

# THE NATIONAL ARCHIVES

# FEDERAL REGISTER



VOLUME 18

NUMBER 133

Washington, Thursday, July 9, 1953

## TITLE 3—THE PRESIDENT

### EXECUTIVE ORDER 10468

APPOINTMENT OF WILLIAM C. STRAND, DIRECTOR, OFFICE OF TERRITORIES, DEPARTMENT OF THE INTERIOR, AS ADMINISTRATOR OF THE PUERTO RICO RECONSTRUCTION ADMINISTRATION

By virtue of the authority vested in me under the Emergency Relief Appropriation Act of 1935 (49 Stat. 115, 118), and the act entitled "An Act to provide that funds allocated to Puerto Rico under the Emergency Relief Appropriation Act of 1935 may be expended for permanent rehabilitation, and for other purposes" approved February 11, 1936 (49 Stat. 1135) I hereby appoint William C. Strand, Director, Office of Territories, Department of the Interior, as Administrator of the Puerto Rico Reconstruction Administration, *vice* James P. Davis, resigned, to serve without additional compensation, and to exercise and discharge the functions, duties, and authority conferred upon the Puerto Rico Reconstruction Administration and the Administrator by Executive Orders No. 7057 of May 28, 1935, No. 7180 of September 6, 1935, as amended by No. 7554 of February 17, 1937, and No. 7689 of August 12, 1937.

The said Executive orders are hereby amended accordingly.

DWIGHT D. EISENHOWER

THE WHITE HOUSE,  
July 7, 1953.

[F. R. Doc. 53-6105; Filed, July 7, 1953; 4:09 p. m.]

## TITLE 6—AGRICULTURAL CREDIT

### Chapter IV—Production and Marketing Administration and Commodity Credit Corporation, Department of Agriculture

#### Subchapter C—Loans, Purchases, and Other Operations

[1953 C. C. C. Grain Price Support Bulletin 1, Supp. 1, Amdt. 1, Wheat]

#### PART 601—GRAINS AND RELATED COMMODITIES

#### SUBPART—1953-CROP WHEAT LOAN AND PURCHASE AGREEMENT PROGRAM

##### SETTLEMENT

The regulations issued by Commodity Credit Corporation and the Production

and Marketing Administration published in 18 F. R. 2733, and containing the specific requirements for the 1953-Crop Wheat Price Support Program are hereby amended as follows:

Section 601.110 (a) is amended by deleting from subparagraph (2) the words "except as provided in subparagraph (3) of this paragraph;" by adding a proviso at the end of subparagraph (2), by deleting all of subparagraph (3), and by changing the designation of subparagraph (4) to subparagraph (3), so that the amended paragraph reads as follows:

§ 601.110 *Settlement*—(a) *Farm-storage loans.* (1) In the case of eligible wheat delivered to CCC from farm storage under the loan program, settlement shall be made at the applicable support rate for the approved point of delivery. The support rate shall be for the grade and quality of the total quantity of wheat eligible for delivery.

(2) If, upon delivery, the wheat under farm-storage loan is of a grade and/or quality for which no support rate has been established, the settlement value shall be computed at the support rate established for the grade and/or quality of the wheat placed under loan less the difference, if any, at the time of delivery, between the market price for the grade and/or quality placed under loan and the market price of the wheat delivered, as determined by CCC: *Provided, however* That if such wheat is sold by CCC in order to determine its market price the settlement value shall not be less than such sales price.

(3) If farm-stored wheat is delivered to CCC prior to April 30, 1954, upon request of the producer and with the approval of CCC, the loan settlement shall be reduced as set forth in § 601.109.

(Sec. 4, 62 Stat. 1070, as amended; 16 U. S. C. Sup. 714b. Interprets or applies sec. 5, 62 Stat. 1072, secs. 101, 401, 63 Stat. 1051, 1054; 16 U. S. C. Sup. 714c, 7 U. S. C. Sup. 1441, 1421)

Issued this 3d day of July 1953.

[SEAL] M. B. BRASWELL,  
*Acting Executive Vice President,*  
*Commodity Credit Corporation.*

Approved:

JOHN H. DAVIS,  
*President,*  
*Commodity Credit Corporation.*

[F. R. Doc. 53-6067; Filed, July 8, 1953; 8:55 a. m.]

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## CFR SUPPLEMENTS

(For use during 1953)

The following Supplements are now available:

Title 6 (\$1.50); Title 14: Part 400—end (Revised Book) (\$3.75); Title 32: Parts 1—699 (\$0.75); Title 38 (\$1.50); Title 43 (\$1.50); Title 46: Part 146—end (\$2.00)

Previously announced: Title 3 (\$1.75); Titles 4—5 (\$0.55); Title 7: Parts 1—209 (\$1.75), Parts 210—899 (\$2.25), Part 900—end (Revised Book) (\$6.00); Title 8 (Revised Book) (\$1.75); Title 9 (\$0.40); Titles 10—13 (\$0.40); Title 15 (\$0.75); Title 16 (\$0.65); Title 17 (\$0.35); Title 18 (\$0.35); Title 19 (\$0.45); Title 20 (\$0.60); Title 21 (\$1.25); Titles 22—23 (\$0.65); Title 24 (\$0.65); Title 25 (\$0.40); Title 26: Parts 80—169 (\$0.40), Parts 170—182 (\$0.65), Parts 183—299 (\$1.75); Title 26: Part 300—end, Title 27 (\$0.60); Titles 28—29 (\$1.00); Titles 30—31 (\$0.65); Title 32: Part 700—end (\$0.75); Title 33 (\$0.70); Titles 35—37 (\$0.55); Title 39 (\$1.00); Titles 40—42 (\$0.45); Titles 44—45 (\$0.60); Title 46: Parts 1—145 (Revised Book) (\$5.00); Titles 47—48 (\$2.00); Title 49: Parts 1—70 (\$0.50), Parts 71—90 (\$0.45), Parts 91—164 (\$0.40), Part 165—end (\$0.55); Title 50 (\$0.45)

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**AUTHORITY:** §§ 601.176 to 601.185 Issued under sec. 4, 62 Stat., 1070, as amended; 15 U. S. C. Sup., 714b. Interpret or apply sec. 5, 62 Stat. 1072, secs. 101, 401, 63 Stat. 1051, 1054; 15 U. S. C. Sup. 714c, 7 U. S. C. Sup., 1441, 1421.

§ 601.176 *Purpose.* Sections 601.176 to 601.185 state additional specific requirements which, together with the general requirements contained in the 1953 C. C. C. Grain Price Support Bulletin 1, 18 F. R. 1960, apply to loans and purchase agreements under the 1953-Crop Rice Price Support Program.

§ 601.177 *Availability of price support—(a) Method of support.* Price support will be made available through farm-storage and warehouse-storage loans and through purchase agreements.

(b) *Area.* Farm-storage and warehouse-storage loans and purchase agreements will be available on eligible rice produced in the States of Arizona, Arkansas, California, Florida, Louisiana, Mississippi, Missouri, South Carolina, and Texas.

(c) *Where to apply.* Application for rice price support must be made at the office of the FMA county committee which keeps the farm-program records for the farm. In the case of eligible Cooperative Marketing Associations of Producers, application for price support shall be made in the county where the main office of the Cooperative Marketing Association of Producers is located or in such other county as the FMA State committee determines the application can be more expeditiously handled.

(d) *When to apply.* Loans and purchase agreements will be available from the time of harvest through January 31, 1954, and the applicable documents must be signed by the producer and delivered to the county committee not later than such date.

(e) *Eligible producer.* (1) An eligible producer shall be any individual, partnership, association, corporation, or other legal entity producing rice in 1953 or having an interest in a 1953 rice crop as landlord, tenant, or sharecropper, and includes a person owning and operating his own farm, a tenant operating a farm rented for cash, a tenant operating a farm under a crop-share lease, contract, or agreement, a landlord leasing to share tenants, and an irrigation company furnishing water for a share of the crop.

(2) Cooperative Marketing Associations of Producers shall be eligible for warehouse-storage loans and purchase agreements on eligible rice produced by eligible producer members: *Provided, That:*

(i) The terms and conditions under which producer members' rice is marketed through the association are set out in a Uniform Marketing Agreement and are applicable to all rice delivered to the association by producer members.

(ii) The major part of the rice marketed by the association is produced by members who are eligible producers.

**CODIFICATION GUIDE**

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[1953 C. C. C. Grain Price Support Bulletin 1, Supp. 1, Rice]

**PART 601—GRAINS AND RELATED COMMODITIES**

**SUBPART—1953-CROP RICE LOAN AND PURCHASE AGREEMENT PROGRAM**

A price support program has been announced for the 1953-Crop of Rice. The 1953 C. C. C. Grain Price Support Bulletin 1 (18 F. R. 1960) issued by the Commodity Credit Corporation and containing the general requirements with respect to price support operations for grains and related commodities produced in 1953, is supplemented as follows:

|             |                                |
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| 601.176     | Purpose.                       |
| 601.177     | Availability of price support. |
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(iii) The members share proportionately in the proceeds from marketings according to the quantity and quality of rice each delivers to the association.

(iv) The association has authority to obtain a loan on the security of the rice and to give a lien thereon as well as authority to sell such rice.

(3) The following special conditions of price support shall apply to cooperative marketing associations of producers:

(1) The association must maintain a record of the total quantity of rough rice acquired by or delivered to the association from all sources, and a separate record of the quantity of eligible rice delivered to the association by eligible producer members. The books of the association shall be made available to CCC for inspection at all reasonable times through May 1, 1959.

(ii) Rice placed under loan by the association must be stored separately from all other rice and kept separately stored until redeemed from the loan or delivered to CCC.

(iii) Rice delivered by the association to CCC under purchase agreements must have been physically segregated at all times from any rice under loan, any rice obtained from other than producer members, and from any ineligible rice. Where a member and a nonmember have a joint interest in the growing crop, this requirement shall apply from the time of physical division of the harvested crop.

§ 601.178 *Eligible rice.* At the time the rice is placed under loan or delivered under a purchase agreement, it must meet the following requirements:

(a) The rice must have been produced in 1953 in the States of Arizona, Arkansas, California, Florida, Louisiana, Mississippi, Missouri, South Carolina, or Texas.

(b) The beneficial interest in the rice must be in the person tendering the rice for loan or for delivery under a purchase agreement and must always have been in him, or must have been in him and a former producer whom he succeeded before the rice was harvested. In the case of cooperative marketing associations, the beneficial interest in the rice must have been in the producer members who delivered the rice to the association and must always have been in them or in them and former producers whom they succeeded before the rice was harvested.

(c) In accordance with the Official Standards of the United States for Rough Rice, the rice may be of any class other than "mixed rough rice."

(d) The rice must (1) grade U. S. No. 5 or better (rice of special grades shall not be eligible rice), and (2) contain not more than 14 percent moisture.

(e) If offered as security for a farm-storage loan, the rice must have been stored in the granary at least 30 days prior to its inspection for measurement, sampling, and sealing, unless otherwise approved by the FMA State committee.

§ 601.179 *Warehouse receipts.* Warehouse receipts, representing rice in approved warehouse storage to be placed under loan or delivered under a purchase agreement, must meet the requirements below:

(a) Warehouse receipts must be issued in the name of the producer, or cooperative marketing association, must be properly endorsed in blank so as to vest title in the holder, and must be issued by a warehouse approved under the Uniform Rice Storage Agreement (CCC Form 26, Revised.) The receipts must be negotiable and must cover eligible rice actually in store in the warehouse. Under the Uniform Rice Storage Agreement, the warehouseman guarantees the quantity and quality of the rice unless the warehouse receipts or accompanying supplemental certificates state that the rice is stored "identity-preserved" or "modified commingled." In the case of rice stored identity preserved, the warehouseman is not a guarantor but is required to re-deliver the identical rice on which the warehouse receipt was issued. In the case of rice stored modified commingled, the warehouseman guarantees quantity but not quality and the rice of two or more owners is stored together in one lot the identity of which the warehouseman is required to maintain.

(b) In order to be acceptable under the loan program, each warehouse receipt, or the accompanying supplemental certificate, must contain a statement that the rice is insured in accordance with CCC Form 26, Revised "Uniform Rice Storage Agreement," and if such insurance was not effective as of the date of deposit of the rice in the warehouse, the warehouseman must certify as to the effective date of the insurance and that the rice is in the warehouse, and undamaged. The insurance on rice with respect to which the warehouseman guarantees quality and quantity (hereinafter called commingled rice) must be obtained by the warehouseman. Insurance on modified commingled rice must be obtained by the warehouseman. Insurance on identity-preserved rice must be obtained by either the producer or the warehouseman. If the insurance is obtained by the producer, it must be assigned to the warehouseman, with the consent of the insurance company, before a loan will be made and the warehouseman must also certify that the insurance has been assigned to him with the consent of the insurance company. Insurance is not required in order for warehouse receipts to be purchased under the purchase agreement program.

(c) A supplemental certificate (CCC Rice Form B, Supplement) showing, in addition to other information required, the variety, grade, milling yield, moisture and weight, shall be executed in duplicate by the warehouseman and accompany each warehouse receipt covering commingled rice. A supplemental certificate shall be executed in duplicate by the warehouseman and the producer and shall accompany each warehouse receipt covering modified commingled rice. A supplemental certificate signed by the producer shall accompany each warehouse receipt covering identity-preserved rice, unless all the information called for on the supplemental certificate is shown on the warehouse receipt and the official inspection certificate. When the warehouse receipt represents identity-preserved rice, the producer's responsibility

will be as stated in § 601.15 of the 1953 CCC Grain Price Support Bulletin 1. The producer's responsibility for modified commingled rice shall be the same as stated in § 601.15 for farm-stored and identity-preserved rice except that he shall not be responsible for quantity.

(d) A separate warehouse receipt must be submitted for each class, grade, and milling yield of rice.

(e) Warehouse receipts must carry an endorsement by the warehouseman in substantially the following form:

Warehouse charges on the rice represented by this warehouse receipt have been paid or otherwise provided for through April 30, 1954, and a lien for such charges will not be claimed by the warehouseman from CCC or any subsequent holder of this warehouse receipt.

#### § 601.180 *Determination of quantity.*

(a) Loans and purchase agreements shall be made on the basis of rough rice expressed in units of 100 pounds, and fractional units of less than 100 pounds shall be disregarded. The quantity of rice placed under farm-storage loan may be determined either by weight or by measurement. The quantity of rice placed under a warehouse-storage loan or delivered under a farm-storage loan, an identity-preserved warehouse storage loan or under a purchase agreement shall be determined by weight.

(b) In determining the quantity of sacked rice by weight, a deduction of  $\frac{3}{4}$  of a pound for each 100 pounds of gross weight will be made.

(c) When the quantity of rice is determined by measurement, a cubic foot of rice testing 45 pounds per bushel, shall be 36 pounds. The quantity determined will be the following percentages of the quantity determined for 45 pound rice:

| For rice testing:                               | Percent |
|---|---------|
| 45 pounds or over.....                          | 100     |
| 44 pounds or over, but less than 45 pounds..... | 98      |
| 43 pounds or over, but less than 44 pounds..... | 96      |
| 42 pounds or over, but less than 43 pounds..... | 93      |
| 41 pounds or over, but less than 42 pounds..... | 91      |
| 40 pounds or over, but less than 41 pounds..... | 89      |

Proportionately lower for rice testing below 40 pounds.

(d) In the case of commingled rice, loans will be made and settlement with the producer will be made on 100 percent of the quantity of rice determined in accordance with this section, based on the quantity shown on the warehouse receipt or the supplemental certificate. In all other cases, loans will be made on 95 percent of the quantity of rice determined in accordance with this section, and at the time of delivery settlement will be made on the basis of the actual quantity of rice delivered, except that in the case of modified commingled rice settlement with the producer will be made on the basis of 100 percent of the quantity shown on the warehouse receipt or the supplemental certificate.

#### § 601.181 *Determination of quality.*

(a) The class, grade, grade factors, milling yield and all quality factors shall be

determined in accordance with the methods set forth in the official United States Standards for Rough Rice.

(b) In the case of commingled rice, loans will be made and settlement with the producer will be on the basis of the quality shown on the warehouse receipt or supplemental certificate. In all other cases, loans will be made on the basis of quality shown on an official (Federal or Federal-State) sample inspection certificate, based on a representative sample drawn by the PMA county committee for each lot of rice at the time application is made for the loan, and settlement with the producer will be on the basis of quality determined by a Federal or Federal-State lot inspection certificate dated subsequent to April 15, 1954, and submitted by the producer prior to delivery of the rice to CCC. Sample inspection fees incurred by the county committee in connection with the making of loans will be for the account of CCC. Lot inspection fees incurred in connection with the delivery of rice to CCC will be for the account of the producer.

§ 601.182 *Maturity of loans.* Loans mature on demand but not later than April 30, 1954.

§ 601.183 *Support rates.* Loans will be made and rice delivered under purchase agreements will be purchased at the support rates set forth in this section.

(a) *Basic rates.* The basic support rate for 100 pounds of rough rice in approved storage and with all accrued charges paid through April 30, 1954 shall be computed as follows: Multiply the yield (in pounds per hundredweight) of head rice by the applicable value factor for head rice (as shown in the table below according to class). Similarly, multiply the difference between the total yield and head rice yield (in pounds per hundredweight) by the applicable value factor for broken rice. Add the results of these two computations to obtain the basic loan or purchase rate per 100 pounds of rough rice and express such rate in dollars and cents, rounded to the nearest whole cent.

VALUE FACTORS FOR HEAD AND BROKEN RICE<sup>1</sup>

| Rough rice class   | Head rice | Broken rice |
|--|-----------|-------------|
| Rexoro (including Rexark), Patna, Blue Bonnett, and Nira   |           |             |
| Fortuna, R. N., and Edith  |           |             |
| Blue Rose (including Improved Blue Rose, Greater Blue Rose, Kamrose, and Arkrose), Mesnola, Zenith, Prelude, and Lady Wright |           |             |
| Early Prolific, Pearl, Calady, Calrose, and other classes  |           |             |

<sup>1</sup> The value factors will be published as an amendment to this section shortly after Aug. 1, 1953.

(b) *Premiums and discounts.* The basic support rates, determined under paragraph (a) of this section, per 100 pounds of rough rice shall be adjusted by the following premium or discount for the grade applicable to an individual lot of rough rice:

Grade U. S. No. 1: Premium of 20 cents per 100 pounds.

Grade U. S. No. 2: Premium of 10 cents per 100 pounds.

Grade U. S. No. 3: Discount of 5 cents per 100 pounds.

Grade U. S. No. 4: Discount of 20 cents per 100 pounds.

Grade U. S. No. 5: Discount of 40 cents per 100 pounds.

(c) *Location differentials.* For rice produced in the following areas, discounts for location shall be applied to the basic support rate determined under paragraph (a) of this section and shall be in addition to any adjustment in accordance with paragraph (b) of this section:

| Area:   | Discount per 100 pounds |
|---|-------------------------|
| State of Florida  | 00.82                   |
| State of South Carolina   | 77                      |
| Imperial County, California and adjacent counties in Arizona and California | .86                     |

§ 601.184 *Warehouse charges.* (a) There shall be no storage allowance on rice placed under loan or delivered to CCC under purchase agreement. CCC will not assume any warehouse charges accruing prior to May 1, 1954, except that on rice under loan or purchase agreement stored in an approved warehouse and delivered to CCC in such approved storage, CCC will refund to the producer an amount equal to the receiving and loading out charges computed at the rates specified in the applicable Schedule of Rates in effect when the rice was placed under loan or delivered to CCC under purchase agreement. In the case of sacked identity preserved rice delivered to CCC under warehouse storage loan, CCC, in lieu of refunding receiving and loading out charges to the producer, will assume unloading, weighing, inspection, and repiling charges up to, but not in excess of, the sum of the receiving and loading out charges specified in the applicable Schedule of Rates Supplement.

(b) Warehouse receipts representing rice under loan or delivered to CCC under a purchase agreement must be endorsed by the warehouseman as provided in § 601.179 (e)

§ 601.185 *Settlement—(a) Farm storage and identity-preserved warehouse-storage loans.* (1) In the case of rice delivered to CCC from farm-storage or identity-preserved warehouse storage under the loan program, settlement will be made at the applicable support rate for the grade and quality of the total quantity of rice delivered. The Producer shall, at his expense, furnish to the county committee at the time of delivery official weight certificates and Federal or Federal-State lot inspection certificates dated subsequent to April 15, 1954. If the producer fails to furnish such weight and inspection certificates and does not pay off his loan, the county committee shall order the rice weighed up and inspected, pay the costs of such weighing and inspection, and charge such costs to the producer when making settlement.

(2) If the rice under farm-storage or identity-preserved warehouse-storage loan is upon delivery of a grade for which no support rate has been estab-

lished, the settlement value shall be the support rate established for the grade and milling yield of the rice placed under loan, less the difference, if any, at the time of delivery, between the market price for the grade and milling yield placed under loan and the market price of the rice delivered as determined by CCC: *Provided, however,* That if the rice is sold by CCC in order to determine its market price, the settlement value shall not be less than such sales price.

(b) *Modified commingled warehouse storage loans.* (1) In the case of rice delivered to CCC from modified commingled warehouse storage under the loan program, settlement will be made at the applicable support rate for the grade and quality of the rice delivered and for the quantity shown on the warehouse receipt. The producer shall at his own expense furnish to the county committee at the time of delivery of the rice to CCC a Federal or Federal-State lot inspection certificate dated subsequent to April 15, 1954, covering the lot of rice delivered which must have been taken from the modified commingled lot against which the warehouse receipt representing the rice under loan was issued. If the producer fails to furnish such inspection certificate and does not pay off his loan, the county committee shall order the rice inspected, pay the cost of such inspection, and charge such costs to the producer when making settlement.

(2) If the rice under modified commingled warehouse storage is upon delivery of a grade for which no support rate has been established, the settlement value shall be the support rate established for the grade and milling yield of the rice placed under loan, less the difference, if any, at the time of delivery, between the market price for the grade and milling yield placed under loan and the market price of the rice delivered, as determined by CCC: *Provided, however,* That if the rice is sold by CCC in order to determine its market price, the settlement value shall not be less than such sales price.

(c) *Commingled warehouse storage loans.* Settlement will be made with the producer at the applicable support rate for the quantity and quality of rice shown on the warehouse receipt and accompanying documents.

(d) *Purchase agreements.* Eligible rice will be purchased at the support rate applicable to the grade of the rice determined on the basis of an official Federal or Federal-State lot inspection certificate dated subsequent to April 15, 1954.

Issued this 6th day of July 1953.

[SEAL] HOWARD H. GORDON,  
Executive Vice President,  
Commodity Credit Corporation.

Approved:

JOHN H. DAVIS,  
President,  
Commodity Credit Corporation.

[F. R. Doc. 53-6285; Filed, July 8, 1953; 8:54 a. m.]

[1953 C. C. C. Cottonseed Bulletin 1]

## PART 643—OILSEEDS

## SUBPART—1953 COTTONSEED LOAN PROGRAM

This bulletin states the requirements with respect to loans under the 1953 Cottonseed Price Support Program formulated by Commodity Credit Corporation (hereinafter referred to as CCC) and the Production and Marketing Administration (hereinafter referred to as PMA). The requirements with respect to purchase of cottonseed are contained in the 1953 C. C. C. Cottonseed Bulletin 2. The program will be carried out by PMA under the general supervision and direction of the President, CCC.

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**AUTHORITY:** §§ 643.840 to 643.861 issued under sec. 4, 62 Stat. 1070, as amended; 15 U. S. C. Sup., 714b. Interpret or apply sec. 5, 62 Stat. 1072, secs. 301, 401, 63 Stat. 1053, 1054; 15 U. S. C. Sup., 714c, 7-U. S. C. Sup., 1447, 1421.

§ 643.840 *Administration.* In the field, the program will be administered through PMA State and county committees (hereinafter referred to as State and county committees) and the PMA Commodity Office located at Wirth Building, 120 Marais Street, New Orleans 16, Louisiana (hereinafter referred to as the New Orleans office). Forms will be distributed through the offices of State and county committees. County committees will determine or cause to be determined the quantity and grade of the cottonseed, the amount of the loan, and the value of the cottonseed delivered under the loan. All loan documents will be completed and approved by the county committee, which will retain copies of all such documents. The county committee may designate in writing certain employees of the county PMA office to execute on behalf of the committee any documents in connection with this program. State and county committees and the New Orleans office do not have authority to modify or waive any of the provisions of this subpart or any amendments thereto.

§ 643.841 *Availability of loans—(a) Area.* Farm-storage loans (hereinafter referred to as loans) shall be available on eligible cottonseed stored in approved storage in all cotton producing areas, except that loans will not be made in any area where the appropriate State com-

mittee determines that the damage hazard to farm-storage cottonseed would not warrant the making of loans.

(b) *Time.* Loans shall be available through January 31, 1954. Notes and chattel mortgages must be signed by the producer and delivered to the county office on or before such date.

(c) *Source.* Loans will be made available through the offices of county committees. Disbursements on loans will be made to producers through approved lending agencies under agreements with CCC, or by means of sight drafts drawn on CCC by county committees in accordance with instructions issued by PMA to the State and county committees. Disbursements on loans will be made not later than February 15, 1954, except where specifically approved by the New Orleans office in each instance. The producer shall not present the loan documents for disbursement unless the cottonseed are in existence and in good condition. If the cottonseed are not in existence and in good condition at the time of disbursement, the proceeds shall be promptly refunded by the producer.

§ 643.842 *Approved lending agencies.* An approved lending agency shall be a bank, cooperative marketing association, corporation, partnership, individual, or other legal entity with which CCC has entered into a lending agency agreement (Form CCC-292)

§ 643.843 *Eligible producer* (a) An eligible producer shall be any individual, partnership, corporation, association, trust, estate, or other legal entity, or a State or political subdivision thereof or an agency of such State or political subdivision, producing cottonseed in 1953 in the capacity of landowner, landlord, tenant, or sharecropper.

(b) Eligible producers who are members of cooperative marketing associations may act collectively through their associations in obtaining loans in accordance with the provisions of § 643.861.

§ 643.844 *Eligible cottonseed.* Eligible cottonseed shall be cottonseed that meet the following requirements:

(a) The cottonseed must have been produced in the United States in 1953 by an eligible producer.

(b) Such cottonseed must have been produced by the person tendering them for a loan, or by the person who delivered the cottonseed to the cooperative association tendering the cottonseed for a loan, and the beneficial interest in the cottonseed must be in such person and must always have been in him or in him and a former producer whom he succeeded before the cottonseed were harvested. Cottonseed tendered by a cooperative association for a loan must have been produced and delivered to the association by its producer-members. Any person tendering cottonseed for a loan must have the legal right to mortgage the cottonseed as security for the loan.

(c) Cottonseed must be sound and clean and must not contain more than 11 percent moisture. It is assumed for the purpose of making loans that such

cottonseed would, upon grade determination by a cottonseed chemist licensed by the U. S. Department of Agriculture, not be "off quality" or "below grade" as defined in the United States Official Standards for Grades of Cottonseed.

(d) No warehouse receipts shall be outstanding on the cottonseed.

§ 643.845 *Approved storage.* Approved storage shall consist of storage structures located on or off the farm which, as determined by the county committee, are of such construction as to afford safe storage of cottonseed and afford protection against weather damage, poultry, livestock and rodents, and reasonable protection against fire and theft.

§ 643.846 *Approved forms.* (a) The documents named in this section, together with the provisions of this subpart and any supplements or amendments thereto, govern the rights and responsibilities of the producers under this program. Loan documents executed by an administrator, executor or trustee will be acceptable only where valid in law and must be accompanied by documentary evidence of the authority of the person executing such documents. Documents must have State and documentary revenue stamps affixed when required by law.

(b) The following documents must be delivered by the producer in support of every loan: Producer's Note and Supplemental Loan Agreement (Commodity Loan Form A) and Commodity Chattel Mortgage (Commodity Loan Form AA) covering the cottonseed tendered as security for the loan, both executed and delivered within the period prescribed in § 643.841, and such other forms as may be prescribed by CCC.

§ 643.847 *Determination of quantity.* The quantity of cottonseed at the time a loan is made shall be determined by actual weight or by an estimate based upon measurements. When the weight of cottonseed to be placed under loan is estimated by measurement, 90 cubic feet of cottonseed shall be considered the equivalent of one ton. The quantity delivered in liquidation of the loan shall be the net weight, which shall be the gross weight of the cottonseed less a deduction for any foreign matter in excess of 1 percent of the gross weight.

§ 643.848 *Liens.* The cottonseed must be free and clear of all liens and encumbrances, including any claim the ginner may have against the cottonseed for his regular ginning charge. If liens, ginner's claims, or encumbrances exist on the cottonseed, proper waivers must be obtained.

§ 643.849 *Service charges.* The producer shall pay a service charge of 35 cents per ton on the number of tons placed under a loan, or \$3.00, whichever is greater. State committees are authorized to require prepayment of \$3.00 of the service charges. No refund of any service charge will be made.

§ 643.850 *Set-offs.* (a) If the producer is indebted to CCC on any accrued obligation, or if any installments on any

loan made available by CCC on farm-storage facilities or mobile drying equipment are past due or are payable or prepayable out of the proceeds of the loan under the provisions of the note evidencing such loans, such producer must designate CCC or the lending agency holding such note as the payee of the proceeds of the loan to the extent of such indebtedness or installments, but not to exceed that portion of the proceeds remaining after deduction of loan service fee and amounts due prior lienholders.

(b) If the producer is indebted to any other agency of the United States, and such indebtedness is listed on the county debt register, he must designate such agency as the payee of the proceeds to the extent of such indebtedness, but not to exceed that portion of the proceeds remaining after deduction of amounts under paragraph (a) of this section.

(c) Compliance with the provisions of this section shall not constitute a waiver of any right of the producer to contest the justness of the indebtedness involved either by administrative appeal or by legal action.

§ 643.851 *Interest rate.* Loans will bear interest at the rate of 4 percent per annum from the date of disbursement to the date of repayment, except that in the case of default in satisfaction of loans, loans will bear interest at the rate of 6 percent per annum from the date of default to the date of repayment.

§ 643.852 *Transfer of producer's equity.* The right of the producer to transfer either his right to redeem the cottonseed under loan or his remaining interest may be restricted by CCC.

§ 643.853 *Safeguarding of the cottonseed.* The producer who places cottonseed under a loan is obligated to maintain the storage structure in good repair, and to keep the cottonseed in good condition.

§ 643.854 *Insurance.* CCC will not require the producer to insure the cottonseed placed under a loan; however, if the producer does insure such cottonseed and an indemnity is paid thereon, such indemnity shall inure to the benefit of CCC to the extent of its interest after first satisfying the producer's equity in the cottonseed involved in the loss.

§ 643.855 *Loss or damage to the cottonseed.* The producers shall be responsible for the quality and for any loss in quantity of the cottonseed placed under loan, except that, subject to the provisions of § 643.854, any physical loss or damage, other than shrinkage or natural deterioration, occurring after disbursement of the loan funds to the producer, without fault, negligence, or conversion on the part of the producer or any other person having control of the storage structure, and resulting solely from an external cause other than insect infestation or vermin, will be assumed by CCC to the extent of the loan plus interest, provided the producer or other person having control of the storage structure has given the county office immediate written notice of such loss or

damage, and provided there has been no fraudulent representation made by the producer in the loan documents or in obtaining the loan. No physical loss or damage occurring prior to disbursement of the loan funds to the producer will be assumed by CCC. The date of the draft or check shall constitute the date of disbursement of the funds.

§ 643.856 *Personal liability.* The making of any fraudulent representations by the producer in the loan documents, or in obtaining the loan, or the conversion or unlawful disposition by him of any portion of the cottonseed under loan, shall render the producer subject to criminal prosecution under Federal law and render him personally liable for the amount of the loan and for any resulting expense incurred by any holder of the note.

§ 643.857 *Maturity and liquidation of loans.* (a) Notwithstanding any provisions in the loan documents, settlement of loans, and delivery of the cottonseed covered by chattel mortgage shall be made in accordance with this section. All loans mature on demand but not later than March 1, 1954. If the producer does not repay his loan on or before maturity, the producer shall deliver the mortgaged cottonseed in accordance with instructions of the county committee. The producer may, however, pay off his loan and redeem his cottonseed at any time prior to the delivery of the cottonseed to CCC or removal of the cottonseed by CCC. In the event the farm is sold or there is a change of tenancy, the cottonseed may be delivered before the maturity date of the loan, upon prior approval by the county committee, or may be delivered before the maturity date of the loan for other reasons upon prior approval of the Executive Vice President of CCC. After a complete grade determination by a cottonseed chemist licensed by the U. S. Department of Agriculture, credit will be given at the applicable settlement rate, according to grade and/or quality (see § 643.860) for the total quantity delivered, provided it is the identical cottonseed on which the loan was made.

(b) If the producer, upon prior approval of the county committee, transports the cottonseed a greater distance than the distance from the point of storage to the normal delivery point, the producer may, at time of settlement, be credited for transporting the cottonseed the additional distance at a rate per mile not in excess of the commercial transportation rate for the area.

(c) If the settlement value of the cottonseed delivered under a loan exceeds the amount due on the loan by more than \$3.00, such amount will be paid to the producer on the basis of the settlement documents. To avoid administrative costs of making small payments, if the amount found due the producer in such settlement is \$3.00 or less, such amount will be paid only upon his request. Payments will be made by sight draft drawn on CCC by the county committee.

(d) If the settlement value of the cottonseed is less than the amount due on the loan (excluding interest), the

amount of the deficiency, plus interest, shall be paid to CCC or the amount may be set off against any payment which would otherwise be due to the producer under any agricultural programs administered by the Secretary of Agriculture or any other payments which are due or may become due to the producer from CCC or any other agency of the United States: *Provided, That,* to avoid administrative costs of handling small accounts, a deficiency of \$3.00 or less, including interest, may be disregarded unless demand therefor is made by CCC upon the producer.

(e) If the loan is not liquidated upon maturity by payment or delivery, the holder of the note may remove the cottonseed and sell them in accordance with the provisions of the chattel mortgage (Commodity Loan Form AA).

§ 643.858 *Release of the cottonseed under loan.* A producer may at any time obtain the release of cottonseed remaining under loan by paying to the holder of the note the principal amount thereof, plus accrued interest and any charges that may be due. Upon payment of a loan, the county office should be requested to release the mortgage by filing an instrument of release or by executing a marginal release on the county records. Partial release of the cottonseed prior to maturity of the loan may be arranged with the county committee by paying to the holder of the note the amount of the loan, plus charges and accrued interest, represented by the quantity of the cottonseed to be released: *Provided, however,* No partial release of cottonseed shall include less than the total quantity of cottonseed stored in any single commingled mass unless the appropriate county committee determines that release of a portion of such masses may be made.

§ 643.859 *Purchase of notes.* CCC will purchase, from approved lending agencies, notes evidencing approved loans which are secured by chattel mortgages. The purchase price to be paid by CCC will be the principal sum remaining due on such notes, plus an amount computed according to the lending agency agreement to cover interest. Lending agencies are required to submit Commodity Credit Corporation Form 500 or such other form as CCC may prescribe for all payments received on producers' notes held by them and are required to remit interest to CCC computed according to the lending agency agreement.

§ 643.860 *Loan and settlement rates—*  
(a) *Loan rates.* Loans on cottonseed shall be made at the rate of \$54.50 per ton of eligible cottonseed as defined in § 643.844.

(b) *Basic settlement rate.* The basic settlement rate for "basis grade" (100) cottonseed shall be \$54.50 per net ton f. o. b. railroad cars or trucks at delivery points, or delivered at such other normal delivery points as may be designated by CCC. The settlement rate for cottonseed grading above or below "basis grade" (100) shall be \$54.50 per ton plus or minus a percentage of such price equal to the percentage by which the grade of such cottonseed is above or be-

low 100. In the case of "off quality" or "below grade" cottonseed, as defined in the United States Official Standards for Grades of Cottonseed, CCC will sell such cottonseed, pursuant to the provisions of the chattel mortgage (Commodity Loan Form AA) at the current market price and the settlement rate shall be the market price per ton determined on the basis of such sale.

§ 643.861 *Cooperative marketing associations.* (a) Cooperative marketing associations shall be eligible for loans: *Provided*, That (1) the cottonseed placed under loan are delivered to the association by eligible producers who are members of the association; (2) the association has been granted by such producer-members the legal right to mortgage the cottonseed as security for a loan; (3) the association keeps any cottonseed covered by a chattel mortgage segregated from all cottonseed not covered by the mortgage; and (4) the association undertakes to pay to CCC any amounts due it under the provisions of this program at the time of settlement.

(b) Cooperative associations desiring loans may obtain documents from the county office for the county in which the association is located. The loan and settlement rates to cooperative associations will be the same as those to individual producers, and loans with respect to such associations will otherwise be on substantially the same basis as loans with respect to individual producers.

Issued this 6th day of July 1953.

[SEAL] HOWARD H. GORDON,  
*Executive Vice President,*  
*Commodity Credit Corporation.*

Approved:

JOHN H. DAVIS,  
*President,*  
*Commodity Credit Corporation.*

[F. R. Doc. 53-6063; Filed, July 8, 1953;  
8:54 a. m.]

[1953 C. C. Cottonseed Bulletin 2]

PART 643—OILSEEDS

SUBPART—1953 COTTONSEED PURCHASE PROGRAM

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| 643.880 | Purchase price.            |
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| 643.882 | Determination of quantity. |
| 643.883 | Liens.                     |
| 643.884 | Set-offs.                  |
| 643.885 | Grade reporting areas.     |

AUTHORITY: §§ 643.875 to 643.885 Issued under sec. 4, 62 Stat. 1070, as amended; 15 U. S. C. Sup. 714b. Interpret or apply sec. 5, 62 Stat. 1072, secs. 301, 401, 63 Stat. 1053, 1054; 15 U. S. C. Sup., 714c, 7 U. S. C. Sup., 1447, 1421.

§ 643.875 *General statement.* The purchase program provided for in this subpart is a part of the 1953 Cottonseed Price Support Program formulated by Commodity Credit Corporation (herein-

after referred to as CCC) and the Production and Marketing Administration (hereinafter referred to as PMA) This subpart states the terms and conditions (a) under which cotton ginners who file with the appropriate PMA county office notice of their intention to participate in the program and who execute and deliver certificates as required by CCC (see § 643.881) evidencing compliance with the terms of this subpart (such ginners hereinafter referred to as participating ginners) may purchase 1953-crop cottonseed from producers, in order to sell such cottonseed to oil millers participating under the provisions of 1953 CCC Cottonseed Bulletin 3 (such oil millers hereinafter referred to as participating oil millers) or to sell such cottonseed to CCC in accordance with this subpart in cases where nonparticipation by oil millers makes purchases by CCC from participating ginners necessary, and (b) under which CCC will purchase 1953-crop cottonseed directly from producers in cases where nonparticipation by ginners under this subpart makes such purchases necessary. The program will be carried out by PMA under the general supervision and direction of the Executive Vice President, CCC. The requirements with respect to loans to producers are contained in the 1953 C. C. Cottonseed Bulletin 1.

§ 643.876 *Administration.* (a) Operations under the program with respect to the purchase, transportation, handling, and storage of cottonseed prior to delivery of the cottonseed to a participating oil miller or to a storage facility approved by the New Orleans PMA Commodity Office (such storage facility hereinafter referred to as approved storage facility) will be administered through PMA State and county committees (hereinafter referred to as State and county committees) All contracts in connection with such operations may be executed on behalf of CCC only by authorized CCC contracting officers.

(b) Contracts relating to the storage and handling of cottonseed subsequent to delivery of the cottonseed to a participating oil miller or an approved storage facility, for the sale, crushing and processing of cottonseed, and for the transportation, storage, handling and sale of the products derived therefrom, will be executed by CCC contracting officers in the New Orleans PMA Commodity Office, Wirth Building, 120 Marais Street, New Orleans 16, Louisiana (hereinafter referred to as the New Orleans office)

(c) State and county committees and the New Orleans office do not have authority to modify or waive any of the provisions of this subpart or any amendments thereto.

§ 643.877 *Availability of purchases—*  
(a) *Area.* The purchase program will be available in all cotton-producing areas of the United States.

(b) *Time.* Purchases will be made from the date of the issuance of this subpart through February 28, 1954.

(c) *Source.* (1) Purchases of eligible cottonseed will be made by participating ginners from producers. Purchases will also be made directly from producers by

CCC through county committees in areas where ginners do not participate in the program and the appropriate State committee determines that such direct purchases are necessary in order to make the program effective. Payments to producers for cottonseed purchased by CCC and for any authorized transportation performed by the producers in accordance with § 643.880, will be made by means of sight drafts drawn on CCC by county committees.

(2) Purchases of eligible cottonseed will be made by participating oil millers from participating cotton ginners. Purchases will also be made directly from participating ginners by CCC through county committees in areas where oil millers do not participate in the program and the appropriate State committee determines that such direct purchases are necessary to make the program effective. Payments to participating ginners for cottonseed purchased by CCC will be made by means of sight drafts drawn on CCC by county committees.

(3) Lists of participating oil millers and participating ginners will be maintained in the New Orleans office and State and county offices.

§ 643.878 *Eligible producer* (a) An eligible producer shall be any individual, partnership, corporation, association, trust, estate, or other legal entity, or a State or political subdivision thereof or an agency of such State or political subdivision, producing cottonseed in 1953 in the capacity of landowner, landlord, tenant, or sharecropper.

(b) A cooperative association that handles cottonseed for its producer-members will be considered an eligible producer when selling eligible cottonseed delivered to the association and produced by eligible producers who are members of the association.

§ 643.879 *Eligible cottonseed.* Eligible cottonseed shall be cottonseed which meet the following requirements:

(a) Such cottonseed must have been produced in the United States in 1953 by an eligible producer.

(b) Such cottonseed must have been produced by the person tendering them for purchase, or by the person who delivered the cottonseed to the cooperative association or ginner tendering the cottonseed for purchase, and the beneficial interest in the cottonseed must be in such person at the time he makes such tender or delivery and must always have been in him or in him and a former producer whom he succeeded before the cottonseed were harvested. Cottonseed tendered by a cooperative association for purchase must have been produced and delivered to the association by its producer-members. Any person tendering cottonseed for purchase must have the legal right to sell the cottonseed.

§ 643.880 *Purchase price—(a) Price to producers.* (1) Any direct purchases by CCC from producers will be made at gin or other designated point of delivery at the rate of \$50.50 per gross ton for basis grade (100) cottonseed, with premiums and discounts for other grades equal to the same percentage of such

price as the percentage by which the grade of cottonseed purchased exceeds or is less than basis grade (100). The price per ton thus computed may be rounded to the nearest multiple of 10 cents. The grade of eligible cottonseed purchased by CCC directly from producers shall be considered to be the average grade of cottonseed for the area in which the purchase is made (see § 643.885) as determined on the basis of the latest cottonseed grade report for the area published by PMA or as determined by such other method as the Executive Vice President, CCC, may approve. In areas where both upland and American-Egyptian cottonseed are grown, the PMA grade report for any such area shall specify the average grade for each such type of cottonseed, and the price to be paid producers in the area shall be determined on the basis of the average grade for the area for the type of cottonseed purchased. The average grade for Sea Island and Sea-land cottonseed shall be considered to be that reported for cottonseed in the area in which such cottonseed are produced. Notwithstanding the requirements in this subparagraph, if, at any time while direct purchases are being made by CCC, the State PMA chairman determines that the average grade for an area, as determined on the basis of the latest cottonseed grade report for the area published by PMA, is higher than the grade of cottonseed being produced in any county in such area, where direct purchases are being made, the State PMA chairman may reduce the price paid to producers in such county below the price established on the basis of the average grade for the area: *Provided*, That no producer shall be paid, during the period such reduced prices are effective, less than \$50.50 per gross ton basis grade (100) cottonseed with price adjustments computed upon the difference between the average grade of cottonseed produced in the county during such period and basis grade (100). The average grade of cottonseed produced in the county during such period shall be determined on the basis of official chemical analysis covering cottonseed produced in such county or on such other reasonable basis as may be determined by the appropriate State PMA chairman.

(2) The grade of any cottonseed purchased before the first grade determination for an area is made shall be considered to be 90.

(3) If the producer, upon authorization by the county committee, transports the cottonseed from (i) the point of delivery to CCC to (ii) a participating oil miller or approved storage facility or designated concentration point, the producer will be paid for such transportation at a rate not in excess of the commercial rate for such transportation service.

(b) *Price to ginner.* (1) (i) Any direct purchases by CCC from participating ginner will be at the rate of \$54.50 per net ton for basis grade (100) cottonseed, f. o. b. conveyance or carrier at the gin, with premiums and discounts for other grades equal to the same percentage of such price as the percent-

age by which the grade of cottonseed purchased exceeds or is less than basis grade (100). Cottonseed which are "below grade" or "off quality" will be purchased from participating ginner by CCC at the market value of such cottonseed as determined by CCC. The grades of cottonseed purchased by CCC from such ginner shall be determined in accordance with the United States Official Standards for Grades of Cottonseed, by chemical analysis of samples drawn from the cotton seed by federally licensed cottonseed samplers, or such other persons as are approved by CCC, and forwarded to federally licensed cottonseed chemists. A ginner tendering cottonseed for purchase by CCC or participating oil millers must not have paid any producer, for cottonseed purchased by the ginner on or after the date of filing notice of his intention to participate in the program, less than \$50.50 per gross ton basis grade (100), plus or minus a percentage of such price equal to the percentage by which the average grade of cottonseed for the area in which the gin is located (see § 643.885) exceeded or was less than basis grade (100). Such average grade shall be determined on the basis of the latest PMA grade report for the area at the time of purchase from such producer or by such other method as the Executive Vice President, CCC, may approve. In areas where both upland and American-Egyptian cotton are grown, the PMA grade report for any such area shall report the average grade for each such type of cottonseed and the price to be paid producers in the area shall be determined on the basis of the average grade for the area for the type of cottonseed purchased. The average grade for Sea Island and Sea-land cottonseed shall be considered to be that reported for cottonseed in the area in which such cottonseed are produced. If it is determined by the county and State committees that any participating ginner paid any producer less than the prices he should have paid under the foregoing provisions of this section, such ginner shall not be eligible to make any further sales to CCC or participating oil millers under the 1953 Cottonseed Price Support Program.

(ii) Notwithstanding the preceding requirements as to price, a participating ginner, after first notifying the county committee for the county where the gin is located of his intention to do so, may reduce the price paid to producers below the price established on the basis of the average grade for the area: *Provided*, That the ginner shall not pay any producer, during the period he is paying such reduced price, less than \$50.50 per gross ton basis grade (100) with price adjustments computed upon the difference between the average grade of cottonseed produced at the gin during such period and basis grade (100). The average grade of cottonseed produced at the gin during such period shall be determined on the basis of official chemical analysis or oil mill grade reports covering such cottonseed or on such other reasonable basis as may be approved by the county committee. The ginner shall furnish the county office with certified copies of such chemical analyses, grade reports, or other evidence satisfactory to

the county committee, showing the average grade of cottonseed produced at the gin during such period. If it is determined by the State and county committees that any participating ginner paid producers less than the prices he should have paid in accordance with the provisions of this subparagraph, such ginner shall be ineligible to make any further sales to CCC or participating oil millers under the 1953 Cottonseed Price Support Program unless he first pays all of such producers the difference between the price paid to producers and the price they should have received.

(iii) A ginner may round per ton prices for cottonseed purchased from producers to the nearest multiple of 10 cents.

(2) The grade of cottonseed purchased from a producer before the first grade determination for an area is made shall be considered to be 90.

(3) If the ginner, upon authorization by the county committee, transports cottonseed from the gin to oil miller, or approved storage facility, or designated concentration point, the ginner will be paid for such transportation at a rate not in excess of the commercial rate for such transportation service.

§ 643.881 *Approved forms.* The approved forms, together with the provisions of this subpart and any supplements and amendments thereto, shall govern the rights and responsibilities of producers and participating ginner. Approved forms may be obtained from PMA county offices. Any fraudulent representation made by a producer or ginner in executing an approved form may render him subject to criminal prosecution under Federal law and liable for any damages resulting from the purchase of the cottonseed involved. Documents executed by an administrator, executor or trustee will be acceptable only where valid in law and must be accompanied by documentary evidence of the authority of the person executing such documents. The approved forms consist of the following:

(a) *Producers.* Producer's Voucher (CCC Cottonseed Purchase Form 5) shall be executed by the producer when the cottonseed are purchased from the producer by CCC.

(b) *Cotton ginner.* (1) Each cotton ginner desiring to sell cottonseed to participating oil millers under 1953 C. C. C. Cottonseed Bulletin 3 or to CCC pursuant to this subpart shall, prior to tender of any cottonseed for sale, file with the county office for the county in which each gin is located a Ginner's Notice of Intention to Participate (CCC Cottonseed Purchase Form 1). The filing of such notice does not obligate the ginner to sell any cottonseed to participating oil millers or CCC, but all applicable provisions of this subpart must be complied with by the ginner if any cottonseed are offered by the ginner for sale to participating oil millers or to CCC under the 1953 Cottonseed Price Support Program.

(2) A Ginner's Certificate (CCC Cottonseed Purchase Form 2) shall be completed and executed by the participating ginner to cover all cottonseed sold by

him to participating oil millers and the form shall be submitted by the ginner to the appropriate county office at such times and covering such periods of time as the State PMA chairman determines are necessary to make the program effective.

(3) If cottonseed are sold to CCC, the ginner shall prepare and execute a Ginner's Voucher and Certificate (CCC Cottonseed Purchase Form 4) covering the cottonseed and deliver the form to the county office. Each Ginner's Voucher and Certificate submitted by a ginner to the county office shall be supported by weight certificates or warehouse receipts covering the cottonseed purchased which have been issued by a participating oil miller or an approved storage facility or a representative of the county committee at a designated concentration point, and, in the absence of warehouse receipts guaranteeing grade, by official chemical analyses certificates covering the cottonseed and identifying such cottonseed by lot numbers and/or receipt numbers and weights.

§ 643.882 *Determination of quantity.* The quantity of cottonseed purchased from a producer by CCC shall be the gross weight actually delivered to CCC as determined by a representative of the county committee, or by an approved storage facility, or by a participating oil miller. The quantity of cottonseed purchased from a producer by a participating ginner shall be the gross weight of the cottonseed as customarily determined by the ginner in his purchases of cottonseed from producers. The quantity of cottonseed purchased from a ginner by CCC shall be the net weight of the cottonseed at first destination after deduction of the weight of any foreign matter in excess of 1 percent.

§ 643.883 *Liens.* If liens or encumbrances exist on the cottonseed, proper waivers must be obtained.

§ 643.884 *Set-offs.* (a) If the cottonseed are purchased from a producer by CCC under this subpart and the producer is indebted to CCC on any accrued obligation, or if any installments on any loan made available by CCC on farm-storage facilities or mobile drying equipment are past due or are payable or prepayable out of the proceeds of the purchase under the provisions of the note evidencing the loan, such producer must designate CCC or the lending agency holding such note as the payee of the proceeds of the purchase to the extent of such indebtedness or installments, but not to exceed that portion of the proceeds remaining after deduction of amounts due prior lienholders.

(b) If the producer is indebted to any other agency of the United States, and such indebtedness is listed on the county debt register, he must designate such agency as the payee of the proceeds as provided in paragraph (a) of this section, to the extent remaining after deduction of amounts due to prior lienholders and to CCC and lending agencies of CCC as provided in paragraph (a) of this section.

(c) Compliance with the provisions of this section shall not constitute a waiver

of any right of the producer to contest the justness of the indebtedness involved either by administrative appeal or by legal action.

§ 643.885 *Grade reporting areas.* Areas for grade reporting purposes will be established by the Director, Cotton Branch, PMA, and a list of area delineations may be obtained from the applicable PMA State office or the Director of the Cotton Branch, PMA, USDA, Washington 25, D. C.

Issued this 6th day of July 1953.

[SEAL] HOWARD H. GORDON,  
*Executive Vice President,*  
*Commodity Credit Corporation.*

Approved:

JOHN H. DAVIS,  
*President,*  
*Commodity Credit Corporation.*

[F. R. Doc. 53-6062; Filed, July 8, 1953;  
8:54 a. m.]

[1953 CCC Cottonseed Bulletin 3]

PART 643—OILSEEDS

SUBPART—1953 COTTONSEED PRODUCTS  
PURCHASE PROGRAM

| Sec.    |   |
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| 643.912 | Availability.                                     |
| 643.913 | Purchases of cottonseed by crusher.               |
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**AUTHORITY:** § 643.910 to 643.928 issued under sec. 4, 62 Stat. 1070, as amended; 15 U. S. C. Sup. 714b. Interpret or apply sec. 5, 62 Stat. 1072, secs. 301, 401, 63 Stat. 1053, 1054; 15 U. S. C. Sup., 714c, 7 U. S. C. Sup., 1447, 1421.

§ 643.910 *General statement.* As a part of the 1953 Cottonseed Price Support Program formulated by Commodity Credit Corporation (referred to in this subpart as CCC) and the Production and Marketing Administration (referred to in this subpart as PMA) CCC hereby offers to purchase certain cottonseed products produced by any crusher engaged in the crushing of cottonseed (referred to in this subpart as "crusher") on the terms and conditions stated in this subpart. The program will be carried out by PMA under the general supervision and direction of the Executive Vice President, CCC.

§ 643.911 *Administration.* Except as specifically provided otherwise, operations under this subpart will be administered by the New Orleans PMA Commodity Office located at Wirth Building, 120 Marais Street, New Orleans 16,

Louisiana (hereinafter referred to as the PMA commodity office) CCC contracting officers in the PMA commodity office will execute contract documents on behalf of CCC. Officials of the PMA commodity office, PMA State Committees, and PMA county committees do not have authority to waive or modify any provisions of this subpart.

§ 643.912 *Availability*—(a) *Area.* This program will be available in all areas where cottonseed crushing mills are located.

(b) *Source.* (1) Purchases of cottonseed products, in accordance with the terms of this subpart, will be made by CCC from the crushers who notify the PMA commodity office of acceptance of the offer contained in this subpart substantially in the following form:

The undersigned crusher hereby accepts CCC's offer to cottonseed crushers, 1953 CCC Cottonseed Bulletin 3, for the mills listed below. The crusher understands that by acceptance of this offer he becomes obligated to pay for eligible 1953 crop cottonseed purchased from participating ginners, from participating crushers, and from eligible producers within the time periods prescribed, and at not less than the applicable prices specified in, and/or determined in accordance with, the provisions of 1953 Cottonseed Bulletin 3. The following mills are covered by this acceptance: \* \* \*

(2) If the crusher operates more than one cottonseed crushing mill, he may file one acceptance for those mills for which he desires to accept this offer and shall specify in the acceptance the names and locations of the mills covered by the acceptance; but each such mill shall be treated as a separate unit for the purpose of determining the rights and obligations of the crusher with respect to cottonseed purchased for processing at, and cottonseed products delivered from each such mill; except that, upon request by the crusher and approval by the PMA commodity office, where two or more mills covered by the one acceptance are under the same management and are located in such proximity that they have identical freight rates for the shipment of cottonseed products, irrespective of destination, they shall be considered collectively as a single unit with respect to the rights and obligations of the crusher for cottonseed purchased for processing at, and cottonseed products delivered from each such mill; further, upon request by the crusher and approval by the PMA commodity office, where a crusher delints cottonseed at one mill and transports the resulting meats to another mill under the same management for the processing of oil and cake or meal, CCC will accept delivery of the linters at the mill where the cottonseed is delinted and oil and cake or meal at the mill where the oil and cake or meal is produced. CCC will acknowledge in writing the receipt of each acceptance.

(3) The PMA commodity office may permit a crusher to tender and deliver refined cottonseed oil in lieu of crude cottonseed oil when the crusher operates a mill in which oil can be produced only in such form and the crusher, in accepting the offer contained in this subpart, adds to his acceptance notification the following:

The undersigned crusher produces only refined cottonseed oil at the following mills: ----- In lieu of selling prime crude cottonseed oil to CCC in the applicable quantity indicated in § 643.914 (a) of 1953 CCC Cottonseed Bulletin 3, the crusher proposes to tender a quantity of bleachable prime summer yellow cottonseed oil equal to 91 percent of the applicable quantity of prime crude oil specified in such section if products are offered to CCC under the terms of the Bulletin.

(i) The price of such bleachable prime summer yellow cottonseed oil for each mill where tendered shall be the price at which the nearest refinery which has signed a refiner's contract with CCC under the 1953 cottonseed price support program is delivering oil to CCC at the time of the tender. If there is no such refinery within a reasonable distance of the crusher's mill, or if CCC is not receiving refined oil at such time, the price shall be a fair and equitable price, reflecting a normal differential over the base price for prime crude oil specified in Bulletin 3, as mutually agreed upon by the crusher and CCC. If, on the basis of sampling and chemical analysis of cottonseed purchased by the mill, in accordance with this subpart, it is shown, to the satisfaction of the PMA commodity office, that bleachable prime summer yellow cottonseed oil cannot be produced, the crusher may offer and CCC will accept, in accordance with the rules of the National Cottonseed Products Association, delivery of prime summer yellow cottonseed oil, which is the next lower grade of refined oil below bleachable prime summer yellow cottonseed oil.

(ii) A crusher whose mill is equipped to make one cut of linters, which is equal in quality to first cut linters, and hull fiber may be permitted by the PMA commodity office to deliver hull fiber on a cellulose basis in lieu of second cut linters in the quantity determined in accordance with § 643.914 (a)

(c) *Time.* The acceptance provided for in paragraph (b) of this section must be forwarded by telegram or registered mail to the Director of the PMA commodity office on or before September 15, 1953, or such later date as may be approved by such Director. Quantities of cottonseed products equivalent to the quantities processed from eligible cottonseed which were purchased from eligible producers either by participating ginners, or the crusher direct, through February 28, 1954, or such later date as may be approved by the Executive Vice President, CCC, shall be eligible for tender under the offer contained in this subpart: *Provided, however* That purchase of the cottonseed by the crusher is on or subsequent to the date of his acceptance of the offer, and if purchased from a ginner, on or subsequent to the date of filing of the ginner's agreement to participate in the 1953 Cottonseed Purchase Program (1953 CCC Cottonseed Bulletin 2) The crusher shall notify CCC through the PMA commodity office not later than June 30, 1954, or such later date as may be approved by CCC of the quantity of cottonseed purchased hereunder and the respective quantities of products tendered to CCC, indicating

delivery dates which shall be no later than September 15, 1954, or such later date as may be approved by the Executive Vice President, CCC: *Provided, however,* That no products may be delivered from a mill later than one week from the date processing of 1953 crop cottonseed ceases at such mill unless otherwise approved by the PMA commodity office.

§ 643.913 *Purchases of cottonseed by crusher—(a) Eligible cottonseed.* (1) Only 1953 crop cottonseed purchased by the crusher (i) from ginners participating in the 1953 Cottonseed Purchase Program (1953 CCC Cottonseed Bulletin 2), (ii) from producers eligible under such program, (iii) or from other participating crushers, is covered by this subpart. In the case of purchases of cottonseed from another participating crusher, such cottonseed must have been a part of the inventory of eligible cottonseed of the selling crusher and must not have been the basis for any tender of cottonseed products made by the selling crusher to CCC. The selling crusher must furnish the buying crusher for his records a certified statement showing the name of the buying crusher, the grade and quantity of eligible cottonseed sold, and the date of delivery. A copy of such statement shall be sent by the selling crusher to the PMA commodity office. The selling crusher's purchases of eligible cottonseed shall, insofar as tender of products to CCC are concerned, be reduced by the quantity so sold and he may not tender or deliver to CCC products representing such quantity of cottonseed.

(2) The crusher must pay for all such cottonseed purchased from participating ginners not less than \$54.50 per ton basis grade (100) f. o. b. gin, with premiums and discounts for other grades equal to the same percentage of such price as the percentage by which the grade of cottonseed purchased exceeds or is less than the basis grade (100) and must pay for all such cottonseed purchased from eligible producers not less than the applicable gin price to producers determined in accordance with 1953 Cottonseed Bulletin 2. Cottonseed which is "below grade" or "off quality" as defined in the rules of the National Cottonseed Products Association may be purchased at a price mutually agreeable to the crusher and the ginner selling the cottonseed. The names and addresses of participating ginners and beginning dates of their participation will be furnished to the crusher by the PMA commodity office. The crusher may obtain and rely upon information received in writing from either the county or State PMA Committee or from the PMA commodity office as to additions to the list of participating ginners. If a participating ginner should become ineligible to deliver cottonseed, written notice to the crusher of such ineligibility will be given by the PMA commodity office.

(b) *Purchases on official grades.* Unless otherwise approved by the Executive Vice President of CCC, all cottonseed which is purchased by the crusher under this subpart other than from producers shall be graded in accordance with the

U. S. Official Standards for Grades of Cottonseed, except that the crusher shall be permitted to have composite samples drawn from not more than 100 tons of cottonseed in lieu of the 35 tons now prescribed. (All other provisions with respect to drawing samples remain unchanged.) Cost of sampling and chemical analysis of cottonseed shall be for the account of the crusher.

(c) *Weight.* Purchases of cottonseed under this subpart other than from producers shall be based upon weights at the crusher's mill after deduction of the weight of all foreign material in excess of 1 percent.

(d) *Grading when crusher and ginner are a single legal entity.* Notwithstanding the other provisions of this section, where a crusher under this subpart and a ginner participating under the 1953 Cottonseed Purchase Program (1953 C. C. C. Cottonseed Bulletin 2) are a single legal entity, and cottonseed purchased from producers in accordance with the terms and conditions of 1953 C. C. C. Cottonseed Bulletin 2 are received by the crusher from the ginner, such cottonseed shall be covered by this subpart and shall be graded by the crusher in accordance with paragraph (b) of this section.

§ 643.914 *Purchase of cottonseed products by CCC—(a) Option to tender products.* (1) The crusher shall have the option to sell and CCC shall purchase if tendered, for each ton of cottonseed purchased by the crusher under this subpart, the quantities of crude cottonseed oil, 41 percent protein sized cake or meal, and linters specified below for the applicable area, except that, at the option of CCC, cottonseed slab cake, flakes or chips will be purchased in lieu of sized cake or meal in the specified quantities.

|                              | Oil (pounds) | 41 percent protein cake or meal (pounds) | Linters (pounds net weight) |
|------------------------------|--------------|--|-----------------------------|
| Southeastern area.....       | 203          | 870                                      | 192                         |
| Valley area.....             | 324          | 853                                      | 179                         |
| Texas-Oklahoma area.....     | 313          | 843                                      | 176                         |
| Arizona-New Mexico area..... | 336          | 873                                      | 182                         |
| California.....              | 339          | 822                                      | 202                         |

(i) If a crusher elects to sell any products to CCC, the quantities of oil, cake or meal and linters shall be tendered in the proportions specified in this subparagraph for the area in which the mill is located except as provided in subdivision (ii) of this subparagraph.

(ii) Where the crusher's actual average outturn of linters per ton of cottonseed, as determined by the PMA-commodity office, is substantially less (10 percent or more) than the quantity specified in the above table, the crusher may tender such actual average outturn without reducing the quantities of oil and cake or meal, which shall be as specified in the above table. Once a tender on the basis of the actual average outturn of linters is made and accepted by the PMA commodity office, all subsequent tenders shall be made on the basis of the actual average outturn, which

shall be considered to be the outturn previously determined by the PMA commodity office unless the crusher requests a change and the PMA commodity office determines, upon the submission by the crusher of such supporting information as such office may require, that such change should be made. If a crusher tenders hull fiber as provided in § 643.912 (b) he shall be required to deliver to CCC the entire quantity of linters cut from the cottonseed covered by the tender, and the quantity of hull fiber to be accepted by CCC shall be the difference between the quantity of linters so produced and the quantity of linters required to be delivered for the area in which the crushers mill is located as specified in the above table. CCC may reject LCL shipments except for a clean-up car on the last delivery of each product, on which the crusher protects the minimum freight rate. Upon prior approval from the PMA commodity office, shipments may be made by truck.

(2) Purchases of linters, oil and cake, or meal shall be subject to the terms and conditions of this subpart and in accordance with applicable rules of the National Cottonseed Products Association in effect on the date of tender of such products except to the extent that such rules are inconsistent with this subpart and except as to periods specified in such rules for presentation of claims and the rules on arbitration. Each tender shall indicate the quantity of cottonseed purchased, the quantities of products tendered to CCC and the delivery dates. CCC shall confirm in writing all tenders of products which comply with the provisions of this subpart. Each tender by the crusher and confirmation by CCC shall constitute separate contracts for the sale of the respective products covered by the tender, in accordance with the applicable rules of the National Cottonseed Products Association and the terms of this subpart. The obligations of CCC for the purchase of cottonseed products under this subpart shall be limited to quantities equivalent to the above specified quantities of products from cottonseed acquired by the crusher under the terms of this subpart up to the time of tender to the extent that such products have not been sold or contracted for sale to other persons. In determining whether the crusher meets these requirements, all commercial sales contracts for cottonseed products regardless of whether such contracts were actually consummated by delivery shall be deemed to be the crusher's obligations, first, against products produced or to be produced from cottonseed acquired up to the time of tender and not purchased by the crusher under the terms of this subpart, and second, against cottonseed purchased by the crusher under the terms of this subpart. Hedges on commodity exchanges do not constitute commercial sales contracts within the meaning of this paragraph. CCC will not accept deliveries of products which bear brand names, it being understood, however, that crusher's identification on analysis tags or labels which are used in

order to comply with State feed laws are not to be considered as brand names and that such tags or labels shall be supplied on all deliveries to CCC.

(3) Notwithstanding any other provisions of this section, the crusher may exclude cottonseed cake or meal from any tender of products to CCC if the cottonseed oil and cottonseed linters included in the tender are in the applicable quantities specified in this section and if payment is made to CCC for any amount by which the CCC purchase price for cake or meal as specified in § 643.917 is less than the current market price as determined by the PMA commodity office, for the applicable quantity of cake or meal which the crusher would otherwise be required to tender under this section.

(b) *Conditional tenders.* The crusher may condition any tender of cottonseed products under paragraph (a) of this section upon an immediate repurchase by the crusher from CCC of a specified quantity of cake or meal included in such tender, at the current market price of cake or meal as determined by the PMA commodity office. CCC reserves the right to reject any or all such conditional tenders and any acceptance by CCC shall be made within 24 hours after receipt of the tender in the PMA commodity office.

(c) *Brokerage.* The crusher may tender products to CCC through a broker if such tenders are confirmed in writing by the crusher, or if he furnishes CCC with a signed copy of his designation of such broker as his agent. Any brokerage fee shall be for the account of the crusher.

(d) *Areas.* The areas referred to in paragraph (a) of this section and in §§ 643.916 and 643.917 are delimited as follows:

(1) The Southeastern area shall consist of the States of Virginia, North Carolina, South Carolina, Georgia, Florida, and Alabama.

(2) The Valley area shall consist of the States of Arkansas, Illinois, Kentucky, Louisiana, Missouri, Mississippi, Tennessee, and Bowie County, Texas.

(3) The Texas-Oklahoma area shall consist of the States of Oklahoma and Texas excluding Bowie County and excluding District VI which comprises the Texas counties of El Paso, Hudspeth, Pecos, Reeves, Ward, Culberson, Ector, Presidio, and Terrell.

(4) The Arizona-New Mexico area shall consist of the States of Arizona and New Mexico and the Texas counties of El Paso, Hudspeth, Pecos, Reeves, Ward, Culberson, Ector, Presidio, and Terrell.

(5) The State of California.

§ 643.915 *Linter purchases—(a) Prices f. o. b. carrier at shipping point.*

(1) The price for second cut chemical linters, and mill run linters sold on a cellulose basis, shall be 3.50 cents per pound gross weight basis 73 percent cellulose yield. Premiums and discounts of 0.05 cent per pound shall be made for each variation of one percent, fractions in proportion.

(2) The price for first-cut and mill run linters sold on U. S. Grade basis shall be as follows:

|                  | Grade       | Cents per pound gross weight |
|------------------|-------------|------------------------------|
| U. S. No. 1..... | High.....   | 13.25                        |
|                  | Middle..... | 13.00                        |
|                  | Low.....    | 12.60                        |
| U. S. No. 2..... | High.....   | 12.15                        |
|                  | Middle..... | 11.75                        |
|                  | Low.....    | 11.00                        |
| U. S. No. 3..... | High.....   | 10.25                        |
|                  | Middle..... | 9.50                         |
|                  | Low.....    | 8.50                         |
| U. S. No. 4..... | High.....   | 7.60                         |
|                  | Middle..... | 6.50                         |
|                  | Low.....    | 5.70                         |
| U. S. No. 5..... | High.....   | 4.80                         |
|                  | Middle..... | 4.00                         |
|                  | Low.....    | 3.75                         |
| U. S. No. 6..... |             | 3.50                         |
| U. S. No. 7..... |             | 3.50                         |

Where first-cut and mill run linters are classed as one of sub-grades, the price for such sub-grades shall be determined by using the gross weight prices in the above table as follows: "Full" in any grade shall carry the price of the Middle in that grade. "Plus" in any grade shall carry the price of High in that grade. "Minus" in any grade shall carry the price of Low in that grade. "Broad" in any grade shall carry the price of Middle in that grade. "XY short compound" and "XY compound" shall carry the price of the High in the low grade. "XY" represents any two adjacent grades, such as, grades 2 and 3.

(3) The crusher must elect on or before the date of his first tender of products as to whether he will deliver (1) mill run linters, or (ii) first and second cut linters. If he decides to deliver mill run linters, then he must indicate on or before the date of his first tender of products whether they will be delivered on the basis of cellulose content or U. S. Grade. All tenders of linters shall be submitted in accordance with the elections made by the crusher, unless otherwise approved by the PMA commodity office. Each tender of first and second cut linters shall consist of not more than 35 percent of first cut linters, or such larger percentage of first-cut linters which the crusher produces as determined by the PMA commodity office.

(4) A discount of \$2.00 per bale shall be made by CCC for bales heavier than 675 pounds, gross weight.

(b) *Bagging.* (1) Bales shall be well covered with close woven bagging. Sisal or paper covering will not be acceptable. Bales shall be baled with new or once-used three-fourths pound linter or heavier covering: *Provided, however,* That linter covering of less than three-fourths pound may, upon approval by the PMA commodity office, be used if such covering material is customarily used in trade practice.

(2) Bales shall be bound with a minimum of six new or reworked standard arrow type buckle and ties. Total tare shall not exceed 5 percent.

(3) High density bales of linters may be delivered only upon approval by the PMA commodity office. No premiums or other allowances will be made for the delivery of high density bales.

(c) *Quality.* (1) U. S. Grades or cellulose yield shall be determined on the basis of samples drawn by samplers

licensed by the U. S. Department of Agriculture or other samplers approved by CCC. All linters, except as provided for in § 643.918 shall be clean, undamaged, free of excessive hull pepper, shale, and trash and shall not contain motes, sweepings or any other foreign material and if purchased on a cellulose basis shall be suitable for chemical use as determined by CCC.

(2) Where the crusher indicates to the PMA commodity office that he is uncertain of the acceptability of linters upon arrival at first receiving warehouse in the United States, the PMA commodity office shall, at the expense of CCC, arrange to have a representative number of bales of such linters inspected by U. S. licensed cotton linters classifiers, or other persons approved by the PMA commodity office, prior to loading. This inspection shall be made for the purpose of determining generally the condition and acceptability of the linters. However, final acceptance of the linters by CCC shall be made only after arrival and inspection at first receiving warehouse and CCC shall have the right to reject in accordance with the rules of the National Cottonseed Products Association for failure of the linters to meet contract requirements. The linters, when loaded, shall be in good condition, dry and free from weather or other damage. Chemical linters shall be sampled and analyzed in accordance with the rules of the National Cottonseed Products Association in effect on the date of tender. The grade of linters sold on a U. S. Grade basis will be determined by a U. S. licensed cotton linters classifier or the Board of Cotton Linters Examiners of the U. S. Department of Agriculture. The cost of determining the cellulose analyses and the U. S. Grade shall be for the account of CCC.

(d) *Weight.* The official destination weight, or other weight acceptable to CCC, at first receiving warehouse in the United States shall govern. CCC shall notify the crusher by telegram if the destination weight is more than the one-half of one percent below the weight as billed by the crusher, and the crusher shall have the option, if he notifies CCC by telegram within 24 hours of the receipt of such notice, to have the shipment reweighed by an official weighmaster at the crusher's expense.

(e) *Loading.* All cars shall be loaded to protect minimum freight rate. All cars shall be carefully swept and cleaned before loading. All linters shall be in such condition that common carriers will accept them for transportation to destination without any charges or expense other than freight. Cars shall be furnished by crusher.

(f) *Delivery.* Within 20 days after the delivery date specified by the crusher in the notice of tender, CCC shall issue delivery instructions for immediate shipment. However, the shipping date covered in the delivery instructions may be extended upon the mutual consent of the crusher and the PMA commodity office.

(g) *Payment.* The crusher may present to CCC for provisional payment a

sight draft drawn against CCC with an invoice and approved shipping documents attached for the value of the linters based on the origin weights and the base price in the case of linters sold on a cellulose basis or, in the case of linters sold on a U. S. Grade basis, the specific grade price if the linters were graded before shipment or 8 cents per pound for first cut linters and 5 cents per pound for mill run linters if the linters were not graded before shipment. Final settlement for such linters will be made upon the basis of the U. S. Grade or cellulose yield analysis and the certified destination outturn weight of the linters.

§ 643.916 *Crude cottonseed oil purchases*—(a) *Base price.* The base price per pound of prime crude cottonseed oil basis f. o. b. buyer's tank cars at crusher's mill shall be the price specified below for the applicable area:

|                          | <i>Cents</i> |
|--------------------------|--------------|
| Southeastern .....       | 12.875       |
| Valley .....             | 12.75        |
| Texas-Oklahoma .....     | 12.5         |
| Arizona-New Mexico ..... | 12.5         |
| California .....         | 12.5         |

(b) *Grade.* The grade shall be basis prime crude cottonseed oil as defined in the rules of the National Cottonseed Products Association, except as provided in § 643.918.

(c) *Quality settlement basis.* The base price shall be adjusted for variance in quality in accordance with the rules of the National Cottonseed Products Association.

(d) *Delivery.* Within 20 days after the delivery date specified by the crusher in the notice of tender, CCC shall issue delivery instructions for immediate shipment. However, the shipping date covered in the delivery instructions may be extended upon the mutual consent of the crusher and the PMA commodity office.

(e) *Payment.* The crusher may present to CCC for provisional payment, a sight draft drawn against CCC with an invoice and approved shipping documents attached for the value of the oil based on the origin weights and base price. Final settlement for such oil will be made upon the basis of the official analysis and the certified destination outturn weight of the oil.

§ 643.917 *Cottonseed cake or meal purchases*—(a) *Base price.* The purchase price per pound for 41 percent minimum protein content bulk meal or sized cake, f. o. b. seller's cars at crushing plant, shall be the price specified below for the applicable area:

|                          | <i>Cents</i> |
|--------------------------|--------------|
| Southeastern .....       | 2.625        |
| Valley .....             | 2.725        |
| Texas-Oklahoma .....     | 2.725        |
| Arizona-New Mexico ..... | 2.675        |
| California .....         | 2.675        |

(1) Solvent extracted meal shall be discounted at \$1.50 per ton from the base price. If the crusher repurchases the meal under conditional tender as provided in § 643.914 an amount equal to the discount applied by CCC to the particular meal shall be deducted from the market price determined by CCC.

(2) If the crusher, in accordance with local trade practice, as determined by the PMA commodity office, tenders on the basis of protein content of less than 41 percent, a deduction of \$1.00 per ton per unit of protein below 41 percent will be made from the base price. The cake or meal of less than 41 percent protein content to be tendered shall be in the same quantity per ton of cottonseed crushed as is applicable to 41 percent protein content cake or meal specified in § 643.914. There shall be no premium for cake or meal in excess of 41 percent protein content.

(3) Notwithstanding any tender by the crusher of cottonseed cake or meal, and confirmation thereof by CCC, crushers having pelleting equipment shall, at the request of CCC, deliver pellets at a premium of \$2.50 per ton over the applicable price for meal. Also CCC shall have the option of requiring the delivery of slab cake, or cottonseed flakes or chips, in lieu of sized cake or meal, and where required, such delivery shall be made at the base price. Slab cake shall also be delivered upon the request of the crusher and approval of the PMA commodity office and such delivery shall carry a discount of \$2.00 per ton from the base price. Mills equipped to make only slab cake will not be required to deliver in any other form and mills which are not equipped to make slab cake will not be required to make such deliveries.

(4) Meal shall be delivered in bulk or in new or used bags in accordance with instructions from the PMA commodity office. The price to be paid the crusher for bags, if used, will be the current market price as agreed upon by the PMA commodity office and the crusher.

(b) *Quality.* The quality shall be prime, as defined in the rules of the National Cottonseed Products Association, except as provided in § 643.918.

(c) *Delivery.* Within 20 days after the delivery date specified by the crusher in the notice of tender, CCC shall issue delivery instructions for immediate shipment. However, the shipping date covered in the delivery instructions may be extended upon the mutual consent of the crusher and the PMA commodity office.

(d) *Payment.* The crusher may present to CCC for provisional payment a sight draft drawn against CCC with an invoice and approved shipping documents attached for the value of the cake or meal upon the basis of origin weights and quality of the cake or meal certified by the crusher. The sight draft shall not include the value of bags except where agreement has been reached between the crusher and the PMA commodity office as to the value of the bags. Final settlement will be made upon the basis of destination weights and quality determined in accordance with the rules of the National Cottonseed Products Association and the price of any bags used determined in accordance with paragraph (a) (4) of this section.

§ 643.918 *Less than prime quality products*—(a) *Tenders.* (1) It shall be the responsibility of the crusher to notify CCC at the time of tender

whether he proposes to deliver less than prime quality products (specifying in the tender the quantity or proportion of the tender which is likely to comprise less than prime quality products) in any case where eligible cottonseed purchased by the crusher under this subpart cannot be processed into prime quality products because of the physical condition and characteristics of the cottonseed at time of purchase or subsequent normal deterioration of such cottonseed between the time of purchase and processing, not resulting from any external causes after purchase by the crusher. The crusher may tender, in accordance with § 643.914 crude cottonseed oil of less than prime quality but not less than the quality indicated by available chemical analysis of such cottonseed; cake or meal of less than prime quality but not less than the quality indicated by such chemical analysis or such other evidence as may be required by CCC, or less than prime quality linters but not of a quality below the specified factors for less than prime quality set out in the price discount table for less than prime quality linters in subparagraph (3) of this paragraph.

(2) The price of crude cottonseed oil and cake or meal of less than prime quality so tendered and delivered shall be computed by applying discounts determined in accordance with the rules of the National Cottonseed Products Association to the base prices specified in §§ 643.916 and 643.917, respectively.

(3) The price of any linters of less than prime quality so tendered and delivered shall be computed by applying the discounts contained in the following table to the base price specified in § 643.915.

DISCOUNTS FOR SPECIFIED LESS THAN PRIME QUALITY FACTORS

[Discount: Cents per pound]

|  | First-cut linters | Mill run linters (grade basis) | Mill run and second-cut linters (cellulose basis) |
|--|-------------------|--------------------------------|---|
| 1. Excess pepper.....                  | 0.70              | 0.50                           | 0.00  |
| 2. Excess trash:                       |                   |                                |   |
| (a) Regular.....                       | .70               | .50                            | .00   |
| (b) X X.....                           | 1.55              | 1.10                           | .35   |
| 3. Bollies.....                        | 3.00              | 2.10                           | .90   |
| 4. Hot seed—odor and color slight..... | 3.40              | 2.40                           | 1.10  |
| 5. Sour and musty odor slight.....     | .85               | .60                            | .35   |

The crusher shall submit with each tender of less than prime quality products under this section certificates of chemical analyses of the cottonseed purchased under this subpart and such other information as CCC may require. Notwithstanding any other provisions of this subpart, the quantity of less than prime quality linters to be accepted by CCC under this section shall not exceed a reasonable proportion, as determined by the PMA commodity office, of the total production of less than prime quality linters from all cottonseed crushed from date of acceptance of the offer to date of delivery for such linters. When a tender of less than prime quality products made within the time period speci-

fied in § 643.912 is rejected or is not accepted by CCC because the tender is not fully supported by certificates of chemical analysis or such other information as CCC may require, the crusher, upon approval and within a period prescribed by the PMA commodity office, may resubmit the tender with the supporting information required by CCC again offering the less than prime quality products in quantities not in excess of the original tender. ("Less than prime quality linters" as used herein refers to linters which, if classed against the official U. S. Standards, would be classed as "off grade" linters, except that, with reference to linters sold on a cellulose basis whose price is subject to zero discounts in the foregoing table of discounts, the provisions of this section requiring a crusher to notify CCC, at the time of tender, of the quantity or proportion of less than prime quality linters which he proposes to deliver, shall not apply.)

(b) *Payment.* No provisional payment shall be made for less than prime quality products tendered and delivered. Payment for less than prime quality products accepted by CCC shall be made by draft drawn on CCC by the crusher after the destination weight and quality and the applicable price have been determined.

§ 643.919 *Arbitration.* In the event of any dispute between the crusher and the PMA commodity office with respect to a determination of fact by such office in connection with a tender of less than prime quality products as provided in § 643.918 or the proper discounts to be applied against the less than prime quality products included in the tender (other than those discounts covered in the rules of the National Cottonseed Products Association or specified in this subpart) the crusher may, within 30 days after notification of such determination by the PMA commodity office, request an arbitration committee to be established to resolve the dispute. Each committee established will consist of a representative of the crusher, a representative of the PMA commodity office, and a disinterested third party agreeable to both the crusher and the PMA commodity office. The determinations of fact by the arbitration committee shall be final, except that the arbitration committee shall have no authority to waive or modify any right or obligation of CCC or the crusher under this subpart. CCC and the crusher shall bear the costs of arbitration incurred by each of their respective representatives and shall share equally the expenses incurred by the third member of the committee.

§ 643.920 *Storage.* Storage of tendered products by the crusher for the account of CCC shall be covered under separate contracts entered into on behalf of CCC by the PMA commodity office.

§ 643.921 *Carrier and routing.* The crusher may select the originating carrier on shipments of cottonseed products but any charges in excess of the lowest available transportation rate between the point of shipment and the point of destination named in CCC's instructions

shall be paid by the crusher. The routing and loading shall be in compliance with applicable carrier and governmental regulations.

§ 643.922 *Bond.* Upon CCC's request, the crusher shall furnish to CCC a bond conditioned upon the faithful performance by the crusher of his obligations under this subpart. Such bond shall be in such form, and in such amount, and with such sureties, as CCC may approve.

§ 643.923 *Movement of products.* CCC shall not be responsible for any loss or injury caused the crusher by failure of CCC to move cottonseed products due to acts of God or the public enemy, storms, floods, conflagrations, strikes, blockades, riots, embargoes, or priority, allocation, service, or other orders or directives issued by the Government or any other cause beyond the control of CCC. Notwithstanding the foregoing provision, if CCC fails for any reason to issue shipping instructions within the period prescribed in this subpart, the crusher may have an official analysis or quality determination made, and shall not be responsible for any subsequent loss or deterioration in quality except for any loss, deterioration or damage due to the fault or negligence of the crusher.

§ 643.924 *Books and records.* The crusher shall keep accurate books, records, and accounts with respect to all purchases of cottonseed (including the name of seller, date of receipt, weight, and grade of each lot of cottonseed purchased) and all other transactions under this subpart for a period of at least two years from the last date any of the products tendered by the crusher under this subpart have been delivered, and shall furnish CCC such information and reports relating thereto as CCC may from time to time request. CCC may at any time examine and audit the books, records, and accounts of the crusher to the extent necessary to assure compliance with the provisions of this subpart.

§ 643.925 *Termination.* The crusher's rights and obligations under an acceptance of the offer contained in this subpart may be terminated at any time by CCC or the crusher, upon written notice to the other party as to cottonseed purchased by the crusher after the date of such termination and cottonseed products otherwise eligible to be tendered and delivered therefrom. Notwithstanding such termination, the provisions of this subpart shall continue in full force and effect with respect to cottonseed products derived from cottonseed purchased by the crusher prior to the date of such termination. Nothing contained in this section shall be construed to prevent the termination by CCC of the crusher's rights under this subpart at any time for breach of any provision of this subpart. Once the termination of a crusher's rights and obligations have been effected as provided in this section, the crusher shall not have the right to reaccept the terms and conditions of this subpart.

§ 643.926 *Benefits and non-discrimination, contingent fees.* No Member or Delegate to the Congress of the United

States or Resident Commissioner shall share in any benefit to arise from any contract made under this subpart, but this provision shall not be construed to extend to benefits accruing to a corporation, nor to prohibit the purchase of cottonseed from such a person in his capacity as a producer. The crusher must not employ or have employed any person to solicit or secure any contract under this subpart upon any agreement for a commission, percentage, brokerage or contingent fee. If any such consideration or payment has been or will be made, CCC may annul the contract or, in its discretion, deduct from amounts due the crusher the amount of such commission, percentage, brokerage or contingent fees. This provision shall not apply to contracts secured or made through bona fide established commercial agencies maintained or customarily utilized by the crusher for the purpose of securing business. In the performance of any contract under this subpart, the crusher shall not discriminate against any employee or applicant for employment because of race, creed, color or national origin and shall include a like provision in any sub-contract entered into in connection with the performance of any contract under this subpart.

§ 643.927 *Assignment.* Any contracts resulting from a tender of products by the crusher and acceptance or confirmation by CCC may be assigned or transferred by CCC at any time, in whole or in part. The crusher shall not assign or transfer any rights or claims arising under this subpart and shall not sub-contract for any processing under this subpart without prior written approval by the PMA commodity office.

§ 643.928 *Provisional payments.* Where the quality of any products delivered by the crusher under §§ 643.914 to 643.917 results, as determined by the PMA commodity office, in significant discounts upon final settlement, such office may require that any subsequent sight drafts drawn in accordance with such sections shall be drawn for 95 percent of the value of such products.

Issued this 6th day of July 1953.

[SEAL] HOWARD H. GORDON,  
*Executive Vice President,*  
*Commodity Credit Corporation.*

Approved:

JOHN H. DAVIS,  
*President,*  
*Commodity Credit Corporation.*

[F. R. Doc. 53-6064; Filed, July 8, 1953; 8:54 a. m.]

PART 664—TOBACCO

SUBPART—1953 TOBACCO LOAN PROGRAM

1953 CROP, FLUE-CURED TOBACCO, TYPES 11-14, ADVANCE SCHEDULE

Set forth below is schedule of advance rates, by grades, for the 1953 crop of types 11-14, flue-cured tobacco, under the tobacco loan program formulated by Commodity Credit Corporation and

Production and Marketing Administration, published May 14, 1953 (18 F. R. 2779).

§ 664.512 1953 crop; flue-cured tobacco, Types 11-14, advance schedule.<sup>1</sup>

[Dollars per hundred pounds, farm sales weight]

| Grade | Advance rate | Grade | Advance rate |
|-------|--------------|-------|--------------|
| A1L   | 73.12        | H2F   | 64.12        |
| A2L   | 70.12        | H3F   | 61.12        |
| A1F   | 71.12        | H4F   | 55.12        |
| A2F   | 67.12        | H5F   | 51.12        |
| A1R   | 64.12        | H6F   | 39.12        |
| A2R   | 59.12        | H3R   | 47.12        |
| B1L   | 66.12        | H4R   | 42.12        |
| B2L   | 65.12        | H5R   | 35.12        |
| B3L   | 60.12        | H6R   | 27.12        |
| B4L   | 55.12        | C1L   | 71.12        |
| B5L   | 49.12        | C2L   | 70.12        |
| B6L   | 39.12        | C3L   | 69.12        |
| B1F   | 64.12        | C4L   | 63.12        |
| B2F   | 61.12        | C5L   | 64.12        |
| B3F   | 57.12        | C1F   | 70.12        |
| B4F   | 51.12        | C2F   | 69.12        |
| B5F   | 41.12        | C3F   | 68.12        |
| B6F   | 31.12        | C4F   | 67.12        |
| B1R   | 55.12        | C5F   | 62.12        |
| B2R   | 52.12        | C4LV  | 60.12        |
| B3R   | 46.12        | C5LV  | 56.12        |
| B4R   | 37.12        | C4K   | 54.12        |
| B5R   | 30.12        | C5K   | 48.12        |
| B6R   | 24.12        | C5KR  | 48.12        |
| B3S   | 37.12        | C4M   | 51.12        |
| B4S   | 28.12        | C5M   | 46.12        |
| B5S   | 22.12        | X1L   | 63.12        |
| B6S   | 17.12        | X2L   | 67.12        |
| B4D   | 23.12        | X3L   | 64.12        |
| B5D   | 17.12        | X4L   | 55.12        |
| B6D   | 15.12        | X5L   | 40.12        |
| B3LV  | 50.12        | X1F   | 67.12        |
| B4LV  | 50.12        | X2F   | 65.12        |
| B5LV  | 43.12        | X3F   | 62.12        |
| B3FV  | 50.12        | X4F   | 51.12        |
| B4FV  | 43.12        | X5F   | 35.12        |
| B5FV  | 36.12        | X3LV  | 53.12        |
| B4K   | 43.12        | X4LV  | 44.12        |
| B5K   | 36.12        | X3FV  | 50.12        |
| B6K   | 25.12        | X4FV  | 42.12        |
| B4M   | 39.12        | X4K   | 40.12        |
| B5M   | 33.12        | X5K   | 30.12        |
| B6M   | 22.12        | X3M   | 43.12        |
| B4KR  | 41.12        | X4M   | 35.12        |
| B5KR  | 33.12        | X5M   | 27.12        |
| B4GL  | 45.12        | X3G   | 38.12        |
| B5GL  | 37.12        | X4G   | 30.12        |
| B6GL  | 32.12        | X5G   | 21.12        |
| B4GF  | 39.12        | P3L   | 53.12        |
| B5GF  | 33.12        | P4L   | 44.12        |
| B6GF  | 25.12        | P5L   | 29.12        |
| B4GR  | 25.12        | P3F   | 50.12        |
| B5GR  | 19.12        | P4F   | 37.12        |
| B6GR  | 16.12        | P5F   | 24.12        |
| H1L   | 67.12        | P4G   | 23.12        |
| H2L   | 65.12        | P5G   | 16.12        |
| H3L   | 64.12        | N1L   | 14.12        |
| H4L   | 61.12        | N1R   | 14.12        |
| H5L   | 55.12        | N1GL  | 14.12        |
| H6L   | 46.12        | N1GR  | 14.12        |
| H1F   | 65.12        |       |              |

(Sec. 4, 62 Stat. 1070, as amended; 15 U. S. C. Sup., 714b. Interprets or applies sec. 5, 62

<sup>1</sup>The advance rates quoted above are applicable to tied flue-cured tobacco. Rates for untied flue-cured tobacco are five dollars (\$5.00) per hundred pounds less for each grade. The Cooperative Association through which the loans are made is authorized to deduct 12 cents per hundred pounds to apply against the overhead costs to the Association of the loan operation. Tobacco can be placed under loan only by the original producer and only if produced on a cooperating farm. Tobacco graded "W" (unsafe order), "U" (uncound), N2L, N2R, N2GL, N2GR, "Decayed", "Botched" "Nested" or "Off-type" will not be accepted.

Stat. 1072, sec. 101, 401, 63 Stat. 1051, as amended, 1054; 15 U. S. C. Sup., 714c, 7 U. S. C. Sup., 1441, 1421)

Issued this 6th day of July 1953.

[SEAL] HOWARD H. GORDON,  
*Executive Vice President,*  
*Commodity Credit Corporation.*

Approved:

JOHN H. DAVIS,  
*President,*  
*Commodity Credit Corporation.*

[F. R. Doc. 53-6066; Filed, July 8, 1953; 8:55 a. m.]

TITLE 5—ADMINISTRATIVE PERSONNEL

Chapter I—Civil Service Commission

PART 6—EXCEPTIONS FROM THE COMPETITIVE SERVICE

PART 27—EXCLUSION FROM PROVISIONS OF THE FEDERAL EMPLOYEES PAY ACT OF 1945, AS AMENDED, AND THE CLASSIFICATION ACT OF 1949, AS AMENDED, AND ESTABLISHMENT OF MAXIMUM STIPENDS FOR POSITIONS IN GOVERNMENT HOSPITALS FILLED BY STUDENT OR RESIDENT TRAINEES

MISCELLANEOUS AMENDMENTS

1. Effective upon publication in the FEDERAL REGISTER, the positions listed below are excepted from the competitive service under Schedule C.

§ 6.309 *Post Office Department.*

- (b) *Bureau of Facilities.* \* \* \*
- (2) One confidential assistant to the Assistant Postmaster General.
- (3) One private secretary to the Assistant Postmaster General.

(R. S. 1753, sec. 2, 22 Stat. 403; 5 U. S. C. 631, 633. E. O. 10440, March 31, 1953, 18 F. R. 1623)

2. Effective June 15, 1953, the following item is added to § 27.1.

§ 27.1 *Exclusion from provisions of Federal Employees Pay Act and the Classification Act.* \* \* \*

Recreation intern, Department of Health, Education, and Welfare, one year approved postgraduate training.

3. Effective June 15, 1953, the note relating to maximum stipends for the Panama Canal and the Panama Railroad which follows the item for medical or dental interns and residents is revoked, and item for recreation intern is added and a note is added at the end of § 27.2 as follows:

§ 27.2 *Maximum stipends prescribed.*

Recreation intern, Department of Health, Education, and Welfare: One year approved postgraduate training, \$2,000.

Note: Maximum stipends for Canal Zone Government and Panama Canal Company are 25 percent above prescribed rates. Maximum stipends for Public Health Service where duty requires intimate contact with persons afflicted with leprosy are increased above prescribed rates to the same extent that additional compensation is provided by Public Health Service regulations (42 CFR

22.1) for employees under the Classification Act.

(61 Stat. 727; 5 U. S. C. 1051-1058)

UNITED STATES CIVIL SERVICE COMMISSION,  
[SEAL] WM. C. HULL,  
Executive Assistant.

[F. R. Doc. 53-6042; Filed, July 8, 1953;  
8:49 a. m.]

## TITLE 7—AGRICULTURE

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

#### PART 70—GRADING AND INSPECTION OF POULTRY AND EDIBLE PRODUCTS THEREOF AND UNITED STATES CLASSES, STANDARDS, AND GRADES WITH RESPECT THERETO

##### BASIS OF SERVICE

The amendment to the regulations governing the grading and inspection of poultry and edible products thereof and United States classes, standards, and grades with respect thereto (7 CFR Part 70) hereinafter promulgated, is pursuant to the authority contained in the Agricultural Marketing Act of 1946 (60 Stat. 1087; 7 U. S. C. 1621 et seq.)

The amendment will grant the Administrator authority to permit poultry which was prepared in other than official plants to be brought into official plants in specific instances where such poultry, under the supervision provided for in the inspection and grading program, is to be brought into compliance with a law under the provisions of a court order. The change is deemed desirable and necessary to prevent the loss of edible poultry products which fail to comply with laws and regulations.

It is hereby found that it would be impracticable and contrary to the public interest to give preliminary notice, and engage in public rule making procedure with respect to this amendment for the reasons that (1) it is a relieving restriction, (2) the provision will permit and facilitate the salvaging of edible food products under supervised sanitary handling procedures, and (3) this change is largely a matter of administration of the services provided under the inspection and grading program.

The amendment hereinafter set forth is promulgated to become effective 30 days following publication in the FEDERAL REGISTER.

The amendment is as follows: Add a new paragraph (i) to § 70.4 *Basis of service* to read as follows:

(i) The Administrator is authorized to waive the provisions of paragraph (e) of this section, and the provisions of paragraph (f) of this section which pertain to the entry of unsuspected edible products into official plants, in specific instances where poultry is to be brought into compliance with a law under the provisions of a court order. Such poultry shall be handled in an official plant in accordance with such procedures as the Administrator may prescribe to in-

sure proper segregation and identity of the poultry until it is shipped from the official plant.

(Sec. 205, 60 Stat. 1090; 7 U. S. C. 1624)

Issued at Washington, D. C., this 3d day of July 1953.

[SEAL] TRUE D. MORSE,  
Acting Secretary of Agriculture.

[F. R. Doc. 53-6068; Filed, July 8, 1953;  
8:55 a. m.]

### Chapter IV—Federal Crop Insurance Corporation, Department of Agriculture

#### PART 419—COTTON CROP INSURANCE

##### SUBPART—REGULATIONS FOR THE 1952 AND SUCCEEDING CROP YEARS

###### APPENDIX 2

###### Correction

In Federal Register Document 53-5631, appearing at page 3633 of the issue for Thursday, June 25, 1953, the next to last county in Texas, now reading "Rueces", should read "Nueces"

### Chapter VII—Production and Marketing Administration (Agricultural Adjustment), Department of Agriculture

#### [1023 (Cigar-Filler and Binder-54)-1]

##### PART 723—CIGAR-FILLER TOBACCO, AND CIGAR-FILLER AND BINDER TOBACCO

###### CIGAR-FILLER AND BINDER TOBACCO MARKETING QUOTA REGULATIONS, 1954-55 MARKETING YEAR

###### GENERAL

- Sec.  
723.511 Basis and purpose.  
723.512 Definitions.  
723.513 Extent of calculations and rules of fractions.  
723.514 Instructions and forms.  
723.515 Applicability of §§ 723.511 to 723.528.

###### ACREAGE ALLOTMENTS AND NORMAL YIELDS FOR OLD FARMS

- 723.516 Determination of 1954 base acreages and 1954 preliminary acreage allotments for old farms.  
723.517 1954 old farm tobacco acreage allotment.  
723.518 Adjustment of acreage allotments for old farms.  
723.519 Reduction of acreage allotment for violation of the marketing quota regulations for a prior marketing year.  
723.520 Reallocation of allotments released from farms removed from agricultural production or shifted from production of cigar-filler and binder (types 42-55) tobacco to production of shade-grown cigar-leaf (type 61) wrapper tobacco.

- 723.521 Farms divided or combined.  
723.522 Determination of normal yields.

###### ACREAGE ALLOTMENTS AND NORMAL YIELDS FOR NEW FARMS

- 723.523 Determination of acreage allotments for new farms.  
723.524 Time for filing application.  
723.525 Determination of normal yields.

###### MISCELLANEOUS

- Sec.  
723.526 Determination of acreage allotments and normal yields for farms returned to agricultural production or shifted from production of shade-grown cigar-leaf (type 61) wrapper tobacco to production of cigar-filler and binder (types 42-44, 51-55) tobacco.  
723.527 Approval of determinations made under §§ 723.511 to 723.520.  
723.528 Application for review.

AUTHORITY: §§ 723.511 to 723.528 issued under sec. 375, 52 Stat. 66, as amended; 7 U. S. C. 1375. Interpret or apply secs. 301, 313, 363, 52 Stat. 38, 47, as amended, 63; 7 U. S. C. 1301, 1313, 1363.

###### GENERAL

§ 723.511 *Basis and purpose.* The regulations contained in §§ 723.511 to 723.528 are issued pursuant to the Agricultural Adjustment Act of 1938, as amended, and govern the establishment of 1954 farm acreage allotments and normal yields for cigar-filler and binder tobacco. The purpose of the regulations in §§ 723.511 to 723.528 is to provide the procedure for allocating, on an acreage basis, the State acreage allotment for cigar-filler and binder tobacco for the 1954-55 marketing year among farms and for determining normal yields. Prior to preparing the regulations in §§ 723.511 to 723.528, public notice (18 F. R. 3025) was given in accordance with the Administrative Procedure Act (5 U. S. C. 1003) The data, views, and recommendations pertaining to the regulations in §§ 723.511 to 723.528 which were submitted have been duly considered within the limits permitted by the Agricultural Adjustment Act of 1938, as amended.

§ 723.512 *Definitions.* As used in §§ 723.511 to 723.528, and in all instructions, forms, and documents in connection therewith the words and phrases defined in this section shall have the meanings herein assigned to them unless the context or subject matter otherwise requires.

###### (a) Committees:

(1) "Community committee" means the persons elected within a community as the community committee pursuant to regulations governing the selection and functions of Production and Marketing Administration county and community committees.

(2) "County committee" means the persons elected within a county as the county committee pursuant to regulations governing the selection and functions of Production and Marketing Administration county and community committees.

(3) "State committee" means the persons in a State designated by the Secretary as the State committee of the Production and Marketing Administration.

(b) "County office manager" means the person employed by the county committee to execute the policies of the county committee and be responsible for the day-to-day operations of the county PMA office, or the person acting in such capacity.

(c) "Farm" means all adjacent or nearby farm land under the same owner-

ship which is operated by one person, including also:

(1) Any other adjacent or nearby farm land which the county committee, in accordance with instructions issued by the Assistant Administrator for Production, Production and Marketing Administration, determines is operated by the same person as part of the same unit with respect to the rotation of crops and with workstock, farm machinery, and labor substantially separate from that for any other lands; and

(2) Any field-rented tract (whether operated by the same or another person) which, together with any other land included in the farm, constitutes a unit with respect to the rotation of crops.

A farm shall be regarded as located in the county in which the principal dwelling is situated, or if there is no dwelling thereon it shall be regarded as located in the county in which the major portion of the farm is located.

(d) "New farm" means a farm on which tobacco will be produced in 1954 for the first time since 1948.

(e) "Old farm" means a farm on which tobacco was produced in one or more of the five years 1949 through 1953.

(f) "Cropland" means farm land which in 1953 was tilled or was in regular crop rotation, excluding (1) bearing orchards and vineyards (except the acreage of cropland thereon) (2) plowable noncrop open pasture, and (3) any land which constitutes or will constitute, if tillage is continued, a wind erosion hazard to the community.

(g) "Operator" means the person who is in charge of the supervision and conduct of the farming operations on the entire farm.

(h) "Person" means an individual, partnership, association, corporation, estate or trust or other business enterprise or other legal entity, and whenever applicable, a State, a political subdivision of a State, or any agency thereof.

(i) "State administrative officer" means the person employed by the State committee to execute the policies of the State committee and be responsible for the day-to-day operations of the State PMA office, or the person acting in such capacity.

(j) "Tobacco" means (1) type 42 tobacco, that type of cigar-leaf tobacco commonly known as Gebhardt, Ohio Seedleaf, or Ohio Broadleaf, produced principally in the Miami Valley section of Ohio and extending into Indiana; (2) type 43 tobacco, that type of cigar-leaf tobacco commonly known as Zimmer, Spanish, or Zimmer Spanish, produced principally in the Miami Valley section of Ohio and extending into Indiana; (3) type 44 tobacco, that type of cigar-leaf tobacco commonly known as Dutch, Shoestring Dutch, or Little Dutch, produced principally in the Miami Valley section of Ohio; (4) type 51 tobacco, that type of cigar-leaf tobacco commonly known as Connecticut Valley Broadleaf or Connecticut Broadleaf, produced primarily in the Valley area of Connecticut; (5) type 52 tobacco, that type of cigar-leaf tobacco commonly known as Connecticut Valley

Havana Seed, or Havana Seed of Connecticut and Massachusetts, produced primarily in the Connecticut Valley area of Massachusetts and Connecticut; (6) type 53 tobacco, that type of cigar-leaf tobacco commonly known as York State Tobacco, or Havana Seed of New York and Pennsylvania, produced principally in the Big Flats section of New York, extending into Pennsylvania and in the Onondaga section of New York State; (7) type 54 tobacco, that type of cigar-leaf tobacco commonly known as southern Wisconsin cigar-leaf or southern Wisconsin binder type, produced principally south and east of the Wisconsin River; or (8) type 55 tobacco, that type of cigar-leaf tobacco commonly known as Northern Wisconsin cigar-leaf or Northern Wisconsin binder type, produced principally north and west of the Wisconsin River, as classified in Service and Regulatory Announcement No. 118 (Part 30 of this title) of the Bureau of Agricultural Economics of the United States Department of Agriculture, or all such types of tobacco, as indicated by the context. Tobacco which has the same characteristics and corresponding qualities, colors, and lengths shall be treated as one type, regardless of any factors of historical or geographical nature which cannot be determined by an examination of the tobacco. The term "tobacco" shall include all leaves harvested, including trash.

§ 723.513 *Extent of calculations and rule of fractions.* All acreage allotments shall be rounded to the nearest one-tenth acre. Fractions of fifty-one thousandths of an acre or more shall be rounded upward, and fractions of five-hundredths of an acre or less shall be dropped. For example, 1.051 would be 1.1 and 1.050 would be 1.0.

§ 723.514 *Instructions and forms.* The Director, Tobacco Branch, Production and Marketing Administration, shall cause to be prepared and issued such forms as are necessary, and shall cause to be prepared such instructions as are necessary, for carrying out §§ 723.511 to 723.528. The forms and instructions shall be approved by, and the instructions shall be issued by, the Assistant Administrator for Production, Production and Marketing Administration.

§ 723.515 *Applicability of §§ 723.511 to 723.528.* Section 723.511 to 723.528 shall govern the establishment of farm acreage allotments and normal yields for tobacco in connection with farm marketing quotas for the marketing year beginning October 1, 1954. The applicability of §§ 723.511 to 723.528 is contingent upon the proclamation of a national marketing quota for tobacco by the Secretary of Agriculture and the approval thereof by growers voting in a referendum pursuant to section 312 of the Agricultural Adjustment Act of 1938, as amended.

#### ACREAGE ALLOTMENTS AND NORMAL YIELDS FOR OLD FARMS

§ 723.516 *Determination of 1954 base acreages and 1954 preliminary acreage allotments for old farms.* (a) The base acreage for an old farm shall be the

average of the 1953 farm acreage allotment determined pursuant to §§ 723.416 to 723.428, inclusive, given a weight of four, and the acreage harvested on the farm in 1953, given a weight of one. The base acreage for an old farm may be increased or decreased if the community and county committees find that such increase or decrease is necessary to establish a base acreage for such farm which is fair and equitable in relation to the base acreages for other old farms in the community, on the basis of the past acreage of tobacco, making due allowances for drought, flood, hail, other abnormal weather conditions, plant bed, and other diseases; land, labor, and equipment available for the production of tobacco; crop rotation practices; and the soil and other physical factors affecting the production of tobacco: *Provided*, That the total of the base acreages, as increased or decreased, for all old tobacco farms in the county shall not exceed one hundred and two percent (102%) of the total of the base acreages for all old tobacco farms in the county prior to the making of any such increase or decrease: *And provided further*, That no base acreage shall be (1) increased above the acreage capacity of shed space which is in usable condition and available for curing tobacco produced on the farm; (2) decreased below the smaller of the average acreage of tobacco harvested on the farm during the years 1952 and 1953 or the acreage capacity of shed space which is in usable condition and available for curing tobacco produced on the farm; or (3) less than 0.1 acre.

(b) The preliminary acreage allotment for any old farm shall be the base acreage for the farm, as increased or decreased under paragraph (a) of this section.

§ 723.517 *1954 old farm tobacco acreage allotment.* The preliminary allotments calculated for all old farms in the State pursuant to § 723.516 shall be adjusted uniformly so that the total of such allotments plus the acreage available for adjusting acreage allotments for old farms pursuant to § 723.518 shall not exceed the State acreage allotment.

§ 723.518 *Adjustment of acreage allotments for old farms.* Notwithstanding the limitations contained in § 723.516, the farm acreage allotment for an old farm may be increased if the community and county committees find that such increase is necessary to establish an allotment for such farm which is fair and equitable in relation to the allotments for other old farms in the community, on the basis of the past acreage of tobacco, making due allowances for drought, flood, hail, other abnormal weather conditions, plant bed, and other diseases; land, labor, and equipment available for the production of tobacco; crop rotation practices; and the soil and other physical factors affecting the production of tobacco. The acreage available for increasing allotments under this section shall not exceed two percent (or, if recommended by the State committee and approved by the Administrator, Production and

Marketing Administration, four percent) of the total acreage allotted to all tobacco farms in the State for the 1953-54 marketing year.

§ 723.519 *Reduction of acreage allotment for violation of the marketing quota regulations for a prior marketing year* (a) If tobacco was marketed or was permitted to be marketed in any marketing year as having been produced on the acreage allotment for any farm which in fact was produced on a different farm, the acreage allotments established for both such farms for 1954 shall be reduced, as hereinafter provided, except that such reduction for any such farm shall not be made if the county committee determines that no person connected with such farm caused, aided, or acquiesced in such marketing.

(b) The operator of the farm shall furnish complete and accurate proof of the disposition of all tobacco produced on the farm at such time and in such manner as will insure payment of the penalty due at the time the tobacco is marketed and in the event of failure for any reason to furnish such proof, the acreage allotment for the farm shall be reduced, except that if the farm operator establishes to the satisfaction of the county and State committees that failure to furnish such proof of disposition was unintentional on his part and that he could not reasonably have been expected to furnish accurate proof of disposition, reduction of the allotment will not be required if the failure to furnish proof of disposition is corrected and payment of all additional penalty is made.

(c) Any such reduction shall be made with respect to the 1954 farm acreage allotment, provided it can be made at least 30 days prior to the beginning of the normal planting season for the county in which the farm is located as determined by the State committee. If the reduction cannot be so made effective with respect to the 1954 allotment, such reduction shall be made with respect to the farm acreage allotment next established for the farm where the reduction can be made within the time specified in this paragraph.

(d) The amount of reduction in the 1954 allotment shall be that percentage which the amount of tobacco involved in the violation is of the respective farm marketing quota for the farm for the year in which the violation occurred. Where the amount of such tobacco involved in the violation equals or exceeds the amount of the farm marketing quota the amount of reduction shall be 100 percent. The amount of tobacco determined by the county committee to have been falsely identified or for which satisfactory proof of disposition has not been furnished shall be considered the amount of tobacco involved in the violation. If the actual production of tobacco on the farm is not known, the county committee shall estimate such actual production, taking into consideration the condition of the tobacco crop during production, if known, and the actual yield per acre of tobacco on other farms in the locality on which the soil and other physical factors affecting the production of tobacco are similar; *Provided*, That the

estimate of such actual production of tobacco on the farm shall not exceed the harvested acreage of tobacco on the farm multiplied by the average actual yield on farms in the locality on which the soil and other physical factors affecting the production of tobacco are similar. The actual yield of tobacco on the farm as so estimated by the county committee multiplied by the farm acreage allotment shall be considered the farm marketing quota for the purposes of this section. In determining the amount of tobacco for which satisfactory proof of disposition has not been shown in case the actual production of tobacco on the farm is not known, the amount of tobacco involved in the violation shall be deemed to be the actual production of tobacco on the farm, estimated as above, less the amount of tobacco for which satisfactory proof of disposition has been shown.

(e) If the farm involved in the violation is combined with another farm prior to the reduction, the reduction shall be applied to that portion of the allotment for which a reduction is required under paragraph (a) or (b) of this section.

(f) If the farm involved in the violation has been divided prior to the reduction, the reduction shall be applied to the allotments for the divided farms as required under paragraph (a) or (b) of this section.

§ 723.520 *Reallocation of allotments released from farms removed from agricultural production or shifted from production of cigar-filler and binder (types 42-55) tobacco to production of shade-grown cigar-leaf (type 61) wrapper tobacco.* (a) The allotment determined or which would have been determined for any land which is removed from agricultural production for any purpose because of acquisition by any Federal, State, or other agency having a right of eminent domain shall be placed in a State pool and shall be available to the State committee for use in providing equitable allotments for farms owned or purchased by owners displaced because of acquisition of their farms by such agencies. Upon application to the county committee, within five years from the date of such acquisition of the farm, any owner so displaced shall be entitled to have an allotment for any other farm owned or purchased by him equal to an allotment which would have been determined for such other farm plus the allotment which would have been determined for the farm so acquired; *Provided*, That such allotment shall not exceed 20 percent of the acreage of cropland on the farm. The provisions of this paragraph shall not be applicable if (1) there is any marketing quota penalty due with respect to the marketing of tobacco from the farm or by the owner of the farm at the time of its acquisition by the Federal, State, or other agency; (2) any tobacco produced on such farm has not been accounted for as required by the Secretary; or (3) the allotment next to be established for the farm acquired by the Federal, State, or other agency would have been reduced because of false or improper iden-

tification of tobacco produced on or marketed from such farm.

(b) The allotment determined or which would have been determined for any land which has been used for the production of cigar-filler and binder (types 42-44, 51-55) tobacco but which will be used in 1954 for the production of cigar wrapper (type 61) tobacco shall be placed in a State pool and shall be available to the State committee to establish allotments pursuant to § 723.526.

§ 723.521 *Farms divided or combined.*

(a) If land operated as a single farm in 1953 will be operated in 1954 as two or more farms, the 1954 tobacco acreage allotment determined or which otherwise would have been determined for the entire farm shall be apportioned among the tracts in the same proportion as the acreage of cropland available for the production of tobacco in each such tract in such year bore to the total number of acres of cropland available for the production of tobacco on the entire farm in such year, except that, upon recommendation of the county committee and with State committee approval and agreement of the interested parties in writing, the tobacco acreage allotment determined or which otherwise would have been determined for the entire farm may be apportioned among the tracts (1) in the same proportion as the five-year average acreage of tobacco harvested on each such tract during the years 1949-53 bore to the five-year average acreage of tobacco harvested on the entire farm during 1949-53 or (2), if the farm to be divided in 1954 consists of two or more tracts which were separate and distinct farms, or distinct portions of such farms, before being combined for 1953, in the same proportion that each contributed to the farm acreage allotment; *Provided*, That with the recommendation of the county committee and approval of the State committee and with the written agreement of all interested persons, the tobacco acreage allotment determined for a tract under the provisions of this paragraph may be increased or decreased by not more than the larger of one-tenth acre or 10 percent of the 1954 acreage allotment determined for the entire farm with corresponding increases or decreases made in the acreage allotment apportioned to the other tract or tracts.

(b) If two or more farms operated separately in 1953 are combined and operated in 1954 as a single farm, the 1954 allotment shall be the sum of the 1954 allotments determined for each of the farms comprising the combination.

(c) If a farm is to be divided in 1954 in settling an estate the allotment may be divided among the various tracts in accordance with paragraph (a) of this section, or on such other basis as the State committee determines will result in equitable farm allotments.

§ 723.522 *Determination of normal yields.* The normal yield for any old farm shall be that yield which the county committee determines is normal for the farm taking into consideration (a) the yields obtained on the farm during the years 1946-52 for which data are avail-

able, (b) the soil and other physical factors affecting the production of tobacco on the farm, and (c) the yields obtained on other farms in the locality which are similar with respect to such factors.

**ACREAGE ALLOTMENTS AND NORMAL YIELDS FOR NEW FARMS**

§ 723.523 *Determination of acreage allotments for new farms.* (a) The acreage allotment, other than an allotment made under § 723.520, for a new farm shall be that acreage which the county committee determines is fair and reasonable for the farm taking into consideration the past tobacco experience of the farm operator; the land, labor and equipment available for the production of tobacco; crop rotation practices; and the soil and other physical factors affecting the production of tobacco: *Provided*, That the acreage allotment so determined shall not exceed 75 percent of the allotments for old farms which are similar with respect to land, labor, and equipment available for the production of tobacco, crop rotation practices, and the soil and other physical factors affecting the production of tobacco.

(b) Notwithstanding any other provisions of this section, a tobacco acreage allotment shall not be established for any new farm unless each of the following conditions has been met:

(1) The farm operator shall have had experience during one of the past five years in the kind of tobacco for which an allotment is requested and such experience shall have been for the entire crop year beginning with the preparation of the plant bed and extending through preparation of the tobacco for market: *Provided*, That a farm operator who was in the armed services after September 16, 1940, shall be deemed to have met the requirements hereof if he has had such experience during one year either within the five years immediately prior to his entry into the armed services or within the five years immediately following his discharge from the armed services and if he files an application for an allotment within five crop years from date of discharge.

(2) The farm operator shall be largely dependent for his livelihood on the farm covered by the application.

(3) The farm covered by the application shall be the only farm owned or operated by the farm operator for which a cigar-filler and binder (types 42-44, 51-55) tobacco allotment is established for the 1954-55 marketing year.

(c) The acreage allotments established as provided in this section shall be subject to such downward adjustment as is necessary to bring such allotments in line with the total acreage available for allotment to all new farms. One percent of the 1954 national marketing quota shall, when converted to an acreage allotment by the use of the national average yield, be available for establishing allotments for new farms. The national average yield shall be the average of the several State yields used in converting the State marketing quota into State acreage allotments.

§ 723.524 *Time for filing application.* An application for a new farm allotment

shall be filed with the county FMA office not later than March 12, 1954, unless the farm operator was discharged from the armed services subsequent to December 31, 1953, in which case such application shall be filed within a reasonable period prior to planting tobacco on the farm.

§ 723.525 *Determination of normal yields.* The normal yield for a new farm shall be that yield per acre which the county committee determines is normal for the farm as compared with yields for other farms in the locality on which the soil and other physical factors affecting the production of tobacco are similar.

**MISCELLANEOUS**

§ 723.526 *Determination of acreage allotments and normal yields for farms returned to agricultural production or shifted from production of shade-grown cigar-leaf (type 61) wrapper tobacco to production of cigar-filler and binder (types 42-44, 51-55) tobacco.* (a) Notwithstanding the foregoing provisions of §§ 723.511 to 723.525, the acreage allotment for any farm which was acquired by any Federal, State, or other agency having the right of eminent domain for any purpose and which is returned to agricultural production in 1954 or which was returned to agricultural production in 1953 too late for the 1953 allotment to be established, shall be determined by one of the following methods:

(1) If the land is acquired by the original owner, any part of the acreage allotment which was or could have been established for such farm prior to its retirement from agricultural production which remains in the State pool (adjusted to reflect the uniform increases and decreases in comparable old farm allotments since the farm was acquired) may be established as the 1954 allotment for such farm by transfer from the pool, and if any part of the allotment for such land was transferred by the original owner through the State pool to another farm now owned by him, such owner may elect to transfer all or any part of such allotment (as adjusted) to the farm which is returned to agricultural production.

(2) If the land is acquired by a person other than the original owner, or if all of the allotment was transferred through the State pools to another farm and the original owner does not now own the farm to which the allotment was transferred, the farm returned to agricultural production shall be regarded as a new farm.

(b) Notwithstanding the foregoing provisions of §§ 723.511 to 723.525, an allotment may be established by the county and State committees for a farm which in 1953 was producing shade-grown cigar-leaf (type 61) wrapper tobacco but on which cigar-filler and binder (types 42-44, 51-55) tobacco will be produced in 1954. The acreage used for such purpose will be limited to that placed in the State pool pursuant to § 723.520 (b). Any allotment established pursuant to this paragraph shall, to the extent of available acreage in such pool, be determined by the county and State committees so as to be fair and equitable

in relation to the allotments for other old farms in the community, on the basis of the past acreage of tobacco, making due allowances for drought, flood, hail, other abnormal weather conditions, plant bed, and other diseases; land, labor, and equipment available for the production of tobacco; crop rotation practices; and the soil and other physical factors affecting the production of tobacco. Allotments established pursuant to this paragraph are eligible for consideration for adjustments under § 723.518.

(c) The normal yield for any such farm, under paragraph (a) or (b) of this section, shall be that yield per acre which the county committee determines is reasonable for the farm as compared with yields for other farms in the locality on which the soil and other physical factors affecting the production of tobacco are similar.

§ 723.527 *Approval of determinations made under §§ 723.511 to 723.526.* All allotments and yields shall be reviewed by or on behalf of the State committee and the State committee may correct or require correction of any determinations made under §§ 723.511 to 723.526. All acreage allotments and yields shall be approved by or on behalf of the State committee and no official notice of acreage allotment shall be mailed to a grower until such allotment has been approved by or on behalf of the State committee.

§ 723.528 *Application for renew.* Any producer who is dissatisfied with the farm acreage allotment and marketing quota established for his farm may, within fifteen days after mailing of the official notice of the farm acreage allotment and marketing quota, file application with the county FMA office to have such allotment reviewed by a review committee. The procedures governing the review of farm acreage allotments and marketing quotas are contained in the regulations issued by the Secretary (Part 711 of this chapter) which are available at the office of the county FMA office.

Done at Washington, D. C., this 6th day of July 1953. Witness my hand and seal of the Department of Agriculture.

[SEAL] TRUE D. MORSE,  
Acting Secretary of Agriculture.

[F. E. Doc. 53-6959; Filed, July 8, 1953; 8:53 a. m.]

[1023 (Burley and Flue-54)-1]

**PART 725—BURLEY AND FLUE-CURED TOBACCO**

**MARKETING QUOTA REGULATIONS, 1954-55 MARKETING YEAR**

**GENERAL**

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725.512 Definitions.  
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- 725.523 Determination of acreage allotments for new farms.  
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- 725.526 Determination of acreage allotments and normal yields for farms returned to agricultural production.  
725.527 Approval of determinations made under §§ 725.511 to 725.526.  
725.528 Application for review.

**AUTHORITY:** §§ 725.511 to 725.528 issued under sec. 375, 52 Stat. 66, as amended; 7 U. S. C. 1375. Interpret or apply secs. 301, 313, 363, 52 Stat. 38, 47, 63, as amended; 7 U. S. C. 1301, 1313, 1363; 66 Stat. 597.

GENERAL

§ 725.511 *Basis and purpose.* The regulations contained in §§ 725.511 to 725.528 are issued pursuant to the Agricultural Adjustment Act of 1938, as amended, and govern the establishment of 1954 farm acreage allotments and normal yields for Burley and flue-cured tobacco. The purpose of the regulations in §§ 725.511 to 725.528 is to provide the procedure for allocating, on an acreage basis, the national marketing quota for Burley and flue-cured tobacco for the 1954-55 marketing year among farms and for determining normal yields. Prior to preparing the regulations in §§ 725.511 to 725.528, public notice (18 F. R. 3025) was given in accordance with the Administrative Procedure Act (5 U. S. C. 1003). The data, views, and recommendations pertaining to the regulations in §§ 725.511 to 725.528, which were submitted have been duly considered within the limits permitted by the Agricultural Adjustment Act of 1938, as amended.

§ 725.512 *Definitions.* As used in §§ 725.511 to 725.528, and in all instructions, forms, and documents in connection therewith the words and phrases defined in this section shall have the meanings herein assigned to them unless the context or subject matter otherwise requires.

(a) Committees:

(1) "Community committee" means the persons elected within a community as the community committee pursuant to regulations governing the selection and functions of Production and Marketing Administration county and community committees.

(2) "County committee" means the persons elected within a county as the

county committee pursuant to regulations governing the selection and functions of Production and Marketing Administration county and community committees.

(3) "State committee" means the persons in a State designated by the Secretary as the State committee of the Production and Marketing Administration.

(b) "County office manager" means the person employed by the county committee to execute the policies of the county committee and be responsible for the day-to-day operations of the county PMA office, or the person acting in such capacity.

(c) "Farm" means all adjacent or nearby farm land under the same ownership which is operated by one person, including also:

(1) Any other adjacent or nearby farm land which the county committee, in accordance with instructions issued by the Assistant Administrator for Production, Production and Marketing Administration, determines is operated by the same person as part of the same unit with respect to the rotation of crops and with workstock, farm machinery and labor substantially separate from that for any other lands; and

(2) Any field-rented tract (whether operated by the same or another person) which, together with any other land included in the farm, constitutes a unit with respect to the rotation of crops. A farm shall be regarded as located in the county in which the principal dwelling is situated, or if there is no dwelling thereon, it shall be regarded as located in the county in which the major portion of the farm is located.

(d) "New farm" means a farm on which tobacco will be produced in 1954 for the first time since 1948.

(e) "Old farm" means a farm on which tobacco was produced in one or more of the five years 1949 through 1953.

(f) "Cropland" means farm land which in 1953 was tilled or was in regular crop rotation, excluding (1) bearing orchards and vineyards (except the acreage of cropland therein) (2) plowable noncrop open pasture, and (3) any land which constitutes or will constitute, if tillage is continued, a wind erosion hazard to the community.

(g) "Community cropland factor" means that percentage determined by dividing the total cropland for all old farms in the community in 1953 into the total of the 1953 tobacco acreage allotment for such old farms: *Provided*, That (1) if it is determined that the cropland factors for all communities in the county are substantially the same, the county committee, with the approval of the State committee, may consider the entire county as one community, and (2) if there is only one farm in the county on which tobacco is grown, the community cropland factor of the nearest community in which tobacco is grown shall be used in determining the acreage indicated by cropland.

(h) "Acreage indicated by cropland" means that acreage determined by multiplying the number of acres of cropland in the farm by the community cropland factor.

(i) "Operator" means the person who is in charge of the supervision and conduct of the farming operations on the entire farm.

(j) "Person" means an individual, partnership, association, corporation, estate or trust or other business enterprise or other legal entity, and whenever applicable, a State, a political subdivision of a State, or any agency thereof.

(k) "State administrative officer" means the person employed by the State committee to execute the policies of the State committee and be responsible for the day-to-day operations of the State PMA office, or the person acting in such capacity.

(1) "Tobacco" means:

(1) Burley tobacco, type 31, or flue-cured tobacco types 11, 12, 13, and 14, as classified in Service and Regulatory Announcement No. 118 (Part 30 of this title) of the Bureau of Agricultural Economics of the United States Department of Agriculture, or both, as indicated by the context.

(2) Any tobacco that has the same characteristics, and corresponding qualities, colors, and lengths as either Burley or flue-cured tobacco shall be considered respectively either Burley or flue-cured tobacco regardless of any factors of historical or geographical nature which cannot be determined by examination of the tobacco.

§ 725.513 *Extent of calculations and rule of fractions.* All acreage allotments shall be rounded to the nearest one-tenth acre. Fractions of fifty-one thousandths of an acre or more shall be rounded upward, and fractions of five-hundredths of an acre or less shall be dropped. For example 1.051 would be 1.1 and 1.050 would be 1.0.

§ 725.514 *Instructions and forms.* The Director, Tobacco Branch, Production and Marketing Administration, shall cause to be prepared and issued such forms as are necessary, and shall cause to be prepared such instructions as are necessary for carrying out the regulations in this part. The forms and instructions shall be approved by, and the instructions shall be issued by, the Assistant Administrator for Production, Production and Marketing Administration.

§ 725.515 *Applicability of §§ 725.511 to 725.528.* Sections 725.511 to 725.528 shall govern the establishment of farm acreage allotments and normal yields for tobacco in connection with farm marketing quotas for the marketing year beginning October 1, 1954, in the case of Burley tobacco, and July 1, 1954, in the case of flue-cured tobacco. The applicability of §§ 725.511 to 725.528 is contingent upon the proclamation of national marketing quotas for tobacco by the Secretary.

ACREAGE ALLOTMENTS AND NORMAL YIELDS  
FOR OLD FARMS

§ 725.516 *Determination of 1954 preliminary acreage allotments for old farms.* The preliminary acreage allotment for an old farm shall be the 1953 allotment with the following exceptions:

(a) If the acreage of tobacco harvested on the farm in each of the three years 1951-53 was less than 75 percent of the farm acreage allotment for each of such years, the preliminary allotment shall be the larger of (1) the largest acreage of tobacco harvested on the farm in any one of such three years, or (2) the average acreage of tobacco harvested on the farm in the five years 1949-53: *Provided*, That any such preliminary allotment shall not exceed the 1953 allotment for such farm or be less than 0.1 acre.

(b) If the county committee determines that failure to harvest as much as 75 percent of the acreage allotted to the farm during any one of the three years 1951-53 was due to (1) service in the armed forces on the part of labor regularly engaged in producing tobacco on the farm prior to entry into the armed forces, or (2) black shank infestation on the farm, the preliminary allotment for the farm shall be the 1953 allotment.

(c) If no 1953 allotment was established for the farm, the preliminary allotment shall be the smaller of (1) the average acreage of tobacco harvested on the farm in the five years 1949-53, or (2) the acreage obtained by multiplying the farm's average acreage for the five years 1949-53 by the ratio of the farm's actual yield to the 1953 county average yield: *Provided*, That such preliminary allotment shall not be less than 0.1 acre.

(d) If the acreage of tobacco harvested on the farm in 1953 exceeded the 1953 allotment by more than 10 percent, the preliminary allotment shall be the 1953 allotment plus the smaller of (1) one-fifth of the excess acreage, or (2) the acreage obtained by multiplying one-fifth of the excess acreage by the ratio of the farm's actual yield to the 1953 county average yield.

(e) The preliminary allotments determined under paragraph (c) or (d) of this section shall not exceed the smallest of (1) the acreage indicated by cropland, (2) 20 percent of the acreage of cropland on the farm in the case of flue-cured tobacco, or (3) the acreage capacity of curing barns located on the farm and suitable for curing tobacco, which in the case of flue-cured tobacco shall be 3.5 acres per barn: *Provided*, That no preliminary allotment shall be reduced below the 1953 allotment because of these factors or be less than 0.1 acre.

(f) The preliminary allotment shall not exceed 80 percent of the acreage of cropland on the farm.

§ 725.517 *1954 old farm tobacco acreage allotment.* The preliminary allotments calculated for all old farms in the State pursuant to § 725.516 shall be adjusted uniformly so that the total of such allotments for old farms plus the acreage available for adjusting acreage allotments for old farms pursuant to § 725.518 shall not exceed the State acreage allotment: *Provided*, That in the case of Burley tobacco, the farm acreage allotment shall not be less than the smallest of (a) the 1953 allotment, (b), seven-tenths of an acre, or (c) 25 percent of the cropland in the farm: *Provided further* That no 1953 allotment of one acre or less shall be reduced more than one-tenth of an acre.

§ 725.518 *Adjustment of acreage allotments for old farms.* Notwithstanding the limitations contained in § 725.516, except paragraph (f) thereof, the farm acreage allotment for an old farm may be increased if the community and county committees find that such increase is necessary to establish an allotment for such farm which is fair and equitable in relation to the allotments for other old farms in the community, on the basis of the past acreage of tobacco, making due allowances for drought, flood, hail, other abnormal weather conditions, plant bed, and other diseases; land, labor and equipment available for the production of tobacco; crop rotation practices; and the soil and other physical factors affecting the production of tobacco. The acreage available for increasing allotments under this section shall not exceed one-half of one percent of the total acreage allotted to all tobacco farms in the State for the 1953-54 marketing year.

§ 725.519 *Reduction of acreage allotment for violation of the marketing quota regulations for a prior marketing year.*

(a) If tobacco was marketed or was permitted to be marketed in any marketing year as having been produced on the acreage allotment for any farm which in fact was produced on a different farm, the acreage allotments established for both such farms for 1954 shall be reduced, as provided in this section, except that such reduction for any such farm shall not be made if the county committee determines that no person connected with such farm caused, aided, or acquiesced in such marketing.

(b) The operator of the farm shall furnish complete and accurate proof of the disposition of all tobacco produced on the farm at such time and in such manner as will insure payment of the penalty due at the time the tobacco is marketed and, in the event of failure for any reason to furnish such proof, the acreage allotment for the farm shall be reduced, except that if the farm operator establishes to the satisfaction of the county and State committees that failure to furnish such proof of disposition was unintentional on his part and that he could not reasonably have been expected to furnish accurate proof of disposition, reduction of the allotment will not be required if the failure to furnish proof of disposition is corrected and payment of all additional penalty is made.

(c) Any such reduction shall be made with respect to the 1954 farm acreage allotment, provided it can be made at least 30 days prior to the beginning of the normal planting season for the county in which the farm is located as determined by the State committee. If the reduction cannot be so made effective with respect to the 1954 allotment such reduction shall be made with respect to the farm acreage allotment next established for the farm where the reduction can be made within the time specified above. This section shall not apply if the allotment for any prior year was reduced on account of the same violation.

(d) The amount of reduction in the 1954 allotment shall be that percentage

which the amount of tobacco involved in the violation is of the respective farm marketing quota for the farm for the year in which the violation occurred. Where the amount of such tobacco involved in the violation equals or exceeds the amount of the farm marketing quota, the amount of reduction shall be 100 percent. The amount of tobacco determined by the county committee to have been falsely identified or for which satisfactory proof of disposition has not been furnished shall be considered the amount of tobacco involved in the violation. If the actual production of tobacco on the farm is not known, the county committee shall estimate such actual production, taking into consideration the condition of the tobacco crop during production, if known, and the actual yield per acre of tobacco on other farms in the locality on which the soil and other physical factors affecting the production of tobacco are similar: *Provided*, That the estimate of such actual production of tobacco on the farm shall not exceed the harvested acreage of tobacco on the farm multiplied by the average actual yield on farms in the locality on which the soil and other physical factors affecting the production of tobacco are similar. The actual yield of tobacco on the farm as so estimated by the county committee multiplied by the farm acreage allotment shall be considered the farm marketing quota for the purposes of this section. In determining the amount of tobacco for which satisfactory proof of disposition has not been shown in case the actual production of tobacco on the farm is not known, the amount of tobacco involved in the violation shall be deemed to be the actual production of tobacco on the farm, estimated as above, less the amount of tobacco for which satisfactory proof of disposition has been shown.

(e) If the farm involved in the violation is combined with another farm prior to the reduction, the reduction shall be applied to that portion of the allotment for which a reduction is required under paragraph (a) or (b) of this section.

(f) If the farm involved in the violation has been divided prior to the reduction, the reduction shall be applied to the allotments for the divided farms as required under paragraph (a) or (b) of this section.

§ 725.520 *Reallocation of allotments released from farms removed from agricultural production.* (a) The allotment determined or which would have been determined for any land which is removed from agricultural production for any purpose because of acquisition by any Federal, State, or other agency having a right of eminent domain shall be placed in a State pool and shall be available to the State committee for use in providing equitable allotments for farms owned or purchased by owners displaced because of acquisition of their farms by such agencies. Upon application to the county committee, within five years from the date of such acquisition of the farm, any owner so displaced shall be entitled to have an allotment for any other farm owned or purchased by him

equal to an allotment which would have been determined for such other farm plus the allotment which would have been determined for the farm so acquired: *Provided*, That such allotment shall not exceed 20 percent of the acreage of cropland on the farm in the case of Burley tobacco and 50 percent of the acreage of cropland on the farm in the case of flue-cured tobacco.

(b) The provisions of this section shall not be applicable if (1) there is any marketing quota penalty due with respect to the marketing of tobacco from the farm or by the owner of the farm at the time of its acquisition by the Federal, State, or other agency; (2) any tobacco produced on such farm has not been accounted for as required by the Secretary; or (3) the allotment next to be established for the farm acquired by the Federal, State, or other agency would have been reduced because of false or improper identification of tobacco produced on or marketed from such farm.

§ 725.521 *Farms divided or combined.*

(a) If land operated as a single farm in 1953 will be operated in 1954 as two or more farms, the 1954 tobacco acreage allotment determined or which otherwise would have been determined for the entire farm shall be apportioned among the tracts in the same proportion as the acreage of cropland available for the production of tobacco in each such tract in such year bore to the total number of acres of cropland available for the production of tobacco on the entire farm in such year, except that the tobacco acreage allotment determined or which otherwise would have been determined for the entire farm shall, if the farm to be divided for 1954 consists of two or more tracts which were separate and distinct farms before being combined within the past five years (1949-53) be apportioned among the tracts in the same proportion that each contributed to the farm acreage allotment: *Provided*, That with the recommendation of the county committee and approval of the State committee and with the written agreement of all interested persons, the tobacco acreage allotment determined for a tract under the provisions of this paragraph may be increased or decreased by not more than the larger of one-tenth acre or 10 percent of the 1954 acreage allotment determined for the entire farm with corresponding increases or decreases made in the acreage allotment apportioned to the other tract or tracts.

(b) If two or more farms operated separately in 1953 are combined and operated in 1954 as a single farm, the 1954 allotment shall be the sum of the 1954 allotments determined for each of the farms comprising the combination or, in the case of Burley tobacco, if smaller, the allotment determined or which would have been determined for the farm as constituted in 1954.

(c) If a farm is to be divided in 1954 in settling an estate, the allotment may be divided among the various tracts in accordance with paragraph (a) of this section or on such other basis as the State committee determines will result in equitable allotments.

§ 725.522 *Determination of normal yields.* The normal yield for any old farm shall be that yield which the county committee determines is normal for the farm taking into consideration (a) the yields obtained on the farm during the five years 1948-52, (b) the soil and other physical factors affecting the production of tobacco on the farm, and (c) the yields obtained on other farms in the locality which are similar with respect to such factors.

ACREAGE ALLOTMENTS AND NORMAL YIELDS FOR NEW FARMS

§ 725.523 *Determination of acreage allotments for new farms.* (a) The acreage allotment, other than an allotment made under § 725.520, for a new farm shall be that acreage which the county committee determines is fair and reasonable for the farm taking into consideration the past tobacco experience of the farm operator; the land, labor, and equipment available for the production of tobacco; crop-rotation practices; and the soil and other physical factors affecting the production of tobacco: *Provided*, That the acreage allotment so determined shall not exceed in the case of Burley tobacco 50 percent of the allotments for old Burley farms which are similar with respect to land, labor and equipment available for the production of tobacco, crop-rotation practices, and the soil and other physical factors affecting the production of tobacco; and in the case of flue-cured tobacco, the smaller of (1) 15 percent of the cropland in the farm including land from which a cultivated crop was harvested in 1953 or (2) 75 percent of the allotment for old flue-cured tobacco farms which are similar with respect to land, labor, and equipment available for the production of tobacco, crop-rotation practices, and the soil and other physical factors affecting the production of tobacco.

(b) Notwithstanding any other provisions of this section a tobacco acreage allotment shall not be established for any new farm unless each of the following conditions has been met:

(1) The farm operator shall have had experience in growing the kind of tobacco for which an allotment is requested either as a share cropper, tenant, or as a farm operator during two of the past five years: *Provided*, That a farm operator who was in the armed services after September 16, 1940, shall be deemed to have met the requirements of this subparagraph if he has had such experience during one year either within the five years immediately prior to his entry into the armed services or within the five years immediately following his discharge from the armed services and if he files an application for an allotment within five crop years from date of discharge.

(2) The farm operator shall live on and be largely dependent for his livelihood on the farm covered by the application.

(3) The farm covered by the application shall be the only farm owned or operated by the owner or farm operator for which a Burley or flue-cured tobacco allotment is established for the 1954-55 marketing year.

(c) The acreage allotments established as provided in this section shall be subject to such downward adjustment as is necessary to bring such allotments in line with the total acreage available for allotment to all new farms. One-half of one percent of the 1954 national marketing quota shall, when converted to an acreage allotment by the use of the national average yield, be available for establishing allotments for new farms. The national average yield shall be the average of the several State yields used in converting the State marketing quotas into State acreage allotments.

§ 725.524 *Time for filing application.* An application for a new farm allotment shall be filed with the county PMA office prior to February 1, 1954, unless the farm operator was discharged from the armed services subsequent to December 31, 1953, in which case such application shall be filed within a reasonable period prior to planting tobacco on the farm.

§ 725.525 *Determination of normal yields.* The normal yield for a new farm shall be that yield per acre which the county committee determines is normal for the farm as compared with yields for other farms in the locality on which the soil and other physical factors affecting the production of tobacco are similar.

MISCELLANEOUS

§ 725.526 *Determination of acreage allotments and normal yields for farms returned to agricultural production.*

(a) Notwithstanding the foregoing provisions of §§ 725.511 to 725.525, the acreage allotment for any farm which was acquired by any Federal, State, or other agency having the right of eminent domain, for any purpose and which is returned to agricultural production in 1954, or which was returned to agricultural production in 1953 too late for the 1953 allotment to be established, shall be determined by one of the following methods:

(1) If the land is acquired by the original owner, any part of the acreage allotment which was or could have been established for such farm prior to its retirement from agricultural production which remains in the State pool (adjusted to reflect the uniform increases and decreases in comparable old farm allotments since the farm was acquired) may be established as the 1954 allotment for such farm by transfer from the pool, and if any part of the allotment for such land was transferred by the original owner through the State pool to another farm now owned by him, such owner may elect to transfer all or any part of such allotment (as adjusted) to the farm which is returned to agricultural production.

(2) If the land is acquired by a person other than the original owner, or if all of the allotment was transferred through the State pools to another farm and the original owner does not now own the farm to which the allotment was transferred, the farm returned to agricultural production shall be regarded as a new farm.

(b) The normal yield for any such farm shall be that yield per acre which

the county committee determines is reasonable for the farm as compared with yields for other farms in the locality on which the soil and other physical factors affecting the production of tobacco are similar.

§ 725.527 *Approval of determinations made under §§ 725.511 to 725.526.* All allotments and yields shall be reviewed by or on behalf of the State Committee, and the State Committee may correct or require correction of any determinations made under §§ 725.511 to 725.526. All acreage allotments and yields shall be approved by or on behalf of the State committee and no official notice of acreage allotment shall be mailed to a grower until such allotment has been approved by or on behalf of the State committee.

§ 725.528 *Application for review.* Any producer who is dissatisfied with the farm acreage allotment and marketing quota established for his farm, may, within fifteen days after mailing of the official notice of the farm acreage allotment and marketing quota, file application with the county PMA office to have such allotment reviewed by a review committee. This procedure governing the review of farm acreage allotments and marketing quotas are contained in the regulations issued by the Secretary (Part 711 of this chapter) which are available at the county PMA office.

Done at Washington, D. C., this 6th day of July 1953. Witness my hand and seal of the Department of Agriculture.

[SEAL] TRUE D. MORSE,  
Acting Secretary of Agriculture.

[F. R. Doc. 53-6059; Filed, July 8, 1953;  
8:53 a. m.]

[1023 (Maryland-54)-1]

PART 727—MARYLAND TOBACCO

MARKETING QUOTA REGULATIONS, 1954-55  
MARKETING YEAR

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| 727.526 | Determination of acreage allotments and normal yields for farms returned to agricultural production. |
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AUTHORITY: §§ 727.511 to 727.528 issued under sec. 375, 52 Stat. 69, as amended; 7 U. S. C. 1375. Interpret or apply secs. 301, 313, 363, 52 Stat. 38, as amended, 47, as amended, 63; 7 U. S. C. 1301, 1313, 1363.

GENERAL

§ 727.511 *Basis and purpose.* The regulations contained in §§ 727.511 to 727.528 are issued pursuant to the Agricultural Adjustment Act of 1938, as amended, and govern the establishment of 1954 farm acreage allotments and normal yields for Maryland tobacco. The purpose of the regulations in §§ 727.511 to 727.528 is to provide the procedure for allocating on an acreage basis, the State marketing quota for Maryland tobacco for the 1954-55 marketing year among farms and for determining normal yields. Prior to preparing the regulations in §§ 727.511 to 727.528, public notice (18 F. R. 3235) was given in accordance with the Administrative Procedure Act (5 U. S. C. 1003). The data, views, and recommendations pertaining to the regulations in §§ 727.511 to 727.528, which were submitted have been duly considered within the limits permitted by the Agricultural Adjustment Act of 1938, as amended.

§ 727.512 *Definitions.* As used in §§ 727.511 to 727.528, and in all instructions, forms, and documents in connection therewith, the words and phrases defined in this section shall have the meanings herein assigned to them unless the context or subject matter otherwise requires.

(a) Committees:

(1) "Community committee" means the persons elected within a community as the community committee pursuant to the regulations governing the selection and functions of Production and Marketing Administration county and community committees.

(2) "County committee" means the persons elected within a county as the county committee pursuant to regulations governing the selection and functions of Production and Marketing Administration county and community committees.

(3) "State committee" means the persons designated by the Secretary as the State committee of the Production and Marketing Administration.

(b) "County office manager" means the person employed by the county committee to execute the policies of the county committee and be responsible for the day-to-day operations of the county PMA office, or the person acting in such capacity.

(c) "Farm" means all adjacent or nearby farm land under the same ownership which is operated by one person, including also;

(1) Any other adjacent or nearby farm land which the county committee, in accordance with instructions issued by the Assistant Administrator for Production, Production and Marketing Administration, determines is operated by the same person as part of the same unit with respect to the rotation of crops and with workstock, farm machinery, and labor substantially separate from that for any other lands; and

(2) Any field-rented tract (whether operated by the same or another person), which, together with any other land included in the farm, constitutes a unit with respect to the rotation of crops.

A farm shall be regarded as located in the county in which the principal dwelling is situated, or if there is no dwelling thereon, it shall be regarded as located in the county in which the major portion of the farm is located.

(d) "New farm" means a farm on which tobacco will be produced in 1954 for the first time since 1948.

(e) "Old farm" means a farm on which tobacco was produced in one or more of the five years 1949 through 1953.

(f) "Cropland" means farm land which in 1953 was tilled or was in regular crop rotation, excluding (1) bearing orchards and vineyards (except the acreage of cropland therein) (2) plowable noncrop open pasture, and (3) any land which constitutes or will constitute, if tillage is continued, a wind erosion hazard to the community.

(g) "Operator" means the person who is in charge of the supervision and conduct of the farming operations on the entire farm.

(h) "Person" means an individual, partnership, association, corporation, estate or trust or other business enterprise or other legal entity, and whenever applicable, a State, a political subdivision of a State, or any agency thereof.

(i) "State administrative officer" means the person employed by the State committee to execute the policies of the State committee and be responsible for the day-to-day operations of the State PMA office, or the person acting in such capacity.

(j) "Tobacco" means Maryland tobacco, type 32, as classified in Service and Regulatory Announcement No. 118 (Part 30 of this title) of the Bureau of Agricultural Economics of the United States Department of Agriculture. Tobacco which has the same characteristics and corresponding qualities, colors, and lengths, shall be treated as one type, regardless of any factors of historical or geographical nature which cannot be determined by an examination of the tobacco.

§ 727.513 *Extent of calculations and rule of fractions.* All acreage allotments shall be rounded to the nearest one-tenth acre. Fractions of fifty-one thousandths of an acre or more shall be rounded upward, and fractions of five-hundredths of an acre or less shall be dropped. For example, 1.051 would be 1.1 and 1.050 would be 1.0.

§ 727.514 *Instructions and forms.* The Director, Tobacco Branch, Produc-

tion and Marketing Administration, shall cause to be prepared and issued such forms as are necessary, and shall cause to be prepared such instructions as are necessary, for carrying out the regulations in this part. The forms and instructions shall be approved by, and the instructions shall be issued by, the Assistant Administrator for Production, Production and Marketing Administration.

§ 727.515 *Applicability of §§ 727.511 to 727.528.* Sections 727.511 to 727.528 shall govern the establishment of farm acreage allotments and normal yields for tobacco in connection with farm marketing quotas for the marketing year beginning October 1, 1954. The applicability of §§ 727.511 to 727.528 is contingent upon the proclamation of a national marketing quota for Maryland tobacco by the Secretary, and the approval thereof by growers voting in a referendum pursuant to section 312 of the Agricultural Adjustment Act of 1938, as amended.

ACREAGE ALLOTMENTS AND NORMAL YIELDS  
FOR OLD FARMS

§ 727.516 *Determination of 1954 preliminary acreage allotments for old farms.* The preliminary acreage allotment for an old farm shall be the 1953 allotment which was or should have been determined for the farm, adjusted where applicable as indicated below.

(a) *Adjustments for past acreage.*  
(1) If the acreage of tobacco harvested on the farm in 1953, after due allowances have been made for drought, flood, hail, other abnormal weather conditions, plant bed and other diseases, was less than 75 percent of the 1953 allotment, the preliminary allotment shall be the 1953 allotment minus one-fifth of the difference between the 1953 allotment and the 1953 harvested acreage: *Provided*, That no such downward adjustment shall be made unless the difference between the 1953 harvested acreage and the 1953 allotment amounts to one-half acre or more. Adjustment in the 1953 harvested acreage for plant bed diseases shall be made only if the county committee determines that the farm operator could not obtain sufficient plants.

(2) If the acreage of tobacco harvested on the farm in 1953, after due allowances have been made for drought, flood, hail, other abnormal weather conditions, plant bed and other diseases, was more than 110 percent of the 1953 allotment, the preliminary allotment shall be the 1953 allotment plus one-fifth of the difference between the 1953 allotment and the 1953 harvested acreage. Adjustment in the 1953 harvested acreage for plant bed diseases shall be made only if the county committee determines that the farm operator could not obtain sufficient plants.

(3) If no 1953 allotment was established for the farm and no tobacco was harvested on the farm in one or more of the years 1948-52, the preliminary allotment shall be one-fifth of the acreage of tobacco harvested on the farm in 1953, after due allowances have been made for drought, flood, hail, other abnormal weather conditions, plant bed

and other diseases. Adjustment in the 1953 harvested acreage for plant bed diseases shall be made only if the county committee determines that the farm operator could not obtain sufficient plants.

(b) *Adjustments for land, labor and equipment available for the production of tobacco, crop rotation practices, and the soil and other physical factors affecting the production of tobacco.* The county committee, with the assistance of community committees, may adjust the preliminary allotment determined under paragraph (a) of this section to the extent that they find adjustments to be needed in order to establish a preliminary allotment for the farm which is fair and equitable in relation to the preliminary allotments for other old farms in the community considering the land, labor, and equipment available for the production of tobacco, crop rotation practices, and the soil and other physical factors affecting the production of tobacco, subject to the following limitations:

(1) The preliminary allotment shall not be increased above the smallest of (i) the average acreage of tobacco harvested on the farm in the three years during the period 1951-53; (ii) the percent of the cropland in the farm equal to the percent which the total of the 1953 allotments for all old farms in the community is of the total acreage of cropland in such farms (an increase above this limit may be made if the county committee finds that more of the cropland in the farm is available for production of tobacco than is the case generally for farms in the community because of the suitability of the land for production of tobacco and the nonuse of land for enterprise other than tobacco) and (iii) the acreage capacity of barn space located on the farm which is in usable condition and available for curing tobacco grown on the farm.

(2) The preliminary allotment shall not be decreased below the smallest of (i) the average acreage of tobacco harvested on the farm in the three years 1951-53; (ii) that percent of the cropland in the farm equal to the percent which the total of the 1953 allotments for all old farms in the community is of the total acreage of cropland in such farms; and (iii) the acreage capacity of barn space located on the farm which is in usable condition and available for curing tobacco grown on the farm: *Provided*, That with the written consent of the owner of the farm the preliminary allotment may be decreased without regard to the limitations contained in this subparagraph.

(3) The total increases in any county under this paragraph shall not exceed the total decreases in such county. The total of the decreases in any county under this paragraph may exceed the total increases in the county.

§ 727.517 *1954 old farm tobacco acreage allotment.* The preliminary allotments calculated for all old farms in the State pursuant to § 727.516 shall be adjusted uniformly so that the total of such allotments plus the acreage available for adjusting acreage allotments for old

farms pursuant to § 727.518 shall not exceed the State acreage allotment.

§ 727.518 *Adjustment of acreage allotments for old farms.* Notwithstanding the limitations contained in § 727.516, the farm acreage allotment for an old farm may be increased if the community and county committees find that such increase is necessary to establish an allotment for such farm which is fair and equitable in relation to the allotments for other old farms in the community, on the basis of the past acreage of tobacco, making due allowances for drought, flood, hail, other abnormal weather conditions, plant bed, and other diseases; land, labor, and equipment available for the production of tobacco; crop rotation practices; and the soil and other physical factors affecting the production of tobacco. The acreage available for increasing allotments under this section shall not exceed one and one-half percent of the total acreage allotted to all tobacco farms in the State for the 1953-54 marketing year.

§ 727.519 *Reduction of acreage allotment for violation of the marketing quota regulations for a prior marketing year.* (a) If tobacco was marketed or was permitted to be marketed in the 1953-54 marketing year as having been produced on the acreage allotment for any farm which in fact was produced on a different farm, the acreage allotments established for both such farms for 1954 shall be reduced, as provided in this section, except that such reduction for any such farm shall not be made if the county committee determines that no person connected with such farm caused, aided, or acquiesced in such marketing.

(b) The operator of the farm shall furnish complete and accurate proof of the disposition of all tobacco produced on the farm at such time and in such manner as will insure payment of the penalty due at the time the tobacco is marketed and, in the event of failure for any reason to furnish such proof, the acreage allotment for the farm shall be reduced, except that if the farm operator establishes to the satisfaction of the county and State committees that failure to furnish such proof of disposition was unintentional on his part and that he could not reasonably have been expected to furnish accurate proof of disposition, reduction of the allotment will not be required if the failure to furnish proof of disposition is corrected and payment of all additional penalty is made.

(c) Any such reduction shall be made with respect to the 1954 farm acreage allotment, provided it can be made at least 30 days prior to the beginning of the normal planting season for the county in which the farm is located as determined by the State committee. If the reduction cannot be so made effective with respect to the 1954 allotment, such reduction shall be made with respect to the farm acreage allotment next established for the farm where the reduction can be made within the time specified above. This section shall not apply if the allotment for any prior year

was reduced on account of the same violation.

(d) The amount of reduction in the 1954 allotment shall be that percentage which the amount of tobacco involved in the violation is of the respective farm marketing quota for the farm for the year in which the violation occurred. Where the amount of such tobacco involved in the violation equals or exceeds the amount of the farm marketing quota the amount of reduction shall be 100 percent. The amount of tobacco determined by the county committee to have been falsely identified or for which satisfactory proof of disposition has not been furnished shall be considered the amount of tobacco involved in the violation. If the actual production of tobacco on the farm is not known, the county committee shall estimate such actual production, taking into consideration the condition of the tobacco crop during production, if known, and the actual yield per acre of tobacco on other farms in the locality on which the soil and other physical factors affecting the production of tobacco are similar: *Provided*, That the estimate of such actual production of tobacco on the farm shall not exceed the harvested acreage of tobacco on the farm multiplied by the average actual yield on farms in the locality on which the soil and other physical factors affecting the production of tobacco are similar. The actual yield of tobacco on the farm as so estimated by the county committee multiplied by the farm acreage allotment shall be considered the farm marketing quota for the purposes of this section. In determining the amount of tobacco for which satisfactory proof of disposition has not been shown in case the actual production of tobacco on the farm is not known, the amount of tobacco involved in the violation shall be deemed to be the actual production of tobacco on the farm, estimated as above, less the amount of tobacco for which satisfactory proof of disposition has been shown.

(e) If the farm involved in the violation is combined with another farm prior to the reduction, the reduction shall be applied to that portion of the allotment for which a reduction is required under paragraph (a) or (b) of this section.

(f) If the farm involved in the violation has been divided prior to the reduction, the reduction shall be applied to the allotments for the divided farms as required under paragraph (a) or (b) of this section.

§ 727.520 *Reallocation of allotments released from farms removed from agricultural production.* (a) The allotment determined or which would have been determined for any land which is removed from agricultural production for any purpose because of acquisition by any Federal, State, or other agency having a right of eminent domain shall be placed in a State pool and shall be available to the State committee for use in providing equitable allotments for farms owned or purchased by owners displaced because of acquisition of their farms by such agencies. Upon application to the county committee, within five years from the date of such acquisition of the farm,

any owner so displaced shall be entitled to have an allotment for any other farm owned or purchased by him equal to an allotment which would have been determined for such other farm plus the allotment which would have been determined for the farm so acquired: *Provided*, That such allotment shall not exceed 20 percent of the acreage of cropland on the farm.

(b) The provisions of this section shall not be applicable if (1) there is any marketing quota penalty due with respect to the marketing of tobacco from the farm or by the owner of the farm at the time of its acquisition by the Federal, State, or other agency; (2) any tobacco produced on such farm has not been accounted for as required by the Secretary; or (3) the allotment next to be established for the farm acquired by the Federal, State, or other agency would have been reduced because of false or improper identification of tobacco produced on or marketed from such farm.

§ 727.521 *Farms divided or combined.*

(a) If land operated as a single farm in 1953 will be operated in 1954 as two or more farms, the 1954 tobacco acreage allotment determined or which otherwise would have been determined for the entire farm shall be apportioned among the tracts in the same proportion as the acreage of cropland available for the production of tobacco in each such tract in such year bore to the total number of acres of cropland available for the production of tobacco on the entire farm in such year, except that, upon recommendation of the county committee, and with State committee approval and agreement of the interested parties in writing, the tobacco acreage allotment determined or which otherwise would have been determined for the entire farm may be apportioned among the tracts in the same proportion as the 1949-53 five-year average acreage of tobacco harvested on each such tract bore to the 1949-53 five-year average acreage of tobacco harvested on the entire farm: *Provided*, That with the recommendation of the county committee and approval of the State committee and with the written agreement of all interested persons, the tobacco acreage allotment determined for a tract under the provisions of this paragraph may be increased or decreased by not more than the larger of one-tenth acre or 10 percent of the 1954 acreage allotment determined for the entire farm with corresponding increases or decreases made in the acreage allotment apportioned to the other tract or tracts.

(b) If two or more farms operated separately in 1953 are combined and operated in 1954 as a single farm, the 1954 allotment shall be the sum of the 1954 allotments determined for each of the farms comprising the combination.

(c) If a farm is to be divided in 1954 in settling an estate, the allotment may be divided among the various tracts in accordance with paragraph (a) of this section, or on such other basis as the State committee determines will result in equitable farm allotments.

§ 727.522 *Determination of normal yields.* The normal yield for any old

farm shall be that yield which the county committee determines is normal for the farm taking into consideration (a) the yields obtained on the farm during the years 1946-52 for which data are available, (b) the soil and other physical factors affecting the production of tobacco on the farm; and (c) the yields obtained on other farms in the locality which are similar with respect to such factors.

ACREAGE ALLOTMENTS AND NORMAL YIELDS FOR NEW FARMS

§ 727.523 *Determination of acreage allotments for new farms.* (a) The acreage allotment, other than an allotment made under § 727.520, for a new farm shall be that acreage which the county committee determines is fair and reasonable for the farm taking into consideration the past tobacco experience of the farm operator; the land, labor, and equipment available for the production of tobacco; crop rotation practices; and the soil and other physical factors affecting the production of tobacco: *Provided*, That the acreage allotment so determined shall not exceed 50 percent of the allotments for old tobacco farms which are similar with respect to land, labor, and equipment available for the production of tobacco, crop rotation practices, and the soil and other physical factors affecting the production of tobacco.

(b) Notwithstanding any other provisions of this section a tobacco acreage allotment shall not be established for any new farm unless each of the following conditions has been met:

(1) The farm operator shall have had experience during two of the past five years in the kind of tobacco for which an allotment is requested and such experience shall have been for the entire crop year beginning with the preparation of the plant bed and extending through preparation of the tobacco for market: *Provided*, That a farm operator who was in the armed services after September 16, 1940, shall be deemed to have met the requirements of this subparagraph if he has had such experience during one year either within the five years immediately prior to his entry into the armed services or within the five years immediately following his discharge from the armed services and if he files an application for an allotment within five crop years from date of discharge.

(2) The farm owner and operator shall each receive 50 percent or more of his income from the farm covered by the application.

(3) The farm shall not have a 1954 allotment for any kind of tobacco other than that for which application is made under this part.

(c) The acreage allotments established as provided in this section shall be subject to such downward adjustment as is necessary to bring such allotments in line with the total acreage available for allotment to all new farms. One-half of one percent of the 1954 national marketing quota shall, when converted to an acreage allotment by the use of the national average yield, be available for establishing allotments for new

farms. The national average yield shall be the average of the several State yields used in converting the State marketing quota into State acreage allotments.

§ 727.524 *Time for filing application.* An application for a new farm allotment shall be filed with the county PMA office no later than January 31, 1954, unless the farm operator was discharged from the armed services subsequent to December 31, 1953, in which case such application shall be filed within a reasonable period prior to planting tobacco on the farm.

§ 727.525 *Determination of normal yields.* The normal yield per acre for a new farm shall be that which the county committee determines is normal for the farm as compared with yields for other farms in the locality on which the soil and other physical factors affecting the production of tobacco are similar.

#### MISCELLANEOUS

§ 727.526 *Determination of acreage allotments and normal yields for farms returned to agricultural production.* (a) Notwithstanding the foregoing provisions of §§ 727.511 to 727.525, the acreage allotment for any farm which was acquired by any Federal, State, or other agency having the right of eminent domain for any purpose and which is returned to agricultural production in 1954 or which was returned to agricultural production in 1953 too late for the 1953 allotment to be established shall be determined by one of the following methods:

(1) If the land is acquired by the original owner, any part of the acreage allotment which was or could have been established for such farm prior to its retirement from agricultural production which remains in the State pool (adjusted to reflect the uniform increases and decreases in comparable old farm allotments since the farm was acquired) may be established as the 1954 allotment for such farm by transfer from the pool, and if any part of the allotment for such land was transferred by the original owner through the State pool to another farm now owned by him, such owner may elect to transfer all or any part of such allotment (as adjusted) to the farm which is returned to agricultural production.

(2) If the land is acquired by a person other than the original owner, or if all of the allotment was transferred through the State pools to another farm and the original owner does not now own the farm to which the allotment was transferred, the farm returned to agricultural production shall be regarded as a new farm.

(b) The normal yield for any such farm shall be that yield per acre which the county committee determines is reasonable for the farm as compared with yields for other farms in the locality on which the soil and other physical factors affecting the production of tobacco are similar.

§ 727.527 *Approval of determinations made under §§ 727.511 to 727.526.* All allotments and yields shall be reviewed by or on behalf of the State committee,

and the State committee may correct or require correction of any determinations made under §§ 727.511 to 727.526. All acreage allotments and yields shall be approved by or on behalf of the State committee, and no official notice of acreage allotment shall be mailed to a grower until such allotment has been approved by or on behalf of the State committee.

§ 727.528 *Application for review.* Any producer who is dissatisfied with the farm acreage allotment and marketing quota established for his farm, may, within fifteen days after mailing of the official notice of farm acreage allotment and marketing quota, file application with the county PMA office to have such allotment reviewed by a review committee. The procedures governing the review of farm acreage allotments and marketing quotas are contained in the regulations issued by the Secretary (Part 711 of this chapter) which are available at the county PMA office.

Done at Washington, D. C., this 6th day of July 1953. Witness my hand and the seal of the Department of Agriculture.

[SEAL] TRUE D. MORSE,  
Acting Secretary of Agriculture.

[F. R. Doc. 53-6060; Filed, July 8, 1953;  
8:53 a. m.]

## TITLE 8—ALIENS AND NATIONALITY

### Chapter I—Immigration and Naturalization Service, Department of Justice

#### Subchapter B—Immigration Regulations

##### PART 214f—ADMISSION OF NONIMMIGRANTS: STUDENTS

#### Subchapter D—Immigration and Naturalization Forms

##### PART 450—FORMS

#### APPROVAL OF SCHOOLS; PRESCRIBED FORMS

Section 214f.6 of Part 214f, Chapter I, Title 8 of the Code of Federal Regulations, is amended to read as follows:

§ 214f.6 *Approval of certain institutions of learning and recognized places of study.* Any institution of learning or other place of study in the United States which falls within any of the following-described categories, and which agrees to report in writing to the district director having administrative jurisdiction over the place where such institution of learning or place of study is located the enrollment and termination of attendance of each nonimmigrant student, is approved for the attendance of nonimmigrant students in accordance with section 101 (a) (15) (F) of the Immigration and Nationality Act:

(a) Any public educational institution listed in the current issue of one of the following-described publications or lists:

(1) "Directory of Secondary Day Schools in the United States," U. S. Office of Education, Washington, D. C.

(2) Directories and official lists of public educational institutions issued by State departments of education.

(3) Education Directory, Part 3, "Higher Education," U. S. Office of Education (including privately controlled colleges and universities listed therein)

(4) "Accredited Higher Institutions," U. S. Office of Education (including privately controlled colleges and universities listed therein)

(b) Private and parochial elementary and secondary schools, if they meet any one of the following conditions:

(1) The school is currently listed as accredited in the U. S. Office of Education publication "Directory of Secondary Day Schools in the United States."

(2) The school is currently listed in the educational directory of the respective State department of education.

(3) The school is an elementary school related to an accredited secondary school.

(4) The school is certified by a responsible official of a State or local public education department or system as meeting the requirements of the State or local public educational system.

The agreement to report the enrollment and termination of attendance of each nonimmigrant student shall be executed on Form I-32. The provisions of § 214f.5 and § 2.5 of this chapter relating to the filing of a petition for approval and the payment of a fee therefor, shall not be applicable to an institution of learning or other place of study which meets the requirements of this section.

Section 450.1 *Prescribed forms* is amended by adding the following-described form: "I-32 Agreement to Report the Admission and Termination of Attendance of Nonimmigrant Students"

(Sec. 103, 66 Stat. 173; 8 U. S. C. 1103)

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

This order shall become effective on the date of its publication in the FEDERAL REGISTER. Compliance with the provisions of section 4 of the Administrative Procedure Act (60 Stat. 238; 5 U. S. C. 1003) as to notice of proposed rule making and delayed effective date is unnecessary in this instance because the rules prescribed by the order relieve restrictions and are clearly advantageous to persons affected thereby.

Dated: June 15, 1953.

HERBERT BROWNELL, Jr.,  
Attorney General.

Recommended: June 5, 1953.

ARGYLE R. MACKAY,  
Commissioner of Immigration  
and Naturalization.

[F. R. Doc. 53-6048; Filed, July 8, 1953;  
8:51 a. m.]

#### Subchapter B—Immigration Regulations

##### PART 223—REENTRY PERMITS

EDITORIAL NOTE: Section 223.12, as amended by F. R. Document 53-5890,

filed July 3, 1953 (18 F. R. 3829), reads as follows:

§ 223.12 *Reentry permit*—(a) *Form*. Reentry permits shall be issued on Form I-132 and shall indicate whether they are issued under paragraph (a) (1) or (a) (2) of section 223 of the Immigration and Nationality Act and the period of their validity.

(b) *Limited reentry permit*. Limited reentry permits, valid for reentry to Hawaii only, may be issued to those citizens of the Philippine Islands specified in § 4.2 (g) of this chapter, if otherwise eligible. In any case in which a reentry permit is valid for readmission only to Hawaii, such limitation shall be noted conspicuously on the face of Form I-132.

(c) *Period of validity; extensions*. A reentry permit shall be valid for such period as the district director granting the application shall authorize, not to exceed one year from the date of issuance. An application for extension of a reentry permit shall be addressed to and filed with the district director having administrative jurisdiction over the applicant's place of residence in the United States. Such application shall be in writing and shall state (1) the applicant's name and address in the United States; (2) when, where, and the manner in which he departed from the United States; (3) port of landing and date of his arrival abroad; (4) countries visited by him in the order visited; (5) his reasons for requesting an extension and the period for which the extension is desired; and (6) his address to which the permit is to be returned. The application shall be executed under oath and shall be accompanied by the reentry permit sought to be extended. If executed in the United States the application may be sworn to or before any officer generally authorized to administer oaths, or before an immigration officer, without fee. If executed abroad it shall be executed before a consular officer. If the district director is satisfied that the period of validity should be extended, he may grant an extension for such period as to him shall appear appropriate, in no event, however, to exceed one year from the original expiration date. The extended period shall be noted on the permit, which shall be delivered to the applicant in person or by mail, or, if the applicant is outside the United States, the permit shall be forwarded to a consular officer abroad for delivery to the applicant. If the district director concludes that the requested extension should not be granted, he shall forward the application for the extension and all related papers to the Assistant Commissioner, Inspections and Examinations Division for decision. If the extension is granted by the Assistant Commissioner, the application and related papers shall be returned to the office of origin. The district director shall thereupon appropriately note the permit and forward it to the applicant in the manner provided herein. If the extension is

denied, the fee shall be refunded, and the permit shall be returned to the applicant in the manner provided herein if the remaining period of its validity permits its use for return to the United States. Any number of extensions may be granted provided the period of validity does not extend beyond one year from the original expiration date of the permit.

(d) *Delivery*. The reentry permit shall be forwarded to the office of the Service designated by the applicant in the application, and the applicant shall obtain it from that office in person prior to his departure from the United States, except as provided in paragraph (e) of this section. The officer effecting delivery of the permit shall require the person calling for it to identify himself as the applicant, and, in the event minor discrepancies have been noted by the issuing officer, the officer effecting delivery shall obtain satisfactory explanation from the applicant as to such discrepancies. The applicant shall sign his name on the permit in the presence of the delivering officer. The officer making delivery shall place his signature in such manner that it shall cover part of the photograph and part of the permit. If for any reason it is concluded that the permit should not be delivered, it shall be returned to the district office of origin with a report of the reasons for nondelivery. In the event it is then determined on the basis of such report or upon reconsideration of the application that the permit should not be issued, the application shall be denied in the same manner as though it had not been granted previously and the applicant shall have the same right to appeal.

(e) *Emergent cases*. If the applicant satisfactorily establishes that a bona fide emergency exists requiring his departure from the United States before a permit can be issued and delivered, the permit, if issued, may be forwarded to a consular officer abroad for delivery to the applicant in the manner prescribed in paragraph (d) of this section. The applicant shall be informed that the acceptance of his application does not assure the issuance of the permit.

(f) *Registrants under Selective Service Act*. No reentry permit or extension thereof shall be issued or granted to any alien who is legally subject to registration for service in the armed forces in the United States unless the applicant shall present a permit from his local Selective Service Board to depart from the United States. A reentry permit issued to such an alien may be made valid for a period which will coincide with the period of absence authorized by the local board, except that in no instance shall the period exceed one year. For reasons which may appear appropriate to the issuing district director, the period of validity of the reentry permit may be for a shorter period than the period of absence authorized by the local board.

## TITLE 12—BANKS AND BANKING

### Chapter II—Federal Reserve System

#### Subchapter A—Board of Governors of the Federal Reserve System

[Reg. Q]

#### PART 217—PAYMENT OF INTEREST ON DEPOSITS

##### TIME CERTIFICATE WITH ALTERNATE MATURITIES

§ 217.105 *Time certificate with alternate maturities*. (a) Questions have recently been raised as to whether certain forms of time certificates of deposit providing for alternate maturities and increasing rates of interest comply with the requirements of this part relating to payment of interest on deposits by member banks.

(b) Under § 217.6 member banks may not pay interest at a rate in excess of 2½ percent per annum on any time deposit having a maturity date 6 months or more after the date of deposit or payable upon written notice of 6 months or more; in excess of 2 percent on any time deposit having a maturity date less than 6 months and not less than 90 days after the date of deposit or payable upon written notice of less than 6 months and not less than 90 days; or in excess of one percent on any time deposit having a maturity date less than 90 days after the date of deposit or payable upon written notice of less than 90 days.

(c) In applying the provisions of this section, it is the Board's position that if a time certificate permits withdrawal at a stated maturity, the maximum rate of interest payable is to be determined by the length of time between the date of issue and the maturity, or if the certificate does not specify a maturity but permits withdrawal after a prescribed period of written notice, the maximum rate of interest is determined by the length of such period of notice. If a certificate permits withdrawal either at a specified maturity or prior to such time after a specified period of written notice, the maximum rate of interest will depend upon which of such withdrawal privileges is elected by the depositor and the rate applicable under this part in the circumstances of the withdrawal privilege so elected.

(d) For example, if a certificate provides for payment 5 years after date of issue with interest at a rate of 2½ percent, but also provides for earlier payment after 90 days' written notice with interest at a rate of 2 percent, such a certificate complies with the requirements of this part. Similarly, such a five-year certificate providing for earlier withdrawal after 30 days' written notice with interest at a rate of one percent would meet the requirements of this part. (Sec. 11, 38 Stat. 262; 12 U. S. C. 248. Interpretations apply secs. 19, 24, 38 Stat. 270, 273,

as amended, sec. 8, 48 Stat. 168, as amended; 12 U. S. C. 264, 371, 371a, 371b, 461)

BOARD OF GOVERNORS OF THE  
FEDERAL RESERVE SYSTEM,  
[SEAL] S. R. CARPENTER,  
Secretary.

[F. R. Doc. 53-6026; Filed, July 8, 1953;  
8:46 a. m.]

## TITLE 14—CIVIL AVIATION

### Chapter I—Civil Aeronautics Board

#### Subchapter B—Economic Regulations

[Reg. ER-186]

#### PART 294—CLASSIFICATION AND EXEMPTION OF AIR CARRIERS WHILE CONDUCTING CERTAIN OPERATIONS FOR THE MILITARY ESTABLISHMENT

##### Correction

In Federal Register Document 53-5612, appearing at page 3639 of the issue for Thursday, June 25, 1953, the 12th line of paragraph (b) of § 294.1 should read "point (counting circle trips as two such"

## TITLE 15—COMMERCE AND FOREIGN TRADE

### Chapter III—Bureau of Foreign and Domestic Commerce, Department of Commerce

#### Subchapter C—Office of International Trade

[6th Gen. Revision of Export Regs.,  
Amdt. 54]

#### PART 373—LICENSING POLICIES AND RELATED SPECIAL PROVISIONS—

##### RICE

Section 373.18 *Rice* is amended in the following particulars:

1. Paragraph (a) *Licensing of exports to Cuba* is amended to read as follows:

(a) *Exports to Cuba.* Shipments of rice to Cuba may be made under General License GO in accordance with § 371.7.

2. Paragraph (b) *Licensing of exports to Far Eastern countries* is amended by deleting the requirement for "a true copy of the letter of credit" to read as follows:

(b) *Licensing of exports to Far Eastern countries.* Each application must be supported by (1) A true copy of the sales contract with the foreign purchaser; (2) evidence that the applicant has rice available to cover the sales contract; and (3) the import license number, where an import license is required by the importing country.

3. Paragraph (c) *Defense and occupied areas* is amended by deleting the last five words "and the Commodity Credit Corporation" to read as follows:

(c) *Defense and occupied areas.* Rice allocations to the Department of Defense and to occupied areas (South Korea and the Ryukyus) will be purchased by the Quartermaster Corps.

This amendment shall become effective as of July 8, 1953.

(Sec. 3, 63 Stat. 7; 65 Stat. 43; 67 Stat. 62; 50 U. S. C. App. Sup. 2023. E. O. 9630, Sept. 27, 1945, 10 F. R. 12245, 3 CFR, 1945 Supp., E. O. 9919, Jan. 3, 1948, 13 F. R. 59, 3 CFR, 1948 Supp.)

E. E. SCHNELLBACHER,  
Acting Director,  
Office of International Trade.

[F. R. Doc. 53-6098; Filed, July 8, 1953;  
8:57 a. m.]

| Dept. of Commerce Schedule B No. | Commodity  | Unit    | Processing code and related commodity group | GLV dollar-value limits | Validated license required |
|----------------------------------|--|---------|---|-------------------------|----------------------------|
| 105500                           | Paddy or rough rice, for seed.....   | Lb..... | SEED  | 25                      | RO <sup>1</sup>            |
| 105500                           | Paddy or rough rice, except for seed.....  | Lb..... | OERL 1                                      | 25                      | RO <sup>1</sup>            |
| 105710                           | Milled rice, containing more than 25 percent whole kernels (specify approximate percentage whole kernels).     | Lb..... | OERL 1                                      | 25                      | RO <sup>1</sup>            |
| 105750                           | Milled rice, containing not more than 25 percent whole kernels (specify approximate percentage whole kernels). | Lb..... | OERL 1                                      | 25                      | RO <sup>1</sup>            |

<sup>1</sup> Shipments of rice to Cuba may be made under General License GO. (See § 373.18 (a).)

This amendment shall become effective as of July 8, 1953.

(Sec. 3, 63 Stat. 7; 65 Stat. 43; 67 Stat. 62; 50 U. S. C. App. Sup. 2023. E. O. 9630, Sept. 27, 1945, 10 F. R. 12245, 3 CFR, 1945 Supp., E. O. 9919, Jan. 3, 1948, 13 F. R. 59, 3 CFR, 1948 Supp.)

E. E. SCHNELLBACHER,  
Acting Director  
Office of International Trade.

[F. R. Doc. 53-6099; Filed, July 8, 1953;  
8:57 a. m.]

## TITLE 26—INTERNAL REVENUE

### Chapter I—Bureau of Internal Revenue, Department of the Treasury

[T. D. 6027]

#### Subchapter A—Income and Excess Profits Taxes

#### PART 3.—INCOME TAX UNDER THE REVENUE ACT OF 1936

#### Subchapter E—Administrative Provisions Common to Various Taxes

#### PART 471—ACCEPTANCE OF TREASURY OBLIGATIONS IN PAYMENT OF TAXES

#### TREASURY CERTIFICATES OF INDEBTEDNESS, TREASURY NOTES, AND TREASURY BILLS IN PAYMENT OF INCOME AND PROFITS TAXES

In order to provide for the acceptance before maturity of Treasury certificates of indebtedness or Treasury notes in payment of income and profits taxes, and to provide for the acceptance of Treasury certificates of indebtedness, Treasury notes, or Treasury bills in payment of such taxes before maturity at other than maturity value, Article 1 of Treasury Decision 4703, approved November 3, 1936, as made applicable by Treasury Decision 4885, approved February 11, 1939 (26 CFR, Cum. Supp., page 4876) codified in 26 CFR, Part 3 (1938 ed.) as § 3.56-5, and amended by Treasury Decision 5934, approved September 25, 1952 (17 F. R. 8680) (a) is inserted in Title 26, Part 471, Code of Federal Regulations, as § 471.3 thereof,

[6th Gen. Revision of Export Regs., Amdt. P. L. 48]

#### PART 399—POSITIVE LIST OF COMMODITIES AND RELATED MATTERS

##### RICE

Section 399.1 *Appendix A—Positive List of Commodities* is amended in the following particulars:

The following commodities may now be exported to Cuba under General License GO. Accordingly, the footnote set forth below is added:

the title of which part is amended to read as shown above, and (b) as so inserted is amended to read as follows:

§ 471.3 *Treasury certificates of indebtedness, Treasury notes, and Treasury bills in payment of income and profits taxes.* (a) Treasury certificates of indebtedness, Treasury notes, or Treasury bills of any series (not including interim receipts issued by Federal reserve banks in lieu of definitive certificates, notes, or bills) may be tendered at or before maturity in payment of income or profits taxes payable under the provisions of the Internal Revenue Code, due on the date on which the certificates, notes, or bills mature or a specified prior date, but only if such certificates, notes, or bills, according to the express terms of their issue, are made acceptable in payment of such income or profits taxes. If the taxes for which the certificates, notes, or bills are tendered in payment become due on the same date as that on which such certificates, notes, or bills mature, they will be accepted at par plus accrued interest, if any, payable with the principal (not represented by coupons attached) in payment of such taxes. If the taxes for which the certificates, notes, or bills are tendered in payment become due on a date prior to that on which the certificates, notes, or bills mature, they will be accepted at the value specified in the terms under which such certificates, notes, or bills were issued. All interest coupons attached to Treasury certificates of indebtedness or Treasury notes shall be detached by the taxpayer before such certificates or notes are tendered in payment of taxes.

(b) Receipts given by a collector, director, or district director of internal revenue for Treasury certificates of indebtedness, Treasury notes, or Treasury bills received in payment of income or profits taxes as provided in this section shall contain an adequate description of such certificates, notes, or bills, and a statement of the value, including accrued interest, if any, payable with the prin-

cipal (not represented by coupons attached) at which accepted, and shall show that the certificates, notes, or bills are tendered by the taxpayer and received by the collector, director, or district director, subject to no condition, qualification, or reservation whatsoever, in payment of an amount of taxes no greater than such value. Any certificate, note, or bill offered in payment of income or profits taxes under the provisions of the Internal Revenue Code subject to any condition, qualification, or reservation, or for any greater amount than the value at which acceptable in payment of taxes, as specified in the terms under which such certificate, note, or bill was issued, shall not be deemed to be duly tendered and shall be returned to the taxpayer.

(c) For the purpose of saving taxpayers the expense of transmitting such Treasury certificates of indebtedness, Treasury notes, or Treasury bills to the office of the collector, director, or district director of internal revenue in whose district the taxes are payable, taxpayers desiring to pay income or profits taxes with such certificates, notes, or bills acceptable in payment of taxes may deposit such certificates, notes, or bills with a Federal reserve bank or branch, subject to the condition that the Federal reserve bank or branch shall issue a receipt in the name of the collector, director, or district director of internal revenue, describing the certificates, notes, or bills by par or dollar face amount and stating on the face of the receipt that the certificates, notes, or bills represented thereby are held by the bank or branch for redemption at the value specified in the terms under which the certificates, notes, or bills were issued, and application of the proceeds in payment of income or profits taxes due on a specified date by the taxpayer named therein.

Because this Treasury decision extends to taxpayers the privilege of applying specified Treasury certificates of indebtedness or Treasury notes in payment of income or profits taxes due prior to the maturity date of such certificates or notes and enlarges the privilege of applying specified Treasury bills in payment of such taxes, it is hereby found that it is unnecessary to issue this Treasury decision with notice and public procedure thereon under section 4 (a) of the Administrative Procedure Act, approved June 11, 1946, or subject to the effective date limitation of section 4 (c) of said act.

This Treasury decision shall be effective upon its filing for publication in the FEDERAL REGISTER.

(53 Stat. 467; 26 U. S. C. 3791. Interprets or applies 53 Stat. 447; U. S. C. 3657)

[SEAL] JUSTIN F. WINKLE,  
Acting Commissioner of  
Internal Revenue.

Approved: July 6, 1953.

M. B. FOLSOM,  
Acting Secretary of the Treasury.

[F. R. Doc. 53-6074; Filed, July 8, 1953; 8:57 a. m.]

Subchapter E—Administrative Provisions  
Common to Various Taxes

[T. D. 6025]

PART 477—RETURN AND PAYMENT OF  
CERTAIN EXCISE TAXES

On May 15, 1953, notice of proposed rule making, relating to the filing of returns and payment of certain excise taxes, was published in the FEDERAL REGISTER (18 F. R. 2827) After consideration of all such relevant matter as was presented by interested persons regarding the rules proposed, the regulations set forth below are hereby adopted.

Sec.

- 477.1 Statutory provisions.
- 477.2 Quarterly tax returns.
- 477.3 Filing of excise tax returns.
- 477.4 Payment of tax.

AUTHORITY: §§ 477.1 to 477.4 issued under 53 Stat. 467; 26 U. S. C. 3791. Interpret or apply 63 Stat. 668; 26 U. S. C. 3310.

§ 477.1 Statutory provisions.

SEC. 3310. RETURNS AND PAYMENT OF TAX (INTERNAL REVENUE CODE, AS AMENDED BY SEC. 471 (b), REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

(1) *Discretion allowed Commissioner—(1) Returns and payment of tax.* Notwithstanding any other provision of law relating to the filing of returns or payment of any tax imposed by chapter 9, 9A, 10, 12, 19, 21, 30, 32, subchapter A of chapter 25, subchapter A of chapter 27A, or subchapter A of chapter 29, the Commissioner may by regulations approved by the Secretary prescribe the period for which the return for such tax shall be filed, the time for the filing of such return, the time for the payment of such tax, and the number of copies of the return required to be filed.

(2) *Use of Government depositaries.* The Secretary may authorize Federal Reserve

banks, and incorporated banks or trust companies which are depositaries or financial agents of the United States, to receive any tax imposed by this title, in such manner, at such times, and under such conditions as he may prescribe; and he shall prescribe the manner, times, and conditions under which the receipt of such tax by such banks and trust companies is to be treated as payment of such tax to the collector.

§ 477.2 Quarterly tax returns—(a) *General rules.* In rules and regulations applicable to the Bureau of Internal Revenue and in returns, notices, mimeographs, instructions, circulars, and any other forms or publications of whatever nature prescribed, furnished, or used in or by the Bureau of Internal Revenue with respect to the excise taxes and regulations listed in paragraph (b) of this section, the following rules shall, except as otherwise provided in § 477.3 (b) apply:

(1) Reference to a month as the period for which a return must be filed shall, with respect to the return required for any period beginning on or after July 1, 1953, be deemed to refer to one quarter of a calendar year.

(2) Reference to a monthly return shall, with respect to the return required for any period beginning on or after July 1, 1953, be deemed to refer to a quarterly return.

(3) The term "quarter of a calendar year," as used in this part, means a period of three calendar months ending on March 31, June 30, September 30, or December 31. The term "quarterly return" means a return for a quarter of a calendar year.

(b) *Excise taxes and regulations subject to general rules.* The excise taxes and regulations referred to in paragraph (a) of this section are as follows:

| Regulations                          | Relating to tax on—  |
|--------------------------------------|--|
| 42 (1942 edition)-----               | Safe deposit boxes, transportation of oil by pipeline, telephone, telegraph, radio and cable messages and services, transportation of persons. |
| 43 (1941 edition)-----               | Admissions, dues and initiation fees.  |
| 44 (1944 edition)-----               | Gasoline, lubricating oil, and matches.  |
| 46 (1940 edition)-----               | Sales by the manufacturer.   |
| 47 (Revised 1928) <sup>1</sup> ----- | Sales by the manufacturer of pistols and revolvers.  |
| 48 <sup>1</sup> -----                | Processing of certain oils.  |
| 51 (1941 edition)-----               | Sales by the retailer.   |
| 99 <sup>1</sup> -----                | Manufacture of manufactured sugar.   |
| 113 (1943 edition)-----              | Transportation of property.  |
| 119-----                             | Diesel fuel.   |

<sup>1</sup>These regulations made applicable to the Internal Revenue Code by Treasury Decision 4885, approved February 11, 1939.

§ 477.3 Filing of excise tax returns—(a) *Quarterly returns.* Except as otherwise provided in paragraph (b) of this section, every person required by any of the regulations listed in § 477.2 (b) to file a return and pay any of the excise taxes covered by such regulations shall make a tax return on Form 720 for the first calendar quarter beginning on or after July 1, 1953, in which falls a month for which such person would be required to file a return under such regulations were it not for the provisions of this part, and for each subsequent calendar quarter until he files a final return. A final return is not to be filed so long as the taxpayer continues the operation of any business or activity in which he may

incur liability for any of the taxes reportable on Form 720, Form 720 shall be used in lieu of the form specified in the applicable regulations listed in § 477.2 (b). Each quarterly return shall be filed on or before the last day of the first month following the period for which it is made. However, if, and only if, the return is accompanied by depositary receipts (Form 537, Depositary Receipt for Federal Excise Taxes), showing timely deposits, in full payment of the taxes due for the entire calendar quarter, the return may be filed on or before the 10th day of the second month following the period for which it is made. For the purpose of the preceding sentence, the timeliness of the deposit will be deter-

mined by the date of the endorsement by a designated commercial bank or by a Federal Reserve bank made on the reverse side of Form 537. Deposit of the taxes for the last month of the calendar quarter with a designated commercial bank or a Federal Reserve bank, as the case may be, may be made on or before the last day of the first month following the close of such quarter. If the last day for filing any return falls on Sunday or a legal holiday, the return may be filed on the next following business day. If placed in the mails, the return shall be posted in ample time to reach the District Director of Internal Revenue for the taxpayer's district, under ordinary handling of the mails, on or before the due date.

(b) *Monthly returns.* If the District Director of Internal Revenue determines that any taxpayer who is required to make deposit of taxes under the provisions of § 477.4 (c) has failed to make deposit of such taxes for the first or second month of any calendar quarter, such taxpayer shall be required, if so notified in writing by the District Director, to file a monthly return on Form 720 of the excise taxes listed in § 477.2 for the calendar month in which such notice is received from the District Director and for each subsequent calendar month until he files a final return or is again authorized to file quarterly returns. If the notice is received in the second or third month of a calendar quarter, the tax due for the prior month or months of the quarter shall be included in the first return filed pursuant to the notice. Each monthly return shall be filed not later than the last day of the month following the period for which it is made and shall be prepared in accordance with the instructions and regulations, applicable to such return. If the District Director is satisfied that the taxpayer will comply with the depositary receipt requirements of § 477.4 (c) if again permitted to file quarterly returns, the taxpayer may file returns as provided in paragraph (a) of this section upon notification to that effect by the District Director.

§ 477.4 *Payment of tax—(a) In general.* The excise taxes listed in § 477.2 required to be reported on a return on Form 720 are due and payable to the District Director of Internal Revenue, without assessment by the Commissioner or notice by the District Director, at the time fixed for filing such return. Each quarterly return filed after June 30, 1953, pursuant to this part shall clearly show the identification number, if any, assigned to such taxpayer for depositary receipt purposes.

(b) *Direct remittance to District Director.* Every person required to file a return and pay any of the excise taxes listed in § 477.2 shall include with his return direct remittance to the District Director of Internal Revenue for the total amount of such taxes, except that the provisions of paragraph (c) of this section shall apply if such person is required to file a quarterly return of such excise taxes and the total amount of all such taxes reportable by him exceeds \$100 for a calendar month.

(c) *Use of Federal Reserve banks and authorized commercial banks required in connection with payment of taxes—(1) Payments for first two months of the calendar quarter.* If any person required to file a quarterly return and pay any of the excise taxes listed in § 477.2 has a total liability of more than \$100 for all such excise taxes reportable by him for a calendar month, the amount of tax reportable with respect to such calendar month shall be deposited by him with a Federal Reserve bank on or before the last day of the next succeeding calendar month. The remittance of such amount shall be accompanied with a Depositary Receipt for Federal Excise Taxes (Form 537) Such depositary receipt shall be prepared in accordance with the instructions and regulations applicable thereto. The taxpayer, at his election, may forward such remittance, together with such depositary receipt, to a commercial bank authorized in accordance with Treasury Department Circular No. 848 to accept remittances of the aforementioned taxes for transmission to a Federal Reserve bank. After the Federal Reserve bank has validated the depositary receipt, such depositary receipt will be returned to the taxpayer. Every taxpayer making deposits pursuant to this section shall attach to his return for the calendar quarter with respect to which such deposits are made, in part or full payment of the taxes shown thereon, depositary receipts so validated, and shall pay to the District Director of Internal Revenue the balance, if any, of the taxes due for such quarter.

(2) *Payments for last month of the calendar quarter.* With respect to payment of tax for the last month of the calendar quarter, the taxpayer may either include with his return direct remittance to the District Director of Internal Revenue for the amount of such taxes or attach to such return a depositary receipt validated by a Federal Reserve bank as provided in subparagraph (1) of this paragraph. Payment of the taxes required to be reported on the return, in the form of validated depositary receipts or direct remittances, shall be made to the District Director at the time fixed for filing such return. If a deposit is made for the last month of the quarter, the taxpayer shall make it in ample time to enable the Federal Reserve bank to return the validated receipt to the taxpayer so that it can be attached to and filed with the taxpayer's return at the time fixed for filing the return.

(3) *Procurement of depositary receipt form.* Initially, Form 537, Depositary Receipt for Federal Excise Taxes, will so far as possible be furnished the taxpayer by the District Director of Internal Revenue. A taxpayer not supplied with the proper form should make application therefor to the District Director in ample time to have such form available for use in making his initial deposit within the time prescribed in subparagraph (1) of this paragraph. Thereafter, a blank form will be sent to the taxpayer by the Federal Reserve bank when returning the validated depositary receipt. A taxpayer may secure additional forms from a Federal Reserve bank by applying therefor and advising

the bank of his identification number. The taxpayer's identification number and name, on each depositary receipt, should be the same as they are required to be shown on the return to be filed with the District Director. The address of the taxpayer, as shown on each depositary receipt, should be the address to which the receipt should be returned following validation by the Federal Reserve bank.

(4) *Taxpayer's identification number.* The taxpayer's identification number for the Depositary Receipt for Federal Excise Taxes, Form 537, shall be the same as the identification number, if any, assigned to the taxpayer for use in connection with depositary receipts required for other internal revenue taxes. If a taxpayer does not have an identification number, he should request the assignment of such a number by the District Director of Internal Revenue for his district.

*Effective date.* This part shall be effective on and after July 1, 1953.

[SEAL] T. COLEMAN ANDREWS,  
Commissioner of Internal Revenue.

Approved: July 3, 1953.

M. B. FOLSOM,  
Acting Secretary of the Treasury.  
[F. R. Doc. 53-6053; Filed, July 8, 1953;  
8:52 a. m.]

Subchapter A—Income and Excess Profits Taxes  
[T. D. 6026; Regs. 130]

PART 40—EXCESS PROFITS TAX; TAXABLE  
YEARS ENDING AFTER JUNE 30, 1950

CLASSIFICATION OF INCOME

On December 4, 1952, a notice of proposed rule making was published in the FEDERAL REGISTER (17 F. R. 10973) amending § 40.456-2 (b) of Regulations 130 [26 CFR Part 40]. After consideration of such relevant suggestions as were presented regarding the proposals, such regulations are hereby amended by adding at the end of § 40.456-2 (b) the following:

§ 40.456-2 *Classification of income.*

\* \* \*  
(b) \* \* \* Income from the sale of tangible property arising out of research and development which extended over a period of more than 12 months is not included in the list of abnormal types of income to which section 456 is applicable, and such income may not constitute a class of income for purposes of that section. However, section 456 is applicable to such income if the income is otherwise properly includible within a class of income to which such section is applicable, for example, the class described in section 456 (a) (2) (D)

(53 Stat. 32; 26 U. S. C. 62)

[SEAL] T. COLEMAN ANDREWS,  
Commissioner of Internal Revenue.

Approved July 3, 1953.

M. B. FOLSOM,  
Acting Secretary of the Treasury.  
[F. R. Doc. 53-6051; Filed, July 8, 1953;  
8:52 a. m.]

## TITLE 31—MONEY AND FINANCE: TREASURY

### Chapter II—Fiscal Service, Department of the Treasury

#### Subchapter A—Bureau of Accounts

PART 213—DEPOSIT WITH FEDERAL RESERVE BANKS AND DEPOSITARY BANKS OF EMPLOYER AND EMPLOYEE TAXES UNDER THE FEDERAL INSURANCE CONTRIBUTIONS ACT; INCOME TAX WITHHELD ON WAGES UNDER SECTION 1622 OF THE INTERNAL REVENUE CODE; EMPLOYER AND EMPLOYEE TAXES UNDER THE RAILROAD RETIREMENT ACT; AND CERTAIN FEDERAL EXCISE TAXES

#### MISCELLANEOUS AMENDMENTS

Part 213, Subchapter A, Chapter II, Title 31 of the Code of Federal Regulations of the United States of America (appearing also as Treasury Department Circular No. 848 (Revised) dated June 25, 1951) is hereby amended effective July 1, 1953, in the following respects:

1. By revising the part heading to read as set forth above.

2. By revising paragraph (a) of § 213.1 to read as follows:

(a) "Federal taxes" shall mean (1) income taxes withheld by employers pursuant to section 1622 of the Internal Revenue Code; (2) employer taxes under section 1410 of such Code and employee taxes withheld under section 1401 of such Code (Social Security employment taxes) (3) employer taxes under section 1520 of such Code and employee taxes withheld under section 1501 of such Code (Railroad Retirement taxes) and (4) certain Federal excise taxes specified in 26 CFR 477.2 (b) (Treasury Decision No. 6025) approved July 3, 1953.

3. By revising paragraph (d) of § 213.1 to read as follows:

(d) "Depositary receipt" shall mean (1) U. S. Treasury Department Forms 450 and 450-A (Rev. Jan. 1951)—"Federal Depositary Receipt" for use by employers in making deposits of withheld income taxes and Social Security employment taxes; (2) U. S. Treasury Department Form 515—"Railroad Retirement Depositary Receipt" for use by employers in making deposits of Railroad Retirement taxes; and (3) "Depositary Receipt for Federal Excise Taxes" for use by taxpayers in making deposits of certain Federal excise taxes.

4. By adding to § 213.1 the following new paragraph:

(e) "Employer" shall include any taxpayer required or permitted to deposit Federal excise taxes in the manner provided for in this part.

5. By deleting the words "collector of internal revenue" and "collector" wherever they appear in this part and inserting in lieu thereof the words "district director of internal revenue" and "district director" respectively.

(Sec. 15, 38 Stat. 256, sec. 8, 40 Stat. 291, as amended, 53 Stat. 399, as amended, sec. 10, 56

Stat. 356; 12 U. S. C. 391, 31 U. S. C. 771, 20 U. S. C. 3310, 12 U. S. C. 265)

H. CHAPMAN ROSE,  
Acting Secretary of the Treasury.

JULY 3, 1953.

[F. R. Doc. 53-6052; Filed, July 8, 1953; 8:52 a. m.]

## TITLE 32—NATIONAL DEFENSE

### Chapter XIV—The Renegotiation Board

Subchapter B—Renegotiation Board Regulations Under the 1951 Act

PART 1460—PRINCIPLES AND FACTORS IN DETERMINING EXCESSIVE PROFITS

PART 1472—CONDUCT OF RENEGOTIATION: MISCELLANEOUS AMENDMENTS

1. Section 1460.5 *Minimum refund* is amended by deleting in its entirety the first sentence and inserting in lieu thereof the following: "No refund shall, in the absence of unusual circumstances, be required if excessive profits before adjustment for State taxes measured by income amount to less than \$10,000."

2. Section 1472.5 *Filing of information and requests by contractor*, paragraph (d) *Place for filing* is amended by deleting in its entirety the first sentence of subparagraph (1) *Principal offices* and inserting in lieu thereof the following: "The principal office of the Board is located in Temporary Building S, Sixth Street and Jefferson Drive SW., Washington, D. C., and the mailing address of the Board is The Renegotiation Board, Washington 25, D. C."

3. In § 1472.5, paragraph (d) *Place for filing* is further amended by deleting in its entirety the reference to the Washington Regional Renegotiation Board in subparagraph (1) and inserting in lieu thereof the following:

Washington Regional Renegotiation Board, 131 Indiana Avenue NW., Washington 25, D. C.

(Sec. 109, 65 Stat. 22; 50 U. S. C. App. Sup. 1219)

Dated: July 6, 1953.

NATHAN BAES,  
Secretary.

[F. R. Doc. 53-6044; Filed, July 8, 1953; 8:50 a. m.]

## TITLE 33—NAVIGATION AND NAVIGABLE WATERS

### Chapter I—Coast Guard, Department of the Treasury

PART 19—WAIVERS OF NAVIGATION AND VESSEL INSPECTION LAWS AND REGULATIONS

VESSLS OPERATED BY PACIFIC MICRONESIAN LINES, INC.

CROSS REFERENCE: For promulgation of a waiver order affecting § 19.35 *Department of the Interior vessels operated by the Pacific Micronesia Lines, Inc.*, see Title 46, Chapter I, Part 154, *infra*.

## TITLE 46—SHIPPING

### Chapter I—Coast Guard, Department of the Treasury

Subchapter C—Regulations Applicable to Certain Vessels During Emergency [CGFR 53-31]

PART 154—WAIVERS OF NAVIGATION AND VESSEL INSPECTION LAWS AND REGULATIONS<sup>1</sup>

VESSLS OPERATED BY PACIFIC MICRONESIAN LINES, INC.

Pursuant to the provisions of section 1 of Public Law 891, 81st Congress, approved December 27, 1950 (64 Stat. 1120) the Secretary of Defense by letter dated June 26, 1953, requested a general waiver of all the navigation and vessel inspection laws administered by the United States Coast Guard, as well as the regulations issued thereunder and published in 33 CFR Chapter I or in this chapter to the extent necessary to permit the operation of certain vessels which are the property of or in the custody of the Department of the Interior and operated under contract by the Pacific Micronesia Lines, Inc., to furnish transportation in the Trust Territory of the Pacific Islands, as well as between the Trust Territory of the Pacific Islands and all the ports of the United States, including the territories and possessions, and foreign ports.

The purpose of the following waiver order designated § 154.35, as well as 33 CFR 19.35, is to waive the navigation and vessel inspection laws and regulations issued pursuant thereto which are administered by the United States Coast Guard to the extent necessary to permit the operation of the U. S. S. "Chicot" (AK 170) U. S. S. "Gunner's Knot" (official number 248054) U. S. S. "Error" (AKL 4) U. S. S. "Metomkin" (AKL 7), U. S. S. "Rogue" (AKL 8) and U. S. S. "Torry" (AKL 11) as well as the schooner "Frela," the schooner "Mil-leeta," and the survey boat "Baker" or other vessels which may be used as substitutes for these vessels, of the Department of the Interior by the Pacific Micronesia Lines, Inc., to furnish transportation in the Trust Territory of the Pacific Islands, as well as between the Trust Territory of the Pacific Islands, and the United States, including its territories and possessions, and foreign ports until and including June 30, 1954, unless sooner terminated by proper authority. It is hereby found that compliance with the notice of proposed rule making, public rule making procedure thereon, and effective date requirements thereof of the Administrative Procedure Act is impracticable and contrary to the public interest.

By virtue of the authority vested in me as Commandant, United States Coast Guard, by an order of the Acting Secretary of the Treasury, dated January 23, 1951, identified as CGFR 51-1, and published in the FEDERAL REGISTER dated January 26, 1951 (16 F. R. 731) the fol-

<sup>1</sup> This is also codified in 33 CFR Part 19.

lowing waiver order is promulgated and shall be in effect from July 1, 1953, to and including June 30, 1954, unless sooner terminated by proper authority.

§ 154.35 *Department of the Interior vessels operated by the Pacific Micronesian Lines, Inc.* Pursuant to the request of the Secretary of Defense in a letter dated June 26, 1953, made under the provisions of section 1 of Public Law 891, 81st Congress (64 Stat. 1120) I hereby waive in the interest of national defense compliance with the provisions of the navigation and vessel inspection laws administered by the United States

Coast Guard, as well as the regulations issued thereunder and published in 33 CFR Chapter I or in this chapter, to the extent necessary to permit the operation of the U. S. S. "Chicot" (AK 170), U. S. S. "Gunner's Knot" (official number 248054) U. S. S. "Errol" (AKL 4) U. S. S. "Metomkin" (AKL 7) U. S. S. "Roque" (AKL 8) and U. S. S. "Torry" (AKL 11) as well as the schooner "Frela," the schooner "Milleeta," and the survey boat "Baker" or other vessels which may be used as substitutes for such vessels, of the Department of the Interior and operated by the Pacific Micronesian Lines, Inc., in the Trust

Territory of the Pacific Islands and the United States, including its territories and possessions, and foreign ports, and this waiver order shall be in effect from July 1, 1953, to and including June 30, 1954, unless sooner terminated by proper authority.

(61 Stat. 33, 635; 46 U. S. C. Sup., note prec. 1)

Dated: June 30, 1953.

[SEAL] MERLIN O'NEILL,  
Vice Admiral, U. S. Coast Guard,  
Commandant.

[F. R. Doc. 53-6054; Filed, July 8, 1953;  
8:52 a. m.]

## PROPOSED RULE MAKING

### DEPARTMENT OF AGRICULTURE Production and Marketing Administration

#### [ 7 CFR Part 28 ]

#### STANDARDS FOR GRADES OF COTTONSEED SOLD OR OFFERED FOR SALE FOR CRUSH- ING PURPOSES WITHIN UNITED STATES

#### DETERMINATION OF QUANTITY AND QUALITY INDEXES

Notice is hereby given that the United States Department of Agriculture is considering amending the Standards for Grades of Cottonseed Sold or Offered for Sale for Crushing Purposes within the United States (7 CFR Part 28) pursuant to the authority contained in the Agricultural Marketing Agreement Act, 1946 (60 Stat. 1087; 7 U. S. C. 1621 et seq.)

The proposed amendment would make mandatory the use of a linters factor of 1.5 in determining the quantity index of cottonseed. As conditions warranted, the linters factor would be changed by amendment. The proposed amendment would also change the formula for computing free fatty acid discounts for below prime quality cottonseed.

The proposed amendment is as follows:

1. Section 28.402 would be deleted in its entirety and the following substituted therefor:

§ 28.402 *Determination of quantity index.* The following formulas shall be used in determining the quantity index of cottonseed:

(a) For cottonseed that by analysis contain 16.5 percent or more of oil, the quantity index shall equal the result of 4 times (percentage of oil) plus 6 times (percentage of ammonia) plus the linters factor of 1.5 times (percentage of residual linters minus 11) plus 5.

(b) For cottonseed that by analysis contain less than 16.5 percent of oil, the quantity index shall equal the result of 6 times (percentage of oil), plus 6 times (percentage of ammonia) plus the linters factor of 1.5 times (the percentage of residual linters minus 11), minus 28.

2. Paragraph (b) (1) of § 28.403 *Determination of quality index* would be amended to read:

(1) Three-tenths of a unit for each 0.1 percent of free fatty acids in the oil in the seed in excess of 1.8 percent and not more than 3.5 percent; and forty-three one-hundredths of a unit for each 0.1 percent of free fatty acids in the oil in the seed in excess of 3.5 percent, plus 5.1.

Any interested person who wishes to submit written data, views, or arguments concerning the proposed amendment may do so by filing them with the Director, Cotton Branch, Production and Marketing Administration, United States Department of Agriculture, Washington 25, D. C., not later than 10 days after publication of this notice in the FEDERAL REGISTER.

Done at Washington, D. C., this 3d day of July 1953.

[SEAL] ROY W LENNARTSON,  
Assistant Administrator

[F. R. Doc. 53-607; Filed, July 8, 1953;  
8:56 a. m.]

#### [ 7 CFR Part 914 ]

[Docket No. AO-245]

#### HANDLING OF NAVAL ORANGES GROWN IN ARIZONA AND DESIGNATED PART OF CALI- FORNIA

#### NOTICE OF RECOMMENDED DECISION AND OP- PORTUNITY TO FILE WRITTEN EXCEPTIONS WITH RESPECT TO PROPOSED MARKETING AGREEMENT AND ORDER

Pursuant to the rules of practice and procedure, as amended, governing proceedings to formulate marketing agreements and marketing orders (7 CFR Part 900; 13 F. R. 8585), notice is hereby given of the filing with the Hearing Clerk of the recommended decision of the Assistant Administrator, Production and Marketing Administration, United States Department of Agriculture, with respect to a proposed marketing agreement and

order regulating the handling of navel oranges grown in Arizona and a designated part of California. Such marketing agreement and order would be effective pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.) Interested parties may file written exceptions to this recommended decision with the Hearing Clerk, United States Department of Agriculture, Room 1353, South Building, Washington 25, D. C. Any such exceptions should be filed in quadruplicate, and must be received prior to the close of business on the fifteenth day after the publication of this recommended decision in the FEDERAL REGISTER.

*Preliminary statement.* A public hearing, on the record of which the presently proposed marketing agreement and marketing order (hereinafter referred to as the "order") were formulated, was held at Los Angeles, California, from April 27 to May 4, 1953, both dates inclusive. Such hearing was held pursuant to a notice thereof which was published in the FEDERAL REGISTER (18 F. R. 1888) on April 4, 1953. Said notice contained a draft of a proposed marketing agreement and order which had been presented to the Secretary of Agriculture (hereinafter referred to as the "Secretary") by the Sunkist Growers, Incorporated, a cooperative association of orange growers in California and Arizona, with a petition for a hearing thereon. The objective of the proposed marketing agreement and order is to bring to the navel orange industry of California and Arizona the benefits of the Agricultural Marketing Agreement Act of 1937, as amended (hereinafter referred to as the "act")

*Material issues.* The material issues presented on the record of the hearing are as follows:

(1) The need for the proposed regulatory program to effectuate the declared purposes of the act;

(2) The existence of the right to exercise Federal jurisdiction in this instance;

(3) The definition of the commodity and determination of the production area to be affected by the marketing agreement and order;

(4) The identity of the persons and transactions to be regulated;

(5) The specific terms and provisions which should be incorporated in the proposed marketing agreement and order, such as:

(a) The definitions of such terms as "Secretary," "act," "person," "fiscal year," "grower," "oranges available for current shipment," "tree crop," "early maturity oranges," "general maturity," "box," "central marketing organization," "carload," and "export"

(b) The establishment and maintenance of an administrative agency, to be known as the Navel Orange Administrative Committee (hereinafter referred to as the "committee") for conducting order operations, the powers and duties of such committee, and its manner of doing business;

(c) The incurring of expenses by the committee and the levying of assessments;

(d) The formulation and adoption of a marketing policy for each prorate district each season;

(e) The issuance of volume regulations;

(f) The issuance of size regulations, and the relaxation of such regulations in hardship cases;

(g) The issuance of grade and maturity regulations;

(h) The division of the production area into prorate districts;

(i) The specification of oranges not subject to regulation;

(j) The keeping of records and filing of reports by handlers;

(k) The requirement of compliance with all provisions of the marketing agreement and order and with regulations issued pursuant thereto; and

(l) Additional terms and conditions as set forth in §§ 914.81 through 914.90 and published in the FEDERAL REGISTER (18 F. R. 1888), on April 4, 1953, which are common to marketing agreements and orders, namely, right of the Secretary, effective time, termination, effect of termination or amendment, duration of immunities, agents, derogation, personal liability, and separability, and certain other terms and conditions as set forth in §§ 914.91 through 914.93, and also published in the said issue of the FEDERAL REGISTER, which are common to marketing agreements only, namely, counterparts, additional parties, and order with marketing agreement.

*Findings and conclusions.* "The findings and conclusions on the foregoing material issues, all of which are based on the evidence adduced at the hearing and the record thereof, are as follows:

(1) It is concluded that a marketing agreement and order program is needed to regulate the handling of navel oranges grown in the production area to establish and maintain such orderly marketing conditions thereof as will tend to establish parity prices for such oranges.

The average price received by producers in California-Arizona for oranges shipped for fresh consumption during the 1950-51 marketing season was \$2.23 per box, on tree, or 54 percent of the parity price for such oranges. During the 1951-52 season the comparable price

received by producers was \$2.41 per box, or 58 percent of the parity price for such oranges. During January, February, and March of the 1952-53 season, average prices received by producers, on tree, for California-Arizona oranges shipped for fresh consumption were \$1.39, \$1.42, and \$1.52 per box, respectively. These prices were 35, 36, and 33 percent, respectively, of the parity prices for such oranges.

Prices received by producers for California-Arizona oranges have been low in relation to parity during recent seasons. Although prices to producers of navel oranges were relatively high during the early part of the 1952-53 season because of weather conditions which limited shipments, they were especially low later in the season. It is probable that the average price for the 1952-53 season for such oranges will be lower, in relation to parity, than the average of the five preceding seasons.

Navel oranges produced in California and Arizona are marketed primarily in fresh form. During the 5 seasons ending in 1951-52, 84 percent of the total production of California-Arizona navel and miscellaneous oranges was shipped to fresh markets, as compared with 62 percent of the California-Arizona Valencia oranges and 45 percent of the Florida orange and tangerine production so shipped. Navel oranges produced in California and Arizona possess certain characteristics which permit them to be identified readily by consumers. These characteristics include appearance, freedom from seeds, a relatively high acid content, and a peel readily separated from the fruit. They result in the principal consumer use of fresh California-Arizona navel oranges being that of eating out of hand or in salads, as compared with most fresh Florida oranges and California Valencia oranges being consumed for juice purposes.

California-Arizona navel oranges normally receive higher market prices than the average of all Florida oranges, which are shipped in heavy volumes throughout the navel orange marketing season. During the past 10 seasons, monthly auction prices of California-Arizona navel oranges averaged \$1.32 per box above the comparable average prices of Florida oranges sold in the months of December through May, the principal marketing period for such navel oranges.

There is a demand for California-Arizona navel oranges which can be distinguished from demands for other competitive oranges shipped in fresh form. This is because of the characteristics of the navel orange, and is demonstrated by the differences in prices between California-Arizona navel oranges and Florida oranges.

There have been increases in the total supplies of all citrus fruits, both in fresh and processed form, sold during the period November through May, which is the marketing season for California-Arizona navel oranges. Although shipments of competitive fresh oranges during the California-Arizona navel orange season exert an influence upon prices of California-Arizona navel oranges, this influence is not as significant as the effect of a like quantity of ship-

ments of California-Arizona navel oranges. Hence, the substantial effect of changes in quantities of California-Arizona navel oranges shipped upon prices for such oranges is not nullified by changes in supplies of competitive oranges offered for sale.

During the California-Arizona navel orange shipping season, there are sharp fluctuations in the demand for such oranges. These oranges have been associated with the Christmas holiday season and, prior to Christmas there is a sharp increase in consumer demand for such oranges. Following Christmas, this demand drops rapidly and thereafter increases gradually until the end of the shipping season. From week to week, however, changes in prices received and quantities sold reveal fluctuations in demand caused by the factors affecting the level of demand for California-Arizona navel oranges.

The primary problem to which the proposed marketing agreement and order is addressed is that of correlating the quantity of oranges to be shipped each week with the changes in demand for such oranges. The question is whether the weekly shipments can be adjusted to changes in demand conditions more effectively when they are regulated by means of a marketing agreement and order program than when they are not so regulated. The marketing agreement and order is not proposed as a device to be used primarily for the purpose of reducing the total quantity of oranges shipped to fresh markets, except as a result of limitations of sizes so shipped. Rather, it is proposed as a device for adjusting the rate of shipping the available supplies so as to coordinate the flow of shipments with the market demands for such oranges, and thus to tend to achieve the declared policy of the act.

Oranges may be stored on the tree after reaching maturity. When the crop of oranges in a particular producing district has reached maturity, all the fruit is capable of being shipped. Producers, moreover, are anxious to harvest their fruit in order to avoid possible loss from frost or from drop or deterioration in grade. As a consequence, producers exert strong pressures upon handlers to ship their fruit. It is extremely difficult for operators of packinghouses to ignore such pressures and to ship such oranges in response to the then current demand.

The authority to regulate shipments each week under a marketing program provides a means to withstand such pressures to ship and thereby to adjust the quantity of fruit shipped to that required in marketing channels. In addition, the proposed marketing agreement and order makes readily available to handlers knowledge of the quantity which is to be shipped each week, as well as more accurate knowledge of the quantity of fruit available in and enroute to consumer markets. Moreover, receivers of California-Arizona navel oranges would be provided with a basis for maintaining their commercial operations in the light of information with respect to the rate at which supplies will be made available to them.

Such conditions do not exist in the absence of a marketing agreement and order, and the evidence indicates that there exists a tendency on the part of handlers, in the absence of some program providing restraint of shipments, to ship excessive quantities because of desires of producers to pick their fruit and thereby avoid losses through damage or deterioration in the groves. Moreover no individual handler or group of handlers successfully can increase the level of prices by reducing shipments because other handlers can nullify such action by increasing their shipments accordingly.

Therefore, it is concluded that a marketing agreement and order is needed to effectuate the declared policy of the act by establishing orderly marketing conditions for navel oranges grown in the production area through providing a means of limiting the quantity of such oranges that may be shipped each week to commercial fresh channels.

Market prices of California-Arizona navel oranges reveal the existence of price differentials, with the most preferred sizes receiving premiums and the less preferred sizes receiving discounts from the average. These differentials, when considered in relation to the quantities sold, provide an indication of market preferences for various sizes of such oranges.

Prices to producers and total returns could be augmented by only making available in trade channels the more preferred sizes of fruit. Such results could be obtained under the marketing agreement and order by limiting a portion or all of some of the discounted sizes of oranges. Size limitation would tend to increase consumer satisfaction and stimulate demand. Competition in the marketing of oranges is based to a considerable extent on price, and the offering of oranges of less desirable sizes at discounts tends to depress prices for better sizes.

Testimony indicated that shipments of sizes of oranges that do not receive prices covering the cash costs of harvesting and marketing often are made. Limitation of shipments of such sizes would not only improve the size composition of the oranges permitted to be shipped but also improve average returns to producers by preventing losses incurred through the shipment in fresh form of such sizes.

The objective to be followed under the marketing agreement and order is that of tailoring the supply of oranges available for sale in commercial fresh fruit trade channels in order to conform to the demand in these outlets. Such tailored supply should include the more preferred sizes of oranges, and the least desirable sizes should be diverted from fresh outlets. The marketing agreement and order is designed to effectuate the declared policy of the act by establishing orderly market conditions for navel oranges grown in the production area through limiting the quantity of navel oranges that may be shipped each week to commercial fresh outlets and also through limitation on the sizes of oranges shipped to such channels.

(2) Any handling of navel oranges in fresh fruit channels exerts an influence upon all other handling of such oranges in fresh fruit form. Sellers of navel oranges, as of other commodities, transact their business in a manner designed to achieve the highest return for the quantities of oranges they have available for sale. In effecting these transactions, the sellers survey all accessible markets in an endeavor to take advantage of the best opportunities to market the fruit. Markets within the State of California or within the State of Arizona provide opportunities to dispose of fresh navel oranges in the same fashion as do markets within other States, or within Canada. A sale of a particular quantity of navel oranges within a market in the State of California or in the State of Arizona exerts a direct influence upon all other sales of such oranges, as does a sale of navel oranges in a market within another State.

The pattern of the prices received for sales of oranges in markets located within the State of California and in markets located outside thereof indicates parallel movement on a weekly and on a monthly basis. This pattern of price behavior follows from the manner in which handlers transact their business in response to conditions of supply and demand, and indicates the interdependence or interplay of the price structure of such markets. Moreover, if prices in any particular market, whether it is situated within the State of California or the State of Arizona or any other State, rise above comparable prices in all other markets, supplies of oranges would be diverted to that market. Conversely, if prices were to fall in any particular market, supplies would be diverted away from that market. For example, relatively low prices in the States of California or Arizona would result in a greater quantity of Navel oranges shipped in interstate commerce. The converse of this is also the case. The diversion of carloads, while in transit, from an original destination to another destination is a common practice. The record shows that one large marketing organization customarily diverts one out of every two carloads of navel oranges shipped. Such diversions provide examples of handlers' responses to changes in demand conditions as between markets.

If shipments of oranges to markets outside the States of California and Arizona were regulated while at the same time shipments of oranges to markets within the States of California and Arizona were not so regulated, prices received by growers for sales in such markets would tend to be reduced to levels below those prevailing in markets in other States. Procedures would have to receive higher prices for oranges marketed in interstate commerce as a result of such prices received in intrastate markets in order to establish the level of prices which it is the policy of Congress, as expressed in the act, to establish. Lower prices for intrastate shipments have a serious effect upon total returns as a large portion of the navel orange crop is marketed in fresh form in such

intrastate markets. Nearly 20 percent of the total sales in fresh fruit channels of navel oranges grown in the States of California and Arizona is destined to markets within such States. In addition, the population in California and in Arizona has been increasing and is expected to continue to increase, and such percentage will increase accordingly.

Oranges sold in commercial markets, whether they are located within the State of California or the State of Arizona or in any other State, are prepared for shipment prior to packaging in exactly the same fashion. Some of the navel oranges sold in the State of California are not packed in a standard orange box and are sold as "loose" oranges. For those oranges which are sold as "packed" oranges, regardless of their ultimate destination, the preparation for market is identical. In most cases, the ultimate destination of the oranges is not known at the time of packaging and there is a commingling of the fruit ultimately destined for sale within the markets of the States of California and Arizona with that ultimately destined for sale in other States. In addition, oranges shipped to terminal markets within the production area often are diverted from such markets to markets outside of the production area. Usually it is not known at the time of shipment to terminal markets within the production area that such oranges will be reshipped in interstate fresh fruit channels. Oranges destined for markets within the States of California and Arizona are so inextricably intermingled with oranges destined for markets within other States that it would be extremely difficult effectively to regulate shipments to interstate markets only.

All handling within the State of California or within the State of Arizona of navel oranges grown in the production area directly burdens, obstructs, and affects interstate and foreign commerce in such oranges. It is found, therefore, that all handling of navel oranges grown in the production area is in the current of interstate or foreign commerce or directly burdens, obstructs, or affects such commerce.

(3) The term "oranges," as used in the marketing agreement and order, identifies the kind of orange referred to therein, as distinguished from all other kinds of oranges. The term "oranges" should be defined to mean those varieties of oranges which are commonly known as navel oranges. Such oranges are distinguished from other oranges in that they are seedless and possess a navel at the apex of the orange. Such oranges have a high color and are particularly suitable for eating out of hand as fresh fruit or for use as a dessert fruit. Although the Washington navel orange predominates, there are at least two other varieties of navel oranges—the Hobson and the Robertson—presently produced in California and Arizona. Navel oranges are commonly recognized and distinguished from other varietal groups of oranges, not only by producers and handlers in the area of production, but also by members of the distributive trade and by consumers.

Should any new variety of seedless orange having a navel at its apex be grown in the production area, it is intended that such orange be subject to regulation under the marketing agreement and order.

The term "production area" should be incorporated in the marketing agreement and order as the means of specifying the area within which navel oranges must be produced before the handling thereof is subject to regulation. The definition of such term is such as to include the State of Arizona and that part of the State of California south of the 37th Parallel. Almost all of the navel oranges produced in the two States are grown in Arizona and south of the 37th Parallel in the State of California. The navel orange producing area north of the 37th Parallel in the State of California should not be included in the production area, because a large number of the producers located north of the 37th Parallel are not affiliated with packinghouses and market their own fruit. Consequently, they market their oranges differently than practically all producers in the proposed production area. It was shown that regulations contemplated in the marketing agreement and order could not be imposed feasibly, from an administrative standpoint, upon such small commercial operations. Moreover, the volume of oranges produced north of the 37th Parallel is of such relatively small size that its regulation would not significantly affect the level of commercial prices prevailing for oranges produced in Arizona and south of the 37th Parallel in the State of California.

Oranges produced in the various producing districts south of the 37th Parallel in the State of California and in the State of Arizona cannot readily be distinguished from each other, are marketed at approximately the same time, and compete with each other in the market place. Most of the oranges produced in the proposed production area are handled by large marketing organizations which market oranges grown throughout the production area. The grade, size, and container specifications, and packing and selling operations are similar and the freight rates from each of these producing districts to the primary eastern terminal markets are identical. Because of these facts, the exclusion of any part of the proposed production area would tend to make the operation of the proposed program ineffective. It is concluded that the production area, as defined, is the smallest regional production area found practicable, consistently with carrying out the declared policy of the act.

(4) The term "handler" should be defined to identify those persons who handle oranges in the manner described in the term "handle," because such persons are subject to the marketing agreement and order regulations.

The term "handle" should be defined to identify those activities which would make a person a handler, and thereby subject to regulation under the marketing agreement and order. Such activities with respect to navel oranges grown in the production area should include

purchasing, selling, consigning, transporting, or shipping oranges. Each of the foregoing activities is a handling function in the current of commerce with respect to navel oranges grown in the production area and should be subject to regulation under the marketing agreement and order. In addition, the placing of oranges in the current of commerce in any other manner should also be subject to regulation thereunder. Moreover, the performance of any one or more of these activities should constitute handling irrespective of the ultimate destination or end use of the oranges. Handling for export markets, and for other specified markets or uses enumerated in § 914.67 of the proposed marketing agreement and order, is not subject to regulation, however, for the reasons set forth in issue 5 (1) of this recommended decision.

The "handling" function must have occurred prior to every sale of such oranges at retail by a person in his capacity as a retailer. The handling of navel oranges grown in the production area commences immediately after such oranges are picked. Therefore, it is necessary to define handling as commencing after the separation of the orange from the tree so as to include all handling transactions and thereby include all handlers within the provisions of the marketing agreement and order. The term, however, should be limited by particular exceptions in order to make its applicability specific and to simplify the administration of the program.

With the exception of the processes specifically excluded in the definition of the term "handle," all activities from the time the orange is picked until it is offered for sale at retail, by a person in his capacity as a retailer, are included in the process of handling. However, the movement for hire by a carrier, common or otherwise, of oranges owned by another person should not constitute handling because such carrier has no proprietary interest in the fruit. Moreover, a common carrier is required, in providing service, to transport commodities at the request of the shipper.

The specific exceptions to the term "handle" should include the sale of oranges on the tree, because the handling process does not actually begin until the oranges have been separated from the tree. The transportation of oranges to a packinghouse, for the purpose of having such oranges prepared for market, also should not be included in the term "handle," because it is not necessary to regulate such transactions to accomplish the purposes of the marketing agreement and order. Nor should such preparation for market be included within the definition of the term "handle." The regulatory scheme proposed in this program should be applied at the stage when oranges begin their movement in commercial channels even though handling has occurred prior thereto. It is immaterial whether the oranges have been prepared for market at a packinghouse or whether they are sold or shipped in commercial channels immediately after picking. Practically all of the oranges are prepared at pack-

inghouses for such movement, and it is after oranges are so prepared, when a packinghouse is utilized, that the regulation should be applied. The preparation of oranges for market includes, but is not limited to, cleansing and sorting of the fruit, as well as placing it in a container (if necessary) preparatory to offering it for sale or movement in commercial channels. Such preparation of oranges for market, however, should not include the storage of oranges, because oranges often are sold and, subsequently, stored by the purchaser. Quite often it is the practice to store oranges in the packinghouse, or in nearby storages, before being offered for sale by the first handler. Thus, a third exemption—the storage of oranges within the area of production, under such rules and regulations as the committee may, with the approval of the Secretary, prescribe—should be provided in the marketing agreement and order. It is impracticable to set forth such rules in the marketing agreement and order, because conditions affecting storage practices are subject to rapid changes. The marketing agreement and order provisions should therefore authorize the committee, with the approval of the Secretary, to establish, and amend, such rules and regulations as are necessary to prescribe such exemption. A fourth exemption from the term "handle," excluding the sale of oranges at retail by a person in his capacity as such retailer, should be specified in order to set forth clearly the exclusion of such sales as required by the act. However, the incidental sale of a small quantity of oranges by a packinghouse to a consumer should not come within this exemption, because such sale is not by a retailer in his capacity as such retailer.

The act also prohibits the application of the proposed marketing agreement and order program to a producer of navel oranges grown in the production area in his capacity as a producer. Any person, however, who handles oranges, as such term is defined in the marketing agreement and order, should be subject to regulation as a handler thereunder as to such handling transactions.

The term "handle" should relate to transactions involving markets in the United States, Canada, and Alaska because such markets are considered by sellers of navel oranges grown in the production area to be, and are, one "domestic" market. Shipments to other—the export—markets are not proposed to be regulated under the marketing agreement and order because sales in those markets do not directly compete with, and are considered as diversions from, the "domestic" market. Moreover, Alaska should be included in the "domestic" market because it is supplied principally by shipments moving through northwest ports. Hence, its inclusion tends to assure compliance with the regulations of the program on the part of handlers shipping to northwest and Canadian markets.

The act permits regulation, on the basis of volume or size, or both, of all handling of navel oranges grown in the production area which is in the current of interstate or foreign commerce,

or which directly burdens, obstructs, or affects such commerce. Since all handling of navel oranges grown in the production area is in interstate or foreign commerce, or directly burdens, obstructs, or affects such commerce, it is concluded that the handling of all such oranges, with the exceptions hereinbefore noted, should be subject to regulation under the marketing agreement and order.

(5) (a) Certain terms applying to specific individuals, agencies, legislation, concepts, or things are used throughout the recommended marketing agreement and order. Those terms should be defined for the purpose of designating specifically their applicability, and establishing approximate limitations of their respective meanings wherever they are used.

The definition of "Secretary" should include not only the Secretary of Agriculture of the United States, the official charged by law with the responsibility for programs of this nature, but also, in order to recognize the fact that it is physically impossible for him to perform personally all functions and duties imposed upon him by law, any other officer or employee of the United States Department of Agriculture who is, or who may hereafter be, authorized to act in his stead.

The definition of "act" provides the correct legal citation for the statute pursuant to which the proposed regulatory program is to be operative.

The definition of "person" follows the definition of that term as set forth in the act, and is intended to cover all possible legal entities.

The term "fiscal year" should be defined to identify a period within which the marketing of a given crop of oranges takes place. Navel oranges grown in the production area are marketed during the period beginning in November and ending in May or June. The period beginning on November 1 and ending on October 31 of the following year, both dates inclusive, is selected as the fiscal year, because it is the practice of organizations handling oranges to maintain their records on such a 12-month basis. The term of office of the initial committee members, however, should begin on October 1 of such year in order to permit the establishment of the administrative agency and the preparation of such reports and rules and regulations as are necessary to enable the operation of regulations during that fiscal year.

The term "grower" should be synonymous with "producer" and should be defined to mean any person who is engaged in the production of oranges for market and who has a proprietary interest therein. A definition of such term is necessary for such determinations as eligibility to vote for, and to serve as, a grower or alternate grower member of the committee, and for other reasons. The term should be limited to those who have an ownership interest in the oranges produced. It should not include laborers or others who perform work for a fee for hire in producing the oranges. Evidence at the hearing indicated that each business unit, such as a

corporation, partnership, community property ownership, engaged in the production of oranges for market should, upon voting, be entitled to only one vote.

The term "oranges available for current shipment" should be defined to mean all oranges as measured by the total tree crop. Such quantity is utilized in determining the amount of oranges that may be shipped by an individual handler each week when volume regulation is in effect and thus provides the basis for the establishment of equity between handlers under such regulation. The testimony indicated that use of the total tree crop as a basis for this computation is the only practical and equitable means of measuring the availability of oranges for shipment. While it may be argued that the merchantable supplies of oranges should be used to determine the quantity of oranges available for current shipment, it was found to be impossible to measure accurately such merchantable supplies. For example, it is not possible to determine with precision the extent of frost damage in a particular grove; nor is it possible to forecast accurately the size composition of oranges on the tree in a particular grove. Therefore, the oranges available for current shipment should be measured by the total quantity of oranges on the tree.

The term "tree crop" should be defined to mean the total quantity of oranges on the trees as determined by the committee. This term provides the basis for the measurement of oranges available for current shipment. Since the oranges are stored on the trees, the term "tree crop" is appropriate. However, the measurement of the tree crop is determined finally by the number of boxes of oranges delivered to the packinghouse. Therefore, the tree crop as estimated by the committee should be calculated as an estimate of the number of boxes of oranges to be delivered to the packinghouse.

The term "early maturity oranges" should be defined to identify those oranges which have reached maturity in advance of "general maturity" in the same prorate district. Oranges in particular groves attain maturity at earlier dates than oranges in other groves because of variations in climatic conditions. Maturity should mean that stage of ripeness as measured by applicable State laws. The applicable State laws provide minimum color requirements and minimum sugar-acid ratios as criteria for maturity. Although there is a slight variation between the present maturity requirements of the State of California and the State of Arizona, the differences in the requirements are so slight as to be negligible, and will not adversely affect the use of these standards in the operation of the program. The provision of the marketing agreement and order relating to early maturity oranges provides for the issuance of allotments to handlers of such oranges in advance of the time that allotments are given to handlers of all oranges in the same prorate district, thereby providing a basis for equitable treatment of handlers of such early maturity oranges.

The term "general maturity" should be defined to identify the time at and after which the committee determines allotments shall be distributed to all handlers in a particular prorate district, because allotments are issued separately for each prorate district. The Committee should consider the maturity of the fruit, as well as other factors, in making this determination.

The term "box" should be defined to identify the common unit of measurement of quantity of oranges in California and Arizona. This unit is identified in terms of cubic capacity, and the net weight of the fruit contained therein varies with the size of the oranges. The State of Arizona definition of a standard two-compartment orange box is the same as that found in the section of the Agricultural Code of California referred to in the marketing agreement and order. It is necessary to provide for the equivalent of a box in order to deal with oranges marketed in other types of containers on an equal basis. If section 828.83 of the Agricultural Code of California should be amended, it is intended that any such amended section apply to the definition of a standard two-compartment orange box in the marketing agreement and order.

The term "central marketing organization" should be defined to identify those organizations which market oranges for more than one handler in the production area. Such marketing organizations predominate in the selling of oranges produced in California and Arizona, and occupy important roles in the selection of members for the administrative agency under the marketing agreement and order.

The term "carload" should be defined to identify the unit of loading of oranges in railroad cars for shipment to fresh markets. Volume regulations are recommended and issued in terms of carloads of oranges for a particular prorate district.

The term "export" should be defined to mean those shipments of fresh oranges to foreign markets which are not regulated under the provisions of the marketing agreement and order. Shipments to markets within the continental United States, Canada, and Alaska are regulated within the provisions of the proposed program.

(b) It is necessary to establish an agency to act in administering the proposed marketing agreement and order under and pursuant to the act, as an aid to the Secretary in carrying out the declared policy of the act. The term "Navel Orange Administrative Committee" or "Committee" is a proper identification of the agency and reflects the administrative character thereof. It should be composed of 11 members, of whom 6 should represent producers, 4 should represent handlers, and 1 should represent neither growers nor handlers. Such a committee would give adequate representation to the different segments of the industry and would not be unwieldy. The foregoing division of the members between producers and handlers would provide sufficient producer representation, together with handler representation, needed to provide ade-

quate handler experience and information. A majority of the committee should consist of producers because the program is designed to benefit producers. The provision for handler members tends to give balance to the committee and an opportunity for presentation of handling and market viewpoints and problems from the handlers' standpoint.

The term of office of members of the committee and of their respective alternates should be 2 years, except for the term of office of the initial members. Two years would permit the continuance in office of experienced members and alternates. It would also give producers and handlers an opportunity to recommend to the Secretary changes in their representatives at reasonable intervals. The first regular term of office should begin on October 1, 1953, to permit the committee to establish the necessary procedures and reports in order to operate during the 1953-54 marketing season. The term of office of the initial members should terminate on October 31, 1954, in order to correlate nomination proceedings under this program with those proceedings under other citrus marketing agreement and order programs in the area, and thus assure greater producer participation in such proceedings. Subsequent terms of office should begin on November 1 of each even-numbered year thereafter. Terms of office should continue until successors have been selected and qualified in order to provide continuity to the membership of the committee. The Secretary should select members of the committee and their alternates from nominations submitted to him as the result of a nomination procedure prescribed by him. The Secretary would have the benefit of the industry recommendations in respect to committee membership, and at least two persons should be nominated for each committee member and alternate position in order to provide the Secretary with a choice of the person to be selected.

Nomination for membership and representation on the committee should reflect the situation existing in the marketing of navel oranges grown in the production area. Marketing organizations predominate in the marketing of oranges grown in such area. There are 2 large cooperative marketing organizations in the production area, one of which handles in excess of one-half of the total tonnage of oranges. There is one central marketing organization which is not classified as a cooperative, and most of the independent shippers are members of an independent association. The central marketing organizations, both cooperative and independent, market oranges produced throughout the production area. The interests of these organizations, therefore, are closely identified with producer interests in each of the important producing regions. Furthermore, such organizations must consider marketing problems affecting the producing area as a whole. It is appropriate, therefore, in view of the institutional structure of the marketing function in the production area, to provide for nominations and producer and handler representation obtained through

such marketing organizations. This procedure would tend to result in representation from all districts within a small committee and reflects the industry organization on the committee.

The marketing agreement and order should, therefore, prescribe a nomination and selection plan for committee members and their alternates which would provide representation on the committee as follows: (1) Three grower and 2 handler members to represent any cooperative marketing organization which handles more than 50 percent of the total volume of oranges during the fiscal year during which nominations for members are submitted; (2) one handler and 1 grower to represent all other cooperative marketing organizations; (3) two growers and 1 handler to represent all producers and handlers not affiliated with cooperative marketing organizations; and (4) the members so selected should meet and by a concurring vote of at least 6 members should select nominees for a neutral member and alternate member of the committee.

When voting for nominees, each grower should be entitled to cast one vote to assure an equal voice in such election. The votes of cooperative marketing organizations which did not handle more than one-half of the oranges handled during the year in which nominations are submitted, or the growers affiliated therewith, should be weighted by the tonnage handled during such fiscal year in order to reflect the relative magnitudes of such organizations in selecting nominees.

There was some controversy at the hearing with respect to the merits of the provision creating a so-called "neutral member." It was argued that an individual who had neither a producer nor handler interest would not have sufficient knowledge and background to contribute to the administration of the provisions of the marketing agreement and order. Past experience of the industry with a marketing agreement and order indicates that a committee of 11 members would be satisfactory, as would be the division of members between producers and handlers and representation as between marketing organizations. The provision for a member representing neither producers nor handlers appears reasonable in view of the composition of the institutional structure of the marketing phase of the industry. His activities on the committee should stress the responsibilities of the producer and handler representatives on the committee to reach decisions affecting the handling of oranges themselves rather than to resort to his participation to cast deciding votes.

An alternate member should be provided for each member. Provision for alternate members assures a full committee when it meets and would tend to insure that each group having representation on the committee would be fully represented at the committee meetings. Provision also should be made for a member to select an alternate other than his own alternate to serve in his stead, if the alternate member so designated was selected from the same group which was authorized to nominate the member.

This permits full attendance at meetings without creating an undue burden on the members and alternate members selected.

Any person selected by the Secretary as a member or alternate member of the committee should indicate his willingness to serve as such by filing a written acceptance with the Secretary within 10 days after being notified of his selection. Provision should be made for the filling of any vacancies on the committee, or the selection by the Secretary where nominations are not conducted as prescribed, in order to provide for maintaining a full membership on such committee.

The committee should be given those specific powers which are set forth in section 8c (7) (C) of the act. Such powers are necessary to enable an administering agency of this character to function.

The committee's duties, as set forth in the marketing agreement and order, are necessary for the discharge of its responsibilities. The duties are generally similar to those specified for administrative agencies under other marketing programs of this character. It is intended that any activities undertaken by members of the committee will be confined to those which reasonably would be necessary for the committee to perform the duties specified in the program.

A quorum should consist of at least 6 members and any action of the committee should require at least 6 concurring votes. These requirements are necessary to prevent any action being taken without the concurrence of a majority of the committee. The committee should be permitted to vote by telephone, telegram, or other means in order to save the time of its members, to conserve its funds, and to permit rapid action in the case of emergency. Any votes cast in this fashion should be confirmed promptly in writing, to provide an accurate record of the votes so cast. All voting at an assembled meeting, however, should be cast in person.

The members of the committee and their respective alternates, when acting as members, should be reimbursed for expenses necessarily incurred by them in the performance of their duties. They should also receive compensation at a rate to be determined by the committee, which rate should not exceed \$10 per day for each day devoted to the performance of their duties. Compensation and reimbursement are necessary to offset expenditures incurred because of service on the committee.

The marketing agreement and order should provide for an annual report of its operations to acquaint producers and handlers of the activities performed during the marketing season. This report should review regulatory operations for each prorate district because regulations are issued on such basis. It should be mailed to the Secretary and to each handler and grower of record in order to acquaint all interested parties with the policies and operations of the program during the previous marketing season. The report should be prepared and

mailed prior to June 15, and a public meeting should be held prior to July 1, in order to review the season's activities as soon after their completion as reasonably possible. The report should deal with the influence of regulations upon the competitive position of California-Arizona navel oranges with other fresh and processed oranges, because an economically sound marketing program requires continuous review of its operations in the light of long-run economic changes. The annual report should be reviewed and discussed at an open meeting to provide interested handlers and producers an opportunity to clarify any questions they may have with respect to the policies of or operations under the program. Moreover, such a meeting would serve to acquaint the committee with the views or suggestions of interested handlers or producers concerning such matters.

(c) The committee should be authorized to incur such expenses as the Secretary finds are reasonable and likely to be incurred by it during each fiscal year for its maintenance and functioning and for such other purposes as the Secretary may, pursuant to the provisions of the marketing agreement and order, determine to be appropriate. The funds to cover the expenses of the committee should be obtained through the levying of assessments on handlers. The act specifically authorizes the Secretary to approve the incurring of such expenses by an administrative agency such as the Navel Orange Administrative Committee, and requires that each marketing program of this nature contain provisions requiring handlers to pay pro rata the necessary expenses. Moreover, in order to assure the continuance of the committee, the payment of assessments may be required irrespective of whether particular provisions of the marketing agreement and order are suspended or become inoperative.

Each handler should pay to the committee upon demand with respect to all oranges handled by him, as the first handler thereof, his pro rata share of such expenses which the Secretary finds will be incurred necessarily by the committee during each fiscal year. Each handler's share of such expenses should be equal to the ratio between the total quantity of oranges handled by him as the first handler thereof during the applicable fiscal year and the total quantity of oranges so handled by all handlers during the same fiscal year. In this way, payment by handlers of assessments would be proportionate to the respective quantities of oranges handled by each handler. Also, assessments would be levied on the same oranges only once.

The committee should have authority to incur expenses during the period October 1 to November 1, 1953, to be paid from funds collected during the fiscal year beginning November 1, 1953, in order to be able to perform the activities necessary and prerequisite for operations during the initial fiscal year beginning November 1, 1953.

Handlers should be permitted to make advance payments of assessments and the committee should be permitted to

borrow a limited sum of money in order to enable the committee to commence to function during the initial fiscal year and to continue such operations during succeeding fiscal years. This provision should be included because the committee will need funds to set up an office, employ and retain personnel, and incur such other expenses as would be necessary to administer the provisions of the program.

The Secretary should have the authority, at any time during a fiscal year, or thereafter, to increase the rate of assessment when necessary to obtain sufficient funds to cover any later finding by the Secretary relative to the expenses of the committee. Since the act requires that administrative expenses shall be paid by all handlers pro rata, it is necessary that any increased rate apply retroactive against all oranges handled during the particular fiscal year.

If, at the end of any fiscal year, the assessments collected exceed the expenses incurred, each handler's share of such excess should be credited to him against the operations for the following fiscal year. If any handler makes a demand for payment thereof, refund should be made to him. The right of every handler to the return of his pro rata share of the excess funds would be recognized by providing for the payment of such share to him in case he requests it. However, good business practice requires that any such refund may be applied by the committee first to any outstanding obligations due the committee from any person who has paid in excess of his pro rata share of expenses.

All assessment monies received by the committee should be used solely for the purposes, and accounted for in the manner, specified in the marketing agreement and order.

The Secretary should be authorized to require the committee, at any time, to account for all receipts and disbursements. Such authority would aid in assuring careful administration of assessment funds.

(d) The committee should formulate and adopt a marketing policy in advance of its recommendation for regulation for each prorate district during any particular season. The committee should give notice to all producers and handlers of meetings held for the purpose of formulating such marketing policy, and should transmit a report of the marketing policy to the Secretary and to each grower and handler who files a request for such report. The policy so established would serve to inform persons in the industry, in advance of the marketing of the crop in a particular prorate district, of the committee's plans for regulation and the basis therefor. Handlers and producers then could plan their operations in accordance therewith. The policy also would be useful to the committee in making specific recommendations to the Secretary of proposed volume and size regulations. The committee's marketing policy report would be helpful to the Secretary in determining whether regulations should be placed into effect.

In preparing its marketing policy report the committee should provide data showing (1) the available supplies of oranges in the prorate district; (2) the estimated utilization of such oranges in the alternative channels; (3) the schedule of estimated weekly quantities to be recommended to be shipped to fresh markets; (4) available supplies of competitive oranges, as well as other competitive citrus commodities; and (5) the level and trend of consumer income, as well as other pertinent factors affecting market conditions of oranges, to assure the development of an economically sound and practical marketing policy.

The marketing policy statement should be revised if changes in the supply or demand conditions necessitate a marked change in the policy set forth by the committee at the beginning of the season for each prorate district. Any report of any such changed marketing policy should be submitted promptly by the committee to the Secretary and to each grower and handler requesting such report, along with the data considered by the committee in revising such statement.

(e) The declared policy of the act is to establish and maintain such orderly marketing conditions for oranges grown in the production area as will tend to establish parity prices for such oranges. The regulation of the volume of weekly shipments of oranges provides a means of carrying out such policy.

The order should provide for the committee to recommend, and the Secretary to issue, regulations limiting the quantity of oranges which may be shipped during weekly periods from the production area whenever such regulations will effectuate the policy of the act. The marketing agreement and order should contain provisions relating to (1) the method of recommending and fixing the quantities so limited; (2) the calculation of shares of individual handlers of the quantities so limited under regulation; and (3) adjustments of such shares which may be made to provide flexibility of operations for handlers under regulation.

(1) The marketing agreement and order should provide that the committee may meet, and recommend to the Secretary, the total quantity of oranges which it considers advisable to be handled the next succeeding week in each prorate district. The committee should have authority to recommend that no oranges be handled in a particular prorate district during a specified period if the supplies of navel oranges, in relation to the demand therefor, so warrant. Such authority is necessary to enable the committee to recommend volume regulations to meet market demands and at the same time reasonably to apportion the quantities to be handled among prorate districts in accordance with the shipping periods of such districts. In arriving at its recommendations, the committee should obtain and consider complete information with respect to each significant factor affecting market conditions for oranges.

The marketing agreement and order should authorize the committee to rec-

commend an increase in the quantity that the Secretary has fixed to be shipped during any week in the event market conditions warrant such increase. There should be no authorization for a decrease in any quantity fixed by the Secretary to be shipped during any given week, because handlers could not be expected to reduce their shipping schedules without reasonable and timely notice. Furthermore, inequities could result thereby if some handlers had shipped their total allotment prior to such reduction.

The Secretary should fix, or increase, the quantity of oranges which may be handled in any prorate district during a particular week whenever he finds from the recommendations and information submitted by the committee, or from other information, that to so limit the quantity of oranges shipped would tend to effectuate the declared policy of the act.

It was contended that regulation by volume should not be made effective until after the Christmas holiday shipments had been completed. The basis for this contention was that regulations under former Order No. 66, as amended, regulating the handling of all varieties of California-Arizona oranges had forced some handlers to relinquish firm orders for sales of oranges during such pre-holiday period. In answer to this contention, it was argued that all handlers are offered firm orders, and decline such orders because of the conditions attached thereto or the prices at which they are tendered.

No data were presented at the hearing which bore directly upon this issue, and the weekly f. o. b. prices presented on the record did not present a consistent pattern of seasonal behavior prior to the Christmas holidays. Since the program is designed to provide regulation of volumes of weekly shipments during periods when such regulation is necessary to accomplish the declared purposes of the act, such regulations should be recommended and established when conditions so warrant. It was not demonstrated that conditions prior to the Christmas holiday period never would warrant the establishment of such regulation of volumes shipped. Therefore, the proposed marketing agreement and order should not contain such a prohibition of such regulation. The committee should not be limited as to the period for which recommendations for regulation may be made, because it should have the opportunity to recommend limitation of available supplies to meet market requirements whenever such limitation would accomplish the policy of the act.

There was a proposal in the notice of hearing that recommendations for volume regulation be made only by the handler members of the committee. This proposal was withdrawn at the hearing, however, and no evidence was presented on this matter.

(2) The act requires, in effect, that a program of this nature should provide a method for allotting the total quantity of the regulated commodity which may be handled during a specified period so that such quantity may be equitably apportioned among all of the handlers thereof. Under the provisions

of the proposed marketing agreement and order, this requirement means that each handler should be given the same opportunity to market oranges under volume regulation as each other handler in the same prorate district. The equality of opportunity to market oranges should exist among handlers within a particular prorate district, because the market opportunities vary as between prorate districts as the result of the different timing of maturity and shipping life of the oranges in each prorate district.

The act also requires that such equitable apportionment should be on the basis of the quantity of the regulated commodity which each handler has available for current shipment, or upon the quantity of such commodity shipped by each such handler in such prior period as the Secretary determines to be representative, or both. Under this program, an individual handler's equity or share of the limited quantity which may be shipped from a particular prorate district in any week should be based upon the quantity of oranges currently controlled by such handler. Testimony at the hearing indicated that the percentage of the oranges controlled and handled varies between handlers from year to year. Therefore, the determination of an individual handler's share on the basis of past performance, or a combination of past performance and current control, would not truly reflect the current status of each handler in relation to all others. Furthermore, the use of the quantity of oranges currently under control as a basis for determining individual handler's equities is practical under this program as it is possible to determine with precision the quantity of oranges currently controlled by each handler.

The equity of each handler in the total quantity which may be handled in a prorate district during any week should be expressed as his prorate base. A prorate base is the ratio between the total quantity of oranges available for current shipment of the particular handler and the total quantity of oranges available for current shipment of all such handlers in the particular prorate district. Thus each handler's share of the limited quantity which may be shipped from a given prorate district each week under volume regulation is the same percentage as his share of the total quantity of oranges available for current shipment in such prorate district.

The marketing agreement and order should provide that each handler, who has oranges available for current shipment, make application to the committee for a prorate base and for allotments, to assure an orderly basis for establishing equities. This application should contain the information set forth in the proposed marketing agreement and order. Such information is necessary to substantiate the quantity of oranges available for shipment by each handler, in order to insure that the determination of allotments to be issued to individual handlers is correct. Such application should include only such oranges as the handler has title to, or a bona fide contract to handle or purchase, because the

right to handle should be contingent upon actual control over the marketing of such oranges.

There was considerable controversy with respect to the propriety of a program which has the effect of requiring individual producers to contract with handlers for the marketing of their crops in order that the handler obtain his allotment for the shipping of such oranges. However, it is not possible for all producers fairly to participate in the benefits of a program designed to improve prices to producers by means of regulating the quantities of oranges shipped each week without, at the same time, relinquishing their option as to the timing of the sales of their individual crops. Moreover, the vast majority of producers of oranges grown in the production area customarily enters into contracts for the marketing of their crops prior to the beginning of the shipping season.

The marketing agreement and order should provide for adjusting the quantity of oranges under control of individual handlers as such handlers gain or lose control of the marketing of such oranges during the marketing season. Producers should be given the opportunity of transferring the marketing of their crops from one handler to another. A handler who thus has gained or lost control over the handling of oranges should have the amount of his oranges available for current shipment adjusted to reflect such change. The provisions of the marketing agreement and order, however, should be so drawn that a handler will not gain an unfair advantage by virtue of a producer transferring his marketing affiliations. For example, a handler may obtain more than his proportionate share of allotments if he is allowed to retain allotments, used in the handling of other producers' oranges, which were earned by the transferring producer's tree crop. As a consequence, the marketing agreement and order should provide that, if the committee determines that any handler who has lost control of oranges has not handled his share of such oranges, his remaining quantity of oranges available for current shipment correspondingly should be reduced over a period of time. This adjustment will place such handler in the relative position he would have occupied had he never controlled such portion of the oranges of the transferring producer. On the other hand, the provisions of the program should discourage widespread transfers by producers, because such transfers would make the operation of the program and the maintenance of equity among handlers difficult. Accordingly, when a producer transfers the marketing of his crop to a new handler, such new handler's quantity of oranges available for current shipment should be increased by the amount of such producer's oranges at the time of transfer. Such new handler, however, should not receive such allotments as were earned by the transferring producer's oranges prior to the time of transfer.

The committee should be authorized to revise errors of estimates of the quantity of oranges available for ship-

ment of each handler and to adjust accordingly such quantities of oranges available for shipment to offset any errors of estimate found to exist in order to insure that the equities of individual handlers are maintained. Such adjustments should increase or reduce, by such quantity and for such a period as is necessary and reasonable, the quantity of oranges available for shipment of the particular handler whose quantity has been estimated incorrectly so that the total allotments received by such handler will equal what his total allotments would have been had his quantity of oranges available for current shipment been correctly estimated. The individual handler should be required to report to the committee any change in his control of oranges in order to assist the committee in making adjustments and to simplify the administration of this provision.

The committee should compute each week during the marketing season, when volume regulation is likely to be recommended by the committee, the total quantity of oranges available for current shipment by each person who has applied for a prorate base and for allotments, and should transmit a report of such information to the Secretary. The Secretary should, based upon the recommendations and reports of the committee, or from other available information, fix a prorate base for each such person, if volume regulation is issued. The Secretary should notify the committee of the prorate base fixed for each person and the committee, in turn, should notify each person of his prorate base.

Whenever the Secretary has fixed the total quantity of oranges that may be handled during any week from any prorate district, the allotments to each individual handler should be determined by multiplying the total quantity fixed by the Secretary to be handled by the prorate base of each handler. The committee should perform this operation and provide notice to each person of the allotment so computed for him. This procedure is needed to set forth clearly the manner in which the equities of handlers are calculated and in which each handler may be notified of his allotment under volume regulation.

The committee should give any central marketing organization, upon its request, the same notice with respect to prorate bases and allotments applicable to each handler for whom it markets oranges as is given to such handler. Such notice is a recognition of the institutional structure of the marketing of navel oranges and would facilitate such marketing.

The evidence indicated that the equities of handlers under regulation would not seriously be disrupted in seasons of minor damage from frost or wind or rain, because those handlers who suffered such damage would, since their equities are based on their respective tree crops, have the opportunity to ship a larger share of their merchantable crop than before their crops had been so damaged. However, in seasons of major freezes, such as occurred in 1937, 1949, and 1950, with heavy and varying degrees of damage affecting groves, it is not possible to

maintain individual handler's equities determined on the basis of oranges available for current shipment. Therefore, volume regulation should not be undertaken in seasons when major freezes result in heavy and differing degrees of damage to groves.

(3) The marketing agreement and order should contain provisions authorizing adjustments in allotments issued or to be issued to individual handlers in order that rigidities imposed by the calculation of equities provided for in the program may be made workable in response to current changes in handlers' activities. Such adjustments should permit, not only overshipments, undershipments, and loans between individual handlers, but also authority for the committee to withhold allotments from all handlers and loan such allotments to particular handlers to offset conditions with respect to the marketing life and maturity of oranges controlled by such individual handlers.

The marketing agreement and order should provide that, during any week when volume regulation is in effect, any person may handle, in addition to his weekly allotment, a quantity of oranges equal to 10 percent of such allotment, or one carload, whichever is greater, with the proviso that the quantity of oranges so handled be deducted from his allotment for the next week and for succeeding weeks until repaid. This provision is necessary in order that handlers be permitted to conduct their business in an orderly fashion, and so that particular orders, or carlot quantities, may be fulfilled during any given week, even though the allotment issued does not equal such orders. The overshipments should be paid back in order that the total allotments issued to the particular handler not exceed his fair share of all such allotments. In addition, such overshipments should not be permitted during any week in which a handler's allotment has been reduced to offset a previous overshipment, where his total weekly allotment is required to repay an allotment loan, or where a handler has not received an allotment under the marketing agreement and order for such week. These limitations are necessary, because unrestricted overshipments would enable any or all handlers to handle quantities in excess of their weekly allotments in any particular week and thus tend to defeat the purposes of volume regulation for that week. It would be impractical and serve no useful purpose to require that an overshipment incurred, but not repaid during a given marketing season, be repaid in the following season. Therefore, the requirement to repay an overshipment should not be carried over to the following marketing season.

The marketing agreement and order should contain a provision permitting any handler who handled a quantity of oranges less than his allotment of oranges during a particular week to handle for the next week only an additional quantity of oranges equal to such undershipment. This provision is necessary, because at times weather or other conditions do not permit handlers to

ship their allotments and they should be permitted to offset such reduction in shipments by handling them in a subsequent period.

The limitation of handling of undershipments for the next week only, and the requirement for immediate repayment of overshipments of allotment, are necessary to enable the committee to anticipate the quantity of oranges which may be handled as a result of prior undershipments or which may not be handled as a result of prior overshipments in recommending the volume to be shipped under regulation for a particular week.

Provision should be made for the lending and borrowing of allotments between persons within the same prorate district. Such loans are needed to enable handlers to operate efficiently by offsetting difficulties encountered as a result of the supply of labor, rate of harvest, and other factors affecting the rate of harvesting and packing of oranges. Loans should be confined within the same prorate district, because equities are established and maintained on a prorate district basis. Allotment loans should be confined to handlers to whom allotments have been issued, because the rights to handle and the maintenance of equities exist on the basis of allotments issued under the program.

Loans of short life allotments should be made only to handlers to whom short life allotments have been issued, and the repayment thereof should be made only with short life allotments, because short life allotments may be used only in the handling of short life oranges. In fact, short life allotments are allotments loaned to handlers of oranges of short life by all other handlers in the same prorate district. Early maturity loans, however, may be repaid with general maturity allotments because their due date may be subsequent to the reaching of general maturity in the prorate district.

Transactions with respect to allotment loans should include a date for the repayment of such loans to the lender only during the then current marketing season and should be confirmed by the committee within 48 hours to assure that there will be no abuses of the loan provision and in order to simplify the operations of this provision.

Allotment loans should be used only during the week for which such allotment was issued, because the allotment represents the right to ship during the week for which it is issued. No allotment which has been loaned should again be loaned by the borrower, or the lender after repayment thereof, because such a practice is not necessary to provide flexibility of operation under the program and would lead to confusion. Such requirements are necessary in order that the allotment lending transactions be consummated in such a fashion as not to disturb the equities of individual handlers as a result thereof. If the borrower has insufficient allotment to repay such loan on the due date, he should repay it as soon as possible. The committee should be authorized to reduce a borrower's weekly allotment for the week when repayment is required by

the amount of the loan and credit the lender's allotment accordingly. This authority is necessary to assure that all loans are repaid. However, for the reasons stated above, loans made in a given season should not be required to be repaid from allotments issued during the following season.

The committee should be authorized to facilitate loans of allotments in order to assist individual handlers in obtaining allotment loans. Transactions consummated by the committee should be confirmed immediately by written memorandum addressed to the parties concerned in order clearly to reflect the loan agreement made and to notify the parties.

The marketing agreement and order should provide that each handler who first handles oranges, transported by means other than rail shipment, should, at the time of handling, issue to the person receiving the shipment an assignment of allotment certificate covering each quantity of oranges so handled. This provision is necessary to assist in the enforcement of compliance with the regulatory provisions of the program. In connection with shipments by rail, shipping manifests are made available by the rail carriers. This is not true with regard to truck shipments, and the assignment of allotment certificates permit a ready check on such shipments by the committee. Such certificates would aid in identifying and tracing shipments of oranges. The assignment of such allotment certificates should be made in the manner and on forms prescribed by the committee so that information needed in connection with such enforcement can be ascertained.

The marketing agreement and order should provide that, during any week in which a person has the right to handle a quantity of oranges in addition to the quantity represented by his allotment, and such person handles a quantity of oranges less than the total quantity which such person may handle during the week, the amount of oranges handled should first apply to such person's weekly allotment. This provision is necessary because, if the quantity handled were first applied to the additional quantity, such as that which might be made available by previous undershipments, or loan repayments, handlers could carry forward or pyramid the unused portion of their allotments and thus defeat the purpose of the program by shipping greatly in excess of their allotments in a particular week.

The marketing agreement and order should contain provision for the issuance of early maturity allotments and short life allotments, to increase further the flexibility of allocations under the program. These allotments are needed to adapt the allotment procedure to unique situations encountered by handlers of oranges which mature earlier than most oranges or which have a shorter period during which they may be shipped than most oranges in the same prorate district. There was considerable controversy with respect to the operations of the early maturity and short life provisions of the proposal. Such provisions are designed to mitigate the

rigidity of the program requirements as to handlers confronted with such unique situations while maintaining equity between all handlers. These problems should be considered separately and calculations of the respective allotments should be undertaken separately, because they are unrelated as to their nature and cause.

The marketing agreement and order should provide that the committee may, prior to the reaching of general maturity, issue early maturity allotments to handlers for the handling of early maturity oranges. Such a provision is necessary because otherwise the shipment of a few oranges from a district which is just beginning to ship would require the issuance of a large quantity of allotments to enable the few handlers who have available oranges meeting maturity requirements to receive sufficient allotments to handle such oranges. Therefore, it is reasonable to issue early maturity allotments for such purposes to only those handlers in the particular prorate district possessing oranges meeting shipping qualifications.

Early maturity allotments would be issued to handlers in two types of situations. The first type of situation exists when handlers desire to ship oranges prior to general maturity when there are no other, or a very limited amount of, shipments of navel oranges being made. This occurs at the start of the season when certain handlers have oranges capable of being shipped and there are no other navel oranges shipped in volume from the production area. No conclusive evidence was presented as to why shipments of such early maturity oranges should not be allowed except where the total quantity of oranges to be handled was in excess of that which consumers would purchase at prices reasonably consistent with the objectives of the act. Such would hardly be the case at the beginning of the shipping season for the production area. Therefore, the interpretation of the word "may" in the marketing agreement and order with respect to whether any early maturity allotments should be issued to handlers should be interpreted as meaning "shall" when there are no, or a relatively small quantity of, navel oranges being handled in the production area.

The second type of situation is where there are substantial shipments of oranges from other prorate districts being limited and thereby maintaining prices at levels higher than in the absence of such limitation. In this situation, early maturity allotments should be issued so as to permit an orderly overlapping of shipments between the two or more prorate districts. Therefore, the committee in this instance should use its judgment as to the amount of early maturity oranges permitted to be shipped and should, under such circumstances, administer the provision on a permissive basis, interpreting the "may" literally.

Handlers controlling early maturity oranges should apply to the committee for such allotments and furnish the committee with information necessary to describe such early maturity oranges

in order to enable the committee properly to administer this provision.

Total early maturity allotments approved by the committee in a particular prorate district should be distributed to each handler who qualifies therefor in the ratio that each such handler's request for such allotment is to the total of such requests of all such qualified handlers. Distribution on the basis of quantity requested is utilized because there are no tangible criteria available with which to measure the quantity of early maturity oranges available. The marketing agreement and order should contain a proviso, however, that such granting of early maturity allotments should not permit a particular handler to handle more than his share of the total quantity estimated in the utilization schedule contained in the marketing policy to be handled by all handlers in the same prorate district. The proviso in this section is necessary to prevent a particular handler from receiving more than his equitable share of the total quantity to be handled in his prorate district as a result of this provision.

The marketing agreement and order should provide that, upon the reaching of general maturity, the early maturity allotments issued to a particular handler should be offset or repaid by reducing such handler's quantity of oranges available for current shipment by the quantity of early maturity allotments issued to him, plus his share of the oranges estimated in the utilization schedule contained in the marketing policy to be used for by-products or elimination in the particular prorate district in relation to the early maturity allotments issued to him. The initial utilization schedule contained in the marketing policy should be used for such computations because revisions of such utilization schedule, if made, probably would result in such minor adjustments as would make a modification of such computations in response thereto impractical and of little value.

The procedure for the offset of early maturity allotments issued will result in the particular handler receiving total allotment slightly in excess of his proportionate share of the allotments issued to all handlers in the particular prorate district. Were such handler's quantity of oranges available for current shipment reduced, upon the reaching of general maturity, by his proportionate share of exports estimated to be shipped from the prorate district, as well as products and elimination, his share of allotments for the season would be equal to that of all other handlers. It seems reasonable, however, to provide this slight advantage to the handler of early maturity oranges, because there is normally an advantage in the marketing of oranges accruing to handlers who ship fruit ahead of other handlers in a particular district.

There was some controversy concerning the method of offsetting or repaying early maturity allotments. It was contended that such offset should be accomplished by means of permitting the individual handler to continue to handle, upon the reaching of general maturity,

at a rate based upon his total tree crop until his total allotments under early maturity and general maturity were equal to his share of the total allotments estimated to be issued to all handlers in the prorate district, whereupon such handler should be prohibited from further handling. The difference between the two methods of offsetting early maturity allotments is not great, and each method should result in the same quantity of total early maturity, plus general maturity, allotments being issued to the same handler during the marketing season. The method of offsetting early maturity allotments contained in the notice of hearing possesses the advantages of a well-defined method of offsetting early maturity allotments, together with permitting continuous handling on the part of a handler who possesses fruit capable of being held for a long period of time, as well as early maturity fruit. Moreover, under the suggested alternative method of offsetting early maturity allotments, it is possible for a handler to attain his share of the total allotments for the prorate district and be prohibited from further handling even though he still has oranges remaining available to ship. Under such circumstances, such handler could not handle the oranges until open movement was permitted at the termination of the shipping season for such prorate district. Accordingly, the method of offset as set forth in the proposed marketing agreement and order should be utilized.

The committee should adopt rules and regulations, with the approval of the Secretary, to establish detailed procedures for issuing and allocating early maturity allotments. It is impractical to provide such rules in the marketing agreement and order, because of the flexibility that may be required to administer properly this provision. All early maturity allotments should be computed on a prorate district basis, because equities to individual handlers under the program are established on such a basis.

Because of climatic conditions in several producing localities, oranges are produced which do not possess the keeping quality of other oranges produced in the same prorate district. The shipping life of such oranges, therefore, is shorter than the shipping life of other oranges in the same district. To require handlers of such oranges to market their oranges at the same rate as other handlers would result in a greater loss to such handlers than to other handlers, because the oranges shipped during the latter part of the shipping season would not be capable of being shipped to consuming markets in good condition. It would not be equitable, therefore, to require such handlers to ship such oranges at the same rate as all other handlers, and the marketing agreement and order should contain provisions permitting a more rapid rate of movement of such oranges. These provisions should permit the issuance of "short life" allotments to handlers of such fruit.

The testimony revealed that oranges which do not possess the same shipping

life as other oranges produced in the same district do not always exist in clearly delineated regions. As a consequence, this problem is one which, for the production area as a whole, cannot be met on the basis of isolated areas to be given special treatment. Moreover, there are handlers shipping oranges of both short and normal life, and some of these handlers customarily intermingle their short life and normal life oranges in their operations and thus handle their total supply of oranges without undue difficulty. Therefore, the difficulties experienced by a handler in handling his short life oranges, together with his other oranges, provides the basis for determining his need for accelerated movement of his short life oranges.

The marketing agreement and order should provide that the committee shall withhold from the allotments of all handlers, on a uniform proportionate basis for all handlers, an amount sufficient to permit handlers of short-life oranges to handle, during the normal marketing period of such short life oranges, as large a proportion of oranges as the average which will be handled by all handlers in the same prorate district. A handler of short life oranges is a handler who is unable to handle, during the normal marketing period of the oranges grown in the prorate district, as large a proportion of oranges as the average which will be handled by all handlers in the same prorate district. The committee should determine the extent to which each such short life handler needs short life allotments, and allocate such allotments to each such handler at a uniform weekly rate, insofar as practicable, during the normal marketing period of his short life oranges. After a handler of short life oranges has received sufficient short life allotments to make the total allotments issued to him equal proportionately to the average allotment to be issued to all handlers in the same prorate district, the allotments that would have been due to such handler of short life oranges in the absence of accelerated movement should thereafter be allocated to handlers from whom the allotments were withheld. This procedure should be carried out in such a fashion that equities resulting from such computations will be maintained for all handlers in each prorate district. The mechanics of the issuance and pay back of short life allotments under the former orange order, i. e., Order No. 66, as amended, proved satisfactory and should serve as a basis for operation of the short life provision under the proposed marketing agreement and order.

Handlers desirous of receiving short life allotments should apply for such allotments on the basis of forms and in the light of procedures formulated by the committee, with the approval of the Secretary, governing the issuance of short life allotments, in order that a regular and orderly procedure may be adopted to carry out these provisions of the program.

(f) There is a tendency for handlers to ship in fresh fruit channels small sizes

if they are available for shipment even when greater returns would have been received had they been diverted to other channels. The marketing agreement and order should contain provisions authorizing the recommendation by the committee, and the issuance by the Secretary, of regulations limiting the sizes to be shipped to markets, thereby improving returns to producers. Such regulations would improve marketing conditions, because the limitation of discounted sizes shipped to consuming markets would improve the size composition of the remaining quantity of oranges shipped to consuming markets, thereby improving the average quality, as measured by market preference for sizes, of all shipments. In addition, it would prevent shipments of oranges of sizes so heavily discounted that they do not pay the direct costs of harvesting and marketing such oranges. The discounted sizes also tend to depress prices received for adjacent sizes.

The testimony revealed that the nature of consumer demand for oranges by sizes in Canada differs from that in the United States and, therefore, the marketing agreement and order should authorize regulation by sizes differently for oranges shipped to markets in Canada than for oranges shipped to markets in the United States.

The demand for particular sizes of oranges varies depending upon the composition of sizes of oranges shipped to fresh markets, not only from the production area, but from other areas in competition with navel oranges. Therefore, the marketing agreement and order should authorize the recommendation of limitation of oranges by sizes, and the fixing of such limitations by the Secretary, during any period for which it is determined that the supply and demand conditions for sizes of oranges warrants such regulation. Such period may be an entire marketing season or any part thereof.

The nature of the demand for sizes of oranges is such, at times, that only a certain quantity of a particular size category of oranges is desired by the various consuming markets. Therefore, the committee should have the authority to recommend, and the Secretary to fix, limitations of a portion of a particular size or sizes or all of a particular size or sizes of oranges that may be shipped to consuming markets. It may be found, for example, that to restrict entirely a particular size would eliminate the shipment of some oranges of that size which, if shipped, would result in higher average prices and, therefore, effectuate the declared purpose of the act.

Recommendations for regulation by size, and issuance of such size regulations, should be made on a prorate district basis, because the composition of sizes of oranges grown in the respective prorate districts usually varies. Therefore, to require the issuance of uniform size regulations for the production area as a whole might result in a substantial limitation in one prorate district with little or no limitation in another. In recommending size regulation to the Secretary, the committee should give careful consideration to each principal

factor affecting market conditions, including market prices, availability and composition of supplies, and other related factors, in order to assure that the recommendation is arrived at on a sound economic basis.

Regulation by size should not be dependent upon volume regulation, because each of these types of regulation seeks to attain orderly marketing conditions by a different method. The committee should be authorized to recommend, and the Secretary to issue, regulations limiting a portion or all of a particular size or sizes even though volume regulation is not in effect.

The marketing agreement and order should contain provisions authorizing the committee to issue exemption certificates to any producer who furnishes evidence satisfactory to the committee that, because of a size regulation in effect, he will be prevented from having as large a proportion of his crop of oranges handled as the average proportion which may be handled by all other producers in the same prorate district. Such certificate should permit the shipment of an appropriate quantity of oranges which fail to meet the size requirement of the regulations then in effect so as to enable such producer to have handled as large a proportion of his oranges as the proportion that may be handled for all other producers in the prorate district. Evidence at the hearing indicated that the sizes of the oranges grown in the production area were not capable of being altered by cultural practices. Hence, the size composition of the crop of oranges of a producer is the result of conditions beyond his control. This exemption provision is designed to afford relief to producers from the imposition of inequities which may accrue from size regulation.

The provisions of the marketing agreement and order relating to the issuance of exemption certificates should specify that exemption certificates do not constitute an exemption from regulations limiting the volume of shipments of oranges. Exemption certificates are issued to producers to permit them to ship an equitable portion of their oranges when they otherwise would suffer undue hardship under the effective size regulation. Such oranges, however, should be subject to any limitations on the volume of shipments of oranges the same as the oranges of other producers.

Provision should be made for the transfer of exemption certificates from a producer to the handler of such producer's oranges, because producers customarily do not pack and ship their own oranges. The committee should adopt procedural rules to govern the issuance of exemption certificates. Such rules are necessary in order that all producers may be informed with respect to the requirements for, and the procedure for, the issuance of exemption certificates. It is impractical to set forth detailed rules in the marketing agreement and order, because to do so would destroy the flexibility which is needed to reflect variations in conditions affecting the production of oranges.

There was a proposal in the notice of hearing that the provisions of the mar-

keting agreement and order should not become effective until the 1953 crop marketing season had been completed. This proposal was withdrawn at the hearing, however, and testimony was not presented in its support.

(g) Regulation of shipments by grade and maturity were proposed as issues in the notice of hearing. Testimony was not offered in support of such proposals, however, and accordingly they should not be included in the proposed marketing agreement and order.

The record indicates that objective standards of maturity, more rigorous than those contained in the standardization laws of the States of California and of Arizona, have not yet been developed, although attempts have been made to do so. Hence, regulation by maturity would serve no purpose until such objective standards have been developed. Evidence with respect to regulation by grade revealed that practically all shipments of navel oranges complied with grades that probably would be permitted to be shipped under such a regulation. This is because the composition of navel oranges normally consists of a high percentage of the preferred grades. Moreover, processing outlets, to which prohibited grades of navel oranges would be diverted, have provided unremunerative returns. Hence, regulation by grade was not supported as an effective means of improving producer returns under present conditions.

(h) There are differences between various producing regions in the production area as to the time of maturity of the oranges produced therein and the length of the period during which such oranges may be shipped in prime condition. These differences are caused by differences in climatic conditions, with soil conditions and cultural practices exercising little, if any, influence upon maturity and keeping life.

In order to assure the maintenance of equities as between individual handlers, the production area should be separated into prorate districts, with the individual producing regions possessing similar marketing periods grouped into the same prorate district. The number of prorate districts should be reduced to a minimum in order to assure that the administration of the provisions of the marketing agreement and order reasonably may be carried out. Marketing periods and the times of the reaching of maturity of oranges produced in the same prorate district are much more uniform than such factors between prorate districts. Furthermore, the variations of times of maturity and length of shipping periods among individual handlers in a particular prorate district are treated readily by use of the adjustment provisions of the marketing agreement and order, particularly those relating to early maturity and short life.

The evidence at the hearing revealed that oranges produced in Central California—that part of the State between the 35th and 37th Parallels—possessed for the most part common characteristics with respect to maturity and periods of marketing. Shipments of navel oranges produced in Central California

normally begin during the second or third week in November, reach a peak prior to Christmas, and decline gradually until mid-February or March. There was controversy, however, with respect to whether the Edison area should be included with the remainder of Central California in the same prorate district.

Similarly, the maturity and marketing periods of oranges produced in Southern California—that part of the State south of the 35th Parallel, exclusive of the desert valley area—are roughly comparable. Shipments from this area normally start with a few cars in December, increase gradually until late February or early March, maintain heavy volumes until early in May, and usually terminate early in June.

The desert valleys of California and the State of Arizona produce navel oranges which reach maturity early in November and are at their prime in December. Shipments of these oranges are completed in January.

The operation of volume or size regulation by prorate districts on the basis of the three districts as outlined above appeared satisfactory under former Order No. 66, as amended, regulating the handling of all oranges grown in California and Arizona, with the exception of the Edison region in Central California.

In order to permit the movement of oranges from each section during their normal marketing period and during the time that the fruit is in the best shipping condition, it is necessary to establish the separate prorate districts, identified as Districts 1, 2, 3, and 4 in the marketing agreement and order.

The evidence reveals that oranges produced in the Edison area mature sooner than, and that their normal shipping season terminates prior to, that of the producing areas in District 1. It is a region characterized by completely early maturity, as well as short life, oranges, as compared with the oranges produced in District 1. A substantial portion of the oranges produced in the Edison region may be shipped prior to the period when most oranges produced in District 1 attain maturity.

Handlers of oranges produced in the Edison area requested relief from the provisions of the program, although they appeared to favor the existence of regulations of shipments of oranges produced in other districts. However, it does not appear reasonable to exclude the Edison region from the production area, because some shipments from that district are in competition with oranges shipped from other prorate districts and enjoy the advantages of being shipped to a market in which prices are maintained by virtue of limitation of shipments from the other prorate districts during the latter part of the Edison shipping season. Moreover, some of the oranges produced in the Edison area are handled in other prorate districts. Accordingly, the Edison region should be included in the production area.

The proponents contended that the special treatment provisions of the program, particularly early maturity and short life, would provide the basis for enabling handlers of oranges in the Edi-

son area to share equally opportunities to market oranges with all other handlers in District 1 and that, therefore, the Edison area should be included in District 1. Handlers of oranges grown in the Edison area contended that, by virtue of their time of marketing, they would not receive such equal treatment, because they would not be in a position to share with handlers of other oranges grown in District 1 in the benefits of an open movement at the end of limitations of weekly shipments from District 1.

Handlers from the Edison area contended that their position was unique in that normally an extremely small percentage of the oranges produced in this area was diverted to by-products and elimination. If the Edison region were to be included in District 1, handlers of the oranges produced in the Edison area would be compelled to divert the same percentage of such oranges to by-products and elimination as that so diverted of all oranges produced in District 1. The percentage of oranges produced in District 1 which normally is diverted to by-products and elimination greatly exceeds the percentage of oranges produced in the Edison area which normally is so diverted. Since the primary policy of operation under volume regulation is not to eliminate fruit from being shipped to fresh commercial channels, but rather to ship all merchantable fruit in a manner so as to correlate changes in the rate of shipment with changes in demand, needless diversion should not be compelled. Moreover, producers in the Edison area enjoy market advantages with respect to the time of maturity of their oranges not enjoyed by producers in any other district as a whole.

The characteristics with respect to maturity and shipping season of fruit produced in the Edison region appear to be so unique that the utilization pattern of such fruit should not necessarily be the same as that for oranges produced in District 1. Equitable treatment of handlers in the Edison area warrants elimination of the fruit from that area being dictated by conditions of the market and nature of the fruit produced in the area, rather than by the average elimination warranted by such conditions for all handlers in District 1. Accordingly, the Edison producing area should be established in a separate prorate district, identified as District 4, and located in that portion of Kern County, California, south of the Kern River.

(i) The marketing agreement and order should provide for the exemption from its provisions of such handling of oranges which it is not necessary to regulate in order to effectuate the declared purposes of the act. Such exempted handling should be stated explicitly in the marketing agreement and order so that handlers will have knowledge of such handling as is not subject to the provisions of the program. Furthermore, such exempted handling should relate to handling by the first handler, because to exempt subsequent handling would permit the establishment of methods of circumventing the provisions of the marketing agreement and

order which it would not be possible reasonably to prevent. A second or third handler, for example, is required to procure regulated oranges, even though such handler uses them for one of the exempted purposes specified in the provisions of the program. Only the first handler should come within the provisions of this section when utilizing oranges for such exempted purposes.

Oranges which are handled for consumption by charitable institutions or for distribution to relief agencies should not be regulated under the program, because such handling of oranges does not affect the commercial markets to which shipments of oranges are regulated under the marketing agreement and order. The handling of oranges for commercial processing into products, including juice, should be exempted from the provisions of this program, because processed products are either exempt under the provisions of the act or do not exert an important influence upon sales of fresh navel oranges. Processed products, such as peeled products, pectin, citric acid, and orange oil clearly enter commercial channels different from fresh fruit channels and do not compete directly with fresh oranges. Oranges for canning and freezing are exempted from regulation by the provisions of the act. Juice prepared from navel oranges for commercial sale is more significantly competitive with sales of processed oranges than with sales of fresh navel oranges, as the navel orange is primarily an eating orange. Commercial processing means processing for sale at the wholesale level and, therefore, the handling of oranges for sale to commercial juice extractors who will sell such extracted juice to outlets for resale to distributors or consumers should be considered exempt from the provisions of the marketing agreement and order. Since handlers, who are subject to regulation under the program, would have no direct knowledge of the ultimate use of oranges sold to establishments which are not commercial processors, this exemption should not apply to oranges sold to hotels, restaurants, and similar outlets where juice may be extracted from the oranges and sold direct to consumers.

The handling of oranges for sale in export channels should not be regulated under the program, because, as indicated heretofore, sales in export channels do not compete directly with sales in domestic commercial channels. The handling of oranges for shipment by parcel post or by express should be exempt, because such shipments, due to the relatively high transportation charges incurred, usually are shipped as gift packages to consumers. Thus parcel post or express shipments of oranges are relatively small in magnitude, and do not affect significantly conditions in regular commercial channels.

Provision should be made to authorize the committee, with the approval of the Secretary, to exempt the handling of certain small quantities, or types of shipments, of oranges which it is not necessary to regulate in order to effectuate the declared purposes of the act. Such authorization is necessary to en-

able the committee to exempt such handling which is found not feasible administratively to regulate and which does not materially affect marketing conditions in commercial channels. It should be discretionary with the committee, subject to the approval of the Secretary, whether small quantities or types of shipments should be exempted from regulation and the period during which such exemptions should be in effect. The allowance of such exemptions may be found to result in avenues of escape from regulation which, if they are found to exist, should be closed. It is impractical to set forth specific quantities or types of shipments to be exempted in the marketing agreement and order, because to do so would destroy the flexibility which is necessary to reflect conditions affecting the handling of oranges in the production area.

The committee should prescribe, with the approval of the Secretary, rules necessary to prevent oranges handled for any of the exempted purposes from entering into regulated channels of trade and thereby tending to defeat the objective of the program.

(j) Handlers should be required to submit certain reports to the committee so that it will have available information necessary for administering the program. Handlers have such necessary information in their possession, and the requirement that they furnish such information to the committee in the form of reports would not constitute an undue burden.

Each handler should be required to file with the committee each week information with respect to the total quantities of all oranges disposed of by him during the previous week, segregated into the quantities for manufacture into by-products, for export, to persons on relief, parcel post, or express, and otherwise disposed of. The quantities diverted to other than regulated channels should show the destination of each such diversion, because such reports are needed to ascertain whether the regulatory measures of the marketing agreement and order are being properly complied with. In addition, such information is of value for use in appraising the marketing picture and in recommending future regulations.

Handlers should be required to furnish to the committee data indicating the sizes of oranges shipped to commercial channels each day of shipment during the marketing season. This information is necessary to ascertain whether the size regulations issued pursuant to the program are being properly complied with. Prompt reporting of such information is necessary for the efficient administration of size regulations. In the event the size regulation is not in effect, such information is necessary to determine whether or not size regulation should be recommended by the committee to the Secretary.

Upon the request of the committee, approved by the Secretary, handlers should furnish such other reports and information as the committee needs to perform its functions under the marketing agreement and order. It is impos-

sible to anticipate every type of report, or kind of information, which the committee may need in administering the program, but it should have the authority to obtain such reports and information if needed. Reports furnished to the committee should be submitted in such manner and upon such forms as may be designated by the committee. It is impractical to specify such reporting procedures in the marketing agreement and order, because changing conditions may warrant changes in the forms or methods of reporting to the committee.

(k) Except as provided in the marketing agreement and order, no handler should be permitted to handle navel oranges grown in the production area, the handling of which is prohibited pursuant to the marketing agreement and order, and no handler should be permitted to handle such oranges except in conformity with the marketing agreement and order. If the program is to be effective, no handler should be permitted to evade its provisions since such action on the part of one handler, although possibly of small impact on the industry measured by the proportion of oranges handled by him, would be demoralizing to other handlers and would tend to impair operation of the program.

(1) The provisions of §§ 914.81 through 914.90, as hereinafter set forth, are, except as indicated below with respect to § 914.83 (c) provisions similar to those which are included in other marketing agreements and orders now operating. The provisions of §§ 914.91 through 914.93, as hereinafter set forth, are also included in other marketing agreements now operating. All such provisions are incidental to and not inconsistent with the act and are necessary to effectuate the other provisions of the recommended marketing agreement and order and are necessary to effectuate the declared policy of the act. Testimony at the hearing supports the inclusion of each such provision.

Those provisions which are applicable to both the proposed marketing agreement and order, identified by both section number and heading, are as follows: § 914.81 *Right of the Secretary*; § 914.82 *Effective time*; § 914.83 *Termination*; § 914.84 *Proceedings after termination*; § 914.85 *Effect of termination or amendment*; § 914.86 *Duration of immunities*; § 914.87 *Agents*; § 914.88 *Derogation*; § 914.89 *Personal liability*; and § 914.90 *Separability*.

Those provisions which are applicable to the proposed marketing agreement only, identified by both section number and heading, are as follows: § 914.91 *Counterparts*; § 914.92 *Additional parties*; and § 914.93 *Order with marketing agreement*.

In addition to the basis for termination of the marketing agreement and order contained in § 914.83 (a) (b) and (d) thereof, termination of the program should be required at the end of any fiscal year, whenever the Secretary finds that continuation of the marketing agreement and order is not favored by producers, provided sufficient notice is given prior to the end of the fiscal year. The act contains special provisions with

respect to producer approval of the issuance of a marketing agreement and order regulating the handling of citrus fruits produced in any area producing what is known as California citrus fruits. The record indicates that successful operation of this program so as to effectuate the purposes of the act requires the same degree of producer support as that required for the issuance of the program. Accordingly, continuance of the marketing agreement and order after issuance thereof should be determined by the same percentage of producer approval as is required for the initiation of the marketing agreement and order.

In connection with such determination, it was proposed in the Notice of Hearing that the Secretary shall cause a referendum to be held each year to determine whether producers favor continuance of the program. There was testimony at the hearing that the Secretary should conduct during the 1954-55 fiscal year and prior to September 15, 1955, and prior to September 15 of each odd-numbered year thereafter, a referendum to ascertain whether continuance of the marketing agreement and order is desired by producers. Such a procedure would contribute to the effectiveness of the program, because it would provide producers with a regular opportunity to express approval of the operations of the program, and thereby compel awareness of producer interest in the administration of the provisions of the program by the committee.

As heretofore stated, the seasonal average price to producers of navel oranges grown in the production area for the 1952 crop of such oranges has not as yet been determined, but the record shows that it will be considerably below parity. It is anticipated that the seasonal average price to producers for the 1953 crop of navel oranges grown in the production area will not exceed the prescribed parity level.

*General findings.* Upon the basis of the evidence introduced at such hearing, and the record thereof, it is found that:

(1) The marketing agreement and order and all of the terms and conditions thereof will tend to effectuate the declared policy of the act with respect to navel oranges grown in the production area by establishing and maintaining such orderly marketing conditions therefor as will tend to establish prices to producers thereof at a level that will give such oranges a purchasing power with respect to parity prices and protect the interests of consumers by (a) approaching the level of prices which it is declared in the act to be the policy of Congress to establish by gradual correction of the current level of prices at as rapid a rate as the Secretary deems to be in the public interest and feasible in view of the current consumer demand; and (b) by authorizing no action which has for its purpose the maintenance of prices to the producers of such oranges above the level which it is declared in the act to be the policy to establish;

(2) Such marketing agreement and order regulates the handling of navel oranges grown in the production area

in the same manner as, and is applicable only to persons in the respective classes of commercial and industrial activity specified in, a proposed marketing agreement and order upon which a hearing has been held:

(3) The said marketing agreement and order is limited in its application to the smallest regional production area which is practicable, consistently with carrying out the declared policy of the act, and the issuance of several orders applicable to any subdivision of the production area would not effectively carry out the declared policy of the act;

(4) The marketing agreement and order prescribe, so far as practicable, such different terms, applicable to different parts of the production area, as are necessary to give due recognition to differences in the production and marketing of navel oranges covered thereby and

(5) All handling of navel oranges, as defined in said marketing agreement and order, is in the current of interstate or foreign commerce, or directly burdens, obstructs, or affects such commerce.

*Rulings on proposed findings and conclusions.* The period ending May 20, 1953, was set by the Presiding Officer at the hearing as the latest date by which briefs would have to be filed by interested parties with respect to facts presented in evidence at the hearing and the conclusions which should be drawn therefrom. Briefs were filed by American Fruit Growers, Inc., California Citrus Producers Association, Inc., D. M. Stephenson, Growers of the Edison District, California, Mutual Orange Distributors, and others. Every point covered in each such brief was considered carefully, along with the evidence in the record, in making the findings and reaching the conclusions hereinbefore set forth. To the extent that any suggested finding or conclusion contained in such brief is inconsistent with the findings and conclusions contained herein, the request to make such findings, or to reach such conclusions, is denied on the basis of the facts found and stated in connection with this decision.

*Recommended marketing agreement and order.* The following proposed marketing agreement and order<sup>1</sup> are recommended as the detailed means by which the aforesaid conclusions may be carried out:

#### DEFINITIONS

§ 914.1 *Secretary.* "Secretary" means the Secretary of Agriculture of the United States or any officer or employee of the United States Department of Agriculture who is, or who may hereafter be, authorized to exercise the powers and perform the duties of the Secretary of Agriculture of the United States.

§ 914.2 *Act.* "Act" means Public Act No. 10, 73d Congress (May 12, 1933) as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937 as amended (48 Stat. 31, as amended; 7 U. S. C. 601 et seq.).

<sup>1</sup> The provisions identified with an asterisk (\*) apply only to the proposed marketing agreement and not to the proposed order.

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

§ 914.4 *Production area*. "Production area" means the State of Arizona and that part of the State of California south of the 37th Parallel.

§ 914.5 *Oranges*. "Oranges" means those oranges belonging to the genus *Citrus*, species *sinensis* (Linnaeus) Osbeck, and characterized by being seedless and having a navel at the apex, commonly known as navels, and which are grown in the production area.

§ 914.6 *Fiscal year*. "Fiscal year" means the twelve-month period ending October 31 of each year.

§ 914.7 *Committee*. "Committee" means the Navel Orange Administrative Committee established pursuant to § 914.20.

§ 914.8 *Grower and producer*. "Grower" and "producer" are synonymous and mean any person who produces oranges for market.

§ 914.9 *Handler*. "Handler" means any person who handles oranges.

§ 914.10 *Handle*. "Handle" means to buy, sell, consign, transport, or ship oranges (except as a common or contract carrier of oranges owned by another person) or in any other way to place oranges in the current of commerce, between the State of California and any point outside thereof in the continental United States, Alaska, or Canada, or within the State of California, or between the State of Arizona and any point outside thereof in the continental United States, Alaska, or Canada, or within the State of Arizona. The term "handle" does not include (a) the sale of oranges on the tree; (b) the transportation of oranges to a packinghouse for the purpose of having such oranges prepared for market and such preparation for market; (c) the storage of oranges within the production area under such rules and regulations as the committee, with the approval of the Secretary, may prescribe; or (d) the sale of oranges at retail by a person in his capacity as such retailer.

§ 914.11 *Oranges available for current shipment*. "Oranges available for current shipment" means all oranges as measured by the total tree crop.

§ 914.12 *Tree crop*. "Tree crop" means the total quantity of oranges on the trees as determined by the committee.

§ 914.13 *Early maturity oranges*. "Early maturity oranges" means any oranges that have reached maturity, as measured by applicable State laws, in advance of general maturity in the same prorate district.

§ 914.14 *General maturity*. "General maturity" shall have been reached in any prorate district at such time as the committee determines that allotment shall be distributed to all handlers in such prorate district.

§ 914.15 *Box*. "Box" means a standard two-compartment orange box, as

defined in section 828.83 of the Agricultural Code of California, of a capacity of approximately 77 pounds of oranges, or the equivalent thereof.

§ 914.16 *Central marketing organization*. "Central marketing organization" means any organization which markets oranges for more than one handler pursuant to a written contract between such organization and each such handler.

§ 914.17 *Carload*. "Carload" means a quantity of oranges equivalent to 462 packed boxes of oranges.

§ 914.18 *Export*. "Export" means shipments of oranges to points outside the continental United States, Canada, and Alaska.

#### ADMINISTRATIVE BODY

§ 914.20 *Establishment and membership*. There is hereby established a Navel Orange Administrative Committee consisting of eleven members; for each of whom there shall be an alternate member who shall be nominated and selected in the same manner and who shall have the same qualifications as the member for whom each is an alternate. Six of the members and their respective alternates shall be growers who shall not be handlers, or employees of handlers, or employees of central marketing organizations. Four of the members and their respective alternates shall be handlers, or employees of handlers, or employees of central marketing organizations. One member of the committee and an alternate of such member shall be nominated as provided in paragraph (f) of § 914.22. The six members of the committee who shall be growers and who shall not be handlers, or employees of handlers, or employees of central marketing organizations are hereinafter referred to as "grower" members of the committee and the four members who shall be handlers, or employees of handlers, or employees of central marketing organizations are hereinafter referred to as "handler" members of the committee.

§ 914.21 *Term of office*. The term of office of each initial member and alternate member of the committee shall begin on October 1, 1953, and shall terminate on October 31, 1954. The term of office of each subsequent member and alternate member of the committee shall be for a period of two years, and such terms shall begin on November 1 of each even-numbered year: *Provided*, That such members and alternates shall serve in such capacities for the portion of the term of office for which they are selected and qualify and until their respective successors are selected and have qualified.

§ 914.22 *Nominations*. (a) The time and manner of nominating members and alternate members of the committee shall be prescribed by the Secretary.

(b) Any cooperative marketing organization, or the growers affiliated therewith, which handled more than 50 percent of the total volume of oranges during the fiscal year in which nominations for members and alternate members of the committee are submitted shall

nominate not less than six growers for three grower members; not less than six growers for three alternate grower members; not less than four handlers, or employees of handlers, or employees of central marketing organizations, or any combination thereof, for two handler members; and not less than four handlers, or employees of handlers, or employees of central marketing organizations, or any combination thereof, for two alternate handler members of the committee.

(c) All cooperative marketing organizations which market oranges and which are not qualified under paragraph (b) of this section, or the growers affiliated therewith, shall nominate not less than two growers for one grower member; not less than two growers for one alternate grower member; not less than two handlers, or employees of handlers, or employees of central marketing organizations, or any combination thereof, for one handler member; and not less than two handlers, or employees of handlers, or employees of central marketing organizations, or any combination thereof, for one alternate handler member of the committee.

(d) All growers who are not affiliated with a cooperative marketing organization which markets oranges shall nominate not less than four growers for two grower members; not less than four growers for two alternate grower members; not less than two handlers, or employees of handlers, or employees of central marketing organizations, or any combination thereof, for one handler member; and not less than two handlers, or employees of handlers, or employees of central marketing organizations, or any combination thereof, for one alternate handler member of the committee.

(e) When voting for nominees, each grower shall be entitled to cast one vote which shall be cast on behalf of himself, his agents, subsidiaries, affiliates, and representatives. The votes of cooperative marketing organizations voting pursuant to paragraph (c) of this section shall be weighted in accordance with the volume of oranges handled during the fiscal year in which such nominations are made.

(f) The members of the committee selected by the Secretary pursuant to § 914.23 shall meet on a date designated by the Secretary and, by a concurring vote of at least six members, shall nominate two persons for a member and two persons for an alternate member of the committee, which persons shall not be growers or handlers, or employees, agents, or representatives of a grower or handler (other than a charitable or educational institution which is a grower or handler) or of a central marketing organization.

§ 914.23 *Selection*. From the nominations made pursuant to § 914.22 (b) the Secretary shall select three grower members of the committee and an alternate to each of such grower members; also two handler members of the committee and an alternate to each of such handler members. From the nominations made pursuant to § 914.22 (c) the Secretary shall select one grower mem-

ber of the committee and an alternate to such grower member; also one handler member of the committee and an alternate to such handler member. From the nominations made pursuant to § 914.22 (d) the Secretary shall select two grower members of the committee and an alternate to each of such grower members; also one handler member of the committee and an alternate to such handler member. From the nominations made pursuant to § 914.22 (f) the Secretary shall select one member of the committee and an alternate to such member.

§ 914.24 *Failure to nominate.* If nominations are not made within the time and in the manner specified by the Secretary pursuant to § 914.22 (a) the Secretary may, without regard to nominations, select the members and alternate members of the committee on the basis of the representation provided for in § 914.23.

§ 914.25 *Acceptance.* Any person selected by the Secretary as a member or as an alternate member of the committee shall qualify by filing a written acceptance with the Secretary within ten days after being notified of such selection.

§ 914.26 *Vacancies.* To fill any vacancy occasioned by the failure of any person selected as a member or as an alternate member of the committee to qualify or in the event of the death, removal, resignation, or disqualification of any member or alternate member of the committee, a successor to the unexpired term of such member or alternate member of the committee shall be selected by the Secretary from nominations made in the manner specified in § 914.22. If the names of nominees to fill any such vacancy are not made available to the Secretary within fifteen days after such vacancy occurs the Secretary may fill such vacancy without regard to nominations, which selection shall be made on the basis of representation provided for in § 914.23.

§ 914.27 *Alternate members.* An alternate member of the committee, during the absence or at the request of the member for whom he is an alternate, shall act in the place and stead of such member: *Provided,* That a member may designate an alternate member other than his own alternate member to serve in the place and stead of such member, if the alternate member so designated was selected from the same group which was authorized to nominate the member. In the event of the death, removal, resignation, or disqualification of a member, his alternate shall act for him until a successor for such member is selected and has qualified.

§ 914.28 *Powers.* The committee shall have the following powers:

- (a) To administer the provisions of this part in accordance with its terms;
- (b) To make and adopt rules and regulations to effectuate the terms and provisions of this part;
- (c) To receive, investigate, and report to the Secretary complaints of violations of the provisions of this part; and

(d) To recommend to the Secretary amendments to this part.

§ 914.29 *Duties.* The committee shall have the following duties:

(a) To select a chairman and such other officers as may be necessary, and to define the duties of such officers;

(b) To appoint such employees, agents, and representatives as it may deem necessary, and to determine the compensation and to define the duties of each;

(c) To submit to the Secretary at the beginning of such fiscal year a budget for such fiscal year, including a report in explanation of the items appearing therein and a recommendation as to the rate of assessment for such fiscal year;

(d) To keep minutes, books, and records which will reflect all of the acts and transactions of the committee and which shall be subject to examination by the Secretary;

(e) To prepare a monthly statement of the financial operations of the committee and to make copies of each such statement available to growers and handlers for examination at the office of the committee;

(f) To cause its books to be audited by a certified public accountant at least once each fiscal year, and at such other times as the Secretary may request;

(g) To act as intermediary between the Secretary and any grower or handler;

(h) To provide an adequate system for determining the total quantity of oranges available for current shipment, and to make such determinations, including determinations by grade, size, and maturity conditions, as it may deem necessary, or as may be prescribed by the Secretary, in connection with the administration of this part;

(i) To investigate the growing, handling, and marketing conditions with respect to oranges, and to assemble data in connection therewith;

(j) To submit to the Secretary such available information, including verified reports, as he may request;

(k) To notify producers and handlers of meetings of the committee to consider recommendations for regulation;

(l) To consult with such representatives of growers or groups of growers as may be deemed necessary and to pay the travel expenses incurred by such representatives in attending committee meetings at the request of the committee: *Provided,* That the committee shall not pay the travel expenses of more than three such representatives in connection with any one meeting of the committee; and

(m) To investigate compliance with the provisions of this part.

§ 914.30 *Procedure.* (a) A majority of the committee shall constitute a quorum and any action of the committee shall require at least six concurring votes.

(b) The committee may vote by telegraph, telephone, or other means of communication; and any votes so cast shall be confirmed promptly in writing: *Provided,* That if an assembled meeting is held, all votes shall be cast in person.

§ 914.31 *Expenses and compensation.* The members of the committee, and their respective alternates when acting as members, shall be reimbursed for expenses necessarily incurred by them in the performance of their duties under this part and shall receive compensation at a rate to be determined by the committee, which rate shall not exceed \$10 per day or portion thereof spent in performing such duties.

§ 914.32 *Annual review and meeting.*

The committee shall, prior to June 15 of each fiscal year, prepare and mail an annual report to the Secretary and to each handler and grower of record. This annual report shall contain at least: (a) A complete review, by pro-rate districts, of the regulatory operations during the fiscal year, as conducted under the marketing policy established pursuant to § 914.50 (a) (b) an appraisal of the effect of such regulatory operations upon the competitive status of the navel orange industry (c) recommendations for changes in the program; and (d) notice of the time and place of an open meeting, to be held prior to July 1, to review the whole record of the operations of this part.

#### EXPENSES AND ASSESSMENTS

§ 914.40 *Expenses.* The committee is authorized to incur such expenses as the Secretary finds may be necessary to enable the committee to exercise its powers and perform its duties in accordance with the provisions of this part during each fiscal year: *Provided,* That expenses incurred by the committee prior to November 1, 1953, shall be paid from funds collected under the provisions of § 914.41 during the fiscal year beginning November 1, 1953.

§ 914.41 *Assessments.* (a) Each person who first handles oranges shall, with respect to the oranges so handled by him, pay to the committee, upon demand, such person's pro rata share of the expenses which the Secretary finds are necessary during each fiscal year. Each such person's share of such expenses shall be equal to the ratio between the total quantity of such oranges handled by him as the first handler thereof during the applicable fiscal year, and the total quantity of such oranges so handled by all persons during the same fiscal year. The payment of assessments for the maintenance and functioning of the committee may be required under this part throughout the period it is in effect irrespective of whether particular provisions thereof are suspended or become inoperative.

(b) The Secretary shall fix the rate of assessment to be paid by each such person. At any time during or after the fiscal year, the Secretary may increase the rate of assessment in order to secure sufficient funds to cover any later finding by the Secretary relative to the expense which may be incurred. Such increase shall be applied to all oranges handled during the applicable fiscal year. In order to provide funds for the administration of the provisions of this part, the committee may accept the payment of assessments in advance, and may borrow money in any amount

not to exceed 10 percent of the estimated expenses set forth in its budget for the then current fiscal year.

(c) The committee may, with the approval of the Secretary, maintain a suit in its own name, or in the names of its members, to enforce the payment of assessments levied under this section.

§ 914.42 *Accounting.* (a) If, at the end of a fiscal year, the assessments collected are in excess of the expenses incurred, each person entitled to a proportionate refund of the excess assessments shall be credited with such refund against the operations of the following fiscal year. Any handler may demand payment of such a refund, and the refund shall be paid to him: *Provided*, That any sum paid by a person in excess of his pro rata share of the expenses during any fiscal year may be applied by the committee at the end of such fiscal year to any outstanding obligations due the committee from such person.

(b) All funds received by the committee pursuant to the provisions of this part shall be used solely for the purposes specified in this part, and shall be accounted for in the manner provided in this part. The Secretary may, at any time, require the committee and its members to account for all receipts and disbursements.

#### REGULATION

§ 914.50 *Marketing policy.* (a) Prior to the recommendation for regulation for each prorate district, the committee shall submit to the Secretary its marketing policy for the ensuing season. Such marketing policy shall contain the following information: (1) The available crop of oranges in the prorate district, including estimated quality and composition of sizes; (2) the estimated utilization of the crop, showing the quantity and percentages of the crop that will be marketed in domestic, export, and by-product channels, together with quantities otherwise to be disposed of; (3) a schedule of estimated weekly shipments to be recommended to the Secretary during the ensuing season; (4) available supplies of competitive oranges in all producing areas of the United States; (5) level and trend of consumer income; (6) estimated supplies of competitive citrus commodities; and (7) any other pertinent factors bearing on the marketing of oranges. In the event that it becomes advisable to substantially modify such marketing policy the committee shall submit to the Secretary a revised marketing policy setting forth the information as required in this paragraph.

(b) All meetings of the committee held for the purpose of formulating such marketing policies shall be open to growers and handlers. The committee shall give notice to growers by publication of notice of such meetings in such newspapers as they deem appropriate and shall advise all handlers by mail of such meetings.

(c) The committee shall transmit a copy of each marketing policy report or revision thereof to the Secretary and to each grower and handler who files a request therefor. Copies of all such

reports shall be maintained in the office of the committee where they shall be available for examination by growers and handlers.

§ 914.51 *Recommendations for volume regulation.* (a) The committee may recommend to the Secretary the total quantity of oranges which it deems advisable to be handled during the next succeeding week in each prorate district. If, for any reason, the committee recommends the issuance of volume regulation but fails to recommend to the Secretary the total quantity of oranges which it deems advisable to be handled during the next succeeding week in each prorate district, reports representing the respective views of the committee members with respect to its failure to act shall be submitted promptly to the Secretary.

(b) In making its recommendations, the committee shall give due consideration to the following factors: (1) Market prices for oranges, including market prices by grades and sizes; (2) supply of oranges on track at, and enroute to, the principal markets; (3) supply, maturity, and condition of oranges in the area of production, including the grade and size composition thereof; (4) market prices and supplies of citrus fruits from California, Arizona, and competitive producing areas, and supplies of other competitive fruits; (5) trend and level in consumer income; and (6) other relevant factors.

(c) At any time during a week for which the Secretary, pursuant to § 914.52, has fixed the quantity of oranges which may be handled, the committee may, if such action is deemed advisable, recommend to the Secretary that such quantity be increased for such week. Any such recommendation, together with the committee's reasons for such recommendation, shall be submitted promptly to the Secretary.

§ 914.52 *Issuance of volume regulation.* Whenever the Secretary shall find, from the recommendations and information submitted by the committee, or from other available information, that to limit the quantity of oranges which may be handled in each prorate district during a specified week will tend to effectuate the declared policy of the act, he shall fix such quantity. The quantity so fixed may be increased by the Secretary at any time during such week.

§ 914.53 *Prorate bases.* (a) Each person who has oranges available for current shipment shall submit to the committee, at such time and in such manner as may be designated by the committee, and upon forms made available by it, a written application for a prorate base and for allotments as provided in this part.

(b) Such application shall be substantiated in such manner and shall be supported by such evidence as the committee may require, and shall include at least (1) the name and address of the producer or duly authorized agent, if any, for each grove or portion thereof, the fruit of which is included in the quantity of oranges available for cur-

rent shipment by the applicant; (2) an accurate description of the location of each such grove or portion thereof, including the number of acres contained therein; and (3) an estimate of the total quantity of oranges available for current shipment by the applicant in terms of a unit of measure designated by the committee.

(c) Such application shall include only such oranges available for current shipment which the applicant controls (1) by a bona fide written contract giving the applicant authority to handle such oranges, or (2) by having legal title or possession thereof, or (3) by having executed a bona fide written agreement to purchase such oranges. If an applicant controls oranges pursuant to subparagraph (1) or (3) of this paragraph, he shall submit a copy of each type of such contract to the committee, together with a statement that no other types of contracts are used, and shall maintain a file of all original contracts evidencing such control which shall be subject to examination by the committee.

(d) If the quantity of oranges available for current shipment by any person is increased or decreased by the acquisition or loss of the control required by paragraph (c) of this section, such person shall submit promptly a report thereon to the committee upon forms made available by it, which report shall be verified in such manner as the committee may require.

(e) If any person gains or loses control of oranges as required by paragraph (c) of this section, there shall be a corresponding increase or decrease in the quantity of oranges available for current shipment by such person. If it is determined by the committee that any person who has lost control of oranges as required by paragraph (c) of this section has handled a quantity of such oranges less than the quantity that could have been handled under the allotments issued thereon, the quantity of oranges available for current shipment by such person shall be adjusted by deducting therefrom, over such period as may be determined by the committee, a quantity of oranges equivalent to the quantity upon which allotments were issued but which were not utilized thereon.

(f) The committee shall determine the accuracy of the information submitted pursuant to this section. Whenever the committee finds that there is an error, omission, or inaccuracy in any such information, it shall correct the same and shall give the person who submitted such report a reasonable opportunity to discuss with the committee the factors considered in making the correction. If it is determined that an error, omission, or inaccuracy has resulted in the establishment of a smaller or a larger quantity of oranges available for current shipment than that to which a person was entitled under this part, such quantity shall be increased or decreased, over such period as may be determined by the committee, by an amount necessary to correct the error, omission, or inaccuracy.

(g) Each week during the marketing season the committee shall compute the total quantity of oranges available for current shipment by each person who

has applied for a prorate base and for allotments in each prorate district, and shall transmit a report thereon to the Secretary. Such report shall constitute the basis for a recommendation by the committee for a prorate base for each such person. Such computations and reports shall be prepared and submitted prior to the time when the recommended prorate bases are to become applicable.

(h) Upon the basis of the recommendations and reports of the committee, or from other available information, the Secretary shall fix a prorate base for each person who is entitled thereto in each prorate district. Such prorate base shall represent the ratio between the total quantity of oranges available for current shipment in each such district by each person and the total quantity of oranges available for current shipments in each such district by all such persons. The Secretary shall notify the committee of the prorate base fixed for each person and the committee shall notify each such person of the prorate base fixed for him.

§ 914.54 *Allotments.* Whenever the Secretary has fixed the quantity of oranges which may be handled during any week in a prorate district, and has fixed prorate bases for persons entitled thereto, the committee shall calculate the quantity of oranges which may be handled by each such person during such week. The said quantity shall be the allotment of each such person and shall be in an amount equivalent to the product of the prorate base for each such person in each such prorate district and the total quantity of oranges grown in each such prorate district and fixed by the Secretary as the total quantity of oranges which may be handled during such week. The committee shall give reasonable notice to each person of the allotment computed for him pursuant to this part.

§ 914.55 *Overshipments.* During any week for which the Secretary has fixed the total quantity of oranges which may be handled, any person when not required to reduce the quantity of oranges which he may handle during such week, as provided in this section, or whose total allotment is not required for the repayment of an allotment loan, may handle in addition to his allotment an amount of such oranges equivalent to 10 percent of his allotment, or 462 packed boxes of oranges or the equivalent thereof, whichever is greater. The quantity of oranges so handled in excess of each such person's allotment (but not exceeding an amount equivalent to the excess shipments permitted under this section) shall be deducted from each such person's allotment for the next week. If such person's allotment for such week is in an amount less than the excess shipments permitted under this section, the remaining quantity shall be deducted from succeeding weekly allotments issued to each such person until such excess has been entirely offset: *Provided*, That no overshipment incurred during one season shall be deducted from allotments issued during the following season. The provisions of this section shall not apply to any person who, during any week, has

not received an allotment under this subpart for such week.

§ 914.56 *Undershipments.* If any person handles during any week a quantity of oranges, covered by a regulation issued pursuant to § 914.52, in an amount less than his allotment of oranges for such week, he may handle, in addition to his allotment for the next week only, a quantity of such oranges equivalent to such undershipment.

§ 914.57 *Allotment loans.* (a) A person to whom allotments have been issued, whether under the provisions of early maturity, short life, or general maturity, may lend such allotments to other persons within the same prorate district to whom allotments have also been issued: *Provided*, That allotments issued under the short life provisions of this subpart may be loaned only to other persons to whom such allotments have also been issued. Such loans shall be confirmed to the committee by both parties thereto within 48 hours after any such agreement has been entered into, and such agreements shall include a date for the repayment of such allotments to the lender during the then current marketing season. If, on the date of repayment specified in the loan agreement, the borrower has insufficient allotment to repay such loan, he shall repay such loan as soon after the repayment date as he has allotments available to him for that purpose: *Provided*, That no loans made during one season shall be required to be repaid from allotments issued during the following season.

(b) The committee may act on behalf of persons desiring to arrange allotment loans. In each case, the committee shall confirm all such transactions immediately after the completion thereof by memorandum addressed to the parties concerned, which memorandum shall be deemed to satisfy the requirements of paragraph (a) of this section as to a confirmation of the loan agreement to the committee.

(c) An allotment shall be loaned, pursuant to paragraph (a) of this section, for use only during the week for which such allotment was issued. Persons securing repayment of an allotment loan may use such allotment only during the week in which the repayment is made.

(d) No allotment which has been loaned may again be loaned by the borrower, or by the lender after the repayment thereof.

§ 914.58 *Assignment of allotment certificates.* In connection with all handling of oranges other than shipments by rail car, each handler who first handles oranges shall at the time of handling issue to the consignee thereof, or his agent, an assignment of allotment certificate covering each quantity of oranges so handled. Such assignment of the allotment certificate shall be on such forms and shall be issued in such manner as prescribed by the committee and shall contain such information as the committee may require.

§ 914.59 *Priority of allotments.* During any week in which a person receives an allotment, and has the right to

handle a quantity of oranges in addition to the quantity represented by his allotment, by reason of (a) an undershipment of an allotment, pursuant to § 914.56; or (b) the repayment of a loaned allotment, pursuant to § 914.57; or (c) a borrowed allotment, pursuant to § 914.57, and such person handles a quantity of oranges which is less than the total quantity of such oranges which such person may handle during such week, the amount of such oranges handled shall first apply to such person's current weekly allotment (or to that portion which is not used pursuant to § 914.55 or § 914.57). The remainder, if any, shall be applied in the following order: second, to any undershipment of allotments, pursuant to § 914.56; third, to any allotment repaid to him, pursuant to § 914.57; fourth, to any allotment borrowed, pursuant to § 914.57.

§ 914.60 *Early maturity allotment.* Notwithstanding the provisions of § 914.54 the committee may, prior to the reaching of general maturity, issue special allotments for the handling of oranges of early maturity. Handlers controlling oranges of early maturity may apply to the committee for such allotments on forms prescribed by the committee and shall furnish to the committee such information as it may require. On the basis of all available information and after consideration of all of the factors enumerated in § 914.51 (b) the committee shall determine the extent to which early maturity allotment shall be granted. Total early maturity allotments approved by the committee for each prorate district shall be distributed to all handlers who qualify therefor in proportion to the quantity requested by each handler in his application: *Provided, however* That early maturity allotments issued to any handler prior to the reaching of general maturity shall not permit the handling of a larger share of the oranges available for current shipment controlled by such handler than the share of oranges available for current shipment in the prorate district estimated to be allotted to all handlers in the utilization schedule established by the committee at the beginning of the season. Early maturity allotments may be loaned only to handlers to whom early maturity allotments have been granted. Upon the reaching of general maturity, allotments issued for early maturity oranges shall be offset or repaid by reducing the oranges available for current shipment of each handler who has received early maturity allotments by the quantity of oranges for which early maturity allotments were issued to him, plus his proportionate share of the quantity of oranges that will be used for by-products or elimination in his prorate district. Such proportionate share shall be based upon the utilization schedule established by the committee at the beginning of the season. The committee shall, with the approval of the Secretary, adopt procedural rules and regulations to effectuate the provisions of this part. Allotments withheld, issued, and allocated, and averages computed hereunder shall be on a prorate district basis.

§ 914.61 *Short life allotments.* Notwithstanding the provisions of § 914.54 the committee shall withhold from the allotment of handlers on a uniform proportionate basis for all handlers, an amount sufficient to permit handlers controlling oranges of short life to handle during the normal marketing period of such short life oranges as large a proportion of oranges as the average which will be handled by all handlers. Handlers controlling oranges of short life may apply for such withheld allotment, and such application shall be made on forms supplied by the committee and shall be accompanied by information necessary to permit the committee to determine the validity of such applicant's claim to allotment. The committee shall determine, on the basis of all available information, the extent to which a handler needs allotment under the provisions of this section and pursuant to such determination shall allocate such allotment to such handler at a uniform weekly rate, insofar as practicable, during the normal marketing period of his short life oranges. Such determination and allotment issued pursuant thereto shall not permit a handler to receive more allotment proportionately than the average allotment to be issued to all handlers of oranges. After a handler of short life oranges has received allotment sufficient to make the total allotment issued to him equal proportionately to the average allotment to be issued to all handlers of oranges, allotment thereafter due such handler of short life oranges shall be allocated to handlers from whom allotment has been withheld. Short life allotments may be used only in the handling of short life oranges. The committee shall, with the approval of the Secretary, adopt procedural rules and regulations to effectuate the provisions of this part. Allotments withheld, issued, and allocated, and averages computed under this part shall be on a prorate district basis.

§ 914.62 *Information to central marketing organizations.* The committee shall give any central marketing organization, upon its request, the same notice with respect to prorate bases and allotments applicable to each handler for whom it markets oranges as is given to such handler.

§ 914.63 *Recommendations for size regulation.* (a) Whenever the committee finds that the supply and demand conditions for sizes of oranges make it advisable to regulate the handling of sizes of oranges during any period, it shall recommend to the Secretary the sizes of oranges grown in each prorate district which it deems advisable to be handled during said period. Any such recommendation may include a proposal that the handling of oranges shipped to Canada shall be subject to size regulation different from the proposed size regulation applicable to the handling of other shipments of oranges. The committee shall promptly submit such findings and recommendations, together with supporting information, to the Secretary.

(b) In making its recommendations the committee shall give due consideration to the factors referred to in § 914.51 (b)

§ 914.64 *Issuance of size regulations.* Whenever the Secretary shall find, from the findings, recommendations, and information submitted by the committee, or from other available information, that to limit the handling of oranges by sizes would tend to effectuate the declared policy of the act, he shall fix the sizes of oranges grown in each such prorate district which may be handled during the specified period. Any such regulation may provide that the handling of oranges shipped to Canada shall be subject to size regulation different from the size regulation applicable to the handling of other shipments of oranges. The committee shall be informed immediately of any such regulation issued by the Secretary, and the committee shall promptly give adequate notice thereof to all handlers.

§ 914.65 *Exemptions from size regulation.* In the event oranges are regulated pursuant to § 914.64, the committee shall issue one or more exemption certificates to any producer who furnishes evidence satisfactory to the committee that he will be prevented by reason of such regulation from having as large a proportion of oranges handled as the average proportion of oranges which may be handled by all other producers in the same prorate district. Such exemption certificate shall permit the respective producer to whom the certificate is issued to handle or have handled a percentage of his oranges equal to the percentage determined as aforesaid. Shipments of oranges under exemption certificates issued pursuant to this section shall be subject to and limited by such regulations as may be effective under § 914.52 at the time of the respective shipment. The committee shall adopt, with the approval of the Secretary, procedural rules by which such exemption certificates will be issued to producers. Such exemption certificates may be transferred to handlers when accompanied by oranges covered by such certificates.

§ 914.66 *Prorate districts.* For purposes of administration of this part and in recognition of the fact that there are general differences in maturity and keeping quality of oranges between certain geographical sections of the production area, the production area shall be divided in four prorate districts as follows:

(a) District 1 shall include that portion of the State of California between the 35th Parallel and the 37th Parallel, but shall exclude that portion of Kern County situated south of the Kern River.

(b) District 2 shall include that portion of the State of California which is south of the 35th Parallel, but shall exclude Imperial County and that portion of Riverside County, California, situated south and east of White Water, California.

(c) District 3 shall include the State of Arizona, Imperial County, California, and that portion of Riverside County,

California, situated south and east of White Water, California.

(d) District 4 shall include that portion of Kern County, California, situated south of the Kern River.

§ 914.67 *Oranges not subject to regulation.* Except as otherwise provided in this section nothing contained in this subpart shall be construed to authorize any limitation of the right of any person to handle oranges (a) for consumption by charitable institutions or for distribution by relief agencies; (b) for commercial processing into products, including juice; (c) for export; (d) for shipment by parcel post or by express; or (e) in such minimum quantities or type of shipments as the committee may, with the approval of the Secretary, prescribe. No assessment shall be levied pursuant to § 914.41 on oranges disposed of for the purposes specified in this section. The committee shall prescribe, with the approval of the Secretary, such rules, regulations, and safeguards as it may deem necessary to prevent oranges shipped under the provisions of this section from entering into commercial channels of trade contrary to or in violation of this subpart.

#### REPORTS

§ 914.70 *Weekly report.* On or before such day of each week as may be designated by the committee, each handler shall report to the committee, in such manner as may be designated and on forms made available by it, the following information with respect to the total of all oranges disposed of by each such handler during the immediately preceding week: (a) The total quantity handled; (b) the total quantity disposed of for manufacture into by-products, showing the identity of each by-products processor involved and the quantity of each; (c) the total quantity disposed of for export, showing the destination and quantity of each such disposition; (d) the total quantity shipped for disposition to persons on relief, including quantity donated for charitable purposes, and shipments by parcel post or express, showing the destination and quantity of each such shipment; and (e) the total quantity disposed of otherwise, showing manner and quantity of each such disposition.

§ 914.71 *Manifest report.* Each handler shall furnish to the committee information regarding the size of oranges in each standard packed box or its equivalent handled by such handler whether such shipments were destined to points in the United States and Alaska or to Canada and shall mail or deliver such information to said committee or its duly authorized representative within 24 hours after shipment is made in such manner as the committee shall prescribe and upon forms prepared by it.

§ 914.72 *Other reports.* Upon request of the committee, made with the approval of the Secretary, every person subject to regulation under this part shall furnish to the committee, in such manner and at such times as it may prescribe, such other information as will

enable the committee to perform its duties under this part.

#### MISCELLANEOUS PROVISIONS

§ 914.80 *Compliance.* Except as provided in this part, no person shall handle oranges during any week in which a regulation issued by the Secretary pursuant to § 914.52 is in effect, unless such oranges are, or have been, handled pursuant to an allotment therefor, or unless such person is otherwise permitted to handle such oranges under the provisions of this part; and no person shall handle oranges except in conformity with the provisions of this part and the regulations issued under this part.

§ 914.81 *Right of the Secretary.* The members of the committee (including successors and alternates) and any agents, employees, or representatives thereof, shall be subject to removal or suspension by the Secretary at any time. Each and every regulation, decision, determination, or other act of the committee shall be subject to the continuing right of the Secretary to disapprove of the same at any time. Upon such disapproval, the disapproved action of the committee shall be deemed null and void, except as to acts done in reliance thereon or in compliance therewith prior to such disapproval by the Secretary. If the committee, for any reason, fails to perform its duties or exercise its powers under this part, the Secretary may designate another agency to perform such duties and exercise such powers.

§ 914.82 *Effective time.* The provisions of this part shall become effective at such time as the Secretary may declare above his signature to this part, and shall continue in force until terminated in one of the ways specified in § 914.83.

§ 914.83 *Termination.* (a) The Secretary may at any time terminate the provisions of this part by giving at least one day's notice by means of a press release or in any other manner which he may determine.

(b) The Secretary shall terminate or suspend the operation of any and all of the provisions of this part whenever he finds that such provisions do not tend to effectuate the declared policy of the act.

(c) (1) The Secretary shall terminate the provisions of this part at the end of any fiscal year, whenever he finds that continuance is not favored by producers; but such termination shall be effected only if announced on or before October 15 of the then current fiscal year.

(2) To determine whether continuance is favored by producers, the required percentages set forth in the act with respect to producer approval of the issuance of a marketing agreement and order regulating the handling of citrus fruits produced in any area producing what is known as California citrus fruits (approval by three-fourths of the producers who during a representative period, determined by the Secretary, have been engaged, within the production area, in the production of navel oranges for market; or by producers who, during such representative period, have pro-

duced for market at least two-thirds of the volume of navel oranges produced within the production area for market), shall be used. In the event that a referendum is utilized to aid in making this determination, such required percentages for continuance shall be held to be complied with if, of the total number of producers, or the total volume of navel oranges produced for market, as the case may be, represented in such referendum, the percentage favoring continuance is equal to or in excess of the percentage required.

(3) The Secretary shall, during the 1954-55 fiscal year and prior to September 15, 1955, conduct a referendum to ascertain whether continuance of this part is favored by the producers. The Secretary shall conduct such a referendum prior to September 15 of each odd-numbered year thereafter.

(d) The provisions of this part shall, in any event, terminate whenever the provisions of the act authorizing them cease to be in effect.

§ 914.84 *Proceedings after termination.* (a) Upon the termination of the provisions of this part, the committee shall, for the purpose of liquidating the affairs of the committee, continue as trustees of all the funds and property then in its possession or under its control, including claims for any funds unpaid or property not delivered at the time of such termination.

(b) The said trustees shall (1) continue in such capacity until discharged by the Secretary; (2) from time to time account for all receipts and disbursements and deliver all property on hand, together with all books and records of the committee and of the trustees, to such person as the Secretary may direct; and (3) upon the request of the Secretary execute such assignments or other instruments necessary or appropriate to vest in such person full title and right to all of the funds, property, and claims vested in the committee or the trustees pursuant thereto.

(c) Any person to whom funds, property, or claims have been transferred or delivered, pursuant to this section, shall be subject to the same obligation imposed upon the committee and upon the trustees.

§ 914.85 *Effect of termination or amendment.* Unless otherwise expressly provided by the Secretary, the termination of this part or of any regulation issued pursuant to this part, or the issuance of any amendment to either thereof, shall not (a) affect or waive any right, duty, obligation, or liability which shall have arisen or which may thereafter arise in connection with any provision of this part or any regulation issued under this part, or (b) release or extinguish any violation of this part or of any regulation issued under this part, or (c) affect or impair any rights or remedies of the Secretary or of any other person with respect to any such violation.

§ 914.86 *Duration of immunities.* The benefits, privileges, and immunities conferred upon any person by virtue of

this part shall cease upon its termination, except with respect to acts done under and during the existence of this part.

§ 914.87 *Agents.* The Secretary may, by designation in writing, name any officer or employee of the United States, or name any bureau or division in the United States Department of Agriculture, to act as his agent or representative in connection with any of the provisions of this part.

§ 914.88 *Derogation.* Nothing contained in this part is, or shall be construed to be, in derogation or in modification of the rights of the Secretary or of the United States (a) to exercise any powers granted by the act or otherwise, or (b) in accordance with such powers, to act in the premises whenever such action is deemed advisable.

§ 914.89 *Personal liability.* No member or alternate member of the committee and no employee or agent of the committee shall be held personally responsible, either individually or jointly with others, in any way whatsoever, to any person for errors in judgment, mistakes, or other acts, either of commission or omission, as such member, alternate, employee, or agent, except for acts of dishonesty, willful misconduct, or gross negligence.

§ 914.90 *Separability.* If any provision of this part is declared invalid or the applicability thereof to any person, circumstance, or thing is held invalid, the validity of the remainder of this part or the applicability thereof to any other person, circumstance, or thing shall not be affected thereby.

§ 914.91 *Counterparts.* This agreement may be executed in multiple counterparts, and, when one counterpart is signed by the Secretary, all such counterparts shall constitute, when taken together, one and the same instrument as if all signatures were contained in one original.\*

§ 914.92 *Additional parties.* After the effective date of this part, any handler may become a party to this agreement if a counterpart thereof is executed by him and delivered to the Secretary. This agreement shall take effect as to such new contracting party at the time such counterpart is delivered to the Secretary, and the benefits, privileges, and immunities conferred by this agreement shall then be effective as to such new contracting party.\*

§ 914.93 *Order with marketing agreement.* Each contracting handler hereby requests the Secretary to issue, pursuant to the act, an order regulating the handling of oranges by all handlers in the same manner as is provided in this part.\*

(48 Stat. 31, as amended; 7 U. S. C. 691 et seq.)

Done at Washington, D. C., this 3d day of July 1953.

[SEAL]

ROY W. LEHNARTSON,  
Assistant Administrator.

[F. R. Doc. 53-6972; Filed, July 8, 1953; 8:55 a. m.]

## [ 7 CFR Part 953 ]

[Docket No. AO 144-A4]

## HANDLING OF LEMONS GROWN IN CALIFORNIA AND ARIZONA

## NOTICE OF RECOMMENDED DECISION AND OPPORTUNITY TO FILE WRITTEN EXCEPTIONS WITH RESPECT TO PROPOSED AMENDMENT OF AMENDED MARKETING AGREEMENT AND ORDER

Pursuant to the rules of practice and procedure, as amended, governing proceedings to formulate marketing agreements and marketing orders (7 CFR Part 900.13 F. R. 8585) notice is hereby given of the filing with the Hearing Clerk of the recommended decision of the Assistant Administrator, Production and Marketing Administration, United States Department of Agriculture, with respect to the proposed amendment of Marketing Agreement No. 94, as amended, and Order No. 53, as amended (7 CFR Part 953) hereinafter referred to as the "marketing agreement" and "order," respectively, regulating the handling of lemons grown in the States of California and Arizona, to be made effective pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (48 Stat. 31, as amended; 7 U. S. C. 601 et seq.) hereinafter referred to as the "act." Interested parties may file written exceptions to this recommended decision with the Hearing Clerk, United States Department of Agriculture, Room 1353, South Building, Washington 25, D. C., not later than the close of business on the 15th day after publication hereof in the FEDERAL REGISTER. Exceptions should be filed in quadruplicate.

*Preliminary statement.* The public hearing, on the record of which the proposed amendment to the marketing agreement and order is formulated, was initiated by the Production and Marketing Administration as a result of a proposed amendment received from the Lemon Administrative Committee, established pursuant to the marketing agreement and order as the agency to administer the terms and provisions thereof. In accordance with the applicable provisions of the aforesaid rules of practice and procedure, a public hearing was held at Los Angeles, California, on May 1, 1953, to consider the proposed amendment, pursuant to notice thereof which was published in the FEDERAL REGISTER (18 F. R. 2084) on April 14, 1953.

*Material issues.* The material issue presented on the record of the hearing was concerned with amending the marketing agreement and order to include in District 3 that portion of San Bernardino County, California, east of the 115th Meridian, which is presently included in District 2.

*Findings and conclusions.* The findings and conclusions on the aforesaid issue, all of which are based upon the evidence introduced at the hearing and the record thereof, are as follows:

There are substantial differences between the existing lemon-producing areas of District 2 and District 3. Summers are very warm and dry in District 3. The lemon trees in District 3 bloom

and set fruit during a relatively short period each year, and the lemons are harvested within the period October through December. The lemons grown in District 3 generally are not suitable for storage and are marketed as soon as possible after picking.

The climate in the principal lemon-producing areas of District 2 is characterized by cool summers and relatively high humidity. The lemon trees in this district generally bloom and set fruit throughout the year and the lemons are harvested throughout the year also, with the heaviest production and harvesting occurring during the period December 1 to July 1. The majority of the lemons grown in District 2 have excellent keeping qualities and may be stored for as long as five or six months for marketing during the summer when demand is heaviest.

Because of the differences in the producing and marketing of the lemons grown in different parts of the area covered by the marketing agreement and order, districts were established and provision was made for regulation by districts so as to facilitate the establishment of limitation on the shipment of lemons which would give due recognition to such differences. At the time the boundaries of District 2 and District 3 were established, there were no lemons grown in that portion of San Bernardino County, California, which is east of the 115th Meridian. Hence, all of San Bernardino County was placed within District 2 even though the climatic conditions and, thus, the characteristics of any lemons grown in the eastern portion of such county would be similar to those of District 3.

In April 1952, lemon trees were planted on approximately 50 acres in eastern San Bernardino County near the Colorado River, and it is possible that additional plantings may be made in this area. There will be some production of lemons from the acreage so planted during the 1953-54 season. Since such lemons are being grown under climatic conditions similar to those in District 3 and will have the same characteristics with respect to time of bloom, harvesting, and marketing as the lemons grown in such district, the marketing agreement and order should be amended as hereinafter set forth. Such amendment would result in the regulation of the marketing of lemons produced from such planted acreage so as to give proper recognition to the production and marketing characteristics of such lemons.

That part of San Bernardino County, California, which is east of the 115th Meridian would not be contiguous with the remainder of District 3 in California if the proposed amendment set forth in the Notice of Hearing were to be made effective, because there is a portion of Riverside County which is north of the San Geronio Pass but east of the 115th Meridian which would remain in District 2. The testimony indicates that it was intended to include in District 3 any lemons which may be planted in the approximate vicinity of the Colorado River because of the climatic conditions which prevail in that general region. The part

of Riverside County in question borders the Colorado River, and any lemons which may be planted in such area would have the production and marketing characteristics of lemons planted east of the 115th Meridian in San Bernardino County, and, consequently, of lemons produced in District 3. Therefore, the producer of any lemons which may be planted in such area would receive more equitable treatment if such area were included in District 3.

*Rulings on proposed findings and conclusions.* No briefs, findings, or conclusions with respect to the facts presented in evidence at the hearing were filed.

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

(b) The marketing agreement, as hereby proposed to be amended, and the order, as hereby proposed to be amended, regulate the handling of lemons grown in the States of California and Arizona in the same manner as, and are applicable to persons in the respective classes of industrial and commercial activity specified in, the marketing agreement upon which hearings have been held;

(c) The marketing agreement, as hereby proposed to be amended, and the order, as hereby proposed to be amended, prescribe, so far as practicable, such different terms, applicable to different parts of the production area, as are necessary to give due recognition to differences in the production and marketing of lemons covered thereby; and

(d) The marketing agreement, as hereby proposed to be amended, and the order, as hereby proposed to be amended, are limited in their application to the smallest regional production area which is practicable, consistent with carrying out the declared policy of the act; and the issuance of several orders applicable to any subdivision of the production area would not effectively carry out the declared policy of the act.

Effective March 15, 1953, the parity price for lemons grown in California and Arizona was \$3.87 per box on the tree. On the basis of information now available the seasonal average price for lemons grown in California and Arizona probably will not exceed the parity level for the 1953-54 season.

*Recommended amendment of the marketing agreement and order.* The following amendment of the marketing agreement and order is recommended as the detailed and appropriate means by which the foregoing conclusion may be carried out:

Delete paragraph (b) of § 953.64 *Districts* and substitute therefor the following:

(b) "District 2" shall include that part of the State of California which is south of a line drawn due east and west through the Tehachapi Mountains, but shall exclude Imperial County, California, that part of Riverside County, California, situated south and east of San Geronio Pass, that part of Riverside County, California, situated north of San Geronio Pass but east of the

115th Meridian, and that part of San Bernardino County, California, situated east of the 115th Meridian.

Done at Washington, D. C. this 3d day of July 1953.

[SEAL] ROY W LENNARTSON,  
Assistant Administrator  
Production and Marketing Ad-  
ministration.

[F. R. Doc. 53-6070; Filed, July 8, 1953;  
8:56 a. m.]

[7 CFR Part 971 I

[Docket No. AO-175-A 11]

HANDLING OF MILK IN DAYTON-SPRINGFIELD, OHIO, MARKETING AREA

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

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.) and the applicable rules of practice and procedure, as amended, governing proceedings to formulate marketing agreements and marketing orders (7 CFR Part 900) notice is hereby given of the filing with the Hearing Clerk, United States Department of Agriculture, of this recommended decision with respect to proposed amendments to the tentative marketing agreement, and to the order as amended, regulating the handling of milk in the Dayton-Springfield, Ohio, marketing area. Interested parties may file exceptions to this recommended decision with the Hearing Clerk, Room 1353, South Building, United States Department of Agriculture, Washington 25, D. C., not later than the close of business on the 5th day after its publication in the FEDERAL REGISTER. Exceptions should be filed in quadruplicate.

A public hearing on proposed amendments to the aforesaid marketing agreement and order was conducted at Dayton, Ohio, on June 5, 1953, pursuant to notice thereof which was issued on May 27, 1953 (18 F. R. 3120).

The only material issue of record related to revisions in the method of calculating the basic formula price.

**Findings and conclusions.** The following finds and conclusions are based upon evidence submitted at the hearing and the record thereof.

**Basic formula price.** The provisions for the computation of the basic formula price which are based on the prices of butter and nonfat dry milk solids should be changed so that the resulting basic formula prices will be realigned with basic formula prices in other nearby markets.

The supply areas for the Cincinnati and Columbus markets overlap the Dayton-Springfield supply area to a considerable extent. Thus these markets compete with Dayton-Springfield for milk supplies. This overlapping and competition for supplies is more extensive between Dayton-Springfield and

Cincinnati than between Dayton-Springfield and Columbus. Unless price relationships between these competing markets are maintained in proper alignment, misallocation of supplies among the markets will result.

Basic formula prices as used in the computation of Class I and Class II prices in Cincinnati, Columbus, and Dayton-Springfield are intended to reflect a basic value of milk. Appropriate levels of Class I and Class II prices are achieved by adding prescribed amounts to the basic formula prices. Amounts to be added to the basic formula prices vary between markets to reflect local conditions. Any change in the relationship between Dayton-Springfield Class I and Class II prices and Class I and Class II prices in Cincinnati or in Columbus should be made by changing the amounts added to the basic formula price and should not result from variations in basic formula prices.

Except during the last four months the basic formula prices in these three markets have been well aligned during the last few years. From September 1950 through January 1953 the widest difference between the Dayton-Springfield basic formula price and the Cincinnati or Columbus basic formula price was eight cents. During 1951 and 1952 the basic formula prices in each of the three markets averaged as follows:

|                         | 1951   | 1952   |
|-------------------------|--------|--------|
| Cincinnati.....         | \$3.67 | \$3.83 |
| Columbus.....           | 3.63   | 3.89   |
| Dayton-Springfield..... | 3.63   | 3.87   |

Since January 1953 the Dayton-Springfield basic formula price has declined in relation to the basic formula prices in Cincinnati and Columbus so that the Cincinnati and Columbus basic formula prices have exceeded the Dayton-Springfield basic formula prices as follows:

|               | Cincinnati | Columbus |
|---------------|------------|----------|
| February..... | \$3.12     | \$3.10   |
| March.....    | .18        | .16      |
| April.....    | .18        | .15      |
| May.....      | .17        | .14      |

This change since January 1953 in Dayton-Springfield basic formula prices in relation to Cincinnati and Columbus basic formula prices has resulted from an increase in spray process nonfat dry milk solids prices in relation to roller process nonfat dry milk solids and an increase in nonfat dry milk solids prices f. o. b. manufacturing plants in the Chicago area in relation to nonfat dry milk solids wholesale prices in Chicago. The wholesale price of roller process nonfat dry milk solids at Chicago is used in the computation of the Dayton-Springfield Class I price while the average of the prices of spray and roller process nonfat dry milk solids f. o. b. manufacturing plants in the Chicago area is used in the computation of Cincinnati and Columbus basic formula prices.

It is concluded that the Dayton-Springfield basic formula prices should

be realigned to its former relationship with Cincinnati and Columbus basic formula prices. Since competition for supplies is more extensive between Dayton-Springfield and Cincinnati than between Dayton-Springfield and Columbus, closer alignment with Cincinnati is appropriate. The provisions for the computation of the Dayton-Springfield basic formula price which are based on the prices of butter and nonfat dry milk solids should be the same as such provisions for the computation of the Cincinnati basic formula price. Such provisions prescribe the calculation of a value which is the sum of (1) the average wholesale price of Grade A or 92-score butter at Chicago multiplied by 4.2; and (2) the average of the prices for spray and roller process nonfat dry milk solids f. o. b. manufacturing plants in the Chicago area, less 5.5 cents, times 8.2.

Since the Class III skim milk price is presently based on the same nonfat dry milk solids price used in the basic formula price computation by direct reference thereto, the Class III pricing provisions must be changed to specifically describe the nonfat dry milk solids price presently used. Failure to do this would result in a change in the Class III skim milk price, and no such change was considered at the hearing.

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

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

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

**Rulings.** No proposed findings and conclusions or written arguments or briefs were filed in this proceeding by interested persons.

**Recommended marketing agreement and order.** The following proposed amendments to the aforesaid tentative marketing agreement and order are recommended as the detailed and appropriate means by which the above conclusions may be carried out:

1. Amend § 971.50 (c) (1) and (2) to read as follows:

(1) Multiply by 3.5 the average price of butter computed pursuant to paragraph (b) (1) of this section, and add 20 percent thereof; and

(2) From the simple average, as computed by the market administrator, of the weighted average of carlot prices per pound for nonfat dry milk solids, spray and roller process, respectively, for human consumption, f. o. b. manufacturing plants in the Chicago area, as published for the period from the 26th day of the immediately preceding month through the 25th day of the month for which prices are being computed by the Department of Agriculture, deduct 5.5 cents, and multiply the result by 8.2.

2. Amend § 971.53 (b) to read as follows:

(b) The price per hundredweight of skim milk shall be computed as follows: (1) Calculate the arithmetic average of the carlot prices per pound of roller process nonfat dry milk solids in barrels, for human consumption, at Chicago for the weeks ending within such month as reported by the Department of Agriculture, (2) deduct 5.5 cents therefrom, (3) multiply the result by 8.2, (4) divide the result by 0.965, and (5) subtract therefrom 20 cents for each of the months of March through August.

Filed at Washington, D. C., this 3d day of July 1953.

[SEAL] ROY W LENNARTSON,  
Assistant Administrator

[F. R. Doc. 53-6069; Filed, July 8, 1953;  
8:55 a. m.]

## CIVIL AERONAUTICS BOARD

[ 14 CFR Parts 40, 41, 42, 45, 61 ]

### SPECIAL CIVIL AIR REGULATION

#### DELEGATION OF AUTHORITY TO THE ADMINISTRATOR TO PERMIT AIR CARRIERS UNDER CONTRACT TO MILITARY SERVICES TO DEVIATE FROM CERTAIN CIVIL AIR REGULATIONS

Pursuant to authority delegated by the Civil Aeronautics Board to the Bureau of Safety Regulation, notice is hereby given that the Bureau will propose to the Board an extension of the authority granted by Special Civil Air Regulation SR-385 as hereinafter set forth.

Interested persons may participate in the making of the proposed rule by submitting such written data, views, or arguments as they may desire. Communications should be submitted in duplicate to the Civil Aeronautics Board, attention Bureau of Safety Regulation, Washington 25, D. C. In order to insure their consideration by the Board before taking further action on the proposed rule, communications must be received by July 27, 1953. Copies of such communications will be available after July 28, 1953, for examination by interested persons at the Docket Section of the Board, Room 5412, Department of Commerce Building, Washington, D. C.

Some time ago the Air Transport Association (ATA) on behalf of several scheduled air carriers under contract to the military services requested that authority be granted to such carriers to permit them to deviate from certain pro-

visions of Parts 40, 41, 42, 45, and 61 of the Civil Air Regulations, under which they were then required to operate, in order to permit such carriers to accomplish expeditiously the mission assigned them by the military services. ATA stated that, in view of the type of operations which these carriers had been requested to perform, certain provisions of those parts imposed an undue burden upon the air carriers involved. It appeared that several difficulties encountered in complying with current regulations resulted from the fact that some of the air carriers were acting in the capacity of prime contractors with the military services, while others were acting as subcontractors and were merely furnishing aircraft and/or flight crews to another air carrier for use in operations conducted pursuant to the military contracts. It should be noted that Parts 40, 41, 42, 45, and 61 were designed to be applicable to scheduled and irregular air carrier operations performed under normal operating conditions. The Board believed that the type of operation which air carriers were expected to perform in executing their obligations under military contracts was a specialized type of operation different in many respects from the normal type of air carrier operation envisaged by the then current Civil Air Regulations relating to air carrier operations. For those reasons, the Board, on July 28, 1950, adopted Special Civil Air Regulation SR-349 which delegated authority to the Administrator to permit air carriers under contract to the military services to deviate from certain parts of the Civil Air Regulations in performing such contracts, such authority to terminate on August 1, 1951. This authority was extended to August 1, 1953, by SR-367 and SR-385.

Since the military requirements, as a result of which Special Civil Air Regulations SR-349, SR-367, and SR-385 were promulgated, continue to exist, it is believed that the Civil Air Regulations applicable to air carriers should continue to be adjusted to the type of operation to be conducted under military contracts to the extent that the Administrator finds that deviation from those regulations is necessary for the expeditious conduct of such operations. Accordingly, it appears desirable that the provisions of SR-385 be extended for one year to maintain the delegated authority in the Administrator without lapse.

It is considered necessary to continue to limit the operations conducted pursuant to any deviation granted by the Administrator to those operations conducted pursuant to military contracts and to require that all operations conducted in accordance with such deviations be conducted in accordance with such terms and conditions as the Administrator may prescribe in granting the deviation. It is anticipated that the Administrator will continue, as part of the procedure in issuing a deviation of major importance, to coordinate his decision with the Board and the appropriate military authorities.

The regulation as proposed in this notice of proposed rule making has been changed by deleting the words "or desirable" from the phrase "necessary or desirable" as contained in paragraph 1 of SR-385. This change was made because of difficulty encountered in the administration of the regulation which resulted from some air carriers seeking to place an interpretation on the word "desirable" which would in effect require the Administrator to grant a waiver of such provisions as the air carrier considered desirable. Since the purpose of the regulation is to permit the Administrator to issue waivers in those instances where it is essential to the operations being conducted, it is considered that the air carrier or the Department of Defense should bear the burden of establishing the necessity for deviation from the regulations.

Accordingly, it is proposed to extend the authorization granted by Special Civil Air Regulation SR-385 to August 1, 1954, as follows:

1. Contrary provisions of the Civil Air Regulations notwithstanding, the Administrator may, upon application by an air carrier, authorize an air carrier under contract to the military services, or an air carrier furnishing civil aircraft and/or flight crews to another air carrier for use in operations conducted pursuant to a contract with the military services, to deviate from the applicable provisions of Parts 40 (including revised Part 40), 41, 42, 45, and 61 to the extent that he finds upon investigation a deviation from those regulations is necessary for the expeditious conduct of such operations.

2. Any authority granted by the Administrator pursuant to this regulation shall be limited to those operations conducted pursuant to military contracts and shall not be applicable to any other type of operation.

3. The Administrator shall, in any authorization granted pursuant to this regulation, specify the terms and conditions under which the air carrier may deviate from the currently prescribed regulations, and each carrier shall, in the conduct of operations pursuant to military contracts, comply with such terms and conditions.

This regulation shall terminate August 1, 1954, unless sooner superseded or rescinded.

This regulation is proposed under the authority of Title VI of the Civil Aeronautics Act of 1938, as amended. The proposal may be changed in light of comments received in response to this notice of proposed rule making.

(Sec. 205, 52 Stat. 984; 49 U. S. C. 425. Interpret or apply secs. 601-610, 52 Stat. 1007-1012; 49 U. S. C. 551-560; 62 Stat. 1210)

Dated: July 6, 1953, at Washington, D. C.

By the Bureau of Safety Regulation.

[SEAL] JOHN M. CHAMBERLAIN,  
Director,  
Bureau of Safety Regulation.

[F. R. Doc. 53-6055; Filed, July 8, 1953;  
8:52 a. m.]

## NOTICES

## DEPARTMENT OF THE TREASURY

## Bureau of Internal Revenue

[Commissioner's Reorganization Order 15]

## REGIONAL COMMISSIONERS AND DISTRICT DIRECTORS OF INTERNAL REVENUE

## GENERAL DELEGATION OF FUNCTIONS

Pursuant to the authority vested in me as Commissioner of Internal Revenue, it is hereby ordered:

1. *Regional Commissioner* The functions of the Regional Commissioner of Internal Revenue with respect to the Region in which his office is located shall, except as otherwise provided by any order or document effective on the same date as this order, consist of the functions vested in the District Commissioner of Internal Revenue immediately prior to the effective date of this order.

2. *Assistant Regional Commissioners—*  
(a) *Positions.* There shall be in the office of the Regional Commissioner of Internal Revenue a position of Assistant Regional Commissioner for each of the following functions:

Administration.  
Alcohol and Tobacco Tax.  
Appellate.  
Audit.  
Collection.  
Intelligence.

(b) *Functions.* The functions of the Assistant Regional Commissioners shall, except as otherwise provided by any order or document effective on the same date as this order, consist of the functions vested in the Assistant District Commissioner for the same activities immediately prior to the effective date of this order.

3. *District Directors—*(a) *Functions.* The functions of the District Director of Internal Revenue with respect to the District in which his office is located shall, except as otherwise provided by any order or document effective on the same date as this order, consist of the functions vested in Directors of Internal Revenue immediately prior to the effective date of this order: *Provided,* That such functions shall not include those of the former Head, Alcohol and Tobacco Tax Division, which functions have been vested in the Assistant Regional Commissioner, Alcohol and Tobacco Tax.

4. *Division Heads—*(a) *Positions.* There shall be in the office of the District Director a position of Head of each of the following divisions:

Administration.  
Audit.  
Collection.  
Intelligence.

(b) *Functions.* The functions of each Head of Division shall, except as otherwise provided by any order or document effective on the same date as this order, consist of the functions vested in the Head of the same Division immediately prior to the effective date of this order.

5. *Assistant District Director of Internal Revenue.* There shall be in the

office of each District Director of Internal Revenue the position of Assistant District Director of Internal Revenue. In case of death, resignation, absence, or sickness of the District Director, such Assistant District Director shall, without further authorization, perform the functions of the District Director until otherwise provided. In the performance of such functions he shall be designated as Acting District Director of Internal Revenue.

6. *Authority to redelegate.* Any function vested in a Regional Commissioner or District Director of Internal Revenue may, within the framework of the organization described herein, be delegated by him to any subordinate under his supervision, except as otherwise directed.

7. *Continuation of functions.* Except as otherwise directed, all officers and employees within any Region shall continue to perform the functions they were authorized to perform immediately prior to the effective date of this order and to comply with procedures in effect at such time.

8. *Prior orders affected.* (a) The following orders and any amendments thereof are revoked:

Commissioner's Reorganization Order No. Chl-1, dated May 15, 1952.

Commissioner's Reorganization Order No. NYC-1, dated June 23, 1952.

Operations Reorganization Order No. 3, dated September 4, 1952.

Operations Reorganization Order No. Det-1, dated November 24, 1952.

(b) Any other order inconsistent with any provision of this order is modified to the extent of such inconsistency.

9. *Effective date.* This order shall be effective July 1, 1953.

Dated: July 1, 1953.

[SEAL] T. COLEMAN ANDREWS,  
Commissioner.

[F. R. Doc. 53-6050; Filed, July 8, 1953;  
8:51 a. m.]

[Commissioner's Reorganization Order 16]

ASSISTANT REGIONAL COMMISSIONER,  
ALCOHOL AND TOBACCO TAX

## FUNCTIONS

Pursuant to the authority vested in me as Commissioner of Internal Revenue, it is hereby ordered:

1. *Assistant Regional Commissioner, Alcohol and Tobacco Tax.* Under the direction and supervision of the Regional Commissioner, the Assistant Regional Commissioner, Alcohol and Tobacco Tax, is responsible to the Regional Commissioner:

(a) For the administration and enforcement of all internal revenue laws relating to alcohol, alcoholic beverages and products, tobacco and tobacco products, firearms, and related laws (such as the Federal Alcohol Administration Act, the Liquor Enforcement Act of 1936, and laws relating to the shipment of

liquor in interstate commerce), including:

(i) The investigation and apprehension of violators of such laws;

(ii) The regulation of the liquor and tobacco industries; and

(iii) The determination of taxes in respect of, and the settlement of claims for, abatement, refund, remission, and drawback of taxes and the redemption of stamps in respect of alcohol, alcoholic beverages, and products, and related laws, and tobacco and tobacco products;

(b) The direct supervision over the activities of all agents and employees engaged in the administration and enforcement of the laws, specified in subparagraph (a); and

(c) The investigation of claims under the Federal Tort Claims Act.

2. *Inconsistent orders modified.* Any order inconsistent with any provision of this order is modified to the extent of such inconsistency.

3. *Effective date.* This order shall be effective July 1, 1953.

Dated July 1, 1953.

[SEAL] T. COLEMAN ANDREWS,  
Commissioner.

[F. R. Doc. 53-6949; Filed, July 8, 1953;  
8:51 a. m.]

## DEPARTMENT OF JUSTICE

## Office of Alien Property

LUIGI ACHILLE

## NOTICE OF INTENTION TO RETURN VESTED PROPERTY

Pursuant to section 32 (f) of the Trading With the Enemy Act, as amended, notice is hereby given of intention to return, on or after 30 days from the date of publication hereof, the following property located in Washington, D. C., including all royalties accrued thereunder and all damages and profits recoverable for past infringement thereof, after adequate provision for taxes and conservatory expenses:

*Claimant, Claim No., and Property*

Luigi Achille, Milan, Italy; Claim No. 35937; property described in Vesting Order No. 291 (8 F. R. 625) relating to United States Patent No. 2,227,547.

Executed at Washington, D. C., on July 2, 1953.

For the Attorney General.

[SEAL] DALLAS S. TOWNSEND,  
Assistant Attorney General,  
Director Office of Alien Property.

[F. R. Doc. 53-6345; Filed, July 8, 1953;  
8:50 a. m.]

TOR BJÖRN LOFTHELM

## NOTICE OF INTENTION TO RETURN VESTED PROPERTY

Pursuant to section 32 (f) of the Trading With the Enemy Act, as

amended, notice is hereby given of intention to return, on or after 30 days from the date of publication hereof, the following property located in Washington, D. C., including all royalties accrued thereunder and all damages and profits recoverable for past infringement thereof, after adequate provision for taxes and conservatory expenses:

*Claimant, Claim No., and Property*

Tor Björn Loftheim, Oslo, Norway; Claim No. 36854; Vesting Order No. 294; property described in Vesting Order No. 294 (7 F. R. 9842) relating to United States Patent Application Serial Number 249,074, now United States Patent Number 2,317,785.

Executed at Washington, D. C., on July 2, 1953.

For the Attorney General.

[SEAL] DALLAS S. TOWNSEND,  
Assistant Attorney General,  
Director Office of Alien Property.

[F. R. Doc. 53-6046; Filed, July 8, 1953; 8:50 a. m.]

GUSTAV OTTO KARL RÜSCH AND  
CHRISTIAN CHRISTIANSEN

NOTICE OF INTENTION TO RETURN VESTED  
PROPERTY

Pursuant to section 32 (f) of the Trading With the Enemy Act, as amended, notice is hereby given of intention to return, on or after 30 days from the date of publication hereof, the following property located in Washington, D. C., including all royalties accrued thereunder and all damages and profits recoverable for past infringement thereof, after adequate provision for taxes and conservatory expenses:

*Claimant, Claim No., and Property*

Gustav Otto Karl Rüsç, Mandal, Norway; Claim No. 40017; Christian Christiansen, Oslo, Norway; Claim No. 40018; property described in Vesting Order No. 672 (8 F. R. 5020) relating to United States Patents Numbers 1,975,923, 2,127,157, 2,145,153 and 2,233,517, an undivided one-half share therein to each claimant.

Executed at Washington, D. C., on July 2, 1953.

For the Attorney General.

[SEAL] DALLAS S. TOWNSEND,  
Assistant Attorney General,  
Director Office of Alien Property.

[F. R. Doc. 53-6047; Filed, July 8, 1953; 8:50 a. m.]

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

ALASKA

TOWNSITE TRUSTEE'S AWARD; NORTH  
ADDITION, TOWNSITE OF SITKA

JULY 2, 1953.

Notice is hereby given by the undersigned Trustee, North Addition, Townsite of Sitka, that he will on or after August 6, 1953 proceed to award lots that may be applied for within said townsite. All lots for which applications are not filed

within 120 days from the date of this notice will be subject to disposition to the highest bidder at public sale. Only those who are occupants of lots or were entitled to such occupancy on July 23, 1951, the date of acceptance of the subdivisional plat of survey of said townsite, or their assigns thereafter, are entitled to the allotments herein provided. All who are not occupants of the lots claimed at the time of the subdivisional survey in the field must be able to substantiate their claims proving chain of title.

All claimants must file their applications for deeds with the Townsite Trustee, Box 1481, Juneau, Alaska, setting forth the basis for their claims to each lot included in the application. Each application must be verified by the affidavit of the claimant and corroborated by two witnesses. The affidavits may be subscribed and sworn to before any officer authorized to administer oaths and must bear his seal. Applications must be accompanied by money order or certified check made payable to the Townsite Trustee for the full assessment on the lot or lots applied for as shown in the list below.

Blank applications may be obtained from the Townsite Trustee, Box 1481, Juneau, Alaska.

U. S. SURVEY No. 2865 A AND B

BLOCKS AND LOTS, NORTH ADDITION, TOWNSITE OF SITKA

|                       | Square feet | Cost    |
|-----------------------|-------------|---------|
| Block No. 1: Cemetery | (1)         |         |
| Block No. 2:          |             |         |
| Lot 1                 | 6,845       | \$36.03 |
| 2                     | 5,250       | 28.92   |
| 3                     | 4,449       | 25.34   |
| 4                     | 5,326       | 29.26   |
| 5                     | 26,661      | 124.41  |
| Block No. 3:          |             |         |
| Lot 1                 | 9,215       | 46.60   |
| 2                     | 1,714       | 13.14   |
| 3                     | 3,862       | 22.73   |
| 4                     | 5,640       | 30.66   |
| 5                     | 7,504       | 38.97   |
| 6                     | 17,889      | 85.29   |
| 7                     | 6,073       | 32.59   |
| 8                     | 6,052       | 32.40   |
| 9                     | 10,099      | 60.54   |
| 10                    | 6,625       | 35.05   |
| 11                    | 6,944       | 36.47   |
| 12                    | 5,982       | 32.18   |
| 13                    | 5,892       | 31.78   |
| 14                    | 3,115       | 19.39   |
| 15                    | 2,922       | 18.53   |
| 16                    | 3,270       | 20.09   |
| Block No. 4:          |             |         |
| Lot 1                 | 4,153       | 24.02   |
| 2                     | 3,675       | 21.89   |
| 3                     | 5,301       | 29.14   |
| 4                     | 3,746       | 22.21   |
| 5                     | 3,597       | 21.54   |
| 6                     | 9,732       | 45.91   |
| 7                     | 5,040       | 27.98   |
| 8                     | 2,923       | 18.54   |
| Block No. 5: Lot 1    | 649         | 8.39    |

<sup>1</sup> Prorated against remaining lots.

LOWELL M. PUCKETT,  
Regional Administrator and  
Townsite Trustee.

[F. R. Doc. 53-6020; Filed, July 8, 1953; 8:45 a. m.]

ALASKA

SMALL TRACT CLASSIFICATION ORDER NO. 74,  
AMENDMENT NO. 1

JUNE 30, 1953.

On June 17, 1953 Small Tract Classification Order No. 74 was issued covering

among other lands, the NE $\frac{1}{4}$ SW $\frac{1}{4}$  NE $\frac{1}{4}$ SE $\frac{1}{4}$  (except right of way of Glenn Highway) NW $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ , E $\frac{1}{2}$  SE $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ , and the NE $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$  SE $\frac{1}{4}$  of Section 11, T. 14 N., R. 2 W., SM. Since that date it is come to my attention that these lands were included in a petition for Public Sale which was received at the Land Office on May 28, 1953 and was being held for adjudication with respect to certain procedural defects in the application. In order to permit an equitable disposition of that petition on its merits and pursuant to the delegation of authority from the Regional Administrator, Bureau of Land Management, Region VII, under sections 2.21 and 2.22 (a) (3) of Order No. 1, Bureau of Land Management, Region VII, approved by the Acting Secretary of the Interior on August 20, 1951 (16 F. R. 8625), Small Tract Classification Order No. 74 is hereby amended to read as follows:

1. The lands included in the Petition for Public Sale referred to above are deleted, the amended land description to read as follows:

ANCHORAGE AREA  
PALMER HIGHWAY UNIT NO. 3

For Lease and Sale

For Cabin Sites

SEWARD MERIDIAN

T. 14 N., R. 2 W.,  
Section 11. N $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ , NE $\frac{1}{4}$  SW $\frac{1}{4}$ NE $\frac{1}{4}$ , S $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ , N $\frac{1}{2}$ NW $\frac{1}{4}$  SE $\frac{1}{4}$ , NW $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ , SE $\frac{1}{4}$ NE $\frac{1}{4}$  NE $\frac{1}{4}$ SE $\frac{1}{4}$ , E $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ , SE $\frac{1}{4}$  NW $\frac{1}{4}$ SE $\frac{1}{4}$ , SW $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ , W $\frac{1}{2}$  NE $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ , NW $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ , NW $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ , E $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ , SE $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$  (that portion west of the old Palmer Highway).

The above described area comprises 34 tracts aggregating approximately 95 acres.

PALMER HIGHWAY UNIT NO. 3

For Lease and Sale

For Home or Business Sites

SEWARD MERIDIAN

T. 14 N., R. 2 W.,  
Section 11: NE $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ , NW $\frac{1}{4}$  NE $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ , S $\frac{1}{2}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ , SW $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ , W $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$  SE $\frac{1}{4}$ , SE $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ , E $\frac{1}{2}$ NE $\frac{1}{4}$  SW $\frac{1}{4}$ SE $\frac{1}{4}$ , NW $\frac{1}{4}$ SE $\frac{1}{4}$ SE $\frac{1}{4}$ , NE $\frac{1}{4}$ SE $\frac{1}{4}$  SW $\frac{1}{4}$ SE $\frac{1}{4}$ , S $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ , W $\frac{1}{2}$ SW $\frac{1}{4}$  SE $\frac{1}{4}$ SE $\frac{1}{4}$ .

The right of way of the Glenn Highway is excluded from the above lands.

The above described area comprises 15 tracts aggregating approximately 36.8 acres.

2. This amendment shall take effect immediately and shall not be construed as a classification of the lands hereby eliminated from Order No. 74, as amended.

FRED J. WEILER,  
Chief,  
Division of Land Planning.

[F. R. Doc. 53-6021; Filed, July 8, 1953; 8:45 a. m.]

**Office of the Secretary**

[Order 2727]

ACTING DIRECTOR AND ACTING ASSISTANT  
DIRECTOR, GEOLOGICAL SURVEY

**ELIGIBLE OFFICERS**

**Section 1. Acting Director.** (a) The Assistant Director of the Geological Survey, if present, shall perform the duties of the Director of the Geological Survey in case of the death, resignation, or absence of the Director: *Provided, however* That temporary succession under this paragraph shall not continue longer than 30 days in case of the death or resignation of the Director.

(b) The Administrative Geologist of the Geological Survey, if present, shall perform the duties of the Director of the Geological Survey in case of the absence of the Director and the death, resignation, or absence of the Assistant Director.

(c) The Chief Geologist of the Geological Survey, if present, shall perform the duties of the Director of the Geological Survey in case of the absence of the Director and the death, resignation, or absence of the Assistant Director and the Administrative Geologist.

(d) The Staff Coordinator of the Geological Survey shall perform the duties of the Director of the Geological Survey in case of the absence of the Director and the death, resignation, or absence of the Assistant Director, the Administrative Geologist, and the Chief Geologist.

(e) An officer acting under authority of this section shall sign documents under the title "Acting Director."

**SEC. 2. Acting Assistant Director.** (a) The Administrative Geologist of the Geological Survey, if present, shall perform the duties of the Assistant Director of the Geological Survey in case of the death, resignation, or absence of the Assistant Director.

(b) The Chief Geologist of the Geological Survey, if present, shall perform the duties of the Assistant Director of the Geological Survey in case of the death, resignation, or absence of the Assistant Director and the Administrative Geologist.

(c) The Staff Coordinator of the Geological Survey, if present, shall perform the duties of the Assistant Director of the Geological Survey in case of the death, resignation, or absence of the Assistant Director, the Administrative Geologist, and the Chief Geologist.

(d) The Chief Topographic Engineer of the Geological Survey, if present, shall perform the duties of the Assistant Director of the Geological Survey in case of the death, resignation, or absence of the Assistant Director, the Administrative Geologist, the Chief Geologist, and the Staff Coordinator.

(e) The Chief Hydraulic Engineer of the Geological Survey, if present, shall perform the duties of the Assistant Director of the Geological Survey in case of the death, resignation, or absence of the Assistant Director, the Administrative Geologist, the Chief Geologist, the Staff Coordinator, and the Chief Topographic Engineer.

No. 133—8

(f) The Chief, Conservation Division, of the Geological Survey shall perform the duties of the Assistant Director of the Geological Survey in case of the death, resignation, or absence of the Assistant Director, the Administrative Geologist, the Chief Geologist, the Staff Coordinator, the Chief Topographic Engineer, and the Chief Hydraulic Engineer.

(g) An officer acting under authority of this section shall sign documents under the title "Acting Assistant Director."

**SEC. 3. Revocation.** Order No. 2701 of August 21, 1952 (17 F. R. 7866), is hereby revoked.

(5 U. S. C., 1946 ed., secs. 5, 7, 22; 43 U. S. C., 1946 ed., sec. 32)

DOUGLAS MCKAY,  
Secretary of the Interior.

JULY 1, 1953.

[F. R. Doc. 53-6019; Filed, July 8, 1953;  
8:45 a. m.]

**DEPARTMENT OF AGRICULTURE**

**Commodity Credit Corporation**

**CONTRACTING OFFICERS**

**DELEGATION OF AUTHORITY WITH RESPECT  
TO 1953-CROP COTTONSEED PURCHASE  
PROGRAM**

Pursuant to authority vested in the President, Commodity Credit Corporation, by the by-laws of the Corporation, the respective chairmen, or in their absence the acting chairmen, of the PMA County Committees in the cotton producing States are hereby appointed contracting officers of Commodity Credit Corporation, with authority to execute, in the name of the Corporation, contracts, agreements, or other documents relating to the purchase, transportation, handling, and storage of cottonseed prior to the delivery of such cottonseed to a participating oil miller or an approved storage facility under the 1953-Crop Cottonseed Purchase Program formulated by Commodity Credit Corporation and Production and Marketing Administration.

The foregoing authority as contracting officers shall be exercised in accordance with instructions issued by the appropriate Vice President of Commodity Credit Corporation, which shall be available for public inspection in the files of the PMA county offices in the respective cotton producing States.

Issued this 6th day of July 1953.

[SEAL] JOHN H. DAVIS,  
President,  
Commodity Credit Corporation.

[F. R. Doc. 53-6061; Filed, July 8, 1953;  
8:53 a. m.]

**Office of the Secretary**

**MICHIGAN, MINNESOTA, AND OHIO**

**DESIGNATION OF DISASTER AREAS HAVING  
NEED FOR AGRICULTURAL CREDIT**

Pursuant to the authority contained in section 2, of the act of April 10, 1949

(63 Stat. 44; 12 U. S. C. 1148a-2) to designate areas having a need for agricultural credit, the following designations were made:

**MICHIGAN**

The following counties were designated, on June 12, 1953, as disaster areas due to tornado and hailstorm damage. After June 30, 1954, disaster loans will not be made except to borrowers who previously received such assistance.

Genesee, Iosco, Laguer, Monroe, Oakland, Sanilac, St. Clair.

**MINNESOTA**

The following counties were designated, on June 12, 1953, as disaster areas due to tornado damage. After June 30, 1954, disaster loans will not be made except to borrowers who previously received such assistance.

Fillmore, Freeborn, Olmsted, Pope, Winona.

**OHIO**

The following counties were designated, on June 17, 1953, as disaster areas due to tornado damage. After June 30, 1954, disaster loans will not be made except to borrowers who previously received such assistance.

Cuyahoga, Erie, Henry, Huron, Lorain, Sandusky, Wood.

Done at Washington, D. C., this 6th day of July 1953.

[SEAL] TRUE D. MORSE,  
Acting Secretary of Agriculture.

[F. R. Doc. 53-6073; Filed, July 8, 1953;  
8:56 a. m.]

**CIVIL AERONAUTICS BOARD**

[Public Notice PN 4, Amdt. 3]

**FINAL DELEGATIONS OF AUTHORITY FROM  
THE BOARD TO THE STAFF**

**MISCELLANEOUS AMENDMENTS**

The Civil Aeronautics Board hereby amends Public Notice PN 4, dated March 1, 1951, as follows:

1. By deleting section 6.5 *Letters of registration* issued pursuant to Part 291 of the Economic Regulations.

2. By renumbering sections 6.6 through 6.15 as sections 6.5 through 6.14, respectively.

3. By adding a new section 6.15 to read as follows:

**SEC. 6.15 Documents of the International Air Transport Association (IATA).** The Director, Bureau of Air Operations (or such staff member of the Bureau of Air Operations as he may designate), is authorized to waive or modify the requirements of paragraph 2 (a) of Order No. E-6390 with respect to any document covered thereby for such period as he deems proper, and to revoke any such waiver or modification. The Director shall advise the United States members if IATA of such waiver, modification or revocation, and of their right to appeal his action to the Board within 15 days.

4. By adding a new section 7.3 to read as follows:

**SEC. 7.3 Airspace subcommittee.** The Director, Bureau of Safety Investiga-

tion (or such staff members, including chiefs of regions, as he may designate) is authorized to participate fully in the consideration and disposition of individual cases coming before the Airspace Subcommittee and the Regional Airspace Subcommittees of the Air Coordinating Committee where no new or significant Board policy issue is involved.

[SEAL] M. C. MULLIGAN,  
Secretary.

[F. R. Doc. 53-6056; Filed, July 8, 1953;  
8:53 a. m.]

## FEDERAL POWER COMMISSION

[Docket Nos. G-1012, G-1319, G-1554, G-1558,  
G-1559, G-1560, G-1568, G-1576, G-1584,  
G-1655, G-1921, G-1922, G-1969, G-2077,  
G-2108]

ALGONQUIN GAS TRANSMISSION CO. ET AL.

ORDER POSTPONING DATE FOR ORAL ARGUMENT

In the matters of Algonquin Gas Transmission Company, Docket No. G-1319; Northeastern Gas Transmission Co., Docket No. G-1568; Texas Eastern Transmission Corp., Docket No. G-1012; Portland Gas Light Company, Docket No. G-1554; Biddeford and Saco Gas Company, Docket No. G-1558; Gas Service, Incorporated, Docket No. G-1559; Allied New Hampshire Gas Company, Docket No. G-1560; Greenfield Gas Light Company, Docket No. G-1576; Gardner Gas Fuel and Light Company, Docket No. G-1584; Athol Gas Company, Docket No. G-1655; Blackstone Valley Gas and Electric Company, Docket No. G-2077; Tennessee Gas Transmission Company and Niagara Gas Transmission Ltd., Docket No. G-1921; Tennessee Gas Transmission Company, Docket Nos. G-1922, G-1969, G-2108.

On June 5, 1953, the Commission issued an order omitting the intermediate decision procedure in these proceedings under the Natural Gas Act and fixing July 3, 1953, as the date for filing briefs and July 9, 1953, as the date for oral argument.

Staff counsel on June 29, 1953, submitted a motion requesting that the time for filing briefs be extended from July 3, 1953, to July 9, 1953, and that the date of oral argument be postponed from July 9, 1953, to July 17, 1953. The time for filing briefs was extended to July 9, 1953, by order of the Secretary entered June 29, 1953.

On July 1, 1953, representatives of the principal parties in these proceedings filed with the Commission a proposed settlement of the issues, stating that they believe their proposal to be in the public interest and recommending that it be considered and approved by the Commission as a means of eliminating further litigation and disagreement among the parties. Notwithstanding submission of the proposed settlement, however, the Commission must consider the broad public interest and must examine the proposal within the responsibilities assigned to it under the Natural Gas Act.

All interested parties should be afforded an opportunity to present such comments as may be desired and to re-

quest an opportunity to be heard. A copy of the proposed settlement is attached hereto<sup>1</sup> and is hereby incorporated by reference.

The Commission finds: It is appropriate and in the public interest to postpone the date of oral argument in these proceedings and to permit the filing of comments upon the proposed settlement.

The Commission orders: The interested parties in these proceedings may file such comments or briefs as they may desire not later than July 15, 1953, and on or before that date may request the opportunity to be heard by the Commission. The date of oral argument heretofore set for July 9, 1953, is hereby postponed to July 17, 1953.

Adopted: July 2, 1953.

Issued: July 3, 1953.

By the Commission.

[SEAL] LEON M. FUQUAY,  
Secretary.

[F. R. Doc. 53-6025; Filed, July 8, 1953;  
8:46 a. m.]

[Docket No. G-2130]

EQUITABLE GAS CO.

ORDER FIXING DATE OF HEARING

On March 2, 1953, Equitable Gas Company (Applicant) a Pennsylvania corporation having its principal place of business at Pittsburgh, Pennsylvania, filed an application in the above-entitled docket for a certificate of public convenience and necessity pursuant to section 7 (c) of the Natural Gas Act, authorizing the construction and operation of a compressor station and certain gas storage pipelines and authorizing the operation of certain other facilities as described in the application on file with the Commission and open to public inspection. Applicant requested that the proceedings be disposed of pursuant to § 1.32 (b) (18 CFR 1.32 (b)) of the Commission's rules of practice and procedure. Supplement to the application was filed on June 2, 1953.

By order of the Commission issued May 25, 1953, National Coal Association, United Mine Workers of America, and Fuels Research Council, Inc., were permitted to intervene in these proceedings.

The Commission finds: This proceeding is not a proper one for disposition under the provisions of § 1.32 (b) (18 CFR 1.32 (b)) of the Commission's rules of practice and procedure.

The Commission orders:

(A) The request that the proceeding be disposed of under the provisions of § 1.32 (b) (18 CFR 1.32 (b)) of the Commission's rules of practice and procedure be and the same hereby is denied.

(B) Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by the Natural Gas Act, particularly sections 7 and 15 thereof, and the Commission's rules of practice and procedure (18 CFR Chapter I) a hearing be held on July 20, 1953 at 10:00 a. m.,

<sup>1</sup> Filed as a part of the original document.

in a hearing room of the Federal Power Commission, 441 G Street NW., Washington, D. C., concerning the matters involved in and the issues presented by the application.

(C) Interested State commissions may participate as provided by §§ 1.8 and 1.37 (f) (18 CFR 1.8 and 1.37 (f)) of the said rules of practice and procedure.

Adopted: July 2, 1953.

Issued: July 3, 1953.

By the Commission.

[SEAL] LEON M. FUQUAY,  
Secretary.

[F. R. Doc. 53-6039; Filed, July 8, 1953;  
8:48 a. m.]

[Docket No. G-2171]

EL PASO NATURAL GAS CO.

ORDER FIXING DATE OF HEARING

On May 13, 1953, as amended and supplemented May 27, 1953, El Paso Natural Gas Company (Applicant), a Delaware corporation with its principal office in El Paso, Texas, filed application with the Federal Power Commission for a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act authorizing the construction and operation of a measuring and regulation station in Cochise County, Arizona, on Applicant's existing 10 $\frac{3}{4}$ -inch Douglas-Tucson pipeline, and the sale of natural gas to Russell Jennings, doing business as San Pedro Natural Gas Service, for resale in the area of Elfrida, Arizona, subject to the jurisdiction of the Commission, as described in the application on file with the Commission, and open to public inspection.

The Commission finds: This proceeding is a proper one for disposition under the provisions of § 1.32 (b) (18 CFR 1.32 (b)) of the Commission's rules of practice and procedure, Applicant having requested that its application be heard under the shortened procedure provided by the aforesaid rule for noncontested proceedings, and no request to be heard, protest, or petition having been filed subsequent to the giving of due notice of the filing of the application, including publication in the FEDERAL REGISTER on June 12, 1953. (18 F. R. 3371)

The Commission orders:

(1) Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing be held on July 15, 1953, at 9:30 a. m., e. d. s. t. in the Hearing Room of the Federal Power Commission, 441 G Street, NW., Washington, D. C., concerning the matters involved in and the issues presented by the application: *Provided, however,* That the Commission may, after a noncontested hearing, forthwith dispose of the proceeding pursuant to the provisions of § 1.32 (b) of the Commission's rules of practice and procedure.

(B) Interested State Commissions may participate as provided by §§ 1.8 and

1.37 (f) (18 CFR 1.8 and 1.37 (f)) of the said rules of practice and procedure.

Adopted: July 2, 1953.

Issued: July 3, 1953.

By the Commission.

[SEAL] LEON M. FUQUAY,  
Secretary.

[F. R. Doc. 53-6040; Filed, July 8, 1953;  
8:49 a. m.]

[Docket No. G-2178]

EL PASO NATURAL GAS Co.

ORDER FIXING DATE OF HEARING

On May 26, 1953, as amended and supplemented June 3, 1953, El Paso Natural Gas Company (Applicant) a Delaware corporation with its principal office in El Paso, Texas, filed application with the Federal Power Commission for a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act authorizing the construction and operation of an additional 660 horsepower compressor unit, together with appurtenant facilities to its Tunstill compressor station in Reeves County, Texas, for the transportation and sale of natural gas subject to the jurisdiction of the Commission, as described in the application on file with the Commission, and open to public inspection.

The Commission finds: This proceeding is a proper one for disposition under the provisions of § 1.32 (b) (18 CFR 1.32 (b)) of the Commission's rules of practice and procedure, Applicant having requested that its application be heard under the shortened procedure provided by the aforesaid rule for noncontested proceedings, and no request to be heard, protest, or petition having been filed subsequent to the giving of due notice of the filing of the application, including publication in the FEDERAL REGISTER on June 12, 1953 (18 F. R. 3371)

The Commission orders:

(1) Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing be held on July 15, 1953, at 9:45 a. m., e. d. s. t., in the Hearing Room of the Federal Power Commission, 441 G Street NW., Washington, D. C., concerning the matters involved in and the issues presented by the application: *Provided, however* That the Commission may, after a noncontested hearing, forthwith dispose of the proceeding pursuant to the provisions of § 1.32 (b) of the Commission's rules of practice and procedure.

(B) Interested State Commissions may participate as provided by §§ 1.8 and 1.37 (f) (18 CFR 1.8 and 1.37 (f)) of the said rules of practice and procedure.

Adopted: July 2, 1953.

Issued: July 3, 1953.

By the Commission.

[SEAL] LEON M. FUQUAY,  
Secretary.

[F. R. Doc. 53-6041; Filed, July 8, 1953;  
8:49 a. m.]

[Docket No. G-2167]

CITIES SERVICE GAS Co.

NOTICE OF APPLICATION

JULY 3, 1953.

Take notice that Cities Service Gas Company (Applicant) a Delaware corporation, address, Oklahoma City, Oklahoma, filed on June 15, 1953, an application for a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act, authorizing the construction and operation of certain natural-gas transmission facilities as hereinafter described, and an order, pursuant to section 7 (b) of the Natural Gas Act, authorizing and approving the abandonment of certain natural-gas transmission facilities, as hereinafter described.

Applicant requests authorization for the construction and operation of approximately 9 miles of 4-inch pipeline between its existing Wichita 20-inch loop pipeline and the town of Mulvane, Sedgwick County, Kansas and approximately 1.1 miles of 4-inch pipeline from a point of connection with the above line in Sec. 8, T 295, R2E and extending westerly to the town of Derby, Sedgwick County, Kansas. Applicant also seeks authorization to abandon and reclaim approximately 8.3 miles of 4-inch pipeline between the town of Rose Hill, Butler County, Kansas and said town of Mulvane, and approximately 5.6 miles of 2-inch pipeline extending northerly from said 4-inch pipeline to the town of Derby, Kansas, and abandonment of service to three resale tap customers in connection with such abandonment of pipe.

Applicant constructed and reclaimed the aforesaid facilities and abandoned service during the year 1952.

Applicant states that the installation of the new facilities is essentially the replacement of existing facilities which are becoming unserviceable because of excessive leakage, and that the result of such construction is to render more efficient service to the towns of Mulvane and Derby, Kansas, and to enable Applicant to meet increased firm demands of its customers.

No new sales or service are contemplated in connection with the construction and operation of the proposed facilities.

The total cost of construction of the facilities installed by Applicant is \$79,875, and the cost of reclaiming the facilities reclaimed by Applicant is \$15,600. Applicant states that the facilities will be paid for out of treasury cash.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before the 22d day of July 1953. The application is on file with the Commission for public inspection.

[SEAL] LEON M. FUQUAY,  
Secretary.

[F. R. Doc. 53-6022; Filed, July 3, 1953;  
8:45 a. m.]

[Docket No. G-2197]

MISSISSIPPI VALLEY GAS Co.

NOTICE OF APPLICATION

JULY 3, 1953.

Take notice that Mississippi Valley Gas Company (Applicant) a Pennsylvania corporation having its principal place of business in Jackson, Mississippi, filed on June 22, 1953, an application for a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act, authorizing the construction and operation of certain facilities for the transportation and sale of natural gas, all as hereinafter described.

The facilities which Applicant proposes to construct and operate consist of the following:

(1) A natural gas tap line 2 $\frac{3}{8}$ -inch in diameter approximately 3 $\frac{1}{2}$  miles in length from a point of connection of the 26-inch natural gas transmission line of Texas Gas Transmission Corporation in the County of Bolivar, Mississippi to the Town of Duncan, Mississippi.

(2) Such facilities will be used for the delivery of gas to ultimate consumers by Applicant along said gas tap line and in said Town of Duncan through distribution facilities proposed to be built by Applicant.

Applicant estimates the cost of the facilities at \$20,020, which will be financed by Applicant out of its general fund.

The Applicant requests that its application be heard under the shortened procedure pursuant to § 1.32 (b) of the Commission's rules of practice and procedure.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before the 22d day of July 1953.

The application is on file with the Commission for public inspection.

[SEAL] LEON M. FUQUAY,  
Secretary.

[F. R. Doc. 53-6023; Filed, July 8, 1953;  
8:46 a. m.]

[Docket No. IT-5905]

OTTER TAIL POWER Co.

NOTICE OF APPLICATION

JULY 3, 1953.

Notice is hereby given that the Otter Tail Power Company has filed an application pursuant to section 202 (e) of the Federal Power Act (16 U. S. C. 824a (e)) for authority to increase the amount of electric energy previously authorized to be exported across the international boundary between the United States and Canada for use in the Town of Emerson, Province of Manitoba, Canada, to an aggregate not in excess of 1,500,000 kilowatt-hours per year at a rate not to exceed 400 kilowatts.

The requested authorization would also supercede the authorization granted by order of the Commission entered March 15, 1951.

Any person desiring to be heard or to make any protest with reference to said

application should on, or before, July 22, 1953, file with the Federal Power Commission, Washington 25, D. C., a petition or protest in accordance with the Commission's rules of practice and procedure.

[SEAL] LEON M. FUQUAY,  
Secretary.

[F. R. Doc. 53-6024; Filed, July 8, 1953;  
8:46 a. m.]

## SECURITIES AND EXCHANGE COMMISSION

[File No. 1-3237]

ADOLF GOBEL, INC.

### ORDER SUMMARILY SUSPENDING TRADING

At a regular session of the Securities and Exchange Commission held at its office in the city of Washington, D. C., on the 3d day of July A. D. 1953.

The Commission by order adopted on March 13, 1953, pursuant to section 19 (a) (4) of the Securities Exchange Act of 1934, having summarily suspended trading in the \$1 par value common stock of Adolf Gobel, Inc., on the American Stock Exchange for a period of ten days from that date, and subsequently having entered additional orders further suspending such trading in order to prevent fraudulent, deceptive, or manipulative acts or practices; and

The Commission being of the opinion that the public interest requires the summary suspension of trading in such security on that Exchange and that such action is necessary and appropriate for the protection of investors; and

The Commission being of the opinion that such suspension is necessary in order to prevent fraudulent, deceptive, or manipulative acts or practices, with the result that it will be unlawful under section 15 (c) (2) of the Securities Exchange Act of 1934 and the Commission's Rule X-15C2-2 thereunder for any broker or dealer to make use of the mails or of any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of, such security otherwise than on a national securities exchange.

*It is ordered*, Pursuant to section 19 (a) (4) of the Securities Exchange Act of 1934, that trading in said securities on the American Stock Exchange be summarily suspended in order to prevent fraudulent, deceptive, or manipulative acts or practices, effective at the opening of the trading session on said Exchange on July 6, 1953, for a period of ten days.

By the Commission.

[SEAL] ORVAL L. DUBOIS,  
Secretary.

[F. R. Doc. 53-6031; Filed, July 8, 1953;  
8:47 a. m.]

[File No. 31-596]

BLANDIN PAPER CO.

### ORDER GRANTING EXEMPTION

JULY 3, 1953.

Blandin Paper Company ("Paper Company"), all of whose outstanding

voting securities are owned by Blandin Development Company ("Development Company") which is engaged in making investments for its own account, having filed an application and amendments thereto with this Commission pursuant to section 3 (a) (3) (A) of the Public Utility Holding Company Act of 1935 ("act") requesting exemption from the provisions of the act on behalf of itself and its subsidiary, Blandin Power Company ("Power Company") a public-utility company; and

Due notice of the filing of said application having been given and a hearing not having been requested of, or ordered by, the Commission; and the Commission having examined said application, as amended, and finding that the applicable provisions of the act are satisfied and observing that the granting of the requested exemption will automatically exempt Development Company as a holding company under the provisions of the act, pursuant to Rule U-10 of the general rules and regulations promulgated under the act, and further observing that the provisions of section 3 (c) of the act will be applicable to the exemption requested herein and that applicant and its subsidiary will remain subject to any obligation, liability or duty imposed upon them by the act in any capacity other than as a holding company or as a subsidiary of a holding company; and the Commission observing no basis for adverse findings and deeming it appropriate to grant said application, as amended, subject to certain terms and conditions:

*It is ordered*, That said application, as amended, be and the same hereby is, granted effective forthwith, subject to the condition that Paper Company shall, within sixty days after the close of each calendar year, notify the Commission by letter over the signature of its president, or a duly authorized officer of the company, stating whether there has occurred any material change in any of the facts relied upon by Paper Company as the basis for its application for exemption, which letter shall be accompanied by a balance sheet as of the end of the calendar year just ended and an income and surplus statement for such calendar year for Paper Company and its subsidiary, Power Company, both in consolidating form.

By the Commission.

[SEAL] ORVAL L. DUBOIS,  
Secretary.

[F. R. Doc. 53-6029; Filed, July 8, 1953;  
8:46 a. m.]

[File Nos. 54-186, 59-93, 70-1804]

ARKANSAS NATURAL GAS CO. ET AL.

### NOTICE OF FILING OF SUPPLEMENTAL APPLICATION AMENDING REORGANIZATION PLAN

JULY 3, 1953.

In the matter of Arkansas Natural Gas Corporation, Cities Service Company, File No. 54-186; Arkansas Natural Gas Corporation and its subsidiaries and Cities Service Company, respondents, File Nos. 59-93, 70-1804.

On October 1, 1952, the Commission issued its findings and opinion and order approving an amended plan ("plan") for a simplification of the corporate structure of Arkansas Natural Gas Corporation ("Arknat"), a registered holding company pursuant to section 11 (c) of the Public Utility Holding Company Act of 1935 ("act"). On January 29, 1953, upon application of the Commission and at the request of Arknat, the United States District Court for the District of Delaware entered an order approving said plan and ordering it enforced. On July 3, 1953, the Court, upon petition of Arkansas Fuel Oil Corporation ("Arkfuel") the successor in merger of Arknat and its non-utility subsidiary, Arkansas Fuel Oil Company, entered an order which, among other things, granted leave to Arkfuel to file with the Commission an amendment to the plan.

On July 3, 1953, such an amendment to the plan was filed with the Commission. All interested persons are referred to said amendment, which is on file in the offices of the Commission for the provisions of the amendment which are summarized as follows:

By orders dated June 16, 1953, the Commission and the Court approved a modification and clarification of the plan permitting Arkfuel to obtain funds for the purpose of retiring the Preferred Stock of Arknat from sources other than the issuance and sale of Sinking Fund Debentures ("Debentures") as provided in the plan. The Commission's order dated June 16, 1953, authorized and approved the obtaining of such funds by Arkfuel by 60-day bank borrowings of \$23,000,000 under a Letter Agreement dated June 1, 1953, between Arkfuel, Guaranty Trust Company of New York and the Chase National Bank of the City of New York. Pursuant thereto, Arkfuel borrowed \$23,000,000 from said Banks on June 18, 1953, and deposited the same in trust with the Hanover Bank as paying agent together with an additional \$471,182.89 aggregating an amount sufficient to retire all of the Preferred Stock on said date, and such payments to Preferred Stockholders have been and are being made against the surrender of the Preferred Stock certificates therefor.

The plan also provides for the giving to the public holders of Preferred Stock an opportunity to exchange their holdings for Debentures, and holders of 47,711 shares of Preferred Stock deposited their holdings for such exchange before Debentures were offered at competitive bidding on June 2, 1953. No bid for the Debentures so offered at competitive bidding having been presented to Arkfuel, such holders of Preferred Stock were so notified on June 3, 1953, and advised that they could receive payment in cash on June 18, 1953. Holders of 37,671 shares so deposited for exchange have since indicated their desire to receive payment in cash and have been paid, leaving only 54 holders of 10,400 shares who either have requested the return of their stock certificates or have not indicated a desire to receive the cash payment.

Pursuant to Article 3 of Part II of the plan, Arkansas Louisiana Gas Company

("Arkla") then a utility subsidiary of Arknat, in May 1953 offered \$35,000,000 principal amount of its First Mortgage Bonds at competitive bidding, and on May 25, 1953, received two bids designating interest rates of 5 percent and 5½ percent, respectively, for the bonds.

The application recites that, in view of the high interest rate, the Board of Directors of Arkla determined not to accept either bid. The management of Arkla is now considering possible alternative methods of obtaining funds to retire its funded debt and to assist in financing its construction program, and Arkla expects in the near future to present to the Commission for approval a proposed alternative method of raising such funds. Since the provisions of Article 3 of Part II of the plan contemplate nothing more than a normal financing operation by a public utility subsidiary of a registered holding company subject as such to the jurisdiction of the Commission under the act, and is not related to compliance with the provisions of section 11 of the act, applicants desire to have said Article 3 eliminated from the plan.

Applicants have therefore filed Supplemental Application No. 4 proposing to amend the plan by deleting and eliminating therefrom Article 3 and the last sentence of Article 4, of Part II thereof, which sentence provides for the making of arrangements to provide an opportunity to the public holders of Preferred Stock of Arkansas Natural Gas Corporation to exchange their holdings for Debentures, and amending the second sentence of said Article 4 as may be deemed necessary or appropriate to permit the replacement or refunding of the 60-day Notes issued to evidence \$23,000,000 principal amount of bank loans obtained to provide funds for the retirement of the Preferred Stock of Arknat by ten-year serial bank loan notes. Such new notes shall be in the aggregate principal amount of \$23,000,000. \$575,000 aggregate principal amount of the notes shall mature each quarter, the first quarterly maturity to be 90 days and the last quarterly maturity to be ten years from the date of the notes. Quarterly maturities for the first five years shall bear interest at the rate of 3¾ percent per annum, and quarterly maturities for the second five years at the rate of 4 percent per annum. Such notes shall be subject to payment prior to maturity at the option of Arkfuel at any time upon the payment of a premium equal to ¼ of 1 percent per annum of the principal amount of notes prepaid from the date of prepayment to the respective maturities of said notes.

Applicants request that the Commission apply to the United States District Court for the District of Delaware for a supplemental order enforcing and carrying out the terms and provisions of the plan, as amended by said amendment.

*It is ordered*, That a hearing on the said proposed amendments, pursuant to the applicable provisions of the act and rules thereunder, be held on July 20, 1953 at 11:00 a. m., e. d. s. t., at the offices of the Securities and Exchange Commission, 425 Second Street NW.,

Washington 25, D. C., in such room as may be designated by the hearing room clerk in Room 193.

*It is further ordered*, That any person, other than those persons who previously have been granted participation in this proceeding, desiring to be heard in connection with this proceeding, or otherwise participate herein, shall file with the Secretary of the Commission on or before July 17, 1953, his request or application therefor as provided in Rule XVII of the rules of practice of the Commission.

*It is further ordered*, That Edward C. Johnson, or any other officer or officers of the Commission designated by it for that purpose, shall preside at the hearing in the proceeding. 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 the act and to a hearing officer under the Commission's rules of practice.

The Division of Corporate Regulation of the Commission having advised the Commission that it has made a preliminary examination of the proposed amendments to the plan and that, upon the basis thereof, the following matters and questions are presented for consideration without prejudice to its specifying additional matters and questions upon further examination:

1. Whether the plan as proposed to be amended is necessary to effectuate the provisions of section 11 (b) of the act, and is fair and equitable to the persons affected thereby.

2. Generally, whether the proposed transactions are in all respects in the public interest and in the interest of investors and consumers and consistent with all applicable requirements of the act and rules thereunder; and whether any terms and conditions should be imposed to satisfy the applicable statutory standards.

*It is further ordered*, That attention be directed at said hearing to the foregoing issues and such other matters and questions as may be presented by the proposed amendments to the plan.

*It is further ordered*, That the Secretary of the Commission shall give notice of the aforesaid hearing by mailing copies of this notice and order by registered mail to all participants who have heretofore appeared in this proceeding; and that notice to all other persons shall be given by publication of this notice and order in the FEDERAL REGISTER and by general release of this Commission with respect to this notice and order to be distributed to the press and mailed to the mailing list for releases issued under the Public Utility Holding Company Act of 1935.

*It is further ordered*, That Arkfuel give notice of this hearing to all record holders of the Preferred Stock of Arknat by mailing a copy of this notice to said holders at least seven days prior to the date set for hearing.

By the Commission.

[SEAL] ORVAL L. DuBOIS,  
Secretary.

[F. R. Doc. 53-6030; Filed, July 8, 1953;  
8:47 a. m.]

[File No. 70-3033]

NORTHERN PENNSYLVANIA POWER CO.

ORDER AUTHORIZING ISSUANCE OF SHORT-TERM NOTES IN EXCESS OF FIVE PER CENT LIQUIDATION

JULY 3, 1953.

Northern Pennsylvania Power Company ("the Company"), a public utility subsidiary of General Public Utility Company ("GPU"), a registered holding company, having filed an application and an amendment thereto pursuant to section 6 (b) of the Public Utility Holding Company Act of 1935 ("the act") with respect to the following proposed transactions:

The Company proposes to issue and sell, or renew, from time to time, but not later than December 31, 1953, its unsecured notes to one or more commercial banks (including unsecured notes now outstanding in the aggregate principal amount of \$400,000, or any renewal or refunding thereof) in aggregate principal amount not exceeding \$1,100,000, and maturing not more than nine months after the issue thereof. Each note will bear interest at the prime interest rate (now 3¼ percent per annum), but if such prime rate should exceed 3½ percent per annum, the Company will, at least five days prior to the issue of any such note, file a supplemental statement with respect thereto, and will refrain from issuing such note unless the Commission shall expressly or impliedly (by failure to require further proceedings) approve same.

The Company states that its presently outstanding securities, other than said unsecured notes, consist of \$5,100,000 principal amount of First Mortgage Bonds and 22,130 shares of no par Common Stock (all owned by GPU), and that, during 1953, the Company has received from GPU capital contributions of \$425,000 out of an aggregate amount of \$675,000 heretofore authorized by the Commission.

The Company further states that the proposed short-term financing is required in connection with its construction program; that it is temporarily postponing permanent senior financing until the disposition of applications now pending relating to the merger of the Company into its affiliate Pennsylvania Electric Company; that the proposed financing is not within the jurisdiction of the State regulatory commission; and that the estimated expenses, including counsel fees, are \$750.

Due notice having been given of the filing of the application, and a hearing not having been requested of or ordered by the Commission; and the Commission finding that the applicable provisions of the act and the rules promulgated thereunder are satisfied and that no adverse findings are necessary, and deeming it appropriate in the public interest and the interest of investors and consumers that said application as amended be granted:

*It is ordered*, Pursuant to Rule U-23 and the applicable provisions of the act, that said application as amended be, and it hereby is, granted and made effective

forthwith, subject to the terms and conditions prescribed in Rule U-24.

By the Commission.

[SEAL] ORVAL L. DuBOIS,  
*Secretary.*

[F. R. Doc. 53-6028; Filed, July 8, 1953;  
8:46 a. m.]

[File No. 70-3099]

**UNITED GAS CORP. AND UNITED GAS PIPE  
LINE CO.**

**NOTICE OF FILING REGARDING ISSUE AND SALE  
OF COMMON STOCK THROUGH RIGHTS OF-  
FERING; ISSUE AND SALE OF COMMON  
STOCK BY SUBSIDIARY TO PARENT**

JULY 3, 1953.

Notice is hereby given that United Gas Corporation ("United") a gas utility subsidiary of Electric Bond and Share Company, a registered holding company, and United's wholly owned subsidiary, United Gas Pipe Line Company ("Pipe Line") have filed a joint application-declaration with this Commission designating sections 6 (a) 7, 9 (a) (1) 10 and 12 of the Public Utility Holding Company Act of 1935 and the rules thereunder as being applicable to the proposed transactions which are summarized as follows:

United's over all financing program for the year 1953 contemplates the issuance and sale of debt securities and common stock to provide at least \$50,000,000 to finance estimated construction requirements of United and Pipe Line for the year 1953; to repay United's outstanding bank loans aggregating about \$10,000,000; and to provide funds for general corporate purposes of United, including additional advances, if required, to its wholly owned subsidiary, Union Producing Company.

As the initial step in this financing program, United proposes to offer 1,171,863 shares of its Common Stock, par value \$10 per share, to stockholders of record at the close of business on such date as shall be fixed by the Board of Directors for the offering to the stockholders. Such offer will give to each stockholder of record on such date (a) the right to subscribe for and purchase, at a price to be determined by United, shares of additional Common Stock on the basis of one share of additional Common Stock for each ten shares of Common Stock held on such record date and (b) the privilege to oversubscribe at the same subscription price, subject to allotment and subject to the exercise in full of the rights, for shares of additional Common Stock not subscribed for pursuant to the rights referred to in (a) above.

The rights and oversubscription privilege will be evidenced by a single form of transferable registered subscription Warrant which will be issued to stockholders on record date. The Warrants will expire and become void on an expiration date to be fixed by the Board of Directors, which shall be a date ap-

proximately 20 days from the mailing of such Warrants to stockholders.

Pipe Line will issue and sell to United for \$10,000,000 cash, 10,000 shares of Common Stock, no par value. The proceeds from the sale of Pipe Line's Common Stock to United will be available to Pipe Line for completion and extension or improvement of its facilities and for reimbursing the treasury of Pipe Line in part for expenditures actually made for such purpose and for other general corporate purposes.

The proceeds from the sale by United of shares of its Common Stock will be used primarily for the following purposes:

(a) To repay bank loans in the aggregate principal amount of \$10,000,000, evidenced by United's 2¾ percent Promissory Notes presently due on or before July 1, 1953 with respect to which a commitment to extend the maturity of said notes to December 31, 1953 at an interest rate of 3¼ percent per annum, has been obtained; and

(b) To purchase from Pipe Line for \$10,000,000 cash, 10,000 shares of its Common Stock, no par value.

The remaining proceeds from the sale of Common Stock will be available to United for completion, extension or improvement of its facilities and for reimbursing the treasury of United for expenditures made for such purposes and for other general corporate purposes, including, if necessary, the making of advances to its wholly owned subsidiary, Union Producing Company.

The shares of Common Stock of Pipe Line upon acquisition by United, will be pledged with the Corporate Trustee under United's Mortgage and Deed of Trust, dated as of October 1, 1944, in favor of Guaranty Trust Company of New York and Henry A. Theis (Herbert E. Twyeffort, Successor Trustee) Trustees, as supplemented.

United and Pipe Line have requested that the Commission's order herein become effective upon issuance.

Notice is further given that any interested person may, not later than July 20, 1953, at 5:30 p. m., request the Commission in writing that a hearing be held on such matter, stating the nature of his interest, the reasons for such request and the issues, if any, of fact or law proposed to be controverted, or he may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, 425 Second Street NW., Washington 25, D. C. At any time after said date, the application-declaration, as filed or as amended, may be granted and permitted to become effective as provided in Rule U-23 of the rules and regulations promulgated under the act, or the Commission may exempt such transactions as provided in Rules U-20 and U-100 thereof.

By the Commission.

[SEAL] ORVAL L. DuBOIS,  
*Secretary.*

[F. R. Doc. 53-6027; Filed, July 8, 1953;  
8:46 a. m.]

## THE RENEGOTIATION BOARD

WASHINGTON REGIONAL BOARD

STATEMENT OF ORGANIZATION

The Statement of Organization published in the issue of February 13, 1952 (F. R. Doc. 52-1774; 17 F. R. 1400), as heretofore amended, is hereby further amended as follows:

1. The last sentence of paragraph (a) of section 3 is deleted in its entirety and the following is inserted in lieu thereof: "The principal office of the Board is located in Temporary Building S, Sixth Street and Jefferson Drive SW., Washington, D. C."

2. Paragraph (b) (6) of section 3 is deleted in its entirety and the following is inserted in lieu thereof:

(6) Washington Regional Renegotiation Board, 131 Indiana Avenue NW., Washington 25, D. C.

3. The last sentence of paragraph (a) of section 4 is deleted in its entirety and the following is inserted in lieu thereof: "Various additional agencies have been designated by the President in Executive Orders 10260, 10294, 10299 and 10369 of June 27, September 28, and October 31, 1951, and June 30, 1952 (16 F. R. 6271, 9927 and 11135, and 17 F. R. 5932) "

Dated: July 6, 1953.

NATHAN BASS,  
*Secretary.*

[F. R. Doc. 53-6043; Filed, July 8, 1953;  
8:49 a. m.]

## INTERSTATE COMMERCE COMMISSION

[4th Sec. Application 28231]

COFFEE, EXTRACT OF, FROM MACON, MISS.,  
TO ST. LOUIS, MO.

APPLICATION FOR RELIEF

JULY 3, 1953.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: F. C. Kratzmeir, Agent, for the Missouri Pacific Railroad Company and St. Louis Southwestern Railway Company, pursuant to fourth-section order No. 16101.

Commodities involved: Coffee, extract of (condensed coffee), dry, carloads.

From: Macon, Miss.

To: St. Louis, Mo.

Grounds for relief: Competition with rail carriers, circuitous routes, and operation through higher-rated territory.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine

the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission.

[SEAL] GEORGE W LAIRD,  
*Acting Secretary.*

[F. R. Doc. 53-5995; Filed, July 7, 1953;  
8:49 a. m.]

[4th Sec. Application 28232]

CEMENT FROM BESSEMER, PA., TO NEW YORK, N. Y. AREA

APPLICATION FOR RELIEF

JULY 6, 1953.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by C. W. Boin, Agent, for and on behalf of carriers parties to schedule listed below.

Commodities involved: Cement and related articles, carloads.

From: Bessemer, Pa.

To: New York City, N. Y., and adjacent points.

Grounds for relief: Competition with rail carriers, circuitous routes.

Schedules filed containing proposed rates: Pittsburgh and Lake Erie Railroad Company tariff I. C. C. No. 3468, supp. 8.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission.

[SEAL] GEORGE W LAIRD,  
*Acting Secretary.*

[F. R. Doc. 53-6032; Filed, July 8, 1953;  
8:47 a. m.]

[4th Sec. Application 28233]

VARIOUS COMMODITIES FROM OR TO SOUTHWESTERN POINTS

APPLICATION FOR RELIEF

JULY 6, 1953.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-

haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by F. C. Kratzmeir, Agent, for carriers parties to his tariffs I. C. C. Nos. 3967 and 4053, pursuant to fourth-section order No. 17220.

Commodities involved: Devices, shipping, old, used, and automobiles or automobile parts, carloads, from Dallas, Tex., to Detroit, Mich., also phosphorous, yellow or white, in tankcar loads, from Sheffield, Ala., to Baldwin, Ark.

Grounds for relief: Competition with rail carriers, circuitous routes.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission.

[SEAL] GEORGE W LAIRD,  
*Acting Secretary.*

[F. R. Doc. 53-6033; Filed, July 8, 1953;  
8:47 a. m.]

[4th Sec. Application 28234]

PIG IRON FROM MINNEQUA, COLO., TO COATESVILLE, PA.

APPLICATION FOR RELIEF

JULY 6, 1953.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by W. J. Prueter, Agent, for carriers parties to schedule listed below.

Commodities involved: Pig iron, carloads.

From: Minnequa, Colo.

To: Coatesville, Pa.

Grounds for relief: Competition with rail carriers, circuitous routes, to apply rates constructed on the basis of the short-line distance formula.

Schedules filed containing proposed rates: Alternate Agent C. J. Hennings' tariff I. C. C. No. A-3973, supp. 13.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application

without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission.

[SEAL] GEORGE W LAIRD,  
*Acting Secretary.*

[F. R. Doc. 53-6034; Filed, July 8, 1953;  
8:43 a. m.]

[4th Sec. Application 28235]

CAST IRON PRESSURE PIPE FROM LYNCHBURG AND RADFORD, VA. TO POINTS IN CENTRAL TERRITORY

APPLICATION FOR RELIEF

JULY 6, 1953.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by C. W. Boin, Agent, for carriers parties to schedule listed below.

Commodities involved: Pipe, cast iron, pressure, and fittings, carloads.

From: Lynchburg to Radford, Va.

To: Points in central (including Illinois) territory.

Grounds for relief: Competition with rail carriers, circuitous routes, and to apply rates constructed on the basis of the short-line distance formula.

Schedules filed containing proposed rates: C. W. Boin, Agent, tariff I. C. C. No. A-686, supp. 117.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission.

[SEAL] GEORGE W LAIRD,  
*Acting Secretary.*

[F. R. Doc. 53-6035; Filed, July 8, 1953;  
8:48 a. m.]

[4th Sec. Application 28236]

LIQUEFIED PETROLEUM GAS AND NATURAL GASOLINE FROM LAMESA, TEX., TO POINTS IN SOUTHWESTERN, SOUTHERN, OFFICIAL AND WESTERN TRUCK-LINE TERRITORIES

APPLICATION FOR RELIEF

JULY 6, 1953.

The Commission is in receipt of the above-entitled and numbered applica-

tion for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by F. C. Kratzmeir, Agent, for carriers parties to schedules listed below.

Commodities involved: Liquefied petroleum gas and natural gasoline, carloads.

From: Lamesa, Tex.

To: Points in southwestern, southern, official, and western truck-line territories.

Grounds for relief: Competition with rail carriers, circuitous routes, and to maintain grouping.

Schedules filed containing proposed rates; F. C. Kratzmeir, Agent, I. C. C.

No. 3585, supp. 546; F. C. Kratzmeir, Agent, I. C. C. No. 3802, supp. 142; F. C. Kratzmeir, Agent, I. C. C. No. 3825, supp. 182; F. C. Kratzmeir, Agent, I. C. C. No. 3651, supp. 319; F. C. Kratzmeir, Agent, I. C. C. No. 4056, supp. 3; F. C. Kratzmeir, Agent, I. C. C. No. 3494, supp. 273.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect

to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission.

[SEAL]

GEORGE W LAIRD,  
*Acting Secretary.*

[F. R. Doc. 53-6036; Filed, July 8, 1953;  
8:48 a. m.]