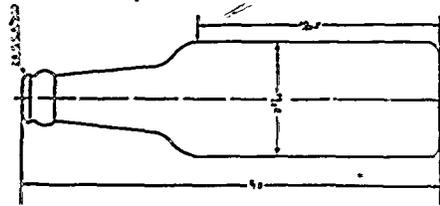
Standard Glass Container—Ale Bottle, 32 ounce capacity, 33¼ overflow



Bottles must be round—28 oz. wt.

EXHIBIT D-11

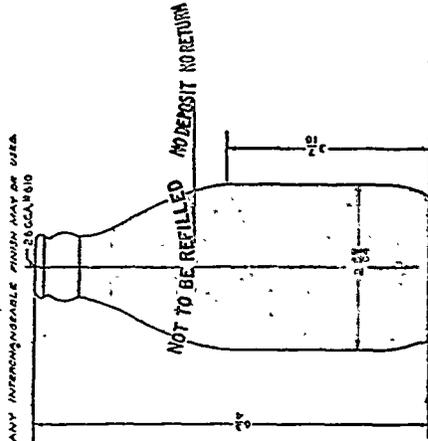
Standard Glass Container—Ale Bottle, 12 ounce capacity, 12¾ overflow



Bottles must be round—13 oz. wt.

EXHIBIT D-12

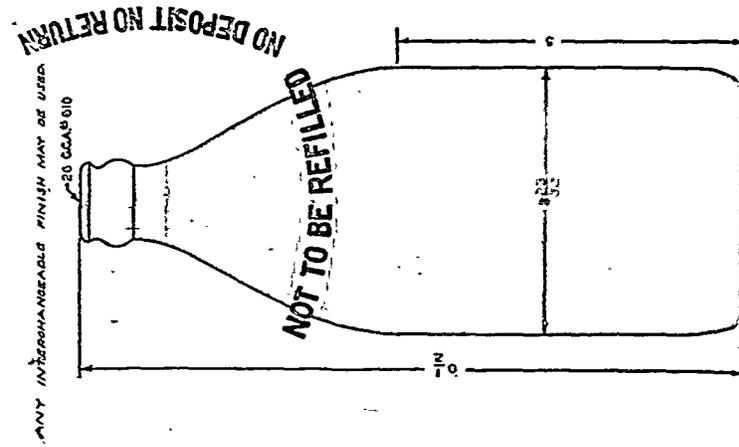
Standard Glass Container—Single Trip Beer Bottle, 12 ounce capacity, 12¾ overflow



The bottle shall be round with stippling and lettering as shown—8 oz. max. weight.

EXHIBIT D-13

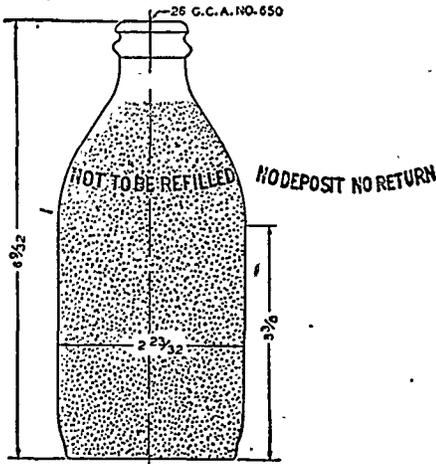
Standard Glass Container—Single Trip Beer Bottle, 32 ounce capacity, 33¼ overflow



The bottle shall be round with stippling and lettering as shown—18 oz. max. weight.

## EXHIBIT B-14

Standard Glass Container—Single Trip Beer Bottle, 12 ounce capacity, ounce overflow



The bottle must be plain round, except for stippling and lettering shown—8 1/2 oz. max. weight.

[F. R. Doc. 45-16775; Filed, Sept. 7, 1945; 11:41 a. m.]

## PART 3270—CONTAINERS

[Supplementary Order L-103-b, as Amended Sept. 7, 1945]

## NEW TINPLATE CLOSURES

The fulfillment of requirements for the defense of the United States has created a shortage in the supply of new glass containers and of materials entering into the manufacture of new tinplate closures 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.

§ 3270.36 *Supplementary Order L-103-b—(a) What this order does.* This order specifies maximum tin coatings for new tinplate closures to commercially pack certain products. Used closures are not restricted. This order does not restrict the use of closures made of any material other than tinplate. The manufacture of home canning closures with a tinplate coating in excess of .50 lb. per base box is prohibited.

(b) *Definitions.* Wherever used in this order: (1) [Deleted Sept. 7, 1945.]

(2) "Tinplate closures" means any new sealing or covering device made in whole or in part of tinplate and affixed or to be affixed to a glass container for the purpose of retaining the contents within the container. The term shall not include bulbs or droppers for medicinal bottles.

(3) "Tinplate" means sheet steel coated with tin, and includes, "primes", "seconds", and all other forms of tinplate except waste and waste-waste.

(4) "Waste" means scrap tinplate, including strips and circles produced in the

ordinary course of manufacturing tinplate or tinplate closures.

(5) "Waste-waste" means hot dipped or electrolytic tin coated steel sheets which have been rejected during processing by the producer because of imperfections which disqualify such sheets from sale as primes or seconds.

(6) "Packer" means any person who uses tinplate closures for commercially packing any product in any of the forty-eight States of the United States or the District of Columbia.

(c) *General restrictions on sale and delivery.* (1) No person shall sell or deliver any tinplate closures which he knows or has reason to believe will be accepted or used in violation of any provision of this order.

(d) [Deleted Sept. 7, 1945.]

(e) [Deleted Sept. 7, 1945.]

(f) [Deleted Sept. 7, 1945.]

(g) [Deleted Sept. 7, 1945.]

(h) [Deleted Sept. 7, 1945.]

*Tinplate Closures*

(i) *Tinplate closures with specific coatings to pack only listed products.* No packer may accept or use tinplate closures for any purpose other than for packing the three classes of products listed in Schedule "B" below and in accordance with the tinplate specifications set forth for each of the listed classes of products. Classes one and two listed below are limited to those which are intended and suitable for human consumption. The designation ".50" means that no tinplate closures having a tin coating in excess of .50 lb. per base box may be used to pack the applicable class of products. ".50" shall include "menders" arising in the production of such tinplate which have been hot dipped with a maximum tin coating of 1.25 lbs. per base box. The designation "1.50" means that no tinplate closures having a tin coating in excess of 1.50 lbs per base box may be used to pack the applicable class of products.

## SCHEDULE B

Product	Tinplate
1. All food products (excluding malt beverages and non-alcoholic beverages) if preserved in an hermetically sealed container made sterile by heat; and olives, pickles, relishes, sauces, vinegar, French dressing, flavoring extracts, spices, mustard, horseradish and cherries.....	1.50
2. Meat and fish and products made from them; ice cream mix; apple cider and juice; fruits (only crush, fountain fruit and ice cream toppings); soup mix; cheese spreads; spaghetti and macaroni products; corn beef hash; and sauerkraut.....	.50
3. Biologicals; blood plasma; drug chemicals; dental supplies; glycerites; liniments of ammonia; magmas; drug oils; ointments, penicillin; prescriptions; medicinal soaps; aromatic spirits of ammonia; ammonia products; aromatic chemicals; reagent chemicals; deodorants, liquid or paste (not for use on human body); dyes; germicides; hypochloride powders; phenols; photographic supplies; and all other liquid chemicals.....	.50

(j) *Manufacturing restrictions on home canning closures.* No person shall use any tinplate with a tin coating in excess of .50 lb. per base box for the manufacture of home canning closures.

(k) [Deleted Sept. 7, 1945.]

*General Exceptions*

(1) *Exports.* The provisions of this order do not apply to the sale or delivery of unused tinplate closures for shipment outside of the forty-eight States of the United States and the District of Columbia.

(m) *Certain agencies and persons.* The provisions of this order do not apply to the purchase, acceptance of delivery, or use of tinplate closures by any of the following agencies or persons or by any person for packing any product to be delivered to or for the account of any of the following agencies or persons: United States Army or Navy (exclusive of post exchanges or ship's service departments located within the 48 States and the District of Columbia) Maritime Commission, War Shipping Administration, Veterans Administration, American Red Cross, Office of Scientific Research and Development or the Panama Canal, including the Panama Railroad Company and any agency procuring for delivery pursuant to the Act of Congress of May 11, 1941 entitled "An Act to Promote the Defense of the United States" (Lend Lease Act).

*Miscellaneous*

(n) *Appeals.* Appeals from this order shall be filed by addressing a letter in triplicate to the Containers Division, War Production Board, Washington 25, D. C., Ref: L-103-b. The letter of appeal need not follow any particular form. It should state informally, but completely, the particular provision appealed from, the precise relief desired, the reasons why denial of the appeal would result in exceptional and unreasonable hardship, and such other statistical and narrative information as may be pertinent.

(o) *Communications:* All communications concerning this order shall be addressed to: Containers Division, War Production Board, Washington 25, D. C. Ref: L-103-b.

(p) *Violations.* Any person who willfully 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 accepting further deliveries of or from processing or using material under priority control and may be deprived of priorities assistance.

(q) *Applicability of regulations.* This order and all transactions affected there-

by are subject to all applicable provisions of the regulations of the War Production Board, as amended from time to time.

(r) [Deleted Sept. 7, 1945.]

Issued this 7th day of September 1945.

WAR PRODUCTION BOARD,  
By J. JOSEPH WHELAN,  
Recording Secretary.

[F. R. Doc. 45-16776; Filed, Sept. 7, 1945;  
11:42 a. m.]

PART 3290—TEXTILE, CLOTHING AND  
LEATHER

[General Conservation Order M-85, as  
Amended Sept. 7, 1945]

KAPOK

The fulfillment of requirements for the defense of the United States has created a shortage in the supply of kapok 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.

§ 3290.331 *General Conservation Order M-85—(a) Applicability of regulations.* This order and all transactions affected thereby are subject to all applicable regulations of the War Production Board, as amended from time to time.

(b) *Additional definitions.* For the purposes of this order:

(1) "Kapok" means the fiber or pulp from the pod of the Ceiba or Kapok tree before incorporation into a finished product.

(2) [Deleted May 22, 1944]

(3) "Manufacturer" means any person producing any product of which kapok is a component part or into which it is physically incorporated.

(c) *Restrictions on sales and deliveries of kapok.* No person shall buy, sell, deliver, or accept delivery of any kapok, unless specifically authorized in writing by the War Production Board. This shall not apply to sales to the Defense Supplies Corporation. Anyone wishing to buy kapok from the Defense Supplies Corporation may apply to the War Production Board on Form WPB-2562.

(d) *Restrictions on the use of kapok for manufacturing purposes.* Unless authorized pursuant to application filed on Form WPB-1076, no manufacturer shall use any kapok of Java grades except for life vests, life jackets and collars to fill orders to be submitted for approval as specified in paragraph (e) below and placed directly by:

(1) The Army or Navy of the United States, the United States Maritime Commission, the War Shipping Administration, or by prime contractors or subcontractors therefor; or

(2) Ship chandlers and marine supply distributors to whom preference ratings have been assigned on Form WPB-646.

No manufacturer shall use kapok of grades other than Java in any product unless required by a defense order and authorized pursuant to application on Form WPB-1076.

Upon completion of any order requiring the use of kapok the remaining in-

ventory is subject to all the provisions of this order and may be disposed of only as permitted in paragraph (c).

(e) *Specific approval required for filling orders for life vests or life jackets and collars.* No manufacturer may make any delivery under any order for kapok life vests, or life jackets and collars unless he has the written approval of such order by the War Production Board. Application for such approval may be made by letter or telegram addressed to the War Production Board, Equipage Branch, Textile, Clothing and Leather Bureau, Washington 25, D. C. Manufacturers shall return all orders not approved to the Procurement Officer issuing such order advising him of the action taken by the War Production Board.

(f) *Restrictions on inventory.* No person may accept title to or accept delivery of any kapok if his inventory will thereby exceed the amount required for continuing his operations at his current rate for a thirty-day period, unless otherwise authorized in writing by the War Production Board.

(g) *Assignment of preference rating.* A preference rating of AA-5 is hereby assigned to all orders for kapok placed by the Foreign Economic Administration, the Defense Supplies Corporation, or any corporation organized under the authority of section 5d of the Reconstruction Finance Corporation Act, as amended, or any representative designated for the purpose by any of the foregoing, and such rating may be applied in the manner prescribed by Priorities Regulation No. 3, as amended.

(h) *Appeals.* Any appeal from the provisions of this order shall be made by filing a letter in triplicate, referring to the particular provisions appealed from and stating fully the grounds of the appeal.

(i) *Communications to the 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, Textile, Clothing and Leather Division, Washington 25, D. C., Ref.: M-85.

(j) *Violations.* Any person who willfully 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 processing or using, material under priority control and may be deprived of priorities assistance.

(k) *Reports.* On or before the 15th day of each calendar month, all owners of kapok shall file two copies of Form WPB-642 with the Textile, Clothing and Leather Bureau, War Production Board, Washington 25, D. C., Reference M-85. The reporting requirements of this paragraph have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

Issued this 7th day of September 1945.

WAR PRODUCTION BOARD,  
By J. JOSEPH WHELAN,  
Recording Secretary.

[F. R. Doc. 45-16777; Filed, Sept. 7, 1945;  
11:42 a. m.]

Chapter XI—Office of Price Administration

PART 1303—APPAREL

[REMPR 304, Amdt. 2]

SPECIFIED UTILITY SHIRTS

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.

Paragraph (c) is added to section 11 to read as follows:

(c) *Specific authorization for certain manufacturers of cotton flannel and cotton domet shirts.* (1) Manufacturers of certain utility shirts (as specified in subparagraph (2) below) made of cotton flannel or cotton domet materials purchased on or after June 21, 1945, may sell and deliver such garments at the maximum price in effect on June 1, 1945, and reserve the right to charge the difference, if any, between that maximum price and any higher maximum price which may thereafter be established by OPA: *Provided*, That the additional charge may in no event exceed 4 per cent of the manufacturer's maximum price in effect on June 1, 1945.

(2) The permission provided in subparagraph (1) above shall apply only to the following:

(i) Any cotton flannel or cotton domet shirt made in a group A factory and sold at the Class I ceiling price;

(ii) Any cotton flannel or cotton domet shirt made in a group B factory; and

(iii) Any boys' in-and-outer cotton flannel shirt made in a work shirt factory and sold at the Class I ceiling price.

(3) Any manufacturer who elects to exercise the adjustable pricing permission provided in this paragraph (c) must, in connection with each contract of sale, deliver to the purchaser the following statement in writing, or stamp such statement on the invoice required by section 8 (d):

For as long as permitted by OPA, (name of the manufacturer) reserves the right to charge you, for the following quantities of garments delivered pursuant to this contract, the difference between our ceiling price in effect on June 1, 1945 and any higher ceiling price which may thereafter be established by OPA: *Provided*, That the additional charge will in no event exceed 4 per cent of our ceiling price in effect on June 1, 1945.

Lot No. _____	Quantity _____ (No. of dozen)
---------------	----------------------------------

OPA has ruled that in determining your ceiling price for these garments you must use as your "supplier's net ceiling price" our net ceiling price to you exclusive of the additional charge which we may be permitted to make.

(4) The permission granted in this paragraph (c) shall remain in effect only until the date revised maximum prices of general applicability are first hereafter established for manufacturers'

sales of utility shirts or this paragraph is revoked, whichever is earlier.

(5) Any purchaser who buys utility shirts under a contract containing an adjustable pricing clause authorized by this paragraph (c) shall disregard that clause, and any additional charge made pursuant to it, in determining his ceiling prices for resale of the garments so purchased.

(6) No person is authorized to collect an amount in excess of the ceiling in effect on June 1, 1945 for any utility shirts unless prior to the revocation of this paragraph (c), revised maximum prices of general applicability have been established for such garments.

This amendment shall become effective September 12, 1945.

Issued this 7th day of September 1945.

CHESTER BOWLES,  
Administrator.

[F. R. Doc. 45-16737; Filed, Sept. 7, 1945;  
11:33 a. m.]

PART 1381—SOFTWOOD LUMBER  
[RMFR 94, Incl. Amts. 1-2]

WESTERN PINE AND ASSOCIATED SPECIES  
OF LUMBER

This compilation of Revised Maximum Price Regulation 94 includes Amendment 2, effective September 11, 1945. The text added and amended by Amendment 2 is underscored. Deletions, redesignations and changes in tables are indicated by notes.

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, as amended, and Executive Orders 9250 and 9328. 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.<sup>2</sup>

Such specifications and standards as are used in this regulation were, prior to such use, in general use in the industry affected.

§ 1381.501 *Maximum prices for western pine and associated species of lumber.* Under the authority vested in the Price Administrator by the Emergency Price Control Act of 1942, as amended, and Executive Orders 9250 and 9328, Revised Maximum Price Regulation 94 (Western Pine and Associated Species of Lumber), which is annexed hereto and made a part hereof, is hereby issued.

ARTICLE I—SCOPE OF THE REGULATION

Sec.

1. Prices higher than ceiling prohibited.
2. What products are covered.
3. What transactions are covered.
4. What persons are covered.

ARTICLE II—MAXIMUM PRICES AND TERMS OF SALE

5. Basic prices and cash discount.
6. Direct-mill retail sales.
7. Sales on delivered basis.
8. Maximum prices for Alaskan lumber.
9. Grades, items, services or extras not listed.

<sup>1</sup> 9 F.R. 6634.

<sup>2</sup> Statements of considerations are also issued simultaneously with amendments. Copies may be obtained from the Office of Price Administration.

ARTICLE III—SPECIFIC DUTIES AND PROHIBITED PRACTICES

Sec.

10. What the invoice must contain.
11. Averaging out.
12. What records must be kept.
13. Prohibited practices.
14. Adjustable pricing.
15. Special pricing rules.

ARTICLE IV—MISCELLANEOUS

16. Applications for adjustment or petitions for amendment.
17. Enforcement.
18. Licensing.
19. Grades.

ARTICLE V—PRICE TABLES

20. Ponderosa pine.
21. Idaho white pine.
22. Sugar pine.
23. Inland larch, Douglas fir and hemlock.
24. White fir.
25. Engelmann spruce and Lodgepole pine.
26. Inland red cedar.
27. Incense cedar.
28. Differentials and rules, applicable to all grades of all species.
29. Maximum prices for lumber produced in the "fringe area" and Canada and Mexico.
30. Maximum prices for ungraded, log-run lumber.

ARTICLE VI—PERMITTED ESTIMATED WEIGHTS

AUTHORITY: § 1381.501 issued under 56 Stat. 23, 765; 57 Stat. 566; Pub. Law 383, 78th Cong.; E.O. 9250, 7 F.R. 7871; E.O. 9328, 8 F.R. 4681.

ARTICLE I—SCOPE OF THE REGULATION

SECTION 1. *Prices higher than ceiling prohibited.* (a) On and after June 20, 1944, regardless of any contract or other obligation, no person shall sell or deliver, and no person shall buy or receive in the course of business any Western pine and associated species of lumber for direct mill shipment at prices higher than the maximum prices fixed by this regulation, and no person shall agree, offer, or attempt to do any of these things.

(b) Prices lower than the maximum prices may, of course, be charged and paid.

SEC. 2. *What products are covered—*

(a) *General.* This regulation covers all Western pine and associated species of lumber, whether the grades, sizes and specifications are specifically named in the price tables or not. The term "lumber" as used here specifically includes mouldings.

[Paragraph (a) amended by Am. 1, 9 F.R. 129<sup>6</sup>, effective 11-2-44]

(b) *Species and area.* The following species from the following areas are covered by this regulation:

(1) Incense cedar (*libocedrus decurrens*), Ponderosa pine (*pinus ponderosa*), Idaho White pine (*pinus monticola*), Sugar pine (*pinus lambertiana*), Lodgepole pine (*pinus contorta*), Mexican White pine (*pinus strobiformis*), Limber pine (*pinus flexilis*), Arizona pine (*pinus arizonica*), Apache pine (*pinus apachea*), Chihuahua pine (*pinus chihuahuana*), and any other pine commercially sold as Ponderosa, Western or Mexican pine, produced in Oregon, Washington, California, Idaho, Montana, South Dakota, Wyoming, Colorado, Utah, Nevada, Arizona, New Mexico, or in Canada or Mexico.

(2) Douglas fir (*pseudotsuga taxifolia*), West Coast hemlock (*tsuga heterophylla*, *tsuga mertensiana*), True

fir (abies), and Inland larch (*larix occidentalis*), produced in Idaho, Montana, South Dakota, Wyoming, Colorado, Utah, Nevada, Arizona, New Mexico, Mexico, and those portions of Washington, Oregon and Canada east of the crest of the Cascade Mountains. If a mill is located near the crest of the Cascade Mountains and has customarily graded and sold its lumber of these species under the West Coast Lumbermen's Association Standard Grading and Dressing Rules, it may apply to the Portland, Oregon office of the Office of Price Administration for special permission to use the maximum prices in Revised Maximum Price Regulation No. 26, instead of the prices in this Revised Maximum Price Regulation No. 94.

(3) Engelmann spruce (*picca*) and Red cedar (*thuja plicata*), produced in Idaho, Montana, South Dakota, Wyoming, Colorado, Utah, Nevada, Arizona, New Mexico, California, Alaska, Mexico, and in those portions of Oregon, Washington, and Canada east of the crest of the Cascade Mountains.

SEC. 3. *What transactions are covered—*(a) *Direct mill shipments.* This ceiling applies to all shipments originating at a mill, no matter who the seller is and no matter whether he usually is known as a mill, wholesaler, retailer, or anything else. It does not apply to sales out of distribution yard stock. (The prices for yard sales may be found either in Second Revised Maximum Price Regulation No. 215<sup>4</sup> or in the General Maximum Price Regulation,<sup>5</sup> depending on the nature of the sale and the purchaser.) A shipment is regarded as originating at a mill if the lumber reaches the purchaser without ever becoming an integral part of the stock of a distribution yard. A sale is considered a sale out of distribution yard stock only if the lumber was a part of regular yard stock at the time the sale was made. For example, if a retail yard takes an order for a defense housing project, and then brings the lumber from a mill, puts it in his yard, and delivers it as needed, the sale is subject to this regulation.

(b) *How to tell a mill from a distribution yard.* The term "mill", as used here, covers what are known in the trade as sawmills, planing mills, and concentration yards. Three types of establishment are described below: The first, (1), a typical sawmill or planing mill; the second, (2), a typical concentration yard; and the third, (3), a typical distribution yard. An establishment which resembles (1) or (2) more than it does (3) is considered a mill; and one which resembles (3) more than it does (1) and (2) is considered a distribution yard:

(1) "A typical sawmill or planing mill" is an establishment which is chiefly engaged in manufacturing lumber from logs or rough lumber by sawing or planing; which is located in or near a lumber producing area; which makes and sells chiefly Western pine and associated species of lumber;

(2) "A typical concentration yard" is an establishment which concentrates and prepares lumber for commercial shipment, which keeps in stock mostly

<sup>4</sup> 9 F.R. 12271.

<sup>5</sup> 9 F.R. 1385, 5169, 6106, 8150, 10193, 11274.

Western pine and associated species of lumber, which has its lumber brought in chiefly in rough green form by truck from small local sawmills and sells chiefly for rail shipment, and which has been located at its particular site to be near the lumber producing area;

(3) "A typical distribution yard" is a wholesale or retail lumber yard which gets lumber from mills or other yards; unloads, sorts, stores, and resells or redistributes it; which regularly maintains a varied stock of lumber from different regions; which gets its lumber mostly by rail and sells mostly for truck shipment; which is equipped to make quick deliveries of many different items of lumber; and which has been located at its particular site in order to be near a lumber consuming area.

(c) *No quantity limits.* There are no quantity limits on the transactions covered by this regulation. All direct mill sales, large or small, are covered.

[Paragraph (c), formerly (d), redesignated by Am. 2, effective 9-11-45. Former paragraph (c) deleted by Am. 2]

**SEC. 4. What persons are covered.** Any person who makes the kind of sale or purchase described above, for himself or others, is subject to this regulation. The term "person" includes an individual, corporation, partnership, association or any other organized group, their legal successors and representatives, the United States or any government or any of their political subdivisions or any agency of any of the foregoing.

**ARTICLE II—MAXIMUM PRICES AND TERMS OF SALE**

**SEC. 5. Basic prices and cash discount—(a) Basic prices on shipments from mills located on railroad.** The basic mill ceiling prices are set forth in Article V—Price Tables.

(b) *Basic prices on shipments from mills located off railroad.* The basic mill ceiling prices set forth in Article V—Price Tables apply on shipments from off-rail mills, as follows:

(1) All shipments from off-rail mills subject to the provisions of section 29 or 30.

(2) All shipments from off-rail mills not subject to the provisions of section 29 or 30 except where the buyer takes delivery at the mill.

On a shipment made by an off-rail mill not selling under the provisions of section 29 or 30, where the buyer takes delivery at the mill, the basic mill ceiling prices must be reduced by the proper trucking charge figured under paragraph (a) (2) of section 7 for the distance from the mill to the mill's usual rail shipping point.

(c) *Cash discount.* If cash is paid the maximum price must be reduced by the seller's October 1941 cash discount. For example, if the October 1941 discount for cash was 2%, and the maximum price without discount according to this regulation is \$30.00, the maximum price when

cash is paid is \$29.40. If the seller was not in business in October 1941 the discount for cash shall be 2%. In any case on specific written allocations issued by the Office of the Chief of Engineers, War Department, the terms 30 days net may be used regardless of former practices.

[Sec. 5 amended by Am. 2, effective 9-11-45].

**SEC. 6. Direct-mill retail sales.** An addition of \$3.50 per thousand board feet may be made on a sale of less than 20,000 ft. BM (or less than carload if by rail), to any buyer who does not purchase for resale, where the shipment originates at a mill and the seller:

(a) Sees that the lumber is delivered to the job site at such time and in such manner as the buyer specifies. This does not mean that the seller must make free delivery. When delivery is made by private truck owned or controlled by the seller, delivery charge may be made as provided in section 7 (a) (2).

(b) Gives the buyer the privilege of exchanging the lumber and returning unused material; and

(c) Agrees to make good any shortage promptly from stocks kept on hand for that purpose.

The size of the sale is determined by the total quantity involved in the transaction without regard to whether it is broken up into smaller orders or deliveries.

**SEC. 7. Sales on delivered basis—(a) Transportation addition.** On sales on delivered basis transportation charges set forth below may be added to the maximum f. o. b. mill prices.

(1) *Common or contract carrier.* (i) When the estimated dry weights in Article VI are used, the rate times the estimated weight is the proper transportation charge even if the estimated dry weights are higher than actual weights. Estimated green weights may be used in calculating transportation charges only if the moisture content is greater than 19%. Higher estimated weights than those in Article VI may not be used. The estimated weight must be the weight for the exact kind of lumber actually shipped. For example, green weights cannot be used if dry lumber is shipped. The transportation charge may be evened out to the nearest quarter dollar per M.

(ii) When estimated weights are not used, the amount added for transportation must not be more than the amount actually paid to the common or contract carrier, evened out to the nearest quarter dollar per M.

(2) *Private truck.* (i) When shipment is by truck owned or controlled by the seller, the following amounts may be added for transportation: For distances up to and including 10 miles, \$1.50 per M'; over 10 and up to and including 20 miles, \$2.00 per M'; and over 20 and up to and including 30 miles, \$2.50 per M'. Where the distance is greater than 30 miles the seller may charge the amount of the railroad charge at the carload rate for the most similar haul or \$3.00 per M', whichever is greater. Distance, as used in this paragraph means the distance from the mill to the

point of destination as measured by the speedometer. No addition may be made for the return trip.

(ii) The provisions of this section 7 (a) (2) and (3) shall not apply to sales and deliveries of mixed species, log run lumber from mills in the "fringe area." As to these transactions, the permitted additions for trucking by private truck and trucking to railhead are shown separately in paragraphs (b) and (c) of section 30.

(3) *Trucking to railhead.* When a truck haul precedes rail shipment, as when a mill located away from the railhead hauls lumber by truck to the railhead, no addition may be made for the truck haul. However, where a mill's rail connection has been abandoned since September 5, 1941, the mill may apply for special permission to make an addition.

The application should be made by letter to the Lumber Branch of the Office of Price Administration, Washington, D. C., and may be acted upon by letter. The addition may not be made on quotations or sales until permission has been received.

(4) *Truck delivery after rail haul.* When truck delivery follows a rail haul, there may be added for the delivery an amount not greater than the addition permitted by subparagraphs (1) and (2) of this paragraph, whichever is applicable.

(5) *All truck haul.* When an all-truck haul ends in delivery to the job site, no special addition may be made above the charges provided in subparagraphs (1) and (2) of this paragraph, since in this case delivery to the job site involves no extra expense.

(b) *Susanville rate on sales to California.* Regardless of other provisions of this section, on delivered sales to purchasers in California, if shipment originates at a mill in California from which the railroad freight rate to the California destination is less than the rate from Susanville, California to the same destination, the addition for transportation may be computed by multiplying the appropriate estimated weight as shown in Article VI by the applicable freight rate from Susanville, California to the California destination. This addition does not apply to direct-mill retail sales. Since the maximum prices established by this paragraph are delivered prices, no transportation addition is permitted other than "basing point" freight to destination. In every case the maximum delivered price must finally be determined according to this paragraph. As to pricing f. o. b. mill's shipping point, note the following examples:

(1) In a sale to a distribution yard at the mill's shipping point, since shipping point and final destination are the same, the addition for basing point freight may be made even though the sale has all the usual characteristics of a sale "f. o. b. mill". Delivery to distribution yard must be made by the mill either by truck

owned or controlled by the mill, or if loaded on car to be switched to distribution yard, switching charge must be absorbed by the mill, or if delivery is by truck owned or controlled by the distribution yard, price must be reduced by an amount equal to proper trucking charge as set forth in paragraph (a) (2) of this section.

(2) If either the mill or a wholesaler should make an f. o. b. mill sale for direct mill shipment, the price f. o. b. mill's shipping point would be figured by first adding to proper price in price tables the freight from Susanville, California to final destination (figured on estimated weights taken from "Schedule of Estimated Weights" in Article VI times rate from Susanville to final destination) and deducting therefrom freight from mill's shipping point to final destination (figured on estimated weights taken from "Schedule of Estimated Weights" in Article VI times actual rate from mill's shipping point to final destination).

[Paragraph (b) amended by Am. 2, effective 9-11-45]

(c) *Government bill of lading.* Where shipment is made on government bill of lading, the maximum price payable to the seller may be computed by determining what would be the maximum delivered price on the basis of estimated weights and commercial rates and subtracting therefrom the commercial rate times the actual weights.

**Sec. 8. Maximum prices for Alaskan lumber.** (a) The maximum f. o. b. mill prices for Engelmann spruce, Red cedar, and Incense cedar lumber produced in Alaska and delivered to points outside the continental United States shall be the maximum f. o. b. mill prices set forth in Article V, plus an amount equal to freight under the Maritime Commission's published freight rate from Seattle, Washington, to the mill's shipping point, including surcharges, War Risk insurance, and wharfage and handling charges under the published Seattle Wharfage and Handling rate for comparable lumber.

(b) The maximum delivered prices for such lumber shall be the maximum f. o. b. mill price arrived at according to the foregoing, plus transportation charges permitted by section 7.

**Sec. 9. Grades, items, services, or extras not listed.** (a) If a seller wishes to sell a grade or item which is not specifically priced in the price tables, or wishes to make an addition for special workings, specifications, services, or other extras for which additions are not specifically permitted, he must apply to the Lumber Branch, Office of Price Administration, Washington, D. C., for a maximum price.

He must provide the following information:

[Section headnote and first sentence amended by Am. 2, effective 9-11-45]

- (1) The requested price;
- (2) A complete description of the item to be priced;
- (3) The price differential between it and the most comparable item in the price tables, between October 1, 1941 and June 1, 1942, from the seller's own records, or if that is impossible, from the experience of the trade. If no established price differential existed, a detailed analysis of comparative value should be furnished.

(b) As soon as the request has been filed, quotations and deliveries may be made at the requested price, but the final payment may not be made until the price has been approved. Action on the request may be by letter or telegram.

(c) In all cases where special prices have been approved by the Lumber Branch of the Office of Price Administration under § 1381.507 (c) of the earlier regulation, Maximum Price Regulation 94, these special prices shall no longer apply if specific prices for the items are established by this regulation; but if no specific prices are established in the price tables, the price approved under the earlier regulation shall continue in effect.

(d) On any sale involving a "non-listed" price or addition contemplated by paragraph (a) of this section, if the seller, for any reason, shall have failed to apply for approval of a maximum price under paragraph (a), the maximum price for the item sold shall be \$15.00 per thousand board feet, which maximum price shall include all allowances or additions for grade, size, condition, special workings, specifications or other extras.

[Paragraph (d) added by Am. 1, 9 F.R. 12966, effective 11-2-44]

#### ARTICLE III—SPECIFIC DUTIES AND PROHIBITED PRACTICES

**SEC. 10. What the invoice must contain—(a) Sales f. o. b. mill.** All invoices must contain a sufficiently complete description of the lumber to show whether the price is proper or not. Any working, specification, or extra which affects the maximum price must be mentioned in the description. The amount added for these does not have to be separately shown.

(b) *Sales on delivered basis.* In addition to information called for in paragraph (a) above, on all delivered sales, invoice must also show the:

- (1) Point of origin of shipment;
- (2) Destination;
- (3) Rail rate, if estimated weights are used; otherwise actual amount added for transportation;
- (4) The words "Direct-mill shipment";
- (5) Any separate charge which the seller is permitted to make for truck delivery after rail haul, or for trucking to railroad, must be shown separately on the invoice.

(c) *Direct-mill retail sales.* If the "direct-mill retail sale" mark-up is permissible and is added, this must be separately indicated on the invoice.

**SEC. 11. Averaging out—(a) Different grades, classes or sizes.** Different grades, classes, or sizes of lumber may be sold and invoiced at an average price

if all the following conditions are observed:

(1) The footage of each item must be shown separately, and a piece tally must be furnished for each shipment.

(2) The average price for the lumber actually shipped must not be higher than it would have been if all the individual grades, classes, and sizes shipped had been sold separately at the individual ceiling price.

(3) If the order is shipped in more than a single carload, truckload, or boat shipment, the following invoicing and charging practices must also be followed:

(i) The invoice must show that it is part of a larger order and identify the order. It must also show the individual ceiling prices for the various items of lumber actually contained in each shipment, and the average selling price agreed upon.

(ii) The charges which may be made and collected on account for each shipment must not exceed the average price agreed upon or the total for the items in the particular shipment, whichever is the lower. Thus, if an average price of \$40.00 was quoted on items with ceiling prices ranging from \$38.00 to \$42.00, and if a car of items with ceiling price of \$38.00 was shipped, only the \$38.00 price can be charged and collected on the car. But if a car of items with ceiling price of \$42.00 was shipped, only the average price of \$40.00 could be charged on that car.

(iii) Upon completion of the order the seller must render a final invoice showing the quantity of each shipment or delivery, the freight charge for each if sold on a delivered basis, the amount received on account, the total amount due on the order at the agreed average price and a reconciliation of the total amount so computed with the maximum prices permitted by this regulation. Final payment and all necessary adjustments between the buyer and seller are to be made upon the final reconciliation.

(b) *Different freight rates.* When a single order, for which a single flat delivered price was quoted and accepted, is shipped from two or more mills to a single destination on varying freight rates, the seller may average out the transportation charges. For example, if a wholesaler bids \$33.00 per MBM on a single order of a hundred thousand feet of lumber, the ceiling price being \$30.00 per MBM and the estimated freight \$3.00, he can ship half of it on a rate resulting in a \$2.00 freight charge and half on a rate resulting in a \$4.00 freight charge.

(1) Where this practice is adopted, the seller must observe all of the following conditions:

(i) Each invoice must state that the particular shipment is part of a larger order and identify the order. It must also show the individual rates for each shipment or delivery.

(ii) The transportation charges which may be made and collected for each shipment or delivery, on account, must not exceed the average transportation charge figured on the entire order or the actual transportation charge for the particular shipment based upon the permitted estimated weights, whichever is the lower.

(iii) Upon completion of the order the seller must render a final invoice showing the individual f. o. b. mill prices separately, the amount shipped from each mill, the freight charge for each shipment, and a reconciliation of the total amount so computed with the agreed delivered selling prices and also with the maximum prices permitted by this regulation. In the event that the sale was made at an average price for different grades, classes or sizes of lumber as well as an averaging-out of transportation charges, the provisions of (a) above shall also be observed. Final payment and all necessary adjustments between the buyer and seller are to be made upon the final reconciliation.

SEC. 12. *What records must be kept.* All sellers and all buyers who, in any one calendar month, sell or buy 20,000 board feet or more of any lumber covered by this regulation must keep records which will contain a complete description of the lumber involved, the name and address of the other party to the transaction, the date of the sale, and the prices. Such records must be retained for two years, for inspection by the Office of Price Administration.

SEC. 13. *Prohibited practices—(a) General.* Any practice which is a device to get the effect of a higher-than-ceiling price without actually raising the dollars-and-cents price is as much a violation of this regulation as an outright over-ceiling price. This applies to changes in credit practices and cash discounts and to devices making use of commissions, services, transportation arrangements, premiums, special privileges, tying-agreements, trade understandings and the like.

(b) *Specific practices.* The following are some of the specific practices prohibited:

(1) Getting the effect of a higher price by changing credit practices from what they were in October 1941. This includes decreasing credit periods or making greater charges for extension of credit.

(2) Refusing, without good reason, to ship except in specified or restricted random lengths or under other circumstances which bring the seller an extra return.

(3) Selling as specified lengths or widths, a specific lot or shipment of lumber which is substantially equivalent to random lengths or widths; except that, even though an order or inquiry does not call for definite quantities of specified widths or lengths, on grades where no random width prices are provided under sections 20 to 27, inclusive, if the shipper separates the widths, with the grades properly identified in loading, and separately tallies the widths and grades in invoicing, he may charge the prices provided for the separate widths and grades.

Reselling intact as specified lengths or widths a specific lot or shipment bought by the seller as standard or random lengths or widths, unless specifically permitted in the price tables. This prohibition shall not apply to shipments or deliveries which have been sorted out as to

widths and lengths and then resold. Stock ordered S4S or run to pattern requiring separation as to widths may be sold at specified width prices regardless of how ordered.

[Subparagraph (3) amended by Am. 1, 9 F.R. 12965, effective 11-2-44 and Am. 2, effective 9-11-45]

(4) Grading as a special grade, lumber which can be graded as a standard grade; or wrongly or falsely grading or invoicing lumber.

[Subparagraph (4) amended by Am. 1, 9 F.R. 12965, effective 11-2-44]

(5) Making additions for special specifications, services, or other extras which are not specifically permitted.

(6) Refusing to sell on an f. o. b. mill basis, or refusing to sell on a delivered basis.

(7) Failing to invoice properly and in accordance with the requirements of this regulation.

(8) Unnecessarily routing lumber through a distribution yard.

(9) Quoting a gross price above the maximum price, even if accompanied by a discount the effect of which is to bring the net price below the maximum.

(10) Getting a higher price by charging the buyer for ripping or resawing, or charging on a basis of an original size larger than the item actually delivered (for example, charging the price of 3/4 x 8 resawn to 4/4 x 8 on a sale of 4/4 x 8) except where the items ordered and delivered are non-standard sizes not specifically priced in the tables. This prohibition has no application where the buyer specifies the larger size to be ripped or resawn into items of smaller size and the resulting items are priced higher in the tables than the original larger size; for example, the buyer may order 1 x 4 C Select, priced at \$61.00 per MBM ripped to 1 x 2. By buying the larger size ripped the price to the buyer is lower (\$62.00) than it would have been had he ordered the 1 x 2 as such (\$64.00). In this example the maximum price is \$62.00.

(11) Making the buyer take something he does not want; for example, making a buyer who orders No. 3 Common take all the upper and lower grades developing in running the No. 3.

(12) Breaking up an order or apportioning deliveries in order to get the \$3.50 direct-mill retail sale addition.

(c) *Adding commission to ceiling prohibited.* It is unlawful for any person to charge, receive or pay a commission for the service of procuring (including buying, selling, or locating lumber, or for any related service such as "expediting") which does not involve actual physical handling of lumber, if the commission plus the purchase price results in a total payment by the buyer of lumber which is higher than the maximum price of the lumber. For the purpose of this regulation, a commission is any compensation, however designated, which is paid for the procurement of lumber. This prohibition has no application to the case of a bona fide employer-employee relationship where the employee serves only one employer, insofar as lumber procurement is concerned, and where the com-

ensation paid by the employer is a fixed salary and not based directly on the quantity, price, or value of the lumber in connection with which the service is rendered.

(d) *Combination grades.* Lumber sold on combination grades may not be sold above the maximum price for the lowest priced grade actually named in the combination. For example, the maximum price for lumber sold as No. 3 Common and better is the maximum price fixed for No. 3 common lumber. It is permissible to quote with specified higher grades as developed but when the lumber is shipped, the quantities falling in each grade must be tallied separately on a board foot basis and either loaded separately or so marked that the buyer may easily identify each grade for the purpose of checking against invoice when unloading, and separately invoiced at prices not in excess of ceiling prices for the respective grades. The provision for separating or marking grades does not apply to shop grades when sold to mill-work establishments.

SEC. 14. *Adjustable pricing.* Any person may agree to sell at a price which can be increased up to the maximum price in effect at the time of shipment; but no person may, unless authorized by the Office of Price Administration, deliver or agree to deliver at prices to be adjusted upward in accordance with action taken by the Office of Price Administration after shipment. Such authorization may be given when a request for a change in the applicable maximum price is pending, but only if the authorization is necessary to promote distribution or production and if it will not interfere with the purpose of the Emergency Price Control Act of 1942, as amended. The authorization may be given by the Administrator or by any official of the Office of Price Administration having authority to act upon the pending request for a change in price or to give the authorization.

The authorization will be given by order, except that it may be given by letter or telegram when the contemplated revision will be the granting of an individual application for adjustment.

SEC. 15. *Special pricing rules.* (a) Where the buyer specifies restricted lengths or restricted widths and the shipment fails to conform, the entire shipment must be priced at the random length or random width price (unless the agreed price is lower).

(b) Where the buyer orders a random length shipment, and the given percentages of lengths as specified in footnotes to some of the price tables are not met because there is too large a percentage of shorts, the excess shorts must be priced at the separate prices for the short lengths.

#### ARTICLE IV—MISCELLANEOUS

SEC. 16. *Applications for adjustment or petitions for amendment—(a) Government contracts.* See Procedural Regulation No. 6<sup>4</sup> for adjustment provisions on certain government contracts or sub-contracts.

<sup>4</sup> 9 F.R. 10322; 10 F.R. 1332.

(b) *Petitions for amendment.* Any person seeking an amendment of any provisions of this regulation may file a petition for amendment in accordance with the provisions of Revised Procedural Regulation No. 1<sup>r</sup> issued by the Office of Price Administration.

(c) In treating with petitions for amendment or adjustment, consideration will not be given to log costs which are higher than the applicable maximum purchase prices for logs established in Maximum Price Regulation 348, or any revision or amendment to that regulation. This rule shall be followed regardless of whether the petitioner gets logs by purchasing them, logging his own standing timber, contracting for the logging of his own standing timber, or any other means. All petitions in any way based on the cost of logs must show the actual cost to the petitioner of logs received at his plant during the three months immediately prior to filing the petition and the cost which would have been incurred by the petitioner if all of these logs had been purchased by him at ceiling prices.

**Sec. 17. Enforcement.** (a) Persons violating any provision of this regulation are subject to the criminal penalties, civil enforcement actions, suits for treble damages, and proceedings for suspension of licenses provided for by the Emergency Price Control Act of 1942, as amended.

(b) War procurement agencies and their contracting or paying finance officers are not subject to any liability, civil or criminal, imposed by this regulation. Persons who make sales covered by this regulation to war procurement agencies and buyers to whom lumber has been allocated by any such agencies are, however, subject to all the liabilities imposed by this regulation. "War procurement agencies" include the War Department, the Navy Department, the United States Maritime Commission and the Lend-Lease Section in the Procurement Division of the Treasury Department or any of their agencies.

**Sec. 18. Licensing.** The provisions of Licensing Order No. 1,<sup>s</sup> licensing all persons who make sales under price control, are applicable to all sellers subject to this regulation. A seller's license may be suspended for violations of the license or of one or more applicable price schedules or regulations. A person whose license is suspended may not, during the period of suspension, make any sale for which his license has been suspended.

**Sec. 19. Grades.** All grades and size terms appearing in this regulation refer to and have the meaning given in current Grading and Dressing Rules issued by the Western Pine Association.

<sup>r</sup> 9 F.R. 10476, 13715.  
<sup>s</sup> 9 F.R. 13240.

ARTICLE V—PRICE TABLES

**SEC. 20. Ponderosa pine.** For Ponderosa pine lumber (and other species commercially sold as Ponderosa, Western, or Mexican pine lumber, if not specifically priced in another section) the

maximum prices f. o. b. mill per one thousand feet board measure, surfaced, and air dried or kiln dried (except where otherwise specified in price tables), in mixed or straight load shipments, shall be as follows:

TABLE 1—SELECT GRADES (PONDEROSA PINE)

R. L. S2S or S4S	4/4	5/4	6/4	8/4	10/4	12/4	10/4
<b>1 and 2 clear (B and better):</b>							
Specified widths:							
2".....	\$68.00	\$75.00	\$75.00	\$81.00			
3".....	70.00	75.00	75.00	81.00			
4".....	55.00	72.00	72.00	78.00	\$103.00	\$108.00	\$116.00
5".....	71.00	82.00	82.00	88.00	113.00	118.00	120.00
6".....	67.00	72.00	72.00	78.00	103.00	108.00	116.00
8".....	69.00	77.00	77.00	83.00	108.00	113.00	121.00
10".....	71.00	82.00	82.00	88.00	113.00	118.00	123.00
12" and 13" and wider.....	90.00	92.00	92.00	98.00	123.00	128.00	130.00
R. W. 4" and wider.....	71.00	72.00	72.00	78.00	103.00	108.00	116.00
<b>C Selects:</b>							
Specified widths:							
2".....	64.00	69.00	69.00	74.00			
3".....	66.00	69.00	69.00	74.00			
4".....	61.00	66.00	66.00	71.00	82.00	86.00	103.00
5".....	67.00	76.00	76.00	81.00	102.00	106.00	116.00
6".....	63.00	66.00	66.00	71.00	82.00	86.00	103.00
8".....	65.00	71.00	71.00	76.00	97.00	101.00	110.00
10".....	67.00	76.00	76.00	81.00	102.00	106.00	115.00
12" and 13" and wider.....	86.00	86.00	84.00	91.00	112.00	116.00	125.00
R. W. 4" and wider.....	67.00	66.00	66.00	71.00	82.00	86.00	103.00
<b>D Selects:</b>							
Specified widths:							
2".....	51.00	55.00	55.00	60.00			
3".....	53.00	55.00	55.00	60.00			
4".....	48.00	52.00	52.00	57.00	73.00	78.00	86.00
5".....	54.00	62.00	62.00	67.00	83.00	88.00	96.00
6".....	50.00	52.00	52.00	57.00	73.00	78.00	86.00
8".....	52.00	57.00	57.00	62.00	78.00	83.00	91.00
10".....	54.00	62.00	62.00	67.00	83.00	88.00	96.00
12" and 13" and wider.....	68.00	72.00	72.00	77.00	93.00	98.00	108.00
R. W. 4" and wider.....	54.00	52.00	52.00	57.00	73.00	78.00	86.00

D and better short selects, 5' to 9' S2S or S4S  
1 x 4 and wider—\$44.  
5/4 and thicker, 4" and wider—\$47.

Condition:

1. Rough; all thicknesses—deduct \$2.
  2. Green, deduct 10 percent from dry price.
- Grade differentials:
3. Stain: Stained selects that for defects other than stain would grade:  
B and better—Deduct \$5 from price of B and better.  
C or C and better—Deduct \$5 from price of C.  
D or D and better—Deduct \$5 from price of D.
  4. Pitchy selects, deduct \$10 from price of D select.
  5. Australian clears, same price as D select.

Widths:

6. Specified widths:  
Specified widths over 12", for each inch over 12"—add \$2.00 to 12" price.  
Odd widths, 7", 9" and 11"—add \$1.00 to 8", 10" and 12" and so scaled.

Widths—Continued.

7. Special random widths:  
6" and wider—add \$0.50 to RW price.  
8" and wider—add \$2 to RW price.  
10" and wider—add \$7 to RW price.  
12" and wider, same as 12" price.  
14" and wider—add \$5 to 12" price.  
16" and wider—add \$10 to 12" price.  
18" and wider—add \$15 to 12" price.  
20" and wider, (except drainboards)—add \$20 to 12" price.  
22" and wider (except drainboards)—add \$25 to 12" price.

Lengths:

8. Specified lengths:  
4/4-10', 12' and 14'—add \$2.  
4/4-16'—add \$5.  
4/4-18' and 20'—add \$10.  
5/4 and thicker—18' and shorter—add \$5.  
5/4 and thicker—18' and 20'—add \$10.
9. Restricted random lengths: 10' and longer 4/4 and thicker—add \$2.

TABLE 2—SHOP LUMBER (PONDEROSA PINE)

S2S RW and RL	4/4	5/4	6/4	8/4	10/4	12/4	10/4
4/4 shop common.....	\$33.50						
No. 3 clear.....	42.00	\$58.00	\$56.00	\$70.00	\$81.00	\$89.00	\$93.00
No. 1 shop.....		48.00	43.00	53.00	65.00	69.00	78.00
No. 2 shop.....		33.00	38.00	44.00	50.00	52.00	59.00
No. 3 shop.....		31.00	31.00	32.00	30.00	33.00	42.00

Condition:

1. Rough:  
4/4 shop common—deduct \$1.  
No. 3 clear—deduct \$2.  
No. 1 shop—deduct \$2.  
No. 2 and No. 3 shop—deduct \$1.
2. Green: Deduct 10 percent from dry price.

Grade differentials:

3. Stained:  
4/4 shop—deduct 5 percent from grade price.  
5/4 and thicker, all grades—deduct 10 percent from grade price.

TABLE 31—4/4" COMMON BOARDS (PONDEROSA PINE)

RL S2S or S4S to 2 5/8"	1 x 4" and wider	1 x 4"	1 x 6"	1 x 8"	1 x 10"	1 x 12"	1 x 14"	1 x 16"	1 x 18"	1 x 20"
No. 1		\$47	\$47	\$47	\$48	\$53	\$59	\$69	\$74	\$83
No. 2		41	40	39	39	41	44	48	52	55
No. 3		38	35	35	35	35	39	43	49	42
No. 4	\$26	25	23	27	27	27	27	27	27	27
No. 5	18	18	18	19	19	19	19	19	19	19

No. 4 and Better Short Common S2S or S4S to 2 5/8":  
 1 x 4" and wider 9' and 8' ..... \$21.00  
 1 x 4" only, 6' and 8' ..... 23.00  
 1 x 6" and 1 x 8", 6' and 8' ..... 23.00  
 1 x 10" and 1 x 12", 6' and 8' ..... 23.00

1 See note and footnotes following table 3B.

TABLE 3A1—3/4" COMMON BOARDS (ON GRADE)

RL S1S, S1S2E, S2S or S4S to 3/4"	3/4 x 4" and wider	3/4 x 4"	3/4 x 6"	3/4 x 8"	3/4 x 10"	3/4 x 12"
No. 1		\$46.00	\$46.00	\$46.00	\$47.00	\$52.00
No. 2		40.00	39.00	38.00	38.00	40.00
No. 3		35.00	35.00	34.00	34.00	36.00
No. 4	\$25.25	24.25	23.25	23.25	23.25	24.25
No. 5	17.50	17.50	17.50	17.50	17.50	17.50

1 See note and footnotes following table 3B.

TABLE 3B—1 1/8" COMMON BOARDS (ON GRADE)

RL S1S, S1S2E, S2S or S4S to 1 1/8"	1 1/8 x 4" and wider	1 1/8 x 4"	1 1/8 x 6"	1 1/8 x 8"	1 1/8 x 10"	1 1/8 x 12"
No. 1		\$41.00	\$41.00	\$41.00	\$41.75	\$45.00
No. 2		35.75	35.00	34.25	34.25	35.75
No. 3		31.25	31.25	29.75	29.75	31.25
No. 4	\$23.00	22.25	23.00	23.75	23.75	23.75
No. 5	17.00	17.00	17.00	17.75	17.75	17.75

FOOTNOTES APPLICABLE TO TABLES 3, 3A AND 3B

NOTE: No. 1, 2, and 3 Common RW, see section 28, Note 24.  
 No. 4 and 5 Common RW/RL may contain 20% 4' and 20% 4' to 8'.

Condition:

1. Rough—deduct \$2.00.
2. Green—deduct \$4.50.

Grade differentials:

3. Knotty Pine Panel Stock (4/4" only)—add \$5 to price of regular grade from which selected.

Widths:

4. Special Random Widths:  
 No. 1 and 2 Common, 13" and wider (4/4 only)—add \$4.00 to 12" price.  
 No. 3 Common, 13" and wider (4/4 only)—add \$2.00 to 12" price.  
 No. 4 and 5 Common, 1 x 6" and wider (4/4 only)—add \$0.50 to RW price.  
 No. 4 and 5 Common, 13" and wider—same price as 12".  
 All grades—3/4", 11/16" and 5/4" and thicker, 13" and wider—same price as 12".

5. Odd Widths:

7", 9", and 11"—add \$1.00 to 8", 10" and 12" price and so scaled.  
 Odd widths 13" and wider—price at next lower width price, scale actual.

Length:

6. Specified lengths:  
 No. 1, 2, and 3 Common:  
 4" and 6"—16', 18' and 20'—add \$2.00 to RL price.  
 8" and wider—10', 12', 18' and 20'—add \$2.00 to RL price.  
 No. 4 and 5 Common:  
 All widths—10', 12', 14', 16', 18', and 20'—add \$2.00 to RL price.  
 When shipped all 6' (all grades)—deduct \$3.00 from RL price.  
 Lengths not mentioned (all grades)—use RL price.
7. Restricted Random lengths: 10' and longer, 4/4" and thicker—add \$1.00 to RL price.

Thickness:

8. Additions to 4/4 price:

- No. 1 Common:  
 5/4 and 6/4—\$4.00.  
 7/4 and 8/4—\$2.00.
- No. 2 Common:  
 5/4 and 6/4—\$3.00.  
 7/4 and 8/4—\$1.00.
- No. 3 Common:  
 5/4 and 6/4—\$2.00.  
 7/4 and 8/4—\$0.75.
- No. 4 and 5 Common:  
 5/4 and 6/4—\$1.00.  
 7/4 and 8/4—same price as 4/4.

[Table 3 amended and Tables 3A and 3B added by Am. 2, effective 9-11-45]

TABLE 4—DIMENSION (PONDEROSA PINE)

RL S1S1E or S4S 1-1/8" HM scaled as 2"	2 x 4"	2 x 6"	2 x 8"	2 x 10"	2 x 12"
No. 1	\$31.00	\$30.00	\$29.00	\$29.00	\$29.00
No. 2	23.00	27.00	27.00	27.00	27.00
No. 3	18.50	17.50	17.50	17.50	17.50

Condition:

1. Rough—deduct \$1.
2. Green—deduct \$2.

TABLE 7—BEVEL SKING (PONDEROSA PINE)

3/4" x 3/8" SM—3' and longer	B & Btr.	C	D	E
3/4 x 4"	\$29.00	\$28.00	\$29.00	\$16.00
3/4 x 6"	32.00	30.00	23.00	18.50
3/4 x 8"	31.00	29.00	23.00	18.50
3/4 x 4" shorts 3 to 8'	21.00	20.00	12.00	10.00
3/4 x 6" shorts 3 to 8'	23.00	22.00	13.00	10.00

Lengths:

1. B & Btr., C and D may contain 20% 3' to 8 1/2' in multiples of 6".
2. E may contain 35% 3' to 8 1/2' in multiples of 6".
3. Restricted random lengths: 9' and longer—add \$3.

Widths:

3. Wider than listed. For each 2" wider than listed: Add \$1 to price of widest listed width.

3a. Random widths in No. 1, 2 and 3 Dimension. See Sec. 23, Note 24.

[Footnote 3a added by Am. 2, effective 9-11-45]

Lengths:

4. Specified lengths:  
 14' and shorter—add \$1.  
 16'—add \$0.50.  
 18' and 20'—add \$2.

Thickness:

5. Thicker than listed:  
 For 1 1/8" add, No. 1—\$4.50, No. 2—\$4, No. 3—\$3.  
 For 1 1/4" add, No. 1—\$6.75, No. 2—\$6, No. 3—\$4.75.

TABLE 5—NO. 1 PLANK AND TIMBERS (PONDEROSA PINE)

S1S1E or S1S, green	8, 12, 14, 16" or RL	10, 12, 20'	22, 24'
3 x 4", 3 x 6", 4 x 4", 4 x 6"	\$33.50	\$35.50	\$36.50
3 x 8", 4 x 8"	24.50	26.50	27.50
3 x 10", 3 x 12", 4 x 10", 4 x 12"	33.50	37.50	38.50
6 x 6" to 8 x 10"	25.50	27.50	28.50
6 x 12" to 8 x 12"	23.50	25.50	26.50
10 x 16" to 12 x 12"	37.50	39.50	40.50

Condition:

1. Rough—deduct \$1.
2. Dry—add \$10.

Grade differentials:

3. No. 2 and better—deduct \$1.
4. No. 2—deduct \$3.
5. No. 3—deduct \$10.

Width and thickness:

6. Wider and/or thicker than listed: For each 2" increase in either dimension add \$1 to price of largest listed size.

TABLE 6—MILL RUN BOX AND SHOP DROPPINGS (PONDEROSA PINE)

4/4 RW/RL rough dry—\$27.50.  
 5/4 and thicker RW/RL rough dry—\$28.50.

Condition:

1. S2S—add \$1.00.
2. Green—deduct \$1.50.

Grade:

3. Mill Run Box is a combination of No. 1 and No. 2 Box, including not over 15% No. 2.

Widths:

4. Specified widths, no addition.

TABLE 6A—SHOT BOX (PONDEROSA PINE)

4/4 and thicker RW 12" to 47" rough dry—\$18.00.

Condition:

1. S2S or S1S—add \$1.00.

Grade:

2. As described in Western Pine Association Standard Grading Rules.

Measurement:

3. May be sold on actual board measure scale, or may be sold on weight figuring 2,000 lbs. per 1,000 ft. on surfaced stock or 2,500 lbs. per 1,000 ft. on rough stock.

[Table 6 amended and Table 6A added by Am. 2, effective 9-11-45]

TABLE 8—MOULDING STOCK (PONDEROSA PINE)

4/4 RW and RL S2S.....	\$43
5/4 and thicker RW and RL S2S.....	45

Condition:

1. Rough—deduct \$1.
2. Green—deduct 10% from dry price.

TABLE 9—MOULDING LUMBER AND BETTER (PONDEROSA PINE)

4/4 RW and RL, rough dry.....	\$48
5/4 and thicker RW and RL rough dry.....	50

Condition:

1. For S2S—add \$1.
2. Green—deduct 10% from dry price.

TABLE 10—DRAINBOARD STOCK (PONDEROSA PINE)

5/4 and 6/4 1 and 2 clear (B & Btr) S2S selected:	\$110
20" and wider RWRL.....	125

Condition:

1. Rough—deduct \$2.
2. Green—deduct 10% from dry price.
3. For 8/4—add \$5.

Sec. 21. Idaho White pine. For Idaho white pine lumber the maximum prices

f. o. b. mill per one thousand feet board measure, surfaced, air dried or kiln dried (except where otherwise specified in price tables), in mixed or straight load shipments, shall be as follows:

TABLE 11—LATH (PONDEROSA PINE)

3/4" x 1 1/2".....	4' No. 1—\$6 per M Pcs.
3/4" x 1 1/2".....	4' No. 2—\$5 per M Pcs.
3/4" x 1 1/2".....	32" No. 1—\$2.70 per M Pcs.
1/2" x 1 1/2".....	4' Fence lath (80% No. 1-20% No. 2)—\$7.25 per M Pcs.

TABLE 12—BARRY STRIPS (PONDEROSA PINE)

1 x 4" RL S2S or S4S, may contain 25% 6' and 8'.....	\$21.75
1 x 4" 6' and 8' only S2S or S4S.....	13.75

Condition:

1. Rough—deduct \$1.
2. Green—deduct \$1.50.

TABLE 13—PANEL STOCK (PONDEROSA PINE)

RWRL S2S.....	3/16"	3/16"
B and better.....	\$62.00	\$67.00
C.....	57.00	62.00
D.....	42.00	47.00

Condition:

1. Specified widths and lengths: Use differentials established for 3/4" select under Table 1.

TABLE 14—BATTENS (PONDEROSA PINE)

1 3/4" (OG) net—\$3.50 per M lin. ft.	
2" (OG) net—\$9.50 per M lin. ft.	
2 1/4" (OG) net—\$10.50 per M lin. ft.	
3/4" x 2 3/4" net, flat, rough or S1S—\$6 per M lin. ft.	

Condition:

1. For 18" and 20" lengths—add \$1.
- For differentials and rates applicable to all grades of all species see section 23.

TABLE 1—SELECT GRADES (IDAHO WHITE PINE)

RL S2S or S4S	1 x 2"	1 x 3"	1 x 4"	1 x 5"	1 x 6"	1 x 8"	1 x 10"	1 x 12"
B and better.....	\$78.00	\$79.00	\$76.00	\$79.00	\$77.00	\$77.00	\$81.00	\$100.00
C select.....	71.00	72.00	69.00	72.00	70.00	70.00	74.00	90.00
D select.....	54.50	54.50	52.50	57.50	52.50	52.50	61.00	77.00
RL S2S or S4S	5/4 x 2"	5/4 x 3"	5/4 x 4" or 5/4 x 4" and wider	5/4 x 6"	5/4 x 8"	5/4 x 10"	5/4 x 12"	
B and better.....	\$92.00	\$94.00	\$89.00	\$91.00	\$94.00	\$99.00	\$105.00	
C select.....	82.00	81.00	79.00	81.00	84.00	89.00	93.00	
D select.....	70.00	72.00	67.00	69.00	72.00	77.00	87.00	

Condition:

1. Rough, all thicknesses—deduct \$2.
2. Green—deduct 10% from dry price.

Widths:

5. Specified widths over 12" for each inch over 12"—add \$2 to 12" price.
6. 13" and wider, random widths, 4/4 and thicker: Same price as 12".
7. Special random widths, 5/4 and thicker: 6" and wider RW—add \$2 to 4" and wider price. 8" and wider RW—add \$5 to 4" and wider price.
8. Odd widths, 7", 9" and 11"—add \$1 to 8", 10" and 12" price, and so scaled.

Lengths:

9. Specified lengths: 4/4-8', 10', 12', and 14'—net. 16', 18', and 20'—add \$10. 5/4 and thicker 16' and shorter—add \$5. 18' and 20'—add \$10.
10. Restricted random lengths: 10' and longer 4/4 and thicker—add \$2. 11. 4/4-14' and shorter RL (No 16' included)—deduct \$3.
12. Random lengths may contain 5% shorter than 8' and 15% odd length.

Thickness:

13. Additions for thickness to 5/4 RL S2S price:

	6/4	8/4	10/4	12/4	16/4
B and better.....	None	\$11.00	\$42.00	\$54.00	\$61.00
C.....	None	14.00	39.00	41.00	61.00
D.....	None	5.00	25.00	35.00	45.00

TABLE 2—SHOP LUMBER (IDAHO WHITE PINE)

RW & RL S2S	4/4	5/4	6/4	8/4	10/4	12/4	16/4
4/4 shop common.....	\$33.00						
No. 1 shop.....	\$37.60	\$37.60	\$72.50	\$72.50	\$97.50	\$107.50	\$117.50
No. 2 shop.....	42.00	42.00	47.00	47.00	69.50	70.50	76.50
No. 3 shop.....	32.50	32.50	33.50	33.50	47.50	49.50	53.50

Condition:

1. E-cugh: 4/4 shop common—deduct \$1. No. 1 shop—deduct \$2. No. 2 and 3 shop—deduct \$1.
2. Green: deduct 10% from dry price.

Grade differentials:

3. When sold as No. 3 and better, pile run on grade prices, deduct \$5 from No. 1 shop price and \$2 from No. 2 shop price.
4. Stain: For stained shop: 4/4 shop common; deduct 5%. 5/4 & thicker, all grades, deduct 10%.

TABLE 3 1/4"—4" COMMON BOARDS (IDAHO WHITE PINE)

RL S2S or S4S to 25/32"	1 x 4" and wider	1 x 4"	1 x 5"	1 x 6"	1 x 8"	1 x 10"	1 x 12"	1 x 13" and wider RW
Colonial (No. 1).....	\$51.50	\$49.50	\$49.50	\$49.50	\$49.50	\$55.75	\$77.00	\$82.00
Standard (No. 2).....	47.50	45.50	45.50	45.50	45.50	47.00	51.00	56.00
Standard (No. 3).....	36.00	35.00	35.00	35.00	35.00	37.50	37.00	42.50
No. 3 and Btr. shorts (5/8" RL).....	\$32.00	28.00	28.00	28.00	28.00	33.50	33.50	33.50
Utility (No. 4).....	23.50	27.00	27.00	27.00	27.00	30.00	30.00	30.00
No. 4 and Btr. shorts (5/8" RL).....	31.00	27.00	27.00	27.00	27.00	32.50	32.50	32.50
No. 4, 1 x 6" and wider, 4" and longer—\$31.00.....	23.00	21.50	21.50	21.50	21.50	23.50	23.50	23.50
Industrial (No. 5).....	23.00	21.50	21.50	21.50	21.50	23.50	23.50	23.50

Condition:

1. See note and footnotes following table 3B.

TABLE 3A 1-3/4" COMMON BOARDS (ON GRADE)

RL S1S, S1S2E, S2S or S4S to 3/4"	3/4" x 4" and wider	3/4" x 4"	3/4" x 5"	3/4" x 6"	3/4" x 8"	3/4" x 10"	3/4" x 12"	3/4" x 13" and wider
Colonial (No. 1).....	\$50.50	\$48.50	\$48.50	\$48.50	\$48.50	\$54.75	\$76.00	\$81.00
Standard (No. 2).....	46.50	44.50	44.50	44.50	44.50	46.00	50.00	55.00
Standard (No. 3).....	35.00	34.00	34.00	34.00	34.00	36.50	36.00	41.50
Utility (No. 4).....	23.25	26.25	26.25	26.25	26.25	29.25	29.25	29.25
Industrial (No. 5).....	\$28.75	22.50	22.50	22.50	22.50	23.00	23.00	23.00

Condition:

1. See note and footnotes following table 3B.

TABLE 3B—1 1/2" COMMON BOARDS (ON GRADE)

1 1/2" x 4" and wider	1 1/2" x 4" x 8"	1 1/2" x 4" x 10"	1 1/2" x 4" x 12"	1 1/2" x 4" x 14"	1 1/2" x 4" x 16"	1 1/2" x 4" x 18"	1 1/2" x 4" x 20"
IL SIS, SISOP, SSS or SAS to 1 1/2"	\$47.25	\$45.75	\$45.75	\$45.75	\$45.75	\$45.75	\$45.75
Colonial (No. 1)	47.25	45.75	45.75	45.75	45.75	45.75	45.75
Standard (No. 2)	47.25	45.75	45.75	45.75	45.75	45.75	45.75
Utility (No. 3)	47.25	45.75	45.75	45.75	45.75	45.75	45.75
Industrial (No. 4)	47.25	45.75	45.75	45.75	45.75	45.75	45.75
1 1/2" x 4" x 10" and wider	47.25	45.75	45.75	45.75	45.75	45.75	45.75

FOOTNOTES APPLICABLE TO TABLES 3, 3A AND 3B  
 Note: No. 1, 2 and 3 Common RW, See Section 2B, Note 24.  
 No. 4 and 5 Common RW/RL may contain 20% 4' and 20% 4' to 8'.

Condition:  
 1. Rough—less than 8/4—deduct \$2.00.  
 2. Rough—8/4 and thicker—deduct \$1.00.  
 3. Green—deduct \$4.50.

Grade differential:  
 4. Knoty Pine Panel Stook (4/4 only)—add \$5.00 to price of regular grade from which selected.

Width:  
 5. Specified even widths over 12":  
 No. 1, No. 2 and No. 3 (4/4 only)—add \$2.00 to 13" and wider price for each inch over 12".  
 No. 4 and No. 5—use 12" price.

6. Specified odd widths:  
 7", 9" and 11"—add \$1.00 to 8", 10" and 12" price and so scaled.  
 13" and wider—price at next lower width price, cents actual.

For 5' width in 5/4 and thicker (No. 1 only)—add \$1.00 to 10" price.

Length:  
 7. Specified lengths:  
 No. 1, No. 2 and No. 3 Common:  
 4", 4" and 9"—8", 10", 13" and 14"—deduct \$1.00 from RL price.  
 4" and 6"—10", 18" and 20"—add \$1.00 to RL price.  
 8", 10" and 12"—10", 12", 18" and 20"—add \$1.00 to RL price.  
 8", 10" and 12"—8", 14" and 18"—deduct \$1.00 from RL price.

Thickness:  
 9. Addition to 4/4 price:  
 No. 1 Common, all widths except 5':  
 5/4, 6/4 and 8/4----- 08.00  
 7/4----- 2.00  
 10/4 and 12/4----- 16.00  
 16/4----- 18.00  
 No. 2 Common, all widths:  
 5/4, 6/4 and 8/4----- 6.00  
 7/4----- 2.00  
 10/4----- 8.00  
 12/4----- 10.00  
 16/4----- 13.00  
 No. 3 Common, all widths:  
 5/4, 6/4 and 8/4----- 2.00  
 7/4----- 7.75  
 10/4----- 3.00  
 12/4----- 7.00  
 16/4----- 9.00  
 No. 4 and No. 5 Common, all widths:  
 5/4, 6/4 and 8/4----- 1.00  
 7/4—same price as 4/4.

Table 3 amended and Tables 3A and 3B added by Am. 2, effective 9-11-45

TABLE 4—DEVEL SIDING (IDAHO WHITE PINE)

1 1/2" x 3 1/2" SM, 5' and longer	B and better	O	D	E
1 1/2" x 3 1/2" SM, 5' and longer	\$32.25	\$30.00	\$30.75	\$16.00
1 1/2" x 3 1/2" SM, 5' and longer	32.25	30.00	30.75	16.00
1 1/2" x 3 1/2" SM, 5' and longer	32.25	30.00	30.75	16.00
1 1/2" x 3 1/2" SM, 5' and longer	32.25	30.00	30.75	16.00
1 1/2" x 3 1/2" SM, 5' and longer	32.25	30.00	30.75	16.00

1. B and better, O and D, may contain 20% 3' to 8 1/2' in multiples of 6".  
 2. E may contain 35% 3' to 8 1/2' in multiples of 6".  
 3. Restricted random lengths: 6' and longer—add \$3.00.

TABLE 5—PANEL STOCK (IDAHO WHITE PINE)

RW RL S2S	7/10	9/10
B and better	\$102.00	\$97.00
C and better	67.00	62.00
D	42.00	47.00

1. Specified widths and lengths, use differentials established for 5/4 C Selects, Table 1 Section 20.

TABLE 6—BARTENS (IDAHO WHITE PINE)

1 1/2" (OG) net—\$9.50 per M. lin. ft.  
 2" (OG) net—\$9.50 per M. lin. ft.  
 2 1/2" (OG) net—\$10.50 per M. lin. ft.  
 3" x 2 3/4" net flat rough or SIS—\$8 per M. lin. ft.  
 1. For 18 and 20"—add \$1.

Sec. 22. Sugar pine lumber. For sugar pine lumber, maximum prices, f. o. b. mill, per one thousand feet board measure surfaced, air dried or kiln dried (except where otherwise specified in price tables), in mixed or straight load shipments, shall be as follows:

TABLE 1—SELECT GRADES (SUGAR PINE)

S2S or S1S, RW&RL	4/4	6/4	8/4	10/4	12/4	16/4
1. 2 clear (B and better)	\$72.00	\$78.00	\$84.00	\$90.00	\$96.00	\$102.00
C select	72.00	78.00	84.00	90.00	96.00	102.00
D select	62.00	68.00	74.00	80.00	86.00	92.00

D and better 5' to 9' short selects S2S or S1S:  
 1 x 8' and wider----- 655  
 5/4 and thicker 8' and wider----- 57  
 1 x 4"----- 44  
 1 x 6"----- 43

Condition:  
 1. Rough—Deduct \$3.  
 2. Green—Deduct 10% from grade price.

Grade differentials:  
 3. Stain: For stained selects that for defects, other than stain, would grade: B and better—deduct \$6 from price of B and better.  
 C or O and better—deduct \$5 from price of O.  
 D or D and better—deduct \$5 from price of D.  
 4. Pittedy selects: Deduct \$10 from price of D select.  
 5. Australian clear—same price as D select.

TABLE 2—SHOP LUMBER (SUGAR PINE)

S2S RW&RL	4/4	6/4	8/4	10/4	12/4	16/4
No. 1 clear	\$47.00	\$52.00	\$57.00	\$62.00	\$67.00	\$72.00
No. 1 Shop	47.00	52.00	57.00	62.00	67.00	72.00
No. 2 clear	42.00	47.00	52.00	57.00	62.00	67.00
No. 2 Shop	42.00	47.00	52.00	57.00	62.00	67.00
No. 3 clear	34.00	39.00	44.00	49.00	54.00	59.00
No. 3 Shop	34.00	39.00	44.00	49.00	54.00	59.00
Shop common	38.00	43.00	48.00	53.00	58.00	63.00

Condition—Continued  
 2. Green—deduct 10% from dry price.  
 Grade differentials:  
 3. Stained Shop  
 4/4—deduct 5% from grade price.  
 5/4 and thicker—deduct 10% from grade price.

TABLE 7—LATH (IDAHO WHITE PINE)

3/4" x 1 1/2" No. 1	4" No. 1	4" No. 2	4" No. 3
3/4" x 1 1/2" No. 1	4" No. 1	4" No. 2	4" No. 3
3/4" x 1 1/2" No. 2	4" No. 2	4" No. 3	
3/4" x 1 1/2" No. 3	4" No. 3		

TABLE 8—BANKY STRIPS (IDAHO WHITE PINE)

1 x 4" F. L. 6 to 20' (may contain 20% 6' & 8')—\$22.75  
 1 x 4" 6' and 8' only—\$19.75  
 1. Rough—Deduct \$1.  
 2. Green—Deduct \$1.50.  
 For differentials and rules applicable to all grades of all species see section 28.

TABLE 31-4/4" COMMON BOARDS (SUGAR PINE)

RL S2S or S4S to 23/32"	1 x 4" and wider	1 x 4"	1 x 6"	1 x 8"	1 x 10"	1 x 12"	1 x 14"	1 x 16"	1 x 18"	1 x 20"
No. 2 and Better.....	\$43	\$43	\$43	\$43	\$43	\$43	\$47	\$51	\$55	\$50
No. 3.....	34	35	35	35	35	35	36	38	40	42
No. 4.....	26	25	26	27	27	27	27	27	27	27
No. 5.....	18	18	18	19	19	19	19	19	19	19

No. 4 and Better Short Common 6' and 8' S2S or S4S:

1 x 4" and wider.....	\$24
1 x 4" only.....	23
1 x 6" and 8".....	2
1 x 10" and 12".....	55

1 See note and footnotes following table 3B.

TABLE 3A-3/4" COMMON BOARDS (ON GRADE)

RL S1S, S1S2E, S2S or S4S to 3/4"	3/4 x 4" and wider	3/4 x 4"	3/4 x 6"	3/4 x 8"	3/4 x 10"	3/4 x 12"
No. 2 and Better.....	\$42.00	\$42.00	\$42.00	\$42.00	\$42.00	\$42.00
No. 3.....	33.00	34.00	34.00	34.00	34.00	34.00
No. 4.....	25.25	24.25	25.25	26.25	26.25	26.25
No. 5.....	17.50	17.50	17.50	18.50	18.50	18.50

1 See note and footnotes following table 3B.

TABLE 3B-1 1/2" COMMON BOARDS (ON GRADE)

RL S1S, S1S2E, S2S or S4S to 1 1/2"	1 1/2 x 4" and wider	1 1/2 x 4"	1 1/2 x 6"	1 1/2 x 8"	1 1/2 x 10"	1 1/2 x 12"
No. 2 and Better.....	\$36.50	\$36.50	\$36.50	\$36.50	\$36.50	\$36.50
No. 3.....	29.75	30.50	30.50	30.50	30.50	30.50
No. 4.....	23.00	22.25	23.00	23.75	23.75	23.75
No. 5.....	17.00	17.00	17.00	17.75	17.75	17.75

FOOTNOTES APPLICABLE TO TABLES 3, 3A AND 3B

NOTE: No. 4 and 5 Common RW/RL may contain 20% 4" and 20% 4" to 8".

Condition:

1. Rough-less than 8/4—deduct \$2.00.
2. Rough-8/4 and thicker—deduct \$1.00.
3. Green—deduct \$4.50.

Grade differentials:

4. Knotty Pine Panel Stock (4/4 only)—add \$5.00 to price of grade from which selected.

Width:

5. Special random widths:
  - No. 2 and better Common, 13" and wider (4/4 only)—add \$5.00 to 1 x 4" and wider price.
  - No. 3 Common, 13" and wider (4/4 only)—add \$3.00 to 1 x 4" and wider price.
  - No. 4 and 5 Common, 1 x 6" and wider (4/4 only)—add \$0.50 to RW price.
  - No. 4 and 5 Common, 13" and wider—same price as 12".

6. Odd widths:
  - 7", 9" and 11"—add \$1.00 to 8", 10" and 12" price and so scaled.
  - Odd widths 13" and wider—price at next lower width price, scale actual.

Lengths:

7. Specified lengths:
  - No. 2 and better and No. 3 Common: 4" and 6"—16', 18' and 20"—add \$2.00 to RL price.
  - 8" and wider—10', 12', 18' and 20"—add \$2.00 to RL price.
  - No. 4 and 5 Common: 10', 12', 14', 16', 18' and 20"—add \$2.00 to RL price.
  - When shipped all 6' (all grades)—deduct \$3.00 from RL price.
  - Lengths not mentioned (all grades)—use RL price.
8. Restricted random lengths:
  - 10' and longer, 4/4 and thicker—add \$1.00 to RL price.

Thickness:

9. Addition to 4/4" price:
  - No. 2 and Better Common:
    - 5/4 and 6/4..... \$2.00
    - 8/4..... 3.00
    - 7/4..... 1.00
    - 10/4..... 4.00
    - 12/4 and 16/4..... 5.00
  - No. 3 Common:
    - 5/4, 6/4 and 8/4..... 2.00
    - 7/4..... 0.75
    - 10/4 and thicker..... 5.00
  - No. 4 and 5 Common:
    - 5/4, 6/4 and 8/4..... 1.00
    - 7/4—same price as 4/4.

[Table 3 amended and Tables 3A and 3B added by Am. 2, effective 9-11-45]

TABLE 4—DIMENSION (SUGAR PINE)

RL S1S1E or S4S 1 1/2" HM scaled as 2"	2 x 4"	2 x 6"	2 x 8"	2 x 10"	2 x 12"
No. 1.....	\$31.00	\$30.00	\$29.50	\$30.00	\$30.00
No. 2.....	23.00	27.00	27.00	27.00	27.00
No. 3.....	18.50	17.50	17.50	17.50	17.50

Condition:

1. Rough—deduct \$1.
2. Green—deduct \$2.

Lengths:

3. Specified lengths:
  - 14' and under 14"—add \$1.
  - 16"—add \$0.50.
  - 18' and 20"—add \$2.

Widths:

4. Wider than listed: for each 2" wider than listed, add \$1 to price of widest listed width.
- 4a. Random widths No. 1, 2 and 3 dimension, see Sec. 28, Note 24.

[Footnote 4a added by Am. 2, effective 9-11-45]

Thickness:

5. Thicker than listed:
  - For 1 1/2" add, No. 1—\$4.50, No. 2—\$4, No. 3—\$3.
  - For 1 3/4" add, No. 1—\$6.75, No. 2—\$6, No. 3—\$4.75.

TABLE 5—NO. 1 PLANK AND TIMBERS (SUGAR PINE)

S1S1E or S4S, green	8, 12, 14, 16" or R. L.	10, 18, 20'	22, 24'
3 x 4", 3 x 6", 4 x 4", 4 x 6"	\$33.50	\$35.50	\$30.50
3 x 8", 4 x 8"	34.50	36.50	37.50
3 x 10", 3 x 12", 4 x 10", 4 x 12"	35.50	37.50	38.50
6 x 6" to 8 x 10"	36.50	37.50	38.50
6 x 12" to 8 x 12"	36.50	38.50	39.50
10 x 10" to 12 x 12"	37.50	39.50	40.50

Condition:

1. Rough—deduct \$1.
  2. Dry—add \$10.
- Grade differentials:
3. No. 2 and better—deduct \$1.
  4. No. 2—deduct \$3.
  5. No. 3—deduct \$10.

Widths and thickness:

6. Wider and/or thicker than listed: For each 2" increase in either dimension add \$1 to price of largest listed size.

TABLE 6.—MILL RUN BOX AND SHOP DROPPINGS (SUGAR PINE)

- 4/4 RW/RL, rough dry—\$27.50.
- 5/4 & thicker, RW/RL, rough dry—\$28.50.

Condition:

1. S2S—add \$1.00.
2. Green—deduct \$1.50.

Grade:

3. Mill Run Box is a combination of No. 1 Box and No. 2 Box, including not over 15% No. 2.

Widths:

4. Specified widths, no addition.

TABLE 6A.—SHORT BOX (SUGAR PINE)

- 4/4 and thicker, RW 12" to 47" rough dry—\$18.00.

Condition:

1. S2S or S4S—add \$1.00.

Grade:

2. As described in Western Pine Association Standard Grading Rules.

Measurement:

3. May be sold on actual board measure scale, or may be sold on weight figuring 2,000 lbs. per 1,000 ft. on surfaced stock or 2,500 lbs. per 1,000 ft. on rough stock.

[Table 6 amended and Table 6A added by Am. 2, effective 9-11-45]

TABLE 7—MOULDING STOCK (SUGAR PINE)

1/4 RW&RL S2S or S4S.....	\$50
3/4 and 1/2 RW&RL S2S or S4S.....	52
3/4 RW&RL S2S or S4S.....	55

1. Rough—deduct \$1.
2. Green—deduct 10% from dry price.

TABLE 8—MOULDING LUMBER AND BETTER (SUGAR PINE)

4/4 RW&RL rough.....	\$55
5/4 and thicker RW&RL rough.....	59

Condition:

1. Surfacing S2S—add \$1.
2. Green—deduct 10% from dry price.

Grade:

3. Product of log above No. 1 Shop producing 50% rip 2" and wider 10' and longer.

TABLE 9—PANEL STOCK (SUGAR PINE)

1. When shipment contains any Ponderosa pine panel stock, use prices in table 13, section 20, covering Ponderosa pine.
2. Where buyer specifies all Sugar pine: add \$5 to Ponderosa pine prices.
3. Specified widths and length: use differentials established for 5/4" C Select, table 1, section 20.

TABLE 10—BATTENS (SUGAR PINE)

	Per M Linear feet
1 3/4" (OG) net.....	\$8.50
2" (OG) net.....	9.50
2 1/4" (OG) net.....	10.50
3/8 x 2 3/4" net flat, rough or S1S.....	6.00

1. For 18" and 20"—add \$1.

TABLE 11—LATH (SUGAR PINE)

	Per M. Pcs.
3/8 x 1 1/2"—4' No. 1.....	\$6.00
3/8 x 1 1/2"—4' No. 2.....	5.00
3/8 x 1 1/2"—32" No. 1.....	2.70
1/2 x 1 1/2"—4' Fence lath (80% No. 1—20% No. 2).....	7.25

TABLE 12—BARKY STRIPS (SUGAR PINE)

1 x 4" RL (may contain 25% 6' & 8').....	\$21.75
1 x 4"—6' & 8' only.....	18.75

1. Rough—deduct \$1.
2. Green—deduct \$1.50.

TABLE 13—DRAINBOARDS (SUGAR PINE)

1 & 2 clear (B & better) selected, S2S:	
20" & wider RL 5/4 & 6/4.....	\$125
20" & wider RL 8/4.....	130
22" & wider RL 5/4 & 6/4.....	135
22" & wider RL 8/4.....	140

1. Rough—deduct \$3.
2. Green—deduct 10% from dry price.

DIFFERENTIALS FOR WIDTHS AND LENGTHS (SUGAR PINE):

1. Narrow widths: 2 5/8" and less, S4S, all grades—add \$3.
2. Random widths: 4 to 7" (D select & btr. only)—deduct \$5. 10" & wider (shop & btr.)—add \$5. 12" or 13" & wider (shop & btr.)—add \$15. 14" & wider (shop & btr.)—add \$20. 16" & wider (shop & btr.)—add \$25. 18" & wider (shop & btr.)—add \$30. 20" & wider (shop & btr.) (except drain-board stock)—add \$35. 22" & wider (shop & btr.) (except drain-board stock)—add \$40.
3. Specified widths: 4, 6, & 8" (D select & btr. only)—net. 5, 7, & 10" (D select & btr. only)—add \$5. 12 & 13" (shop & btr.)—add \$15. 14 & 15" (shop & btr.)—add \$25. 16 & 17" (shop & btr.)—add \$30. 18 & 19" (shop & btr.)—add \$35. 20 & 21" (shop & btr.)—add \$45. 22" & wider (shop & btr.)—add \$55.

4. Specified lengths: 4/4 & thicker, 8 to 10' (select and shop grades)—add \$5. 4/4 & thicker, 18 & 20' (select and shop grades)—add \$10.
5. Restricted random lengths: 10' and longer, 4/4 & thicker (select and shop grades)—add \$2.

For differentials and rules applicable to all grades of all species see section 28.

SEC. 23. Inland larch, Douglas fir and hemlock. For inland larch, Douglas fir and hemlock the maximum price f. o. b. mill per one thousand feet board measure, surfaced, air dried or kiln dried (except where otherwise specified in price tables), in mixed or straight load shipments, shall be as follows:

TABLE 1—SELECTS (LARCH-DOUGLAS FIR AND HEMLOCK)

RL S2S or S4S	RW/RL	1x4"	1x5"	1x6"	1x8"	1x10"	1x12"
B and Better.....	\$53.50	\$44.50	\$53.50	\$50.50	\$55.50	\$60.50	\$62.50
C and Better.....	48.50	37.50	40.50	45.50	50.50	55.50	57.50
C Select.....	47.50	33.50	49.50	44.50	49.50	54.50	56.50
D Select.....	43.50	33.50	47.50	42.50	47.50	52.50	54.50

D and Better Short Selects 6' to 9' S2S or S4S:	
1x4".....	\$32.50
1x6".....	37.50

Flooring, drop siding and ceiling	3/4x4"		1x3"		1x4"		1x6"		1x8"	
	V. G.	F. G.								
B and Better.....	\$33.25	\$33.50	\$34.50	\$45.50	\$33.50	\$30.50	\$30.50	\$30.50	\$32.50	\$32.50
C and Better.....	33.25	43.50	43.50	43.50	51.50	45.50	45.50	45.50	47.50	47.50
C Select.....	32.25	47.50	43.50	39.50	49.50	44.50	44.50	44.50	45.50	45.50
D Select.....	29.25	43.50	43.50	37.50	43.50	42.50	42.50	42.50	44.50	44.50

[Table 1 amended by Am. 1, 9 F.R. 12360, effective 11-2-44 and Am. 2, effective 9-11-45]

Condition:

1. Rough, 3/4 and thicker—deduct \$2.
2. Green—deduct 10% from dry price.

Widths:

3. Odd widths: 7", 9", 11", add \$1 to 8", 10", and 12" price and so scaled.
4. Specified widths over 12", for each inch over 12" add \$2 to 12" price.
5. Random widths: 13" and wider, same price as 12" of same grade and thickness.

Lengths:

6. Specified lengths, 10' and longer—add \$2.
7. Restricted random lengths, 10' and longer, 3/4 and thicker—add \$2.

Thickness:

8. 3/4 and 3/4-4 to 10"—add \$5.
9. 3/4 and 3/4-12" and wider—add \$3.
10. 3/4 and 3/4-4" and wider RW—add \$4.
11. 3/4-4", 6" and 8"—add \$3.
12. 3/4-10" and wider—add \$2.
13. 3/4-4" and wider RW—add \$2.

TABLE 2—3/4 SHOP (LARCH-DOUGLAS FIR AND HEMLOCK)

S2S—RW—RL:	1 1/4
No. 3 clear.....	\$40
Shop common.....	32

1. Rough:

- No. 3 clear—deduct \$2.
- Shop common—deduct \$1.

2. Green—deduct 10% from dry price.

TABLE 3—3/4" COMMON BOARDS (LARCH-DOUGLAS FIR AND HEMLOCK)

RL S2S or S4S to 3/4"	1x4" and wider	1x4"	1x6"	1x8"	1x10"	1x12"
No. 1 and 2.....	\$37.75	\$33.75	\$37.75	\$37.75	\$37.75	\$40.25
No. 3 and Better.....	34.75	34.75	34.75	34.75	34.75	34.75
No. 3.....	33.75	33.75	33.75	33.75	33.75	33.75
No. 4.....	23.50	24.50	23.50	23.50	23.50	23.50
No. 5.....	18.50	18.50	18.50	19.50	19.50	19.50

1 See note and footnotes following table 3B.

TABLE 3A—3/4" COMMON BOARDS (ON GRADE)

RL S1S, S1S2E, S2S or S4S 3/4"	3/4x4" and wider	3/4x4"	3/4x6"	3/4x8"	3/4x10"	3/4x12"
No. 1 and 2.....	\$31.75	\$31.75	\$31.75	\$31.75	\$31.75	\$32.25
No. 3 and Better.....	33.75	33.75	33.75	33.75	33.75	33.75
No. 3.....	32.75	32.75	32.75	32.75	32.75	32.75
No. 4.....	24.75	23.75	24.75	23.75	23.75	23.75
No. 5.....	17.50	17.50	17.50	18.50	18.50	18.50

1 See note and footnotes following table 3B.

TABLE 3B—3/8" COMMON BOARDS (ON GRADE)

RL S1S, S1S2E, S2S or S4S 3/8"	3/8x4" and wider	3/8x4"	3/8x6"	3/8x8"	3/8x10"	3/8x12"
No. 1 and 2.....	\$31.50	\$31.75	\$32.50	\$32.50	\$32.50	\$34.25
No. 3 and Better.....	30.25	30.25	30.25	30.25	30.25	30.25
No. 3.....	29.50	29.50	29.50	29.50	29.50	29.50
No. 4.....	22.50	21.75	22.50	21.25	21.25	22.25
No. 5.....	17.50	17.50	17.50	17.75	17.75	17.75

faced, air dried or kiln dried (except in mixed or straight load shipments, shall where otherwise specified in price tables) be as follows:

TABLE 1—SELECTS (WHITE FIR)

S2S or S4S, RL	B & Btr.	C & Btr.	D & Btr.
1 x 4"	\$47.50	\$42.50	\$41.25
1 x 6"	50.00	45.00	44.50
1 x 8"	50.00	45.00	43.75
1 x 10"	50.00	45.00	43.50
1 x 12" or 1 x 13" and wider	53.25	48.25	47.00
RW—RL	50.00	45.00	43.75

Condition:

1. Rough—deduct \$3.
2. Green—deduct 10% from dry price.

Thickness:

7. 5/4 & thicker—add \$3.

Widths:

3. Specified widths over 12", for each inch over 12"—add \$2 to 13" price.
4. Odd widths: 7", 9", 11", add \$1 to 8", 10", & 12", price, and so scaled.

Lengths:

5. Specified lengths, 10' and longer—add \$2.
6. Special random lengths, 10' and longer, 4/4 and thicker—add \$2.

TABLE 2—4/4 SHOP (WHITE FIR)

RL S2S or S4S to 1 1/2"	1 x 4" and wider	1 x 4"	1 x 6"	1 x 8"	1 x 10"	1 x 12"
No. 1 and 2	\$38.00	\$40.00	\$35.00	\$39.00	\$38.00	\$40.00
No. 3 and Better	34.00	35.00	34.00	35.00	34.00	34.00
No. 4	32.50	32.50	32.50	32.50	32.50	32.50
No. 5	26.00	25.00	27.00	26.00	27.00	27.00
No. 6	18.00	18.00	19.00	18.00	19.00	19.00

1 See note and footnotes following table 3B.

[Table 3 amended by Am. 1, 9 F. R. 12966, effective 11-2-44 and Am. 2, effective 9-11-45]

TABLE 3A—3/4" COMMON BOARDS (ON GRADE)

RL SIS, SIS2E, S2S or S4S to 3/4"	3/4 x 4" and wider	3/4 x 4"	3/4 x 6"	3/4 x 8"	3/4 x 10"	3/4 x 12"
No. 1 and 2	\$37.00	\$39.00	\$38.00	\$37.00	\$37.00	\$39.00
No. 3 and Better	34.00	34.00	34.00	34.00	34.00	34.00
No. 4	31.25	31.25	31.25	31.25	31.25	31.25
No. 5	17.50	17.50	17.50	18.50	18.50	18.50

1 See note and footnotes following table 3B.

TABLE 3B—1 1/2" COMMON BOARDS (ON GRADE)

RL SIS, SIS2E, S2S or S4S to 1 1/2"	1 1/2 x 4" and wider	1 1/2 x 4"	1 1/2 x 6"	1 1/2 x 8"	1 1/2 x 10"	1 1/2 x 12"
No. 1 and 2	\$32.75	\$34.25	\$33.50	\$32.75	\$32.75	\$34.25
No. 3 and Better	29.75	30.50	30.50	29.75	29.75	29.75
No. 4	28.50	28.50	28.50	28.50	28.50	28.50
No. 5	17.00	17.00	17.00	17.75	17.75	17.75

FOOTNOTES APPLICABLE TO TABLES 3, 3A AND 3B

Note: Nos. 4 and 5 Common RW/RL may contain 20% 4" and 20% 6' to 8'.

Condition:

1. Rough—deduct \$2.00.
2. Green—deduct \$3.00.

Width:

3. Odd widths: 7", 9" and 11"—add \$1.00 to 8", 10" and 12" price and so scaled.

Length:

4. Specified lengths: .10' to 20' (all grades)—add \$2.00 to RL price.
- 5a. Random widths in No. 1, 2 and 3 Dimension, see Sec. 28, Note 24.

TABLE 4—No. 1 DIMENSION (LARCH-DOUGLAS FIR AND HEMLOCK)

S1S1E, S4S to 1 1/2" or rough	8', 10', 12', 14' or RL	16'	18' & 20'	22' & 24'	26' to 32'
2 x 4"	\$33.75	\$34.75	\$35.25	\$37.25	\$39.75
2 x 6"	33.75	33.75	34.25	37.25	40.25
2 x 8"	33.75	33.75	34.25	37.25	40.25
2 x 10"	33.75	34.25	35.50	39.50	41.50
2 x 12"	35.00	35.75	37.75	38.75	40.25
2 x 14"	37.00	37.75	37.75	40.75	42.25

Condition:

1. Green—deduct \$2.
2. No. 2 dimension—deduct \$3.
3. No. 3 dimension—deduct \$3.
4. Common structural—add \$3.

Widths:

5. Wider than listed: For each 2" wider than listed add \$1 to price of widest listed width.

5a. Random widths in No. 1, 2 and 3 Dimension, see Sec. 28, Note 24.

TABLE 5—No. 1 PLANK AND TIMBERS (LARCH-DOUGLAS FIR AND HEMLOCK)

Surfaced or rough, green	8', 12', 14', 16'	10', 18', 20'	22' & 24'	26' to 32'
3 x 4" to 6 x 6" (inclusive)	\$30.50	\$32.50	\$33.50	\$34.50
3 x 8", 4 x 8"	31.50	33.50	34.50	35.00
3 x 10", 3 x 12", 4 x 10", 4 x 12"	31.00	33.00	34.00	35.00
6 x 8", to 8 x 10"	30.75	30.75	31.75	32.75
6 x 12", 8 x 12"	32.75	32.75	33.75	33.75
10 x 10" to 12 x 12"	31.75	31.75	32.75	33.75

Condition:

1. For dry—add \$10.
2. Common structural—add \$3.
3. No. 2—deduct \$5.
4. No. 3—deduct \$10.

Width and thickness:

5. Wider and/or thicker than listed: For each 2" increase in either dimension, add \$1.00 to price of largest listed size.
6. Worked to pattern—add \$2.

TABLE 6—LATH (LARCH-DOUGLAS FIR AND HEMLOCK)

Per M Pieces	3/8 x 1 1/2"—4' No. 1	1/2 x 1 1/2"—4' No. 2	1/2 x 1 1/2"—4' Fence Lath (80% No. 1—20% No. 2)
	\$4.75	3.85	6.00

For differentials and rules applicable to all grades of all species see section 28.

Sec. 24. White fir.—For white fir lumber the maximum prices f. o. b. mill per one thousand feet board measure, sur-

TABLE 1—SELECTS (ENGELMANN SPRUCE AND LODGEPOLE PINE)

S2S or S4S—RL	RW	1 x 4"	1 x 6"	1 x 8"	1 x 10"	1 x 12"
B and better.....	\$50.00	\$57.00	\$50.00	\$50.00	\$64.50	\$70.50
C and D and better.....	50.00	54.00	50.00	50.00	64.50	70.50
D and better.....	43.00	41.00	43.00	42.50	48.50	52.00

Lengths:

1. Rough—deduct \$2.
2. Green—deduct 10% from dry price.
3. D and better short selects 5' to 9', deduct \$7 from corresponding item of D Select.
4. Stained Selects, that for defects other than stain would grade: B and better—deduct \$5 from price of B and better. C or D and better—deduct \$5 from price of C. D or D and better—deduct \$5 from price of D.
5. Odd widths: 7", 9", 11"—add \$1 to 8", 10", 12" price, and so scaled.
6. Widths over 12", for each inch over 12", add \$2 to 12" price.
7. Specified lengths: 4 1/4"—10', 12' and 14'—add \$2. 4 1/4"—18'—add \$5. 4 1/4"—18' and 20'—add \$10. 5 1/4 and thicker, 16' and shorter—add \$5. 5 1/4 and thicker, 18' and 20'—add \$10. Restricted Random: 10' and longer 1/4 and thicker—add \$2.
8. B and better, C and D and better: 5/4 and 6/4, 4" to 10"—add \$7. 5/4 and 6/4, 12"—add \$3. 8/4, 4" to 10"—add \$12. 8/4 x 12"—add \$8. 9. D and D and better: 5/4 and 6/4, 4" to 10"—add \$5. 5/4 and 6/4, 12"—add \$3. 8/4, 4" to 10"—add \$12. 8/4, 12"—add \$8.

TABLE 2 1—1/4" COMMON BOARDS (ENGELMANN SPRUCE AND LODGEPOLE PINE)

RL \$23 or \$43 to \$52"	1 x 4" and wider	1 x 4"	1 x 6"	1 x 8"	1 x 10"	1 x 12"
No. 1 and 2.....	\$42.00	\$43.00	\$42.00	\$42.00	\$42.00	\$43.00
No. 3.....	38.00	38.00	38.00	38.00	38.00	38.00
No. 4.....	27.00	27.00	27.00	27.00	27.00	27.00
No. 5.....	18.00	18.00	18.00	18.00	18.00	18.00
No. 4-7 and 8 only.....	23.00	23.00	23.00	23.00	23.00	23.00
No. 5-8 and 9 only.....	15.00	15.00	15.00	15.00	15.00	15.00

\* See note and footnotes following table 2B.

TABLE 2A 1—1/2" COMMON BOARDS (ON GRADE)

RL S1S, S1S21, S2S or S1S to 2 1/4"	1 1/2 x 4" and wider	1 1/2 x 4"	1 1/2 x 6"	1 1/2 x 8"	1 1/2 x 10"	1 1/2 x 12"
No. 1 and 2.....	\$42.00	\$42.00	\$41.00	\$41.00	\$41.00	\$42.00
No. 3.....	38.00	38.00	38.00	38.00	38.00	38.00
No. 4.....	27.00	27.00	27.00	27.00	27.00	27.00
No. 5.....	18.00	18.00	18.00	18.00	18.00	18.00

\* See note and footnotes following table 2B.

TABLE 2B—1 1/2" COMMON BOARDS (ON GRADE)

RL S1S, S1S2S, S2S or S4S to 1 1/2"	1 1/2 x 4" and wider	1 1/2 x 4"	1 1/2 x 6"	1 1/2 x 8"	1 1/2 x 10"	1 1/2 x 12"
No. 1 and 2.....	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00
No. 3.....	27.00	27.00	27.00	27.00	27.00	27.00
No. 4.....	23.00	23.00	23.00	23.00	23.00	23.00
No. 5.....	17.00	17.00	17.00	17.00	17.00	17.00

\* See note and footnotes following table 2B.

FOOTNOTES APPLICABLE TO TABLES 3, 3A AND 3B  
NOTE: No. 4 and 5 Common RW/RL may contain 20% 4' and 20% 4' to 8'.

- Condition:
1. Rough—deduct \$2.00.
  2. Green—deduct \$4.50.
  3. Special Random: No. 4 and 5 Common, 1 x 6" and wider—add \$0.50 to 1 x 4" and wider price.
  - Lengths: 10' and longer (all grades)—add \$2.00 to RL price.
  - Specified lengths: 10' and longer (all grades)—add \$2.00 to RL price.
  - 8' only (all grades)—same price as RL.
  - 6' only (all grades)—deduct \$3.00 from RL price.

TABLE 4—No. 1 DIMENSION (WHITE FIR)

S1S1E, S4S to 1 1/2" or rough	6'	8'	10', 12', 14'	16'	18', 20'	22', 24'	26' to 32'
2 x 4".....	\$27.25	\$33.00	\$32.00	\$33.00	\$33.00	\$35.00	\$33.00
2 x 6".....	27.25	33.00	32.00	33.00	33.00	35.00	33.00
2 x 8".....	27.25	33.00	32.00	33.00	33.00	35.00	33.00
2 x 10".....	27.25	33.00	32.00	33.00	33.00	35.00	33.00
2 x 12".....	27.25	33.00	32.00	33.00	33.00	35.00	33.00
2 x 14".....	27.25	33.00	32.00	33.00	33.00	35.00	33.00

- Condition:
1. Green—deduct \$2.
  - Common structural—add \$3.
  - No. 2—deduct \$3.
  - No. 3—deduct \$13.
  - Lengths: 6. Random lengths: Same as 14' price.
  - Thickness: 6. 1-9/16" dimension—deduct \$3.
  - 1-3/4" dimension add, No. 1—\$3.25, No. 2—\$3., No. 3—\$1.75.
- Working:
8. Worked to D and M, Shiplap and well curbing—add \$2.
- Widths:
9. Random widths in No. 1, 2 & 3 Dimension, see Sec. 28, Note 24.
- [Caption "widths" and footnote 9 added by Am. 2, effective 9-11-45]

TABLE 5—No. 1 PLANE AND THICKS (WHITE FIR) GREEN

Surfaced or rough green	RL	8, 12, 14, 16'	18, 18, 20'	22, 24'	26' to 32'
3 x 4" to 4 x 4" to 6 x 6".....	\$33.50	\$33.50	\$31.50	\$33.50	\$33.50
3 x 6" to 4 x 6" to 6 x 6".....	33.50	33.50	31.50	33.50	33.50
3 x 8" to 4 x 8" to 6 x 8".....	33.50	33.50	31.50	33.50	33.50
3 x 10" to 4 x 10" to 6 x 10".....	33.50	33.50	31.50	33.50	33.50
3 x 12" to 4 x 12" to 6 x 12".....	33.50	33.50	31.50	33.50	33.50

- Condition:
1. Dry, add..... \$10
  - Grade differentials: 3 Common structural, add..... 3
  - No. 2, deduct..... 5
  - No. 3, deduct..... 10
- Working:
5. Worked to pattern, add..... 3
- TABLE 6—LATH (WHITE FIR)
- 3/4 x 1 1/2"—4' No. 1—\$4.50 per M pcs.
  - 3/4 x 1 1/2"—4' No. 2—\$3.50 per M pcs.
  - 3/4 x 1 1/2"—4' Fence Lath (90% No. 1—\$9% No. 2)—\$5.75 per M pcs.
- For differentials and rules applicable to all grades of all species see section 28.
- SEC. 25. Engelmann spruce and Lodgepole pine. For Engelmann spruce and Lodgepole pine lumber the maximum prices f. o. b. mill per one thousand feet board measure, surfaced, air dried or kiln dried (except where otherwise specified in price tables) in mixed or straight load shipments, shall be as follows:

TABLE 6—BEVEL SIDING (ENGELMANN SPRUCE AND LODGEPOLE PINE)

	B and better	O	D	E
1/2" x 4"	\$29.50	\$23.00	\$20.50	\$15.00
1/2" x 6"	32.00	30.00	23.50	18.00
1/2" x 8"	31.50	30.00	23.00	18.00
1/2" x 4" shorts—3' to 8"	21.50	22.00	12.50	9.00
1/2" x 6" shorts—3' to 8"	21.50	22.00	12.50	9.00

TABLE 1—SELECTS (INLAND RED CEDAR)

	C and better	D and better
1 x 4"	\$48.25	\$41.25
1 x 6"	50.25	43.75
1 x 8"	52.25	45.25
1 x 10"	54.25	47.25
1 x 12" or 1 x 13" and wider	72.00	65.00

Condition:

1. Green—deduct \$2.
2. Green—deduct 10% from dry price.
3. Specified widths over 12", for each inch over 12"—add \$2 to 12" price.
4. Odd widths 7", 9", 11" add \$1 to 8", 10", 12" price and so scaled.

Lengths:

5. Specified lengths: 4/4—10-12-14—add \$2. 4/4—16"—add \$5. 4/4—18-20"—add \$10. 5/4 and thicker, 10-12-14-16"—add \$5. 5/4 and thicker, 18-20"—add \$10.
6. Restricted random lengths: 10' and longer, 1/4 and thicker—add \$2. 7. 5/4 and 6/4—4" to 10"—add \$5. 8. 5/4 and 6/4—12"—no addition. 9. 8/4—4" to 10"—add \$7. 10. 8/4—12"—add \$2.

8' only (all grades)—same price as RL. 6' only (all grades)—deduct \$3.00 from RL price.

5. Restricted random lengths: 10' and longer, 4/4 and thicker—add \$1.00 to RL price.

Thickness:

6. Additions to 4/4" price: No. 1 and 2, and No. 3: 9/4, 6/4 and 8/4—\$2.00. 7/4—\$0.75. No. 4 and 5: 5/4, 6/4 and 8/4—\$1.00. 7/4—same price as 4/4.

[Table 2 amended and Tables 2A and 2B added by Am. 2, effective 9-11-45]

TABLE 3—NO. 1 DIMENSION (ENGELMANN SPRUCE AND LODGEPOLE PINE)

SISE or S4S or rough	6'	8'	10, 12, 14' or RL	16'	18 & 20'	22 & 24'	26 to 32'
2 x 4"	\$29.00	\$34.75	\$39.75	\$34.75	\$35.25	\$37.25	\$39.75
2 x 6"	29.00	31.50	33.75	33.75	34.25	37.25	40.25
2 x 8"	29.00	31.50	33.75	33.75	34.25	37.25	40.25
2 x 10"	29.00	31.50	33.75	33.75	34.25	37.25	40.25
2 x 12"	29.00	32.00	35.00	35.75	35.75	38.75	40.25

Condition:

1. Green—deduct \$2.
2. For No. 2—deduct \$3.
3. For No. 3—deduct \$13.
4. Wider than listed: add \$1.00 for each 2" wider than listed to price of 2 x 12".

4a. Random widths in No. 1, 2 & 3 Dimension, see Sec. 28, Note 24.

TABLE 4—NO. 1 PLANK AND TIMBERS (ENGELMANN SPRUCE AND LODGEPOLE PINE) GREEN

Surfaced or rough, green	R. L.	8, 12, 14, 10'	10, 18, 20'	22 and 24'	26 to 32'
3 x 4" to 6 x 6"	\$30.50	\$30.50	\$32.50	\$32.50	\$34.50
3 x 8", 4 x 8"	30.50	30.50	33.50	33.50	34.50
3 x 10" to 4 x 12"	31.00	31.00	33.00	34.00	35.00
6 x 8" to 8 x 10"	30.75	30.75	30.75	31.75	32.75
6 x 12", 8 x 12"	32.75	32.75	32.75	33.75	34.75
10 x 10" to 12 x 12"	31.75	31.75	31.75	32.75	33.75

Condition:

1. For dry—add \$10.
2. For No. 2—deduct \$5.
3. For No. 3—deduct \$10.

Width and thickness:

4. Wider and/or thicker than listed: For each 2" increase in either dimension, add \$1.00 to price of largest size listed.

Working:

5. Worked to pattern—add \$2.

TABLE 5—BATTENS (ENGELMANN SPRUCE AND LODGEPOLE PINE)

	Per M Lineal Feet
1 3/4" (OG) net	\$8.50
2" (OG) net	9.50
2 1/4" (OG) net	10.50
3/4" x 2 3/4" net, flat, rough or S1S	6.00

1. For 18 and 20"—add \$1.

TABLE 2—1/4" COMMON BOARDS (INLAND RED CEDAR)

RL S2S or S4S to 2 3/4"	1 x 4" and wider	1 x 5"	1 x 6"	1 x 8"	1 x 10"	1 x 12"
No. 3 and Better	\$37.75	\$37.00	\$39.50	\$39.75	\$39.50	\$41.00
No. 4	24.75	24.00	25.00	25.00	26.00	26.00
No. 5	18.50	18.00	19.00	19.00	20.00	20.00

See note and footnotes following table 2B.

TABLE 2A—3/4" COMMON BOARDS (ON GRADE)

RL S1S, S1SSE, S2S or S4S to 3/4"	3/4" x 4" wider	3/4" x 4"	3/4" x 6"	3/4" x 8"	3/4" x 10"	3/4" x 12"
No. 3 & Better	\$37.75	\$36.00	\$37.75	\$39.50	\$39.50	\$40.00
No. 4	24.75	23.25	24.25	25.25	26.25	26.50
No. 5	18.50	17.50	18.50	19.50	20.50	20.50

See note and footnotes following table 2B.

TABLE 2B— $1\frac{1}{2}$ " COMMON BOARDS (ON GRADE)

RL S1S, S1S2E, S2S or S4S to $1\frac{1}{2}$ "	$1\frac{1}{2}$ " x 4" and wider	$1\frac{1}{2}$ " x 4"	$1\frac{1}{2}$ " x 6"	$1\frac{1}{2}$ " x 8"	$1\frac{1}{2}$ " x 10"	$1\frac{1}{2}$ " x 12"
No. 3 and Better	\$33.25	\$32.60	\$33.25	\$33.75	\$33.75	\$33.60
No. 4	22.50	21.75	22.25	23.00	23.00	23.00
No. 5	17.75	17.00	17.75	18.50	18.50	18.50

FOOTNOTES APPLICABLE TO TABLES 2, 2A AND 2B

NOTE: All RL shipments may contain 20% 6' and 8'.

No. 4 and 5 Common RW/RL may contain 20% 4" and 20% 4' to 8'.

Condition:

1. Rough—deduct \$2.00.
2. Green—deduct \$4.50.

Lengths:

3. Specified lengths:
  - 10' and longer (all grades)—add \$2.00 to RL price.
  - 8' only (all grades)—same price as RL.
  - 6' only (all grades)—deduct \$3.00 from RL price.

4. Restricted random lengths:

10' and longer,  $4\frac{1}{4}$ " and thicker—add \$1.00 to RL price.

Thickness:

5. Additions to  $4\frac{1}{4}$ " price:

- No. 3 and Better:  
 $5\frac{1}{4}$ ,  $6\frac{1}{4}$  and  $8\frac{1}{4}$ "—\$2.00.  
 $7\frac{1}{4}$ "—\$0.75.

Nos. 4 and 5 Common:

- $5\frac{1}{4}$ ,  $6\frac{1}{4}$  and  $8\frac{1}{4}$ "—\$1.00.  
 $7\frac{1}{4}$ "—same price as  $4\frac{1}{4}$ ".

[Table 2 amended and Tables 2A and 2B added by Am. 2, effective 9-11-45]

TABLE 3—DIMENSION (INLAND RED CEDAR)

$1\frac{1}{2}$ " scaled as 2" RL, S1S1E or S4S	2 x 4"	2 x 6"	2 x 8"	2 x 10"	2 x 12"
No. 1	\$35.75	\$34.50	\$34.50	\$34.50	\$34.50
No. 2	32.25	31.00	31.00	31.00	31.00
No. 3	21.50	20.25	20.25	20.25	20.25

Condition:

1. Rough—deduct \$1.
2. Green—deduct \$2.

Width:

3. Wider than listed, add \$1 for each 2" wider than listed to 2 x 12" price.

3a. Random widths in No. 1, 2 & 3 Dimension, see Sec. 28, Note 24.

[Footnote 3a added by Am. 2, effective 9-11-45]

Length:

4. Specified lengths:
  - 14' and shorter—add \$1.

16"—add \$0.50.

18 and 20"—add \$2.

Thickness:

5. For  $1\frac{1}{2}$ ", deduct No. 1—\$4.50, No. 2—\$4, No. 3—\$3.
6. For  $1\frac{3}{4}$ ", add, No. 1—\$2.25, No. 2—\$3, No. 3—\$1.75.

Timbers:

7. Timbers S1S1E, S4S or rough, deduct \$1 from price of same grade, width and length of dimension.
8. Prices for timbers thicker than 4" are for all conditions of moisture content, and the deduction for lumber not seasoned is not applicable.

TABLE 4—BEVEL SIDING (INLAND RED CEDAR)

$3\frac{1}{2}$ " x $3\frac{1}{2}$ " SM	Band better	O	D	E
$\frac{1}{2}$ x 4"—3' and longer	\$29.50	\$23.00	\$20.50	\$18.00
$\frac{1}{2}$ x 6"—3' and longer	31.00	20.00	23.00	18.50
$\frac{1}{2}$ x 4"—3' to 8'	21.75	20.00	12.75	10.00
$\frac{1}{2}$ x 6"—3' to 8'	23.50	22.00	15.00	10.50

1. For 9' and longer—add \$3.
2. B and better, C and D, may contain 20% 3' to  $8\frac{1}{2}$ ' in multiples of 6".
3. E, may contain 35% 3' to  $8\frac{1}{2}$ ' in multiples of 6".

TABLE 5—LATH (INLAND RED CEDAR)

- $\frac{3}{8}$  x  $1\frac{1}{2}$ "—4' No. 1—\$5.60 per M pieces.  
 $\frac{3}{8}$  x  $1\frac{1}{2}$ "—4' No. 2—\$4.60 per M pieces.  
 $\frac{1}{2}$  x  $1\frac{1}{2}$ "—4' Fence Lath (80% No. 1—20% No. 2)—\$6.85 per M pieces.

For differentials and rules applicable to all grades of all species see section 28.

SEC. 27. *Incence cedar lumber.* For incense cedar lumber, the maximum prices f. o. b. mill per one thousand feet board measure, surfaced, air dried or kiln dried (except where otherwise specified in price tables) in mixed or straight load shipments, shall be as follows:

TABLE 1—PENCIL BLANK STOCK (INCENSE CEDAR)

- No. 1 Grade, 50% and over cutting—\$36 rough RL, air dry.

- No. 2 Grade, 25% to 50% cutting—\$25 rough RL, air dry.  
 No. 3 Grade, 12% to 25% cutting—\$18 rough RL, air dry.

Condition:

1. For kiln dried—Add \$5.00.
2. Green—Deduct \$2.00.

Lengths:

3. Specified lengths:
  - 14' or shorter—Add \$1.00.
  - 16"—Add \$0.50.
  - 18' and 20"—Add \$2.00.

Thickness:

4. Scale based on dry thickness.

[Footnote 2 added and former footnotes 2 and 3 redesignated 3 and 4 by Am. 2, effective 9-11-45]

[Table 1 amended by Am. 1, 9 F.R. 12369, effective 11-2-44]

TABLE 2—SELECTS (INCENSE CEDAR)

- C and better 1 x 4" and wider RL S2S or S4S—\$67.  
 D and better 1 x 4" and wider RL S2S or S4S—\$54.  
 D 1 x 4" and wider RL S2S or S4S—\$52.

Condition:

1. Rough—deduct \$2.
2. Green—deduct 10% from dry price.

Widths:

3. Specified widths, C and better, use differentials for C Select Ponderosa, Section 20, Table 1.
4. Specified widths, D and better, and D, use differentials for D Select Ponderosa, Section 20, Table 1.

Lengths:

5. Specified lengths, use differentials as shown for Ponderosa in Section 20, Table 1.

Thickness:

6.  $5\frac{1}{4}$  and thicker, C and better, use same price and same differentials for widths and lengths as shown for C Select Ponderosa in Section 20, Table 1.
7.  $5\frac{1}{4}$  and thicker, D and better, use same price and same differentials for widths and lengths as shown for D Select Ponderosa in Section 20, Table 1.
8.  $5\frac{1}{4}$  and thicker D, deduct \$2 from price of same width, length and thickness of corresponding item of D select Ponderosa as shown in Section 20, Table 1.

TABLE 3—COMMONS (INCENSE CEDAR)

1. No. 3 and better, same prices as shown for No. 3 Ponderosa pine, Section 20, Tables 3, 3A and 3B.
2. No. 4 and No. 5, same prices as respective grades of Ponderosa pine, Section 20, Tables 3, 3A and 3B.
3. Differentials for width, length and thickness and for rough and green, same as shown for Ponderosa pine, Section 20, footnotes to Table 3.

[Table 3 amended by Am. 2, effective 9-11-45]

For differentials and rules applicable to all grades for all species see section 28.

SEC. 28. *Differentials and rules, applicable to all grades of all species:*

1. Ordinary recawing—add \$2.
2. Recawing and S2S, all grades—add \$3.
3. Rippling, per rip—add \$1.
4. Novelty-saw rippling—add \$2.
5. Rippling and S4S—add \$3.
6. Cross cutting, per cut—add \$1.
7. Cleating (ordinary)—add \$1.50.
8. Bundling (ordinary)—add \$1.
9. Bundling (expert)—add \$5.
10. For  $4\frac{1}{4}$  and thicker stock dressed thicker than standard (may be hit and miss) for  $\frac{1}{2}$ " add \$1, for  $\frac{1}{4}$ " add \$2, and for  $\frac{3}{8}$ " add \$3. No further addition is permitted.
11. For stock run S4S wider than Standard (may be hit or miss)—add \$1.
12. Standard patterns of Casing and Base, Jambs, Sill Steel, Pulley Stiles, Log Cabin Siding, Eumgalow Siding, Dolly Varden Siding, 8" or 10" Bevel Siding, Corn Crittling and all similar patterns (not moulding grade), may be run from any grade desired and shipped machine run. To price of grade ordered, add \$5.00.

[Notes, 1, 2, 10 and 12 amended by Am. 1]

13. Patterns not conforming to Association Standard Patterns where additional expense is entailed due to special set-ups and/or making special knives—add \$2.50.

14. Standard patterns, other than S2S and S4S, which are not provided for in item 12, above, add \$2; but no such addition shall apply to the following:
  - (1) Shiplap.
  - (2) Beaded shelving.

[Note 14 items (1) and (2) revoked, (3) and (4) redesignated (1) and (2) by Am. 1, 9 F.R. 12369, effective 11-2-44]

- 15. Cutting to specified exact length—add \$1.
- 16. All stock shipped in inter-divisional stop-over cars—add \$1.
- 17. Random lengths are 6' and longer unless otherwise provided in list.
- 18. No extra charge for double end trimming.
- 19. All prices shown, except where otherwise specified (plank and timbers), are for dry lumber. For green lumber not specified green in tables, proper deductions are shown under each price table. Lumber shall be considered green if, when shipped, the moisture content is greater than 19 percent.
- 20. 7/4" grades where not priced in footnotes may be sold at the price of corresponding width and grade of 6/4". Rough dry thickness of 7/4" shall be at least 80% to measure 1 1/4" with a tolerance of 1/32" permitted on not to exceed 20%. Surfaced dry thickness shall be surfaced full 1 1/2".
- 21. Any prices based on a percentage addition or deduction are to be figured to the nearest 25 cents.
- 22. The resawn product 5/4, 6/4 and 7/4 may be priced on the basis of the original size plus the resawing addition only when a written statement is furnished by the buyer that the material is to be used for boxing, crating or other industrial uses. When surfaced and resawn the two resawn pieces shall measure as follows: 5/4" the two resawn pieces shall measure not less than 1 1/16", 6/4" the two resawn pieces shall measure not less than 1 5/16", 7/4" the two resawn pieces shall measure not less than 1 1/2". 8/4" may, in no case, be sold as 8/4" resawn, but must, in all cases, be regraded after resawing and sold at the grade price applying to the 4/4" size of the grade actually produced. 8/4" Common board grades may be sold at prices provided in tables only where purchaser provides a statement on face of order affirming that it is to be used in full thickness and is not to be resawn. In the absence of such statement the 4/4" Common board grade prices of respective species will apply.

[Notes 20 and 22 amended by Am. 2, effective 9-11-45]

23. Inter-mill sales. On sales by a producing mill to another mill or to a concentration yard for drying and/or further processing and for resale under the provisions of this regulation, if the original sale is made on grade, deductions for rough and for green applying to tables covering Common board grades only of all species, shall be as follows: For 4/4" for rough only, deduct \$2.00; for surfaced green only, deduct \$3.00; for rough-green, deduct a total of \$4.00. 5/4" and thicker, for rough only, deduct \$1.00; for surfaced green only, deduct \$2.00; for rough-green, deduct a total of \$3.00. For other grades, deductions shall be as established in the respective price tables.

24. Where random widths in grades of 1, 2 and 3 Common boards and Dimension are not priced in tables, and where individual widths are not separately tallied, invoiced and loaded, the shipment is subject to special pricing under

Section 9. However, regardless of how ordered, if these widths are separately loaded and tallied they may be invoiced at the prices provided for the separate widths and grades.

25. For open car loading when required by buyer and when material is of a type ordinarily loaded in box cars, a charge of \$7.50 per car may be made including the cost of stakes and all other material required to firmly secure the load. Timbers 6" thick, wider than 8", and all timbers thicker than 6" are not subject to this charge.

Where the conditions in the preceding paragraph are met and, in addition to open car loading, the buyer requires packaging in sling lots or otherwise whereby the load is divided into individual parcels for the purpose of facilitating mechanical unloading, an additional charge may be made of \$6.50 per car including the cost of all material and labor used in packaging.

No charge may be made to buyer under this note when cars of lumber not sold on a delivered basis are routed through a custom mill.

[Notes 23, 24 and 25 added by Am. 2, effective 9-11-45]

Sec. 29. Maximum prices for lumber produced in the "fringe area" and Canada and Mexico. (a) For lumber produced in the fringe area, in Canada, or in Mexico, which is separated as to species and sold on grade, the maximum prices shall be delivered prices consisting of the f. o. b. mill price set forth in the appropriate price table plus an amount equal to estimated freight charges based on estimated weights from Article VI times the carload rate from the appropriate basing point shown below to destination. ("Destination" means the final point to which the lumber moves in "direct-mill shipment" as defined in section 7 (a) (1).) The basing points are:

[Above paragraph amended by Am. 2, effective 9-11-45]

(1) Fringe area (South Dakota, Wyoming, Colorado, Utah, Nevada, Arizona and New Mexico): Spokane, Washington; Klamath Falls, Oregon; or Susanville, California—whichever produces the lowest rate to destination.

(2) Canada: Spokane, Washington.

(3) Mexico: Susanville, California.

(b) Since the maximum prices established by paragraph (a) of this section are delivered prices, no transportation addition is permitted other than "basing point" freight to destination, and section 7 does not apply. In every case the maximum delivered price must finally be determined according to paragraph (a) of this section. As to pricing f. o. b. mill's shipping point, note the following examples:

(1) In a sale to a distribution yard at the mill's shipping point, since shipping point and final destination are the same, the addition for basing point freight may be made even though the sale has all the usual characteristics of a sale "f. o. b.

mill". Delivery to distribution yard must be made by the mill either by truck owned or controlled by the mill, or if loaded on car to be switched to distribution yard, switching charge must be absorbed by the mill, or if delivery is by truck owned or controlled by the distribution yard price must be reduced by an amount equal to proper trucking charge as set forth in paragraph (a) (2) of section 7.

(2) If either the mill or a wholesaler should make an f. o. b. mill sale for direct mill shipment, the price f. o. b. mill's shipping point would be figured by first adding to proper price in price tables the freight from the appropriate basing point to final destination (figured on estimated weights taken from "Schedule of Estimated Weights" in Article VI, times rate from the appropriate basing point to final destination) and deducting therefrom freight from mill's shipping point to final destination (figured on estimated weights taken from "Schedule of Estimated Weights" in Article VI times actual rate from mill's shipping point to final destination).

[Paragraph (b) amended and (c) deleted by Am. 2, effective 9-11-45]

(c) [Deleted]

Sec. 30. Maximum prices for ungraded, log-run lumber. (a) For ungraded, log-run lumber produced in the states of South Dakota, Wyoming, Colorado, Utah, Nevada, Arizona, New Mexico, Montana, Idaho, California, and Alaska and Mexico, and in those portions of Oregon, Washington and Canada east of the crest of the Cascade Mountains, the maximum prices loaded at mill per M'BM, in any size load or shipment, shall be as set forth in the following tables:

[Above paragraph amended by Am. 2, effective 9-11-45]

TABLE 1

Mixed species (not separated as to species) or for straight shipments of larch, Douglas fir, hemlock, white fir, Engelmann spruce, Lodge Pole pine, Red cedar, Incense cedar, Mexican White pine, Lumber pine, Arizona pine, Apache pine, Chilnuahua, or any other pine produced in Mexico.

2" and thicker, green, rough..... \$28.50  
4/4", 5/4", 6/4" and 7/4", green, rough..... 20.50

TABLE 2

Ponderosa pine and/or Sugar pine in straight or mixed shipments (no other species included).

2" and thicker, green, rough..... \$29.50  
4/4", 5/4", 6/4" and 7/4", green, rough..... 31.50

TABLE 3

Idaho White pine (no other species included).

2" and thicker, green, rough..... \$31  
4/4", 5/4", 6/4" and 7/4", green, rough... 35

NOTES APPLYING TO TABLES 1, 2 AND 3

- (1) For surfaced stock..... add \$3.
- (2) For dry..... add \$2.
- (3) For specified lengths..... add \$1.

[Tables 1, 2 and 3 amended by Am. 2, effective 9-11-45]

(b) Truck delivery by private truck. When shipment is by truck owned or

controlled by the seller, the following amounts may be added for transportation: For distances up to and including 10 miles, \$1.50 per M; over 10 miles and up to and including 20 miles, \$2.00 per M; over 20 miles and up to and including 30 miles, \$2.50 per M; over 30 miles an addition of 5 cents per mile per M feet may be added to the \$2.50 per M charge permitted for first 30 miles. Distance as used in this paragraph means the distance from the mill to the point of destination as measured by the speedometer. No addition may be made for the return trip.

(c) **Trucking to railhead.** When a truck haul precedes rail shipment, as when a mill located away from a railhead hauls lumber by truck to the railhead, no addition may be made for the truck haul. However, where a mill's rail connection has been abandoned since September 5, 1941, the mill may apply for special permission to make an addition.

The application should be made by letter to the Lumber Branch of the Office of Price Administration, Washington 25, D. C., and may be acted upon by letter or telegram. The addition may not be made on quotations or sales until permission has been received.

(d) **Susanville rate on sales to California.** Regardless of other provisions of this section, on delivered sales to purchasers in California, if shipment originates at a mill in California from which the railroad freight to the California destination is less than the rate from Susanville, California to the same destination, the addition for transportation may be computed by multiplying the appropriate estimated weight as shown in Article VI by the applicable freight rate from Susanville, California to the California destination. This addition does not apply to direct-mill retail sales. Since the maximum prices established by this paragraph are delivered prices, no transportation addition is permitted other than "basing point" freight to destination. In every case the maximum delivered price must finally be determined according to this paragraph. As to pricing f. o. b. mill's shipping point, note the following examples:

(1) In a sale to a distribution yard at the mill's shipping point, since shipping point and final destination are the same, the addition for basing point freight may be made even though the sale has all the usual characteristics of a sale "f. o. b. mill". Delivery to distribution yard must be made by the mill either by truck owned or controlled by the mill, or if loaded on car to be switched to distribution yard, switching charge must be absorbed by the mill, or if delivery is by truck owned or controlled by the distribution yard, price must be reduced by an amount equal to proper trucking charge as set forth in paragraph (b) of this section.

(2) If either the mill or a wholesaler should make an f. o. b. mill sale for direct mill shipment, the price f. o. b. mill's

shipping point would be figured by first adding to proper price in price tables the freight from Susanville, California, to final destination (figured on estimated weight taken from "Schedule of Estimated Weights" in Article VI times rate from Susanville to final destination) and deducting therefrom freight from mill's shipping point to final destination (figured on estimated weight taken from "Schedule of Estimated Weights" in Article VI times actual rate from mill's shipping point to final destination).

[Paragraph (d) amended by Am. 2, effective 9-11-45]

[Sec. 30 amended by Am. 1, 9 F.R. 12306, effective 11-2-44]

**ARTICLE VI—PERMITTED ESTIMATED WEIGHTS**

The following estimated weights for dry lumber may be used in computing freight charges even though higher than actual weights.

When shipped with a moisture content greater than 19 percent, the estimated green weights may be used in quoting a delivered price, even though higher than actual weights.

**SCHEDULE OF ESTIMATED WEIGHTS**

Ponderosa pine, Idaho white pine white fir, Engelmann spruce, Lodgepole pine, and any other species commercially sold as Ponderosa, Western, or Mexican pine	Per M feet board measure	
	Pounds dry	Pounds green
Selects, commons and chop:		
Standard surfacing 4/4" S4S, S4S or pattern	1,600	2,400
Standard surfacing, or pattern 5/4" and thicker	2,000	2,900
Surfaced or pattern 5/4"	1,600	2,300
Surfaced, or pattern 1 1/16"	1,600	2,150
Rough 4/4"	2,400	3,100
Rough, 5/4" and thicker	2,600	3,300
Dime slon:		
Standard surfacing 1-5/8" S1S1E or S4S	2,600	2,700
Substandard surfacing 1-2, 1 1/8" S1S1E or S4S	1,600	2,500
Surfaced thicker than standard 1-3/4" S1S1E or S4S	2,600	2,900
Rough	2,600	3,300
Plank and timbers:		
Surfaced S1S1E or S4S	2,600	2,900
Rough	2,600	3,300
Lath:		
4 feet (per M pieces)	400	700
32" (per M pieces)	300	500
Snow fence	700	1,100
Cut stock:		
Machined to pattern	1,600	
S2S	2,000	
Rough	2,600	
Other grades and patterns:		
Log cabin siding	1,600	
2 1/2" or 1 1/2" panel stock	1,400	
Bevel siding	700	
Additions and deductions: Pitchy Select, add 700 lbs. to corresponding items		
Sugar pine		
4/4 and thicker, S4S or S2S	2,000	2,500
4/4 and thicker, rough	2,000	3,000
All other sugar pine items, same weights as ponderosa pine		
Red cedar		
4/4 all grades, surfaced or pattern	1,600	2,300
4/4 all grades, rough	2,100	2,800
5/4 and thicker, surfaced or pattern	2,000	2,700
5/4 and thicker, rough	2,600	3,300
Timbers and plank surfaced	2,600	2,700
Bevel siding	700	
Lath	400	700
Incense cedar		
Pencil stock	2,000	
All other incense cedar items, same weights as Ponderosa pine		
Larch-Douglas fir		
4/4 S2S or S4S	2,000	2,800
3/4" surfaced	2,100	2,700

**SCHEDULE OF ESTIMATED WEIGHTS—Continued**

Larch-Douglas fir	Per M feet board measure	
	Pounds dry	Pounds green
3/4" surfaced	1,600	2,400
4/4 run to pattern	2,000	2,600
5/4 run to pattern	1,600	2,300
3/4" run to pattern	1,700	2,300
1 1/4", 1 1/2" or 2" all grades rough	2,700	3,300
Timbers and plank, surfaced	2,800	3,400
Timbers and plank, rough	3,000	3,600
Dimension, standard surfacing:		
2 1/4" and 2 1/2"	2,300	2,800
2 1/2" and 2 3/4"	2,300	2,800
5/4 and thicker, surfaced or pattern same weight basis as corresponding widths of standard dimension:		
1 1/4" dimension	1,600	2,000
1 1/2" dimension—all Douglas fir	1,600	2,000
Log cabin lining	1,700	2,200
5/4" stock machined to pattern	1,400	
5/4" stock machined to pattern	600	
1 1/2" bevel siding	800	
5 1/2" and 1 1/2" bevel siding	1,200	
4" lath	600	600
32" lath	300	500
Snow fence lath	800	1,100

**Hemlock:**

Rough or surfaced, dry: clears, boards and shiplap, drop siding, etc., flooring, ceiling, stepping, and plank and small timbers S4S: Use same weights as shown for Larch-Douglas fir.

Surfaced, green: Clears, boards and shiplap, dimension S4S, plank and small timbers S4S, and timbers, S1S1E or S4S, standard: Add 400 lbs. to Larch-Douglas fir weights.

**Rough-green:**

Boards and shiplap	3,800
Dimension, plank and timbers	3,800
Clears	4,000
All other grades	3,800

Square edge flooring, add 200 lbs. to corresponding item of Larch-Douglas fir weights.

Ceiling, worked to 3/2" net, deduct 100 lbs. from Larch-Douglas fir flooring weight.

8" width, drop siding, etc., add 100 lbs. to 6" pattern, in Larch-Douglas for pattern weights.

Eavel and bungalow siding, add 100 lbs. to Larch-Douglas fir weight.

Shipping weight formula for sizes not listed. Rough or surfaced, dry, all grades, same weight basis as Larch-Douglas fir, and deducting the equivalent to the percentage of difference between the rough and surfaced sizes, breaking on the next greater fifty pounds.

Bottoms (all above grades)	Per M lineal feet	
	Pounds dry	Pounds green
1" battens plain or O. G.	300	
3/4" battens	200	

[Article VI amended by Am. 2, effective 9-11-45]

**Geographical applicability.** This regulation applies in the 48 states of the United States and the District of Columbia.

This revised regulation shall become effective June 20, 1944.

[RMFR 94 originally issued June 15, 1944]

[Effective dates of amendments are shown in notes following parts affected]

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

Issued this 6th day of September 1945.

CHESTER BOWLES,  
Administrator.

[F. R. Doc. 45-16579; Filed, Sept. 6, 1945; 4:11 p. m.]

## PART 1305—ADMINISTRATION

[Supp. Order 49, Amdt. 1]

## SALES UNDER ORDER L-219 OF WAR PRODUCTION BOARD

A statement of the considerations involved in the issuance of this amendment to Supplementary Order 49 has been issued simultaneously herewith and filed with the Division of the Federal Register.

Supplementary Order No. 49 is amended by adding to the list of maximum price regulations in Appendix A the following:

Maximum Price Regulation 580—Retail Ceiling Prices for Certain Apparel and House Furnishings (10 F.R. 3015, 3468, 3642, 4236, 4494, 4611, 9962); excepting sales within the provisions of paragraph (a) of section 9.

This amendment shall become effective September 12, 1945.

Issued this 7th day of September 1945.

CHESTER BOWLES,  
Administrator.

[F. R. Doc. 45-16738; Filed, Sept. 7, 1945;  
11:32 a. m.]

## PART 1305—ADMINISTRATION

[Supp. Order 126, Amdt. 2]

## HOUSEHOLD FURNITURE

A statement of considerations involved in the issuance of this amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.

Supplementary Order 126 is amended in the following respect:

Section 2 (g) is amended by adding the following articles to the list contained therein:

Hand decorated articles of furniture rebuilt from substantially different articles of used furniture.

Custom-built, non-upholstered, wooden furniture, produced to fill the particular specifications of a single purchaser involving only one transaction, and sold in a quantity not exceeding two units or, in the case of dining room chairs, not exceeding a set of twelve. If stock pattern frames are used, the article is not considered custom-built. Sales of larger quantities than those specified above, or repeat sales of the same article (whether or not minor changes are made), are not exempted and remain subject to the pricing and reporting provisions of § 1499.155 through § 1499.158 of Maximum Price Regulation No. 188.

This amendment shall become effective on the 12th day of September 1945.

Issued this 7th day of September 1945.

CHESTER BOWLES,  
Administrator.

[F. R. Doc. 45-16739; Filed, Sept. 7, 1945;  
11:32 a. m.]

## PART 1305—ADMINISTRATION

[Supp. Order 132]

## EXEMPTION AND SUSPENSION FROM PRICE CONTROL OF CERTAIN FOODS, GRAINS AND CEREALS, FEEDS, TOBACCO AND TOBACCO PRODUCTS, AGRICULTURAL CHEMICALS, INSECTICIDES AND BEVERAGES

A statement of the considerations involved in the issuance of this supplementary

order has been issued and filed with the Division of the Federal Register.

AUTHORITY: § 1305.159 issued under 58 Stat. 23,765; 57 Stat. 566; Pub. Law 383, 78th Cong.; Pub. Law 108, 79th Cong.; E.O. 9250, 7 F.R. 7871; E.O. 9328, 8 F.R. 4681.

SECTION 1. *Exemption from price control.* Notwithstanding the provisions of any price regulation heretofore or hereafter issued by the Office of Price Administration, all purchases, sales and deliveries by any person of the following listed commodities are exempt from price control:

(a) Foods listed under the following categories (unless otherwise stated, the list covers only domestic commodities):

(1) Fish, fats and oils category, as follows:

Caviar, canned (the salted roe of sturgeon, spoonbill, whitefish and salmon; domestic)  
Caviar, canned (the salted roe of various large fish of the sturgeon genus; imported)  
Clam juice, canned  
Conchs, canned  
Frog legs  
Shark fins, dried (imported)  
Snails, canned (imported)  
Sturgeon, smoked, including smoked spoonbill

(2) Fruits and vegetables, fresh or processed, category, as follows:

Artichokes, canned (domestic and imported)  
Bamboo sprouts, canned and frozen  
Bean Sprouts, canned and frozen  
Catawba Grape Juice  
Cauliflower, brined (imported and domestic)  
Cauliflower, canned (imported)  
Compressed dehydrated fruits, vegetables and berries  
Corn-on-the-cob, canned and frozen  
Crab Apples, canned  
Crab Apple Juice, canned  
Horseradish, processed  
Horseradish Root  
Mushrooms, canned (imported)  
Mushroom sauce, canned (does not include mushroom soup)  
Nectarines, canned and frozen  
Peppers, brined (imported and domestic)  
(does not include pimientos)  
Pickled Onions, canned (imported)  
Water Chestnuts, canned  
Watermelon, brined (imported and domestic)

(3) Grocery products category, as follows:

Brown Buckwheat Groats (the product produced in further processing white buckwheat groats by toasting).

(4) Meats and poultry category, as follows:

Pate de Fole Gras, canned (a meat paste processed from the livers of fat geese; imported).

Wild Rabbits (rabbits which have not been produced, raised or fed in captivity)

(5) Miscellaneous category, as follows:

Bar le duc (a preserve consisting principally of whole white seeded currants, gooseberries, strawberries, or raspberries; imported)  
Capers (the flower bud of the caper bush; imported)  
Dehydrated Garlic Powder  
Onion Powder and Onion Flakes  
Tom and Jerry batter (a mixture of eggs, powdered or fresh, sugar or sugar syrup and spices beaten together and used generally for mixing with liquors and hot water in the preparation of a beverage called "Tom and Jerry")  
Truffles (imported)

(b) The following items in the feeds category:

Ground peanut hay  
Whole crab and shrimp meal

(c) The following items in the tobacco and tobacco products category:

Native or Island Twist Chewing Tobacco (twist chewing tobacco pressed flat and made of fire-cured or dark air-cured tobacco, or a combination of both, and treated with a casing mixture of molasses, syrup, glycerin, alcohol and such flavorings as are normally used on twist tobacco consumed by the natives of New Guinea, the Solomon Islands and other islands in the Southwest Pacific area)

(d) The following items in the beverages category:

Bottled egg nog (a specialty holiday beverage, not containing any distilled spirits, made from fresh or powdered eggs, syrup, cream and milk)

(e) The following items in the agricultural chemicals and insecticide category:

Humus (a brown or black material formed by the partial decomposition of vegetable or animal matter. Commercially, the name is applied to Peat that has decayed to such an extent that "the structure of the fiber is no longer evident")

Muck (thoroughly decomposed organic deposits containing appreciable amounts of mineral matter, especially sand, silt and clay)

Sphagnum moss and peatmoss

SEC. 3. *Relationship between this order and other regulations.* The provisions of this supplementary order supersede the provisions of Supplementary Order 45 as to any commodity listed in this order.

Nothing in this order shall apply to sales of any commodity by an eating and drinking establishment for consumption on or about the premises. Such sales remain subject to Restaurant Maximum Price Regulation No. 2.

SEC. 4. *Records.* Exemption or suspension from price control shall not affect the responsibility of a person to prepare and preserve records which prior to exemption or suspension, were required to be kept under the provisions of the applicable price regulation or regulations. Records of individual transactions during the period of exemption or suspension need not be kept, unless the exemption or suspension action is accompanied by a provision requiring the keeping of such records.

SEC. 5. *Definitions.* For the purposes of this Supplementary Order, the following terms have the following meaning:

(a) "Person" means an individual, corporation, partnership, association, government agency, or any other organized group of persons or legal successor or representative of any of the foregoing.

(b) "Price regulation" means a price schedule effective in accordance with the provisions of section 206 of the Emergency Price Control Act of 1942, as amended, a maximum price regulation or temporary maximum price regulation issued by the Office of Price Administration, or any order issued pursuant to any such regulation or schedule.

(c) "Canned" means processed and packed in any container whether or not hermetically sealed. It does not include any product when processed by freezing, drying or dehydrating, nor does it include any of the packed products known as preserves, relishes or pickles.

Sec. 6. *Commodities not affected by this order.* The provisions of this order do not exempt or suspend from price control commodities which are not listed, although such commodities may have incorporated in them or are to be sold with, commodities which are exempted or suspended from price control.

Sec. 7. *Geographical applicability.* The provisions of this order shall apply to purchases, sales and deliveries in the forty-eight states of the United States and the District of Columbia.

This supplementary order shall become effective September 12, 1945.

Issued this 7th day of September 1945.

CHESTER BOWLES,  
Administrator.

Approved: August 30, 1945.

J. B. HUTSON,  
Acting Secretary of Agriculture.

[F. R. Doc. 45-16740; Filed, Sept. 7, 1945;  
11:32 a. m.]

PART 1340—FUEL  
[MPR 112, Amdt. 20]

PENNSYLVANIA ANTHRACITE

A statement of considerations involved in the issuance of this amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.

Maximum Price Regulation No. 112 is amended in the following respects:

1. Section 1340.200 (b) is added to read as follows:

(b) *Maximum price instructions—(1) Discounts.* The following cash discounts and quantity discounts or rebates f. o. b. trucks are required to be deducted from the maximum prices established in paragraph (a) of this section. No other discounts or allowances need be allowed.

(i) In the case of rail shipment the following discounts for cash or payment within 15 days from date of invoice:

<i>Cents per net ton</i>	
Broken, egg, stove and nut.....	15
Pea and buckwheat.....	10
Rice, barley and smaller.....	05

(ii) In the case of truck shipment the cash discounts and quantity discounts or rebates f. o. b. trucks in effect for similar sales at each mine, adjunct preparation plant or ground storage facility during the period October 1-15, 1941. New mines beginning operations subsequent to October 1-15, 1941, must allow the same cash discounts as their nearest competitor.

(2) *Credit terms.* The rate of interest on overdue accounts or on a note, trade acceptance or other form of indebtedness accepted in payment of an account shall not exceed the rate charged by the seller on similar transactions during the period

October 1-15, 1941, or if the seller was not in business during October 1-15, 1941, the rates charged by its nearest competitor.

(3) *Pocket charges.* (i) There may be added to the applicable maximum prices set forth in paragraph (a) of this section a sum not to exceed the pocket charge that each producer had in effect at each mine, adjunct preparation plant or ground storage facility, during the period October 1-15, 1941, for services rendered in loading trucks from pockets for delivery entirely by truck without intervening rail shipment.

(ii) If a producer is unable to qualify for a pocket charge under subdivision (i) above he may not make a charge for such services unless he first receives permission in writing from the Administrator to do so in accordance with the provisions of subsection (iii) of this paragraph.

(iii) Upon proper application being filed the Administrator may by order authorize a producer who is unable to qualify for a pocket charge on one or more sizes under subdivision (i) above to make a charge not to exceed 50 cents per net ton on all sizes through rice and 25 cents on smaller sizes for services rendered in loading trucks from pockets when it appears to his satisfaction that:

(a) The mine, preparation plant or ground storage facility involved is equipped to load trucks from pockets, other than railroad car pockets, and to weigh anthracite on retail scales.

(b) The anthracite loaded into trucks is cleaned by any of the following methods: cone, jig, swirl, koppers rheolaveur, DuPont-sink and float (heavy liquid), hydrotator.

(c) Additional costs are incurred by reason of rendering this service.

(d) The anthracite loaded into trucks meets the requirements of Solid Fuels Administration for War as to ash content.

A producer desiring to obtain permission to make a pocket charge on truck shipments must file an application submitting facts to show that the above conditions are met. In addition the application must show the exact location of its mine, adjunct preparation plant or ground storage facility from which truck deliveries are made; the total monthly tonnage produced and the percentage of truck sales according to type of sale (i. e., local, over the road, wholesale, etc.); the name and location of his nearest competitor and the pocket charge and cash or quantity discounts such nearest competitor has in effect. The Administrator may, in connection with the granting of permission to make a pocket charge, prescribe cash and quantity discounts that must be deducted from the producers maximum price for truck shipments. Any order issued hereunder may be revoked or amended at any time. Failure to comply with regulations and directions of the Solid Fuels Administration for War shall be grounds for revocation.

(4) *Special service charge other than pocket charges.* (i) In addition to the maximum prices set forth in paragraph (a) of this section a producer or distributor may charge for any special service

rendered a sum not to exceed the price charged or in effect during the period October 1-15, 1941, at each mine, adjunct preparation plant or ground storage facility: *Provided*, That any producer whose special service charge for bags and bagging of anthracite during the period October 1-15, 1941, was less than \$2.30 per net ton, may charge for this special service an amount not in excess of \$2.30 per net ton. The term "special service" includes (specifically but not exclusively) calcium chloride treatment, specially prepared sizes, split cars (containing more than one size) boxcar loading, the making of local or retail deliveries from the mine, adjunct preparation plant or ground storage facility and bags and bagging. It does not include a pocket charge.

(ii) If a maximum price for a special service cannot be determined under subdivision (i) above a producer may file with the Solid Fuels Price Branch of the Office of Price Administration, Washington 25, D. C., an application for approval of a maximum price in line with the level of maximum prices established by this regulation for similar services. The application shall contain a full description of the service to be rendered and the method and equipment used in rendering such service, the reason why it cannot be priced under subdivision (i) above, the price charged by the applicants nearest competitor for the same service, the costs to be incurred in rendering the service and the proposed maximum price. The applicant may also be required to furnish such additional information as may be deemed necessary.

(5) *Transportation charge.* Where anthracite is delivered from a mine, adjunct preparation plant or ground storage facility in any transportation facilities owned or subject to the control of the producer or a distributor, or subsidiary or affiliate of the producer or distributor, or in any transportation facilities hired by the producer or a distributor, there may be added to the applicable maximum prices the actual transportation costs incurred, determined in a reasonable manner, but in no event to exceed the lowest common carrier rate for a haul between the same points.

(6) *Transportation tax.* There may be added to the maximum prices established herein an amount not in excess of the tax imposed by section 620 of the Revenue Act of 1942 when incurred by a producer or distributor of anthracite if the amount of said tax is separately stated to all purchasers except the United States or any agency thereof, the District of Columbia, any state government or any political subdivision thereof.

(7) *Posting maximum prices.* Each producer must post in a prominent place at the colliery truck scales a schedule of his maximum prices, authorized pocket charges, special service charges and required cash and quantity discounts.

2. Section 1340.200 (c) is deleted.

3. Section 1340.200 (d) is redesignated § 1340.200 (c) and paragraph (4) thereof is amended by deleting the numerals

"\$1.80" and inserting in lieu thereof the numerals "\$2.25".

This amendment shall become effective September 12, 1945.

Issued this 7th day of September 1945.

CHESTER BOWLES,  
Administrator.

[F. R. Doc. 45-16734; Filed, Sept. 7, 1945;  
11:32 a. m.]

PART 1364—FRESH, CURED AND CANNED  
MEAT AND FISH PRODUCTS

[RMPR 507,<sup>1</sup> Amdt. 5]

CEILING PRICES OF CERTAIN FRESH AND  
FROZEN FISH AND SEAFOOD SOLD AT  
RETAIL

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.

Revised Maximum Price Regulation No. 507 is amended in the following respects:

1. In Table A-I of section 26, a footnote reference 2 is added after the words "I, Fresh fish."

2. In section 26, a new footnote 2 is added to Table A-I to read as follows:

<sup>2</sup>The mark-ups for items (42) to (49), both inclusive, are suspended from September 6, 1945.

This amendment shall become effective September 6, 1945.

Issued this 6th day of September 1945.

CHESTER BOWLES,  
Administrator.

[F. R. Doc. 45-16681; Filed, Sept. 6, 1945;  
4:11 p. m.]

PART 1407—RATIONING OF FOOD AND FOOD  
PRODUCTS

[Control Order 1,<sup>2</sup> Amdt. 22]

LIVESTOCK SLAUGHTER AND MEAT DISTRIBUTION

A rationale for this amendment has been issued simultaneously herewith and has been filed with the Division of the Federal Register.

Control Order 1 is amended in the following respects:

1. Each reference to War Food Order 139 is amended to read "War Food Order 139, as amended."

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

(d) *Class 1 slaughterer.* Any person who has a Class 1 slaughtering establishment is a "Class 1 slaughterer." The term "Class 1 slaughterer" also includes:

(1) An owner of livestock to the extent that the custom slaughter for him of any species of livestock in a Class 1 slaughtering establishment (other than a place subject to Federal inspection) is cov-

ered by a currently valid certification granted to him by the Secretary of Agriculture, or his designee, pursuant to War Food Order 139, as amended; and

(2) An owner of livestock who has registered as a slaughterer pursuant to this order and who, between January 1, 1945 and July 31, 1945, had custom slaughtered for him any species of his livestock in a slaughtering establishment subject to Federal inspection, to the extent that he continues to have such species of livestock custom slaughtered for him at that establishment.

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

(h) *Additional Class 2 slaughterers.* Any person, other than a Class 3 slaughterer and a Class 1 slaughterer specified in paragraph (d) (1) and (2) above, who has cattle, calves; sheep, lambs or swine which he owns slaughtered for him by a custom slaughterer, is a Class 2 slaughterer with respect to any such livestock.

4. Section 5 is amended by substituting for the sentence in parentheses the following: "(However, a Class 2 or Class 3 slaughterer who becomes a Class-1 slaughterer must comply with section 14 (a).")

5. Section 21 is amended by substituting for the definition of "certificate number" the following: "'Certificate number' means the certificate number assigned to a slaughtering plant by the Secretary of Agriculture, or his designee, in granting certification of such plant pursuant to War Food Order 139, as amended, or the certificate number assigned under that order to the owner of livestock for the custom slaughter of his livestock for him in a certified slaughtering plant."

6. Section 21 is further amended by substituting for the definition of "Class 1 slaughterer" the following:

"Class 1 slaughterer" means any person who has a Class 1 slaughtering establishment. The term "Class 1 slaughterer" also includes:

(1) An owner of livestock to the extent that the custom slaughter for him of any species of livestock in a Class 1 slaughtering establishment (other than a place subject to Federal inspection) is covered by a currently valid certification granted to him by the Secretary of Agriculture, or his designee, pursuant to War Food Order 139, as amended; and

(2) An owner of livestock who has registered as a slaughterer pursuant to this order and who, between January 1, 1945 and July 31, 1945, had custom slaughtered for him any species of his livestock in a slaughtering establishment subject to Federal inspection, to the extent that he continues to have such species of livestock custom slaughtered for him at that establishment.

7. Section 23 (p) is added as follows:

(p) (1) A Class 1 slaughterer specified in section 1 (d) (1) or (2) of this order must comply with (2) below if the average weekly quantity of meat delivered by him during any two consecutive cal-

endar weeks beginning on or after September 9, 1945 exceeds the average weekly quantity of meat delivered by him during his first three full reporting periods in 1944 or, if his authorized distribution pattern is based on deliveries made during some other period, the average weekly deliveries of meat during the period used as a basis for his current distribution pattern.

(2) Within ten (10) days after the end of the second of such two calendar weeks, he must submit to the Washington Office a written statement containing the following:

(i) His name, and the name and address of his establishment; and

(ii) The average weekly quantity of meat delivered by him during the two calendar week period, and the beginning and ending dates of such period.

(3) The Director of the Food Rationing Division of the Office of Price Administration may authorize or direct the slaughterer to deliver his meat in such manner or to such areas and in such quantities as he considers necessary to alleviate area shortages of meat or to further the fair distribution of meat among consumers or other users. Such authorization or direction, to the extent of the meat and deliveries covered by it, shall become part of the slaughterer's distribution pattern under this section.

(4) A slaughterer who is required to comply with (2) above and who has not submitted the statement by the date specified in (2), may not make any deliveries of his meat until he submits such statement. This restriction is in addition to any actions, penalties, or proceedings which may be authorized by law for his failure to comply.

This amendment shall become effective on September 11, 1945.

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

Issued this 7th day of September 1945.

CHESTER BOWLES,  
Administrator.

[F. R. Doc. 45-16733; Filed, Sept. 7, 1945;  
11:31 a. m.]

PART 1415—PROTECTIVE COATINGS

[RMPR 264, Corr. to Amdts. 1, 2, 3, 4 and 5]

VEGETABLE WAXES AND BEESWAX

The approval of the Secretary of Agriculture having been inadvertently omitted, Revised Maximum Price Regulation 264, issued May 30, 1944 (9 F.R. 5956), amendment 1 thereto issued July 20, 1944 (9 F.R. 8254), amendment 2 thereto issued November 6, 1944 (9 F.R. 13209), amendment 3 thereto issued February 8, 1945 (10 F.R. 1668), amendment 4 thereto issued April 10, 1945 (10 F.R. 3919), and amendment 5 thereto issued July 26, 1945 (10 F.R. 9335) are hereby corrected by adding the following at the end of each: "Approved with

<sup>1</sup> 9 F.R. 14601; 10 F.R. 2299, 3694, 7340, 10311.

<sup>2</sup> 10 F.R. 4605.

respect to agricultural commodities August 27, 1945.

"J. B. HUTSON,  
"Acting Secretary of Agriculture."

Issued this 7th day of September 1945.

CHESTER BOWLES,  
Administrator.

Approved: August 27, 1945.

J. B. HUTSON,  
Acting Secretary of Agriculture.

[F. R. Doc. 45-16736; Filed, Sept. 7, 1945;  
11:33 a. m.]

PART 1420—BREWERY, DISTILLERY AND  
WINERY PRODUCTS  
[MPR 445, Amdt. 30]

DISTILLED SPIRITS AND WINES

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.

Maximum Price Regulation 445 is amended in the following respect:  
Section 1.4 (d) is revoked.

This amendment shall become effective September 6, 1945.

Issued this 6th day of September 1945.

CHESTER BOWLES,  
Administrator.

[F. R. Doc. 45-16680; Filed, Sept. 6, 1945;  
4:11 p. m.]

PART 1499—COMMODITIES AND SERVICES  
[RMPR 165, Amdt. 1 to Rev. Supp. Service  
Reg. 28]

SERVICES OF ALTERING AND REPAIRING MILITARY  
UNIFORMS IN CERTAIN COUNTIES IN  
CALIFORNIA, OREGON AND WASHINGTON

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.

Revised Supplementary Service Regulation 28 is amended in the following respects:

1. In § 1499.2259 (a), the following counties are added to the list of counties covered by the regulation: "Imperial in the State of California and Spokane in the State of Washington."

2. Section 1499.2259 is further amended by adding paragraph (g) to read as follows:

(g) *Sales slips and receipts.* Any seller subject to this regulation shall furnish each customer with a sales slip or receipt containing the following information: (1) the name and address of the establishment, (2) the date, (3) a brief description of and the number of each service supplied, as described and numbered in Appendix A, and (4) the amount charged for each service and the total charge.

This amendment shall become effective September 12, 1945.

<sup>1</sup> 10 F.R. 7444, 8241, 9395, 9626, 10,224.

Issued this 7th day of September 1945.

CHESTER BOWLES,  
Administrator.

[F. R. Doc. 45-16735; Filed, Sept. 7, 1945;  
11:32 a. m.]

Chapter XIV—War Contracts Price  
Adjustment Board

RENEGOTIATION REGULATIONS

The changes and additions to Parts 1601, 1603, 1604, 1605, 1607 and 1608 set forth below are also contained in Revision 20 of the Renegotiation Regulations dated August 10, 1945.

MAURICE HIMSCH,  
Colonel, General Staff Corps,  
Chairman.

PART 1601—AUTHORITY AND ORGANIZATION  
FOR RENEGOTIATION

SUBPART A—SUMMARY OF RENEGOTIATION  
ACT OF 1943 AND RELATED STATUTES

1. Section 1601.111-3 is amended to read as follows:

§ 1601.111-3 *Termination of renegotiation.* The 1943 act, as amended, provides that renegotiation shall apply only to profits derived from contracts with the Departments and subcontracts which are determined under regulations prescribed by the Board to be reasonably allocable to performance prior to the close of the termination date, which is defined as December 31, 1945 or such earlier date as may be proclaimed by the President or specified in a concurrent resolution of the two Houses of Congress as the date of the termination of hostilities in the present war. (See §§ 1603.371, 1601.372 and 1608.801-8 of this chapter.) [RR 111.3]

2. Section 1601.112-4 is amended to read as follows:

§ 1601.112-4 *Repricing of war contracts.* Title VIII of the Revenue Act of 1943 provides that in cases in which the Secretary of a Department considers the price of any article or service required by his Department to be unreasonable or unfair he may fix by agreement, if possible, a fair and reasonable price therefor. If no agreement can be reached, the Secretary is authorized to fix, by order, a fair and reasonable price for deliveries after the date of such order and to prescribe the period during which such price shall be effective and such other terms and conditions as he deems appropriate. Contractors or subcontractors aggrieved by such an order may sue the United States for fair and just compensation. Repricing under Title VIII applies to both prime and subcontracts and applies without exemption or restriction, except that it shall not apply to any contract with a Department or subcontract made after December 31, 1945 or such earlier date as may be proclaimed by the President or specified in a concurrent resolution of the two Houses of Congress as the date of the termination of hostilities in the present war. The statutory provisions relating to repricing are set forth in § 1608.804 of this chapter. [RR 112.4]

3. Section 1601.112-5 is added as follows:

§ 1601.112-5 *Other statutes.* Reference is made to Subpart A of Part 1603 of this chapter for the text of other statutes relating to the Renegotiation Act. [RR 112.5]

SUBPART B—PRELIMINARY MATERIAL

1. Section 1601.122-5 is amended to read as follows:

§ 1601.122-5 *"Department."* The term "department" means "department" as defined in subsection (a) of the Renegotiation Act of 1943 as follows:

(1) The term "Department" means the War Department, the Navy Department, the Treasury Department, the Maritime Commission, the War Shipping Administration, Defense Plant Corporation, Metals Reserve Company, Defense Supplies Corporation, and Rubber Reserve Company, respectively,

and by reason of Public 109, 79th Congress, approved June 30, 1945, the term "department" as used in the Renegotiation Act also means Reconstruction Finance Corporation as successor to Defense Plant Corporation, Metals Reserve Company, Defense Supplies Corporation and Rubber Reserve Company under said Public 109. (§§ 1601.122-13, 1603.803-1 and 1608.803-2 of this chapter.) [RR 122.5]

2. Section 1601.122-10 is amended to read as follows:

§ 1601.122-10 *"Renegotiation Act of 1943", "1943 Act".* The terms "Renegotiation Act of 1943" and "1943 Act" mean section 403 of the Sixth Supplemental National Defense Appropriation Act, 1942, as amended by section 701 of the Revenue Act of 1943 (Public 235, 78th Congress, enacted February 25, 1944), and expressed to be effective only with respect to the fiscal years ending after June 30, 1943 as provided in subsection (d) of said section 701 of the Revenue Act of 1943, and as further amended by Public 104, 79th Congress, approved June 30, 1945 (see § 1608.801 of this chapter). [RR 122.10]

3. Section 1601.122-13 is amended to read as follows:

§ 1601.122-13 *"Secretary."* The term "Secretary" means the Secretary of a Department and means "Secretary" as defined in subsection (a) of the Renegotiation Act of 1943 as follows:

(2) In the case of the Maritime Commission, the term "Secretary" means the Chairman of such Commission, in the case of the War Shipping Administration, the term "Secretary" means the Administrator of such Administration, and in the case of Defense Plant Corporation, Metals Reserve Company, Defense Supplies Corporation, and Rubber Reserve Company, the term "Secretary" means the board of directors of the appropriate corporation.

and by reason of Public 109, 79th Congress, approved June 30, 1945, the term "Secretary" as used in the Renegotiation Act also means the board of directors of Reconstruction Finance Corporation, as successor to Defense Plant Corporation, Metals Reserve Company, Defense Supplies Corporation and Rubber Reserve Company under said Public 109. (See

§§ 1601.122-5, 1608.809-1 and 1608.809-2 of this chapter.) [RR 122.14]

**SUBPART C—ORGANIZATION AND FUNCTIONS OF THE PRICE ADJUSTMENT BOARDS AND SECTIONS**

Section 1601.137 is amended to read as follows:

§ 1601.137 *RFC Price Adjustment Board.* The boards of directors of Defense Plant Corporation, Metals Reserve Company, Defense Supplies Corporation and Rubber Reserve Company established the RFC Price Adjustment Board. The Reconstruction Finance Corporation has authorized the RFC Price Adjustment Board to act on its behalf. (See §§ 1601.122-5, 1601.122-13, 1608.809-1 and 1608.809-2.) The office of this Board is located in Washington, D. C. [RR 137]

**PART 1603—DETERMINATION OF RENEGOTIABLE BUSINESS AND COSTS**

**SUBPART A—FISCAL YEAR BASIS FOR RENEGOTIATION AND EXCEPTIONS**

Section 1603.308-2 is amended to read as follows:

§ 1603.308-2 *When received or accrued.* For purposes of renegotiation amounts payable to a contractor or subcontractor on account of any termination claim under a contract or subcontract will be deemed to have been received or accrued to the extent, and in the fiscal year for which, such amounts are estimated, upon the basis of the circumstances existing at the time of renegotiation, to be includible in the computation of taxable income under the Internal Revenue Code (see Treasury Decision 5405 and Bureau of Internal Revenue Mimeograph No. 5897 reproduced herein at §§ 1608.852-5 and 1608.852-6 of this chapter). Renegotiation will not be postponed or delayed pending the settlement of a termination claim whether by a "no-cost" waiver, or otherwise. [RR 308.2]

2. Section 1603.309-1 is amended to read as follows:

§ 1603.309-1 *When authorized.* Renegotiation with parent and subsidiary companies may be conducted on a consolidated basis, in the discretion of the Department conducting the renegotiation and with the consent of each of the entities to be consolidated, whether or not the parent and subsidiaries constitute an "affiliated group" as defined in subsection (d) of section 141 of the Internal Revenue Code. [RR 309.1]

3. Section 1603.310-1 is amended to read as follows:

§ 1603.310-1 *When authorized.* Renegotiation with two or more business enterprises which are under common control as a result of common ownership rather than as a result of parent-subsidary relationship may be conducted on a consolidated basis in the discretion of the Department conducting the renegotiation and with the consent of each of the entities to be consolidated, if:

(a) Such consolidation is reasonably necessary for the protection of the inter-

ests of the Government. This is especially likely if one or more of such enterprises is a subcontractor of another of the enterprises commonly owned; and

(b) The extent of the common ownership is such that consolidation for renegotiation purposes is not, in the opinion of the Department conducting the renegotiation, inequitable to minority interests in one or more of the enterprises.

It is not essential that the interests of the common owners be identical in extent or nature in each of the enterprises commonly owned. [RR 310.1]

Section 1603.312 is amended to read as follows:

§ 1603.312 *Where consolidated basis not used.* Companies should not be consolidated for purposes of renegotiation unless they have the same fiscal year for Federal tax purposes and unless the parent-subsidary relationship or common control existed for the entire fiscal period. Whenever parent and subsidiary companies are renegotiated not on a consolidated basis but separately, renegotiations with the individual members of the controlled group should be conducted concurrently if possible. [RR 312]

**SUBPART B—METHODS FOR SEGREGATING SALES BETWEEN RENEGOTIABLE AND NON-RENEGOTIABLE BUSINESS**

Section 1603.323 is amended to read as follows:

§ 1603.323 *Segregation with respect to contracts with Reconstruction Finance Corporation or its subsidiaries.* In connection with prime contracts between a contractor and Defense Plant Corporation, Metals Reserve Company, Defense Supplies Corporation or Rubber Reserve Company or between a contractor and Reconstruction Finance Corporation as successor to any of such corporations under Public 109, 79th Congress, approved June 30, 1945 (see §§ 1601.122-5, 1601.122-13, 1608.809-1 and 1608.809-2 of this chapter), a segregation of sales and allocation of costs is necessary in order that excessive profits, if any, attributable to such contracts may be computed. Such segregation shall not be necessary in cases in which the total amounts received or accrued under such prime contracts do not exceed \$50,000 during the period under renegotiation and no such computation of excessive profits under such prime contracts will be made. When it appears from such a computation that excessive profits are attributable to such prime contracts, appropriate provision should be made so that the portion of the profits eliminated, allocable to such prime contracts, will be paid to the RFC Price Adjustment Board (see § 1605.502-5 of this chapter). The address of the RFC Price Adjustment Board is set out in § 1607.797-1 of this chapter. [RR 323]

**SUBPART C—CONTRACTS AND SUBCONTRACTS WITHIN THE SCOPE OF THE 1943 ACT**

1. Section 1603.332-1 is amended to read as follows:

§ 1603.332-1 *General.* Subject to the exemptions contained in the 1943 Act, all

contracts made by the War and Navy Departments, the Maritime Commission, the War Shipping Administration, Defense Plant Corporation, Defense Supplies Corporation, Rubber Reserve Company, Metals Reserve Company, or Reconstruction Finance Corporation as successor to any of such corporations under Public 109, 79th Congress, approved June 30, 1945, are subject to renegotiation. Contracts of the Treasury Department subject to renegotiation include:

(a) Contracts placed under section 201 of Title II of the First War Powers Act, 1941, 55 Stat. 839. These are principally lend-lease contracts which may be identified by the symbols "DA-TPS" preceding the contract number.

(b) Contracts for strategic and critical materials placed under the authority of the act of June 7, 1939, 53 Stat. 811. Such contracts made after March 1, 1943 may be identified by the symbols "SCM-TPS" preceding the contract number.

(c) Contracts for supplies for refugee relief under the Red Cross program, placed under the authority contained in Title II of the Third Supplemental National Defense Appropriation Act, 1942, 55 Stat. 817, or in section 40 of the Emergency Relief Appropriation Act, fiscal year 1941, 54 Stat. 627, and Title I of the Second Deficiency Appropriation Act, 1942, approved July 2, 1942. Such contracts may be identified by the symbols "TRR" preceding the contract number. [RR 332.1]

2. Section 1603.332-11 is added as follows:

§ 1603.332-11 *Reconstruction Finance Corporation and subsidiary corporations.* The Renegotiation Act is applicable to contracts with Defense Plant Corporation, Metals Reserve Company, Defense Supplies Corporation and Rubber Reserve Company and to subcontracts thereunder. Effective July 1, 1945, these corporations were dissolved and their functions, powers, duties and authority were transferred to Reconstruction Finance Corporation. (See §§ 1601.122-5, 1601.122-13, 1608.809-1 and 1608.809-2 of this chapter.) The Reconstruction Finance Corporation thereupon obtained all the powers, functions, authority and duties vested in such subsidiary corporations under the Renegotiation Act, both as to contracts previously entered into by those subsidiaries and as to contracts which the Reconstruction Finance Corporation, on and after July 1, 1945, might enter into under the authority transferred by the resolution, and as to subcontracts thereunder. [RR 332.11]

**SUBPART D—MANDATORY EXEMPTIONS AND EXCLUSIONS FROM RENEGOTIATION**

Section 1603.348-3 is amended to read as follows:

§ 1603.348-3 *No reduction by refund below exemption.* (a) No determination of excessive profits to be eliminated from the aggregate amount of gross receipts or accruals under subcontracts referred to in subsection (a) (5) (B) of the 1943 Act shall be made in an amount greater than that which when deducted from the aggregate amount of such gross re-

ceipts or accruals for the contractor's fiscal year will reduce them below \$25,000.

(b) No determination of excessive profits to be eliminated from the aggregate amount of gross receipts or accruals under contracts and subcontracts (other than subcontracts referred to in subsection (a) (5) (B) of the 1943 Act) shall be made in an amount greater than that which when deducted from the aggregate amount of such gross receipts or accruals for the contractor's fiscal year will reduce them below \$500,000.

(c) In the case of a renegotiation with respect to a fiscal year consisting of a fractional part of twelve months, these limitations are to be pro-rated accordingly.

(d) In any case in which an adjustment for taxes (other than Federal) measured by income is required (see § 1603.389), excessive profits shall first be determined, and the appropriate adjustment for such taxes measured by income shall be made, without regard to any limitations imposed by this section. The limitations of this section shall then be applied in determining the amount of excessive profits to be eliminated.

(e) In the case of a contractor who has affiliates (as defined in § 1603.348-2 (b)) excessive profits to be eliminated may be determined in an amount not greater than that which when deducted from the aggregate amount of receipts or accruals of the contractor and his affiliates under subcontracts referred to in subsection (a) (5) (B) of the 1943 Act or under contracts and subcontracts (other than subcontracts referred to in subsection (a) (5) (B) of the 1943 Act), as the case may be, for the period of time which is the fiscal year of the contractor will reduce the aggregate amount of such receipts or accruals below the minimums set forth in this section. In the application of such limitation, if any such affiliate has been renegotiated prior to the renegotiation of the contractor, the receipts or accruals of such affiliate received or accrued during the contractor's fiscal year shall be adjusted. In the absence of evidence to the contrary excessive profits determined shall, for the purposes of this paragraph, be deemed to adjust receipts or accruals in each month ratably, according to the ratio of such monthly receipts or accruals to the aggregate receipts or accruals for such affiliate's fiscal year. There shall not be included in the aggregate amount of receipts or accruals of such affiliates any amount received or accrued by any such affiliate in any part of the fiscal year of the contract during which the affiliation did not exist. Ordinarily, all of the members of the affiliated group will have been assigned for renegotiation to the same renegotiation agency; if the fiscal years of the members of the affiliated group differ, renegotiation should be conducted with the members of the group in the order of the expiration of their respective fiscal years.

(f) If two or more contractors are renegotiated on a consolidated basis, their combined adjusted receipts or accruals will be computed without the elimination of inter-company sales (see § 1603.348-2 (b)). [RR 348.3]

#### SUBPART E—PERMISSIVE EXEMPTIONS FROM RENEGOTIATION

In § 1603.351-2 paragraphs (b) and (c) are redesignated (c) and (d) respectively and a new paragraph (b) is added as set forth below:

##### § 1603.351-2 Exemption. \* \* \*

(b) Except as provided in the last sentence of this paragraph, if a contractor assigned for renegotiation has receipts or accruals from a contract or subcontract described in paragraph (a) above, the renegotiating agency shall, before completing the renegotiation, furnish to the Department which entered into such contract or into the contract under which such subcontract was made, the following information:

(1) A statement as to whether administrative difficulties do or do not make impracticable the renegotiation of such contract or subcontract,

(2) A statement of opinion based upon all the facts available to the renegotiating agency as to whether the procurement program of the United States will be adversely affected by the renegotiation of such contract or subcontract,

(3) A statement of opinion based upon all the facts available to the renegotiating agency as to whether such renegotiation will be contrary to the interests of the United States and

(4) A request that a determination be made that such contract or subcontract is or is not exempt from the provisions of the Renegotiation Act.

The Secretary of the Department to which the foregoing is submitted, or any authority to whom the power to exempt individual contracts under subsection (1) (4) (A) of the 1943 Act has been, or may be delegated or redelegated, shall make the findings with respect to the matters set forth in paragraph (a) above and promptly notify the renegotiating agency of such findings. The finding called for in subparagraph (1) of paragraph (a) may be based entirely upon the statement called for in subparagraph (1) of this paragraph. If such findings cannot be made, that fact will be promptly communicated to the renegotiating agency. The renegotiating agency need not follow the foregoing procedure if it appears that a clearance or cancellation of the assignment would be appropriate even though the receipts or accruals from the contract or subcontract in question were considered as subject to renegotiation.

#### SUBPART G—TERMINATION OF RENEGOTIATION

1. Section 1603.371 is amended to read as follows:

§ 1603.371 *Statutory provision.* Subsection (h) of the 1943 Act provides:

(h) This section shall apply only with respect to profits derived from contracts with the Departments and subcontracts which are determined under regulations prescribed by the Board to be reasonably allocable to performance prior to the close of the termination date. Notwithstanding the method of accounting employed by the contractor in keeping his books, profits determined to be so allocable shall be considered as having been received or accrued not later than the termination date. For the purposes of this subsection, the term "termination date"

means whichever of the following dates first occurs:

- (1) December 31, 1945; or
- (2) The date proclaimed by the President as the date of the termination of hostilities in the present war; or
- (3) The date specified in a concurrent resolution of the two Houses of Congress as the date of the termination of hostilities in the present war.

#### [RR 371]

2. Section 1603.372 is amended to read as follows:

§ 1603.372 *History of termination date of Renegotiation Act.* The Renegotiation Act of 1943 originally provided for termination on December 31, 1944, subject to power in the President to extend the termination date to not later than June 30, 1945. Proclamation 2631 executed by the President, specified June 30, 1945, as the termination date within the meaning of subsection (h) of the Renegotiation Act. (See § 1603.803 of this chapter.) On June 30, 1945, the amendment to subsection (h) of the 1943 Act set forth in § 1603.371 was approved (Public 104, 79th Congress) which extended the termination date as indicated in § 1603.371. [RR 372]

#### SUBPART H—COSTS ALLOCABLE AND ALLOWABLE AGAINST RENEGOTIABLE BUSINESS

1. Paragraph (d) of § 1603.383-2 is amended to read as follows:

§ 1603.383-2 *Accelerated amortization and renegotiation rebate.* \* \* \*

(d) Subsection (a) (4) (C) of the 1943 Act provides that no amount shall be allowed as an item of cost in renegotiation by reason of a recomputation of the amortization deduction pursuant to section 124 (d) of the Internal Revenue Code until after such recomputation has been made in connection with a determination of the contractor's Federal taxes for the fiscal year being renegotiated. That subsection further provides that the absence of such recomputation shall not be cause for postponing renegotiation. If, however, the amortization period with respect to any facility has been terminated pursuant to section 124 (d) of the Internal Revenue Code, in any case in which a determination of excessive profits or a determination of no excessive profits for any fiscal year is embodied in an agreement, there may be conditionally allowed as an item of cost in the renegotiation for such fiscal year an amount equivalent to the portion of the increased amortization deduction estimated to be allowable for tax purposes for such year which is allocable to renegotiable business. No such conditional allowance shall be made, however, (1) in a case in which a determination of excessive profits is made, notwithstanding such conditional allowance, unless the clause set forth in § 1607.741-2 (h) of this chapter is incorporated in the renegotiation agreement, or (2) in a case in which by reason of such conditional allowance, a determination of no excessive profits is made, unless an appropriate conditional allowance clause consistent with the clause set forth in § 1607.741-2 (h) of this chapter is incorporated in a clearance agreement.

2. Section 1603.386-1 is amended to read as follows:

§ 1603.386-1 *Allowance.* Interest on borrowed capital is deductible under the Internal Revenue Code and will, therefore, be allowed in renegotiation to the extent allocable to renegotiable business. [RR 386.1]

3. Section 1603.386-2 is amended to read as follows:

§ 1603.386-2 *Allocation.* (a) Interest on borrowed funds should be allocated between renegotiable and non-renegotiable business according to the general principles set forth in § 1603.381-4.

(b) Where, however, a contractor has incurred obligations which results in a cash position obviously disproportionate to the current volume of business, then interest on that portion of such obligations which produces excess cash should not be allocated to renegotiable business. Scrutiny should also be directed to the amount of funds of the contractor invested in securities or other assets which are not related to the production of renegotiable income. In such cases the cost of borrowed funds which can be demonstrated to have been invested in such assets or which can reasonably be allocated to the financing of such assets should be allocated to non-renegotiable business.

(c) Ordinarily, there should not be allocated to renegotiable business any part of the premium or other cost in connection with the redemption of retirement of obligations. [RR 386.2]

4. Section 1603.388-3 is redesignated § 1603.388-4 and a new § 1603.388-3 is added as set forth below:

§ 1603.388-3 *Charitable contributions; proprietorships and partnerships.* No portion of charitable contributions made by individuals or partners will be allocated to renegotiable business unless the contractor demonstrates clearly that such contributions are reasonable in amount and properly related to the conduct of the business. [RR 338.3]

#### PART 1604—DETERMINATION AND ELIMINATION OF EXCESSIVE PROFITS

##### SUBPART A—PRINCIPLES AND FACTORS IN DETERMINING EXCESSIVE PROFITS

Paragraph (a) of § 1604.407-3 is amended to read as follows:

§ 1604.407-3 *Allocation of costs to cost-plus-fixed-fee contracts.* (a) In determining costs allocable to cost-plus-fixed-fee contracts, the principles set forth in Subpart H of Part 1608 of this chapter relating to the allocation of costs generally should be followed without regard to whether any particular item of cost is or is not reimbursable under the terms of the contracts. Therefore, in the allocation of costs to fixed-price renegotiable business, to cost-plus-fixed-fee renegotiable business, and to non-renegotiable business all costs applicable and necessary to performance under the cost-plus-fixed-fee contracts should be allocated to such contracts whether or not reimbursable under the terms thereof. Properly allocable non-reimbursable

costs will, therefore, be included in the total cost of performance of the cost-plus-fixed-fee contracts.

##### SUBPART B—RECOVERY OF EXCESSIVE PROFITS ALREADY REALIZED

1. Paragraph (a) of § 1604.422-4 is amended to read as follows:

§ 1604.422-4 *Interest.* (a) No renegotiation agreement when originally made shall require the payment of interest on installments of the refund which are not in default thereunder and which are provided to be payable within a two-year period after the close of the fiscal period to which the renegotiation relates. A renegotiation agreement providing for the payment of an installment of a refund beyond two years after the close of the fiscal period to which the renegotiation relates, shall require the payment of interest on such installment at the rate of six (6) per cent per annum from and after the date which is two years after the last day of the fiscal period to which the renegotiation relates.

2. Section 1604.425 is added as set forth below:

§ 1604.425 *Interest of Reconstruction Finance Corporation.* Reference is made to §§ 1603.323 and 1605.502-5 of this chapter. [RR 425]

##### SUBPART D—RENEGOTIATION AND TAXES

Paragraph (a) of § 1604.442-2 is amended to read as follows:

§ 1604.442-2 *Computation of credit for Federal taxes.* (a) The Bureau of Internal Revenue computes the credit allowable under section 3806 of the Internal Revenue Code for Federal income and excess profits taxes assessed for a prior taxable year. The contractor should submit written requests for such determinations directly to the Internal Revenue Agent in Charge of the Division of the Bureau of Internal Revenue where the contractor filed its tax return for the fiscal year involved. Forms for requesting computation of the credit appear at §§ 1607.731, 1607.732 and 1607.733 of this chapter. (See also § 1604.452 (a) (3)). The requests should not be sent to the Collector of Internal Revenue.

##### SUBPART E—INTERIM PREPAYMENT OF EXCESSIVE PROFITS

1. Section 1604.450 is amended to read as follows:

§ 1604.450 *Scope of part.* Excessive profits are determined under the Renegotiation Act (including subsection (a) (4) (D) which provides for a renegotiation rebate) only pursuant to a renegotiation proceeding commenced and conducted in the manner prescribed by the act. Profits refunded prior to renegotiation will be deemed to be "excessive profits determined" within the meaning of the Renegotiation Act only if such refund is made in the manner prescribed in § 1604.452 as an interim prepayment of excessive profits to be determined by the War Contracts Board in a subsequent renegotiation and only to the extent that the amount of such prepayment is determined in such renegotiation to constitute

excessive profits within the meaning of the Renegotiation Act. It is the purpose of this section to discuss: (a) The circumstances under which renegotiating agencies will accept such interim prepayments; and (b) the method by which prepayments may be made. Reference is made to § 1604.413-2 for a discussion of the effect of refunds made prior to renegotiation upon the statutory factor of "risk". [RR 450]

2. Paragraph (a) of § 1604.452 is amended to read as follows:

§ 1604.452 *Procedure for acceptance of prepayments of excessive profits.*

(a) Each prepayment must be made pursuant to a letter agreement in the form prescribed as follows:

(1) If the refund is made prior to the close of the fiscal year to which it relates, a letter agreement in the form set forth in § 1607.743 of this chapter will be used;

(2) If the refund is made, after the close of the fiscal year to which it relates, but before the Federal tax return for such year has been filed, a letter agreement in the form set forth in § 1607.743 of this chapter will be used except that the word "ending" appearing in the first sentence of such form will be changed to "ended";

(3) If the refund is made after the Federal tax return has been filed for the fiscal year to which the refund relates, a letter agreement in the form set forth at § 1607.744 of this chapter will be used. In this latter case, it will be necessary for the contractor to request a tax credit under section 3806 of the Internal Revenue Code. Reference is made to §§ 1607.731 to 1607.733 inclusive of this chapter for appropriate forms of letters which, with one change, can be used in requesting the computation of tax credit. Before using either of such forms, the contractor should insert immediately after the word "profits" appearing in the third line of the appropriate form, the following phrase: ", as such term is defined in section 3806 of the Internal Revenue Code,".

#### PART 1605—AGREEMENTS AND STATEMENTS

##### SUBPART A—AGREEMENTS AND CLEARANCES

1. Paragraphs (a) and (b) of § 1605.502-5 are amended to read as follows:

§ 1605.502-5 *Terms of payment.* (a) The schedule of payments to be made will be set forth in Article 4. A suggested form of such schedule is set forth in § 1607.741-2 (e) of this chapter. The Department which has conducted the renegotiation will also provide, in this article, for the place of payment. In the event that the profits agreed in Article 1 to be eliminated are derived in part from prime contracts with Defense Plant Corporation, Metals Reserve Company, Defense Supplies Corporation or Rubber Reserve Company or from prime contracts with Reconstruction Finance Corporation as successor to any of such corporations under Public 109, 79th Congress, approved June 30, 1945 (see §§ 1601.122-5, 1601.122-13, 1608.809-1,

and 1608.809-2 of this chapter) and the total amounts received or accrued under such prime contracts exceed \$50,000, the payment provision in accordance with the footnote to Article 4 on the standard form will require payment of the excessive profits under such prime contracts to the RFC Price Adjustment Board. (See § 1607.741-1.) In cases in which the total amounts received or accrued under such prime contracts do not exceed \$50,000, it shall not be necessary to make a separate computation of the profits derived from such contracts and the entire refund shall be payable as though no contracts with the Reconstruction Finance Corporation or its former subsidiaries were involved. (See § 1603.323 of this chapter.)

(b) For the purpose of determining the portion of the profits which are to be eliminated which were derived from such prime contracts, the Department conducting renegotiation will segregate the amounts received or accrued under such contracts from amounts received or accrued under other renegotiable contracts and subcontracts involved in the renegotiation of a particular contractor. It will also generally segregate the profits derived from such prime contracts. Where, however, it is indicated that the margin of profit attributable to such prime contracts is substantially the same as that attributable to other contracts and subcontracts involved in the renegotiation, a fair allocation of the profits to be eliminated may be effected by prorating the amount of the refund on the basis of the amount of renegotiable business attributable to such prime contracts and the amount of such business attributable to other contracts and subcontracts. Accordingly, the Department conducting renegotiation may determine the amount of the renegotiation refund to be paid to the RFC Price Adjustment Board on such basis where it is believed that the application of the same will result in a fair and reasonably accurate result.

2. Section 1605.508-3 is amended to read as follows:

§ 1605.508-3 *Use and form of clearance agreement.* Upon request of the contractor, a clearance agreement executed by the contractor and the Government may be used in place of the clearance notice. Such government should follow the general structure of the standard form of renegotiation agreement (see § 1605.506 and § 1607.741-1) except that Articles 3, 4, 5 and 9 of the standard agreement should be omitted. The articles used should be renumbered consecutively. The first article should be substantially the same as that contained in the standard form, except that the finding and agreement should be that no profits should be refunded pursuant to the act. Whenever renegotiation conducted on a completed-contract basis in the cases referred to in § 1605.506-4 results in the execution of a clearance agreement, the appropriate clause therein prescribed will be included in the clearance agreement. [RR 508.3]

PART 1607—FORMS OF RENEGOTIATION

SUBPART B—FORMS RELATING TO OPERATION OF RENEGOTIATION

In § 1607.722 Exhibit 4 is added, as follows:

§ 1607.722 *Contractor's Information and Work Sheet for Renegotiation.*

Budget Bureau No. 43-R 209  
Approval Expires 12/31/45

EXHIBIT 4

Note

If the contractor has previously filed this information for the same fiscal period with a Royalty Adjustment Board or Officer, the time and place of filing may be indicated in lieu of completing this form.

Name of Contractor \_\_\_\_\_  
Address \_\_\_\_\_ Fiscal Year Ended \_\_\_\_\_

Statement of Royalties for the Use of Inventions Received or Accrued and Paid or Incurred

Notwithstanding the provisions of Section P-1 (a) of the Contractor's Information and Work Sheet, for the purposes of renegotiation the following information as to royalties for the use of inventions is requested in lieu thereof, to be furnished substantially in the following form:

A. Royalties received or accrued:		
<i>Licensee</i>	<i>Address</i>	<i>Amount</i>
1. _____	_____	\$ _____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____
All other under \$15,000 each (number involved) _____		_____
Total per statement of income _____		\$ _____
B. Royalties paid or incurred:		
<i>Licensor</i>	<i>Address</i>	<i>Amount</i>
1. _____	_____	\$ _____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____
5. _____	_____	_____
All other under \$5,000 each (number involved) _____		_____
Total per statement of income _____		\$ _____

NOTE: Under A above, list individually the entities from which royalties in excess of \$15,000, together with the aggregate amounts, were received or accrued. Under B above, list individually the entities to which royalties in excess of \$5,000, together with the aggregate amounts, were paid or incurred. All others may be grouped as indicated.

[RR 722]

SUBPART C—FORMS RELATING TO TAX CREDIT

Identical references should be inserted in §§ 1607.731, 1607.732 and 1607.733 after the words "excessive profits" in the first sentence of the letter agreements. The references should read as follows: "(See § 1604.452 (a) (3))."

SUBPART D—FORMS RELATING TO AGREEMENTS AND UNILATERAL DETERMINATIONS

1. The footnote to paragraph 4 of the Standard Form of Agreement set forth in § 1607.741-1 is amended to read as follows:

<sup>3</sup> Under the conditions referred to in paragraphs 323 and 502.5, insert here—"to the extent of \$ \_\_\_\_\_, less the pro rata portion of the tax credit, if any, applicable

thereto, and by check to the order of and forwarded to the Reconstruction Finance Corporation Price Adjustment Board, 811 Vermont Avenue, N. W., Washington 25, D. C., to the extent of \$ \_\_\_\_\_, less the pro rata portion of the tax credit, if any, applicable thereto."

2. Paragraph (8) is added to the variations in the standard form presented in § 1607.741-2 to read as set forth below:

§ 1607.741-2 *Variations in the standard form.*

(8) The following clause may be used when appropriate (see RR § 893.333-2 (d)):

The Contractor represents that pursuant to section 124 (d) of the Internal Revenue Code it has elected to compute its amortization deduction with respect to the facilities described in Non-Necessity Certificate No. \_\_\_\_\_, dated \_\_\_\_\_ based on an amortization period of less than sixty (60) months, and that the amortization deduction with respect to such facilities which the Contractor estimates will be allowed in the determination of its Federal income and excess profits taxes for the taxable year ended \_\_\_\_\_ based on said period of less than sixty (60) months is \$ \_\_\_\_\_ (hereinafter referred to in this article as "said amount"). The Contractor further represents that \_\_\_\_\_% (hereinafter called the "allocable percentage") of said amount is properly allocable to said contracts and subcontracts. Based upon the foregoing, there has been allowed as an item of cost in the determination of the amount of profits agreed in Article 1 to be eliminated, the allocable percentage of said amount. The Contractor agrees, however, that if the amortization deduction finally allowed in the determination of the Contractor's Federal income and excess profits taxes with respect to such facilities for said taxable year shall be less than said amount, the Contractor will, within thirty days thereafter, pay to the Government as additional profits for said fiscal year which should be eliminated, a sum equal to the allocable percentage of the difference between said amount and the amortization deduction so finally allowed plus interest at the rate of 6 per centum per annum upon such additional profits from and after the date two years following the close of said fiscal year.

In the elimination of said additional profits the Contractor shall be allowed the tax credit, if any, provided by section 3376 of the Internal Revenue Code.

The Contractor hereby waives all right to a renegotiation rebate under subsection (a), (4) (D) of the Renegotiation Act on account of any recomputation of the amortization deduction with respect to such facilities for said fiscal year except to the extent by which the allocable percentage of the amount of such recomputed amortization deduction finally allowed with respect to such facilities in the determination of the Contractor's Federal income and excess profits taxes for said taxable year exceeds the allocable percentage of said amount.

[RR 741.2]

3. In § 1607.743 a reference should be inserted after the words "fiscal year ending" in the first sentence of the letter agreement. The reference should read as follows "(see § 1604.452)."

4. Section 1607.744 is added as follows:

§ 1607.744 *Letter agreement providing for prepayment of excessive profits after close of fiscal year.*

(Date)

## (Departmental Price Adjustment Board and Address)

Gentlemen: Of the profits received or accrued in our fiscal year ended \_\_\_\_\_ (hereinafter referred to as "such fiscal year") derived from contracts and/or subcontracts subject to the provisions of the Renegotiation Act, we intend to pay to you as a prepayment of excessive profits, the sum \$\_\_\_\_\_ (hereinafter referred to as the "gross prepayment").

This prepayment is to be made on the understanding (1) that the gross prepayment shall be deemed to be a payment in elimination of "excessive profits" within the meaning of such term as defined in Section 3806 of the Internal Revenue Code; (2) that the gross prepayment has been included in the Federal income and excess profits tax returns filed by the undersigned for such fiscal year; (3) that the undersigned will promptly apply for a computation by the Bureau of Internal Revenue, based upon the assessments made to the date of such computation, of the amount by which the taxes of the undersigned for such fiscal year payable under Chapters 1, 2A, 2B, 2D, and 2E of the Internal Revenue Code will be decreased by reason of the elimination from income of the gross prepayment pursuant to section 3806 of the Internal Revenue Code; and (4) that the undersigned will, upon receiving such computation, pay to the Government the gross prepayment, less the amount of the tax credit, if any, so computed by the Bureau of Internal Revenue. The undersigned represents that this prepayment is not made in satisfaction or discharge, in whole or in part, of any legally binding obligation heretofore existing.

It is agreed that neither acceptance of this letter nor acceptance of the prepayment to be made hereunder constitutes a commencement of renegotiation pursuant to the Renegotiation Act and that, except as provided herein, renegotiation may be conducted in all respects as though this prepayment had not been made. It is further agreed that if renegotiation pursuant to the Renegotiation Act shall hereafter be concluded with respect to such fiscal year, (1) the amount of the gross prepayment will, for the purpose of such renegotiation, be included in renegotiable receipts or accruals, (2) upon such basis, excessive profits, if any, will be determined under the Renegotiation Act and the regulations promulgated thereunder, and (3) upon such determination of excessive profits, the amount of gross prepayment will be applied in elimination of the excessive profits so determined, and, to the extent so applied, the gross prepayment will be deemed to be "excessive profits determined" within the meaning of the Renegotiation Act. It is intended that, if the amount of excessive profits so determined is less than the amount of the gross prepayment, or if for any reason renegotiation pursuant to the Renegotiation Act shall not be concluded with respect to such fiscal year, then the excess of this gross prepayment, or the full amount thereof, as the case may be, shall constitute a payment in elimination of "excessive profits" as such term is defined in section 3806 of the Internal Revenue Code, even though not constituting an elimination of "excessive profits determined" within the meaning of the Renegotiation Act.

It is further agreed that no part of this prepayment shall be refunded to the undersigned, *Provided, however*, that if this gross prepayment, or a portion thereof, shall be deemed to be "excessive profits determined" within the meaning of the Renegotiation Act, nothing herein contained shall prejudice any right which the undersigned may have to receive any refund or rebate provided for in the Renegotiation Act with respect to the excessive profits so determined. The undersigned further agrees that if this gross prepayment, or a portion thereof, shall be deemed to be "excessive profits determined" within the meaning of the Renegotiation Act,

the undersigned shall not be entitled to any tax credit with respect to the gross prepayment, or portion thereof, as the case may be, other than the tax credit computed as provided in the second paragraph of this agreement, and that the undersigned will so inform the Bureau of Internal Revenue at the time it applies for a computation of tax credit with respect to the "excessive profits determined" pursuant to the Renegotiation Act.

If this prepayment is acceptable on the foregoing terms, please so indicate by indorsement of one of the three (3) copies inclosed and return such copy to us.

Yours very truly,

\_\_\_\_\_  
(Name of Contractor)

By \_\_\_\_\_  
(Title)

Accepted by \_\_\_\_\_  
Acting on behalf of the War Contracts Price Adjustment Board

If a corporation add (corporate seal)

Attest:

\_\_\_\_\_  
(Secretary)

[RR 744]

## SUBPART I—ADDRESSES

1. In §1607.793-1, the eighth paragraph is amended to read as follows:

§ 1607.793-1 *Headquarters.* \* \* \*

The Surgeon General, Attention: Director, Renegotiation Division, Room 505, Maritime Building, 1818 H Street, NW., Washington 25, D. C.; Tel. Republic 6700, Ext. 78455.

2. Section 1607.793-2 is amended by deleting the second and third addresses for the Army Air Forces.

3. Section 1607.797-2 is amended to read as follows:

§ 1607.797-2 *Field offices of price adjustment sections.*

Healey Building, Atlanta 3, Georgia, Tel. Main 5612.

Comer Building, Birmingham 3, Alabama, Tel. Birmingham 4-2661.

10 Post Office Square, Boston 9, Massachusetts, Tel. Liberty 8000.

317 South Tryon Street, Charlotte 2, North Carolina, Tel. Charlotte 3-7161.

208 S. LaSalle Street, Chicago 4, Illinois, Tel. State. 0800.

Federal Reserve Bank Building, Cleveland 1, Ohio, Tel. Main 8515; Night, Main 8518.

Cotton Exchange Building, Dallas 1, Texas, Tel. LD 171 or Riverside 6751.

Boston Building, Denver 2, Colorado, Tel. Alpine 0415.

800 Griswold Building, 124 Griswold Street, Detroit 26, Michigan.

P. O. Box 177, Power Block, Helena, Montana, Tel. Helena 481.

Rusk Building, 723 Main Street, Houston 2, Texas, Tel. Charter 4-8711.

Western Union Building, Jacksonville 2, Florida, Tel. Jacksonville 5-1650.

Federal Reserve Bank Building, Kansas City 6, Missouri, Tel. Victor 3113.

Pyramid Building, Little Rock, Arkansas, Tel. Little Rock 4-0254.

Pacific Mutual Building, Los Angeles 14, California, Tel. Michigan 6321.

Lincoln Bank Building, 421 W. Market Street, Louisville 2, Kentucky, Tel. Wabash 6771.

McKnight Building, Minneapolis 1, Minnesota, Tel. Geneva 8601.

Nashville Trust Company Building, Union Street, Nashville 3, Tennessee, Tel. LD 48 or 5-2182.

Union Building, 837 Gravier Street, New Orleans 12, Louisiana., Tel. Canal 2701.

44 Pine Street, New York 5, New York, Tel. Rector 2-8100.

Cotton Exchange Building, Oklahoma City 2, Oklahoma, Tel. LD 647 or 2-8541.

Woodmen of the World Bldg., Omaha 2, Nebraska, Tel. Jackson 8200.

Lincoln-Liberty Building, Philadelphia 7, Pennsylvania, Tel. Kingsley 1500.

Pittcock Block, Portland 5, Oregon, Tel. Atwater 6401.

Mutual Assurance Society Building, 909 East Main Street, Richmond 19, Virginia, Tel. Richmond 3-6741.

Victoria Building, 407 North 8th Street, St. Louis 1, Missouri, Tel. Garfield 3750.

Dooly Building, Salt Lake City 1, Utah, Tel. Salt Lake City 5-7493.

Alamo National Building, San Antonio 5, Texas, Tel. Cathedral 1461.

200 Bush Street, San Francisco 4, California, Tel. Exbrook 6206.

Dexter Horton Building, Seattle 4, Washington, Tel. Main 1080.

Columbia Building, Spokane 8, Washington, Tel. Main 5111.

[RR 797.2]

4. Sections 1607.799 and 1607.799-1 are amended and § 1607.799-2 is added as follows:

§ 1607.799 *Maritime Commission and War Shipping Administration.* [RR 799]

§ 1607.799-1 *Maritime Commission Price Adjustment Board.*

(a) Headquarters, Attention: Mr. John R. Paul, Room 512, Electrical Workers Building, Washington 5, D. C.; Tel. Executive 3340, Ext. 608.

(b) Pacific Coast Division, 333 Kearny Street, San Francisco, California; Tel. Garfield 3715.

[RR 799.1]

§ 1607.799-2 *War Shipping Administration Price Adjustment Board.*

(a) New York Division, 39 Broadway, New York 6, New York; Tel. Whitehall 3-8000.

(b) Pacific Coast Division, 427 Mills Tower Building, 220 Bush Street, San Francisco 4, California; Tel. Garfield 3715.

[RR 799.2]

## PART 1608—TEXT OF STATUTES, ORDERS, JOINT REGULATIONS AND DIRECTIVES

## SUBPART A—STATUTES AND EXECUTIVE ORDERS

1. Section 1608.801 is amended to read as follows:

§ 1608.801 *Renegotiation Act of 1943.* Section 403 of the Sixth Supplemental National Defense Appropriation Act, 1942 (Public 528, 77th Congress), approved April 28, 1942, as amended by section 801 of the Revenue Act of 1942 (Public 753, 77th Congress) approved October 21, 1942; by section 1 of the Military Appropriation Act, 1944 (Public 108, 78th Congress), approved July 1, 1943; by Public 149, 78th Congress, approved July 14, 1943; as amended in full by section 701 (b) of the Revenue Act of 1943 (Public 235, 78th Congress) enacted February 25, 1944, and as further amended by Public 104, 79th Congress, approved June 30, 1945. [RR 801]

2. Section 1608.801-8 is amended to read as follows:

§ 1608.801-8 *Section 403 (h).* This section shall apply only with respect to profits derived from contracts with the Departments and subcontracts which are determined under regulations prescribed by the Board to be reasonably allocable

to performance prior to the close of the termination date. Notwithstanding the method of accounting employed by the contractor in keeping his books, profits determined to be so allocable shall be considered as having been received or accrued not later than the termination date. For the purposes of this subsection, the term "termination date" means whichever of the following dates first occurs:

- (a) December 31, 1945; or
- (b) The date proclaimed by the President as the date of the termination of hostilities in the present war; or
- (c) The date specified in a concurrent resolution of the two Houses of Congress as the date of the termination of hostilities in the present war. [RR 801.8]

3. Section 1608.801-16 is added as follows:

§ 1608.801-16 *Transfer to Reconstruction Finance Corporation of powers of certain subsidiaries.* See § 1608.809. [RR 801.16]

4. Section 1608.804 is amended to read as follows:

§ 1608.804 *Repricing of war contracts.* Title VIII of the Revenue Act of 1943, enacted February 25, 1944, as amended in section 802 (b) by Public 104, 79th Congress, approved June 30, 1945, provides as follows. [RR 804]

5. Section 1608.804-2 is amended to read as follows:

§ 1608.804-2 *Section 802; effective date.*

(a) Section 801 shall be effective from the date of the enactment of this act.

(b) Section 801 shall not apply to any contract with a Department or any subcontract made after (1) the date proclaimed by the President as the date of the termination of hostilities in the present war, or (2) the date specified in a concurrent resolution of the two Houses of Congress as the date of such termination, or (3) December 31, 1945, whichever date is the earlier.

[RR 804.2]

6. Section 1608.808 is amended by inserting a reference to § 1608.801-8 immediately following the section headnote, as follows:

§ 1608.808 *Proclamation 2631 specifying June 30, 1945, as the termination date of the Renegotiation Act.* (See also § 1608.801-8.)

7. Sections 1608.809, 1608.809-1 and 1608.809-2 are added as follows:

§ 1608.809 *Transfer to Reconstruction Finance Corporation of powers of Defense Plant Corporation, Metals Reserve Company, Defense Supplies Corporation and Rubber Reserve Company.* [RR 809]

§ 1608.809-1 *Text of statute.*

[PUBLIC LAW 109—79TH CONGRESS]

[CHAPTER 215—1ST SESSION]

[S. J. Res. 65]

JOINT RESOLUTION

To transfer to the Reconstruction Finance Corporation the functions, powers, duties, and records of certain corporations.

Resolved by the Senate and House of Representatives of the United States of America

in Congress assembled. That, notwithstanding any other provision of law, all functions, powers, duties, and authority of the corporations hereinafter designated, are hereby transferred, together with all their documents, books of account, records, assets, and liabilities of every kind and nature, to Reconstruction Finance Corporation and shall be performed, exercised, and administered by that Corporation in the same manner and to the same extent and effect as if originally vested in Reconstruction Finance Corporation, and the designated corporations are hereby dissolved: Defence Plant Corporation, Metals Reserve Company, Rubber Reserve Company, and Defense Supplies Corporation, created by Reconstruction Finance Corporation pursuant to the Act of June 25, 1940 (54 Stat. 572), and Disaster Loan Corporation, created by the Act of February 11, 1937 (50 Stat. 19), are hereby designated as the corporations to which this joint resolution applies.

SEC. 2. The Reconstruction Finance Corporation shall assume and be subject to all liabilities, whether arising out of contract or otherwise, of the corporations dissolved by this joint resolution. No suit, action, or other proceeding lawfully commenced by or against any of such corporations shall abate by reason of the enactment of this joint resolution, but the court, on motion or supplemental petition filed at any time within twelve months after the date of such enactment, showing a necessity for the survival of such suit, action, or other proceeding to obtain a determination of the questions involved, may allow the same to be maintained by or against the Reconstruction Finance Corporation.

SEC. 3. This joint resolution shall take effect on July 1, 1945.

Approved June 30, 1945.

[RR 809.1]

§ 1608.809-2 *Extract from Committee report.* (See Congressional Record, Thursday, June 28, 1945, Vol. 91, No. 129, pages 7002-7003). [RR 809.2]

#### SUBPART B—DELEGATIONS OF AUTHORITY

1. Section 1608.821-1 is amended to read as follows:

§ 1608.821-1 *Delegation dated August 10, 1945, to the Secretaries.*

DELEGATION BY THE WAR CONTRACTS PRICE ADJUSTMENT BOARD OF POWERS, FUNCTIONS AND DUTIES UNDER THE RENEGOTIATION ACT

AUGUST 10, 1945.

1. For the purpose of this delegation, the following terms are defined:

a. The term "Board" means the War Contracts Price Adjustment Board.

b. The term "Department" means the Departments enumerated in subsection (a) (1) of the Renegotiation Act and Reconstruction Finance Corporation as successor to Defence Plant Corporation, Metals Reserve Company, Defense Supplies Corporation and Rubber Reserve Company under Public Law 103, 79th Congress, approved June 30, 1945.

c. The term "Secretary" means the Secretary of War, the Secretary of the Navy, the Secretary of the Treasury, the Chairman of the Maritime Commission, the Administrator of the War Shipping Administration and the board of directors of Reconstruction Finance Corporation, as successor to Defence Plant Corporation, Metals Reserve Company, Defense Supplies Corporation and Rubber Reserve Company under Public Law 103, 79th Congress, approved June 30, 1945.

d. The term "Act" means the Renegotiation Act. Renegotiation authority relating to Reconstruction Finance Corporation as successor to Defence Plant Corporation, Metals Reserve Company, Defense Supplies Corporation and Rubber Reserve Company under

Public Law 103, 79th Congress, approved June 30, 1945, is authority under the Act.

2. Pursuant to the provisions of subsection (d) (4) of the Act, the Board hereby delegates to each Secretary:

a. All of the powers, functions and duties conferred upon the Board by subsections (a) (4) (B); (a) (4) (C); (a) (4) (D); (a) (5) (B); (c) (1); (c) (2); (c) (3); (c) (4) (c) (5) (B); and (h) of the Act;

b. All of the powers, functions and duties conferred upon the Board to require the furnishing of information, records and data pursuant to the provisions of subsection (c) (5) (A) of the Act, except the financial statement provided for in the first sentence of said subsection; and

c. All of the powers, functions and duties conferred upon the Board to interpret and apply the exemptions provided for in subsection (1) (1) (A), (B), (C), (E) and (F), the definition contained in subsection (a) (7) and the provisions of subsection (1) (3).

The foregoing delegation of powers, functions and duties, however, shall be effective as to each Secretary, only as to contractors and subcontractors assigned by the Board, or pursuant to its authority, to such Secretary or his Department for renegotiation.

3. Pursuant to the provisions of subsection (d) (4) of the Act, the Board hereby delegates to each Secretary the power conferred upon the Board by subsection (1) (4) of the Act to exempt from some or all of the provisions of the Act, individual contracts entered into pursuant to his authority or the authority of his Department, and subcontracts under any such contracts (including subcontracts under any such contracts which are also subcontracts under contracts with other Departments); excepting from such delegation, however, any power to exempt from any of the provisions of the Act, any such contracts or subcontracts by general classes or types other than as provided in paragraph 4 hereof.

4. Pursuant to the provisions of subsection (d) (4) of the Act, the Board hereby delegates to each Secretary the power conferred upon the Board by subsection (1) (4) of the Act to exempt from some or all of the provisions of the Act any contracts or subcontracts with respect to patents or inventions, which contracts or subcontracts are license agreements, assignments, releases of, or covenants not to sue with respect to, claims for the manufacture or use of inventions, and any contracts or subcontracts for royalties charged or chargeable directly or indirectly to the United States which royalties are the subject of a royalty adjustment contract either pursuant to Public Law 703, 77th Congress, Chapter 634—2d Session, or otherwise: *Provided, however, that each exemption made under this paragraph 4 which relates to general classes or types of contracts or subcontracts shall be limited to the contracts or subcontracts of specific contractors or subcontractors to whom amounts are or may be paid or payable under such contracts or subcontracts.*

5. The powers, functions and duties hereby delegated to each Secretary may be delegated in whole or in part by him to such officers or agencies of the United States as he may designate, and he may authorize successive redelegations of such powers, functions and duties.

6. Without intending to limit the powers, functions and duties hereby delegated, nevertheless, each Secretary and each officer or agency of the United States to whom any power, function or duty is delegated or redelegated hereunder, shall exercise such power, function and duty, and all authority and discretion thereunder, in accordance with such interpretations of the Act and such regulations relating thereto as are issued or adopted by the Board and in accordance with the principles, policies and procedures established by the Board. Where a determination with respect to the amount of excessive

profits of a contractor or subcontractor is embodied in an agreement between the contractor or subcontractor and a duly authorized representative of the Board such agreement shall be conclusive according to its terms and shall not be subject to review by the Board or any representative of the Board. Nothing herein contained, however, shall be construed to limit the right of the Board to review determinations with respect to the amount of excessive profits made by order and not embodied in an agreement with the contractor or subcontractor concerned.

7. This delegation is subject to revocation or modification in whole or in part at any time.

8. The powers, functions and duties delegated hereby shall be effective immediately and shall be retroactive to the effective date of the Revenue Act of 1943.

9. This delegation supersedes the delegations dated February 26, 1944 and November 10, 1944 made by the War Contracts Price Adjustment Board to the Secretaries. The authority so superseded is not withdrawn from the Secretaries but is incorporated herein. Any action under such superseded delegations is not affected hereby and all delegations of authority thereunder shall remain in force until amended or rescinded.

By Order of the War Contracts Price Adjustment Board:

MAURICE HIRSCH,  
Colonel, General Staff Corp.,  
Chairman.

[RR 821.1]

2. Section 1608.821-2 is revoked as follows:

§ 1608.821-2 *Delegation dated November 10, 1944, to the secretaries.* [Revoked]

SUBPART E—OTHER ORDERS AND DIRECTIVES

1. Section 1608.852-6 is amended to read as follows:

§ 1608.852-6 *Mimeograph 5897.* (Replacing Mimeograph 5766.)

JULY 24, 1945.

Com.-Mimeograph  
Coll. No. 5897  
R. A. No. 1444  
T. S. No. 385

TREATMENT OF COMPENSATION FOR TERMINATION OF WAR CONTRACTS, DEDUCTIONS UPON TERMINATION, AND NO-COST SETTLEMENTS—  
MIMEOGRAPH 5766 RESTATED AND SUPPLEMENTED

COLLECTORS OF INTERNAL REVENUE,  
*Internal Revenue Agents in Charge,  
Heads of Field Divisions of the Technical  
Staff, and Others Concerned:*

Mimeograph 5766, dated November 1, 1944, contains rules governing the treatment of compensation for the termination of fixed-price contracts which constitute war contracts within the meaning of section 3 of the Contract Settlement Act of 1944, in cases where the contractor renders his returns other than on a basis of cash receipts and disbursements and the compensation is received pursuant to a negotiated settlement, together with rules with respect to the effect of a no-cost settlement in respect of a termination of a fixed-price contract. The method of treatment therein prescribed will continue to be followed. Pursuant to the provisions of § 29.42-1, Regulations 111, as amended by T. D. 5405, promulgated on September 22, 1944, the provisions of Mimeograph 5766 are however restated in this mimeograph and are supplemented to prescribe rules for the treatment of compensation for the termination of all war contracts in all cases where the contractor renders his returns other than on a basis of cash receipts and disbursements.

(a) *When compensation included in gross income.* In the case of a termination of a contract which constitutes a war contract within the meaning of section 3 of the Contract Settlement Act of 1944, compensation for the termination shall be included in computing gross income for the taxable year or years determined in accordance with the following rules:

(1) *Taxable years ending prior to July 21, 1944.* In case a war contract is terminated within a taxable year ending prior to July 21, 1944, the effective date of the Contract Settlement Act of 1944, compensation for the termination shall be included in computing gross income for the taxable year in which the claim is allowed (or the settlement proposal is accepted) or for the taxable year in which its value is otherwise definitely determined or for the first taxable year ending after July 20, 1944, whichever year is the earliest: *Provided, however,* That the contractor shall not be required or permitted to include in income for such year any part of the income from the contract termination which was included in income for the taxable year of the contract termination.

The provisions of the preceding sentence are applicable in the case of negotiated settlements of fixed-price war contracts and in all other cases of terminations of war contracts. Under such provisions, if pursuant to contractual provisions relating to the contract termination a contractor is entitled, upon termination, to compensation for any particular item of cost, expense or loss incurred within the taxable year of the contract termination or within any prior taxable year, the compensation for such item shall be included in computing gross income for the taxable year of the contract termination. Where there is an agreement to pay to the contractor upon termination of the contract, as compensation for the termination, amounts which are specified in the agreement or which are definitely ascertainable by the contractor by a calculation or computation based on ascertained factors, such amounts shall be included in computing gross income for the taxable year of the contract termination. In any other case of an agreement to pay to the contractor upon termination compensation for the termination (as, for example, where at the time of the contract termination there is a binding agreement to pay the contractor compensation for the termination and the amounts due under such agreement can be estimated but can be definitely ascertained only by agreement of the parties, by determination of a governmental agency, or by litigation), the contractor shall not be permitted or required merely by reason of such agreement, to include in income for such year any part of such amounts which is in excess of that so included by him in filing his return for such year. In the case of a negotiated lump-sum settlement of a fixed-price contract (see paragraph (b), below), the amounts which under the preceding provisions of this subparagraph are properly includible in computing gross income for the taxable year of the contract termination, shall be applied against the amount of the lump-sum settlement for the purposes of determining the part of such settlement which is includible in computing gross income for any taxable year subsequent to the year of the contract termination.

If at the close of the taxable year of the contract termination there is no agreement to pay to the contractor any compensation for the termination, or if the agreement to pay is conditioned upon events which have not occurred, no compensation for the contract termination shall be includible in computing gross income for such year. If by contractual provisions relating to the contract termination a contractor is entitled to compensation for any particular item of cost, expense or loss incurred within a taxable year subsequent to the year of the contract ter-

mination, the compensation for such item shall be included in computing gross income for such subsequent year, except that this rule shall not apply in the case of a negotiated lump-sum settlement of a fixed-price contract (see paragraph (b), below) where the amount of such settlement is includible in computing gross income for any prior taxable year or years.

(2) *Taxable years ending on or after July 21, 1944.* In case a war contract is terminated within a taxable year ending on or after July 21, 1944, the income from the contract termination shall be included in computing gross income for the taxable year of the contract termination. The foregoing method shall apply in all such cases unless a different method is prescribed or approved by the Commissioner. Notwithstanding the foregoing provisions of this subparagraph, if any part of the compensation is for any particular item of cost, expense or loss incurred within a taxable year subsequent to the year of the contract termination, such part shall be included in computing gross income for such subsequent year. The rule stated in the preceding sentence is applicable where, for example, any such item is incurred under contractual provisions entitling the contractor to reimbursement, or where the contractor is entitled to compensation for a particular item under contractual provisions relating to the termination, or pursuant to procedures and practices under the Contract Settlement Act of 1944 other than those referred to in the Director's statement in paragraph (b), below.

(3) *Adjustment of return.* If the income from the contract termination which, under the above subparagraph (1), is to be taken into account in computing gross income for the taxable year in which the Contract Settlement Act of 1944 became effective, or which, under the above subparagraph (2) is to be taken into account for the year of the contract termination, is not definitely ascertained at the time of filing the return, the contractor shall include in his return a reasonable estimate of such income, and should attach to his return a statement identifying the contract termination to which such estimate relates. When the correct amount of such income from the contract termination is ascertained, an adjustment shall be made for the year for which such income was included. Cf. *Continental Tle & Lumber Co. v. United States* (1932), 288 U. S. 290.

(4) *Compensation for inventory items.* Despite the provisions of the above subparagraphs (1) and (2), if any part of the compensation is for, or in reimbursement of, any articles of inventory, or the costs thereof, which, upon termination or as a condition to the allowance of the compensation, are required to be transferred to the Government or any customer, such part of the compensation shall, to the extent not in excess of the cost of such articles, be included in computing gross income for the taxable year within which such transfer occurs. See, however, paragraph (b), below.

(5) *Special provisions as to cost-plus-a-fixed-fee contracts.* In the case of a termination of a cost-plus-a-fixed-fee contract, the part of the reimbursements, fixed-fee or other income, accruing to the contractor under the contract prior to the date of the contract termination shall be included in computing gross income for the taxable year for which it accrues. See I. T. 3159, C. B. 1941-1, 230. As used herein, the term "cost-plus-a-fixed-fee contract" includes the provisions of a contract denominated a fixed-price contract, in case such provisions call for the manufacture, construction or acquisition, on a reimbursable cost basis, of facilities, materials or services.

(6) *Correlation of deductions and income.* As a general rule, items which are deductible in computing net income and which for contract termination purposes are allocable to

the uncompleted portion of a terminated contract shall be deductible in computing net income for the taxable year for which the income from the contract termination is includible in gross income. Cf. *Hoe & Co. v. Commissioner* (1929; C. C. A. 2nd) 30 Fed. (2d) 630. In the case of a fixed-price war contract terminated within a taxable year ending prior to July 21, 1944, the rule stated in the preceding sentence shall not apply to any item allocable to the uncompleted portion of the terminated contract in case there is no agreement upon termination to pay to the contractor compensation for the termination or for such item. In the case of a fixed-price contract, regardless of when it is terminated, a contractor shall not be permitted to deduct for the taxable year of the contract termination expenses incurred, or losses, depreciation or amortization sustained, in a taxable year prior to the year of the contract termination (see, however, paragraph (b) of § 29.42-4, Regulations 111, in case the income from the contract may be reported upon the completed contract basis); but if any such item is properly includible as a part of the cost of articles of inventory, it shall be so included. With respect to costs of articles of a kind which would properly be included in the inventory of the contractor if on hand at the close of a taxable year, if upon termination of a war contract a contractor becomes definitely bound or obligated by law or contractual provisions to transfer any such articles to the Government or to any other customer, and is entitled to compensation for, in reimbursement of, or allocable to, such articles or the costs thereof (but see paragraph (b), below), such articles if on hand at the close of any taxable year, shall be inventoried at cost, unless prior to the close of such year the contractor has been relieved of his obligation to make the transfer, and his right to compensation for such articles has been cancelled. The cost of any such articles which are transferred to the Government or other customer shall be included as a part of the cost of goods sold within the taxable year of the transfer. Where, by contractual provisions relating to the termination, or by procedures and practices under the Contract Settlement Act of 1944 other than those referred to in the Director's Statement in paragraph (b) below, a contractor becomes entitled, upon termination of a war contract, to compensation or reimbursement for any particular articles of inventory previously acquired or for the costs thereof which were previously incurred, though the contractor is not under an obligation to transfer such articles to the Government or any other customer, such articles, if on hand at the close of a taxable year, shall be inventoried at cost, unless such compensation or reimbursement is includible in gross income for such year or unless prior to the close of such year a settlement of the contractor's right to such compensation or reimbursement has been made. In the case of inventory costs or other items incurred pursuant to contractual provisions entitling the contractor to reimbursement therefor, such costs or other items, if deductible, shall be deducted only for the taxable year for which the reimbursement is includible in computing gross income, or for the taxable year within which a settlement is made, whichever taxable year is the earlier. The rule stated in the preceding sentence is also applicable with respect to items incurred within the taxable year of the contract termination, in case compensation for such items is provided for by law or contractual provisions or by procedures and practices under the Contract Settlement Act of 1944, other than those referred to in the Director's Statement in paragraph (b), below.

(b) *Scope of negotiated settlements.* By letter to the Bureau, dated October 25, 1944, the Director of Contract Settlement states:

"Under the procedures and practices prescribed by this office under the Contract Settlement Act of 1944 in respect of negotiated settlements of claims arising out of terminations of fixed-price contracts, no part of the compensation for the contract termination as determined for the purposes of the Act and as agreed to by the contractor and the contracting agency is made in payment of any particular item, except that a part of the compensation may be authorized and agreed to as payment for a part of the cost of an emergency facility as defined in section 124 of the Internal Revenue Code, as amended". This statement is referred to herein as the "Director's statement". In view of this statement, in the case of a negotiated lump-sum settlement of a claim for compensation for termination of a fixed-price contract, the contractor is precluded from showing, and the Commissioner from determining for Federal income and excess profits tax purposes, that any part of the compensation is for, in reimbursement of, or attributable to, any particular item of property, cost, expense or loss, except that this does not apply in cases where specific provisions in the settlement agreement require otherwise. In such excepted cases, there shall be excluded from income that portion of the compensation which (1) under such provisions is for, in reimbursement of, any such item, and (2) is to be applied in reduction of the cost or basis of such item or, in the event such item is deductible, is includible in income for the taxable year in which such item is incurred. Such reduction in basis shall be made as of the effective date of the contract termination. See *Glendinning, McLeish & Co.*, 24 B. T. A. 518, affirmed 61 Fed. (2d) 950; *A. J. Tower Co. v. Commissioner* (1930; C. C. A. 1st), 38 Fed. (2d) 618; *New York, Chicago & St. Louis R. R. Co.*, 26 B. T. A. 1229, 1289; *Edith Henry Barbour*, 44 B. T. A. 1117; and, also, section 124 (h) of the Internal Revenue Code. The compensation which is to be treated as having been received pursuant to a negotiated settlement does not include any amounts determined as fair compensation (1) by the contracting agency pursuant to section 13 (a) of the Contract Settlement Act of 1944 (2) by the Appeal Board provided for in section 13 of such Act, (3) by arbitration as provided for in such Act, or (4) by any court. With respect to such amounts, the contractor is not precluded from showing, and the Commissioner is not precluded from determining, the portion which is for, in reimbursement of, or attributable to, any particular item of property, costs, expense or loss.

(c) *No-cost settlements of terminations of fixed-price contracts.* "No-cost settlement" as used herein refers to a settlement in respect of a contract termination pursuant to which the contractor waives or releases all claim to compensation for the contract termination. In the case of a settlement which is a no-cost settlement except for the fact that the contractor reserves or retains a claim for compensation in respect of one or more particular items, the rules hereinafter stated with respect to no-cost settlements are applicable only to the no-cost provisions of such settlement. In case a no-cost settlement is made in respect of a termination of a fixed-price contract, regardless of whether it is made pursuant to the provisions of section 6 (c) of the Contract Settlement Act of 1944 or otherwise, in view of the Director's statement (see paragraph (b), above), the treatment of such settlement for Federal income and excess profits tax purposes shall be consistent with the following:

(1) *Effect on income.* No amount shall be treated as income from the contract termination for the purpose of the above paragraph (a), and, if any such amount is included in the return for any year, the return shall be adjusted to accord with the provi-

slons of this subparagraph. This adjustment may be made at any time within the period prescribed by the statute of limitations, regardless of when the no-cost settlement is made.

(2) *Effect on deductions.* The execution of a no-cost settlement does not preclude the contractor from being entitled, in computing net income for a given taxable year, to deduct any item which is allowable as a deduction under the provisions of the Internal Revenue Code. Conversely, the execution of such settlement does not alone establish for the contractor a right to deduct for any particular year any item not otherwise allowable in computing net income for such year. Cf. *H. D. Lee Mercantile Co. v. Commissioner* (1935; C. C. A. 10th) 79 Fed. (2d) 591; *C. B. XV-1*, 392. The deductibility of any item is to be determined upon the basis of all the pertinent facts and circumstances and irrespective of whether a no-cost settlement is or is not made. Consequently, in terminations of fixed-price contracts the provisions of the Contract Settlement Act of 1944, as construed and applied by the Director of Contract Settlement in negotiated settlements, including no-cost settlements, do not preclude the deduction of expenses incurred, or losses, depreciation or amortization sustained, in connection with the terminated contract, though such items are allocable to the uncompleted portion of such contract; and the deductibility of such items is to be determined without regard to any right of the contractor to compensation in such cases.

(3) *Effect on inventories.* Regardless of when the no-cost settlement is made, the determination of what articles are properly includible in the closing inventory of the year of the contract termination or the closing inventory of any subsequent year, and the valuation of such articles for inventory purposes, are to be made without regard to any right of the contractor to compensation for termination of a contract terminated prior to the inventory date. *U. S. Cartridge Co. v. United States* (1932), 224 U. S. 511; *American Propeller and Mfg. Co. v. United States* (1936; Ct. Cls.) 14 Fed. Supp. 163. If upon termination of a war contract a contractor becomes entitled to compensation for, or in reimbursement of, any particular articles or the costs thereof, such circumstances, if prevailing on the inventory date, shall be taken into consideration in valuing the articles for inventory purposes (cf. paragraph (a) (6), above).

(4) *Treatment of special agreements or procedures.* Despite the provisions of the preceding subparagraphs (1), (2) and (3), in the case of any no-cost settlement, consideration shall be given to any pertinent special agreement or procedure, as, for example, (i) where there is an agreement to pay the contractor upon termination of the contract, as compensation for the termination, amounts which are specified in the agreement or which are definitely ascertainable by the contractor by a calculation or computation based on ascertained factors, (ii) where compensation for particular items is definitely provided for by law or contractual provisions or by procedures and practices under the Contract Settlement Act of 1944, other than those referred to in the Director's Statement, or (iii) where, prior to the settlement, fair compensation for the contract termination has been determined by the contracting agency pursuant to section 13 (a) of the Contract Settlement Act of 1944 or has been determined by a court or by the Appeal Board referred to in section 13 (b) of such Act. The extent to which the provisions of the preceding subparagraphs (1), (2) and (3) are applicable in such cases shall be determined by reference to all the pertinent facts in the particular case. In this connection, see paragraph (a), above.

(d) *Compensation for property.* Except in the case of property of a kind which would properly be included in the inventory of the contractor if on hand at the close of a taxable year, if any part of the compensation for the contract termination is for property, or a loss with respect to property, which is required to be transferred to the Government upon termination or as a condition to the allowance of the compensation, such part of the compensation shall, to the extent not in excess of the adjusted basis of the property at the date of the contract termination, be excluded in determining the amount of compensation to be included in computing gross income pursuant to the provisions of the above paragraph (a), and the amount of such exclusion shall be treated as consideration for the property. In such case, if the property with respect to which the allowance is received is an emergency facility as defined by section 124 of the Internal Revenue Code, as amended, all rights to amortization deductions under such section cease at the time of the contract termination and no such deductions are allowable with respect to the facility for the month of the contract termination or for any subsequent month; and no recomputation of the amortization deductions under the provisions of section 124 (d) of the Code shall be made, unless the date of the President's proclamation (or the date specified in a non-necessity certificate issued with respect to the facility) falls within a month which is earlier than the month of the contract termination.

Correspondence in regard to this mimeograph should refer to its number and the symbols IT:NDC.

JOSEPH D. NUNAN, Jr.,  
Commissioner.

[RR 852.6]

2. Section 1608.852-7 is added as follows:

§ 1608.852-7 *Mimeograph 5870.*

Com.-Mimeograph 1 June 1945  
Coll. No. 5870  
R. A. No. 1429  
T. S. No. 372

TREATMENT OF RECONVERSION COSTS OF WAR CONTRACTORS

*Collectors of Internal Revenue, Internal Revenue Agents in Charge, Heads of Field Divisions of the Technical Staff, and Others Concerned:*

In a case of a war contractor who reconverts to peace-time production and incurs reconversion costs, such costs shall be treated for Federal income and excess profits tax purposes in accordance with the following:

(a) *General rules applicable.* (1) Section 23 (a) (1) of the Internal Revenue Code provides that in computing net income there shall be allowed as deductions all the ordinary and necessary expenses paid or incurred in carrying on a trade or business, and § 29.23 (e)-3, Regulations 111, contains provisions for deducting losses where property is abandoned or discarded. (2) Section 24 of the Code provides that in computing net income no deduction shall in any case be allowed in respect of any amount paid for new buildings or for permanent improvements or betterments made to increase the value of any property, or in respect of any amount expended to restore property.

(b) *Scope of deductible reconversion costs.* In general such costs include the expenditures necessary to restore the plant layout to an operating condition substantially equivalent to that existing when it was converted to war production. The term does not include costs which result in enlargement or substantial improvement of the facilities over their condition prior to conversion to war purposes. Ordinarily the full cost of converting newly acquired war facilities shall be capitalized. For example, in the case of

facilities which were constructed or acquired for war production purposes and are owned by the Government, if a taxpayer acquired any such facilities with a view to rehabilitating or remodeling them and making them suitable for his peace-time production, no loss is deductible by reason of any demolition cost in remodeling the facilities, and the cost of remodeling constitutes a capital expenditure. A similar rule is applicable with respect to facilities, the entire cost of which is being recovered by the taxpayer through amortization deductions under section 124 of the Internal Revenue Code.

(c) *Costs not borne by taxpayer.* If a taxpayer is definitely entitled to compensation or reimbursement for any item of reconversion cost incurred, as, for example, where there is specific provision therefor in an agreement, the amount of the item, to the extent deductible, shall be deducted in computing net income for the taxable year for which the compensation for such item is includible in gross income; and if the compensation or reimbursement is not includible in income, the amount of such item, to the extent that it does not exceed the amount of the compensation or reimbursement, shall not be deductible for any taxable year.

(d) *Removal of war facilities and materials.* Subject to the exceptions stated in this paragraph and in the preceding paragraph, the costs of removing war facilities and materials from the contractor's plant shall be deducted in computing net income for the taxable year in which such costs are incurred. In the case of facilities subject to depreciation at rates based on cost less net salvage value (i. e. gross salvage value less cost of removal), the cost of removal of such facilities shall be deductible only to the extent that they exceed the amount deducted therefor in computing such net salvage value. In the case of a facility subject to amortization deductions under section 124 of the Internal Revenue Code, as amended, the cost of removing such facility is deductible only to the extent that it exceeds the salvage value of the facility at the time of removal.

(e) *Loss of useful value of facilities.* If upon termination of war production or upon reconversion to peace-time production a facility is abandoned or permanently discarded within the meaning of section 29.23 (e)-3 of Regulations 111, a deduction for loss of useful value is allowable for the taxable year in which the facility is so abandoned or discarded, regardless of whether the facility is an emergency facility within the meaning of section 124 of the Internal Revenue Code, as amended (cf. I. T. 3652, I. R. B. 1944-7, 4). See, however, the above paragraph (c). The adjusted basis of the facility for the purpose of determining the amount of such loss shall be the adjusted basis at the date the facility is abandoned or discarded.

(f) *Cost of moving machinery.* As used in this paragraph, the "cost of moving" includes expenses incidental to rearranging machinery for peacetime production and does not include installation or reinstallation costs which are discussed in paragraph (g), below. Where machinery was removed from the plant in converting to war production, the cost of moving such machinery to the plant in reconverting is deductible in computing net income for the taxable year in which the expense is incurred. A similar deduction is allowed for the cost of moving machinery from one location to another within the plant. Also, where machinery installed by the contractor for war production purposes is to be used by the contractor in peace-time production, the cost of moving such machinery in rearranging the plant is deductible. The rule stated in the preceding sentence is not applicable in the case of Government-owned machinery which is acquired and moved by the taxpayer, if the Government is obligated to remove the machinery.

(g) *Reinstallation of machinery.* When machinery is purchased and set up ready for

use, ordinarily the cost of such installation is part of the original cost of such machinery and constitutes a capital expenditure, for the machinery is not ready for use until installed and the installing of machinery constitutes an improvement. *MacAdam and Foster, Inc.*, 8 B. T. A. 967. In some circumstances, however, as in the case of heavy machines, the cost of foundations and the installation costs may be charged to separate accounts, rather than to the cost of the machine. In such cases, the cost of the original foundations and original installations, less depreciation accrued thereon and less the salvage value thereof, constitute a deduction at the time they were removed to convert to war production. *Provided*, That such deduction was taken by the taxpayer in filing his return for the year of removal. Upon reconverting to peace-time production, the cost of new foundations or installations in such cases shall, to the extent of the adjusted basis of the old foundations at the time of their removal, be treated as capital expenditures. If any such foundations were constructed for war production purposes or any such installations were made for such purposes, and if in reconverting to peace-time production such foundations or installations are removed, the cost thereof, less depreciation or amortization to the date of the removal and less any salvage value, constitute a deduction in computing net income for the taxable year of the removal. In the case of machinery which was installed for war production purposes and is moved and reinstalled for peace-time production, if the entire cost of installation is being recovered through amortization under section 124 of the Code, as amended, the cost of reinstallation is not deductible and shall be capitalized as part of the cost of the machinery. The installation cost with respect to new machinery replacing old machinery which was abandoned upon conversion to war production or which is unusable upon reconversion to peace-time production, and the installation cost of any other additional machinery, constitute capital expenditures. Also, the costs of reinstalling Government-owned machinery which is acquired and moved by the taxpayer, constitute capital expenditures. Subject to the foregoing, if the original installation cost was not deducted for the taxable year in which the machinery was moved in converting to war production, the cost of reinstalling such machinery is deductible in computing the taxable income for the year in which such cost is incurred. For the purpose of the foregoing provisions of this paragraph, "machinery" includes machines; electrical apparatus such as generators, motors, etc.; electrical accessories; ovens and furnaces; conveyor equipment, provided that they are movable. See, also, the above paragraph (c).

(h) *Cost of reconverting building.* As used herein, the term "building" includes piping, wiring, fixtures and other building equipment which constitute an integral part of the building and are necessary for the general purpose for which the building would ordinarily be used in peacetime production. For example, such equipment may include plumbing and toilet facilities, water, sewer and drain pipe, sprinkler and fire protection systems, power wiring from connections with main line systems to wall outlets, lighting wiring, heating systems (including boilers, furnaces, and accessories) installed within the building, ventilating systems, elevators, fire escapes, and steel floor plates which serve as a part of the floor. For Federal income and excess profits tax purposes, a building, together with all such equipment, may be included in one account with a composite rate of depreciation, or the building equipment may be set up in separate accounts, in which event separate rates of depreciation may be applicable to the particular items. If in converting to war production any part of a building was demolished by a taxpayer, ordinarily such taxpayer is en-

titled, in computing net income for the taxable year of such demolition, to deduct the undepreciated cost of the part of the building demolished. For example, if in making alterations for the purpose of converting to war production the taxpayer tore out a wall, discarded floors, or changed the roof and ceiling, the depreciated cost of the portion of the building so demolished constitutes a proper deduction in computing net income for the year in which the demolition occurred. In some cases, however, it will be very difficult to establish the undepreciated cost of the portion of the building removed or demolished. Cf. *Treat Hardware Co.*, 6 B. T. A. 768. In such cases, where the taxpayer has not claimed and is not allowed any deduction of a loss for the taxable year of the removal or demolition, and it is not feasible to determine the amount of such loss, if upon reconverting to peacetime production the parts of the building so removed or demolished are replaced to restore the building to its original condition, the taxpayer may, in computing net income for the taxable year of the change, deduct the cost of making the restoration or replacements. If, however, the part of the building previously removed or demolished is, upon reconversion to peacetime production, replaced with a new and improved type of material or device, the amount allowable as a deduction in computing net income for the taxable year of the reconversion shall not exceed a reasonable estimate of the amount necessary to restore such part of the building to its original condition. The provisions of the preceding sentence are not applicable where, for example, the taxpayer installs a new heating, sprinkler, or ventilating system, for in such case the amount of loss deductible for the taxable year in which the old system was discarded is reasonably ascertainable. However, the taxpayer is entitled to deduct as ordinary and necessary business expenses (1) the cost of removing and relocating any building equipment which was moved and relocated for war production purposes and which, upon conversion to peacetime production, must again be moved and relocated and (2) the costs of reinstalling any building equipment which was removed and stored during the period of war production. The provisions of the preceding sentence are applicable, for example, in a case of pipe, wiring, and building fixtures. See, however, the above paragraph (c). The foregoing provisions of this paragraph are applicable in the case of a lessee of a building with respect to which changes were made to adapt it to war production purposes. Furthermore, if the lessee is under an obligation to restore any part of the premises to substantially its former condition, the entire cost of making such restoration is deductible in computing net income for the taxable year in which such cost is incurred.

(i) *Repairs.* The cost of incidental repairs made in connection with reconversion to peacetime production is deductible in computing net income for the taxable year in which the repairs are made. Such repairs are limited to those which do not materially add to the value of the property or appreciably prolong its life. See § 29.23 (a)-5, Regulations 111. Among the items included in this category are, for example, the cost of painting; replacing broken, damaged, or short-lived parts of machinery; replacing defective parts of a wiring system; and replacing broken or worn-out rails in a transportation system. See, however, the above paragraph (c).

Correspondence in regard to this mimeograph should refer to its number and to the symbols IT:NDG.

JOSEPH D. NUNAN, Jr.,  
- Commissioner.

[RR 852.7]

[F. R. Doc. 45-16421; Filed, Sept. 1, 1945; 10:02 a. m.]

## Chapter XVIII—Office of Economic Stabilization

[Directive 61, Amdt. 1]

### PART 4004—PRICE STABILIZATION; MAXIMUM PRICES

#### FROZEN VEGETABLES, 1945

Directive 61, issued June 27, 1945 (10 F.R. 8072), contained two price designations which were erroneous and differed from those which had been previously approved. To correct these errors, Directive 61 is hereby amended in the following respects:

1. In Schedule A, under "Beans, snap," the price applicable in the States of Minnesota, Wisconsin, Michigan, Illinois, Indiana, Iowa, Ohio, and Nebraska is changed from \$83.00" to "\$85.00."

2. In Schedule A, under "Peas, green," the price applicable in the State of New York is changed from \$88.50" to "\$88.00." (E.O. 9250 and E.O. 9328, 3 CFR Cum., Supp. pp. 1213, 1267; E.O. 9599 (10 F.R. 10155))

Issued this 5th day of September 1945.

WILLIAM H. DAVIS,  
Economic Stabilization Director.

[F. R. Doc. 45-16729; Filed, Sept. 7, 1945; 11:10 a. m.]

## TITLE 37—PATENTS AND COPYRIGHTS

### Chapter I—Patent Office, Department of Commerce

[Order 321]

#### PART 1—PATENTS

##### ORAL HEARINGS AND APPLICATIONS

Sections 1.137 and 1.138 (Patent Office Rules Nos. 137 and 138 respectively) of the Code of Federal Regulations are hereby amended to read as follows:

§ 1.137 *Oral hearing before Board of Appeals.* On filing of an appeal to the board of appeals a day of hearing will be fixed and due notice thereof given to the appellant, who shall file a brief of the authorities and arguments on which he will rely to maintain his appeal twenty days before the day of hearing. The examiner may thereupon, in his discretion and at least five days before the day of hearing, reply thereto. At the time of making any such reply, the examiner shall furnish a copy of the same to the appellant.

§ 1.138 *Applications remanded to primary examiner.* Affidavits or exhibits submitted after the case has been appealed will not be admitted without remanding the application to the primary examiner for reconsideration; but the appellant tribunal may in their discretion refuse to remand the case and proceed with the same without accepting the affidavits or exhibits.

(Sec. A 83 R.S., U.S.C., Title 35, sec. 6)

[SEAL] CASPER W. OOMS,  
Commissioner of Patents.

Approved: September 6, 1945.

H. A. WALLACE,  
Secretary of Commerce.

[F. R. Doc. 45-16781; Filed, Sept. 7, 1945; 11:58 a. m.]

## TITLE 46—SHIPPING

### Chapter II—United States Maritime Commission

Subchapter E—War Contracts

[Rev. G. O. 57, Supp. 1]

#### PART 298—SETTLEMENT OF CLAIMS ARISING UNDER TERMINATED WAR CONTRACTS

##### CONTRACTS BY COMMISSION OR ITS OFFICERS

The regulations with respect to the termination of work under contracts for the convenience or at the option of the Commission, the settlement of claims arising therefrom, and the disposition of property, Revised General Order 57, March 6, 1945 (10 F.R. 2619), are amended by revising § 298.63 to read:

§ 298.63 *Contracts by the Commission or its officers.* The Director, Contract Settlement and Surplus Materials Division, or his designee, is authorized to settle by agreement or determine the amount due under termination claims arising under all contracts entered into by the Commission or any of its officers, except prime contracts for the construction of vessels; and the Chairman or Vice-Chairman of the Commission or such officer of the Commission as the Chairman shall designate in writing is authorized to settle by agreement or determine the amount due under termination claims arising under prime contracts for the construction of vessels; but no such agreement or determination shall be binding upon the Commission if the amount thereof shall exceed the sum of \$10,000, computed in accordance with the provisions of the last sentence in paragraph (c) of section 6 of the act, unless it shall have been submitted to the Settlement Review Board and approved by such Board or not disapproved by it within 30 days of the date of such submission.

(58 Stat. 649)

By order of the United States Maritime Commission.

[SEAL] A. J. WILLIAMS,  
Secretary.

SEPTEMBER 6, 1945.

[F. R. Doc. 45-16727; Filed, Sept. 7, 1945; 10:30 a. m.]

## TITLE 47—TELECOMMUNICATION

### Chapter I—Federal Communications Commission

STATIONS IN AGRICULTURE, COASTAL, MARINE RELAY, FIELD PUBLIC, EMERGENCY, AVIATION, MISCELLANEOUS AND EXPERIMENTAL SERVICES<sup>1</sup>

#### STATEMENT OF POLICY FOR HANDLING APPLICATIONS

Pursuant to the action of the War Production Board in removing its con-

<sup>1</sup>Part 5—Rules and Regulations Governing Experimental Radio Services; Part 6—Rules Governing Fixed Public Radio Services; Part 7—Rules Governing Coastal and Marine Relay Services; Part 9—Rules and Regulations Governing Aviation Services; Part 10—Rules Governing Emergency Radio Services; Part 11—Rules Governing Miscellaneous Radio Services.

trols over the production and sale of radio transmitting equipment, the Commission has terminated the policies expressed in its memorandum opinions dated July 7 and July 21, 1942, and its supplemental statement of policy dated January 26, 1944.

The foregoing opinions and statement of policy prohibited the grant of applications involving the use of materials to construct or change transmitting facilities of any Class 3 Experimental Station, or any point-to-point station in the Agriculture Service; and restricted the grant of such applications with respect to any Aeronautical Fixed (domestic) Station, itinerant Aircraft Station, Flying School Station, or station operating in the following services: Coastal, Marine Relay, Fixed Public, Emergency, and Miscellaneous.

Henceforth, the Commission will consider applications to construct or change transmitting facilities of such radio stations upon the basis of a showing that the public interest, convenience or necessity will be served, and without specifically requiring the applicant to show in each instance (1) that necessary materials are available, or (2) that the grant of the application would serve an essential military need, or (3) that the grant would serve a vital public need which could not otherwise be met.

Dated: August 28, 1945.

By the Commission.

[SEAL]

T. J. SLOWIE,  
Secretary.

[F. R. Doc. 45-16732; Filed, Sept. 7, 1945;  
11:11 a. m.]

[Order 128]

#### PART 13—RULES GOVERNING COMMERCIAL RADIO OPERATORS

##### APPLICATIONS FOR RENEWAL OF LICENSES

At a session of the Federal Communications Commission, held at its offices in Washington, D. C., on the 28th day of August 1945;

The Commission having under consideration its existing orders and rules providing for the renewal of commercial radio operator licenses, other than Temporary Emergency Radiotelegraph Second Class Licenses; and

It appearing, that many licensed and formerly licensed commercial radio operators now serving in the armed forces or in the United States Maritime Service, or employed outside of the continental limits of the United States, do not have actual possession of their licenses and cannot ascertain their expiration dates, or for other reasons beyond their control have found it difficult or impossible to file timely application for the renewal of such licenses; and

It appearing, that the requirement of a showing of service or use of a license as a condition precedent to renewal pursuant to § 13.28 has been suspended under the provisions of Commission Order No. 77-D; and that the requirement for filing

applications for renewal of commercial radio operator licenses during the last year of the license term pursuant to § 13.11 has been modified by Commission Order No. 124, which permits renewal applications filed prior to December 31, 1945, and within one year from the expiration date of the affected license, to be acted upon by the Commission; and

It appearing, that the provisions of Commission Order No. 124 are inadequate to provide for the renewal of numerous expired commercial radio operator licenses held by persons serving or who have served in the armed forces or the United States Maritime Service, or are or have been employed outside of the continental limits of the United States;

It is ordered, That any application filed or mailed not later than June 30, 1946, for renewal of a commercial radio operator license (other than Temporary Emergency Radiotelegraph Second Class Operator Licenses) which was valid on December 7, 1941, and has expired by its own terms without having been cancelled or suspended, may, until the further order of the Commission, be acted upon, notwithstanding the provisions of § 13.11 if a statement is filed as a part of the renewal application showing that:

(1) The applicant is serving in the armed forces of the United States or has been honorably discharged therefrom since December 7, 1941; or

(2) The applicant is serving in the United States Maritime Service or has voluntarily left that Service since December 7, 1941; or

(3) The applicant is or has been employed outside the continental United States and has been unable to file timely application for renewal of license because of such employment outside the continental United States.

It is further ordered, That all licenses issued under the authority of this order shall be dated as of the date the application for renewal is granted by the Commission and not as of the date of the expiration of the former license.

By the Commission.

[SEAL]

T. J. SLOWIE,  
Secretary.

[F. R. Doc. 45-16730; Filed, Sept. 7, 1945;  
11:11 a. m.]

#### PART 63—EXTENSION OF LINES AND DISCONTINUANCE OF SERVICE BY CARRIERS

##### STATEMENT OF POLICY REGARDING APPLICATIONS

Pursuant to the action of the War Production Board in removing its controls over construction of wire telephone and telegraph lines, the Commission has terminated the policies and procedures set forth in its memorandum opinion of December 1, 1942, with respect to applications involving such construction.

Henceforth, the Commission will consider applications for authority to construct telephone or telegraph lines upon the basis of a showing that the present or future public convenience and ne-

cessity require, or will require such construction, as stated in section 214 of the Communications Act of 1934, and without specifically requiring the applicant to show in each instance that the proposed facilities will serve an essential military need, or a vital public need which cannot otherwise be met.

By the Commission.

Dated: August 28, 1945.

[SEAL]

T. J. SLOWIE,  
Secretary.

[F. R. Doc. 45-16731; Filed, Sept. 7, 1945;  
11:11 a. m.]

#### TITLE 49—TRANSPORTATION AND RAILROADS

##### Chapter I—Interstate Commerce Commission

[S.O. 113-A]

##### PART 95—CAR SERVICE

##### DEMURRAGE ON FLAT CARS

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 6th day of September, A. D. 1945.

Upon further consideration of the provisions of Service Order No. 113 (8 F.R. 2890), as amended (8 F.R. 4488, 8012, 10369), and good cause appearing therefor; It is ordered, That:

(a) Service Order No. 113 (8 F.R. 2890), as amended (8 F.R. 4488, 8012, 10369), 49 C. F. R. § 95,501, *Demurrage charges on flat cars*, be, and it is hereby, vacated and set aside.

(b) *Announcement required.* Each of the railroads affected by this order shall within fifteen (15) days from the effective date of this order, publish, file, and post a supplement to each of its tariffs affected announcing the vacation by this order on the effective date hereof, of Service Order No. 113 and stating that the provisions in said tariffs which were suspended by such order will be restored on the effective date of this order. (40 Stat. 101, sec. 402, 418, 41 Stat. 476, sec. 4, 54 Stat. 901, 911; 49 U.S.C. 1 (10)-(17), 15 (2))

It is further ordered, That this order shall become effective at 7:00 a. m., September 7, 1945; that a copy of this order and direction shall be served upon all common carriers by railroad subject to the Interstate Commerce Act; and upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and that notice of this order be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

By the Commission, Division 3.

[SEAL]

W. P. BARTEL,  
Secretary.

[F. R. Doc. 45-16721; Filed, Sept. 7, 1945;  
10:23 a. m.]

[S. O. 242-B, Amdt. 2]

## PART 95—CAR SERVICE

## DEMURRAGE ON BOXCARS

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 6th day of September, A. D. 1945.

Upon further consideration of Service Order No. 242-B (10 F.R. 2929), as amended (10 F.R. 6848) and good cause appearing therefor: *It is ordered*, That:

Service Order No. 242-B as amended, be, and it is hereby, further amended by adding paragraph (h) thereto:

(h) *Suspension of order.* Service Order No. 242-B as amended be, and it is hereby suspended, effective at 7:00 a. m., September 7, 1945, until further order of this Commission. (40 Stat. 101, sec. 402, 41 Stat. 476, sec. 4, 54 Stat. 901; 49 U.S.C. 1 (10)-(17))

*It is further ordered*, That copies of this order and direction shall be served upon the State railroad regulatory bodies of all States and upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and that notice of this order be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director of the Federal Register.

By the Commission, Division 3.

[SEAL]

W. P. BARTEL,  
Secretary.[F. R. Doc. 45-16722; Filed, Sept. 7, 1945;  
10:23 a. m.]

[S. O. 246-B, Amdt. 1]

## PART 95—CAR SERVICE

## DEMURRAGE ON THE STATE BELT RAILROAD OF CALIFORNIA

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 6th day of September, A. D. 1945.

Upon further consideration of Service Order No. 246-B (10 F.R. 3469) and good cause appearing therefor: *It is ordered*, That:

Service Order 246-B be, and it is hereby, amended by adding paragraph (e) thereto:

(e) *Suspension of order.* Service Order No. 246-B be, and it is hereby suspended, effective at 7:00 a. m., September 7, 1945, until further order of this Commission. (40 Stat. 101, Sec. 402, 41 Stat. 476, Sec. 4, 54 Stat. 901; 49 U.S.C. 1 (10)-(17))

*It is further ordered*, That copies of this order and direction shall be served upon the California State Railroad Commission and upon the State Belt Railroad of California; and that notice of this order be given to the general public by depositing a copy in the office of the Secretary of the Commission at Washington, D. C., and by filing it with the Director of the Federal Register.

No. 177—15

By the Commission, Division 3.

[SEAL]

W. P. BARTEL,  
Secretary.[F. R. Doc. 45-16723; Filed, Sept. 7, 1945;  
10:23 a. m.]Chapter II—Office of Defense  
Transportation[Gen. Order ODT 44A, as Amended,  
Revocation]PART 501—CONSERVATION OF MOTOR  
EQUIPMENTRATIONING OF NEW COMMERCIAL MOTOR  
VEHICLES

Pursuant to Title III of the Second War Powers Act, 1942, as amended, Executive Orders 8989, as amended, 9156, 9214, and 9294, and War Production Board Directive 36, as amended, *It is hereby ordered*, That:

(1) Section 501.421, as amended (relating to application for certificate of transfer), of General Order ODT 44A, as amended (10 F.R. 9125, 10237, 10402), be, and it is hereby, revoked effective September 22, 1945.

(2) Sections 501.422 (relating to the issuance of certificate of transfer), 501.424 (relating to notification of transfer), 501.425 (relating to subsequent transfers), 501.426 (relating to vehicles subject to General Order ODT 35), and 501.428 (relating to records and reports) of General Order ODT 44A, as amended, be, and they are hereby, revoked effective October 1, 1945.

(3) Sections 501.423 (relating to transfer of vehicle upon presentation of certificate of transfer) and 501.431 (relating to communications) of General Order ODT 44A, as amended, be, and they are hereby, revoked effective November 1, 1945.

(4) Sections 501.420 (relating to restrictions on transfers of new commercial motor vehicles), 501.427 (relating to exemptions), 501.429, as amended (relating to applicability), and 501.430, as amended (relating to definitions), of General Order ODT 44A, as amended, be, and they are hereby, revoked effective December 1, 1945: *Provided*, That:

(a) Notwithstanding the provisions of § 501.420 of General Order ODT 44A, as amended, during the calendar month of November 1945, any sales agency having in stock, or in stock available to it, any new commercial motor vehicle in respect of which it is not under commitment to any holder of a valid certificate of transfer pursuant to a contract, agreement, or other arrangement made prior to November 1, 1945, may transfer such vehicle to any person not the holder of a certificate of transfer and any such person is authorized to accept transfer of such vehicle. The foregoing provision is to be construed so as to assure that any holder of a valid certificate of transfer who, on or before October 31, 1945, shall have delivered or surrendered such certificate to a sales agency pursuant to a contract, agreement, or other arrangement for the delivery of a new commercial motor vehicle but who shall not have received delivery of such vehicle

prior to November 1, 1945, shall, during the calendar month of November 1945, have a preference and priority with such sales agency for such vehicle over any other person not holding a certificate of transfer; and

(b) During the period September 7, 1945, to November 30, 1945, inclusive, no person shall export or cause to be exported any new commercial motor vehicle (i) from the United States to the Dominion of Canada without the written approval of the War Production Board, or (ii) from the United States to any other foreign country without the written approval of the Foreign Economic Administration.

(5) Any certificate of transfer issued pursuant to General Order ODT 44A, as amended, which according to its terms will not expire until a date subsequent to November 30, 1945, shall cease to be of any force or effect on and after December 1, 1945, notwithstanding any date specified in the certificate to the contrary.

(Title III of the Second War Powers Act, 1942, as amended, 56 Stat. 177, 50 U.S.C. App. 633, 58 Stat. 827; E.O. 8939, as amended, 6 F.R. 6725, 8 F.R. 14183; E.O. 9156, 7 F.R. 3349; E.O. 9214, 7 F.R. 6937; E.O. 9294, 8 F.R. 221; WPB Directive 36, as amended, 10 F.R. 9658)

Issued at Washington, D. C., this 7th day of September 1945.

J. M. JOHNSON,  
Director,

Office of Defense Transportation.

[F. R. Doc. 45-16635; Filed, Sept. 7, 1945;  
9:13 a.m.][Administrative Order ODT 27A, as Amended,  
Revocation]

## PART 503—ADMINISTRATION

RATIONING OF NEW COMMERCIAL MOTOR  
VEHICLES

Pursuant to Title III of the Second War Powers Act, 1942, as amended, Executive Orders 8989, as amended, 9156, 9214, and 9294, and War Production Board Directive 36, as amended, *It is hereby ordered*, That:

(1) Sections 503.470 (relating to application for certificate of transfer and 503.474 (relating to the filing of new application after disapproval) of Administrative Order ODT 27A, as amended (10 F.R. 9128, 10366), be, and they are hereby, revoked effective September 22, 1945;

(2) Sections 503.471 (relating to issuance of certificate of transfer), 503.472 (relating to appeal from decision of district manager), 503.473 (relating to issuance of certificate by director), 503.475 (relating to subsequent transfer), 503.476 (relating to delegation of authority), 503.477, as amended (relating to applicability), 503.478 (relating to definitions), and 503.479 (relating to communications) of Administrative Order ODT 27A, as amended, be, and they are hereby, revoked effective October 1, 1945.

(Title III of the Second War Powers Act, 1942, as amended, 56 Stat. 177, 50 U.S.C. App. 633, 58 Stat. 827; E.O. 8939, as

amended, 6 F.R. 6725, 8 F.R. 14183; E.O. 9156, 7 F.R. 3349; E.O. 9214, 7 F.R. 6097; E.O. 9294, 8 F.R. 221; WPB Directive 36, as amended, 10 F.R. 9658)

Issued at Washington, D. C., this 7th day of September 1945.

J. M. JOHNSON,  
Director,

Office of Defense Transportation.

[F. R. Doc. 45-16696; Filed, Sept. 7, 1945;  
9:13 a. m.]

[Gen. Order ODT L-5, Revocation]

PART 504—DIRECTION OF MOTOR TRAFFIC  
MOVEMENT

MOTOR TRANSPORTATION OF ANTHRACITE  
FROM DESIGNATED AREAS

Pursuant to Executive Orders 8989, as amended, and 9156, General Order ODT L-5, §§ 504.40 to 504.44, inclusive (10 F.R. 4721), is hereby revoked effective November 1, 1945.

(E.O. 8989, as amended, 6 F.R. 6725, 8 F.R. 14183; E.O. 9156, 7 F.R. 3349)

Issued at Washington, D. C., this 7th day of September 1945.

J. M. JOHNSON,  
Director,

Office of Defense Transportation.

[F. R. Doc. 45-16715; Filed, Sept. 7, 1945;  
10:11 a. m.]

TITLE 50—WILDLIFE

Chapter I—Fish and Wildlife Service

Subchapter C—National Wildlife Refuge;  
Individual Regulations

PART 26—EAST CENTRAL REGION NATIONAL  
WILDLIFE REFUGES

SENEY NATIONAL WILDLIFE REFUGE, MICH.;  
HUNTING REGULATIONS

Under authority of section 84 of the act of March 4, 1909 (35 Stat. 1104; 18 U.S.C. 145), as amended, and § 12.9 of the regulations for the Administration of National Wildlife Refuges dated December 19, 1940 (5 F.R. 5284), as amended, the following is ordered:

Supersedes § 26.825a approved September 3, 1941 (6 F.R. 4762):

§ 26.825a *Seney National Wildlife Refuge, Michigan; hunting of deer.* Deer may be taken, during the open season prescribed by the State Conservation Department for the hunting of deer, on all of the lands of the Seney National Wildlife Refuge, Michigan except that part of the refuge bounded as follows:

On the north by Holland Ditch from the common section line of secs. 11 and 12, T. 45 N., R. 14 W., to the south section line sec. 7, T. 45 N. R. 13 W., and thence east along the south section line of secs. 7, 8, and 9, T. 45 N., R. 13 W. to State Highway No. 77; on the east by State Highway No. 77, on the south by the Manistique River west to the mouth of Pine Creek, on the west by the Pine Creek Road.

Entry on and use of the refuge for any purpose is governed by the regula-

tions of the Secretary dated December 19, 1940 (5 F.R. 5284), and strict compliance therewith is required. Persons entering the refuge for the purpose of hunting shall use such routes of travel within the refuge as are designated by posting. The carrying or being in possession of firearms within the areas of the refuge not open to public hunting is prohibited, except that such firearms may be possessed or transported across such closed areas provided they are unloaded, and broken or properly encased.

Any person who hunts within the refuge must comply with State hunting laws and regulations and must have on his person and exhibit at the request of any authorized Federal or State officer whatever license is required by the State of Michigan. The said license shall serve as a Federal permit for hunting on the refuge.

§ 26.825b *Seney National Wildlife Refuge, Michigan; hunting of upland game birds.* Upland game birds may be taken, during the open season prescribed by the State Conservation Department for the hunting of upland game birds, on that part of the lands of the Seney National Wildlife Refuge, Michigan, particularly described as follows:

All lands of the refuge situated west of the Driggs River to its confluence with the Manistique River and thence west of the Manistique River to the south boundary of the refuge in T. 44 N., Rs. 13 and 14 W., and in T. 45 N., R. 14 W., and Secs. 1 to 6 inclusive, 12, 13, 24, 25 and 36; T. 44 N. R. 15 W., Sec. 1; T. 44 N., R. 16 W., all of T. 45 N., R. 15 W., Secs. 1, 12, 13, 24, 25 and 36, T. 45 N., R. 16 W., Secs. 31 to 36, inclusive, T. 46 N., R. 15 W., Sec. 36; T. 46 N., R. 16 W., Michigan Meridian.

Entry on and use of the refuge for any purpose is governed by the regulations of the Secretary dated December 19, 1940 (5 F.R. 5284), and strict compliance therewith is required. Persons entering the refuge for the purpose of hunting shall use such routes of travel within the refuge as are designated by posting. The carrying or being in possession of firearms within the areas of the refuge not open to public hunting is prohibited, except that such firearms may be possessed or transported across such-closed areas provided they are unloaded, and broken or properly encased.

Any person who hunts within the refuge must comply with State hunting laws and regulations and must have on their person and exhibit at the request of any authorized Federal or State officer whatever license is required by the State of Michigan. The said license shall serve as a Federal permit for hunting on the refuge.

§ 26.825c *Seney National Wildlife Refuge, Michigan; hunting of migratory waterfowl.* Migratory waterfowl except geese, but including coots, may be taken in accordance with the regulations promulgated pursuant to the authority contained in the Migratory Bird Treaty Act and with the applicable hunting laws and regulations of the State of Michigan, on that part of the lands of the Seney

National Wildlife Refuge, Michigan, particularly described as follows:

All lands of the refuge situated west of the Driggs River to its confluence with the Manistique River and thence west of the Manistique River to the south boundary of the refuge in T. 44 N., Rs. 13 and 14 W., and in T. 45 N., R. 14 W., and Secs. 1 to 6 inclusive, 12, 13, 24, 25 and 36, T. 44 N., R. 15 W., Sec. 1, T. 44 N., R. 16 W., all of T. 45 N., R. 15 W.; Secs. 1, 12, 13, 24, 25 and 36, T. 45 N., R. 16 W., Secs. 31 to 36 inclusive, T. 46 N., R. 15 W., Sec. 36, T. 46 N., R. 16 W. Michigan Meridian.

Entry on and use of the refuge for any purpose is governed by the regulations of the Secretary dated December 19, 1940 (5 F.R. 5284), and strict compliance therewith is required. Persons entering the refuge for the purpose of hunting shall use such routes of travel within the refuge as are designated by posting. The carrying or being in possession of firearms within the areas of the refuge not open to public hunting is prohibited, except that such firearms may be possessed or transported across such closed areas provided they are unloaded, and broken or properly encased.

Any person who hunts within the refuge must have on their person and exhibit at the request of any authorized Federal or State officer whatever license is required by the State of Michigan, and, if hunting migratory waterfowl and being over sixteen years of age, a properly validated migratory-bird hunting stamp. The said license and stamp shall serve as a Federal permit for hunting on the refuge.

Dated: August 30, 1945.

ALBERT M. DAY,  
Acting Director.

[F. R. Doc. 45-16699; Filed, Sept. 7, 1945;  
9:56 a. m.]

Subchapter K—Alaska Wildlife Protection

PART 91—ALASKA GAME REGULATIONS

GAME ANIMALS, FUR ANIMALS, GAME BIRDS,  
NON-GAME BIRDS, AND GAME FISHES IN  
ALASKA

Pursuant to the authority contained in the Alaska Game Law of January 13, 1925 (43 Stat. 739), as amended July 1, 1943 (57 Stat. 301), I, Oscar L. Chapman, Assistant Secretary of the Interior, upon consultation with and recommendation from the Alaska Game Commission, have determined when, to what extent, and by what means fur animals may be taken in Alaska, and in accordance with such determination do hereby adopt the following, effective September 8, 1945, as a suitable amendatory regulation permitting and governing the taking of fur animals in Alaska:

Subparagraph (1) Open seasons and limits of paragraph (b) *Game Animals* of § 91.9 is amended by deleting therefrom the words "except Hawkins and Knight Islands, September 20 to September 30" and inserting in lieu thereof the words "September 8 to September 30."

In testimony whereof I have hereunto set my hand and caused the official seal of the United States Department of the

Interior to be affixed in the City of Washington this 5th day of September, 1945.

OSCAR L. CHAPMAN,  
Assistant Secretary.

SEPTEMBER 5, 1945.

[F. R. Doc. 45-16700; Filed, Sept. 7, 1945; 9:56 a. m.]

Chapter IV—Office of the Coordinator of Fisheries

[Area Coordinator's Gen. Direction H-11A]

PART 401—PRODUCTION OF FISHERY COMMODITIES OR PRODUCTS

ALLOCATION OF HALIBUT

Pursuant to Order No. 1956 of the Secretary of the Interior, as amended June 11, 1945, commonly referred to as the "halibut order", 50 C. F. R. § 401.4 entitled "Allocation of Halibut", and in order to accomplish the purposes thereof, including, particularly, paragraph (d) (2) of that order, this General Direction No. H-11A is issued.

1. The Area Coordinator has determined that the following persons in British Columbia are participants in and conform to a voluntary program for the allocation of halibut which is in accord with the purposes and policy of the halibut order:

B. C. Packers, Ltd.  
Bacon Fisheries  
Booth Fisheries Corp.  
Fishermen's Cooperative Federation.  
Royal Fish Co.  
Rupert Fish Co.  
San Juan Fishing & Packing Co.  
Whiz Fish Products Co.

2. In accordance with the halibut order, particularly paragraph (d) (2) thereof, fishermen subject to the terms of that order may sell or deliver or arrange to sell or deliver halibut in British Columbia to the persons named above.

3. Notice is hereby given that any fisherman from a vessel of American registry who, acting for himself or through an agent, sells or delivers or arranges to sell or deliver halibut to any person in British Columbia other than a person named above, will be guilty of a violation of that order and subject to the penalties provided for violations of that order.

Issued this 23d day of August 1945.

V. J. SAMSON,  
Area Coordinator, Area I.

[F. R. Doc. 45-16693; Filed, Sept. 6, 1945; 4:16 p. m.]

Notices

INTERSTATE COMMERCE COMMISSION.

[S. O. 353]

UNLOADING OF PAPER AT ST. LOUIS, MO.

At a session of the Interstate Commerce Commission, Division 3, held at its office in Washington, D. C., on the 5th day of September, A. D. 1945.

It appearing, that certain cars containing newsprint paper at St. Louis, Missouri, on the Illinois Terminal Railroad, have been on hand for an unrea-

sonable length of time and that the delay in unloading said cars is impeding their use; in the opinion of the Commission an emergency exists requiring immediate action. It is ordered, that:

Newsprint paper at St. Louis, Mo., be unloaded. (a) The Illinois Terminal Railroad Company, its agents or employees shall unload forthwith cars CN 473490, 484948, 473386, 482027, 471215, 484010, 474506, CP 248708, 248819, containing newsprint paper on hand at St. Louis, Mo., consigned to the St. Louis Globe-Democrat.

(b) Said carrier shall notify the Director of the Bureau of Service, Interstate Commerce Commission, Washington, D. C., when such carloads have been completely unloaded in compliance with the requirements of paragraph (a). Upon the unloading and receipt of such notice this order shall expire. (40 Stat. 101, sec. 402, 41 Stat. 476, sec. 4, 54 Stat. 901, 911; 49 U. S. C. 1 (10)-(17), 15 (2))

It is further ordered, that this order shall become effective immediately, and that a copy of this order and direction shall be served upon the Illinois Terminal Railroad Company, and upon the Association of American Railroads, Car Service Division, as agent of the railroads subscribing to the car service and per diem agreement under the terms of that agreement; and that notice of this order be given to the general public by depositing a copy in the office of the Secretary of the Commission, at Washington, D. C., and by filing it with the Director, Division of the Federal Register.

By the Commission, Division 3.

[SEAL]

W. P. BARTEL,  
Secretary.

[F. R. Doc. 45-16724; Filed, Sept. 7, 1945; 10:23 a. m.]

OFFICE OF DEFENSE TRANSPORTATION.

TOLEDO, PEORIA & WESTERN RAILROAD  
TERMINATION OF GOVERNMENT POSSESSION,  
OPERATION, AND CONTROL

Pursuant to Executive Orders 9108, as amended (7 F.R. 2201, 8 F.R. 3687, and 10 F.R. 7315), and 9603 (10 F.R. 10960), and the approval of the Director of Economic Stabilization having been obtained, it is hereby ordered, that:

1. *Termination of possession, operation, and control.* Possession, operation, and control by the United States of the Toledo, Peoria & Western Railroad, and of all real and personal property, franchises, rights, and other assets of the Toledo, Peoria & Western Railroad not heretofore returned, are hereby terminated and relinquished effective at 12:01 o'clock a. m. C. w. t., October 1, 1945. No further action shall be required to effect the termination of Government control and operation and the relinquishment of possession hereby ordered.

2. *Communications.* Communications concerning this order should be addressed to the Office of Defense Transportation, Washington 25, D. C.

Issued at Washington, D. C., this 6th day of September, 1945.

J. M. JOHNSON,  
Director, Office of  
Defense Transportation.

[F. R. Doc. 45-16634; Filed, Sept. 7, 1945; 9:13 a. m.]

OFFICE OF PRICE ADMINISTRATION.

[MPR 591, Order 10]

SCOVILL MFG. CO.

ADJUSTMENT OF MAXIMUM PRICES

For the reasons set forth in an opinion issued simultaneously herewith and filed with the Division of the Federal Register and pursuant to section 16 (b) (1) of Maximum Price Regulation No. 591, it is ordered:

(a) *Adjustment of maximum prices for the Scovill Manufacturing Company, Sturgis, Michigan.*

(1) This order permits the Scovill Manufacturing Company of Sturgis, Michigan, to increase its maximum net prices to each class of customer by 9 percent for the following items:

SVB Anti-Syphon Ballcock.  
No. 14 Semi-Silent Ballcock.  
No. 3637 Ballcock.  
No. 41 Flush Valve.

(2) The maximum net prices enumerated in (a) (1) above are subject to cash discounts and transportation allowances at least as favorable as those granted as a deduction from net prices to each class of customer during March 1942 on comparable sales of similar commodities.

(b) *Maximum prices for resellers.* All resellers of the commodities for which adjustment is granted the Scovill Manufacturing Company in (a) above may add to their new costs resulting from this adjustment the same percentage margins currently enjoyed on sales of these commodities.

(c) *Notification to all purchasers.* The Scovill Manufacturing Company shall send the following notice to every purchaser of the commodities adjusted by this order at or before the time of the first billing after the effective date of this Order:

Order No. 10 under section 16 (b) (1) of Maximum Price Regulation No. 591 provides for a 9 percent increase in net prices for sales of SVB Anti-syphon ballcock, No. 14 Semi-silent ballcock, No. 3637 Ballcock, No. 41 Flush valve manufactured by the Scovill Manufacturing Company. Resellers may add the same percentage markup to their new cost resulting from this adjustment as currently in effect on these commodities.

(d) All prayers of the application of the Scovill Manufacturing Company not granted in this order are denied.

(e) This order may be amended or revoked by the Price Administrator at any time.

This order shall become effective September 7, 1945.

Issued this 6th day of September 1945.

CHESTER BOWLES,  
Administrator.

[F. R. Doc. 45-16573; Filed, Sept. 6, 1945; 11:46 a. m.]

[Order No. 74 Under 3 (e)]

ARTHUR TIEDMANN

ESTABLISHMENT OF MAXIMUM PRICES

For the reasons set forth in an opinion, issued simultaneously herewith, *It is ordered:*

(a) The maximum prices for sales by Arthur Tiedmann, Kimberly, Wisconsin, of "Coppoheen Finish for Metal Surface" shall be:

(1) Per gallon:

To jobber, \$3.04 f. o. b. factory; 2% 10 days, 30 days net.

To retailer, \$3.80 f. o. b. supplier's warehouse or delivered to retailer's store in accordance with seller's practice in effect during March 1942; 2% 10 days, 30 days net.

Sales at retail, \$5.00.

(2) No extra charge may be made for containers.

(b) With or prior to the first delivery of Coppoheen Finish for Metal Surface on or after the effective date of this order to a jobber or retailer, Arthur Tiedmann, Kimberly, Wisconsin or any other seller shall furnish such jobber or retailer with a written notice containing the schedule of maximum prices set out in paragraph (a) above of this order, a statement that they have been approved by the Office of Price Administration, and in the case of a delivery to a jobber, also a statement that with or prior to the jobber's first delivery to a retailer, such jobber is required by the Office of Price Administration to furnish such retailer with a written notice containing the schedule of maximum prices set out in paragraph (a) above of this order and a statement that they have been approved by the Office of Price Administration.

(c) Prior to making any delivery of Coppoheen Finish for Metal Surface on or after the effective date of this order, Arthur Tiedmann, Kimberly, Wisconsin shall mark or cause to be marked on each container the following legend:

Retail Ceiling Price \$5.00

(d) This order may be revoked or amended by the Administrator at any time.

This order shall become effective September 7, 1945.

Issued this this 6th day of September 1945.

CHESTER BOWLES,  
Administrator.

[F. R. Doc. 45-16636; Filed, Sept. 6, 1945; 11:35 a. m.]

[Rev. Order No. 752 Under 3 (b)]

ETHYL CORP.

ESTABLISHMENT OF MAXIMUM PRICES

For the reasons set forth in an opinion issued simultaneously herewith, and pursuant to §§ 1499.3 (b) (2) and 1499.3 (e) (3), Order No. 752 under § 1499.3 (b), issued January 8, 1945 is redesignated Revised Order No. 752 and revised and amended to read as follows:

(a) The maximum prices for sales of Ethyl Cleaner, a car (automobile) cleaner also usable for household purposes, produced by Ethyl Corporation, New York, shall be:

(1)

Bottle size	Bottles per standard case	To consumers at retail per bottle	To retail dealers per bottle		To jobbers per bottle delivered to jobber's city freight station 2% for cash 10th prov.		
			Case lots	Broken case lots	Less than 25 cases	25 cases up to carload	Carload and over
6-ounce	36	\$0.35	\$0.21	\$0.23	\$0.18	\$0.17	\$0.17
16-ounce	12	.75	.45	.50	.38	.30	.33
24-ounce	12	1.00	.60	.67	.61	.49	.44
32-ounce	12	1.20	.72	.80	.61	.49	.47
128-ounce	4	4.50	2.70	3.00	2.15	2.04	1.87

On sales to consumers at retail and retail dealers, the prices are either f. o. b. dealer's store and jobber's warehouse, respectively, or delivered to consumer's residence and dealer's store, respectively, in accordance with the seller's practice in effect during March 1942.

(2) All prices shall be subject to the discounts, allowances and trade practices (other than those specified in (1) above) of the seller in effect during March 1942.

(3) No extra charge may be made for containers.

(b) With or prior to the first delivery of Ethyl Cleaner on or after the effective date of this Revised Order No. 752 to a jobber or retail dealer, Ethyl Corporation or any other seller shall furnish such jobber or retail dealer with a written notice containing the schedule of maximum prices set out in paragraph (a) above of this Revised Order No. 752, a statement that they have been approved by the Office of Price Administration, and in the case of a delivery to a jobber, also a statement that with or prior to the jobber's first delivery to a retail dealer, such jobber is required by the Office of Price Administration to furnish such retail dealer with a written notice containing the schedule of maximum prices set out in paragraph (a) above of this Revised Order No. 752 and a statement that they have been approved by the Office of Price Administration.

(c) Prior to making any delivery of Ethyl Cleaner on or after the effective date of this Revised Order No. 752, Ethyl Corporation shall mark or cause to be marked on each bottle, whichever of the following legends is applicable:

- 6-oz. "Retail Ceiling Price \$0.35".
- 16-oz. "Retail Ceiling Price \$0.75".
- 24-oz. "Retail Ceiling Price \$1.00".
- 32-oz. "Retail Ceiling Price \$1.20".
- 128-oz. "Retail Ceiling Price \$4.50".

(d) This order may be revoked or amended by the Administrator at any time.

This revised order shall become effective September 7, 1945.

Issued this 6th day of September 1945.

CHESTER BOWLES,  
Administrator.

[F. R. Doc. 45-16635; Filed, Sept. 6, 1945; 11:35 a. m.]

[MPR 64, Rev. Order 147]

BROWN STOVE WORKS, INC.

APPROVAL OF MAXIMUM PRICES

For the reasons set forth in an opinion issued simultaneously herewith and filed

with the Division of the Federal Register, and pursuant to sections 7 and 11 of Maximum Price Regulation No. 64, *It is ordered,* That Order 147 under Maximum Price Regulation No. 64 is revised and amended to read as follows:

(a) Brown Stove Works, Inc., Cleveland, Tennessee, may sell and deliver the new model No. 630-M magazine feed circulating coal heater which it manufactures, at prices no higher than the following:

	Per unit
To distributors	\$44.27
To retailers in carload lots	46.60
To retailers in less than carload	49.51

These prices are f. o. b. factory, and are subject to discounts, allowances, and terms no less favorable than those in effect with respect to the manufacturer's comparable Model No. 120-LM circulating heater.

(b) Any wholesale distributor may sell and deliver to dealers, the model No. 630-M magazine feed circulating coal heater manufactured by Brown Stove Works, Inc., Cleveland, Tennessee, at prices no higher than those set forth below for sales in each zone:

	Per unit
Zone 1	\$55.60
Zone 2	57.81
Zone 3	59.97
Zone 4	63.01

These prices are f. o. b. distributor's city. They are subject to each seller's customary terms, discounts, allowances, and other conditions of sale on sales of similar articles.

(c) Any person may sell and deliver at retail the model No. 630-M magazine feed circulating coal heater manufactured by Brown Stove Works, Inc., Cleveland, Tennessee, at prices no higher than those set forth below for sales in each zone:

	Per unit
Zone 1	\$86.95
Zone 2	92.50
Zone 3	95.95
Zone 4	102.25

These prices are subject to each seller's customary terms, discounts, allowances and other conditions of sale on sales of similar articles.

(d) At the time of, or prior to the first invoice to a purchaser for resale covering the sale of any model No. 630-M coal heater, Brown Stove Works, Inc., shall notify the purchaser of the maximum prices set by this order for resales by the purchaser. This notice may be given in any convenient form. In addition, Brown Stove Works, Inc., shall, before delivering any model No. 630-M coal heaters manufactured on or after the effective date of this revised order, at-



(c) The maximum prices established herein are f. o. b. the mine or preparation plant for truck or wagon shipments, f. o. b. the rail or river shipping point for rail or river shipments and f. o. b. the rail shipping point for railroad fuel for all uses.

(d) All prayers of the applicant not granted herein are hereby denied.

(e) This order may be revoked or amended by the Price Administrator at any time.

(f) Except as specifically provided in this order, the provisions of Maximum Price Regulation No. 120 governing the sale of bituminous coal shall remain in effect.

(g) The mine index number assigned herein is permanent, but the maximum prices may be changed by order or amendment.

This order shall become effective September 7, 1945.

Issued this 6th day of September 1945.

CHESTER BOWLES,  
Administrator.

[F. R. Doc. 45-16640; Filed, Sept. 6, 1945;  
11:37 a. m.]

[RMFR 122, Amdt. 5 to Order 33]

POCAHONTAS FUEL CO., INC.

ESTABLISHMENT OF MAXIMUM PRICES

Amendment No. 5 to Order No. 33 under Revised Maximum Price Regulation No. 122; solid fuels sold and delivered by dealers, Docket No. 3122-229.

For the reasons set forth in an opinion issued simultaneously herewith, and pursuant to § 1340.260 of Revised Maximum Price Regulation No. 122, *It is ordered:*

Order No. 33, as amended, under Revised Maximum Price Regulation No. 122, is amended in the following respect:

(1) Paragraphs (c), (d), (e) and (f) are relettered (d), (e), (f) and (g), respectively and a new paragraph (c) is added to read as follows:

(c) There may be added to the maximum prices set forth in paragraph (b) above, as amended by Amendment No. 4 to this order, the amount of any general increase in the maximum prices of the coals described therein, authorized by Maximum Price Regulation No. 120 subsequent to August 13, 1945.

This Amendment No. 5 to Order No. 33 shall be effective September 7, 1945.

Issued this 6th day of September 1945.

CHESTER BOWLES,  
Administrator.

[F. R. Doc. 45-16641; Filed, Sept. 6, 1945;  
14:37 a. m.]

[MPR 188, Order 102 Under 2d Rev. Order A-3, Amdt. 1]

TELESCOPE FOLDING FURNITURE CO., INC.  
ADJUSTMENT OF MAXIMUM PRICES

For the reasons set forth in an opinion issued simultaneously herewith, and filed with the Division of the Federal Register,

and pursuant to Second Revised Order A-3 under § 1499.159 of Maximum Price Regulation No. 188; *It is ordered:*

Paragraph (a) of Order No. 102 under Second Revised Order A-3 is amended to read as follows:

(a) *Manufacturer's maximum prices.* Telescope Folding Furniture Co., Inc., Granville, New York, may add the following adjustment charges to its maximum prices for sales and deliveries to all classes of purchasers of the articles listed below, which it manufactures, resulting in the following adjusted maximum prices:

Article	Model No.	Maximum price	Adjustment charge permitted by this order	Total adjusted maximum price
Chair	44	\$0.85	\$0.32	\$1.17
	45	.80	.35	1.15
	46	.69	.27	.96
	47	.75	.30	1.05
	48	.92	.34	1.26

The adjustment charges listed above may be made and collected only if each is separately stated on each invoice. The adjusted maximum prices are subject to the manufacturer's customary discounts, allowances and other price differentials, in effect during March 1942 on sales to each of the above classes of purchasers.

This amendment shall become effective on the 7th day of September 1945.

Issued this 6th day of September 1945.

CHESTER BOWLES,  
Administrator.

[F. R. Doc. 45-16653; Filed, Sept. 6, 1945;  
11:40 a. m.]

[MPR 188, Order 109 Under Order A-2]

NIAGARA SEARCHLIGHT CO.

ADJUSTMENT OF MAXIMUM PRICES

For the reasons set forth in an opinion issued simultaneously herewith and filed with the Division of the Federal Register, and pursuant to paragraph (a) (16) of Order A-2 under § 1499.159b of Maximum Price Regulation No. 188; *it is ordered:*

(a) *Manufacturer's maximum prices.* Niagara Searchlight Company, Niagara Falls, N. Y., on and after the effective date of this order may sell its No. 12 portable flashlight lantern without battery, of its manufacture, to wholesalers (jobbers) and retailers at prices no higher than its prices for each such sale in effect prior to the effective date of this order plus an adjustment charge of \$.043 each.

This adjustment charge may be collected only if it is separately stated on each invoice. The adjusted prices are subject to the manufacturer's discounts, allowances and other price differentials in effect during March 1942 on sales to each class of purchaser.

(b) *Maximum prices of purchasers for resale.* A person who hereafter buys

an article covered by this order and resells it in substantially the same form, may collect from his customer, in addition to his properly established maximum price in effect prior to the issuance of this order, an adjustment charge in the same amount as the adjustment charge herein authorized for and which he pays to his supplier. If such a purchaser did not have an established maximum price for sales of the article prior to the issuance of this order, he may add the same adjustment charge to the maximum price which he hereafter establishes for his sales under the applicable price regulation. If the applicable regulation requires maximum resale prices to be computed on the basis of cost, the reseller must find his maximum prices (without the permitted adjustment charge) by using as costs his invoice costs not including any adjustment charges stated on the invoice. On all sales except sales to ultimate consumers these additional adjustment charges may be made and collected only if they are separately stated on each invoice. The adjusted maximum prices are subject to each seller's customary terms, discounts, and allowances on sales of the same or similar articles, to each class of purchaser.

(c) *Notification.* At the time of or prior to the first invoice to a purchaser for resale on and after the effective date of this order, showing a price adjusted in accordance with the terms of this order, the seller shall notify the purchaser in writing of the method established by paragraph (b) of this order for determining adjusted maximum prices for resales of the article. This notice may be given in any convenient form.

(d) All requests not specifically granted by this order are hereby denied.

(e) This order may be revoked or amended by the Price Administrator at any time.

(f) This order shall become effective on the 7th day of September 1945.

Issued this 6th day of September 1945.

CHESTER BOWLES,  
Administrator.

[F. R. Doc. 45-16651; Filed, Sept. 6, 1945;  
11:40 a. m.]

[MPR-188, Order 110 Under Order A-2]

ENNIS Mfg. Co.

ADJUSTMENT OF MAXIMUM PRICES

For the reasons set forth in an opinion issued simultaneously herewith, and filed with the Division of the Federal Register; and pursuant to paragraph (a) (16) of Order No. A-2 under § 1499.159b of Maximum Price Regulation No. 188, *It is ordered:*

(a) *Manufacturer's maximum prices.* Ennis Manufacturing Co., of Reading, Pennsylvania, may sell and deliver the articles, listed below, which it manufactures, and which are described in its application dated May 24, 1945 at prices no higher than its maximum prices in effect immediately prior to the issuance of this order plus the appropriate one of following adjustment charges:

Article	Model No.	Adjustment charge
Trowel.....	424	Per dozen \$0.04
	426	.02
	427	.05

On all sales other than sales to ultimate consumers, the adjustment charge provided herein may be made and collected only if stated separately on each invoice.

The maximum prices of the manufacturer, as adjusted, are subject to its customary terms, discounts, allowances and other price differentials in effect during March, 1942 on sales to each class of purchaser.

(b) *Maximum prices of purchasers for resale.* A person who hereafter buys an article covered by this order and resells it in substantially the same form, may collect from his customer, in addition to his properly established maximum price in effect immediately before this order was issued, an adjustment charge in the same dollar and cents amount as the adjustment charge herein authorized and which he pays to his supplier. If he did not have a maximum price in effect for the article at the time this order was issued, he may add the same adjustment charge to the maximum price which he hereafter establishes for his sales under the applicable regulation. If the applicable regulation requires the maximum resale price to be computed on the basis of cost, the reseller must find his maximum resale price (not including the permitted adjustment charge) by using as cost his invoice cost less any adjustment charge stated on the invoice as a separate amount.

On all sales other than sales to the ultimate consumer this adjustment charge may be made and collected only if it is separately stated on each invoice. The adjusted price is subject to each seller's customary terms, discounts, and allowances on sales of the same or similar articles.

(c) *Notification.* At the time of, or prior to, the first invoice to a purchaser for resale, showing a price adjusted in accordance with the terms of this order, the seller shall notify the purchaser in writing of the method established in paragraph (b) of this order for determining adjusted maximum prices for resale of the article covered by this order. This notice may be given in any convenient form.

(d) This order may be revoked or amended by the Price Administrator at any time.

(e) This order shall become effective on the 7th day of September 1945.

Issued this 6th day of September 1945.

CHESTER BOWLES,  
Administrator.

[F. R. Doc. 45-16652; Filed, Sept. 6, 1945; 11:40 a. m.]

[MPR 183, Order No. 117 Under 2d Rev. Order A-3]

W. L. OAKES Mfg. Co.

ADJUSTMENT OF MAXIMUM PRICES

For the reasons set forth in an opinion, issued simultaneously herewith, and filed with the Division of the Federal Register, and pursuant to Second Revised Order A-3 under § 1499.159b of Maximum Price Regulation No. 183, it is ordered:

(a) *Manufacturer's maximum prices.* W. L. Oakes Manufacturing Company, 615 S. W. 9th Street, Oklahoma City, Oklahoma, on and after the effective date of this order may sell the ladders listed below, of its manufacture, to each class of purchaser at prices no higher than its prices for such sales in effect immediately prior to the effective date of this order plus the adjustment charges set forth opposite each article:

Item	Model	Permitted adjustment
Ladder.....	Elite (competitive).....	Per dozen \$2.03
	Decorative.....	.143
	Superior.....	.073
	Superior strength.....	.119

These adjustment charges may be collected only if they are separately stated on each invoice. The adjusted prices are subject to the manufacturer's discounts, allowances, and other price differentials in effect during March 1942 on sales to each class of purchaser.

(b) *Maximum prices of purchaser for resale.* A person who hereafter buys an article covered by this order and resells it in substantially the same form, may collect from his customer, in addition to his properly established maximum price in effect prior to the issuance of this order, an adjustment charge in the same amount as the adjustment charge herein authorized for and which he pays to his supplier. If such a purchaser did not have an established maximum price for sales of the article prior to the issuance of this order, he may add the same adjustment charge to the maximum price which he hereafter establishes for his sales under the applicable price regulation. If the applicable regulation requires maximum resale prices to be computed on the basis of costs, the reseller must find his maximum prices (without the permitted adjustment charge) by using as costs his invoice costs not including any adjustment charges stated on the invoice. On all sales except sales to ultimate consumers these additional adjustment charges may be made and collected only if they are separately stated on each invoice. The adjusted maximum prices are subject to each seller's customary terms, discounts, and allowances on sales to the same or similar articles, to each class of purchaser.

(c) *Notification.* At the time of or prior to the first invoice to a purchaser

for resale on and after the effective date of this order, showing a price adjusted in accordance with the terms of this order, the seller shall notify the purchaser in writing of the method established by paragraph (b) of this order for determining adjusted maximum prices for resale of the article. This notice may be given in any convenient form.

(d) All requests not specifically granted by this order are hereby denied.

(e) This order may be revoked or amended by the Price Administrator at any time.

(f) This order shall become effective on the 7th day of September 1945.

Issued this 6th day of September 1945.

CHESTER BOWLES,  
Administrator.

[F. R. Doc. 45-16654; Filed, Sept. 6, 1945; 11:41 a. m.]

[MPR 183, Order 4381]

MERIT LAMP Co.

APPROVAL OF MAXIMUM PRICES

For the reasons set forth in an opinion issued simultaneously herewith and filed with the Division of the Federal Register, and pursuant to § 1499.153 of Maximum Price Regulation No. 183, it is ordered:

(a) This order establishes maximum prices for sales and deliveries of certain articles manufactured by Merit Lamp Company, 54-56 Garden Street, Brooklyn, 6, N. Y.

(1) For all sales and deliveries to the following classes of purchasers by the sellers indicated below, the maximum prices are those set forth below:

Article	Model No.	For sales by the manufacturer to—		For sales by any person to consumers
		Jobbers	Retailers	
Bronze plated and high lighted junior floor lamp with dialing base, constructed without fire hazards.....	600	Each \$5.00	Each \$7.75	Each \$12.65
Bronze plated and high lighted junior floor lamp without glass reflector but constructed without fire hazards.....	800	\$3.03	\$3.50	\$17.50

These maximum prices are for the articles described in the manufacturer's application dated April 10, 1945.

(2) For sales by the manufacturer, the maximum prices apply to all sales and deliveries since Maximum Price Regulation No. 183 became applicable to those sales and deliveries. For sales to persons other than consumers they are f. o. b. factory, 1% 10 days, net 30. The maximum price to consumers is net, delivered.

(3) For sales by persons other than the manufacturer, the maximum prices apply to all sales and deliveries after the effective date of this order. Those prices

are subject to each seller's customary terms and conditions of sale on sales of similar articles.

(4) If the manufacturer wishes to make sales and deliveries to any other class of purchaser or on other terms and conditions of sale, he must apply to the Office of Price Administration, Washington, D. C., under the Fourth Pricing Method, § 1499.158 of Maximum Price Regulation No. 188, for the establishment of maximum prices for those sales, and no sales or deliveries may be made until maximum prices have been authorized by the Office of Price Administration.

(b) The manufacturer shall attach a tag or label to every article for which a maximum price for sales to consumers is established by this order. That tag or label shall contain the following statement, with the proper model number and the ceiling price inserted in the blank spaces:

Model No. -----  
OPA Retail Ceiling Price \$-----  
Do Not Detach

(c) At the time of, or prior to, the first invoice to each purchaser for resale, the manufacturer shall notify the purchaser in writing of the maximum prices and conditions established by this order for sales by the purchaser. This notice may be given in any convenient form.

(d) Jobber's maximum prices for sales of the articles covered by this order shall be established under the provisions of section 4.5 of SR 14J.

(e) This order may be revoked or amended by the Price Administrator at any time.

(f) This order shall become effective on the 7th day of September 1945.

Issued this 6th day of September 1945.

CHESTER BOWLES,  
Administrator.

[F. R. Doc. 45-16642; Filed, Sept. 6, 1945; 11:37 a. m.]

[MPR 188, Order 4382]

ELMONT LAMP SHADE

APPROVAL OF MAXIMUM PRICES

For the reasons set forth in an opinion issued simultaneously herewith and filed with the Division of the Federal Register, and pursuant to § 1499.158 of Maximum Price Regulation No. 188, *It is ordered:*

(a) This order establishes maximum prices for sales and deliveries of certain articles manufactured by Elmout Lamp Shade, 1822 Westchester Avenue, Bronx, N. Y.

(1) For all sales and deliveries to the following classes of purchasers by the sellers indicated below, the maximum prices are those set forth below:

Article	Model No.	For sales by the manufacturer to—		For sales by any person to consumers
		Jobbers	Retailers	
Highly decorated large china lamp vase and rayon silk shade.....	1300	Each \$10.20	Each \$12.00	Each \$21.60

These maximum prices are for the articles described in the manufacturer's application dated April 30, 1945.

(2) For sales by the manufacturer, the maximum prices apply to all sales and deliveries since Maximum Price Regulation No. 188 became applicable to those sales and deliveries. For sales to persons other than consumers they are f. o. b. factory, 2% 10 days, net 30. The maximum price to consumers is net, delivered.

(3) For sales by persons other than the manufacturer, the maximum prices apply to all sales and deliveries after the effective date of this order. Those prices are subject to each seller's customary terms and conditions of sale on sales of similar articles.

(4) If the manufacturer wishes to make sales and deliveries to any other class of purchaser or on other terms and conditions of sale, he must apply to the Office of Price Administration, Washington, D. C., under the Fourth Pricing Method, § 1499.158 of Maximum Price Regulation No. 188, for the establishment of maximum prices for those sales, and no sales or deliveries may be made until maximum prices have been authorized by the Office of Price Administration.

(b) The manufacturer shall attach a tag or label to every article for which a maximum price for sales to consumers is established by this order. That tag or label shall contain the following statement, with the proper model number and the ceiling price inserted in the blank spaces:

Model No. -----  
OPA Retail Ceiling Price \$-----  
Do Not Detach

Article	Model No.	Maximum prices for sales by any seller to—			
		Wholesalers (jobbers)	Chain and department stores	Other retailers	Consumers
Large roaster.....	185/8X155/8X3 1/4.....	Each \$10.75	Each \$12.00	Each \$11.33	Each \$21.60
Chicken fryer and roaster.....	CF1.....	4.45	5.24	5.93	8.90
Roaster oval.....	DC1.....	5.23	6.27	6.97	10.45
Fry pan mirror finish.....	FP2.....	1.78	1.89	2.10	3.16
Fry pan satin finish.....	FP2.....	1.35	1.62	1.80	2.70
Fry pan mirror finish.....	FPI.....	1.13	1.35	1.60	2.25
Fry pan satin finish.....	FPI.....	.93	1.17	1.20	1.95
Roasting pot mirror finish.....	RP4-6 qt.....	3.85	4.62	5.15	7.70
Roasting pot mirror finish.....	RP3-4 qt.....	3.35	3.82	4.47	6.70
Roasting pot mirror finish.....	RP2-2 qt.....	2.85	3.25	3.80	6.70

These maximum prices are for the articles described in the manufacturer's application dated July 17, 1945.

(2) For sales by the manufacturer, the maximum prices apply to all sales and deliveries since Maximum Price Regulation No. 188 became applicable to those sales and deliveries. These prices are f. o. b. factory and subject to a cash discount of 2% for payment within 10 days, net 30 days.

(3) For sales by persons other than the manufacturer, the maximum prices apply to all sales and deliveries after the effective date of this order. Those prices are subject to each seller's customary terms and conditions of sale on sales of similar articles.

(4) If the manufacturer wishes to make sales and deliveries to any other

(c) At the time of, or prior to, the first invoice to each purchaser for resale, the manufacturer shall notify the purchaser in writing of the maximum prices and conditions established by this order for sales by the purchaser. This notice may be given in any convenient form.

(d) Jobber's maximum prices for sales of the articles covered by this order shall be established under the provisions of section 4.5 of SR 14J.

(e) This order may be revoked or amended by the Price Administrator at any time.

(f) This order shall become effective on the 7th day of September 1945.

Issued this 6th day of September 1945.

CHESTER BOWLES,  
Administrator.

[F. R. Doc. 45-16643; Filed, Sept. 6, 1945; 11:37 a. m.]

[MPR 188, Order 4383]

KENT FOUNDRY CO.

APPROVAL OF MAXIMUM PRICES

For the reasons set forth in an opinion issued simultaneously herewith and filed with the Division of the Federal Register, and pursuant to § 1499.158 of Maximum Price Regulation No. 188, *It is ordered:*

(a) This order establishes maximum prices for sales and deliveries of certain articles manufactured by the Kent Foundry Company of 400 Hoover Avenue, Bloomfield, New Jersey.

(1) For all sales and deliveries to the following classes of purchasers by the sellers indicated below, the maximum prices are those set forth below:

class of purchaser or on other terms and conditions of sale, he must apply to the Office of Price Administration, Washington, D. C., under the Fourth Pricing Method, § 1499.158 of Maximum Price Regulation No. 188, for the establishment of maximum prices for those sales, and no sales or deliveries may be made until maximum prices have been authorized by the Office of Price Administration.

(b) The manufacturer shall attach a tag or label to every article for which a maximum price for sales to consumers is established by this order. That tag or label shall contain the following statements with the correct model number and retail prices properly filled in:

Model No. -----  
OPA Retail Ceiling Price \$-----  
Do Not Detach or Obliterate

Issued this 6th day of September 1945.  
**CHESTER BOWLES,**  
*Administrator.*

(c) At the time of, or prior to, the first invoice to each purchaser for resale, the seller shall notify the purchaser in writing of the maximum prices and conditions established by this order for sales given in any convenient form.  
 (d) This order may be revoked or amended by the Price Administrator at any time.  
 (e) This order shall become effective on the 7th day of September 1945.  
 Issued this 6th day of September 1945.  
**CHESTER BOWLES,**  
*Administrator.*

[F. R. Doc. 45-16644; Filed, Sept. 6, 1945; 11:38 a. m.]

**APPROVAL OF MAXIMUM PRICES**

For the reasons set forth in an opinion issued simultaneously herewith and filed with the Division of the Federal Register, and pursuant to § 1499.158 of Maximum Price Regulation No. 188; *It is ordered:*  
 (a) This order establishes maximum prices for sales and deliveries of certain articles manufactured by the EKCO Products Company of 1949 North Cicero Avenue, Chicago 39, Ill.

(1) For all sales and deliveries to the following classes of purchasers by the sellers indicated below, the maximum prices are those set forth below:

Article	Model No.	Maximum prices for sales by any seller to—			
		Wholesalers (Jobbers)	Chain and department stores	Other retailers	Consumers
Pressure cooker no gauge or cover	6304	Each	Each	Each	Each
		\$4.63	\$7.17	\$7.67	\$12.95
Pressure cooker w/gauge	6314	Each	Each	Each	Each
		6.48	7.77	8.66	13.95
Pressure cooker w/gauge cover	6321	Each	Each	Each	Each
		6.63	8.37	9.20	14.95
Pressure cooker w/gauge w/cover	6334	Each	Each	Each	Each
		7.43	8.97	9.97	15.95

These maximum prices are for the articles described in the manufacturer's application dated August 8, 1945.

(2) For sales by the manufacturer, the maximum prices apply to all sales and deliveries since Maximum Price Regulation No. 188 became applicable to those sales and deliveries. These prices are f. o. b. factory and are subject to a cash discount of 2% for payment within 10 days, net 30 days.  
 (3) For sales by persons other than the manufacturer, the maximum prices apply to all sales and deliveries after the effective date of this order. These prices are subject to each seller's customary terms and conditions of sale on sales of similar articles.  
 (4) If the manufacturer wishes to make sales and deliveries to any other class of purchaser or on other terms and conditions of sale, he must apply to the Office of Price Administration, Washington, D. C., under the Fourth Pricing Method, § 1499.158 of Maximum Price Regulation No. 188, for the establishment of maximum prices for those sales, and no sales or deliveries may be made until maximum prices have been authorized by the Office of Price Administration.  
 (b) The manufacturer shall attach a tag or label to every article for which a maximum price for sales to consumers is established by this order. That tag or label shall contain the following statements with the correct model number and retail prices properly filled in:

Model No. -----  
 Western Zone OPA Retail Ceiling Price 0-----  
 Eastern Zone OPA Retail Ceiling Price 0-----  
 Do Not Detach or Obliterate

(c) At the time of, or prior to, the first invoice to each purchaser for resale, the seller shall notify the purchaser in writing of the maximum prices and conditions established by this order for sales given in any convenient form.  
 (d) This order may be revoked or amended by the Price Administrator at any time.  
 (e) This order shall become effective on the 7th day of September 1945.

Issued this 6th day of September 1945.  
**CHESTER BOWLES,**  
*Administrator.*

[F. R. Doc. 45-16645; Filed, Sept. 6, 1945; 11:38 a. m.]

[MPR 188, Order 4386]

**APPROVAL OF MAXIMUM PRICES**

For the reasons set forth in an opinion issued simultaneously herewith and

Article	Model No.	Maximum prices for sales by any seller to—		
		Jobbers	Chain and dept. stores	Other retailers
Aluminum griddle wood handle	B	Each	Each	Each
		\$2.31	\$2.77	\$3.08

These maximum prices are for the articles described in the manufacturer's application dated June 26, 1945.

(2) For sales by the manufacturer, the maximum prices apply to all sales and deliveries since Maximum Price Regulation No. 188 became applicable to those sales and deliveries. These prices are f. o. b. factory and subject to a cash discount of 2% for payment within 10 days, net 30 days.  
 (3) For sales by persons other than the manufacturer, the maximum prices apply to all sales and deliveries after the effective date of this order. Those prices are subject to each seller's customary terms and conditions of sale on sales of similar articles.  
 (4) If the manufacturer wishes to make sales and deliveries to any other class of purchaser or on other terms and conditions of sale, he must apply to the Office of Price Administration, Washington, D. C., under the Fourth Pricing Method, § 1499.158 of Maximum Price Regulation No. 188, for the establishment of maximum prices for those sales, and no sales or deliveries may be made until maximum prices have been authorized by the Office of Price Administration.  
 (b) The manufacturer shall attach a tag or label to every article for which a maximum price for sales to consumers is established by this order. That tag or label shall contain the following statement:

Model No. -----  
 OPA Retail Ceiling Price—\$4.62 Each  
 Do Not Detach

(c) At the time of, or prior to, the first invoice to each purchaser for resale, the seller shall notify the purchaser in writing of the maximum prices and conditions established by this order for sales given in any convenient form.  
 (d) This order may be revoked or amended by the Price Administrator at any time.  
 (e) This order shall become effective on the 7th day of September 1945.  
 Issued this 6th day of September 1945.  
**CHESTER BOWLES,**  
*Administrator.*

[F. R. Doc. 45-16646; Filed, Sept. 6, 1945; 11:38 a. m.]

[MPR 188, Order 4386]  
**ART METAL GUILD CO.**

**APPROVAL OF MAXIMUM PRICES**

For the reasons set forth in an opinion issued simultaneously herewith and filed with the Division of the Federal Register, and pursuant to § 1499.159c of Maximum Price Regulation No. 188, and section 6.4 of SR14; *It is ordered:*

(a) This order establishes maximum prices for sales and deliveries of certain articles manufactured by Art Metal

Guild Company, 999 Metropolitan Avenue, Brooklyn, N. Y.  
 (1) For all sales and deliveries to the following classes of purchasers by the sellers indicated below, the maximum prices are those set forth below:

Article	Model No.	For sales by the manufacturer to—		For sales by any person to consumers
		Jobbers	Retailers	
Mushroom desk lamp.....	2900.....	Each \$2.12	Each \$2.50	Each \$4.50

(c) At the time of, or prior to, the first invoice to each purchaser for resale, the manufacturer shall notify the purchaser in writing of the maximum prices and conditions established by this order for sales by the purchaser. This notice may be given in any convenient form.

(d) Jobber's maximum prices for sales of the articles covered by this order shall be established under the provisions of section 4.5 of SR 14J.

(e) This order may be revoked or amended by the Price Administrator at any time.

(f) This order shall become effective on the 7th day of September 1945.

Issued this 6th day of September 1945.  
 CHESTER BOWLES,  
 Administrator.  
 [F. R. Doc. 45-16647; Filed, Sept. 6, 1945; 11:39 a. m.]

[MPR 188, Order 4387]  
 STADLER & NEUWIRTH  
 APPROVAL OF MAXIMUM PRICES

For the reasons set forth in an opinion issued simultaneously herewith and filed with the Division of the Federal Register, and pursuant to § 1499.158; It is ordered:

(a) This order establishes maximum prices for sales and deliveries of certain articles manufactured by Stadler & Neuwirth, 40-36 22nd Street, Long Island City 1, N. Y.  
 (1) For all sales and deliveries to the following classes of purchasers by the sellers indicated below, the maximum prices are those set forth below:

Article	Model No.	For sales by the manufacturer to—		For sales by any person to consumers
		Jobbers	Retailers	
Gold or silver plated zinc alloy and lacquered zinc alloy 3-way floor lamp.....	1400.....	Each \$12.75	Each \$15.00	Each \$27.00
Gold or silver plated and lacquered zinc alloy 3-way special floor lamp with cut glass tubing and mirror insert.....	1401.....	21.67	25.50	45.00
Plated and lacquered zinc alloy, steel or brass tubing 3-way floor lamp.....	1402-3-4-5 and 12.....	9.77	11.50	20.70
Gold plated and lacquered zinc alloy 3-way special floor lamp with brass tubing and onyx insert.....	1403.....	13.17	16.50	27.00
Plated and lacquered zinc alloy 3-way special floor lamp with steel or brass tubing.....	1407.....	20.40	25.50	45.00
Gold or silver plated and lacquered zinc alloy torchiere and 6-way special floor lamp with cut glass tubing and mirror insert.....	1411.....	17.42	20.50	36.90
Plated and lacquered zinc alloy and onyx insert.....	1011-1011.....	10.12	22.50	40.50
Plated and lacquered zinc alloy torchiere and 6-way special floor lamp with steel or brass tubing and onyx insert.....	1009-1010-1600-1610.....	14.87	17.50	31.50
Plated and lacquered zinc alloy torchiere and 6-way floor lamp with steel or brass tubing.....	1006-1001-1600-1601.....	23.37	27.50	49.50
Gold plated and lacquered zinc alloy torchiere and 6-way special floor lamp with brass tubing and onyx insert.....	1008-1608.....	22.10	29.00	46.80
Gold or silver plated zinc alloy and crystal torchiere and 6-way floor lamp.....	1007-1607.....	23.37	27.50	49.50
Plated and lacquered zinc alloy torchiere and 6-way floor lamp with steel or brass tubing.....	1009-1606.....	14.46	17.00	30.60
Plated and lacquered zinc alloy torchiere and 6-way floor lamp with steel or brass tubing.....	1002-3-4-5-12; 1002-3-4-5-12.....	11.47	13.50	24.30
2 1/2" Gold plated and polished zinc alloy and crystal table lamp (base only).....	1800-1801.....	12.76	15.00	27.00
Plated zinc alloy and steel torchiere and 6-way floor lamp.....	1700-1802-1803 SU-1-SF-4..... SF-4.....	7.86 8.02 7.22	9.25 10.50 8.50	16.65 18.00 15.30

All lamps equipped with molded glass reflectors or diffusers.

These maximum prices are for the articles described in the manufacturer's application dated June 29, 1945.

(2) For sales by the manufacturer, the maximum prices apply to all sales and deliveries since Maximum Price Regulation No. 188 became applicable to those sales and deliveries. For sales to persons other than consumers they are f. o. b. factory. The maximum price to consumers is net, delivered.

(3) For sales by persons other than the manufacturer, the maximum prices apply to all sales and deliveries after the effective date of this order. Those prices are subject to each seller's customary terms and conditions of sale on sales of similar articles.

(4) If the manufacturer wishes to make sales and deliveries to any other class of purchaser or on other terms and conditions of sale, he must apply to the Office of Price Administration, Washington, D. C., under the Fourth Pricing Method, § 1499.158 of Maximum Price Regulation No. 188, for the establishment of maximum prices for those sales, and no sales or deliveries may be made until maximum prices have been authorized by the Office of Price Administration.

(b) The manufacturer shall attach a tag or label to every article for which a

maximum price for sales to consumers is established by this order. That tag or label shall contain the following statement, with the proper model number and the ceiling price inserted in the blank spaces:

Model No. -----  
 OPA Retail Ceiling Price—\$-----  
 Do Not Detach

(c) At the time of, or prior to, the first invoice to each purchaser for resale, the manufacturer shall notify the purchaser in writing of the maximum prices and conditions established by this order for sales by the purchaser. This notice may be given in any convenient form.

(d) Jobber's maximum prices for sales of the articles covered by this order shall be established under the provisions of section 4.5 of SR 14J.

(e) This order may be revoked or amended by the Price Administrator at any time.

(f) This order shall become effective on the 7th day of September 1945.

Issued this 6th day of September 1945.

CHESTER BOWLES,  
 Administrator.  
 [F. R. Doc. 45-16643; Filed, Sept. 6, 1945; 11:39 a. m.]

[MPR 188, Order 4388]

ACME MASTERCRAFTS CO. INC.  
APPROVAL OF MAXIMUM PRICES

For the reasons set forth in an opinion issued simultaneously herewith and filed with the Division of the Federal Register, and pursuant to § 1499.159c of Maximum Price Regulation No. 188, and section 6.4 of SR14; *It is ordered:*

(a) This order establishes maximum prices for sales and deliveries of certain articles manufactured by Acme Mastercrafts Co. Inc., 54 West 21st Street, New York 10, New York.

(1) For all sales and deliveries to the following classes of purchasers by the sellers indicated below, the maximum prices are those set forth below:

Article	Model No.	For sales by the manufacturer to—		For sales by any person to consumers
		Jobbers	Retailers	
Crystal pin-up lamp with crystal base and break.....	1933-W.....	Each \$1.59	Each \$1.64	Each \$2.05
Crystal pin-up lamp with beveled mirror base and crystal break.....	1935-W.....	1.85	2.18	2.60
13 1/2" crystal vanity lamp base, footed and beaded metal base with crystal mount and break and reeded tube.	2011-W.....	1.54	1.81	2.25
13 1/2" crystal vanity lamp base, footed and beaded metal base with crystal mount and ball break, reeded tube.	2057.....	2.13	2.59	4.50
16" crystal vanity lamp base with crystal base, break and reeded tube.	2705.....	2.13	2.59	4.50
13 1/2" crystal vanity lamp base with crystal base, break and reeded tube.	2850-A.....	2.13	2.59	4.50
13 1/2" crystal vanity lamp base with crystal base, break and reeded tube.	1934.....	1.19	1.49	2.50

These maximum prices are for the articles described in the manufacturer's application dated May 24, 1945.

(2) For sales by the manufacturer, the maximum prices apply to all sales and deliveries since Maximum Price Regulation No. 188 became applicable to those sales and deliveries. For sales to persons other than consumers they are f. o. b. factory, 2% 10 days, net 30. The maximum price to consumers is net, delivered.

(3) For sales by persons other than the manufacturer, the maximum prices apply to all sales and deliveries after the effective date of this order. Those prices are subject to each seller's customary terms and conditions of sale on sales of similar articles.

(4) If the manufacturer wishes to make sales and deliveries to any other class of purchaser or on other terms and conditions of sale, he must apply to the Office of Price Administration, Washington, D. C., under the Fourth Pricing Method, § 1499.158 of Maximum Price Regulation No. 188, for the establishment of maximum prices for those sales, and no sales or deliveries may be made until maximum prices have been authorized by the Office of Price Administration.

(b) The manufacturer shall attach a tag or label to every article for which a maximum price for sales to consumers is established by this order. That tag or label shall contain the following statement, with the proper model number and the ceiling price inserted in the blank spaces:

Model No. -----  
OPA Retail Ceiling Price—\$-----  
Do Not Detach

(c) At the time of, or prior to, the first invoice to each purchaser for resale, the manufacturer shall notify the purchaser in writing of the maximum prices and conditions established by this order for sales by the purchaser. This notice may be given in any convenient form.

(d) Jobber's maximum prices for sales of the articles covered by this order shall be established under the provisions of section 4.5 of SR 14J.

(e) This order may be revoked or amended by the Price Administrator at any time.

(f) This order shall become effective on the 7th day of September 1945.

Issued this 6th day of September 1945.

CHESTER BOWLES,  
Administrator.

[F. R. Doc. 45-16649; Filed, Sept. 6, 1945; 11:39 a. m.]

[MPR 188, Order 4363]

SEWELL FOUNDRY

APPROVAL OF MAXIMUM PRICES

For the reasons set forth in an opinion issued simultaneously herewith and filed with the Division of the Federal Register, and pursuant to § 1499.158 of Maximum Price Regulation No. 188, *It is ordered:*

(a) This order establishes maximum prices for sales and deliveries of certain articles manufactured by Sewell Foundry, 801 McPherson Street, Oxford, Alabama.

(1) For all sales and deliveries to the following classes of purchasers by the sellers indicated below, the maximum prices are those set forth below:

Article	Maximum prices for sales by any seller to—				
	Model No.	Jobbers	Chain and department stores	Other retailers	Consumers
Fry pan, 2 pieces.....	A1	\$1.59	\$1.59	\$2.69	\$3.00
Broiler and skillet.....	A4	2.69	2.69	4.69	6.00
Chicken fryer.....	A5	2.25	2.79	3.69	4.49
7 ear corn stick pan.....	A3	1.69	1.59	1.53	2.69

These maximum prices are for the articles described in the manufacturer's application dated July 27, 1945.

(2) For sales by the manufacturer, the maximum prices apply to all sales and deliveries since Maximum Price Regulation No. 188 became applicable to those sales and deliveries. These prices are f. o. b. factory and subject to a cash discount of 2% for payment within 10 days, net 30 days.

(3) For sales by persons other than the manufacturer, the maximum prices apply to all sales and deliveries after the effective date of this order. Those prices are subject to each seller's customary terms and conditions of sale on sales of similar articles.

(4) If the manufacturer wishes to make sales and deliveries to any other class of purchaser or on other terms and conditions of sale, he must apply to the Office of Price Administration, Washington, D. C., under the Fourth Pricing Method, § 1499.158 of Maximum Price Regulation No. 188, for the establishment of maximum prices for those sales, and no sales or deliveries may be made until maximum prices have been authorized by the Office of Price Administration.

(b) The manufacturer shall attach a tag or label to every article for which a maximum price for sales to consumers is established by this order. That tag or label shall contain the following statement with the correct model number and retail prices properly filled in:

OPA Retail Ceiling Price—\$-----  
Do Not Detach

(c) At the time of, or prior to, the first invoice to each purchaser for resale, the seller shall notify the purchaser in writing of the maximum prices and conditions established by this order for sales by the purchaser. This notice may be given in any convenient form.

(d) This order may be revoked or amended by the Price Administrator at any time.

(e) This order shall become effective on the 7th day of September 1945.

Issued this 6th day of September 1945.

CHESTER BOWLES,  
Administrator.

[F. R. Doc. 45-16650; Filed, Sept. 6, 1945; 11:40 a. m.]

[MPR 250, Amdt. 1 to Order 258]

CARL K. SHERTZ

AUTHORIZATION OF MAXIMUM PRICES

For the reasons set forth in an opinion accompanying this amendment and pursuant to § 1358.102 (b) of Maximum Price Regulation 260; *It is ordered, That:*

The maximum prices for the "National Asset-Perfecto" cigars set forth in paragraph (a) of Order No. 258 under Maximum Price Regulation No. 260, are amended to read as follows:

Brand	Size or frontmark	Pack- ing	Max- imum list price	Max- imum retail price
National Asset	Perfecto	50	Per M \$43	Cent 6

This amendment shall become effective September 7, 1945.

Issued this 6th day of September 1945.

CHESTER BOWLES,  
Administrator.

[F. R. Doc. 45-16655; Filed, Sept. 6, 1945;  
11:41 a. m.]

[MPR 260, Amdt. 1 to Order 794]

STRAIGHT HAVANA CIGAR CO.

AUTHORIZATION OF MAXIMUM PRICES

For the reasons set forth in an opinion accompanying this amendment and pursuant to § 1358.102 (b) of Maximum Price Regulation 260; *It is ordered, That:*

The maximum prices for the "Dan Patch-Dan Patch", "Camilla-Camilla", "Citizen-Citizen" and "Arbella-Arbella" cigars set forth in Paragraph (a) of Order No. 794 under Maximum Price Regulation No. 260, are amended to read as follows:

Brand	Size or frontmark	Pack- ing	Maxi- mum list price	Maxi- mum retail price
Dan Patch.....	Dan Patch.....	50	Per M \$60	Cents 2 for 15
Camilla.....	Camilla.....	50	75	10
Citizen.....	Citizen.....	50	40	5
Arbella.....	Arbella.....	50	40	5

This amendment shall become effective September 7, 1945.

Issued this 6th day of September 1945.

CHESTER BOWLES,  
Administrator.

[F. R. Doc. 45-16656; Filed, Sept. 6, 1945;  
11:42 a. m.]

[MPR 260, Amdt. 1 to Order 897]

ROTHSCHILD AND REGAN CIGAR CO.

AUTHORIZATION OF MAXIMUM PRICES

For the reasons set forth in an opinion accompanying this amendment and pursuant to § 1358.102 (b) of Maximum Price Regulation 260; *It is ordered, That:*

The maximum prices for the "Pente-Perfecto" and "Pente-Mild-Boxed-Pente" cigars set forth in paragraph (a) of Order No. 897 under Maximum Price Regulation No. 260, are amended to read as follows:

Brand	Size or frontmark	Pack- ing	Maxi- mum list price	Maxi- mum retail price
Pente.....	Perfecto.....	50	Per M \$48	Cents 8
Pente-Mild.....	Boxed-Pente..	50	72	9

This amendment shall become effective September 7, 1945.

Issued this 6th day of September 1945.

CHESTER BOWLES,  
Administrator.

[F. R. Doc. 45-16657; Filed, Sept. 6, 1945;  
11:42 a. m.]

[MPR 260, Amdt. 1 to Order 1138]

CARL K. SHEETZ

AUTHORIZATION OF MAXIMUM PRICES

For the reasons set forth in an opinion accompanying this amendment and pursuant to § 1358.102 (b) of Maximum Price Regulation 260; *It is ordered, That:*

The maximum prices for the "Prince of Mecca-Perfecto" cigar set forth in paragraph (a) of Order No. 1138 under Maximum Price Regulation No. 260, are amended to read as follows:

Brand	Size or frontmark	Pack- ing	Maxi- mum list price	Maxi- mum retail price
Prince of Mecca..	Perfecto.....	50	Per M \$60	Cents 2 for 15

This amendment shall become effective September 7, 1945.

Issued this 6th day of September 1945.

CHESTER BOWLES,  
Administrator.

[F. R. Doc. 45-16658; Filed, Sept. 6, 1945;  
11:41 a. m.]

[MPR 260, Amdt. 1 to Order 1291]

IRWIN MARKLEY CIGAR CO. INC.

AUTHORIZATION OF MAXIMUM PRICES

For the reasons set forth in an opinion accompanying this amendment and pursuant to § 1358.102 (b) of Maximum Price Regulation 260; *It is ordered, That:*

The maximum prices for the "Garcia Imperial-Imperial" cigars set forth in paragraph (a) of Order No. 1291 under Maximum Price Regulation No. 260, are amended to read as follows:

Brand	Size or frontmark	Pack- ing	Maxi- mum list price	Maxi- mum retail price
Garcia Imperial..	Imperial.....	50	Per M \$72	Cents 9

This amendment shall become effective September 7, 1945.

Issued this 6th day of September 1945.

CHESTER BOWLES,  
Administrator.

[F. R. Doc. 45-16659; Filed, Sept. 6, 1945;  
11:42 a. m.]

[MPR 260, Amdt. 1 to Order 1618]

BENSON AND HEDGES

AUTHORIZATION OF MAXIMUM PRICES

For the reasons set forth in an opinion accompanying this amendment and pursuant to § 1358.102 (a) of Maximum Price Regulation 260; *It is ordered, That:*

The maximum prices for "Benson and Hedges-Granadas" cigars set forth in paragraph (a) of Order No. 1618 under Maximum Price Regulation 260 are amended to read as follows:

Brand	Frontmark	Pack- ing	Maxi- mum list price	Maxi- mum retail price
Benson & Hedges.	Granadas.....	50	Per M \$262.60	Cents 33

This amendment shall become effective September 7, 1945.

Issued this 6th day of September 1945.

CHESTER BOWLES,  
Administrator.

[F. R. Doc. 45-16660; Filed, Sept. 6, 1945;  
11:42 a. m.]

[MPR 260, Order 1613]

SECOND FRONT CIGAR FACTORY

AUTHORIZATION OF MAXIMUM PRICES

For the reasons set forth in an opinion accompanying this order, and pursuant to § 1358.102 (b) of Maximum Price Regulation No. 260; *It is ordered, That:*

(a) Second Front Cigar Factory, 2213 Armenia Avenue, Tampa, Fla. (hereinafter called "manufacturer") and wholesalers and retailers may sell, offer to sell or deliver and any person may buy, offer to buy or receive each brand and size or frontmark, and packing of the following domestic cigars at the appropriate maximum list price and maximum retail price set forth below:

Brand	Size or frontmark	Pack- ing	Maxi- mum list price	Maxi- mum retail price
Batling Kid.....	Conchas.....	50	Per M \$72.00	Cents 9
	Blunts.....	50	93.75	2 for 25
	Selectos.....	50	101.25	2 for 27

(b) The manufacturer and wholesalers shall grant, with respect to their sales of each brand and size or frontmark of domestic cigars for which maximum prices are established by this order, the discounts they customarily granted in March 1942 on their sales of domestic cigars of the same price class to purchasers of the same class, unless a change therein results in a lower price. Packing differentials charged by the manufacturer or a wholesaler in March 1942 on sales of domestic cigars of the same price class may be charged on corresponding sales of each brand and size or frontmark of cigars priced by this order, but shall not be increased. Packing differentials allowed by the manufacturer or a wholesaler in March 1942 on sales of domestic cigars of the same price class to purchasers of the same class shall be allowed on corresponding sales of each brand and size or frontmark of cigars priced by this order and shall not be reduced. If a brand and size or frontmark of domestic cigars for which maximum prices are established by this order is of a price class not sold by the manufacturer or the particular wholesaler in March 1942, he shall, with respect to his sales thereof, grant the discounts and may charge and shall allow the packing

differentials customarily granted, charged or allowed (as the case may be) in March 1942 by his most closely competitive seller of the same class on sales of domestic cigars of the same March 1942 price class to purchasers of the same class.

(c) On or before the first delivery to any purchaser of each brand and size or frontmark of domestic cigars for which maximum prices are established by this order, the manufacturer and every other seller (except a retailer) shall notify the purchaser of the maximum list price and the maximum retail price established by this order for such brand and size or frontmark of domestic cigars. The notice shall conform to and be given in the manner prescribed by § 1358.113 of Maximum Price Regulation No. 260.

(d) Unless the context otherwise requires, appropriate provisions of Maximum Price Regulation No. 260, shall apply to sales for which maximum prices are established by this order.

(e) This order may be revoked or amended by the Price Administrator at any time.

This order shall become effective September 7, 1945.

Issued this 6th day of September 1945.

CHESTER BOWLES,  
Administrator.

[F. R. Doc. 45-16661; Filed, Sept. 6, 1945;  
11:42 a. m.]

[MPR 260, Order 1814]

D. VALENTI CIGAR FACTORY

AUTHORIZATION OF MAXIMUM PRICES

For the reasons set forth in an opinion accompanying this order, and pursuant to § 1358.102 (b) of Maximum Price Regulation No. 260; *It is ordered*, That:

(a) D. Valenti Cigar Factory, 2922 22 Street, Tampa, Fla. (hereinafter called "manufacturer") and wholesalers and retailers may sell, offer to sell or deliver and any person may buy, offer to buy or receive each brand and size or frontmark, and packing of the following domestic cigars at the appropriate maximum list price and maximum retail price set forth below:

Brand	Size or frontmark	Packing	Maximum list price	Maximum retail price
La Torre.....	Corona Chica.	50	Per M \$75	Cents 10

(b) The manufacturer and wholesalers shall grant, with respect to their sales of each brand and size or frontmark of domestic cigars for which maximum prices are established by this order, the discounts they customarily granted in March 1942 on their sales of domestic cigars of the same price class to purchasers of the same class, unless a change therein results in a lower price. Packing differentials charged by the manufacturer or a wholesaler in March 1942 on sales of domestic cigars of the same price class to purchasers of the same class may be charged on corresponding sales of each brand and size or frontmark of cigars

priced by this order, but shall not be increased. Packing differentials allowed by the manufacturer or a wholesaler in March 1942 on sales of domestic cigars of the same price class to purchasers of the same class shall be allowed on corresponding sales of each brand and size or frontmark of cigars priced by this order and shall not be reduced. If a brand and size or frontmark of domestic cigars for which maximum prices are established by this order is of a price class not sold by the manufacturer or the particular wholesaler in March 1942, he shall, with respect to his sales thereof, grant the discounts and may charge and shall allow the packing differentials customarily granted, charged or allowed (as the case may be) in March 1942 by his most closely competitive seller of the same class on sales of domestic cigars of the same March 1942 price class to purchasers of the same class.

(c) On or before the first delivery to any purchaser of each brand and size or frontmark of domestic cigars for which maximum prices are established by this order, the manufacturer and every other seller (except a retailer) shall notify the purchaser of the maximum list price and the maximum retail price established by this order for such brand and size or frontmark of domestic cigars. The notice shall conform to and be given in the manner prescribed by § 1358.113 of Maximum Price Regulation No. 260.

(d) Unless the context otherwise requires, appropriate provisions of Maximum Price Regulation No. 260 shall apply to sales for which maximum prices are established by this order.

(e) This order may be revoked or amended by the Price Administrator at any time.

This order shall become effective September 7, 1945.

Issued this 6th day of September 1945.

CHESTER BOWLES,  
Administrator.

[F. R. Doc. 45-16662; Filed, Sept. 6, 1945;  
11:43 a. m.]

[MPR 260, Order 1815]

JUSTINO FERRER

AUTHORIZATION OF MAXIMUM PRICES

For the reasons set forth in an opinion accompanying this order, and pursuant to § 1358.102 (b) of Maximum Price Regulation No. 260; *It is ordered*, That:

(a) Justino Ferrer, Georgetti Street, Caguas, Puerto Rico (hereinafter called "manufacturer") and wholesalers and retailers may sell, offer to sell or deliver and any person may buy, offer to buy or receive each brand and size or frontmark, and packing of the following domestic cigars at the appropriate maximum list price and maximum retail price set forth below:

Brand	Size or frontmark	Packing	Maximum list price	Maximum retail price
Justino Ferrer...	Corona F... Corona 4 1/2"	50 25	Per M \$75 43	Cents 7 6

(b) The manufacturer and wholesalers shall grant, with respect to their sales of each brand and size or frontmark of domestic cigars for which maximum prices are established by this order, the discounts they customarily granted in March 1942 on their sales of domestic cigars of the same price class to purchasers of the same class, unless a change therein results in a lower price. Packing differentials charged by the manufacturer or a wholesaler in March 1942 on sales of domestic cigars of the same price class to purchasers of the same class may be charged on corresponding sales of each brand and size or frontmark of cigars priced by this order, but shall not be increased. Packing differentials allowed by the manufacturer or a wholesaler in March 1942 on sales of domestic cigars of the same price class to purchasers of the same class shall be allowed on corresponding sales of each brand and size or frontmark of cigars priced by this order and shall not be reduced. If a brand and size or frontmark of domestic cigars for which maximum prices are established by this order is of a price class not sold by the manufacturer or the particular wholesaler in March 1942, he shall, with respect to his sales thereof, grant the discounts and may charge and shall allow the packing differentials customarily granted, charged or allowed (as the case may be) in March 1942 by his most closely competitive seller of the same class on sales of domestic cigars of the same March 1942 price class to purchasers of the same class.

(c) On or before the first delivery to any purchaser of each brand and size or frontmark of domestic cigars for which maximum prices are established by this order, the manufacturer and every other seller (except a retailer) shall notify the purchaser of the maximum list price and the maximum retail price established by this order for such brand and size or frontmark of domestic cigars. The notice shall conform to and be given in the manner prescribed by § 1358.113 of Maximum Price Regulation No. 260.

(d) Unless the context otherwise requires, appropriate provisions of Maximum Price Regulation No. 260, shall apply to sales for which maximum prices are established by this order.

(e) This order may be revoked or amended by the Price Administrator at any time.

This order shall become effective September 7, 1945.

Issued this 6th day of September 1945.

CHESTER BOWLES,  
Administrator.

[F. R. Doc. 45-16663; Filed, Sept. 6, 1945;  
11:43 a. m.]

[MPR 260, Order 1816]

SANCHEZ & MONTESINO CIGAR FACTORY

AUTHORIZATION OF MAXIMUM PRICES

For the reasons set forth in an opinion accompanying this order, and pursuant to § 1358.102 (b) of Maximum Price Regulation No. 260; *It is ordered*, That:

(a) Sanchez & Montesino Cigar Factory, P. O. Box 5173, 3107 17th Street, Tampa 5, Fla. (hereinafter called "manufacturer") and wholesalers and retailers may sell, offer to sell or deliver and any person may buy, offer to buy or receive each brand and size or frontmark, and packing of the following domestic cigars at the appropriate maximum list price and maximum retail price set forth below:

Brand	Size or frontmark	Packing	Maximum list price	Maximum retail price
El Mundo.....	Panetela Extra.	50	Per M \$82.50	Cents 11
	Senators.....	50	101.25	2 for 27
	Beacon.....	50	82.50	11
	Panetelas.....	50	138.00	18
	Sargeants.....	50	123.00	16
	Colonels.....	50	105.00	14

(b) The manufacturer and wholesalers shall grant, with respect to their sales of each brand and size or frontmark of domestic cigars for which maximum prices are established by this order, the discounts they customarily granted in March 1942 on their sales of domestic cigars of the same price class to purchasers of the same class, unless a change therein results in a lower price. Packing differentials charged by the manufacturer or a wholesaler in March 1942 on sales of domestic cigars of the same price class to purchasers of the same class may be charged on corresponding sales of each brand and size or frontmark of cigars priced by this order, but shall not be increased. Packing differentials allowed by the manufacturer or a wholesaler in March 1942 on sales of domestic cigars of the same price class to purchasers of the same class shall be allowed on corresponding sales of each brand and size or frontmark of cigars priced by this order and shall not be reduced. If a brand and size or frontmark of domestic cigars for which maximum prices are established by this order is of a price class not sold by the manufacturer or the particular wholesaler in March 1942, he shall, with respect to his sales thereof, grant the discounts and may charge and shall allow the packing differentials customarily granted, charged or allowed (as the case may be) in March 1942 by his most closely competitive seller of the same class on sales of domestic cigars of the same March 1942 price class to purchasers of the same class.

(c) On or before the first delivery to any purchaser of each brand and size or frontmark of domestic cigars for which maximum prices are established by this order, the manufacturer and every other seller (except a retailer) shall notify the purchaser of the maximum list price and the maximum retail price established by this order for such brand and size or frontmark of domestic cigars. The notice shall conform to and be given in the manner prescribed by § 1358.113 of Maximum Price Regulation No. 260.

(d) Unless the context otherwise requires, appropriate provisions of Maximum Price Regulation No. 260, shall apply to sales for which maximum prices are established by this order.

(e) This order may be revoked or amended by the Price Administrator at any time.

This order shall become effective September 7, 1945.

Issued this 6th day of September 1945.

CHESTER BOWLES,  
Administrator.

[F. R. Doc. 45-16664; Filed, Sept. 6, 1945; 11:43 a. m.]

[MPR 260, Order 1817]

INSPIRATION CIGAR FACTORY

AUTHORIZATION OF MAXIMUM PRICES

For the reasons set forth in an opinion accompanying this order, and pursuant to § 1358.102 (b) of Maximum Price Regulation No. 260; *It is ordered*, That:

(a) Inspiration Cigar Company, 2128 Main Street, Tampa, Fla. (hereinafter called "manufacturer") and wholesalers and retailers may sell, offer to sell or deliver and any person may buy, offer to buy or receive each brand and size or frontmark, and packing of the following domestic cigars at the appropriate maximum list price and maximum retail price set forth below:

Brand	Size or frontmark	Packing	Maximum list price	Maximum retail price
Flor de Antonio Porro.	Royals.....	50	Per M \$108.75	Cents 2 for 29
	Pipi.....	50	72.00	9

(b) The manufacturer and wholesalers shall grant, with respect to their sales of each brand and size or frontmark of domestic cigars for which maximum prices are established by this order, the discounts they customarily granted in March 1942 on their sales of domestic cigars of the same price class to purchasers of the same class, unless a change therein results in a lower price. Packing differentials charged by the manufacturer or a wholesaler in March 1942 on sales of domestic cigars of the same price class to purchasers of the same class shall be allowed on corresponding sales of each brand and size or frontmark of cigars priced by this order and shall not be reduced. If a brand and size or frontmark of domestic cigars for which maximum prices are established by this order is of a price class not sold by the manufacturer or the particular wholesaler in March 1942, he shall, with respect to his sales thereof, grant the discounts and may charge and shall allow the packing differentials customarily granted, charged or allowed (as the case may be) in March 1942 by his most closely competitive seller of the same class on sales of domestic cigars of the same March 1942 price class to purchasers of the same class.

(c) On or before the first delivery to any purchaser of each brand and size or frontmark of domestic cigars for which maximum prices are established by this order, the manufacturer and every other seller (except a retailer) shall notify the purchaser of the maximum list price and the maximum retail price established by this order for such brand and size or frontmark of domestic cigars. The notice shall conform to and be given in the manner prescribed by § 1358.113 of Maximum Price Regulation No. 260.

(d) Unless the context otherwise requires, appropriate provisions of Maximum Price Regulation No. 260 shall apply to sales for which maximum prices are established by this order.

(e) This order may be revoked or amended by the Price Administrator at any time.

This order shall become effective September 7, 1945.

Issued this 6th day of September 1945.

CHESTER BOWLES,  
Administrator.

[F. R. Doc. 45-16665; Filed, Sept. 6, 1945; 11:44 a. m.]

[MPR 260, Order 1818]

WILLIAM C. MARLEY

AUTHORIZATION OF MAXIMUM PRICES

For the reasons set forth in an opinion accompanying this order, and pursuant to § 1358.102 (b) of Maximum Price Regulation No. 260; *It is ordered*, That:

(a) William C. Marley, Ontonagon, Michigan (hereinafter called "manufacturer") and wholesalers and retailers may sell, offer to sell or deliver and any person may buy, offer to buy or receive each brand and size or frontmark, and packing of the following domestic cigars at the appropriate maximum list price and maximum retail price set forth below:

Brand	Size or frontmark	Packing	Maximum list price	Maximum retail price
Lord Coke.....	Excellentes....	50	Per M \$78.75	Cents 2 for 21

(b) The manufacturer and wholesalers shall grant, with respect to their sales of each brand and size or frontmark of domestic cigars for which maximum prices are established by this order, the discounts they customarily granted in March 1942 on their sales of domestic cigars of the same price class to purchasers of the same class, unless a change therein results in a lower price. Packing differentials charged by the manufacturer or a wholesaler in March 1942 on sales of domestic cigars of the same price class to purchasers of the same class may be charged on corresponding sales of each brand and size or frontmark of cigars priced by this order, but shall not be increased. Packing differentials allowed by the manufacturer or a wholesaler in March 1942 on sales of domestic cigars of the same price class to purchasers of the same class shall be allowed

on corresponding sales of each brand and size or frontmark of cigars priced by this order and shall not be reduced. If a brand and size or frontmark of domestic cigars for which maximum prices are established by this order is of a price class not sold by the manufacturer or the particular wholesaler in March 1942, he shall, with respect to his sales thereof, grant the discounts and may charge and shall allow the packing differentials customarily granted, charged or allowed (as the case may be) in March 1942 by his most closely competitive seller of the same class on sales of domestic cigars of the same March 1942 price class to purchasers of the same class.

(c) On or before the first delivery to any purchaser of each brand and size or frontmark of domestic cigars for which maximum prices are established by this order, the manufacturer and every other seller (except a retailer) shall notify the purchaser of the maximum list price and the maximum retail price established by this order for such brand and size or frontmark of domestic cigars. The notice shall conform to and be given in the manner prescribed by § 1358.113 of Maximum Price Regulation No. 260.

(d) Unless the context otherwise requires, appropriate provisions of Maximum Price Regulation No. 260, shall apply to sales for which maximum prices are established by this order.

(e) This order may be revoked or amended by the Price Administrator at any time.

This order shall become effective September 7, 1945.

Issued this 6th day of September 1945.

CHESTER BOWLES,  
Administrator.

[F. R. Doc. 45-16666; Filed, Sept. 6, 1945; 11:44 a. m.]

[MPR 260, Order 1819]

JAMES CIGAR CO.

AUTHORIZATION OF MAXIMUM PRICES

For the reasons set forth in an opinion accompanying this order, and pursuant to § 1358.102 (b) of Maximum Price Regulation No. 260; *It is ordered*, That:

(a) Tennie James, d/b/a James Cigar Company, P. O. Box 267, E. Main Street, Cambria, Calif. (hereinafter called "manufacturer") and wholesalers and retailers may sell, offer to sell or deliver and any person may buy, offer to buy or receive each brand and size or frontmark, and packing of the following domestic cigars at the appropriate maximum list price and maximum retail price set forth below:

Brand	Size or frontmark	Packing	Maximum list price	Maximum retail price
James Extra Quality Cigar.	Coronas ... Specials...	50	Per M \$115.00 93.75	Cents 15 2for23

(b) The manufacturer and wholesalers shall grant, with respect to their sales of each brand and size or front-

mark of domestic cigars for which maximum prices are established by this order, the discounts they customarily granted in March 1942 on their sales of domestic cigars of the same price class to purchasers of the same class, unless a change therein results in a lower price. Packing differentials charged by the manufacturer or a wholesaler in March 1942 on sales of domestic cigars of the same price class to purchasers of the same class may be charged on corresponding sales of each brand and size or frontmark of cigars priced by this order, but shall not be increased. Packing differentials allowed by the manufacturer or a wholesaler in March 1942 on sales of domestic cigars of the same price class to purchasers of the same class shall be allowed on corresponding sales of each brand and size or frontmark of cigars priced by this order and shall not be reduced. If a brand and size or frontmark of domestic cigars for which maximum prices are established by this order is of a price class not sold by the manufacturer or the particular wholesaler in March 1942, he shall, with respect to his sales thereof, grant the discounts and may charge and shall allow the packing differentials customarily granted, charged or allowed (as the case may be) in March 1942 by his most closely competitive seller of the same class on sales of domestic cigars of the same March 1942 price class to purchasers of the same class.

(c) On or before the first delivery to any purchaser of each brand and size or frontmark of domestic cigars for which maximum prices are established by this order, the manufacturer and every other seller (except a retailer) shall notify the purchaser of the maximum list price and the maximum retail price established by this order for such brand and size or frontmark of domestic cigars. The notice shall conform to and be given in the manner prescribed by § 1358.113 of Maximum Price Regulation No. 260.

(d) Unless the context otherwise requires, appropriate provisions of Maximum Price Regulation No. 260 shall apply to sales for which maximum prices are established by this order.

(e) This order may be revoked or amended by the Price Administrator at any time.

This order shall become effective September 7, 1945.

Issued this 6th day of September 1945.

CHESTER BOWLES,  
Administrator.

[F. R. Doc. 45-16667; Filed, Sept. 6, 1945; 11:44 a. m.]

[MPR 260, Order 1820]

NATHAN D. KAPLAN

AUTHORIZATION OF MAXIMUM PRICES

For the reasons set forth in an opinion accompanying this order, and pursuant to § 1358.102 (b) of Maximum Price Regulation No. 260; *It is ordered*, That:

(a) Nathan D. Kaplan, 180 N. Wacker Drive, Chicago 6, Ill. (hereinafter called

"manufacturer") and wholesalers and retailers may sell, offer to sell or deliver and any person may buy, offer to buy or receive each brand and size or frontmark, and packing of the following domestic cigars at the appropriate maximum list price and maximum retail price set forth below:

Brand	Size or frontmark	Packing	Maximum list price	Maximum retail price
John Redders	Palmas Victoria Corona Famosos Finca	50	Per M \$135 123 115 120	Cents 21 15 15 22

(b) The manufacturer and wholesalers shall grant, with respect to their sales of each brand and size or frontmark of domestic cigars for which maximum prices are established by this order, the discounts they customarily granted in March 1942 on their sales of domestic cigars of the same price class to purchasers of the same class, unless a change therein results in a lower price. Packing differentials charged by the manufacturer or a wholesaler in March 1942 on sales of domestic cigars of the same price class to purchasers of the same class may be charged on corresponding sales of each brand and size or frontmark of cigars priced by this order, but shall not be increased. Packing differentials allowed by the manufacturer or a wholesaler in March 1942 on sales of domestic cigars of the same price class to purchasers of the same class shall be allowed on corresponding sales of each brand and size or frontmark of cigars priced by this order and shall not be reduced. If a brand and size or frontmark of domestic cigars for which maximum prices are established by this order is of a price class not sold by the manufacturer or the particular wholesaler in March 1942, he shall, with respect to his sales thereof, grant the discounts and may charge and shall allow the packing differentials customarily granted, charged or allowed (as the case may be) in March 1942 by his most closely competitive seller of the same class on sales of domestic cigars of the same March 1942 price class to purchasers of the same class.

(c) On or before the first delivery to any purchaser of each brand and size or frontmark of domestic cigars for which maximum prices are established by this order, the manufacturer and every other seller (except a retailer) shall notify the purchaser of the maximum list price and the maximum retail price established by this order for such brand and size or frontmark of domestic cigars. The notice shall conform to and be given in the manner prescribed by § 1358.113 of Maximum Price Regulation No. 260.

(d) Unless the context otherwise requires, appropriate provisions of Maximum Price Regulation No. 260, shall apply to sales for which maximum prices are established by this order.

(e) This order may be revoked or amended by the Price Administrator at any time.

This order shall become effective September 7, 1945.

Issued this 6th day of September 1945.

CHESTER BOWLES,  
Administrator.

[F. R. Doc. 45-16668; Filed, Sept. 6, 1945;  
11:44 a. m.]

[MPR 260, Order 1822]

ASSOCIATED CIGAR CO.

AUTHORIZATION OF MAXIMUM PRICES

For the reasons set forth in an opinion accompanying this order, and pursuant to § 1358.102 (b) of Maximum Price Regulation No. 260; *It is ordered*, That:

(a) Associated Cigar Company, No. Railroad Alley, Red Lion, Pa. (hereinafter called "manufacturer") and wholesalers and retailers may sell, offer to sell or deliver and any person may buy, offer to buy or receive each brand and size or frontmark, and packing of the following domestic cigars at the appropriate maximum list price and maximum retail price set forth below:

Brand	Size or frontmark	Packing	Maximum list price	Maximum retail price
La Fama de Marca.	Perfecto.....	50	Per M \$56	Cents 7

(b) The manufacturer and wholesalers shall grant, with respect to their sales of each brand and size or frontmark of domestic cigars for which maximum prices are established by this order, the discounts they customarily granted in March 1942 on their sales of domestic cigars of the same price class to purchasers of the same class, unless a change therein results in a lower price. Packing differentials charged by the manufacturer or a wholesaler in March 1942 on sales of domestic cigars of the same price class to purchasers of the same class may be charged on corresponding sales of each brand and size or frontmark of cigars priced by this order, but shall not be increased. Packing differentials allowed by the manufacturer or a wholesaler in March 1942 on sales of domestic cigars of the same price class to purchasers of the same class shall be allowed on corresponding sales of each brand and size or frontmark of cigars priced by this order and shall not be reduced. If a brand and size or frontmark of domestic cigars for which maximum prices are established by this order is of a price class not sold by the manufacturer or the particular wholesaler in March 1942, he shall, with respect to his sales thereof, grant the discounts and may charge and shall allow the packing differentials customarily granted, charged or allowed (as the case may be) in March 1942 by his most closely competitive seller of the same class on sales of domestic cigars of the same March 1942 price class to purchasers of the same class.

(c) On or before the first delivery to any purchaser of each brand and size or frontmark of domestic cigars for

which maximum prices are established by this order, the manufacturer and every other seller (except a retailer) shall notify the purchaser of the maximum list price and the maximum retail price established by this order for such brand and size or frontmark of domestic cigars. The notice shall conform to and be given in the manner prescribed by § 1358.113 of Maximum Price Regulation No. 260.

(d) Unless the context otherwise requires, appropriate provisions of Maximum Price Regulation No. 260, shall apply to sales for which maximum prices are established by this order.

(e) This order may be revoked or amended by the Price Administrator at any time.

This order shall become effective September 7, 1945.

Issued this 6th day of September 1945.

CHESTER BOWLES,  
Administrator.

[F. R. Doc. 45-16669; Filed, Sept. 6, 1945;  
11:45 a. m.]

[MPR 389, Order 26]

SUGARDALE PROVISION CO. ET AL.

ESTABLISHMENT OF MAXIMUM PRICES

Order No. 26 under section 2 (a) (6) of Maximum Price Regulation No. 389; establishing maximum prices for sales of corned beef loaf by Sugardale Provision Company, and all wholesalers, peddler-truck-sellers and intermediate distributors.

On March 31, 1945, Sugardale Provision Company, McKinley Ave., S. W., and Pennsylvania R. R., Canton, Ohio, filed an amended application for the establishment of maximum prices on sales of the sausage product known as Corned Beef Loaf and made in accordance with the individual secret formula submitted by the applicant. That amended application was assigned Docket No. 6036.3-389-2 (a)-29.

Due consideration has been given to the application and an opinion in support of this order has been issued simultaneously herewith and filed with the Division of the Federal Register.

For the reasons set forth in that opinion, and under the authority vested in the Price Administrator by the Emergency Price Control Act of 1942, as amended, and Executive Orders Nos. 9250 and 9328, and pursuant to the provisions of section 2 (a) (6) of Maximum Price Regulation No. 389. *It is ordered*:

(a) That the maximum prices other than at retail for the sausage product known as Corned Beef Loaf and made by Sugardale Provision Company, McKinley Ave., S. W., and Pennsylvania R. R., Canton, Ohio, in accordance with the individual formula submitted to the Office of Price Administration with the application for this order except that the volume of bull meat used per hundred pounds of the finished product may be increased from 80 pounds to 90 pounds, and the volume of gelatin used per hundred pounds of the finished product may

be decreased to not less than 3 pounds, shall be determined by the seller as follows:

(1) The base price for this product is established at \$23.25 per hundredweight.

(2) To the base price should be added the proper zone differential provided in section 12 (b) of Maximum Price Regulation No. 389 for all beef sausage. In determining the proper zone differential to be added, the zone descriptions provided in Section 14 of Maximum Price Regulation No. 389 shall be used.

(3) That to the sum of the base price plus the applicable zone differential the "Permitted additions to base prices" provided in section 12 (c) of Maximum Price Regulation No. 389 may be added when applicable.

(b) That with the first delivery of corned beef loaf to a wholesaler, peddler truck seller, or intermediate distributor Sugardale Provision Company shall supply each such seller with a written notice in the following form:

-----  
(Insert date)

Our OPA ceiling prices for Corned Beef Loaf have been established by the Office of Price Administration at the base price of \$23.25 per hundredweight, to which may be added the zone differentials provided in section 12 (b) of MPR 389 (see section 14 for zone boundaries) plus the permitted additions of section 12 (c). We are required to inform you that if you are a wholesaler, a peddler truck seller, or an intermediate distributor you must figure your ceiling prices for this product pursuant to the same sections of Maximum Price Regulation No. 389.

(c) That with the first delivery of Corned Beef Loaf to a retailer the seller shall supply such retailer with a written notice in the following form:

-----  
(Insert date)

Our OPA ceiling prices for Corned Beef Loaf have been established by the Office of Price Administration. We are required to inform you that if you are a retailer, you must figure your ceiling price for this item in accordance with the provisions of the General Maximum Price Regulation.

(d) That all pertinent provisions of Maximum Price Regulation No. 389, including the descriptive labelling and invoicing provisions of section 4, the recording and reporting provisions of section 6, and the definitions of section 13, in addition to the pricing provisions of paragraph (b) and (c) of section 12 shall be applicable to all sales made under this order.

(e) All prayers of the application not herein granted are denied.

(f) This Order No. 26 may be revoked or amended by the Price Administrator at any time. ✓

This Order No. 26 shall become effective September 7, 1945.

NOTE: This action has the prior written approval of the Secretary of Agriculture (10 F.R. 8419).

Issued this 6th day of September 1945.

CHESTER BOWLES,  
Administrator.

[F. R. Doc. 45-16670; Filed, Sept. 6, 1945;  
11:45 a. m.]

[MPR 591, Order 8]

READING FOUNDRY CO.

ADJUSTMENT OF MAXIMUM PRICES

For the reasons set forth in an opinion issued simultaneously herewith and filed with the Division of the Federal Register and pursuant to section 16 (b) (1) of Maximum Price Regulation No. 591, it is ordered:

(a) Maximum prices for the Reading Foundry Company of Reading, Pa. (1) The maximum list prices for sales by the Reading Foundry Company of the following cast iron hot water supply boilers, shall be:

Model No.:	Price (each)
D-50	\$13.24
D-68	16.16
D-82	19.03
D-100	21.46

(2) The maximum list prices established in (a) (1) above are subject to a trade discount of 50 percent.

(3) The maximum prices established under (a) (1), above are subject to cash discounts and transportation allowances at least as favorable as those granted to each class of customer during March 1942 on comparable sales of similar commodities.

(b) Resellers maximum prices. All resellers of the above commodities may add to their presently established maximum prices the actual dollars-and-cents increase resulting from the adjustment granted the manufacturer.

(c) The Reading Foundry Company shall send the following notice to every purchaser of the commodities adjusted by this order at or before the time of the first billing after the adjustment is put into effect:

Order No. \_\_\_\_\_ under section 16 (b) (1) of Maximum Price Regulation No. 591 establishes adjusted maximum prices as follows for the following cast iron hot water supply boilers:

Model No. (list all model Nos. included in Order No. 8)	Maximum price (insert adjusted maximum net price)
---	---

Resellers are permitted to add to their established maximum prices the actual dollars-and-cents increase resulting from the adjustment granted the manufacturer by this order.

(d) All prayers of the application of the Reading Foundry Company not granted in this order are denied.

(e) This order may be amended or revoked by the Price Administrator at any time.

This order shall become effective September 7, 1945.

Issued this 6th day of September 1945.

CHESTER BOWLES,  
Administrator.

[F. R. Doc. 45-16671; Filed, Sept. 6, 1945; 11:45 a. m.]

[MPR 591, Order 9]

COMMONWEALTH CO.

AUTHORIZATION OF MAXIMUM PRICES

For the reasons set forth in an opinion issued simultaneously herewith and filed

with the Division of the Federal Register and pursuant to section 13 of Maximum Price Regulation No. 591; It is ordered:

(a) The maximum prices, f. o. b. point of shipment, for sales by any person of the following single wall heaters gas or oil fired manufactured by the Commonwealth Company of Alhambra, California, and described in its application dated June 22, 1945, shall be:

(1) On sales to distributors:	
No. 38-S-WH	60.62
No. 28-S-WH	40.62
No. 20-S-WH	39.49
(2) On sales to jobbers:	
No. 38-S-WH	43.37
No. 28-S-WH	44.23
No. 20-S-WH	43.70

(3) On sales to dealers and building contractors:	
No. 38-S-WH	63.01
No. 28-S-WH	61.77
No. 20-S-WH	60.77

(4) On sales to consumers:	
No. 38-S-WH	100.62
No. 28-S-WH	68.62
No. 20-S-WH	67.23

(b) The maximum prices specified in (a) above shall be subject to discounts, allowances including transportation allowances and the rendition of services which are at least as favorable as each seller extended or rendered or would have extended or rendered to purchasers of the same class on comparable sales of similar commodities during March 1942.

(c) The maximum prices on an installed basis of the commodities covered by this order shall be determined in accordance with the provisions of Revised Maximum Price Regulation No. 251.

(d) Each seller of the commodities covered by this order, except on sales to consumers, shall notify each of his purchasers, in writing, at or before the issuance of the first invoice after the effective date of this order, of the maximum prices established by this order for each such seller as well as the maximum prices established for purchasers upon resale, including allowable transportation and crating charges.

(e) The Commonwealth Company shall stencil in a conspicuous place on each of the single wall heaters covered by this order the following:

OPA Maximum Consumer Price—\$-----  
Plus freight and crating as provided in Order No. 9 under Maximum Price Regulation No. 591.

(f) This order may be revoked or amended by the Price Administrator at any time.

This order shall become effective September 7, 1945.

Issued this 6th day of September 1945.

CHESTER BOWLES,  
Administrator.

[F. R. Doc. 45-16672; Filed, Sept. 6, 1945; 11:45 a. m.]

[MPR 591, Order 11]

BUTLER BOILER AND TANK COMPANY, INC.

AUTHORIZATION OF MAXIMUM PRICES

For the reasons set forth in an opinion issued simultaneously herewith and filed with the Division of the Federal

Register, and pursuant to section 9 of Maximum Price Regulation No. 591, It is ordered:

(a) The maximum prices, f. o. b. point of shipment, for sales by any person of the following septic tanks manufactured by the Butler Boiler and Tank Company, Inc. of Chattanooga, Tennessee, and described in its application of June 12, 1945, shall be:

(1) On sales to consumers:	
38" x 43" black steel (14 gauge) welded septic tank black asphalt painted finish	\$31.60
42" x 43" black steel (12 gauge) welded septic tank black asphalt painted finish	42.75
52" x 63" black steel (10 gauge) welded septic tank black asphalt painted finish	75.60

(2) On sales to dealers:  
The maximum prices, f. o. b. point of shipment, shall be those specified above in (a) (1) less a discount of 25 percent.

(3) On sale to jobbers:  
The maximum prices, f. o. b. point of shipment, shall be those specified in (a) (1) above less successive discounts of 25 and 20 percent.

(b) In addition to the discounts enumerated above in (a) (2) and (a) (3) the maximum prices established by this order shall be subject to such further discounts, allowances including transportation allowances and the rendition of services which are at least as favorable as those which each seller extended or rendered or would have extended or rendered to purchasers of the same class on comparable sales of similar commodities during March, 1942.

(c) The maximum prices for sales on an installed basis of the commodities covered by this order shall be determined in accordance with Revised Maximum Price Regulation No. 251.

(d) Each seller except on sales to consumers shall notify in writing each of his purchasers at the time or before the first invoice, after the effective date of this order of the maximum prices established by this order for his sales to such purchasers as well as such purchasers maximum prices upon resale.

(e) The Butler Boiler and Tank Company, Inc., shall stencil in a conspicuous place on each of the septic tanks covered by this order the following:

OPA Maximum Consumers Price—\$-----

(f) This order may be revoked or amended by the Price Administrator at any time.

This order shall become effective September 7, 1945.

Issued this 6th day of September 1945.

CHESTER BOWLES,  
Administrator.

[F. R. Doc. 45-16633; Filed, Sept. 6, 1945; 4:12 p. m.]

[Supp. Order 130, Order 1]

GREY GOODS OR YARNS

ESTABLISHMENT OF MAXIMUM PRICES

For the reasons set forth in an opinion issued simultaneously herewith and filed

with the Division of the Federal Register, and pursuant to section 3 of Supplementary Order No. 130, it is ordered:

(a) *What this order does.* This order establishes maximum prices for sales by a prime contractor or subcontractor of contractor inventory retained by him and consisting of grey goods or yarns made from cotton, synthetic fibre, silk or any admixtures thereof or finished goods made from cotton, synthetic fibre, silk or any admixtures thereof.

(b) *Relation of this order to Supplementary Order 130.* This order supercedes the provisions of section 2 of Supplementary Order No. 130 with respect to the textile commodities covered herein. The definitions in Supplementary Order 130 apply to the defined terms when used in this order.

(c) *Maximum prices for contractor inventory of the textiles set forth below—*

(i) *Grey cotton fabrics and yarns.* (i) The maximum price for contractor inventory grey cotton fabrics and yarns for which uniform specific dollar and cent maximum prices are set forth in any price schedule or regulation shall be the specific uniform dollar and cent maximum prices set forth in such price schedule or regulation. Where a price schedule or regulation provides or permits a premium above a specific dollar and cent maximum price for sales and deliveries of grey cotton fabrics made for use in the manufacture of finished goods meeting the specifications of a war procurement agency or for sales of yarns of premium quality when sold to users requiring such quality, such premium may be charged for sales of premium goods or yarns of these types which are on hand or are manufactured within 90 days after the date of contract termination, regardless of the purpose for which they are sold.

(ii) The maximum price for contractor inventory combed grey fabrics which would be subject to the specific per pound prices set forth in Table III of Maximum Price Regulation No. 11 shall be the latest war contract price of the individual seller, appropriately adjusted for differences in credit and delivery terms.

(iii) The maximum price for contractor inventory grey cotton fabrics of types which were sold by the contractor under war contracts in the grey state and for which there is no uniform dollar and cent price set forth in any price schedule or regulation shall be the latest war contract price of the individual seller, appropriately adjusted for differences in credit and delivery terms.

(iv) The maximum price for contractor inventory grey cotton fabrics which have been sold to war procurement agencies in the finished state only, and for which no uniform specific dollar and cent maximum grey goods prices are set forth in any price schedule or regulation shall be the latest war contract price of the individual seller, appropriately adjusted for differences in credit and delivery terms less 105% of the total finishing expense (total finishing expense

means actual finishing cost, working allowance, freight to finishing plant and put-up).

(2) *Rayon grey goods and yarns.* The maximum price for contractor inventory rayon grey goods and rayon yarns shall be the maximum price determined pursuant to the provisions of Revised Price Schedule No. 23 or Maximum Price Regulation No. 167, whichever shall be appropriate.

(3) *Synthetic fibre (except rayon) and silk grey goods and yarns.* The maximum price for contractor inventory synthetic fibre (except rayon) and silk grey goods and yarns shall be the latest war contract price of the individual seller, appropriately adjusted for differences in credit and delivery terms.

(4) *Finished piece goods originally manufactured to fulfil a war contract.* The maximum price for contractor inventory finished piece goods originally manufactured to fulfil a war contract shall be the lower of the seller's latest war contract price, appropriately adjusted for differences in credit and delivery terms, or the maximum price computed in accordance with the provisions of Maximum Price Regulation No. 127 except that "basic grey goods cost" shall be determined in accordance with (1), (2), or (3) above.

(5) The maximum price for contractor inventory 7.5 oz. drill fully shrunk made to United States Army specification No. 6-247A shall be the uniform specific dollar and cent price set forth in Maximum Price Regulation No. 118.

(d) Except as modified by this order all the provisions of Supplementary Order 130 shall apply to sales and deliveries of contractors inventory of the textiles for which maximum prices are set forth above.

(e) This order may be revoked or amended at any time.

This order shall become effective September 6, 1945.

Issued this 6th day of September 1945.

CHESTER BOWLES,  
Administrator.

[F. R. Doc. 45-16682; Filed, Sept. 6, 1945; 4:11 p. m.]

Regional and District Office Orders.

[Region III Order G-10 Under RMPR 122, Amdt. 4]

SOLID FUELS IN ST. JOSEPH COUNTY, IND.

For the reasons set forth in an opinion issued simultaneously herewith and under the authority vested in the Regional Administrator of Region III of the Office of Price Administration by § 1340.260 of Revised Maximum Price Regulation No. 122, *It is hereby ordered*, That Part III of paragraph (c) (1) of Order No. G-10 under Revised Maximum Price Regulation No. 122 be amended to read as follows:

Column I	Column II	Column III
III. High volatile bituminous coals from deep, machine loaded mines in producing district No. 10 (Illinois):		
A. Lump and egg:		
1. Size group Nos. 1, 2 and 3 (bottom sizes larger than 2")		
a. Price group Nos. 1, 2 and 8.....	\$8.95	\$7.95
b. Price group Nos. 10, 12, 13 and 16 through 20.....	7.60	6.90
c. Price group Nos. 5 and 7.....	8.20	7.20
2. Size group Nos. 4 and 6 (bottom size larger than 1½" but not exceeding 2") Price group Nos. 1, 2 and 8.....	8.60	7.60
B. Stoker, nut and pea, size group Nos. 9 through 12 (top size 2" and smaller x bottom size larger than 10 mesh or ¾" but not exceeding ¾") Price group Nos. 1, 2 and 8.....	7.85	6.85
C. Raw screenings, size group No. 14 (top size larger than ¾" x 0 but not exceeding 1½" x 0 (price group Nos. 1 and 2.....	7.10	6.10
D. To the prices stated in sections A, B and C of part III may be added \$0.10 per ton if the coal has been subjected to an oil or chemical treatment by the supplier and providing such charge has been made the by supplier.		

This amendment No. 4 to Order No. G-10 under Revised Maximum Price Regulation No. 122 shall become effective August 24, 1945.

Issued: August 24, 1945.

CLIFFORD J. HOUSER,  
Acting Regional Administrator.

[F. R. Doc. 45-16575; Filed, Sept. 5, 1945; 4:36 p. m.]

[Region III Order G-35 Under RMPR 122, Amdt. 2]

SOLID FUELS IN MARTINSBURG, W. VA., AREA

For the reasons set forth in an opinion issued simultaneously herewith and under the authority vested in the Regional Administrator of Region III of the Office of Price Administration by § 1340.260 of Revised Maximum Price Regulation No. 122, *It is hereby ordered*, That paragraph (c) of Order No. G-35 under Revised Maximum Price Regulation No. 122 be amended to read as follows:

(c) *Schedule for sales of coal.* This schedule sets forth maximum prices for cash sales of specified sizes, kinds and quantities of solid fuels. Column I describes the coal for which prices are established; Column II shows maximum prices for cash or credit sales on "direct delivery" basis; and Column III shows maximum prices for "yard sales" to dealers reselling coal. All prices are for sales on a net ton basis.

SCHEDULE I

COALS TRANSPORTED BY RAIL

Column I	Column II	Column III
1. Low volatile bituminous coals from producing district No. 7 (southeastern West Virginia and northwestern Virginia): <sup>1</sup>		
A. Egg, size group No. 2 (top size larger than 3" x bottom size no limit) mine price classifications B and C.....	\$9.70	\$9.00

See footnotes at end of table.

SCHEDULE I—Continued  
COALS TRANSPORTED BY RAIL—continued

Column I	Column II	Column III
I. Low volatile bituminous coals from producing district No. 7 (southwestern West Virginia and northwestern Virginia): <sup>1,2</sup> —Continued.		
B. Stove, size group No. 3 (top size larger than 1 1/4" but not exceeding 3" x bottom size smaller than 3")		
1. Mine price classification A	\$9.50	\$9.00
2. Mine price classifications B and C	9.40	8.90
C. Nut or dedusted screenings, size group No. 4 (top size larger than 3/4" but not exceeding 1 1/4" x bottom size smaller than 1 1/4") mine price classification A	8.65	8.15
D. Pea or dedusted screenings (stoker) size group No. 5 (top size not exceeding 3/4" x bottom size smaller than 3/4") mine price classification A	8.05	7.55
II. Bituminous coals from producing district No. 1 (Central Pennsylvania, western Maryland and northeastern West Virginia): <sup>1</sup>		
A. Lump or egg, size group No. 1 (all lump coal; double screened coal with top size larger than 2") mine price classification E	7.98	7.48
B. Run of mine (all types and sizes)		
1. Coals from the Consolidation Coal Company or the Berwin-White Coal Mining Company or Mine Index No. 3973 of the Haws Coal Company	8.03	7.53
2. All other coals:		
(i) Mine Price classification B through E	7.53	7.03
(ii) Mine price classification G and H	7.13	6.63
III. Bituminous coals from producing district No. 3 (northwestern West Virginia excluding Panhandle): <sup>1,2</sup>		
A. Egg, size group No. 2 (double screened coals with bottom size 2" and smaller) mine price classifications H and J	7.43	6.93

SCHEDULE II  
COALS TRANSPORTED BY TRUCK

I. Bituminous coals from producing district No. 1 (central Pennsylvania, western Maryland and northeastern West Virginia): <sup>1</sup>	
A. Run of mine (all types and kinds)	
1. From the Big Vein or Tyson seams	\$7.23
2. From the Bakerstown seam	7.03
II. Bituminous coals from producing district No. 3 (northwestern West Virginia excluding Panhandle): <sup>1</sup>	
A. Run of mine (all types and kinds) from the Freeport or Bakerstown seams	6.63

<sup>1</sup> Ten cents per ton may be added to the prices of these coals if the coal has been subjected to an oil or calcium chloride treatment by the producer to alloy dust or prevent freezing.

<sup>2</sup> These prices reflect certain increases which are in lieu of all increases authorized by regional supplementary Orders Nos. 7 and 8 which reflect the adjustments granted in Amendment No. 137 to Maximum Price Regulation No. 120 and issued May 1, 1945 and Amendment No. 146 to Maximum Price Regulation No. 120 and issued August 3, 1945.

This Amendment No. 2 to Order No. G-35 under Revised Maximum Price Regulation No. 122 shall become effective August 24, 1945.

Issued: August 24, 1945.

CLIFFORD J. HOUSER,  
Acting Regional Administrator.

[F. R. Doc. 45-16574; Filed, Sept. 5, 1945; 4:36 p. m.]

[Region III Order G-43 Under RMPR 122, Amdt. 4]

SOLID FUELS IN GRAND RAPIDS, MICH., AREA

For the reasons set forth in an opinion issued simultaneously herewith, and un-

der the authority vested in the Regional Administrator of Region III of the Office of Price Administration by § 1340.260 of Revised Maximum Price Regulation No. 122; *It is hereby ordered*, That Part I of paragraph (c) (1) of Order No. G-43 under Revised Maximum Price Regulation No. 122 be amended to read as follows:

Column I	Column II	Column III
I. Low volatile bituminous coals from producing district No. 7 (southwestern West Virginia and northwestern Virginia) excluding mine index No. 73 (Glen Rogers No. 2 Mine of the Raleigh Wyoming Mining Co.) and 58 (Carroll), 93 (Keystone) and 114 (Maitland) of the Koppers Coal Division of the Eastern Gas and Fuel Associate).		

This Amendment No. 4 to Order No. G-43 under Revised Maximum Price Regulation No. 122 shall become effective August 24, 1945.

Issued: August 24, 1945.

CLIFFORD J. HOUSER,  
Acting Regional Administrator.

[F. R. Doc. 45-16573; Filed, Sept. 5, 1945; 4:36 p. m.]

[Region III Order G-49 Under RMPR 122, Amdt. 6]

SOLID FUELS IN DETROIT, MICH., AREA

For the reasons set forth in an opinion issued simultaneously herewith and under the authority vested in the Regional Administrator of Region III of the Office of Price Administration by § 1340.260 of Revised Maximum Price Regulation No. 122, *It is hereby ordered*, That Parts I and II of paragraph (c) (1) of Order No. G-48 under Revised Maximum Price Regulation No. 122 be amended to read as follows:

Column I	Column II
I. Low volatile bituminous coals from producing district Nos. 7 and 8 (southern West Virginia and western Virginia) excluding mine index Nos. 38 (Carroll mine) 93 (Keystone mine) and 114 (Maitland mine) all of the Koppers Coal Division of the Eastern Gas and Fuel Association.	
II. High volatile bituminous coal from producing district Nos. 7 and 8 (eastern Kentucky, southern West Virginia, western Virginia, and northeastern Tennessee) excluding mine index Nos. 219 (Glen Alum), 285 (The King Kena Mine No. 2 of the Elkhorn Coal Co.), 479 (The Star Mine of the Dixport Coal Co.), 633 (The Jubilee Mine of the Clover Leaf Coal Co.), and mine index Nos. 49 and 49 (both of the Black Mountain Corporation). All of these excluded mines are in producing district No. 8.	

This Amendment No. 6 to Order No. G-48 under Revised Maximum Price Regulation No. 122 shall become effective August 24, 1945.

Issued: August 24, 1945.

CLIFFORD J. HOUSER,  
Acting Regional Administrator.

[F. R. Doc. 45-16572; Filed, Sept. 5, 1945; 4:35 p. m.]

[Region III Order G-49 Under RMPR 122, Amdt. 7]

SOLID FUELS IN CLEVELAND, OHIO, AREA

For the reasons set forth in an opinion issued simultaneously herewith and under the authority vested in the Regional Administrator of Region III of the Office of Price Administration by § 1340.260 of Revised Maximum Price Regulation No. 122, *It is hereby ordered*, That Parts I and III of paragraph (c) (1) of Order No. G-49 under Revised Maximum Price Regulation No. 122 be amended to read as follows:

Column I	Column II	Column III	Column IV
I. High volatile bituminous coals from producing district No. 8 (Eastern Kentucky, Southwestern West Virginia, Western Virginia, and Northeastern Tennessee) excluding Mine Index Nos. 28 and 479 (the Auxier #7 and Theaides #3 Mines of the Southeast Coal Co.), 431 (the Virgaw Mine of the Benedict Coal Corp.), 437 (The Derby Mine of the Peoples Derby Coal Co.), 49 and 49 (the #29 and #31 Mines of the Black Mountain Corporation) and 430 (Star Mine of the Dixport Coal Co.).			
III. High volatile bituminous coals from producing district No. 3 (Northwestern West Virginia excluding Panhandle) excluding Mine Index No. 65 (Gibson Ridge #6 of the Minde Coal Mining Corp.), 16 (Bergo #2 Mine of the Pardee and Curtin Coal Mining Co.), and 167 (Arthurdale Mine of the Fairfax Mining Co.).			

This Amendment No. 7 to Order No. G-49 under Revised Maximum Price Regulation No. 122 shall become effective August 24, 1945.

Issued: August 24, 1945.

CLIFFORD J. HOUSER,  
Acting Regional Administrator.

[F. R. Doc. 45-16371; Filed, Sept. 5, 1945; 4:35 p. m.]

[Region VII Order G-2 Under RMPR 136]

WILLIAM AINSWORTH & SONS, INC.

ADJUSTMENT OF MAXIMUM PRICES

Order No. G-2 under Revised Maximum Price Regulation No. 136. Adjusted maximum prices for certain precision instruments and appliances manufactured by William Ainsworth and Sons, Inc., Denver, Colorado; Docket No. 7-136-21 (a)-1.

Pursuant to the Emergency Price Control Act of 1942, as amended, the Stabilization Act of 1942, as amended, and section 21 of Revised Maximum Price Regulation No. 136, and for the reasons set forth in the accompanying opinion, this Order No. G-2 is issued.

(a) *What this order does.* This Order No. G-2 adjusts the maximum list prices for specified precision instruments and appliances manufactured by William Ainsworth and Sons, Inc. of Denver, Colorado; requires the manufacturer to maintain its customary trade

discounts, differentials and allowances and adjusts the maximum prices of all resellers by permitting them to sell at the manufacturers adjusted list prices subject to the respective resellers' customary discounts, differentials and allowances.

(b) *Manufacturer's maximum list prices.* (1) Upon and after the effective date of this Order No. G-2, the maximum list prices that may be charged or collected by William Ainsworth and Sons, Inc., for the articles specified in the following schedule when sold f. o. b. its place of business in Denver, Colorado, shall be as follows:

SCHEDULE OF MAXIMUM LIST PRICES F. O. B. DENVER, COLORADO

Items	List price
Grade B Rider Single	\$0.75
3 in box	2.00
6 in box	3.60
12 in box	6.30
Grade C Rider Single	.55
3 in box	1.55
6 in box	2.70
12 in box	4.50
Class S-2 Rider Single	.50
Carrier weights, grade A:	
30 M G	1.50
20 M G	1.15
10 M G	1.15
5 M G	1.15
1 M G	1.10
Carrier weights, grade B:	
1000 M G	4.00
500 M G	2.80
30 M G	1.10
20 M G	.80
10 M G	.80
5 M G	.80
3 M G	.80
2 M G	.80
1 M G	.80
Set No.:	
252 A	46.65
253 A	33.45
254 A	41.45
352 A	41.45
353 A	29.00
354 A	36.25
452 A	36.25
453 A	24.90
454 A	31.10
257 B	42.00
258 B	28.90
259 B	36.75
357 B	37.00
358 B	24.40
359 B	31.75
457 B	33.00
458 B	20.75
459 B	27.75
262 C	40.00
263 C	28.90
264 C	34.90
362 C	35.00
363 C	24.40
364 C	20.90
462 C	31.00
463 C	20.75
464 C	25.90
301	28.75
302	20.25
303	25.30
401	26.45
402	17.25
403	23.75
501	25.65
502	15.25
503	21.75
306	26.45
307	24.15
406	24.15
407	21.90
506	23.20
507	19.00
Class S2-GL:	
20 GM	1.70
10 GM	1.50
2 GM	1.05
1 GM	.90
Class S-Rhod:	
20 GM	4.30
5 GM	2.70
2 GM	3.30
1 GM	3.00
Class S-OP:	
100 GM	5.70
50 GM	5.15
20 GM	3.45
10 GM	2.55
5 GM	2.20
1 GM	2.25

DENVER, COLORADO—Continued  
DENVER COLORADO—Continued

Items	List price
Grade A-1:	
1000 MG	\$6.05
500 MG	3.75
100 MG	2.50
50 MG	2.25
Grade A:	
500 MG	3.40
100 MG	2.05
50 MG	1.75
20 MG	1.50
10 MG	1.50
5 MG	1.45
2 MG	1.40
1 MG	1.50
Grade B-1:	
1000 MG	5.00
500 MG	3.30
200 MG	2.30
100 MG	2.10
50 MG	1.50
Carrier weights, grade C:	
1000	3.55
500	2.55
30 MG	.75
20 MG	.69
10 MG	.70
5 MG	.70
3 MG	.70
2 MG	.70
1 MG	.70
Set No.:	
100 A	28.45
100	25.40
150 A	18.30
150	15.25
200 C	15.25
200	12.20
650	6.60
700	8.15
Carrier weights:	
1000-10 Gr. A	20.30
1000-10 Gr. B	14.75
1000-10 Gr. C	11.15
500-5 Gr. A	16.25
500-5 Gr. B	11.15
500-5 Gr. C	9.15
Set No.:	
30	20.00
31	17.15
32	14.25
20	18.00
21	15.15
22	12.25
10	16.60
11	13.65
12	10.75
Class S Lac:	
100 GM	3.80
50 GM	3.00
20 GM	2.60
10 GM	2.60
5 GM	1.80
2 GM	1.50
1 GM	1.50
Grade B:	
1000 MG	6.00
500 MG	3.15
200 MG	1.90
100 MG	1.65
50 MG	1.35
20 MG	.75
Grade B:	
10 MG	.75
5 MG	.75
2 MG	.75
1 MG	.75
Grade C-1:	
1000 MG	5.05
500 MG	2.85
200 MG	1.80
100 MG	1.60
50 MG	1.10
Grade C:	
1000 MG	3.45
500 MG	2.55
200 MG	1.40
100 MG	1.20
50 MG	.90
20 MG	.75
10 MG	.75
5 MG	.65
2 MG	.65
1 MG	.75
Class S-2:	
200 MG	1.05
100 MG	.90
50 MG	.60
20 MG	.35
10 MG	.35
5 MG	.35
2 MG	.35
1 MG	.35
Grade A Rider Single	1.10
3 in Box	3.15
6 in Box	5.40
12 in Box	9.00

(2) The manufacturer's list prices as hereinabove set forth are subject to all of the trade discounts, differentials, and allowances heretofore customarily granted by such manufacturer, who is hereby required to maintain the same: *Provided, however,* That the manufacturer shall not be required to allow or give any discount for cash payment.

(3) The maximum list prices above specified for sales f. o. b. Denver, Colorado, include all costs incident to wrapping, packing, boxing, and carting.

(c) *Adjusted maximum prices for resellers.* The maximum list prices as hereinabove set forth in paragraph (b), shall be the maximum prices for all resellers purchasing the commodities in question from William Ainsworth and Sons, Inc., *Provided, however,* That all such resellers shall continue to maintain and allow their customary discounts, differentials and allowances, if any.

(d) *Notice to be given purchasers for resale.* The manufacturer, William Ainsworth and Sons, Inc., shall accompany the invoice covering the first sale made to a reseller, on or after August 15, 1945, with a full and complete copy of its adjusted maximum list prices as established by this Order No. G-2.

(e) *Applicability of other regulations.* The pricing provisions of the General Maximum Price Regulation have no application to the prices established by this order No. G-2 for sales by the manufacturer or any reseller. But except insofar as the same may be contradictory of, or inconsistent with this Order No. G-2, the manufacturer and all sellers shall remain subject to all of the applicable terms and provisions of Revised Maximum Price Regulation No. 136, as amended, and must continue to comply with the same.

Letter Order No. 7-136-25a (a)-1, issued by this Regional Office on February 20, 1945, is superseded by this Order No. G-2, as of August 15, 1945.

(f) *Geographical applicability.* This Order No. G-2 applies in the 48 states of the United States, in the District of Columbia, and in the territories and possessions of the United States.

(g) *Licensing.* The provisions of Licensing Order No. 1, licensing all persons who make sales under price control, are applicable to all sellers subject to this Order No. G-2. A seller's license may be suspended for violation of the license or of any one or more applicable price schedules or regulations. A person whose license is suspended may not, during the period of suspension, make any sale for which his license has been suspended.

(h) *Right to revoke or amend.* This Order No. G-2 may be revoked, modified, or amended at any time by the Price Administrator or the Regional Administrator.

*Effective date.* This Order No. G-2 shall become effective as of August 15, 1945.

Issued this 20th day of August 1945.

RICHARD Y. PATTERTON,  
Regional Administrator.

[F. R. Doc. 45-16580; Filed, Sept. 5, 1945; 4:37 p. m.]



the purpose of adducing any additional evidence with respect to an amendment filed on July 16, 1945 by New England Public Service Company to its amended plan of reorganization and with respect to an application filed on the same date for an order pursuant to the applicable provisions of the Internal Revenue Code, as amended, regarding the sale by New England Public Service Company of its interests in New England Industries, Inc., Keyes Fibre Company and Bucksport Water Company; and

New England Public Service Company having requested that the hearings in this matter be postponed to September 13, 1945; and it appearing appropriate to the Commission that the request be granted;

*It is ordered*, That the hearings in this matter, previously scheduled to reconvene on September 7, 1945 at 10:00 a. m., e. w. t., at the offices of the Securities and Exchange Commission, 18th and Locust Streets, Philadelphia 3, Pennsylvania, be and hereby are postponed to September 13, 1945 at the same hour and place and before the trial examiner heretofore designated.

By the Commission.

[SEAL] ORVAL L. DUBOIS,  
Secretary.

[F. R. Doc. 45-16697; Filed, Sept. 7, 1945;  
9:56 a. m.]

[File Nos. 70-1137, 54-117, 59-72]

COLUMBIA GAS & ELECTRIC CORP., ET AL.  
NOTICE OF FILING AND ORDER FOR HEARING

At a regular session of the Securities and Exchange Commission, held at its office in the City of Philadelphia, Pennsylvania, on the 5th day of September 1945.

In the matters of Columbia Gas & Electric Corporation, Cincinnati Gas & Electric Company, Miami Power Corporation, The Union Light, Heat and Power Company, File No. 70-1137; and Columbia Gas & Electric Corporation, File No. 54-117; and Columbia Gas & Electric Corporation and its subsidiaries, Respondents, File No. 59-72.

Notice is hereby given that Columbia Gas & Electric Corporation (Columbia), a registered holding company and a subsidiary of The United Corporation, also a registered holding company, and Columbia's subsidiaries, Cincinnati Gas & Electric Company (Cincinnati), Miami Power Corporation (Miami), The Union Light, Heat and Power Company (Union) have filed a joint application-declaration, pursuant to the provisions of the Public Utility Holding Company Act of 1935 regarding a series of transactions which may be summarized as follows:

(1) Miami and Union will respectively repay \$100,000 and \$300,000 of 6% Demand Notes owing to Columbia; Cincinnati will purchase Columbia's holdings of the common stocks and indebtedness of Miami Union and The West Harrison Electric and Water Company, Inc. (West Harrison), at an estimated price of \$6,312,896 representing the aggregate prin-

cipal amount of indebtedness due by said companies to Columbia plus the aggregate underlying book value of the common stocks of said companies.

(2) Columbia will make a capital contribution of \$6,000,000 to Cincinnati.

(3) Cincinnati will issue and sell at competitive bidding \$45,000,000 principal amount of First Mortgage Bonds and will apply sufficient of the proceeds thereof to the redemption of all of its outstanding indebtedness consisting of \$31,063,000 principal amount of 3¼% First Mortgage Bonds, series due 1966, and \$9,031,000 principal amount of 3½% First Mortgage Bonds, series due 1967.

(4) Cincinnati will issue 280,000 shares of New Preferred Stock which will be offered in exchange, to the extent available, for its outstanding 400,000 shares of Cumulative Preferred Stock, 5% Series A, on a share-for-share basis. Such shares as are not exchanged will be sold to underwriters at 107½% of the par value, the dividend rate on the New Preferred and underwriters' compensation for effecting exchanges will be determined at competitive bidding. Cincinnati will call for redemption at 107½% of the par value of \$100 all unexchanged shares of its outstanding 5% series Cumulative Preferred Stock.

According to the filing, the approval of the Public Utilities Commission of Ohio will be obtained with respect to the issue and sale of the New First Mortgage Bonds and New Preferred Stock.

Columbia states that the proposed transactions constitute one of the steps to be taken by it in carrying out its program of compliance with section 11 (b) of the act and the order of this Commission dated November 30, 1944 (Holding Company Act Release No. 5455) directing, among other things, that Columbia dispose of its interests in Cincinnati, Union, Miami and West Harrison. Columbia requests that the order to be issued with respect to the proposed transactions conform with the provisions of sections 371, 373 and 1808 (f) of the Internal Revenue Code as amended.

It appearing to the Commission that some of the evidence in the consolidated proceedings under sections 11 (b) (1), 11 (b) (2) and 11 (e) of the act with respect to Columbia Gas & Electric Corporation and its subsidiaries (File Nos. 54-117 and 59-72) is or may be relevant to the issues presented by the instant application-declaration and may involve common questions of law and fact and should be consolidated with the instant proceedings; and

It appearing to the Commission that it is appropriate in the public interest and in the interest of investors and consumers that a hearing be held with respect to said application-declaration and that said application-declaration shall not be granted except pursuant to further order of the Commission:

*It is hereby ordered*, That the proceedings with respect to the instant application-declaration and the proceedings under File Nos. 54-117 and 59-72 be, and the same hereby are, consolidated, and that a hearing on said consolidated proceedings under the applicable provisions

of the act and the rules of the Commission thereunder be held on September 14, 1945 at 10:00 a. m., e. w. t. in the offices of the Securities and Exchange Commission, 18th and Locust Streets, Philadelphia, Pennsylvania. On such day the hearing room clerk in Room 318 will advise as to the room in which such hearing will be held.

*It is further ordered*, That Charles S. Lobingier or any other officer or officers of the Commission designated by it for that purpose shall preside at such hearing. The officer so designated to preside at such hearing is hereby authorized to exercise all powers granted to the Commission under section 18 (c) of said act and to a trial examiner under the Commission's rules of practice.

*It is further ordered*, That the Secretary of the Commission shall serve, by registered mail, a copy of this order on the applicants and declarants herein and to the Public Utilities Commission of the States of Ohio, Kentucky and Indiana and to The United Corporation, the City Solicitors of Cincinnati, Ohio, Covington, Kentucky and to the Federal Power Commission; and that notice of said hearing be given to all other persons by publication of this order in the FEDERAL REGISTER. Any person desiring to be heard in connection with these proceedings, or proposing to intervene herein, shall file with the Secretary of the Commission on or before September 12, 1945, his request or application therefor, as provided by Rule XVII of the rules of practice of the Commission.

*It is further ordered*, That without limiting the scope of the issues presented by said application-declaration, particular attention will be directed at said hearing to the following matters and questions:

(1) Whether the proposed issue and sale by Cincinnati of New First Mortgage Bonds and the proposed issue, sale and exchange of New Preferred Stock is solely for the purpose of financing the business of said company and has been expressly authorized by the State Commission of the state in which it is organized and doing business.

(2) Whether the terms and conditions of the issue of the New First Mortgage Bonds and New Preferred Stock are detrimental to the public interest or to the interests of investors or consumers.

(3) Whether the terms and conditions of the proposed exchange offer are fair and reasonable and appropriate in the public interest or the interests of investors or consumers.

(4) Whether the acquisition by Cincinnati of the securities of Miami, Union and West Harrison will be detrimental to the carrying out of the provisions of section 11 and will have the tendency required by section 10 (c) (2) of the act and will otherwise meet the requirements of section 10.

(5) Whether it is necessary that the security structure of Union be revised prior to the transfer of the securities of that company by Columbia to Cincinnati and, if so, what action is required in that connection.

(6) Whether the proposed accounting entries to be recorded on the books of

Cincinnati and Columbia reflecting the proposed transactions are consistent with sound accounting principles and conform to the standards of the Act.

(7) Whether the fees, commission or other remuneration to be paid in connection with the proposed transactions are reasonable.

(8) Generally, whether the proposed transactions comply with the applicable provisions of the act or the rules and regulations promulgated thereto.

(9) Whether in the event the application-declaration shall be granted and permitted to become effective, it is necessary to impose any terms or conditions to ensure compliance with the standards of the act.

It is further ordered, That the Commission reserve the right, if at any time it appears conducive to an orderly, efficient or economic disposition of any proceeding or proceedings herein, to order a separate hearing concerning any of the issues in the consolidated proceedings, to close the record with respect to any such issue or to take action on any such issues prior to the closing of the record on the other issues therein.

By the Commission,

[SEAL] ORVAL L. DuBois,  
Secretary.

[F. R. Doc. 45-16698; Filed, Sept. 7, 1945, 9:56 a. m.]

UNITED STATES COAST GUARD.

WITHDRAWAL OF APPROVAL OF EQUIPMENT

By virtue of the authority vested in me by R. S. 4405, 4417a, 4426, 4488, and 4491, as amended, 49 Stat. 1544 (46 U.S.C. 375, 391a, 404, 481, 489, 367), and Executive Order 9083, dated February 28, 1942 (3 CFR, Cum. Supp.), the following withdrawal of approval of equipment is prescribed:

FIRING ATTACHMENTS FOR LINE-THROWING GUNS

Firing attachment for line-throwing gun, Model VK L3 (Dwg. No. F 325, dated 2 April, 1944), submitted by Van Karner Chemical Arms Corp., 202 East 44th Street, New York. (Approved 9 F.R. 4126, 18 April, 1944)

Firing attachment for line-throwing gun, designated VK-M24 (Dwg. No. VK-M24, dated 10 April, 1945), submitted by Van Karner Chemical Arms Corp., 202 East 44th Street, New York 17, N. Y. (Approved 10 F.R. 5569, 15 May, 1945)

Croton Cartridge Firing Attachment, Model A (Dwg. No. 013, dated 17 April, 1944), submitted by Hawley Smith Machinery Company, Croton Falls, New York. (Approved 9 F.R. 4825, 6 May, 1944)

Firing attachment for Lyle gun (Dwg. No. F-100, dated 15 March, 1944), submitted by the Naval Company, 3419 Richmond Street, Philadelphia, Pa. (Approved 9 F.R. 7119, 27 June, 1944)

Firing attachment for line-throwing gun, Type F-101 (Dwg. No. F-101-A, dated 10 January, 1945), submitted by the Naval Company, 3419 Richmond Street, Philadelphia, Pa. (Approved 10 F.R. 1582, 6 February 1945)

Firing attachment for line-throwing gun, Model A (Dwg. No. F-101, dated 21 April, 1945), submitted by Edward Smara Inc., 37 South Street, New York, N. Y. (Approved 10 F.R. 8331, 6 July, 1945)

Dated: September 6, 1945.

L. T. CHALKER,  
Rear Admiral, U. S. C. G.,  
Acting Commandant.

[F. R. Doc. 45-16725; Filed, Sept. 7, 1945; 10:31 a. m.]

WAR PRODUCTION BOARD.

[Certificate 46, Revocation]

TRANSPORTATION OF PETROLEUM DESIGNATED IN WESTERN AND SOUTHERN STATES

The ATTORNEY GENERAL:

Pursuant to section 12 of Public Law No. 603, 77th Congress (56 Stat. 357), I hereby withdraw the certificate and finding dated March 30, 1943, concerning Petroleum Directive No. 65 of the Office of Petroleum Administrator for War; and also Amendment 1 thereto dated April 26, 1943, and Amendment 2 thereto dated March 15, 1944.

Dated: September 1, 1945.

J. A. KRUG,  
Chairman,  
War Production Board.

[F. R. Doc. 45-16716; Filed, Sept. 7, 1945; 10:17 a. m.]

[Certificate 72, Revocation]

PETROLEUM SUPPLY

The ATTORNEY GENERAL:

Pursuant to section 12 of Public Law No. 603, 77th Congress (56 Stat. 357), I hereby withdraw the certificate and finding dated May 27, 1943, concerning Petroleum Directive 67 of the Office of Petroleum Administration for War.

Dated: September 1, 1945.

J. A. KRUG,  
Chairman,  
War Production Board.

[F. R. Doc. 45-16717; Filed, Sept. 7, 1945; 10:17 a. m.]

[Certificate 76, Revocation]

MARKETING OF PETROLEUM

The ATTORNEY GENERAL:

Pursuant to section 12 of Public Law No. 603, 77th Congress (56 Stat. 357), I hereby withdraw the certificate and finding dated June 3, 1943, concerning Petroleum Directive 68 of the Office of Petroleum Administration for War.

Dated: September 1, 1945.

J. A. KRUG,  
Chairman,  
War Production Board.

[F. R. Doc. 45-16718; Filed, Sept. 7, 1945; 10:17 a. m.]

[Certificate 149, Revocation]

MOTOR FUEL DISTRIBUTION FACILITIES

The ATTORNEY GENERAL:

Pursuant to section 12 of Public Law No. 603, 77th Congress (56 Stat. 357), I hereby withdraw the certificate and finding dated October 2, 1943, concerning Petroleum Directive 74 of the Office of Petroleum Administration for War.

Dated: September 1, 1945.

J. A. KRUG,  
Chairman,  
War Production Board.

[F. R. Doc. 45-16719; Filed, Sept. 7, 1945; 10:17 a. m.]

