

§ 6.314 Department of Health, Education, and Welfare.

(d) Office of Education. ***

(4) One Assistant to the Commissioner (Public Affairs).

(R.S. 1753, sec. 2, 22 Stat. 403, as amended; 5 U.S.C. 631, 633)

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] MARY V. WENZEL,
Executive Assistant to the Commissioners.

[F.R. Doc. 63-7197; Filed, July 8, 1963; 8:54 a.m.]

PART 6—EXCEPTIONS FROM THE COMPETITIVE SERVICE

Housing and Home Finance Agency

Effective July 8, 1963, in § 6.342, subparagraphs (3), (17), (18), and (19) of paragraph (b) are revoked, subparagraph (23) of paragraph (b) is amended, and subparagraph (31) is added to paragraph (b) as set out below.

§ 6.342 Housing and Home Finance Agency.

(b) Federal Housing Administration.

(23) One Assistant Commissioner for Multifamily Housing. ***

(31) One Associate Deputy Commissioner for Management.

(R.S. 1753, sec. 2, 22 Stat. 403, as amended; 5 U.S.C. 631, 633)

UNITED STATES CIVIL SERVICE COMMISSION,
[SEAL] MARY V. WENZEL,
Executive Assistant to the Commissioners.

[F.R. Doc. 63-7198; Filed, July 8, 1963; 8:54 a.m.]

Title 9—ANIMALS AND ANIMAL PRODUCTS

Chapter I—Agricultural Research Service, Department of Agriculture

SUBCHAPTER C—INTERSTATE TRANSPORTATION OF ANIMALS AND POULTRY

PART 74—SCABIES IN SHEEP

Designation of Free, Infected and Eradication Areas

Pursuant to the provisions of sections 1 through 4 of the Act of March 3, 1905, as amended, sections 1 and 2 of the Act of February 2, 1903, as amended, and sections 4 through 7 of the Act of May 29, 1884, as amended (21 U.S.C. 111-113, 115, 117, 120, 121, 123-126), §§ 74.2 and 74.3 of Part 74, Subchapter C, Chapter I, Title 9, Code of Federal Regulations, as amended, are hereby amended to read, respectively, as follows:

§ 74.2 Designation of free and infected areas.

(a) Notice is hereby given that sheep in the following States, Territories, and

District, or parts thereof as specified, are not known to be infected with scabies, and such States, Territories, District, and parts thereof, are hereby designated as free areas:

(1) Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Idaho, Kansas, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Montana, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, South Dakota, Texas, Utah, Vermont, Washington, Wisconsin, and Wyoming;

(2) The following counties in Nebraska: Arthur, Banner, Blaine, Box Butte, Brown, Chase, Cherry, Cheyenne, Dawes, Deuel, Dundy, Garden, Grant, Hooker, Keith, Keya Paha, Kimball, Loup, Morrill, Perkins, Rock, Sheridan, Sioux, Scotts Bluff, and Thomas;

(3) The following counties in Hawaii: Honolulu, Kauai, and Maui;

(4) St. John and St. Thomas Islands of the Virgin Islands of the United States;

(5) The following counties in Missouri: Jackson, Lafayette, Saline, Cooper, Moniteau, Cole, Osage, Gasconade, Franklin, St. Louis, and all counties in the State of Missouri lying south thereof;

(6) The following counties in Illinois: Madison, Bond, Clinton, Marion, Clay, Richland, Lawrence, and all counties in the State of Illinois lying south thereof.

(b) Notice is hereby given also that sheep scabies exists in all States and Territories and parts of States not designated as free areas in paragraph (a) of this section, and they are hereby designated as infected areas.

§ 74.3 Designation of eradication areas.

(a) Notice is hereby given that sheep in the following States, Territory, or parts thereof as specified, are being handled systematically to eradicate scabies in sheep, and such States, Territory, and parts thereof, are hereby designated as eradication areas:

(1) Kentucky, Tennessee, and Virginia;

(2) All counties in Nebraska except Arthur, Banner, Blaine, Box Butte, Brown, Chase, Cherry, Cheyenne, Dawes, Deuel, Dundy, Garden, Grant, Hooker, Keith, Keya Paha, Kimball, Loup, Morrill, Perkins, Rock, Sheridan, Sioux, Scotts Bluff, and Thomas;

(3) All counties in Hawaii except Honolulu, Kauai, and Maui;

(4) The following counties in West Virginia: Berkeley, Fayette, Grant, Greenbrier, Hampshire, Hardy, Jefferson, Mercer, Mineral, Monroe, Morgan, Nicholas, Pendleton, Pocahontas, Raleigh, Randolph, Summers, Tucker, Upshur, and Webster;

(5) St. Croix Island of the Virgin Islands of the United States;

(6) All counties in Missouri except Jackson, Lafayette, Saline, Cooper, Moniteau, Cole, Osage, Gasconade, Franklin, St. Louis, and all counties in the State of Missouri lying south thereof;

(7) All counties in Illinois except Madison, Bond, Clinton, Marion, Clay, Richland, Lawrence, and all counties in the State of Illinois lying south thereof.

(Secs. 4-7, 23 Stat. 32, as amended, secs. 1, 2, 32 Stat. 791-792, as amended, secs. 1-4, 33 Stat. 1264, as amended, 1265, as amended; 21 U.S.C. 111-113, 115, 117, 120, 121, 123-126; 19 F.R. 74, as amended)

Effective date. The foregoing amendments shall become effective upon issuance.

The amendments add Bolivar and Washington Counties in the State of Mississippi to the list of free areas and delete such counties from the list of infected and eradication areas as sheep scabies is no longer known to exist therein. The entire State of Mississippi has now been designated as a free area. Hereafter, the restrictions pertaining to the interstate movement of sheep from or into infected and eradication areas as contained in 9 CFR Part 74, as amended, will not apply to Mississippi. However, the restrictions in said Part 74 pertaining to the interstate movement of sheep from or into free areas will apply to this State.

The amendments relieve certain restrictions presently imposed and must be made effective immediately to be of maximum benefit to persons subject to the restrictions which are relieved. Accordingly, under section 4 of the Administrative Procedure Act (5 U.S.C. 1003), it is found upon good cause that notice and other public procedure with respect to the amendments are impracticable and contrary to the public interest, and the amendments may be made effective less than 30 days after publication in the FEDERAL REGISTER.

Done at Washington, D.C., this 3d day of July 1963.

B. T. SHAW,
Administrator,
Agricultural Research Service.

[F.R. Doc. 63-7203; Filed, July 8, 1963; 8:55 a.m.]

Title 14—AERONAUTICS AND SPACE

Chapter I—Federal Aviation Agency

SUBCHAPTER E—AIRSPACE [NEW]

[Airspace Docket No. 62—SW-49]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, CONTROLLED AIRSPACE AND REPORTING POINTS [NEW]

Alteration of Federal Airway and Associated Control Areas

On January 30, 1963, a notice of proposed rule making was published in the FEDERAL REGISTER (28 F.R. 870) stating that the Federal Aviation Agency proposed to revoke the segment of VOR Federal airway No. 192 between Zuni, N. Mex., and Socorro, N. Mex.

Interested persons have been afforded an opportunity to participate in the making of the rule herein adopted. The Air Transport Association of America con-

curred in the proposed action and no other comments were received.

The substance of the proposed amendment having been published, therefore, and for the reasons stated in the notice, the following action is taken:

In § 71.123 (27 F.R. 220-6, November 10, 1962) V-192 "From Zuni, N. Mex., via Socorro, N. Mex.;" is deleted and "From Socorro, N. Mex., via" is substituted therefor.

(Sec. 307(a), 72 Stat. 749; 49 U.S.C. 1348)

This amendment shall become effective 0001, e.s.t., August 22, 1963.

Issued in Washington, D.C., on July 1, 1963.

H. B. HELSTROM,
Acting Chief,
Airspace Utilization Division.

[F.R. Doc. 63-7155; Filed, July 8, 1963; 8:45 a.m.]

[Airspace Docket No. 62-AL-19]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, CONTROLLED AIRSPACE, AND REPORTING POINTS [NEW]

Alteration of Control Zone and Transition Area

On March 7, 1963, a notice of proposed rule making was published in the FEDERAL REGISTER (28 F.R. 2238) stating that the Federal Aviation Agency proposed to alter the Annette Island control zone and transition area.

Interested persons have been afforded an opportunity to participate in the making of the rules herein adopted, and no adverse comments were received regarding the proposed amendments.

The substance of the proposed amendments having been published, and for the reasons stated in the notice, the following actions are taken:

1. In § 71.171 (27 F.R. 220-91, November 10, 1962), the Annette Island, Alaska, control zone is amended to read:

Annette Island, Alaska

Within a 5-mile radius of Annette Island Airport (latitude 55°02'30" N., longitude 131°34'05" W.), and within 2 miles each side of the 169° bearing from the Annette Island RR, extending from the 5-mile radius zone to 8 miles S of the RR.

2. In § 71.181 (27 F.R. 220-139, November 10, 1962), the Annette Island, Alaska, transition area is amended to read:

Annette Island, Alaska

That airspace extending upward from 700 feet above the surface within 2 miles each side of the Annette Island ILS localizer NW course, extending from 5 miles NW to 15.5 miles NW of the Annette Island Airport (latitude 55°02'30" N., longitude 131°34'05" W.), and that airspace extending upward from 1,200 feet above the surface within 22 miles SW and 17 miles NE of the 142° and 322° bearings from the Annette RR, extending from 40 miles NW of the RR to a line 3 miles N of and parallel to the United States/Canadian border.

(Sec. 307(a), 72 Stat. 749; 49 U.S.C. 1348)

No. 132—Pt. I—5

These amendments shall become effective 0001, e.s.t., September 19, 1963.

Issued in Washington, D.C., on July 1, 1963.

H. B. HELSTROM,
Acting Chief,
Airspace Utilization Division.

[F.R. Doc. 63-7157; Filed, July 8, 1963; 8:45 a.m.]

[Airspace Docket No. 62-SW-64]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, CONTROLLED AIRSPACE, AND REPORTING POINTS [NEW]

Designation of Transition Area

On March 7, 1963, a notice of proposed rule making was published in the FEDERAL REGISTER (28 F.R. 2239) stating that the Federal Aviation Agency proposed to designate a transition area at Ardmore, Okla.

Interested persons have been afforded an opportunity to participate in the making of the rule herein adopted, and no adverse comments were received regarding the proposed amendment.

The substance of the proposed amendment having been published and for the reasons stated in the notice, the following action is taken:

Section 71.181 (27 F.R. 220-139, November 10, 1962) is amended by adding the following:

Ardmore, Okla.

That airspace extending upward from 700 feet above the surface within a 7-mile radius of the Ardmore Municipal Airport (latitude 34°18'00" N., longitude 97°00'50" W.); within 2 miles each side of the Ardmore VOR 233° and 053° radials, extending from the 7-mile radius area to 8 miles SW of the VOR; within 2 miles each side of the 265° and 085° bearings from the Ardmore RBN, extending from the 7-mile radius area to 8 miles W of the RBN; and that airspace extending upward from 1,200 feet above the surface within a 25-mile radius of the Ardmore Municipal Airport.

(Sec. 307(a), 72 Stat. 749; 49 U.S.C. 1348)

This amendment shall become effective 0001, e.s.t., September 19, 1963.

Issued in Washington, D.C., on July 1, 1963.

H. B. HELSTROM,
Acting Chief,
Airspace Utilization Division.

[F.R. Doc. 63-7156; Filed, July 8, 1963; 8:45 a.m.]

[Airspace Docket No. 62-WE-80]

PART 71—DESIGNATION OF FEDERAL AIRWAYS, CONTROLLED AIRSPACE, AND REPORTING POINTS [NEW]

PART 73—SPECIAL USE AIRSPACE [NEW]

Alteration of Restricted Areas and Controlled Airspace

On March 21, 1963, a notice was published in the FEDERAL REGISTER (28 F.R.

2824) stating that the Federal Aviation Agency was considering an alteration to the Hunter-Liggett, Calif., Restricted Area R-2513 which would reduce the overall size approximately 50 square miles and lower the designated altitudes from "Surface to 40,000 feet MSL" to "Surface to 24,000 feet MSL". Further, it was proposed to delete the reference to R-2513 contained in the description of VOR Federal Airway No. 27 since the proposed reduction to R-2513 would eliminate the encroachment of the restricted area upon the airway. In addition, it was also proposed to designate R-2513 as a joint use area with the Oakland ARTC Center the controlling agency. Such actions are taken herein.

No adverse comments were received regarding the proposed amendments.

Although not stated in the notice, action is being taken herein to include R-2513 in the continental control area.

Interested persons have been afforded an opportunity to participate in the making of the rules herein adopted, and due consideration has been given to all relevant matter presented.

The substance of the proposed amendment having been published and for the reasons stated in the notice, the following actions are taken:

1. In § 73.25 California (28 F.R. January 26, 1963), R-2513 Hunter-Liggett, Calif., is amended to read:

R-2513 Hunter-Liggett, Calif.

Boundaries. Beginning at latitude 35°55'20" N., longitude 121°05'45" W.; to latitude 35°57'45" N., longitude 121°09'45" W.; to latitude 35°59'18" N., longitude 121°13'30" W.; to latitude 35°58'54" N., longitude 121°15'20" W.; to latitude 36°02'45" N., longitude 121°17'45" W.; to latitude 36°03'43" N., longitude 121°22'38" W.; to latitude 36°02'12" N., longitude 121°24'40" W.; to latitude 35°51'02" N., longitude 121°16'18" W.; to latitude 35°48'17" N., longitude 121°10'53" W.; to the point of beginning.

Designated altitudes. Surface to 24,000—feet MSL.

Time of designation. Continuous.

Controlling agency. Federal Aviation Agency, Oakland ARTC Center.

Using agency. Commanding General, Fort Ord, Calif.

2. Section 71.123 (27 F.R. 220-6, November 10, 1962, 27 F.R. 12438, 28 F.R. 721) is amended as follows: In V-27 "the airspace within R-2513, R-2516, R-2520 and W-289," is deleted and "the airspace within R-2516, R-2520, and W-289," is substituted therefor.

3. Section 71.151 (27 F.R. 220-54) is amended to include R-2513 Hunter-Liggett, Calif.

These amendments shall be effective 0001, e.s.t., August 22, 1963.

(Sec. 307(a), 72 Stat. 749; 49 U.S.C. 1348)

Issued in Washington, D.C., on July 1, 1963.

LEE E. WARREN,
Acting Director,
Air Traffic Service.

[F.R. Doc. 63-7187; Filed, July 8, 1963; 8:52 a.m.]

Title 17—COMMODITY AND SECURITIES EXCHANGES

Chapter II—Securities and Exchange Commission

PART 200—ORGANIZATION; CONDUCT AND ETHICS; AND INFORMATION AND REQUESTS

Regional Administrators of the Commission

Effective upon publication in the FEDERAL REGISTER, paragraph (b) of §200.11 is revised to read as follows:

§ 200.11 Headquarters Office—Regional Office relationship.

(b) *Regional Administrators of the Commission.*

Region 1. New York, New Jersey.—Regional Administrator, 225 Broadway, New York, N.Y. 10007

Region 2. Massachusetts, Connecticut, Rhode Island, Vermont, New Hampshire, Maine.—Regional Administrator, Federal Building, Post Office Square, Boston, Mass. 02109

Region 3. Tennessee, Virgin Islands, Puerto Rico, North Carolina, South Carolina, Georgia, Alabama, Mississippi, Florida, and that part of Louisiana lying east of the Atchafalaya River.—Regional Administrator, Suite 138, 1371 Peachtree Street NE., Atlanta, Ga. 30309

Region 4. Illinois, Indiana, Iowa, Kansas City (Kans.), Kentucky, Michigan, Minnesota, Missouri, Ohio, Wisconsin.—Regional Administrator, Bankers Building (Room 630), 105 West Adams Street, Chicago, Ill. 60603

Region 5. Oklahoma, Arkansas, Texas, that part of Louisiana lying west of the Atchafalaya River, and Kansas (except Kansas City).—Regional Administrator, United States Courthouse (Room 301), 10th and Lamar Streets, Fort Worth, Tex. 76102

Region 6. Wyoming, Colorado, New Mexico, Nebraska, North Dakota, South Dakota, Utah.—Regional Administrator, 802 Midland Savings Building, 444 17th Street, Denver, Colo. 80202

Region 7. California, Nevada, Arizona, Hawaii, Guam.—Regional Administrator, Pacific Building, 821 Market Street, San Francisco, Calif. 94103

Region 8. Washington, Oregon, Idaho, Montana, Alaska.—Regional Administrator, Hoge Building (ninth floor), 705 Second Avenue, Seattle, Wash. 98104

Region 9. Pennsylvania, Maryland, Virginia, West Virginia, Delaware, District of Columbia.—Regional Administrator, Courts Building, 310 Sixth Street NW., Washington, D.C. 20549

The Commission finds that the foregoing revision involves a matter of agency organization and does not require notice and opportunity for comment under section 4 of the Administrative Procedure Act.

[SEAL]

ORVAL L. DUBOIS,
Secretary.

JULY 2, 1963.

[F.R. Doc. 63-7196; Filed, July 8, 1963; 8:54 a.m.]

PART 200—ORGANIZATION; CONDUCT AND ETHICS, AND INFORMATION AND REQUESTS

Subpart G—Plan of Organization and Operation Effective During Emergency Conditions

The Securities and Exchange Commission has adopted a plan to provide basic organization and methods of operation which may be needed by the Commission to perform its essential functions in the event of (i) a national emergency such as an armed attack upon the United States, (ii) official notification of the likelihood of imminence of such attack, or (iii) other authorization by the President, whichever may first occur.

The provisions of this plan are designed to assure continuity of essential governmental functions to be performed by the Commission under the specified conditions. It is published to inform all interested persons of the circumstances and ways in which the Commission will organize and proceed in such an emergency.

When operative, the plan's provisions supersede all inconsistent organizational, administrative, or procedural requirements theretofore observed by the Commission in discharging its functions.

The text of the Commission action follows:

Pursuant to the Securities Exchange Act of 1934, particularly sections 4 and 23 thereof, and to Public Law 87-592 approved August 20, 1962 (76 Stat. 394), the Commission hereby adopts a new Subpart G to Part 200 of Title 17, as follows:

Sec.	Purpose.
200.200	Purpose.
200.201	Emergency conditions, effective date, and duration.
200.202	Offices, and information and submittals.
200.203	Organization, and delegations of authority.
200.204	Personnel, fiscal, and service functions.
200.205	Effect upon existing Commission organization, delegations, and rules.

AUTHORITY: §§ 200.200 to 200.205 issued under secs. 4 and 23, 48 Stat. 885, as amended, and 901, 15 U.S.C. 78d and 78w; Act of August 20, 1962, 76 Stat. 394, 15 U.S.C. 78d-1; Reorganization Plan No. 10 of 1950, 64 Stat. 1265.

§ 200.200 Purpose.

This subpart describes the plan of organization and operation which will be observed by the Securities and Exchange Commission in discharging its duties and responsibilities in the event of a national emergency as defined in the following section.

§ 200.201 Emergency conditions, effective date, and duration.

For the purposes of this subpart, emergency conditions shall be deemed to commence at the time of an armed attack upon the United States, its territories and possessions, at the time of official

notification of the likelihood or imminence of such attack, or at a time specified by the authority of the President, whichever may first occur, and shall continue until official notification of cessation of such conditions. The provisions of this subpart shall become operative as at the commencement of emergency conditions and continue until cessation of those conditions, or until the Commission shall by notice or order resume its normal organization and operations.

§ 200.202 Offices, and information and submittals.

(a) During emergency conditions, the location or headquarters of the Commission shall be as designated by the Chairman or his successor. The location of each Regional and Branch Office of the Commission, if different from the normal location, shall be as designated by the Chairman of the Commission or his successor, or in the absence of communications with him, by the Regional Administrator for the area or his acting successor.

(b) During emergency conditions, all formal or informal requests, filings, reports or other submittals shall be delivered to the Commission at designated offices or addressed to the Securities and Exchange Commission, Official Mail and Messenger Service, United States Post Office Department, Washington 25, D.C.

§ 200.203 Organization, and delegations of authority.

(a) During emergency conditions, the respective functions and responsibilities of the Commissioners, the Chairman of the Commission, and the staff members shall be, to the extent possible, as set forth in Subpart A of this part (§ 200.1 et seq.).

(b) Action for and in the name of the Commission taken pursuant to this subpart by one or more Commissioners or by a successor as designated in this section shall mean and include the delegated authority to act for the unavailable or incapacitated Commissioners.

(c) Pursuant to the statutes governing the Commission, to Reorganization Plan No. 10 of 1950, and to Public Law 87-592 approved August 20, 1962, the following automatic delegation of authority is made to provide continuity in the event of an emergency:

(1) In the absence or incapacity of the Chairman of the Commission during an emergency of the nature contemplated by this subpart, the authority of the Chairman to govern the affairs of the Commission and to act for the Commission, as provided for by laws and by delegations from the Commission, will pass to the surviving successor highest on the following list until such time as a duly appointed Chairman of the Commission is available:

- (i) The senior Commissioner.
- (ii) The Director of the Division of Trading and Exchanges.
- (iii) The Director of the Division of Corporate Regulation.

- (iv) The Director of the Division of Corporation Finance.
- (v) The General Counsel.
- (vi) The Chief Accountant.
- (vii) The Director of the Office of Opinion Writing.
- (viii) The Secretary.
- (ix) The Regional Administrator highest on the following list:

Denver.	Seattle.
Fort Worth.	San Francisco.
Chicago.	New York.
Atlanta.	Boston.

(2) If and when a commissioner previously incapacitated or otherwise unavailable, again becomes available, he shall thereupon have all the powers and functions he would have had if he had not been incapacitated or otherwise unavailable.

(d) Actions taken for and in the name of the Commission as described above shall be effective immediately or as specified by the successor acting, but shall be subject to reconsideration by the Commissioners when the Commission has been reconstituted and is functioning.

(e) Except as may be determined otherwise by the Chairman or his successor, the duties of each head of a division or office of the Commission shall be discharged, in the absence or incapacity of such person during the emergency conditions, by the available staff member next in line of succession. The head of each division or office shall designate the line of succession within his division or office. If no such designation has been made or the designee is unavailable, such duties shall be assumed by the available subordinate officer or employee in the particular division or office who is highest in grade and in the event that there is more than one such person, in length of service with the Commission.

§ 200.204 Personnel, fiscal, and service functions.

In the absence or unavailability of the appropriate staff officer or his successor, authority to effect temporary appointments of such additional officers and employees, to classify and allocate positions to their proper grades, to issue travel orders, and to effect emergency purchases of supplies, equipment and services shall be exercised by the respective Regional Administrators, their deputies, or staff in line of succession, as may be required for the discharge of the lawful duties of the respective offices.

§ 200.205 Effect upon existing Commission organization, delegations, and rules.

Except as otherwise provided herein, all outstanding Commission organizational statements, delegations of authority, orders, rules and regulations shall remain in force and effect during emergency conditions, subject to all law requirements and such changes as may be authorized by or in the name of the Chairman or the Commission.

The Commission finds that the foregoing sections involve matters of agency organization and procedure which do not require notice and opportunity for comment under section 4(a) of the Adminis-

trative Procedure Act. Accordingly, the plan is adopted, effective forthwith.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

JUNE 24, 1963.

[F.R. Doc. 63-7195; Filed, July 8, 1963; 8:54 a.m.]

Title 21—FOOD AND DRUGS

Chapter I—Food and Drug Administration, Department of Health, Education, and Welfare

SUBCHAPTER B—FOOD AND FOOD PRODUCTS

**PART 25—DRESSINGS FOR FOODS
Mayonnaise, French Dressing, and Salad Dressing; Confirmation of Effective Date of Order Listing Dried Egg Yolks and Dried Whole Eggs as Optional Ingredients**

Pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (secs. 401, 701, 52 Stat. 1046, 1055 as amended 70 Stat. 919; 21 U.S.C. 341, 371) and in accordance with the authority delegated to the Commissioner of Food and Drugs by the Secretary of Health, Education, and Welfare (25 F.R. 8625), notice is given that no objections were filed to the order published in the FEDERAL REGISTER of May 18, 1963 (28 F.R. 5013), amending the standards of identity for mayonnaise, french dressing, and salad dressing by including dried egg yolks and dried whole eggs in the list of optional ingredients. Accordingly, the amendments promulgated by the order cited will become effective July 17, 1963.

(Secs. 401, 701, 52 Stat. 1046, 1055 as amended 70 Stat. 919; 21 U.S.C. 341, 371)

Dated: July 2, 1963.

GEO. P. LARRICK,
Commissioner of Food and Drugs.

[F.R. Doc. 63-7175; Filed, July 8, 1963; 8:49 a.m.]

PART 121—FOOD ADDITIVES

Subpart F—Food Additives Resulting From Contact With Containers or Equipment and Food Additives Otherwise Affecting Food

FILTERS, RESIN-BONDED

The Commissioner of Food and Drugs, having evaluated the data submitted in a petition filed by Johnson & Johnson, 4949 West 45th Street, Chicago 38, Illinois, and other relevant material, has concluded that § 121.2536 should be amended to permit the use of such articles to filter milk at temperatures higher than 145° F. Therefore, pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 409(c) (1), 72 Stat. 1786; 21 U.S.C. 348(c) (1)), and under the authority delegated to the Commissioner by the Secretary of Health, Education, and Welfare (25 F.R. 8625), § 121.2536 is amended by insert-

ing therein a new paragraph (h) reading as follows:

§ 121.2536 Filters, resin-bonded.

(h) Resin-bonded filters conforming with the specifications of subparagraph (1) of this paragraph are used as provided in subparagraph (2) of this paragraph.

(1) Total extractives: The finished filter, when exposed to distilled water at 212° F. for 2 hours, yields total extractives not to exceed 4.0 percent by weight of the filter.

(2) Conditions of use: It is used to filter milk at operating temperatures not to exceed 212° F.

Any person who will be adversely affected by the foregoing order may at any time within 30 days from the date of its publication in the FEDERAL REGISTER file with the Hearing Clerk, Department of Health, Education, and Welfare, Room 5440, 330 Independence Avenue SW., Washington 25, D.C., written objections thereto. Objections shall show wherein the person filing will be adversely affected by the order and specify with particularity the provisions of the order deemed objectionable and the grounds for the objections. If a hearing is requested, the objections must state the issues for the hearing. A hearing will be granted if the objections are supported by grounds legally sufficient to justify the relief sought. Objections may be accompanied by a memorandum or brief in support thereof. All documents shall be filed in quintuplicate.

Effective date. This order shall be effective on the date of its publication in the FEDERAL REGISTER.

(Sec. 409(c) (1), 72 Stat. 1786; 21 U.S.C. 348 (c) (1))

Dated: July 2, 1963.

GEO. P. LARRICK,
Commissioner of Food and Drugs.

[F.R. Doc. 63-7173; Filed, July 8, 1963; 8:48 a.m.]

SUBCHAPTER C—DRUGS

PART 146a—CERTIFICATION OF PENICILLIN AND PENICILLIN-CONTAINING DRUGS

Penicillin Tablets

Under the authority vested in the Secretary of Health, Education, and Welfare by the Federal Food, Drug, and Cosmetic Act (sec. 507, 59 Stat. 463, as amended; 21 U.S.C. 357) and delegated to the Commissioner of Food and Drugs by the Secretary (25 F.R. 8625), the regulations for the certification of penicillin and penicillin-containing drugs are amended by changing § 146a.27(d) (2) (i) (a) and (3) (i) (a) (2) to read as follows:

§ 146a.27 Penicillin tablets.

- (d) * * *
- (2) * * *
- (1) * * *

(a) If the person who requests certification is the manufacturer of the batch: Average potency, average moisture, and, if required by paragraph (a) of this section, disintegration time of tablets collected during the time of tableting the batch; and, unless the tablets are packaged into dispensing-size containers immediately after they are compressed or the manufacturer has submitted to the Commissioner, and it has been accepted, information adequate to prove that such tests are not necessary, average moisture of tablets collected during each day of packaging the batch.

(3) * * *

(1) * * *

(a) * * *

(2) If, after tableting, such person packaged the batch into dispensing-size containers: 20 tablets collected at equal intervals during each day the tablets are being packaged, except that this sample is not required if the tablets are packaged immediately after they are compressed or if the manufacturer has been exempted by the Commissioner from such requirement; or

Notice and public procedure and delayed effective date are not necessary prerequisites to the promulgation of this order, and I so find, since the nature of the changes is such that they cannot be applied to the specific products unless and until the manufacturer thereof has supplied adequate data regarding the articles involved.

Effective date. This order shall be effective on the date of its publication in the FEDERAL REGISTER.

(Sec. 507, 59 Stat. 463, as amended; 21 U.S.C. 357)

Dated: July 1, 1963.

GEO. P. LARRICK,
Commissioner of Food and Drugs.

[F.R. Doc. 63-7174; Filed, July 8, 1963;
8:49 a.m.]

Title 26—INTERNAL REVENUE

Chapter I—Internal Revenue Service, Department of the Treasury

SUBCHAPTER A—INCOME TAX

[T.D. 6662]

PART 1—INCOME TAX; TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1953

Exempt Mutual Insurance Companies and Associations

On January 10, 1963, notice of proposed rule making regarding amendment of the Income Tax Regulations (26 CFR Part 1) to conform the provisions relating to exempt mutual insurance companies and associations to section 822(b) of the Internal Revenue Code of 1954 as amended by section 3(a)(3) of the Life Insurance Company Tax Act for 1955 (70 Stat. 47), to clarify the provisions relating to feeder organizations

in view of the decision in *Hospital Bureau of Standards and Supplies, Inc. v. United States* (Ct. Cl. 1958) 158 F. Supp. 560, and to reflect the amendments made by the Act of April 7, 1958 (Public Law 85-367, 72 Stat. 80) and by section 75(b) of the Technical Amendments Act of 1958 (72 Stat. 1661), was published in the FEDERAL REGISTER (28 F.R. 280). After consideration of all such relevant matter as was presented by interested persons regarding the rules proposed, the regulations as proposed are hereby adopted, subject to the changes set forth below in paragraphs 1 and 2, to incorporate those changes required by section 8(d) of the Revenue Act of 1962 (76 Stat. 997).

PARAGRAPH 1. Section 1.501(c)(15) is amended.

PAR. 2. Section 1.501(c)(15)-1, as set forth in paragraph 1 of the notice of proposed rule making, is revised.

Because the additional changes contained in this Treasury decision merely conform the regulations under section 501(c)(15) to reflect the amendment made by section 8(d) of the Revenue Act of 1962, which increases the maximum amount permitted to be received from certain sources by mutual insurance companies and associations exempt from taxation, it is hereby found that it is unnecessary, with respect to such changes, 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 that Act.

This Treasury decision is issued under the authority contained in section 7805 of the Internal Revenue Code of 1954 (68A Stat. 917; 26 U.S.C. 7805).

[SEAL] BERTRAND M. HARDING,
Acting Commissioner
of Internal Revenue.

Approved: July 1, 1963.

STANLEY S. SURREY,
Assistant Secretary of the
Treasury.

PARAGRAPH 1. Section 1.501(c)(15) is amended to read as follows:

§ 1.501(c)(15) Statutory provisions; exemption from tax on corporations, certain trusts, etc.; mutual insurance organizations other than life or marine.

SEC. 501. Exemption from tax on corporations, certain trusts, etc. * * *

(c) List of exempt organizations. The following organizations are referred to in subsection (a):

(1) Mutual insurance companies or associations other than life or marine (including interinsurers and reciprocal underwriters) if the gross amount received during the taxable year from the items described in section 822(b) (other than paragraph (1)(D) thereof) and premiums (including deposits and assessments) does not exceed \$150,000.

[Sec. 501(c)(15) as amended by sec. 5(2) of the Life Insurance Company Tax Act for 1955 (70 Stat. 49); sec. 8(d), Rev. Act 1962 (76 Stat. 997)]

PARAGRAPH 2. Section 1.501(c)(15)-1 is amended to read as follows:

§ 1.501(c)(15)-1 Mutual insurance companies or associations.

(a) Taxable years beginning after December 31, 1962. An insurance company or association described in section 501(c)(15) is exempt under section 501(a) if it is a mutual company or association (other than life or marine) or if it is a mutual interinsurer or reciprocal underwriter (other than life or marine) and if the gross amount received during the taxable year from the sum of the following items does not exceed \$150,000.

(1) The gross amount of income during the taxable year from—

(i) Interest (including tax-exempt interest and partially tax-exempt interest), as described in § 1.61-7. Interest shall be adjusted for amortization of premium and accrual of discount in accordance with the rules prescribed in section 822(d)(2) and the regulations thereunder.

(ii) Dividends, as described in § 1.61-9.

(iii) Rents and royalties, as described in § 1.61-8.

(iv) The entering into of any lease, mortgage, or other instrument or agreement from which the company may derive interest, rents, or royalties.

(v) The alteration or termination of any instrument or agreement described in subdivision (iv) of this subparagraph.

(2) The gross income from any trade or business (other than an insurance business) carried on by the company or association, or by a partnership of which the company or association is a partner.

(3) Premiums (including deposits and assessments).

(b) Taxable years beginning after December 31, 1954, and before January 1, 1963. An insurance company or association described in section 501(c)(15) and paragraph (a) of this section is exempt under section 501(a) if the gross amount received during the taxable year from the sum of the items described in paragraph (a) (1), (2), and (3) of this section does not exceed \$75,000.

(c) No double inclusion of income. In computing the gross income from any trade or business (other than an insurance business) carried on by the company or association, or by a partnership of which the company or association is a partner, any item described in section 822(b)(1) (A), (B), or (C) and paragraph (a)(1) of this section shall not be considered as gross income arising from the conduct of such trade or business, but shall be taken into account under section 822(b)(1) (A), (B), or (C) and paragraph (a)(1) of this section.

(d) Taxable years beginning after December 31, 1953, and before January 1, 1955. An insurance company or association described in section 501(c)(15) is exempt under section 501(a) if it is a mutual company or association (other than life or marine) or if it is a mutual interinsurer or reciprocal underwriter (other than life or marine) and if the gross amount received during the taxable year from the sum of the following items does not exceed \$75,000:

(1) The gross amount of income during the taxable year from—

(i) Interest (including tax-exempt interest and partially tax-exempt interest), as described in § 1.61-7. Interest shall be adjusted for amortization of premium and accrual of discount in accordance with the rules prescribed in section 822(d) (2) and § 1.822-3.

(ii) Dividends, as described in § 1.61-9.

(iii) Rents (but excluding royalties), as described in § 1.61-8.

(2) Premiums (including deposits and assessments).

(e) *Exclusion of capital gains.* Gains from sales or exchanges of capital assets to the extent provided in subchapter P (section 1201 and following, relating to capital gains and losses), chapter 1 of the Code, shall be excluded from the amounts described in this section.

PAR. 3. Paragraph (b) of § 1.502-1 is amended to read as follows:

§ 1.502-1 Feeder organizations.

(b) If a subsidiary organization of a tax-exempt organization would itself be exempt on the ground that its activities are an integral part of the exempt activities of the parent organization, its exemption will not be lost because, as a matter of accounting between the two organizations, the subsidiary derives a profit from its dealings with its parent organization, for example, a subsidiary organization which is operated for the sole purpose of furnishing electric power used by its parent organization, a tax-exempt educational organization, in carrying on its educational activities. However, the subsidiary organization is not exempt from tax if it is operated for the primary purpose of carrying on a trade or business which would be an unrelated trade or business (that is, unrelated to exempt activities) if regularly carried on by the parent organization. For example, if a subsidiary organization is operated primarily for the purpose of furnishing electric power to consumers other than its parent organization (and the parent's tax-exempt subsidiary organizations), it is not exempt since such business would be an unrelated trade or business if regularly carried on by the parent organization. Similarly, if the organization is owned by several unrelated exempt organizations, and is operated for the purpose of furnishing electric power to each of them, it is not exempt since such business would be an unrelated trade or business if regularly carried on by any one of the tax-exempt organizations. For purposes of this paragraph, organizations are related only if they consist of—

- (1) A parent organization and one or more of its subsidiary organizations; or
- (2) Subsidiary organizations having a common parent organization.

An exempt organization is not related to another exempt organization merely because they both engage in the same type of exempt activities.

PAR. 4. Section 1.512(b) is amended by adding a new paragraph (13) to section 512(b) and by adding a historical note at the end of such § 1.512(b). These added provisions read as follows:

§ 1.512(b) Statutory provisions; unrelated business taxable income; exceptions, additions, and limitations.

Sec. 512. Unrelated business taxable income. * * *

(b) *Exceptions, additions, and limitations.* The exceptions, additions, and limitations applicable in determining unrelated business taxable income are the following:

(13) In the case of a trust—
(A) Created by virtue of the provisions of the will of an individual who died after August 16, 1954, and before January 1, 1957,

(B) Which, by virtue of the provisions of such will, is a limited partner in a partnership created under the laws of a State (i) providing for the creation of limited partnerships, and (ii) under which a limited partner has no right to take part in the control of the business without becoming liable as a general partner,

(C) Which, at no time before or during a taxable year of the partnership ending with or with the taxable year of the trust, was (or was liable as) a general partner in such partnership, and

(D) Which is required to distribute all of its income (within the meaning of section 643(b)) currently exclusively for religious, charitable, scientific, literary, or educational purposes, and which is required to distribute all of the corpus exclusively for such purposes,

there shall be excluded its share (determined under subsection (c) without regard to this paragraph and paragraph (11)) of gross income of the partnership as such limited partner and of the partnership deductions directly connected with such income, but, if such share of gross income exceeds such share of deductions, only to the extent that the partnership makes distributions during its taxable year which are attributable to such gross income. For purposes of the preceding sentence (i) any distribution made after the close of a partnership taxable year and on or before the 15th day of the fourth calendar month after the close of such taxable year shall be treated as made on the last day of such taxable year, and (ii) distributions shall be treated as attributable first to gross income other than gross income described in the preceding sentence, and shall be properly adjusted (under regulations prescribed by the Secretary or his delegate) to the extent necessary to reflect capital contributions to the partnership made by the trust, income of the partnership exempt from tax under this title, and other items.

[Sec. 512(b) as amended by Act of April 7, 1958 (Pub. Law 85-367, 72 Stat. 80)]

PAR. 5. Section 1.6033 is amended by revising paragraphs (6) and (7) of section 6033(b), by adding a new paragraph (8) to section 6033(b), and by adding a historical note. These amended and added provisions read as follows:

§ 1.6033 Statutory provisions; returns by exempt organizations.

Sec. 6033. Returns by exempt organizations. * * *

(b) *Certain organizations described in section 501(c)(3).* * * *

(6) Its disbursements out of principal in the current and prior years for the purposes for which it is exempt,

(7) A balance sheet showing its assets, liabilities, and net worth as of the beginning of such year, and

(8) The total of the contributions and gifts received by it during the year.

[Sec. 6033 as amended by sec. 75(b), Technical Amendments Act 1958 (72 Stat. 1661)]

[F.R. Doc. 63-7194; Filed, July 8, 1963; 8:53 a.m.]

Title 31—MONEY AND FINANCE: TREASURY

Chapter V—Foreign Assets Control, Department of the Treasury

PART 500—FOREIGN ASSETS CONTROL REGULATIONS

Miscellaneous Amendments

The Foreign Assets Control Regulations, 31 CFR 500.101-500.808 are being amended as follows:

Section 500.316 is being amended to make clear the definition of the term "license."

Section 500.322(a) (1) is being amended to exclude Cuba from the authorized trade territory and § 500.322(a) (5) is being amended to bring up to date the names of several of the areas listed therein.

Section 500.518 is being amended so as not to permit payments from accounts of specially designated nationals.

Section 500.521 is being amended so as not to permit remittances to or for the benefit of specially designated nationals who are not within a designated foreign country.

Section 500.316 is hereby amended to read as follows:

§ 500.316 License.

Except as otherwise specified, the term "license" shall mean any license or authorization contained in or issued pursuant to this chapter.

§ 500.322 [Amendment]

Section 500.322(a) (1) and (5) are hereby amended to read as follows:

(1) North, South, and Central America, including the Caribbean region, except Cuba;

(5) Afghanistan, Bhutan, Federation of Malaya, Burma, Cambodia, Ceylon, Taiwan, Hong Kong, India, Iran, Iraq, Israel, Japan, Jordan, Kuwait, Laos, Lebanon, Macao, Muscat and Oman, Nepal, Pakistan, Saudi Arabia, South Korea, Syrian Arab Republic, Thailand, Viet-Nam (except those areas under Communist control) and Yemen;

Section 500.518 is hereby amended to read as follows:

§ 500.518 Payments for living, traveling, and similar personal expenses in the United States.

(a) Payments and transfers of credit in the United States from blocked accounts in domestic banking institutions held in the name of an individual within the United States to or upon the order of such individual are hereby authorized provided the following terms and conditions are complied with:

(1) Such payments and transfers of credit may be made only for the living, traveling, and similar personal expenses in the United States of such individual or his family; and

(2) The total of all such payments and transfers of credit made under this section from the accounts of such individual may not exceed \$250 in any one calendar month.

RULES AND REGULATIONS

(b) This section does not authorize any payment or transfer from an account in which a specially designated national has an interest.

Section 500.521 is hereby amended to read as follows:

§ 500.521 Certain remittances for necessary living expenses.

(a) Remittances by any person to any individual who is a resident of a foreign country and is within that foreign country are hereby authorized on the following terms and conditions:

(1) Such remittances are made only for the necessary living expenses of the payee and his household and do not exceed \$100 in any one calendar month to any one household;

(2) Such remittances are not made from a blocked account other than from an account in a banking institution within the United States in the name of, or in which the beneficial interest is held by, the payee or members of his household;

(3) Such remittances are not made from a blocked account which is blocked pursuant to Executive Order No. 8389, as amended;

(4) If the payee is within any designated foreign country, such remittances must be made through a domestic bank and any domestic bank is authorized to effect such remittances which, however, may be effected only by the payment of the dollar amount of the remittance to a domestic bank for credit to a blocked account in the name of a banking institution within such country.

(b) This section does not authorize any remittance to, or for the benefit of, a specially designated national who is not within a designated foreign country.

(c) This section does not authorize any remittance to an individual for the purpose of defraying the expenses of a person not constituting part of his household.

(d) As used in this section, the term "household" shall mean:

(1) Those individuals sharing a common dwelling as a family; or
(2) Any individual not sharing a common dwelling with others as a family.

Effective date. These amendments shall become effective 12:01 a.m., e.s.t., July 8, 1963.

(Sec. 5, 40 Stat. 415, as amended, 50 U.S.C., App. 5; E.O. 9193, July 6, 1942, 7 F.R. 5205, 3 CFR 1943 Cum. Supp.; E.O. 9989, August 20, 1948, 13 F.R. 4891, 3 CFR 1948 Supp.)

[SEAL]

DOUGLAS DILLON,
Secretary of the Treasury.

[F.R. Doc. 63-7261; Filed, July 8, 1963;
9:15 a.m.]

PART 515—CUBAN ASSETS CONTROL REGULATIONS

Control of Financial and Commercial Transactions Involving Cuba or Nationals Thereof

Subpart A—Relation of this Part to Other Laws and Regulations

Sec.

515.101 Relation of this part to other laws and regulations including 8 CFR Ch. II.

Subpart B—Prohibitions

Sec.

515.201 Transactions involving designated foreign countries or their nationals; effective date.
515.202 Transactions with respect to securities registered or inscribed in the name of a designated national.
515.203 Effect of transfers violating the provisions of this part.
515.204 Importation of and dealings in certain merchandise.

Subpart C—General Definitions

515.301 Foreign country.
515.302 National.
515.303 Nationals of more than one foreign country.
515.304 [Reserved]
515.305 Designated national.
515.306 Specially designated national.
515.307 Unblocked national.
515.308 Person.
515.309 Transactions.
515.310 Transfer.
515.311 Property; property interests.
515.312 Interest.
515.313 Property subject to the jurisdiction of the United States.
515.314 Banking institution.
515.315 [Reserved]
515.316 License.
515.317 General license.
515.318 Specific license.
515.319 Blocked account.
515.320 Domestic bank.
515.321 United States; continental United States.
515.322 Authorized trade territory; member of the authorized trade territory.
515.323 Occupied area.
515.324 [Reserved]
515.325 National securities exchange.
515.326 Custody of safe deposit boxes.
515.327 Blocked estate of a decedent.
515.328 [Reserved]
515.329 Person subject to the jurisdiction of the United States.
515.330 Person within the United States.
515.331 Merchandise.

Subpart D—Interpretations

515.401 Reference to amended sections.
515.402 Effect of amendment of sections of this part or of other orders, etc.
515.403 Termination and acquisition of the interest of a designated national.
515.404 Transactions between principal and agent.
515.405 Exportation of securities, currency, checks, drafts and promissory notes.
515.406 Drafts under irrevocable letters of credit; documentary drafts.
515.407 Administration of blocked estates of decedents.
515.408 Access to certain safe deposit boxes prohibited.
515.409 Certain payments to a designated foreign country and nationals through third countries.

Subpart E—Licenses and Authorizations

515.501 [Reserved]
515.502 Effect of subsequent license or authorization.
515.503 Exclusion from licenses and authorizations.
515.504 Certain judicial proceedings with respect to property of designated nationals.
515.505 Certain persons in the United States unblocked.
515.506 Certain persons in authorized trade territory unblocked.
515.507 Individuals who are citizens of, and residing only in the United States, unblocked.
515.508 Payments to blocked accounts in domestic banks.

Sec.

515.509 Entries in certain accounts for normal service charges.
515.510 Payments to the United States, States and political subdivisions.
515.511 Transactions by certain business enterprises.
515.512 [Reserved]
515.513 Purchase and sale of certain securities.
515.514 Payment of dividends and interest on and redemption and collection of securities.
515.515 Transfers of securities to blocked accounts in domestic banks.
515.516 Voting and soliciting of proxies on securities.
515.517 Access to safe deposit boxes under certain conditions.
515.518 Payments for living, traveling and similar personal expenses in the United States.
515.519 Limited payments from accounts of United States citizens abroad.
515.520 Payments from accounts of United States citizens in employ of United States in foreign countries and certain other persons.
515.521 Certain remittances for necessary living expenses.
515.522 Certain remittances to United States citizens in foreign countries.
515.523 Transactions incident to the administration of decedents' estates.
515.524 Payment from, and transactions in the administration of certain trusts and estates.
515.525 Certain transfers by operation of law.
515.526 Transactions involving blocked life insurance policies.
515.527 Certain transactions with respect to United States patents, trademarks, and copyrights.
515.528 Certain transactions with respect to blocked foreign patents, trademarks and copyrights authorized.
515.529 Powers of attorney.
515.530 Exportation of powers of attorney or instructions relating to certain types of transactions.
515.531 Payment of certain checks and drafts.
515.532 Completion of certain securities transactions.
515.533 Transactions incident to exportations to designated countries.
515.534 [Reserved].
515.535 Exchange of certain securities.
515.536—515.539 [Reserved].
515.540 Passengers' baggage.
515.541 Certain transactions by non-banking organizations in foreign countries owned or controlled by persons in the United States.
515.542 Communications.

Subpart F—Reports

515.601 Records.
515.602 Reports to be furnished on demand.

Subpart G—Penalties

515.701 Penalties.

Subpart H—Procedures

515.801 Licensing.
515.802 Unblocking.
515.803 Decision.
515.804 Records and reporting.
515.805 Amendment, modification, or revocation.
515.806 Rule making.
515.807 Delegation by the Secretary of the Treasury.
515.808 Customs procedures; merchandise specified in § 500.204.

AUTHORITY: §§ 515.101—515.808 Issued under § 620(a), 75 Stat. 445; Proclamation 3447; Sec. 5, 40 Stat. 415, as amended; 50 U.S.C., App. 5; E.O. 9193, July 6, 1942, 7 F.R. 5205.

3 CFR, Cum. Supp., p. 1174; E.O. 9889, Aug. 20, 1948, 13 F.R. 4891, 3 CFR, 1943-1948 Comp., p. 748.

Subpart A—Relation of This Part to Other Laws and Regulations

§ 515.101 Relation of this part to other laws and regulations.

The Cuban Import Regulations issued on February 6, 1962, as amended, are hereby revoked and the following Regulations are hereby adopted in place thereof controlling all financial and commercial transactions involving Cuba or nationals thereof, provided that the revocation of the Cuban Import Regulations shall not be deemed to authorize any unlicensed importation prohibited by the Cuban Import Regulations and all penalties, forfeitures, and liabilities under such regulations or any other applicable laws or regulations shall continue and may be enforced as if such revocation had not been made.

(a) This part is independent of 8 CFR Ch. II. The prohibitions contained in this part are in addition to the prohibitions contained in 8 CFR Ch. II. No license or authorization contained in or issued pursuant to 8 CFR Ch. II shall be deemed to authorize any transaction prohibited by this part, nor shall any license or authorization issued pursuant to any other provision of law (except this part) be deemed to authorize any transaction so prohibited.

(b) No license or authorization contained in or issued pursuant to this part shall be deemed to authorize any transaction to the extent that it is prohibited by reason of the provisions of any law or any statute other than paragraph (2) of Proclamation 3447, issued under § 620(a), P.L. 87-195, or section 5(b) of the Trading With the Enemy Act, as amended, or any proclamation, order or regulation other than those contained in or issued pursuant to this part.

Subpart B—Prohibitions

§ 515.201 Transactions involving designated foreign countries or their nationals; effective date.

(a) All of the following transactions are prohibited, except as specifically authorized by the Secretary of the Treasury (or any person, agency, or instrumentality designated by him) by means of regulations, rulings, instructions, licenses, or otherwise, if either such transactions are by, or on behalf of, or pursuant to the direction of a foreign country designated under this part, or any national thereof, or such transactions involve property in which a foreign country designated under this part, or any national thereof, has at any time on or since the effective date of this section had any interest of any nature whatsoever, direct or indirect:

(1) All transfers of credit and all payments between, by, through, or to any banking institution or banking institutions wheresoever located, with respect to any property subject to the jurisdiction of the United States or by any person (including a banking institution) subject to the jurisdiction of the United States;

(2) All transactions in foreign exchange by any person within the United States; and

(3) The exportation or withdrawal from the United States of gold or silver coin or bullion, currency or securities, or the earmarking of any such property, by any person within the United States.

(b) All of the following transactions are prohibited, except as specifically authorized by the Secretary of the Treasury (or any person, agency, or instrumentality designated by him) by means of regulations, rulings, instructions, licenses, or otherwise, if such transactions involve property in which any foreign country designated under this part, or any national thereof, has at any time on or since the effective date of this section had any interest of any nature whatsoever, direct or indirect:

(1) All dealings in, including, without limitation, transfers, withdrawals, or exportations of, any property or evidences of indebtedness or evidences of ownership of property by any person subject to the jurisdiction of the United States; and

(2) All transfers outside the United States with regard to any property or property interest subject to the jurisdiction of the United States.

(c) Any transaction for the purpose of which has the effect of evading or avoiding any of the prohibitions set forth in paragraphs (a) or (b) of this section is hereby prohibited.

(d) For the purposes of this part, the term "foreign country designated under this part" and the term "designated foreign country" mean Cuba and the term "effective date" and the term "effective date of this section" mean with respect to Cuba, or any national thereof, 12:01 a.m., e.s.t., July 8, 1963.

§ 515.202 Transactions with respect to securities registered or inscribed in the name of a designated national.

Unless authorized by a license expressly referring to this section, the acquisition, transfer (including the transfer on the books of any issuer or agent thereof), disposition, transportation, importation, exportation, or withdrawal of, or the endorsement or guaranty of signatures on or otherwise dealing in any security (or evidence thereof) registered or inscribed in the name of any designated national is prohibited irrespective of the fact that at any time (either prior to, on, or subsequent to the "effective date") the registered or inscribed owner thereof may have, or appears to have, assigned, transferred or otherwise disposed of any such security.

§ 515.203 Effect of transfers violating the provisions of this part.

(a) Any transfer after the "effective date" which is in violation of any provision of this part or of any regulation, ruling, instruction, license, or other direction or authorization thereunder and involves any property in which a designated national has or has had an interest since such "effective date" is null and void and shall not be the basis for the assertion or recognition of any interest in

or right, remedy, power or privilege with respect to such property.

(b) No transfer before the "effective date" shall be the basis for the assertion or recognition of any right, remedy, power, or privilege with respect to, or interest in, any property in which a designated national has or has had an interest since the "effective date" unless the person with whom such property is held or maintained had written notice of the transfer or by any written evidence had recognized such transfer prior to such "effective date."

(c) Unless otherwise provided, an appropriate license or other authorization issued by or pursuant to the direction or authorization of the Secretary of the Treasury before, during or after a transfer shall validate such transfer or render it enforceable to the same extent as it would be valid or enforceable but for the provisions of section 5(b) of the Trading With the Enemy Act, as amended, and this part and any ruling, order, regulation, direction or instruction issued hereunder.

(d) Transfers of property which otherwise would be null and void, or unenforceable by virtue of the provisions of this section shall not be deemed to be null and void, or unenforceable pursuant to such provisions, as to any person with whom such property was held or maintained (and as to such person only) in cases in which such person is able to establish each of the following:

(1) Such transfer did not represent a willful violation of the provisions of this part by the person with whom such property was held or maintained;

(2) The person with whom such property was held or maintained did not have reasonable cause to know or suspect, in view of all the facts and circumstances known or available to such person, that such transfer required a license or authorization by or pursuant to the provisions of this part and was not so licensed or authorized or if a license or authorization did purport to cover the transfer, that such license or authorization had been obtained by misrepresentation or the withholding of material facts or was otherwise fraudulently obtained; and

(3) Promptly upon discovery that:

(i) Such transfer was in violation of the provisions of this part or any regulation, ruling, instruction, license or other direction or authorization thereunder, or

(ii) Such transfer was not licensed or authorized by the Secretary of the Treasury, or

(iii) If a license did purport to cover the transfer, such license had been obtained by misrepresentation or the withholding of material facts or was otherwise fraudulently obtained;

the person with whom such property was held or maintained filed with the Treasury Department, Washington, D.C., a report in triplicate setting forth in full the circumstances relating to such transfer. The filing of a report in accordance with the provisions of this paragraph shall not be deemed to be compliance or evidence of compliance

with subparagraphs (1) and (2) of this paragraph.

(e) Unless unlicensed or authorized by § 515.504 or otherwise licensed or authorized pursuant to this chapter any attachment, judgment, decree, lien, execution, garnishment, or other judicial process is null and void with respect to any property in which on or since the "effective date" there existed the interest of a designated foreign country or national thereof.

(f) For the purpose of this section the term "property" includes gold, silver, bullion, currency, coin, credit, securities (as that term is defined in section 2(1) of the Securities Act of 1933, as amended), bills of exchange, notes, drafts, acceptances, checks, letters of credit, book credits, debts, claims, contracts, negotiable documents of title, mortgages, liens, annuities, insurance policies, options and futures in commodities, and evidences of any of the foregoing. The term "property" shall not, except to the extent indicated, be deemed to include chattels or real property.

§ 515.204 Importation of and dealings in certain merchandise.

(a) Except as specifically authorized by the Secretary of the Treasury (or any person, agency, or instrumentality designated by him) by means of regulations, rulings, instructions, licenses, or otherwise, no person subject to the jurisdiction of the United States may purchase, transport, import, or otherwise deal in or engage in any transaction with respect to any merchandise outside the United States if such merchandise:

- (1) Is of Cuban origin; or
- (2) Is or has been located in or transported from or through Cuba; or
- (3) Is made or derived in whole or in part of any article which is the growth, produce or manufacture of Cuba.

Subpart C—General Definitions

§ 515.301 Foreign country.

The term "foreign country" also includes, but not by way of limitation:

(a) The state and the government of any such territory on or after the "effective date" as well as any political subdivision, agency, or instrumentality thereof or any territory, dependency, colony, protectorate, mandate, dominion, possession or place subject to the jurisdiction thereof.

(b) Any other government (including any political subdivision, agency, or instrumentality thereof) to the extent and only to the extent that such government exercises or claims to exercise control, authority, jurisdiction or sovereignty over territory which on the "effective date" constituted such foreign country.

(c) Any person to the extent that such person is, or has been, or to the extent that there is reasonable cause to believe that such person is, or has been, since the "effective date," acting or purporting to act directly or indirectly for the benefit or on behalf of any of the foregoing, and

(d) Any territory which on or since the "effective date" is controlled or oc-

cupied by the military, naval or police forces or other authority of such foreign country.

§ 515.302 National.

(a) The term "national" shall include:

(1) A subject or citizen of, or any person who has been within, a foreign country, whether domiciled or resident therein or otherwise, at any time on or since the "effective date."

(2) Any partnership, association, corporation, or other organization, organized under the laws of, or which on or since the "effective date" had or has had its principal place of business in a foreign country, or which on or since such effective date was or has been controlled by, or a substantial part of the stock, shares, bonds, debentures, notes, drafts, or other securities or obligations of which, was or has been owned or controlled by, directly or indirectly, a foreign country and/or one or more nationals thereof as defined in this section.

(3) Any person to the extent that such person is or has been, since the "effective date" acting or purporting to act directly or indirectly for the benefit or on behalf of any national of a foreign country.

(4) Any other person who there is reasonable cause to believe is a "national" as defined in this section.

(b) The Secretary of the Treasury retains full power to determine that any person is or shall be deemed to be a "national" within the meaning of this section, and to specify the foreign country of which such person is or shall be deemed to be a national.

§ 515.303 Nationals of more than one foreign country.

(a) Any person who by virtue of any provision in this chapter is a national of more than one foreign country shall be deemed to be a national of each of such foreign countries.

(b) In any case in which a person is a national of two or more designated foreign countries, as defined in this chapter, a license or authorization with respect to nationals of one of such designated foreign countries shall not be deemed to apply to such person unless a license or authorization of equal or greater scope is outstanding with respect to nationals of each of other designated foreign country of which such person is a national.

(c) In any case in which the combined interests of two or more designated foreign countries, as defined in this chapter, and/or nationals thereof are sufficient in the aggregate to constitute control or ownership of 25 per centum or more of the stock, shares, bonds, debentures, notes, drafts, or other securities or obligations of a partnership, association, corporation or other organization, but such control or a substantial part of such stock, shares, bonds, debentures, notes, drafts, or other securities or obligations is not held by any one such foreign country and/or national thereof, such partnership, association, corporation or other organization shall be deemed to be a national of each of such foreign countries.

§ 515.304 [Reserved]

§ 515.305 Designated national.

For the purposes of this part, the term "designated national" shall mean Cuba and any national thereof including any person who is a specially designated national.

§ 515.306 Specially designated national.

(a) The term "specially designated national" shall mean:

(1) Any person who is determined by the Secretary of the Treasury to be a specially designated national,

(2) Any person who on or since the "effective date" has acted for or on behalf of the Government or authorities exercising control over any designated foreign country, or

(3) Any partnership, association, corporation or other organization which on or since the "effective date" has been owned or controlled directly or indirectly by the Government or authorities exercising control over any designated foreign country or by any specially designated national.

§ 515.307 Unblocked national.

Any person licensed as an "unblocked national" shall, while so licensed, be regarded as a person within the United States who is not a national of any designated foreign country: *Provided, however*, That the licensing of any person as an "unblocked national" shall not be deemed to suspend in any way the requirements of any section of this chapter relating to reports, or the production of books, documents, and records specified therein.

§ 515.308 Person.

The term "person" means an individual, partnership, association, corporation, or other organization.

§ 515.309 Transactions.

The phrase "transactions which involve property in which any designated foreign country, or any national thereof, has any interest of any nature whatsoever, direct or indirect," includes, but not by way of limitation (a) any payment or transfer to any such designated foreign country or national thereof, (b) any export or withdrawal from the United States to such designated foreign country, and (c) any transfer of credit, or payment of an obligation, expressed in terms of the currency of such designated foreign country.

§ 515.310 Transfer.

The term "transfer" shall mean any actual or purported act or transaction, whether or not evidenced by writing, and whether or not done or performed within the United States, the purpose, intent, or effect of which is to create, surrender, release, transfer, or alter, directly or indirectly, any right, remedy, power, privilege, or interest with respect to any property and without limitation upon the foregoing shall include the making, execution, or delivery of any assignment, power, conveyance, check, declaration, deed, deed of trust, power of attorney, power of appointment, bill of

sale, mortgage, receipt, agreement, contract, certificate, gift, sale, affidavit, or statement; the appointment of any agent, trustee, or other fiduciary; the creation or transfer of any lien; the issuance, docketing, filing, or the levy of or under any judgment, decree, attachment, execution, or other judicial or administrative process or order, or the service of any garnishment; the acquisition of any interest of any nature whatsoever by reason of a judgment or decree of any foreign country; the fulfillment of any condition, or the exercise of any power of appointment, power of attorney, or other power.

§ 515.311 Property; property interests.

Except as defined in § 515.203(f) for the purposes of that section the terms "property" and "property interest" or "property interests" shall include, but not by way of limitation, money, checks, drafts, bullion, bank deposits, savings accounts, debts, indebtedness obligations, notes, debentures, stocks, bonds, coupons, any other financial securities, bankers' acceptances, mortgages, pledges, liens or other rights in the nature of security, warehouse receipts, bills of lading, trust receipts, bills of sale, any other evidences of title, ownership or indebtedness, powers of attorney, goods, wares, merchandise, chattels, stocks on hand, ships, goods on ships, real estate mortgages, deeds of trust, vendors' sales agreements, land contracts, real estate and any interest therein, leaseholds, ground rents, options, negotiable instruments, trade acceptances, royalties, book accounts, accounts payable, judgments, patents, trademarks, copyrights, contracts or licenses affecting or involving patents, trademarks or copyrights, insurance policies, safe deposit boxes and their contents, annuities, pooling agreements, contracts of any nature whatsoever, and any other property, real, personal, or mixed, tangible or intangible, or interest or interests therein, present, future or contingent.

§ 515.312 Interest.

The term "Interest" when used with respect to property shall mean an interest of any nature whatsoever, direct or indirect.

§ 515.313 Property subject to the jurisdiction of the United States.

(a) The phrase "property subject to the jurisdiction of the United States" includes, without limitation, securities, whether registered or bearer, issued by:

(1) The United States or any State, district, territory, possession, county, municipality, or any other subdivision or agency or instrumentality of any thereof; or

(2) Any person within the United States whether the certificate which evidences such property or interest is physically located within or outside the United States.

(b) The phrase "property subject to the jurisdiction of the United States" also includes, without limitation, securities, whether registered or bearer, by

whomsoever issued, if the instrument evidencing such property or interest is physically located within the United States.

§ 515.314 Banking institution.

The term "banking institution" shall include any person engaged primarily or incidentally in the business of banking, of granting or transferring credits, or of purchasing or selling foreign exchange or procuring purchases and sellers thereof, as principal or agent, or any person holding credits for others as a direct or incidental part of his business, or any broker; and, each principal, agent, home office, branch or correspondent of any person so engaged shall be regarded as a separate "banking institution."

§ 515.315 [Reserved]

§ 515.316 License.

Except as otherwise specified, the term "license" shall mean any license or authorization contained in or issued pursuant to this part.

§ 515.317 General license.

A general license is any license or authorization the terms of which are set forth in this part.

§ 515.318 Specific license.

A specific license is any license or authorization issued pursuant to this part but not set forth in this part.

The term "blocked account" shall mean an account in which any designated national has an interest, with respect to which account payments, transfers or withdrawals or other dealings may not be made or effected except pursuant to an authorization or license authorizing such action. The term "blocked account" shall not be deemed to include accounts of unblocked nationals.

§ 515.320 Domestic bank.

The term "domestic bank" shall mean any branch or office within the United States of any of the following which is not a national of a designated foreign country: any bank or trust company incorporated under the banking laws of the United States or of any state, territory, or district of the United States, or any private bank or banker subject to supervision and examination under the banking laws of the United States or of any state, territory or district of the United States. The Secretary of the Treasury may also authorize any other banking institution to be treated as a "domestic bank" for the purpose of this definition or for the purpose of any or all sections of this part.

§ 515.321 United States; continental United States.

The term "United States" means the United States and all areas under the jurisdiction or authority thereof including the Panama Canal Zone and the Trust Territory of the Pacific Islands. The term "continental United States" means the states of the United States and the District of Columbia.

§ 515.322 Authorized trade territory; member of the authorized trade territory.

(a) The term "authorized trade territory" shall include:

(1) North, South, and Central America, including the Caribbean region except Cuba;

(2) Africa;

(3) Oceania, including Indonesia and the Philippines;

(4) Andorra, Austria, Belgium, Denmark, Eire, the Federal Republic of Germany, and the Western sector of Berlin, Finland, France (including Monaco), Greece, Iceland, Italy, Liechtenstein, Luxembourg, the Netherlands, Norway, Portugal, San Marino, Spain, Sweden, Switzerland, Turkey, the United Kingdom and Yugoslavia;

(5) Afghanistan, Bhutan, Federation of Malaya, Burma, Cambodia, Ceylon, Taiwan, Hong Kong, India, Iran, Iraq, Israel, Japan, Jordan, Kuwait, Laos, Lebanon, Macao, Muscat and Oman, Nepal, Pakistan, Saudi Arabia, South Korea, Syrian Arab Republic, Thailand, Viet-Nam (except those areas under Communist control) and Yeman;

(6) Any colony, territory, possession, or protectorate of any country included within this paragraph; but the term shall not include the United States.

(b) The term "member of the authorized trade territory" shall mean any of the foreign countries or political subdivisions comprising the authorized trade territory.

§ 515.323 Occupied area.

The term "occupied area" shall mean any territory occupied by a designated foreign country which was not occupied by such country prior to the effective date of this part.

§ 515.324 [Reserved]

§ 515.325 National securities exchange.

The term "national securities exchange" shall mean an exchange registered as a national securities exchange under section 6 of the Securities Exchange Act of 1934 (48 Stat. 885, 15 U.S.C. 78f).

§ 515.326 Custody of safe deposit boxes.

Safe deposit boxes shall be deemed to be in the "custody" not only of all persons having access thereto but also of the lessors of such boxes whether or not such lessors have access to such boxes. The foregoing shall not in any way be regarded as a limitation upon the meaning of the term "custody."

§ 515.327 Blocked estate of a decedent.

The term "blocked estate of a decedent" shall mean any decedent's estate in which a designated national has an interest. A person shall be deemed to have an interest in a decedent's estate if he (a) was the decedent; (b) is a personal representative; or (c) is a creditor, heir, legatee, devisee, distributee, or beneficiary.

§ 515.328 [Reserved]

§ 515.329 Person subject to the jurisdiction of the United States.

(a) The term "person subject to the jurisdiction of the United States" includes:

(1) Any person, wheresoever located who is a citizen or resident of the United States;

(2) Any person actually within the United States;

(3) Any corporation organized under the laws of the United States or of any state, territory, possession, or district of the United States; and

(4) Any partnership, association, corporation, or other organization wheresoever organized or doing business which is owned or controlled by persons specified in subparagraph (1), (2), or (3) of this paragraph.

§ 515.330 Person within the United States.

(a) The term "person within the United States," includes:

(1) Any person, wheresoever located, who is a resident of the United States;

(2) Any person actually within the United States;

(3) Any corporation organized under the laws of the United States or of any state, territory, possession, or district of the United States; and

(4) Any partnership, association, corporation, or other organization, wheresoever organized, or doing business, which is owned or controlled by any person or persons specified in subparagraph (1), (2) or (3) of this paragraph.

§ 515.331 Merchandise.

The term "merchandise" means all goods, wares and chattels of every description without limitation of any kind.

Subpart D—Interpretations

§ 515.401 Reference to amended sections.

Reference to any section of this part or to any regulation, ruling, order, instruction, direction or license issued pursuant to this part shall be deemed to refer to the same as currently amended unless otherwise so specified.

§ 515.402 Effect of amendment of sections of this part or of other orders, etc.

Any amendment, modification, or revocation of any section of this part or of any order, regulation, ruling, instruction, or license issued by or under the direction of the Secretary of the Treasury pursuant to section 3(a) or 5(b) of the Trading With the Enemy Act, as amended, or pursuant to Proclamation 3447, shall not unless otherwise specifically provided be deemed to affect any act done or omitted to be done, or any suit or proceeding had or commenced in any civil or criminal case, prior to such amendment, modification, or revocation, and all penalties, forfeitures, and liabilities under any such section, order, regulation, ruling, instruction or license shall continue and may be enforced as if such amendment, modification, or revocation had not been made.

§ 515.403 Termination and acquisition of the interest of a designated national.

(a) Except as provided in § 515.525, whenever a transaction licensed or authorized by or pursuant to this part results in the transfer of property (including any property interest) away from a designated national, such property shall no longer be deemed to be property in which a designated national has or has had an interest unless there exists in such property an interest of a designated national, the transfer of which has not been effected pursuant to license or other authorization.

(b) Unless otherwise specifically provided in a license or authorization contained in or issued pursuant to this part, if property (including any property interest) is transferred to a designated national such property shall be deemed to be property in which there exists the interest of a designated national.

§ 515.404 Transactions between principal and agent.

A transaction between any person within the United States and any principal, agent, home office, branch, or correspondent, outside the United States of such person is a transaction prohibited by § 515.201 to the same extent as if the parties to the transaction were in no way affiliated or associated with each other.

§ 515.405 Exportation of securities, currency, checks, drafts and promissory notes.

Section 515.201 prohibits the exportation of securities, currency, checks, drafts and promissory notes to a designated foreign country.

§ 515.406 Drafts under irrevocable letters of credit; documentary drafts.

Section 515.201 prohibits the presentation, acceptance or payment of:

(a) Drafts or other orders for payment drawn under irrevocable letters of credit issued in favor or on behalf of any designated national;

(b) Drafts or other orders for payment, in which any designated national has on or since the "effective date" had any interest, drawn under any irrevocable letter of credit; and

(c) Documentary drafts in which any designated national has on or since the "effective date" had any interest.

§ 515.407 Administration of blocked estates of decedents.

Section 515.201 prohibits all transactions incident to the administration of the blocked estate of a decedent, including the appointment and qualification of personal representatives, the collection and liquidation of assets, the payment of claims, and distribution to beneficiaries. Attention is directed to § 515.523 which authorizes certain transactions in connection with the administration of blocked estates of decedents.

§ 515.408 Access to certain safe deposit boxes prohibited.

Section 515.201 prohibits access to any safe deposit box within the United States in the custody of any designated national

or containing any property in which any designated national has any interest or which there is reasonable cause to believe contains property in which any such designated national has any interest. Attention is directed to § 515.517 which authorizes access to such safe deposit boxes under certain conditions.

§ 515.409 Certain payments to a designated foreign country and nationals through third countries.

Section 515.201 prohibits any request or authorization made by or on behalf of a bank or other person within the United States to a bank or other person outside of the United States as a result of which request or authorization such latter bank or person makes a payment or transfer of credit either directly or indirectly to a designated national.

Subpart E—Licenses and Authorizations

§ 515.501 [Reserved]

§ 515.502 Effect of subsequent license or authorization.

(a) No license or other authorization contained in this part or otherwise issued by or under the direction of the Secretary of the Treasury pursuant to section 3(a) or 5(b) of the Trading with the Enemy Act, as amended, or section 620(a), Public Law 87-195, or Proclamation 3447, shall be deemed to authorize or validate any transaction effected prior to the issuance thereof, unless such license or other authorization specifically so provides.

(b) No regulation, ruling, instruction, or license authorizes a transaction prohibited under this part unless the regulation, ruling, instruction, or license is issued by the Treasury Department and specifically refers to this part. No regulation, ruling, instruction or license referring to this part shall be deemed to authorize any transaction prohibited by Part 500 of this chapter unless the regulation, ruling, instruction or license specifically refers to Part 500.

§ 515.503 Exclusion from licenses and authorizations.

The Secretary of the Treasury reserves the right to exclude from the operation of any license or from the privileges therein conferred or to restrict the applicability thereof with respect to particular persons, transactions or property or classes thereof. Such action shall be binding upon all persons receiving actual notice or constructive notice thereof.

§ 515.504 Certain judicial proceedings with respect to property of designated nationals.

(a) Subject to the limitations of paragraphs (b), (c) and (d) of this section judicial proceedings are authorized with respect to property in which on or since the "effective date" there has existed the interest of a designated national.

(b) A judicial proceeding is authorized by this section only if it is based upon a cause of action which accrued prior to the "effective date".

(c) This section does not authorize or license:

(1) The entry of any judgment or of any decree or order of similar or analogous effect upon any judgment book, minute book, journal or otherwise, or the docketing of any judgment in any docket book, or the filing of any judgment roll or the taking of any other similar or analogous action.

(2) Any payment or delivery out of a blocked account based upon a judicial proceeding nor does it authorize the enforcement or carrying out of any judgment or decree or order of similar or analogous effect with regard to any property in which a designated national has an interest.

(d) If a judicial proceeding relates to property in which there exists the interest of any designated national other than a person who would not have been a designated national except for his relationship to an occupied area, such proceeding is authorized only if it is based upon a claim in which no person other than any of the following has had an interest since the "effective date":

(1) A citizen of the United States;
 (2) A corporation organized under the laws of the United States or any State, territory or possession thereof, or the District of Columbia;

(3) A natural person who is and has been since the "effective date" a resident of the United States and who has not been a specially designated national;

(4) A legal representative (whether or not appointed by a court of the United States) or successor in interest by inheritance, devise, bequest, or operation of law, who falls within any of the categories specified in subparagraphs (1), (2), and (3) of this paragraph but only to the same extent that their principals or predecessors would be qualified by such subparagraphs.

§ 515.505 Certain persons in the United States unblocked.

(a) Except as provided in paragraph (b) of this section the following are hereby licensed as unblocked nationals:

(1) Any individual resident in and within the United States except an individual who on or after the "effective date" has acted or purported to act directly or indirectly for the benefit of or on behalf of a designated country.

(2) Any partnership, association, corporation, or other organization which is a national of a designated foreign country solely by reason of the interest of persons licensed by this section.

(b) This section does not license as an unblocked national any person who is a specially blocked national.

§ 515.506 Certain persons in authorized trade territory unblocked.

(a) Except as provided in paragraph (b) of this section the following are hereby licensed as unblocked nationals:

(1) Any individual in the authorized trade territory except an individual who on or after the "effective date" was in, or who on or since such date, has acted or purported to act directly or indirectly for the benefit of or on behalf of a designated foreign country.

(2) Any partnership, association, corporation, or other organization which is a national of a designated foreign

country solely by reason of the interest of persons licensed by this section.

(b) This section does not license as an unblocked national any person who is a specially designated national.

§ 515.507 Individuals who are citizens of, and residing only in the United States, unblocked.

(a) Any individual who is a citizen of the United States, residing only in the United States, and who is a national of a designated foreign country solely by reason of having been formerly domiciled or resident therein is hereby licensed as an unblocked national.

(b) This section does not license as an unblocked national any individual citizen of the United States who is a national of a designated foreign country by reason of any fact other than his former domicile or residence in such country.

§ 515.508 Payments to blocked accounts in domestic banks.

(a) Any payment or transfer of credit to a blocked account in a domestic bank in the name of any designated national is hereby authorized providing such payment or transfer shall not be made:

(1) From any blocked account in a domestic bank; or

(2) From any other blocked account if such payment or transfer represents, directly or indirectly, a transfer of the interest of a designated national to any other country or person.

(b) This section does not authorize:

(1) Any payment or transfer to any blocked account held in a name other than that of the designated national who is the ultimate beneficiary of such payment or transfer; or

(2) Any foreign exchange transaction including, but not by way of limitation, any transfer of credit, or payment of an obligation, expressed in terms of the currency of any foreign country.

(c) This section does not authorize any payment or transfer of credit comprising an integral part of a transaction which cannot be effected without the subsequent issuance of a further license.

(d) This section does not authorize the crediting of the proceeds of the sale of securities held in a blocked account or a subaccount thereof, or the income derived from such securities to a blocked account or subaccount under any name or designation which differs from the name or designation of the specific blocked account or subaccount in which such securities were held.

§ 515.509 Entries in certain accounts for normal service charges.

(a) Any banking institution within the United States is hereby authorized to:

(1) Debit any blocked account with such banking institution (or with another office within the United States of such banking institution) in payment or reimbursement for normal service charges owed to such banking institution by the owner of such blocked account.

(2) Make book entries against any foreign currency account maintained by it with a banking institution in a designated foreign country for the purpose of responding to debits to such account for

normal service charges in connection therewith.

(b) As used in this section, the term "normal service charge" shall include charges in payment or reimbursement for interest due; cable, telegraph, or telephone charges; postage costs; custody fees; small adjustment charges to correct bookkeeping errors; and, but not by way of limitation, minimum balance charges, account carrying charges, notary and protest fees, and charges for reference books, photostats, credit reports, transcripts of statements, registered mail insurance, stationery and supplies, check books, and other similar items.

§ 515.510 Payments to the United States, States and political subdivisions.

(a) The payment from any blocked account to the United States or any agency or instrumentality thereof or to any State, territory, district, county, municipality or other political subdivision in the United States, of customs duties, taxes, and fees payable thereto by the owner of such blocked account is hereby authorized.

(b) This section also authorizes transactions incident to the payment of customs duties, taxes, and fees from blocked accounts, such as the levying of assessments, the creation and enforcement of liens, and the sale of blocked property in satisfaction of liens for customs duties, taxes, and fees.

§ 515.511 Transactions by certain business enterprises.

(a) Except as provided in paragraphs (b), (c) and (d) of this section any partnership, association, corporation or other organization which on the "effective date" was actually engaged in a commercial, banking or financial business within the United States and which is a national of a designated foreign country, is hereby authorized to engage in all transactions ordinarily incidental to the normal conduct of its business activities within the United States.

(b) This section does not authorize any transaction which would require a license if such organization were not a national of a designated foreign country.

(c) This section does not authorize any transaction by a specially designated national.

(d) Any organization engaging in business pursuant to this section shall not engage in any transaction, pursuant to this section or any other license or authorization contained in this part, which, directly or indirectly, substantially diminishes or imperils the assets of such organization or otherwise prejudicially affects the financial position of such organization.

(e) No dealings with regard to any account shall be evidence that any person having an interest therein is actually engaged in commercial, banking or financial business within the United States.

§ 515.512 [Reserved]

§ 515.513 Purchase and sale of certain securities.

(a) The bona fide purchase and sale of securities on a national securities

exchange by banking institutions within the United States for the account, and pursuant to the authorization, of nationals of a designated foreign country and the making and receipt of payments, transfers of credit, and transfers of such securities which are necessary incidents of any such purchase or sale are hereby authorized provided the following terms and conditions are complied with:

(1) In the case of the purchase of securities, the securities purchased shall be held in an account in a banking institution within the United States in the name of the national whose account was debited to purchase such securities; and

(2) In the case of the sale of securities, the proceeds of the sale shall be credited to an account in the name of the national for whose account the sale was made and in the banking institution within the United States which held the securities for such national.

(b) This section does not authorize the crediting of the proceeds of the sale of securities held in a blocked account or a sub-account thereof, to a blocked account or sub-account under any name or designation which differs from the name or designation of the specific blocked account or sub-account in which such securities were held.

(c) Securities issued or guaranteed by the Government of the United States or any State, territory, district, county, municipality, or other political subdivision thereof (including agencies and instrumentalities of the foregoing) need not be purchased or sold on a national securities exchange, but purchases or sales of such securities shall be made at market value and pursuant to all other terms and conditions prescribed in this section.

§ 515.514 Payment of dividends and interest on and redemption and collection of securities.

(a) The payment to, and receipt by, a banking institution within the United States of funds or other property representing dividends or interest on securities held by such banking institution in a blocked account is hereby authorized provided the funds or other property are credited to or deposited in a blocked account in such banking institution in the name of the national for whose account the securities were held. Notwithstanding § 515.202, this paragraph authorizes the foregoing transactions although such securities are registered or inscribed in the name of any designated national and although the national in whose name the securities are registered or inscribed may not be the owner of such blocked account.

(b) The payment to, and receipt by, a banking institution within the United States of funds payable in respect of securities (including coupons) presented by such banking institution to the proper paying agents within the United States for redemption or collection for the account and pursuant to the authorization of nationals of a designated country is hereby authorized provided the proceeds of the redemption or collection are credited to a blocked account in such banking institution in the name of the national for whose account the redemption or collection was made.

(c) The performance of such other acts, and the effecting of such other transactions, as may be necessarily incident to any of the foregoing, are also hereby authorized.

(d) This section does not authorize the crediting of the proceeds of the redemption or collection of securities (including coupons) held in a blocked account or a sub-account thereof, or the income derived from such securities to a blocked account or sub-account under any name or designation which differs from the name or designation of the specific blocked account or sub-account in which such securities were held.

(e) This section does not authorize any issuer or other obligor, with respect to a security, who is a designated national, to make any payment, transfer or withdrawal.

§ 515.515 Transfers of securities to blocked accounts in domestic banks.

(a) Transactions ordinarily incident to the transfer of securities from a blocked account in the name of any person to a blocked account in the same name in a domestic bank are hereby authorized provided the following terms and conditions are complied with:

(1) Such securities shall not be transferred from any blocked account in a domestic bank; and

(2) Such securities shall not be transferred from any other blocked account if such transfer represents, directly or indirectly, a transfer of the interest of a designated national to any other country or person.

(b) This section does not authorize the transfer of securities held in a blocked account or sub-account thereof to a blocked account or sub-account under any name or designation which differs from the name or designation of the specific blocked account or sub-account in which such securities were held.

§ 515.516 Voting and soliciting of proxies on securities.

Notwithstanding § 515.202, the voting and the soliciting of proxies or other authorizations is authorized with respect to the voting of securities issued by a corporation organized under the laws of the United States or of any State, territory, or district thereof, in which a designated national has any interest.

§ 515.517 Access to safe deposit boxes under certain conditions.

(a) Access to any safe deposit box leased to a designated national or containing property in which any designated national has an interest, and the deposit therein or removal therefrom of any property is hereby authorized, provided the following terms and conditions are complied with:

(1) Access shall be permitted only in the presence of an authorized representative of the lessor of such box; and

(2) In the event that any property in which any designated national has any interest is to be removed from such box, access shall be permitted only in the presence of an authorized representative of a banking institution within the United States, which may be the lessor of such box, which shall receive such

property into its custody immediately upon removal from such box and which shall hold the same in a blocked account under an appropriate designation indicating the interest therein of designated nationals.

(b) The terms and conditions set forth in paragraph (a) of this section shall not apply to access granted to a representative of the Office of Alien Property pursuant to any rule, regulation or order of such Office.

§ 515.518 Payments for living, traveling, and similar personal expenses in the United States.

(a) Payments and transfers of credit in the United States from blocked accounts in domestic banking institutions held in the name of an individual within the United States to or upon the order of such individual are hereby authorized provided the following terms and conditions are complied with:

(1) Such payments and transfers of credit may be made only for the living, traveling, and similar personal expenses in the United States of such individual or his family; and

(2) The total of all such payments and transfers of credit made under this section from the accounts of such individual may not exceed \$250 in any one calendar month.

(b) This section does not authorize any payment or transfer from an account in which a specialty designated national has an interest.

§ 515.519 Limited payments from accounts of United States citizens abroad.

(a) Payments and transfers of credit from blocked accounts for expenditures within the United States or the authorized trade territory of any citizen of the United States who is within any foreign country are hereby authorized provided the following terms and conditions are complied with:

(1) Such payments and transfers shall be made only from blocked accounts in the name of, or in which the beneficial interest is held by, such citizen or his family; and

(2) The total of all such payments and transfers made under this section shall not exceed \$1,000 in any one calendar month for any such citizen or his family.

(b) This section does not authorize any remittance to a designated foreign country or, any payment, transfer, or withdrawal which could not be effected without a license by a person within the United States who is not a national of a designated foreign country.

§ 515.520 Payments from accounts of United States citizens in employ of United States in foreign countries and certain other persons.

(a) Banking institutions within the United States are hereby authorized to make all payments, transfers and withdrawals from accounts in the name of citizens of the United States while such citizens are within any foreign country in the course of their employment by the Government of the United States.

(b) Banking institutions within the United States are also hereby authorized

to make all payments, transfers and withdrawals from accounts in the name of members of the armed forces of the United States and of citizens of the United States accompanying such armed forces in the course of their employment by any organization acting on behalf of the Government of the United States while such persons are within any foreign country.

(c) This section is deemed to apply to the accounts of members of the armed forces of the United States and of citizens of the United States accompanying such armed forces in the course of their employment by the Government of the United States or by any organization acting on its behalf even though they are captured or reported missing.

§ 515.521 Certain remittances for necessary living expenses.

(a) Remittances by any person to any individual who is a resident of a foreign country and is within that foreign country are hereby authorized on the following terms and conditions:

(1) Such remittances are made only for the necessary living expenses of the payee and his household and do not exceed \$100 in any one calendar month to any one household;

(2) Such remittances are not made from a blocked account other than from an account in a banking institution within the United States in the name of, or in which the beneficial interest is held by, the payee or members of his household.

(3) Such remittances are not made from a blocked account which is blocked pursuant to Executive Order No. 8389, as amended;

(4) If the payee is within a designated foreign country, such remittances must be made through a domestic bank and any domestic bank is authorized to effect such remittances which, however, may be effected only by the payment of the dollar amount of the remittance to a domestic bank for credit to a blocked account in the name of a banking institution within such country.

(b) This section does not authorize any remittance to, or for the benefit of, a specially designated national who is not within a designated foreign country.

(c) This section does not authorize any remittance to an individual for the purpose of defraying the expenses of a person not constituting part of his household.

(d) As used in this section, the term "household" shall mean:

(1) Those individuals sharing a common dwelling as a family; or

(2) Any individual not sharing a common dwelling with others as a family.

§ 515.522 Certain remittances to United States citizens in foreign countries.

(a) Remittances by any person through any domestic bank to any individual who is a citizen of the United States within any foreign country are hereby authorized and any domestic bank is authorized to effect such remittances, on the following terms and conditions:

(1) Such remittances do not exceed \$1,000 in any one calendar month to any payee and his household and are made only for the necessary living and traveling expenses of the payee and his household, except that an additional sum not exceeding \$1,000 may be remitted once to such payee if such sum will be used for the purpose of enabling the payee or his household to return to the United States;

(2) Such remittances are not made from a blocked account other than from an account in a banking institution within the United States in the name of, or in which the beneficial interest is held by, the payee or members of his household.

(b) This section does not authorize any remittance to an individual for the purpose of defraying the expenses of a person not constituting part of his household.

(c) As used in this section, the term "household" shall mean:

(1) Those individuals sharing a common dwelling as a family; or

(2) Any individual not sharing a common dwelling with others as a family.

§ 515.523 Transactions incident to the administration of decedents' estates.

(a) The following transactions are authorized in connection with the administration of the assets in the United States of any blocked estate of a decedent:

(1) The appointment and qualification of a personal representative;

(2) The collection and preservation of such assets by such personal representative and the payment of all costs, fees and charges in connection therewith; and

(3) The payment by such personal representative of funeral expenses and expenses of the last illness.

(b) In addition to the authorization contained in paragraph (a) of this section, all other transactions incident to the administration of assets situated in the United States of any blocked estate of a decedent are authorized if:

(1) The decedent was not a national of a designated foreign country at the time of his death;

(2) The decedent was a citizen of the United States and a national of a designated foreign country at the time of his death solely by reason of his presence in a designated foreign country as a result of his employment by, or service with the United States Government; or

(3) The gross value of the assets within the United States does not exceed \$5,000.

(c) Any property or interest therein distributed pursuant to this section to a designated national shall be regarded for the purpose of this chapter as property in which such national has an interest and shall accordingly be subject to all the pertinent sections of this chapter. Any payment or distribution of any funds, securities or other choses in action to a designated national shall be made by deposit in a blocked account in a domestic bank or with a public officer, agency, or instrumentality designated by a court having jurisdiction of the estate.

Any such deposit shall be made in one of the following ways:

(1) In the name of the national who is the ultimate beneficiary thereof;

(2) In the name of a person who is not a national of a designated foreign country in trust for the national who is the ultimate beneficiary; or

(3) Under some other designation which clearly shows the interest therein of such national.

(d) Any distribution of property authorized pursuant to this section may be made to a trustee of any testamentary trust or to the guardian of an estate of a minor or of an incompetent.

(e) This section does not authorize:

(1) Any designated national to act as personal representative or co-representative of any estate;

(2) Any designated national to represent, directly or indirectly, any person who has an interest in an estate;

(3) Any designated national to take distribution of any property as the trustee of any testamentary trust or as the guardian of an estate of a minor or of an incompetent; or

(4) Any transaction which could not be effected if no designated national had any interest in such estate.

(f) Any payment or distribution authorized by this section may be deposited in a blocked account in a domestic bank or with a public officer, agency, or instrumentality designated by the court having jurisdiction of the estate in one of the ways prescribed in paragraph (c) (1), (2) or (3) of this section, but this section does not authorize any other transaction directly or indirectly at the request, or upon the instructions of any designated national.

§ 515.524 Payment from, and transactions in the administration of certain trusts and estates.

(a) Any bank or trust company incorporated under the laws of the United States, or of any State, territory, or district of the United States, or any private bank subject to supervision and examination under the banking laws of any State of the United States, acting as trustee of any trust administered in the United States or as legal representative of any estate of an infant or incompetent administered in the United States in which trust or estate one or more persons who are nationals of a designated foreign country have an interest, beneficial or otherwise, or are cotrustees or co-representatives, is hereby authorized to engage in the following transactions:

(1) Payments of distributive shares of principal or income to all persons legally entitled thereto upon the condition prescribed in paragraph (b) of this section.

(2) Other transactions arising in the administration of such trust or estate which might be engaged in if no national of a designated foreign country were a beneficiary, co-trustee or co-representative of such trust or estate upon the condition prescribed in paragraph (b) of this section.

(b) Any payment or distribution of any funds, securities or other choses in action to a national of a designated foreign country under this section shall be

made by deposit in a blocked account in a domestic bank in the name of the national who is the ultimate beneficiary thereof.

(c) Any payment or distribution into a blocked account in a domestic bank in the name of any such national of a designated foreign country who is the ultimate beneficiary of and legally entitled to any such payment or distribution is authorized by this section, but this section does not authorize such trustee or legal representative to engage in any other transaction at the request, or upon the instructions, of any beneficiary, co-trustee or corepresentative of such trust or estate or other person who is a national of any designated foreign country.

§ 515.525 Certain transfers by operation of law.

(a) The following are hereby authorized:

(1) Any transfer of any dower, curtesy, community property, or other interest of any nature whatsoever, provided that such transfer arises solely as a consequence of the existence or change of marital status;

(2) Any transfer to any person by intestate succession;

(3) Any transfer to any person as administrator, executor, or other fiduciary by reason of any testamentary disposition; and

(4) Any transfer to any person as administrator, executor, or fiduciary by reason of judicial appointment or approval in connection with any testamentary disposition or intestate succession.

(b) Except to the limited extent authorized by § 515.523 or by any other license or authorization contained in or issued pursuant to this part no transfer to any person by intestate succession and no transfer to any person as administrator, executor, or other fiduciary by reason of any testamentary disposition, and no transfer to any person as administrator, executor, or fiduciary by reason of judicial appointment or approval in connection with any testamentary disposition or intestate succession shall be deemed to terminate the interest of the decedent in the property transferred if the decedent was a designated national.

§ 515.526 Transactions involving blocked life insurance policies.

(a) The following transactions are hereby authorized:

(1) The payment of premiums and interest on policy loans with respect to any blocked life insurance policy;

(2) The issuance, servicing or transfer of any blocked life insurance policy in which the only blocked interest is that of one or more of the following:

(i) A member of the armed forces of the United States or a person accompanying such forces (including personnel of the American Red Cross, and similar organizations);

(ii) An officer or employee of the United States; or

(iii) A citizen of the United States resident in a designated foreign country; and

(3) The issuance, servicing or transfer of any blocked life insurance policy

in which the only blocked interest (other than that of a person specified in subparagraph (2) of this paragraph) is that of a beneficiary.

(b) Paragraph (a) of this section does not authorize:

(1) Any payment to the insurer from any blocked account except a blocked account of the insured or beneficiary, or

(2) Any payment by the insurer to a national of a designated foreign country unless payment is made by deposit in a blocked account in a domestic bank in the name of the national who is the ultimate beneficiary thereof.

(c) The application, in accordance with the provisions of the policy or the established practice of the insurer of the dividends, cash surrender value, or loan value, of any blocked life insurance policy is also hereby authorized for the purpose of:

(1) Paying premiums;

(2) Paying policy loans and interest thereon;

(3) Establishing paid-up insurance; or

(4) Accumulating such dividends or values to the credit of the policy on the books of the insurer.

(d) As used in this section:

(1) The term "blocked life insurance policy" shall mean any life insurance policy or annuity contract, or contract supplementary thereto, in which there is a blocked interest.

(2) Any interest of a national of a designated foreign country shall be deemed to be a "blocked interest."

(3) The term "servicing" shall mean the following transactions with respect to any blocked life insurance policy:

(i) The payment of premiums, the payment of loan interest, and the repayment of policy loans;

(ii) The effecting by a life insurance company or other insurer of loans to an insured;

(iii) The effecting on behalf of an insured of surrenders, conversions, modifications, and reinstatements; and

(iv) The exercise or election by an insured of nonforfeiture options, optional modes of settlement, optional disposition of dividends, and other policy options and privileges not involving payment by the insurer.

(4) The term "transfer" shall mean the change of beneficiary, or the assignment or pledge of the interest of an insured in any blocked life insurance policy subsequent to the issuance thereof.

(e) This section does not authorize any transaction with respect to any blocked life insurance policy issued by a life insurance company or other insurer which is a national of a designated foreign country or which is not doing business or effecting insurance in the United States.

§ 515.527 Certain transactions with respect to United States patents, trademarks, and copyrights.

(a) There are hereby authorized:

(1) The filing in the United States Patent Office of applications for letters patent and for trademarks registration;

(2) The making and filing in the United States Copyright Office of applications for registration or renewal of copyrights;

(3) The prosecution in the United States Patent Office of applications for letters patent and for trademarks registration;

(4) The receipt of letters patent or trademark registration certificates or copyright registration or renewal certificates granted pursuant to any such applications in which any designated national has at any time on or since the "effective date" had any interest.

(b) This section further authorizes, subject to the terms and conditions prescribed in paragraphs (c) and (d) of this section, the execution and recording of any instrument recordable in the United States Patent Office or the United States Copyright Office which affects title to or grants any interest in, including licenses under, any United States letters patent, trademark registration, copyright or renewal thereof, or application therefor, in which a designated national, who is such a national solely by reason of his relationship to an occupied area, has at any time on or since the "effective date" had any interest, or which constitutes or evidences a transaction made by, or on behalf of, or pursuant to the direction of or with such a designated national, or if any of the parties to such instrument is such a designated national.

(c) Any such instrument the recording or the execution and recording of which is authorized by paragraph (b) of this section shall be recorded in the United States Patent Office or in the United States Copyright Office within ninety days of the date of execution thereof or ninety days from the "effective date" whichever is the longer period, or within such further time as may be allowed by the Secretary of the Treasury. The person presenting such instrument for recording shall file therewith in the United States Patent Office or United States Copyright Office a statement that such instrument is being recorded in accordance with the provisions of this section.

(d) Any such instrument the recording or the execution and recording of which is authorized by paragraph (b) of this section may be set aside by the Secretary of the Treasury at any time within a period of three years from the date of recording except that the Secretary of the Treasury may in his discretion reduce such period of time with respect to any such instrument after the recording thereof, and further, the patents, trademarks, interests, applications, or rights thereunder so transferred may be vested by the Secretary of the Treasury.

(e) This section also authorizes the payment from blocked accounts or otherwise, of fees currently due to the United States Government in connection with any transactions authorized by this section.

(f) This section further authorizes the payment from blocked accounts or otherwise of the reasonable and customary fees and charges currently due to attorneys or representatives within the United States in connection with the transactions referred to in paragraphs (a), (b), and (e) of this section, provided

that such payment shall not exceed (1) \$100 for the preparation, filing, and prosecution of any letters patent; or (2) \$50 for the preparation, filing and prosecution of any application for a trademark registration; or (3) \$25 for the securing and registration of any copyright; or (4) \$35 for the preparation and filing of any amendment to a pending application for letters patent or for a trademark registration.

(g) This section also authorizes the payment of a nominal consideration not exceeding one dollar, to any party to an instrument executed or recorded hereunder with respect to the property affected by such instrument, as long as such instrument is subject to being set aside in accordance with paragraph (d) of this section.

§ 515.528 Certain transactions with respect to blocked foreign patents, trademarks and copyrights authorized.

(a) The following transactions by any person who is not a designated national are hereby authorized:

(1) The filing and prosecution of any application for a blocked foreign patent, trademark or copyright, or for the renewal thereof;

(2) The receipt of any blocked foreign patent, trademark or copyright;

(3) The filing and prosecution of opposition or infringement proceedings with respect to any blocked foreign patent, trademark, or copyright, and the prosecution of a defense to any such proceedings;

(4) The payment of fees currently due to the government of any foreign country, either directly or through an attorney or representative, in connection with any of the transactions authorized by subparagraphs (1), (2), and (3) of this paragraph or for the maintenance of any blocked foreign patent, trademark or copyright; and

(5) The payment of reasonable and customary fees currently due to attorneys or representatives in any foreign country incurred in connection with any of the transactions authorized by subparagraphs (1), (2), (3) or (4) of this paragraph.

(b) Payments effected pursuant to the terms of paragraph (a) (4) and (5) of this section may not be made from any blocked account.

(c) As used in this section the term "blocked foreign patent, trademark, or copyright" shall mean any patent, petty patent, design patent, trademark or copyright issued by any foreign country, in which a designated foreign country or national thereof has an interest, including any patent, petty patent, design patent, trademark, or copyright issued by a designated foreign country.

§ 515.529 Powers of attorney.

(a) No power of attorney, whether granted before or after the "effective date" shall be invalid by reason of any of the provisions of this part with respect to any transaction licensed by or pursuant to the provisions of this part.

(b) This section does not authorize any transaction pursuant to a power of attorney if such transaction is prohib-

ited by § 515.201 and is not otherwise licensed or authorized by or pursuant to this part.

(c) This section does not authorize the creation of any power of attorney in favor of any person outside of the United States or the exportation from the United States of any power of attorney.

§ 515.530 Exportation of powers of attorney or instructions relating to certain types of transactions.

(a) The exportation to any foreign country of powers of attorney or other instruments executed or issued by any person within the United States who is not a national of a designated foreign country, which are limited to authorizations or instructions to effect transactions incident to the following, are hereby authorized upon the condition prescribed in paragraph (b) of this section:

(1) The representation of the interest of such person in a decedent's estate which is being administered in a designated foreign country and the collection of the distributive share of such person in such estate;

(2) The maintenance, preservation, supervision or management of any property located in a designated foreign country in which such person has an interest; and

(3) The conveyance, transfer, release, sale or other disposition of any property specified in subparagraph (1) of this paragraph or any real estate or tangible personal property if the value thereof does not exceed the sum of \$5,000 or its equivalent in foreign currency.

(b) No instrument which authorizes the conveyance, transfer, release, sale or other disposition of any property may be exported under this section unless it contains an express stipulation that such authority may not be exercised if the value of such property exceeds the sum of \$5,000 or the equivalent thereof in foreign currency.

(c) As used in this section, the term "tangible personal property" shall not include cash, bullion, deposits, credits, securities, patents, trademarks, or copyrights.

§ 515.531 Payment of certain checks and drafts.

(a) Any banking institution within the United States is hereby authorized to make payments from blocked accounts with such banking institution:

(1) Of checks and drafts drawn or issued prior to the "effective date" provided:

(i) The amount involved in any one payment, acceptance, or debit does not exceed \$500; or

(ii) The check or draft was within the United States in process of collection by a domestic bank on or prior to the "effective date."

(b) This section does not authorize any payment to a designated foreign country or any designated national thereof except payments into a blocked account in a domestic bank, unless such designated national is otherwise licensed to receive such payment.

(c) The authorization contained in this section shall expire at the close of business on August 8, 1963.

§ 515.532 Completion of certain securities transactions.

(a) Banking institutions within the United States are hereby authorized to complete, on or before July 12, 1963 purchases and sales made prior to the "effective date" of securities purchased or sold for the account of a designated foreign country or any designated national thereof provided the following terms and conditions are complied with, respectively:

(1) The proceeds of such sale are credited to a blocked account in a banking institution in the name of the person for whose account the sale was made; and

(2) The securities so purchased are held in a blocked account in a banking institution in the name of the person for whose account the purchase was made.

(b) This section does not authorize the crediting of the proceeds of the sale of securities held in a blocked account or a subaccount thereof, to a blocked account or subaccount under any name or designation which differs from the name or designation of the specific blocked account or subaccount in which such securities were held.

§ 515.533 Transactions incident to exportations to designated countries.

(a) All transactions ordinarily incident to the exportation of goods, wares and merchandise from the United States to any person within a designated foreign country are hereby authorized, provided the following terms and conditions are complied with:

(1) The exportation is licensed or otherwise authorized by the Department of Commerce under the provisions of the Export Control Act of 1949, as amended (sec. 3, 63 Stat. 7, sec. 44, 76 Stat. 127, 50 U.S.C., App. Supp. 2023); and

(2) Banking institutions within the United States, prior to issuing, confirming or advising letters of credit, or accepting or paying drafts drawn, or reimbursing themselves for payments made, under letters of credit, or making any other payment or transfer of credit, in connection with any exportation pursuant to this section, or engaging in any other transaction herein authorized, shall satisfy themselves that: (i) Each such transaction is incident to a bona fide exportation and is customary in the normal course of business, and that the value of such exportation reasonably corresponds with the sums of money involved in financing such transaction; and (ii) such exportation is made pursuant to all the terms and conditions of this section.

(b) This section does not authorize:

(1) The financing of any transaction from any blocked account;

(2) Any transaction involving, directly or indirectly, property in which any designated national, other than a person located in the country to which the exportation is consigned, has an interest, or has had an interest since the "effective date".

§ 515.534 [Reserved]

§ 515.535 Exchange of certain securities.

(a) Subject to the limitations and conditions of paragraph (b) of this section and notwithstanding § 515.202, any banking institution within the United States is authorized to engage in the following transactions with respect to securities listed on a national securities exchange, including the withdrawal of such securities from blocked accounts:

(1) Exchange of certificates necessitated by reason of changes in corporate name, par value or capitalization,

(2) Exchanges of temporary for permanent certificates,

(3) Exchanges or deposits under plans of reorganization,

(4) Exchanges under refunding plans, or

(5) Exchanges pursuant to conversion privileges accruing to securities held.

(b) This section does not authorize the following transactions:

(1) Any exchange of securities unless the new securities and other proceeds, if any, received are deposited in the blocked account in which the original securities were held immediately prior to the exchange.

(2) Any exchange of securities registered in the name of any designated national, unless the new securities received are registered in the same name in which the securities exchanged were registered prior to the exchange.

(3) Any exchange of securities issued by a person engaged in the business of offering, buying, selling, or otherwise dealing, or trading in securities, or evidences thereof, issued by another person.

(4) Any transaction with respect to any security by an issuer or other obligor who is a designated national.

§§ 515.536-515.539 [Reserved]

§ 515.540 Passengers baggage.

The importation of goods otherwise prohibited under this part which are brought into the United States as baggage by any person arriving in the United States other than a citizen or resident of the United States is hereby licensed, notwithstanding the provisions of § 515.808 of this part, provided that such goods are not in commercial quantities and are not imported for resale.

§ 515.541 Certain transactions by non-banking organizations in foreign countries owned or controlled by persons in the United States.

(a) Except as provided in paragraphs (b), (c), (d), and (e) of this section, all transactions incidental to the conduct of business activities abroad engaged in by any non-banking association, corporation, or other organization, which is organized and doing business under the laws of any foreign country in the authorized trade territory are hereby authorized.

(b) This section does not authorize any transaction involving United States dollar accounts or any other property subject to the jurisdiction of the United States.

(c) This section does not authorize any transaction involving the purchase or sale or other transfer of any merchandise of United States origin or the obtaining of a credit in connection therewith.

(d) This section does not authorize the transportation aboard any vessel which is owned or controlled by any organization described in paragraph (a) of this section of any merchandise from a designated foreign country to any country or from any country directly or indirectly to a designated foreign country.

(e) This section does not authorize any person subject to the jurisdiction of the United States other than an organization described in paragraph (a) of this section to engage in or participate in or be involved in any transaction. For the purpose of this section only, no person shall be deemed to be engaged in or participating in or involved in a transaction solely because of the fact that he has a financial interest in any organization described in paragraph (a) of this section.

§ 515.542 Communications.

All transactions of common carriers incidental to the receipt or transmission of mail and telecommunications with a designated foreign country are hereby authorized.

Subpart F—Reports

§ 515.601 Records

Every person engaging in any transaction subject to the provisions of this part shall keep a full and accurate record of each such transaction engaged in by him, regardless of whether such transaction is effected pursuant to license or otherwise, and such record shall be available for examination for at least two years after the date of such transaction.

§ 515.602 Reports to be furnished on demand.

Every person is required to furnish under oath, in the form of reports or otherwise, from time to time and at any time as may be required by the Secretary of the Treasury or any person acting under his direction or authorization complete information relative to any transaction subject to the provisions of this part or relative to any property in which any foreign country or any national thereof has any interest of any nature whatsoever, direct or indirect. The Secretary of the Treasury or any person acting under his direction may require that such reports include the production of any books of account, contracts, letters or other papers, connected with any such transaction or property, in the custody or control of the persons required to make such reports. Reports with respect to transactions may be required either before or after such transactions are completed. The Secretary of the Treasury may, through any person or agency, investigate any such transaction or property or any violation of the provisions of this part regardless of whether any report has been required or filed in connection therewith.

Subpart G—Penalties

§ 515.701 Penalties.

(a) Attention is directed to section 5 (b) of the Trading With the Enemy Act, as amended, which provides in part:

Whoever willfully violates any of the provisions of this subdivision or of any license, order, rule or regulation issued thereunder, shall, upon conviction, be fined not more than \$10,000 or, if a natural person, may be imprisoned for not more than ten years, or both; and any officer, director, or agent of any corporation who knowingly participates in such violation may be punished by a like fine, imprisonment, or both. As used in this subdivision the term "person" means an individual, partnership, association, or corporation.

This section of the Trading With the Enemy Act, as amended, is applicable to violations of any provision of this chapter and to violations of the provisions of any license, ruling, regulation, order, direction or instruction issued by or pursuant to the direction or authorization of the Secretary of the Treasury pursuant to this chapter or otherwise under section 5(b) of the Trading With the Enemy Act, as amended.

(b) Attention is also directed to 18 U.S.C. 1001 which provides:

Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined not more than \$10,000 or imprisoned not more than five years, or both.

Subpart H—Procedures

§ 515.801 Licensing.

(a) *General licenses.* General licenses have been issued authorizing under appropriate terms and conditions, many types of transactions which are subject to the prohibitions contained in Subpart B of this part. All such licenses are set forth in Subpart E of this part. It is the policy of Foreign Assets Control not to grant applications for specific licenses authorizing transactions to which the provisions of an outstanding general license are applicable. Persons availing themselves of certain general licenses are required to file reports and statements in accordance with the instructions specified in the licenses.

(b) *Specific licenses.*—(1) *General course of procedure.* Transactions subject to the prohibitions contained in Subpart B of this part which are not authorized by general license may be effected only under specific license. The specific licensing activities of Foreign Assets Control are performed by the central organization and the Federal Reserve Bank of New York. When an unusual problem is presented, the proposed action is cleared with the Director of Foreign Assets Control or such person as he may designate.

(2) *Applications for specific licenses.* Applications for specific licenses to engage in any transaction prohibited by or pursuant to this part are to be filed in

duplicate on Form TFAC-5 with the Federal Reserve Bank of New York. Any person having an interest in a transaction or proposed transaction may file an application for a license authorizing the effecting of such transaction, and there is no requirement that any other person having an interest in such transaction shall or should join in making or filing such application.

(3) *Information to be supplied.* Applicants must supply all information specified by the respective forms and instructions. Such documents as may be relevant shall be attached to each application as a part of such application except that documents previously filed with Foreign Assets Control may, where appropriate, be incorporated by reference. Applicants may be required to furnish such further information as is deemed necessary to a proper determination by the Control. If an applicant or other party in interest desires to present additional information or discuss or argue the application, he may do so at any time before or after decision. Arrangements for oral presentation should be made with the Control.

(4) *Effect of denial.* The denial of a license does not preclude the reopening of an application or the filing of a further application. The applicant or any other party in interest may at any time request explanation of the reasons for a denial by correspondence or personal interview.

(5) *Reports under specific licenses.* As a condition upon the issuance of any license, the licensee may be required to file reports with respect to the transaction covered by the license, in such form and at such times and places as may be prescribed in the license or otherwise.

(6) *Issuance of license.* Licenses will be issued by Foreign Assets Control acting on behalf of the Secretary of the Treasury or by the Federal Reserve Bank of New York, acting in accordance with such regulations, rulings and instructions as the Secretary of the Treasury or Foreign Assets Control may from time to time prescribe, in such cases or classes of cases as the Secretary of the Treasury or Foreign Assets Control may determine, or licenses may be issued by the Secretary of the Treasury acting directly or through any person, agency, or instrumentality designated by him.

§ 515.802 Unblocking.

Any interested person desiring the unblocking of accounts or other property on the ground that no person having an interest in the property is a designated national may file such an application. Such application shall be filed in the manner provided in § 515.801(b) and shall contain full information in support of the administrative action requested.

The applicant is entitled to be heard on the application. If the applicant desires a hearing, arrangements should be made with Foreign Assets Control.

§ 515.803 Decision.

Foreign Assets Control or the Federal Reserve Bank of New York will advise each applicant of the decision respecting applications filed by him. The decision of Foreign Assets Control acting on be-

half of the Secretary of the Treasury with respect to an application shall be final.

§ 515.804 Records and reporting.

Records are required to be kept by every person engaging in any transaction subject to the provisions of this part, as provided in § 515.601.

§ 515.805 Amendment, modification, or revocation.

The provisions of this part and any rulings, licenses, authorizations, instructions, orders, or forms issued thereunder may be amended, modified, or revoked at any time.

§ 515.806 Rule making.

(a) All rules and other public documents are issued by the Secretary of the Treasury upon recommendation of the Director of Foreign Assets Control. Except to the extent that there is involved any military, naval, or foreign affairs function of the United States or any matter relating to agency management or personnel or to public property, loans, grants, benefits, or contracts and except when interpretative rules, general statements of policy, or rules of agency organization, practice, or procedure are involved or when notice and public procedure are impracticable, unnecessary or contrary to the public interest, interested persons will be afforded an opportunity to participate in rule making through submission of written data, views, or argument, with oral presentation in the discretion of the Director. In general, rule making by Foreign Assets Control involves foreign affairs functions of the United States. Wherever possible, however, it is the practice to hold informal consultations with interested groups or persons before the issuance of any rule or other public document.

(b) Any interested person may petition the Director of Foreign Assets Control in writing for the issuance, amendment or repeal of any rule.

§ 515.807 Delegation by the Secretary of the Treasury.

Any action under § 515.201 which the Secretary of the Treasury is authorized to take pursuant to Proclamation 3447 or the Trading With the Enemy Act may be taken by the Director, Foreign Assets Control, or by any other person to whom the Secretary of the Treasury has delegated authority so to act.

§ 515.808 Customs procedures; merchandise specified in § 515.204.

(a) With respect to merchandise specified in § 515.204, whether or not such merchandise has been imported into the United States, collectors of customs shall not accept or allow any:

- (1) Entry for consumption (including any appraisal entry, any entry of goods imported in the mails, regardless of value, and any other informal entries);
- (2) Entry for immediate exportation;
- (3) Entry for transportation and exportation;
- (4) Withdrawal from warehouse;
- (5) Transfer or withdrawal from a foreign-trade zone; or

(6) Manipulation or manufacture in a warehouse or in a foreign-trade zone, unless either:

(i) The merchandise was imported prior to 12:01 a.m., February 7, 1962, or

(ii) A specific license pursuant to this part is presented, or

(iii) Instructions from the Foreign Assets Control, either directly or through the Federal Reserve Bank of New York, authorizing the transaction are received.

(b) Whenever a specific license is presented to a collector of customs in accordance with this section, one additional legible copy of the entry, withdrawal or other appropriate document with respect to the merchandise involved shall be filed with the collector of customs at the port where the transaction is to take place. Each copy of any such entry, withdrawal or other appropriate document, including the additional copy, shall bear plainly on its face the number of the license pursuant to which it is filed. The original copy of the specific license shall be presented to the collector in respect of each such transaction and shall bear a notation in ink by the licensee or person presenting the license showing the description, quantity, and value of the merchandise to be entered, withdrawn or otherwise dealt with. This notation should be so placed and so written that there will exist no possibility of confusing it with anything placed on the license at the time of its issuance. If the license in fact authorizes the entry, withdrawal or other transaction with regard to the merchandise the collector, or other authorized customs employee, shall verify the notation by signing or initialing it after first assuring himself that it accurately describes the merchandise it purports to represent. The license shall thereafter be returned to the person presenting it and the additional copy of the entry, withdrawal or other appropriate document shall be forwarded by the collector to the Foreign Assets Control.

(c) Whenever a person shall present an entry, withdrawal or other appropriate document affected by this section and shall assert that no specific Foreign Assets Control license is required in connection therewith, the collector of customs shall withhold action thereon and shall advise such person to communicate directly with the Federal Reserve Bank of New York to request that instructions be issued to the collector to authorize him to take action with regard thereto.

[SEAL]

DOUGLAS DILLON,
Secretary of the Treasury.

[F.R. Doc. 63-7262; Filed, July 8, 1963;
9:15 a.m.]

Title 38—PENSIONS, BONUSES, AND VETERANS' RELIEF

Chapter I—Veterans Administration PART 8—NATIONAL SERVICE LIFE INSURANCE

Eligibility

In § 8.0(b)(1), subdivision (iii) is amended to read as follows:

§ 8.0 Eligibility.

(b) *Applications for insurance under section 722(a) of Title 38, United States Code.* (1) * * *

(iii) Written application for such insurance must be submitted within 1 year from the date service connection of any disability is determined by the Veterans Administration by a rating made subsequent to discharge: *Provided*, That if the applicant is shown by evidence satisfactory to the Administrator to have been mentally incompetent during any part of the 1-year period, application under this paragraph may be filed within 1 year after a guardian is appointed or within 1 year after the removal of such mental incompetency as determined by the Administrator, whichever is the earlier date. If a guardian was appointed or the removal of such disability occurred before January 1, 1959, application under this paragraph may be made within 1 year after that date. This subdivision shall be effective from and after April 25, 1951.

(72 Stat. 1114; 38 U.S.C. 210)

This VA Regulation is effective April 25, 1951.

Approved: July 1, 1963.

By direction of the Administrator.

[SEAL]

W. J. DRIVER,
Deputy Administrator.

[F.R. Doc. 63-7180; Filed, July 8, 1963; 8:50 a.m.]

Title 41—PUBLIC CONTRACTS

Chapter 5A—Federal Supply Service, General Services Administration

PART 5A-1—GENERAL

Title 41 is amended by the addition of Chapter 5A, Federal Supply Service, General Services Administration, reading as follows:

Sec.

5A-1.000 Scope of part.

Subpart 5A-1.1—Introduction

5A-1.101 Scope of subpart.

5A-1.102 Establishment of Chapter 5A, General Services Administration Procurement Regulations.

5A-1.103 Relationship of Chapter 5A to the FPR and Chapter 5, GSPR.

5A-1.104 Applicability.

5A-1.105 Exclusions.

5A-1.106 Method of issuance.

5A-1.107 Arrangement.

5A-1.107-1 General plan.

5A-1.107-2 Numbering.

5A-1.107-3 Cross-references.

5A-1.108 Citation.

5A-1.109 Deviation.

Subpart 5A-1.71—Criteria for Determining Method of Supply

5A-1.7101 General.

5A-1.7102 Definition of use point.

5A-1.7103 Basic criteria.

5A-1.7104 Purchase for storage and issue.

5A-1.7105 Consolidated purchase for direct delivery.

Sec.

5A-1.7106 Purchase through indefinite delivery type contracts.

5A-1.7107 Local purchase.

AUTHORITY: §§ 5A-1.000 to 5A-1.7107 issued under sec. 205(c), 63 Stat. 390, 40 U.S.C. 486(c); and 41 CFR 5-1.101(c), 28 F.R. 4559.

§ 5A-1.000 Scope of part.

This part describes the method by which the Federal Supply Service implements and supplements the Federal Procurement Regulations (Chapter 1 of Title 41, Code of Federal Regulations) and the GSA-wide procurement policies and procedures (Chapter 5 of the General Services Administration Procurement Regulations). In addition, it contains policies and procedures which implement and supplement Chapter 1 and Chapter 5.

Subpart 5A-1.1—Introduction

§ 5A-1.101 Scope of subpart.

This subpart establishes Chapter 5A of the General Services Administration Procurement Regulations (41 CFR Ch. 5A), states its relationship to the Federal Procurement Regulations (FPR) and Chapter 5 of the General Services Administration Procurement Regulations (GSPR), and sets forth other introductory information.

§ 5A-1.102 Establishment of Chapter 5A, General Services Administration Procurement Regulations.

This Chapter 5A of GSPR is prescribed by the Commissioner, Federal Supply Service, and is established to provide all Federal Supply Service (FSS) activities with additional uniform policies and procedures applicable to the procurement of personal property and nonpersonal services.

§ 5A-1.103 Relationship of Chapter 5A to the FPR and Chapter 5, GSPR.

(a) GSPR Chapter 5A implements and supplements the FPR and GSPR Chapter 5. Implementing material is that which expands upon related FPR or Chapter 5 material. Supplementing material is that for which there is no counterpart in the FPR or Chapter 5.

(b) Material published in the FPR or GSPR Chapter 5 becomes effective throughout FSS upon the effective date of the particular FPR or Chapter 5 material. Such material will not be repeated, paraphrased, or restated in Chapter 5A. Therefore, all three must be reviewed to obtain comprehensive coverage of FSS-wide procurement policies and procedures.

(c) Material in Chapter 5A implements and supplements but does not supersede the FPR or Chapter 5 unless a deviation has been authorized and the deviation is explicitly referenced. In case of other conflict, or when Chapter 5A contains no related material implementing the FPR or Chapter 5, the FPR or Chapter 5 will govern.

§ 5A-1.104 Applicability.

Chapter 5A applies to all purchases and contracts made by FSS for the procurement of personal property and nonpersonal services.

§ 5A-1.105 Exclusions.

(a) Certain FSS procurement policies and procedures which come within the scope of this chapter nevertheless may be excluded therefrom when there is justification. These inclusions include the following categories:

(1) Subject matter which bears a security classification.

(2) Policies or procedures which are expected to be effective for a period of less than six months.

(3) Policies or procedures which are effective on an experimental basis for a reasonable period.

(4) Policies or procedures pertaining to other functions of FSS as well as to procurement functions and there is need to make the issuance available simultaneously to all FSS employees concerned.

(5) Where speed of issuance is essential, numerous changes are required, and all necessary changes cannot be made promptly.

(b) Procurement policies and procedures issued in other than the FPR System format under paragraphs (a) (4) and (5), above, shall be codified into Chapter 5A at the earliest practicable date, but in any event not later than six months from date of issuance.

§ 5A-1.106 Method of issuance.

(a) All Chapter 5A material deemed necessary for business concerns, and others interested, to understand FSS procurement policies and procedures will be published in the FEDERAL REGISTER. Other related material also may be published in the FEDERAL REGISTER when its inclusion will provide a logical, comprehensive statement of FSS procurement policies and procedures.

(b) Chapter 5A material published in the FEDERAL REGISTER will be published in cumulative form in Chapter 5A of Title 41 of the Code of Federal Regulations (41 CFR Ch. 5A). The FEDERAL REGISTER and Title 41 of the Code of Federal Regulations may be purchased from the Superintendent of Documents, Government Printing Office, Washington 25, D.C.

§ 5A-1.107 Arrangement.

§ 5A-1.107-1 General plan.

Chapter 5A is divided into parts, subparts, sections, subsections, and further subdivisions as necessary.

§ 5A-1.107-2 Numbering.

(a) Generally, the numbering system used in Chapter 5A conforms to that of the FPR (see § 1-1.007-2). Thus, a particular procurement policy or procedure is identified by the same number in the FPR, Chapter 5, and Chapter 5A, except that the first digit of the number is either 1, 5, or 5A.

(b) Where Chapter 5A implements a part, subpart, section, or subsection of the FPR or Chapter 5, the implementing part, subpart, section, or subsection of Chapter 5A will be numbered (and captioned) to correspond to the FPR or the Chapter 5 part, subpart, section, or subsection.

(c) Where Chapter 5A supplements the FPR or Chapter 5 and thus deals with subject matter not contained in the

FPR or Chapter 5, numbers in the group 70 through 89 will be assigned to the respective supplementing parts, subparts, sections, or subsections.

(d) Where the subject matter contained in a part, subpart, section, or subsection of the FPR or Chapter 5 requires no implementation, Chapter 5A will contain no corresponding part, subpart, section, or subsection number. Thus, there may be gaps in the Chapter 5A series of part, subpart, section, or subsection numbers. In such cases, reference must be made to the FPR and Chapter 5 for policy and procedure applicable throughout FSS.

§ 5A-1.107-3 Cross-references.

(a) Within Chapter 5A, cross-references to the FPR will be made in the same manner as used within the FPR and Chapter 5. Illustrations of cross-references to Chapter 5 are:

- (1) Part 5-3.
- (2) Subpart 5-3.1.
- (3) § 5-3.102-50.

(b) Within Chapter 5A, cross-references to parts, subparts, and sections will be made in a manner generally similar to that used in making cross-references to the FPR. For example, this paragraph would be referenced as "§ 5A-1.107-3(b)".

§ 5A-1.108 Citation.

(a) Citation in formal documents, such as legal briefs, shall give the number of the part, subpart, or section of Chapter 5A following the words "General Services Administration Procurement Regulations" and shall include an appropriate reference to "41 CFR ____" where the material has been published in the FEDERAL REGISTER.

(b) Any section of Chapter 5A, for purpose of brevity, may be informally identified as "GSPR" followed by the section number. For example, this paragraph could be identified in a memorandum as "GSPR 5A-1.108(b)".

§ 5A-1.109 Deviation.

(a) The term "deviation" as used in this Chapter 5A is defined in the same manner as described in § 1-1.009-1.

(b) In order to maintain uniformity to the greatest extent feasible, deviation by FSS activities from this Chapter 5A will be kept to a minimum and controlled as follows:

(1) Deviation will be made only after prior approval by the Assistant Commissioner for Procurement, if the deviation does not affect the programs and operations assigned to any other Assistant Commissioner of FSS.

(2) Deviation affecting the programs and operations of two or more Assistant Commissioners, FSS, will be made only after prior approval by the Commissioner, FSS.

(3) Requests for authority to deviate from Chapter 5A shall be submitted to the Assistant Commissioner for Procurement. Such requests will be supported by statements adequate to disclose fully the nature of the deviation and the reasons for special action.

(4) Deviations in classes of cases, authorized under subparagraphs (1) and (2), above, will expire, unless extended,

12 months from the date of approval, unless sooner rescinded, without prejudice to any action taken thereunder.

Subpart 5A-1.71—Criteria for Determining Method of Supply

§ 5A-1.7101 General.

This subpart establishes criteria for guidance in determining when requirements for items needed on a recurring basis should be consolidated for procurement at one or more points, and whether such consolidated requirements should be purchased and stored at redistribution points in advance of immediate need for issue to use points as needs arise; purchased in definite quantities for direct delivery to use points; or contracted for in advance of immediate need under indefinite delivery type contracts covering specific periods and providing for delivery to use points as needs arise.

§ 5A-1.7102 Definition of use point.

The term "use point," as used in this subpart, means that point from which supplies are issued to consumers or equipment is placed in use, as distinguished from storage points where supplies and equipment are issued to redistribution points.

§ 5A-1.7103 Basic criteria.

(a) The basic criteria set forth in this subpart are intended to be applied only to the normal recurring needs of the Government and shall be subject to appropriate adjustments in technique when purchase of abnormally large quantities are involved, or requirements involved cover special items for which stocks are maintained in support of a specific activity of any Government agency.

(b) Principles are established governing selection of the appropriate methods of supply to be utilized. However, in applying these criteria to specific items and requirements therefor, appropriate consideration shall be given to any other significant factors not mentioned herein.

§ 5A-1.7104 Purchase for storage and issue.

The following criteria will govern in determining whether an item can be handled most advantageously through consolidated purchasing for storage and issue to use points:

(a) The items shall be physically adaptable to storage and issue and of such a character that it is feasible to forecast with reasonable accuracy overall requirements of the use points served.

(b) Rate of use and frequency of ordering by use points shall be sufficient to warrant storage and issue.

(c) Rate of deterioration or obsolescence shall be sufficiently low to avoid unnecessary loss.

(d) Price advantage through bulk buying shall be sufficient to render storage and issue more economical, all costs both direct and indirect considered, or conditions exist where any of the following factors require consolidated purchasing of items suitable for storage and issue:

(1) Where close inspection or testing is necessary to assure quality, or where repetitive inspection and test of small

lots are prohibitive from the standpoint of cost or potential urgency of need.

(2) Where advance purchase and storage are necessitated by long procurement lead time.

(3) Where an item is of special manufacture or design and is not readily available from commercial sources.

(4) Where an adequate industry distribution system does not exist to assure availability at use points.

(5) Where contracts for production quantities are necessary to secure timely deliveries and advantageous prices.

(6) Where market conditions are such that central procurement is required to secure adequate supply.

§ 5A-1.7105 Consolidated purchase for direct delivery.

The following criteria shall govern in determining whether an item can be most advantageously handled through consolidated purchase for direct delivery to use points:

(a) The items shall be equipment or supply items of such a character that it is feasible to forecast requirements for delivery to specific use points.

(b) The greatest price advantage, both direct and indirect costs considered, shall be obtainable through definite quantity purchasing, or conditions exist where any of the following factors require consolidated purchasing of such items for direct delivery to use points:

(1) Where an item is of special manufacture or design and is not readily available from commercial sources.

(2) Where market conditions are such that central procurement is required to assure adequate supply.

(3) Where contracts for production quantities are necessary to secure timely deliveries and advantageous prices.

(4) Where quantity is large enough to assure lowest transportation cost, or conversely, where transportation costs for small quantity redistribution are so excessive that it is not feasible to store and issue the item.

§ 5A-1.7106 Purchase through indefinite delivery type contracts.

The following criteria shall govern in determining whether an item can be most advantageously purchased through the medium of indefinite delivery type contracts, as described in § 1-3.405-5 (such as Federal Supply Schedules), covering specific periods and providing for delivery to use points as needs arise:

(a) The item shall be of such a character that:

(1) Handling on a storage and issue basis is not economically sound.

(2) It is either not feasible to forecast definite requirements for delivery to specific use points, or no advantage accrues for doing so.

(b) Industry distribution facilities shall be adequate to serve properly the use points involved.

(c) Price advantage shall be sufficient to warrant the cost involved in maintaining indefinite delivery type contracts, or conditions exist where any of the following factors require handling on that basis:

(1) Where acute competitive bidding problems exist based upon highly tech-

RULES AND REGULATIONS

nical matters which can best be met by centralizing contracting work.

(2) Where item is of special manufacture or design and is not readily available from commercial sources.

(d) This method of purchase shall be used also when:

(1) Items are proprietary or so highly complex in design, function, or operation as to be noncompetitive.

(2) Technical assistance or service to be furnished by suppliers is a fundamental consideration in use of equipment.

§ 5A-1.7107 Local purchase.

Whenever it is not feasible to procure under any of the other methods described in this subpart, procurement shall be made locally by the FSS buying office to which the requirement has been submitted in accordance with applicable procedures.

Effective date. These regulations are effective upon publication in the FEDERAL REGISTER.

Dated: July 1, 1963.

C. D. BEAN,
Commissioner,
Federal Supply Service.

[F.R. Doc. 63-7181; Filed, July 8, 1963;
8:51 a.m.]

Proposed Rule Making

DEPARTMENT OF THE TREASURY

Internal Revenue Service

[26 CFR Part 48]

MANUFACTURERS AND RETAILERS EXCISE TAX

Revision of the Definition of the Term "Power Supply Units" in Con- nection With the Determination of Tax- able Radio or Television Compo- nents

Notice is hereby given, pursuant to the Administrative Procedure Act, approved June 11, 1946, that the regulations set forth in tentative form below are proposed to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury or his delegate. Prior to the final adoption of such regulations, consideration will be given to any comments or suggestions pertaining thereto which are submitted in writing, in duplicate, to the Commissioner of Internal Revenue, Attention: T:P, Washington 25, D.C., within the period of 30 days from the date of publication of this notice in the FEDERAL REGISTER. Any person submitting written comments or suggestions who desires an opportunity to comment orally at a public hearing on these proposed regulations should submit his request, in writing, to the Commissioner within the 30-day period. In such a case, a public hearing will be held and notice of the time, place, and date will be published in a subsequent issue of the FEDERAL REGISTER. The proposed regulations are to be issued under the authority contained in section 7805 of the Internal Revenue Code of 1954 (68A Stat. 917; 26 U.S.C. 7805).

[SEAL] BERTRAND M. HARDING,
Acting Commissioner
of Internal Revenue.

In order to revise the definition of the term "power supply units" contained in subparagraph (6) of § 48.4142-1(c) of the Manufacturers and Retailers Excise Tax Regulations (26 CFR Part 48), such subparagraph is amended to read as follows:

§ 48.4142-1 Radio and television components.

(c) Definitions. * * *

(6) Power supply units. (1) In the case of articles sold before the first day of the first month which begins more than 30 days after the date of publication of this subparagraph in the FEDERAL REGISTER, the term "power supply units" includes all devices which are suitable for use on or in connection with, or as component parts of, any radio or television receiving set, phonograph, or combination of any of the foregoing and which convert electric current of ordi-

nary commercial and domestic voltages into electric current voltages suitable for operating any such articles.

(ii) In the case of articles sold on or after the first day of the first month which begins more than 30 days after the date of publication of this subparagraph in the FEDERAL REGISTER, the term "power supply units" includes all devices which are suitable for use on or in connection with, or as component parts of, any radio or television receiving set, phonograph, or combination of any of the foregoing and which convert electric current into electric current at voltages suitable for operating any such articles. This includes devices which convert electric current at ordinary commercial, domestic, or automotive voltages into electric current at voltages suitable for operating any radio or television receiving set, phonograph, or combination of any of the foregoing.

[F.R. Doc. 63-7193; Filed, July 8, 1963; 8:53 a.m.]

DEPARTMENT OF LABOR

Division of Public Contracts

[41 CFR Part 50-202]

ENGINES AND TURBINES INDUSTRY

Tentative Decision Determining Prevailing Minimum Wages

A complete record of proceedings under sections 1 and 10 of the Walsh-Healey Public Contracts Act (41 U.S.C. 35 and 43a) to determine the prevailing minimum wages for persons employed in the engines and turbines industry has been certified by the hearing examiner. A tentative decision, including a statement of findings and conclusions as well as the reasons and basis therefor, on all material issues of fact, law, and discretion presented on the record, and any proposed wage determination, is now appropriate under the applicable rules of practice (41 CFR Part 50-203.21(b)) and the Administrative Procedure Act (5 U.S.C. 1007(b)).

DEFINITION

A proposed definition of the industry based on industry group number 351 of the 1957 edition of the *Standard Industrial Classification (SIC) Manual* is contained in the notice of hearing (27 F.R. 2532). No criticisms were proffered concerning this definition. It appears to be satisfactory to both labor and management. The SIC Manual was prepared by the Bureau of the Budget of the Executive Office of the President for the purpose of promoting uniformity and comparability in industry classifications used by various agencies of the United States Government. The SIC appears to be an appropriate foundation for defining the industry for this wage deter-

mination, as the wage determination will exclusively affect contracts to which federal agencies are parties. The definition proposed in the notice of hearing is adopted for the purpose of this tentative decision.

BRANCHES

The employers' representatives have proposed that the industry be divided into the following branches for wage determination purposes: (1) The steam engines, turbines, and turbine generator sets branch; and (2) the internal combustion engines branch. This proposal was supported by substantial evidence that establishments which make products in one of these proposed branches generally do not, and are not equipped to make products in the other branch. This evidence is further supported by the SIC Manual's similar division of the industry into Nos. 3511 and 3519. For these reasons, and because the record provides separate definitions and separate wage data which provide a basis for dividing the industry into the two requested branches, I have decided to divide it in this tentative determination.

LOCALITY

The next issue to be considered concerns the question of whether the geographic area of competition for contracts subject to the Walsh-Healey Public Contracts Act for products of each branch of the industry extends to all the area in which the branch has its plants so as to require branchwide minimum wage determinations, or whether such competition is limited to smaller geographic areas in either or both branches so as to authorize separate minimum wage determinations for smaller localities in one or both of the branches. The record contains extensive data prepared by the Wage and Hour and Public Contracts Divisions of the Department of Labor concerning this subject. These data clearly indicate that when bids are invited the geographic area of competition for Government contracts for the products of each branch of this industry is not confined to the locality where the goods are to be delivered. There is no way to predict at that time the geographic area in which the successful bidder's plant will be located. In their testimony at the hearing the representatives of organized labor took the position that the area of competition for Government contracts for the products of this industry was industrywide. Counsel for the National Electrical Manufacturers Association (NEMA) stipulated for the record that the turbine members of NEMA ship their products throughout the nation. Moreover, although counsel for the Internal Combustion Engine Institute (ICEI) and the Diesel Engine Manufacturers Association (DEMA) took no position on this issue, several witnesses appearing on behalf of individual establishments in the internal

combustion engines branch testified that they competed with establishments throughout the United States.

Accordingly, it is my finding that the locality in which products of each branch of the engines and turbines industry are to be manufactured or furnished for any Government contract subject to the Walsh-Healey Public Contracts Act cannot be defined more narrowly than the entire area in which the branch operates. Under these circumstances, a wage determination without geographic divisions is essential to achieve the purposes of Congress in enacting the statute (See the tentative decision in the textile industry, 17 F.R. 11197; *Mitchell v. Covington Mills, Inc.*, 229 F. 2d 506, certiorari denied, 350 U.S. 1002, rehearing denied, 351 U.S. 934).

PREVAILING MINIMUM WAGES IN THE STEAM ENGINES, TURBINES, AND TURBINE GENERATOR SETS BRANCH

The record contains a survey prepared by the Bureau of Labor Statistics (BLS) which shows the minimum wages paid in October 1961 by each establishment with 20 or more employees in which the manufacture of products of this industry were found to constitute 50 percent or more of its total value of sales in 1960, and in which the manufacture of the products of this branch were found to constitute more of the total value of its sales than the manufacture of the products of the other branch in that year. There were 17 such establishments paying widely scattered minimum wages and employing a total of 15,042 workers of the type covered by the act when performing under a contract subject to it (hereafter called "covered workers"). This survey was supplemented by a survey prepared by the National Electrical Manufacturers Association of the minimum wages paid in ten of the 17 establishments in June 1962. In order to cause its survey to reflect minimum wages paid in all of the establishments within the scope of the BLS survey, NEMA prepared a table for all 17 establishments by combining the June 1962 data for the ten establishments it had surveyed with the October 1961 data for the seven other establishments (NEMA exhibit 7).

For the purpose of obtaining June 1962 data for these seven establishments, NEMA renewed its application for a subpoena which would in effect require the BLS to provide NEMA with the identity of these establishments. The hearing examiner declined to grant the application. The application for the subpoena had originally been made and was denied by an order issued prior to the commencement of the hearing. The text of this order is set forth as an appendix to this decision.

It is my finding that the hearing examiner acted correctly in denying this application, for the value of the possibility of replacing October 1961 data with June 1962 data for a minor part of the industry does not in my opinion outweigh the reasons for denial of the subpoena as set forth in the original order.

The NEMA table shows that a majority of 52.9% of the establishments in this

branch paid no covered worker less than \$1.70 an hour, and that a majority of 52.4% of the covered workers in the branch were employed in establishments which paid no covered worker less than \$1.75. It therefore appears that the rate which is most representative of the minimum wages paid in the branch as a whole lies between \$1.70 and \$1.75 an hour. Most of the employment within this range is in the largest plant in the branch which accounts for over one-third of its total covered worker employment. Its minimum wage is \$1.71 per hour. I find that rate to be the prevailing minimum wage in this branch of the industry.

PREVAILING MINIMUM WAGES IN THE INTERNAL COMBUSTION ENGINES BRANCH

The BLS survey presents data on the minimum wages paid in this branch comparable in every detail with that presented for the other branch. No recommendations were received from the representatives of employers concerning the question of what are the prevailing minimum wages in the branch. The Internal Combustion Engine Institute and Diesel Engine Manufacturers Association did, however, criticize the BLS survey in a number of respects. They contend that employers are prejudiced because establishments with less than 20 employees are excluded from the survey. This claim is not substantiated by the evidence. These establishments were excluded merely because they represented so small a part of the industry (being responsible for only three-tenths of one percent of the shipments of internal combustion engines) as not to warrant the administrative difficulty involved in including them. Moreover, there is nothing in the record to indicate that the survey was in any way biased by this limitation on its scope. The association also objects to the fact that a large portion of the industry was excluded from the survey because of its limitation to establishments at least half of the value of whose products were within the industry. However, if the survey is to serve its purpose most effectively, it should exclude establishments whose productive activities are principally directed in other industry channels, and I find that exclusion of establishments which produce over half the value of their products for some other industry or industries is the most feasible way of achieving this result. The survey was also criticized because it did not show rates said to be "established" by various plants in the industry although lower than the lowest rates actually paid. Such rates were not surveyed because of the long standing rule, which has been reconsidered with care time and time again and of which I approve, that lowest rates actually paid are the best guide to prevailing minimum wages. See: Photographic and blueprinting equipment and supplies industry—final decision (21 F.R. 2243); tires and related products industry—tentative decision (24 F.R. 8741); electron tubes and related products industry—tentative decision (25 F.R. 7801); metal business furniture and storage equipment industry—tentative decision (25 F.R. 12363);

electronic component parts industry—tentative decision (26 F.R. 4173); manifold business forms industry—tentative decision (26 F.R. 5898).

Counsel for ICEI and DEMA contends that the BLS data are not dependable or reliable evidence. This criticism grows out of the contention that some respondents initially failed to understand the scope of the definition of covered employment and filed erroneous returns. On rechecking their copies of the questionnaire after discussing the matter with counsel, several employers submitted revisions of the data originally provided the BLS. The proposed changes were verified by the BLS and all necessary revisions with the exception of the corrections of the Briggs and Stratton Company were incorporated in the July 1962 revision of the wage survey. Subsequently, corrected data for Briggs and Stratton were received and incorporated in the record.

From the record, it is evident that every effort to make the survey as accurate as possible was made. Moreover, the technical proficiency of the BLS in conducting wage surveys is without question. Although mistakes are inherently possible in any survey, there is every reason to believe that this survey was made with the highest degree of competence and accuracy.

I find, therefore, that the evidence of record provides a sound basis for determining the prevailing minimum wage in this branch. This evidence shows that in October 1961, 51.8 percent of the establishments employing 55.3 percent of the covered workers paid no covered worker less than \$1.69 an hour. This rate most nearly represents the central tendency among the widely scattered minimum wages paid by establishments in the branch. Accordingly, I find \$1.69 an hour to be the prevailing minimum wage in the internal combustion engines branch of the industry.

A SECOND LEVEL OF PREVAILING MINIMUM WAGES

The representatives of organized labor contend that any minimum wage determination for this industry (or either of its branches) arrived at in the manner discussed in the preceding paragraphs is inadequate for use with respect to the industry (or either of its branches) as a whole. They insist that the wages paid to the lowest paid employee in each establishment in the industry does not provide a valid guide to the lower end of the wage scales which characterize such establishments. In support of this contention, they point to evidence in the BLS survey which indicates that if the wage determination was based upon data which excluded the lowest paid one percent of the covered workers in each establishment a substantially higher wage determination would be warranted for the industry (or its branches). They, therefore, contend that in determining prevailing minimum wages for this industry, I should recognize the fact that this industry is characterized by establishments which employ a very small portion of their workers (or a single worker) at much lower

wages than the bulk of their lower paid workers; that in view of such circumstances two levels of prevailing minimum wages should be established; one in the manner discussed in the preceding paragraphs to be applied to the lowest paid one percent of the workers in an establishment; and a second based on the minimum wage paid to the other 99 percent of the workers in each establishment to be applied to the other 99 percent of the workers in an establishment when performing upon a contract subject to the Act.

The peculiar composition of this industry to which labor refers creates a situation which raises some question as to whether a determination based upon the absolute minimum wage paid in each establishment is likely to foster one purpose of the Act—"to use the leverage of the Government's immense purchasing power to raise labor standards" (Endicott Johnson Corp. v. Perkins, 317 U.S. 501, 507). This results from the fact that such a determination is based upon wage rates which are so far removed from those paid in any substantial portion of the employment in each establishment of which the industry is composed as to have practically no effect upon any workers in the industry. This is illustrated by the BLS survey which shows that only between two and three-tenths of one percent of the covered workers in the steam engines, turbines, and turbine generator sets branch of the industry received less than the previously discussed prevailing minimum wage for that branch and only between one and two percent of the covered workers in the internal combustion engines branch received less than the corresponding rate for that branch.

The problem thus created by the composition of this industry requires special consideration. I have examined the evidence to determine the possible results of the application of the technique recommended by labor. It reveals that the \$1.71 rate for the steam engines, turbines, and turbine generator sets branch could be supplemented by a rate somewhere between \$1.70 an hour based upon the minimum wages paid in establishments weighted equally and \$2.00 an hour based on the minimum wages paid in establishments weighted according to their covered employment. The comparable rates which could supplement the \$1.69 an hour rate for the internal combustion engines branch are \$2.00 an hour and \$2.10 an hour. Accordingly, if I were to adopt labor's proposal, employers in the internal combustion engines branch would become subject to a lower minimum wage determination for a few of their workers than employers in the steam engines, turbines, and turbine generator sets branch, and a higher minimum wage determination for most workers. Aside from the practical difficulties of applying the proposed percentage test under conditions of day-to-day employment fluctuations and providing equitably for small plants employing less than 100 workers, this would yield an anomalous result, considering the fact that the general wage structure of the internal combustion engines branch is

lower than that of the other branch. I have concluded, therefore, that this record presents a poor case for the innovation suggested by labor. I have decided not to provide any second level of prevailing minimum wages for this industry or either of its branches in this tentative determination.

RECENT CHANGES IN PREVAILING MINIMUM WAGES

The principal remaining subject concerns the question of what changes have taken place in prevailing minimum wages since the survey dates. The evidence shows that there was no significant change in the wages paid between the time of the BLS survey and hearing date in the internal combustion engines branch. Most of the data on which the survey of the steam engines, turbines, and turbine generator sets branch rests were current at the time of the hearing. The representatives of labor argue, however, that in determining prevailing minimum wages, I should rely upon the most recent BLS data available to the Department at the time the final determination is made. This would have the advantage of providing a determination which takes into consideration wage changes in the industry between the hearing date and the effective date of the determination. However, as stated in the final determination for the office, computing, and accounting machines industry (27 F.R. 1269) this cannot be done without first reopening the hearing. Thereafter, it would be necessary to provide additional time for the filing of new proposed findings, conclusions, and exceptions resulting in a further delay which would in turn dissipate any merits involved in using the new evidence.

DELAY IN EFFECTIVE DATE

For the reasons fully stated in the final decision for the paper and pulp and manifold business forms industries (26 F.R. 7698, 7699), this tentative decision finds good cause to make the final decision in these proceedings effective seven days after it is published in the FEDERAL REGISTER.

PROPOSED DETERMINATIONS

Accordingly, upon the findings and conclusions stated herein, I propose to amend Part 50-202 of Title 41 of the Code of Federal Regulations by the addition of § 50-202.34 to read as follows:

§ 50-202.34 Engines and turbines industry.

(a) *Definition.* (1) The engines and turbines industry is defined as that industry which manufactures or furnishes steam engines; steam turbines; hydraulic turbines; gas turbines (except aircraft); complete steam, gas, and hydraulic turbine generator sets; internal combustion engines (except aircraft and non-diesel automotive) such as diesel and semi-diesel engines, including marine, locomotive, and military tank engines; jet propulsion engines (except aircraft); outboard motors and propelling units; and parts, attachments and accessories specifically designed for the foregoing products such as, but not limited to, governors for steam and gas tur-

bines, turbine blades, assembled diaphragms, turning gear drives, marine propulsion gears, head covers, bottom rings, discharge rings, pit liners, pistons, vibration dampers, cam follower rollers, crankshafts, piston pins and gear covers.

(2) Specifically excluded from this definition are: prime mover generator sets (except complete steam, gas or hydraulic turbine generator sets); all types of generators; aircraft engines; rocket engines; automotive engines (except diesel); locomotives; and parts commonly recognized as products of industries other than the engines and turbines industry such as, but not limited to, temperature relays, packings, pulsation dampeners, roller and ball bearings, compressors, piping and tubing, oil pumps, couplings, rubber sealing rings, clutches, governors for diesel engines, gaskets, thrust bearings, torque converters, silencers, valve seat inserts and non-metallic engine mountings.

(b) *Minimum wages.* (1) The minimum wage for persons employed in the manufacture or furnishing of steam engines, steam turbines, hydraulic turbines, gas turbines (except aircraft), complete steam, gas, and hydraulic turbine generator sets; and parts, attachments, and accessories specifically designed for the foregoing products, shall be not less than \$1.71 an hour.

(2) The minimum wage for persons employed in the manufacture or furnishing of internal combustion engines (except aircraft and non-diesel automotive) such as diesel and semi-diesel engines, including marine, locomotive, and military tank engines; jet propulsion engines (except aircraft); outboard motors and propelling units; and parts, attachments, and accessories specifically designed for the foregoing products shall be not less than \$1.69 an hour.

Within twenty-one days from the date of publication of this tentative decision in the FEDERAL REGISTER, interested persons may submit written exceptions to the proposed action described therein, together with supporting reasons. Exceptions shall be directed to the Secretary of Labor and filed with the Chief Hearing Examiner, Room 4410, United States Department of Labor, 14th Street and Constitution Avenue NW., Washington 25, D.C.

Signed at Washington, D.C., this 1st day of July 1963.

W. WILLARD WIRTZ,
Secretary of Labor.

APPENDIX

DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY

ENGINES AND TURBINES INDUSTRY

ORDER RELATIVE TO DETERMINATION OF
PREVAILING MINIMUM WAGES

The National Electrical Manufacturers Association, hereinafter referred to as the Association, has applied for the issuance of a subpoena duces tecum under 41 CFR 50-203.19(a) calling for: (1) the production for inspection by its counsel of the originals, or copies if the originals cannot be produced, of the completed questionnaire forms received by the Bureau of Labor Statistics (BLS) from each of the 68 establishments

included in its survey of employment and wages in the engines and turbines industry (except the establishments of the companies listed in the application, which are already known to the Association and from which the Association has collected wage and employment data) or in the alternative, (2) the preparation and presentation by April 7, 1962, of a list showing the name and address of each of the establishments in the survey which are not known to the Association.

In connection with the asserted reasonableness in scope of the alternative request of the Association for a list of the names and addresses of those included in the BLS survey which are unknown to it, the Association contends that the production of that list would not affect in any way the pledge of confidence prefacing each questionnaire form. It is apparently conceded that a granting of the initial request for the forms completed by the respondents would breach that pledge.

A careful examination of the questionnaire form indicates that the alternative request for a list of the establishments unknown to the Association would also constitute a breach of the pledge of confidence. Such a list would to some extent reveal responses to Items III and IV of the questionnaire. The inclusion of an establishment in such a list would indicate that the establishment responded that it had 50 percent or more of its sales in products in the engines and turbines industry and that it had 20 or more employees. The pledge contains no qualifications permitting the disclosure of this information. No releases from the pledge, not even one from the applicants, have been received permitting its disclosure.

On the strength of the application, there is not sufficient cause to warrant a disclosure of this information which was received in confidence. Therefore, the request is considered unreasonable. In balance, the need for the confidential information is outweighed by the burden which would be placed upon the Government by its production.

The stated need is to enable the applicant to conduct such cross-examination at the hearing as will be necessary for a full and true disclosure of the facts. However, where the subject matter and evidence in rule-making proceedings are broadly economic or statistical and the parties or witnesses are numerous, as in minimum wage proceedings under the Walsh-Healey Public Contracts Act, the direct and rebuttal evidence may be such that cross-examination may add nothing substantial to the record. Cf. Sen. Doc. 248, 79th Cong. 2d sess., entitled "Administrative Procedure Act—Legislative History", p. 271. In minimum wage proceedings under the Act, interested persons, such as individual manufacturers, trade associations, and labor unions, regularly prepare and submit employment and earnings data bearing

upon the particular industry that may be involved. Consequently, the confidential information sought may not be necessary for a full and complete disclosure of the facts. It would seem that in any event the application is prematurely submitted since the need for the requested information cannot be accurately assessed at this time.

To be weighed against the need of the applicant for the requested confidential information, is the fact that not only the effectiveness of future BLS wage surveys for use in minimum wage proceedings under the Act, but also the other programs of the BLS, such as its production of monthly figures on employment, hours, and earnings in the non-agricultural economy, is dependent upon the receipt of voluntary responses to questionnaires. See: United States Government Organization Manual, 1961-62, pp. 334-338. It is readily apparent that such responses are not likely to be made if ever the pledge of confidence is violated as is here requested.

Upon the basis of the foregoing, the application is denied.

Signed at Washington, D.C., this 26th day of April, 1962.

W. WILLARD WIRTZ,
Acting Secretary of Labor.

[F.R. Doc. 63-7170; Filed, July 8, 1963;
8:48 a.m.]

FEDERAL AVIATION AGENCY

[14 CFR Part 507]

[Reg. Docket No. 1819]

MARTIN

Proposed Airworthiness Directives

The Federal Aviation Agency has under consideration a proposal to amend Part 507 of the Regulations of the Administrator to include an airworthiness directive for Martin Models 202, 202A, and 440 aircraft. Numerous cracks have been found in the engine mounts on the subject aircraft. In order to correct this unsafe condition, the proposed AD requires inspection of the engine mounts and repair or replacement of any parts found cracked before further flight.

Interested persons are invited to participate in the making of the proposed rule by submitting such written data, views or arguments as they may desire. Communications should identify the regulatory docket number and be submitted in duplicate to the Federal Aviation Agency, Office of the General Counsel: Attention Rules Docket, Room A-103, 1711 New York Avenue NW., Washington 25, D.C. All communications re-

ceived on or before August 8, 1963, will be considered by the Administrator before taking action upon the proposed rule. The proposals contained in this notice may be changed in the light of comments received. All comments submitted will be available, both before and after the closing date for comments, in the Rules Docket for examination by interested persons.

This amendment is proposed under the authority of sections 313(a), 601 and 603 of the Federal Aviation Act of 1958 (72 Stat. 752, 775, 776; 49 U.S.C. 1354(a), 1421, 1423).

In consideration of the foregoing, it is proposed to amend § 507.10(a) of Part 507 (14 CFR Part 507), by adding the following airworthiness directive:

MARTIN. Applies to all Models 202, 202A, and 404 aircraft.

Compliance required as indicated.

Numerous cracks have been discovered in Martin Models 202 (P/N A10100), 202A (P/N A16647-81) and 404 (P/N 404-5000004, and P/N 404-5000005) aircraft engine mounts. To preclude the possibility of engine loss due to this condition, accomplish the following:

(a) Within the next 2,500 hours of time in service after the effective date of this AD, and at intervals thereafter not to exceed 2,500 hours of time in service from the last inspection, inspect the engine mount tubular members and welds for cracks using either X-ray, Magnafix, dye-penetrant method in conjunction with at least a 10 power magnifying glass, or an FAA approved equivalent method.

(b) If cracks are found, cracked parts shall be repaired in accordance with an FAA approved repair procedure or replaced with an uncracked part having the same part number or with another FAA approved equivalent part, before further flight, except that one flight may be made in accordance with the provisions of CAR 1.76 for the purpose of obtaining these repairs or replacements.

(c) Upon request of the operator, an FAA maintenance inspector, subject to prior approval of the Chief, Engineering and Manufacturing Branch, FAA Eastern Region, may adjust the repetitive inspection intervals specified in this AD to permit compliance at an established inspection period of the operator if the request contains substantiating data to justify the increase for such operator.

Issued in Washington, D.C., on July 2, 1963.

W. LLOYD LANE,
Acting Director,

Flight Standards Service.

[F.R. Doc. 63-7154; Filed, July 8, 1963;
8:45 a.m.]

Notices

DEPARTMENT OF STATE

Agency for International Development

DEPUTY U.S. COORDINATOR FOR THE ALLIANCE FOR PROGRESS AND DEPUTY ASSISTANT ADMINISTRATOR FOR CAPITAL DEVELOPMENT AND FINANCE, LATIN AMERICA

Delegation of Authority Regarding Loans

This Delegation of Authority supersedes my Delegations of Authority to you dated March 20, 1962, and April 2, 1963, respectively.

Pursuant to the authority delegated to me in Delegation of Authority No. 23 of the Administrator of the Agency for International Development, I hereby delegate to you, subject to the limitations set by the Administrator in Delegation of Authority No. 23, authority to:

(a) Authorize loans, and negotiate, execute and implement loan agreements, pursuant to section 104 (e) and (g) of the Agricultural Trade Development and Assistance Act of 1954, as amended;

(b) Negotiate, execute, and implement all amendments of, and ancillary agreements with respect to, the loans enumerated in (a) above and those agreements relating to such loans entered into heretofore, as you may deem necessary or desirable.

The authority herein delegated to you may not be redelegated.

Dated: April 22, 1963.

TEODORO MOSCOSO,
U.S. Coordinator for the
Alliance for Progress.

[F.R. Doc. 63-7167; Filed, July 8, 1963;
8:47 a.m.]

DEPARTMENT OF THE TREASURY

Comptroller of the Currency
INSURED BANKS

Joint Call for Report of Condition

CROSS REFERENCE: For a document relating to a joint call for report of condition of insured banks, see F.R. Doc. 63-7184, Federal Deposit Insurance Corporation, *infra*.

POST OFFICE DEPARTMENT

POSTMASTER GENERAL ET AL.

Delegation of Authority and Emergency Line of Succession

The following is an excerpt from Headquarters Circular No. 63-15, signed by the Postmaster General, revising and

No. 132—Pt. I—8

reissuing the emergency line of succession for the Post Office Department:

Line of Succession for Department.
A. In case the Postmaster General and the Deputy Postmaster General are incapacitated as a result of an enemy attack or other national emergency conditions, the following shall be the line of succession as to officers who shall perform the duties of the office of Postmaster General:

(1) Assistant Postmaster General, Bureau of Operations.

(2) Assistant Postmaster General, Bureau of Transportation.

(3) Assistant Postmaster General, Bureau of Finance.

(4) Assistant Postmaster General, Bureau of Facilities.

(5) Assistant Postmaster General, Bureau of Personnel.

(6) General Counsel.

(7) Chief Postal Inspector.

(8) Deputy Assistant Postmaster General, Bureau of Transportation (Research and Development and International).

(9) Director, Installations Management Division, Bureau of Operations.

(10) Regional Director, New York, New York.

(11) Regional Director, Minneapolis, Minnesota.

(12) Regional Director, San Francisco, California.

(13) Regional Director, Dallas, Texas.

B. Authority is hereby delegated to the officer who assumes the duties of the Postmaster General under authority of this order, to execute and perform in his own name all powers, functions and duties conferred by law upon the Postmaster General, including the authority to modify, suspend, or rescind orders, instructions, and regulations which have heretofore or which hereafter may be issued in the name of the Postmaster General, except that exclusive authority is hereby reserved to the Postmaster General, the Deputy Postmaster General, and to any officer designated by Executive Order as Acting Postmaster General, to modify, suspend or rescind all or any part of the authority delegated by this order. The officer performing the duties of the Postmaster General under authority of this order also is authorized to delegate to any officer, employee or agency of the Post Office Department designated by him such of the powers, functions and duties delegated to him by this order as he deems appropriate.

This delegation of authority supersedes Headquarters Circular No. 62-41 (27 F.R. 10912-10913).

(R.S. 161, as amended; 5 U.S.C. 22, 39 U.S.C. 309, 501)

LOUIS J. DOYLE,
General Counsel.

[F.R. Doc. 63-7166; Filed, July 8, 1963;
8:47 a.m.]

DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs

[Bureau Order 551, Amdt. 83]

FUNCTIONS RELATING TO SPECIFIC LEGISLATION

Redelegation of Authority

JUNE 29, 1963.

Order 551, as amended, is further amended by addition of a new section under the heading "Functions Relating to Specific Legislation," to read as follows:

SEC. 372. *Authority under Act of June 25, 1910 (P.L. 313; 61st Congress, 2d Session; 36 Stat. 861, as amended, 25 U.S.C. 47)*—The exercise of the authority vested in the Secretary of the Interior in section 23 of said Act, which relates to the employment of Indian labor and for the purchase of the products of Indian industry in the open market; subject to the exceptions contained in the authority delegated by the Secretary to the Commissioner in Order 2508, Amendment 56 (28 F.R. 5687).

PHILLO NASH,
Commissioner.

JULY 2, 1963.

[F.R. Doc. 63-7162; Filed, July 8, 1963;
8:46 a.m.]

Bureau of Land Management

[Arizona 032636]

ARIZONA

Notice of Proposed Withdrawal and Reservation of Lands

The Federal Bureau of Investigation, United States Department of Justice, has filed an application, serial number Arizona 032636 for the withdrawal of the lands described below, from all forms of appropriation under the public land laws, including the general mining and mineral leasing laws, subject to existing valid rights.

The applicant desires the land for establishment of training facilities and firearms ranges for special agents of the F.B.I. and designated local, county, state and federal law enforcement agencies.

For a period of thirty days from the date of publication of this notice, all persons who wish to submit comments, suggestions, or objections in connection with the proposed withdrawal, may present their views in writing to the undersigned officer of the Bureau of Land Management, Department of the Interior, 3022 Federal Building, Phoenix 25, Arizona.

If circumstances warrant it, a public hearing will be held at a convenient time and place, which will be announced.

6993

The determination of the Secretary on the application will be published in the FEDERAL REGISTER. A separate notice will be sent to each interested party of record.

The lands involved in the application are:

GILA AND SALT RIVER MERIDIAN, ARIZONA

T. 6 N., R. 2 E.,
Sec. 23, S $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$.

The area described above aggregates 160 acres. The subject lands are situated approximately 18 miles north of Phoenix, Arizona.

FRED J. WEILER,
State Director.

JULY 1, 1963.

[F.R. Doc. 63-7163; Filed, July 8, 1963;
8:46 a.m.]

[Arizona 032538]

ARIZONA

Notice of Proposed Withdrawal and Reservation of Lands

The Forest Service, United States Department of Agriculture, has filed an application, Serial Number Arizona 032538 for the withdrawal of lands described below, from location and entry under the General Mining Laws, subject to existing valid claims.

The applicant desires the land for protection of a highly scenic desert view which includes the Superstition Wilderness Area.

For a period of 30 days from the date of publication of this notice, all persons who wish to submit comments, suggestions, or objections in connection with the proposed withdrawal may present their views in writing to the undersigned officer of the Bureau of Land Management, Department of the Interior, 3022 Federal Building, Phoenix 25, Arizona.

If circumstances warrant it, a public hearing will be held at a convenient time and place, which will be announced.

The determination of the Secretary on the application will be published in the FEDERAL REGISTER. A separate notice will be sent to each interested party of record.

The lands involved in the application are:

GILA AND SALT RIVER BASE MERIDIAN, ARIZONA

TONTO NATIONAL FOREST

T. 4 N., R. 8 E., unsurveyed,
Sec. 27, N $\frac{1}{2}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$.

The area described above aggregates 160 acres. The lands are situated approximately 20 miles northeast of Phoenix, Arizona.

FRED J. WEILER,
State Director.

JULY 1, 1963.

[F.R. Doc. 63-7164; Filed, July 8, 1963;
8:46 a.m.]

CIVIL AERONAUTICS BOARD

[Docket No. 14625; Order E-19771]

PAN AMERICAN WORLD AIRWAYS, INC., ET AL.

Order of Investigation

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the 3d day of July 1963.

Cargo rates from Hawaiian points to California points by Pan American World Airways, Inc., The Flying Tiger Line Inc., and World Airways, Inc.; Docket No. 14625.

Tariff revisions involving charter rates for the carriage of fresh fruits and vegetables have recently been filed applicable from Hawaiian points to California points, as follows:

1. For World Airways, Inc. (World), \$3,200 per trip in L-1049 and L-1649 equipment to Oakland:

(a) From Honolulu, effective June 23, 1963,

(b) From Hilo or Kahului, to become effective July 7, 1963.

2. For The Flying Tiger Line Inc., (Tiger), \$3,200 per trip in L-1049H aircraft and of \$4,800 in CL-44D aircraft to San Francisco:

(a) From Honolulu, effective June 25, 1963,

(b) From Hilo, to become effective July 25, 1963.

The foregoing rates are similar to certain charter rates of Tiger, World, and The Slick Corporation already under investigation in Dockets 13487 and 14559, except that the latter rates are not restricted to the carriage of fresh fruits and vegetables. The same issues are involved in both sets of rates. Consequently, on the basis of the findings made in the orders of investigation in the foregoing dockets,¹ the Board finds that the rates indicated above may be unjust, unreasonable, unjustly discriminatory, unduly preferential, or unduly prejudicial, and should be investigated.

We are also instituting an investigation of the rates in effect of Pan American World Airways, Inc. (Pan American), on fruits and vegetables from Honolulu to various U.S. West Coast points. This rate, amounting to 8 cents per pound for minimum shipments of 1,100 pounds, is essentially equivalent to the foregoing charter rates we are setting for investigation in that it is at a relatively low level and may be unlawful.

We have concluded not to suspend any of the foregoing proposed rates. The instant proposals are restricted to fresh fruits and vegetables, for which an essentially equivalent rate from Honolulu is already in effect for Pan American. The distance from Honolulu to California points may be greater than from Hilo and Kahului on certain routes;

¹ Order E-18138, adopted March 22, 1962, Order E-18999, adopted November 13, 1962, and Order E-19666, adopted June 12, 1963.

moreover, there have been no complaints.²

Accordingly, pursuant to the Federal Aviation Act of 1958, and particularly sections 204(a), 403, 404, and 1002 thereof:

It is ordered that:

1. An investigation be instituted to determine whether the charter charges from Hilo, Hawaii, or Honolulu, Hawaii, to San Francisco, California (Applicable only to Fruits and Vegetables, Fresh), appearing on 9th Revised Page 4-B of The Flying Tiger Line Inc. C.A.B. No. 32, the charter rates from Hilo, Hawaii, Kahului, Hawaii or Honolulu, Hawaii, to Oakland, California (Applicable only to Fruits and Vegetables, Fresh) appearing on 3d Revised Page 15 of World Airways, Incorporated C.A.B. No. 12, and the rates on Fruits and/or Vegetables, Fresh (Commodity Item Number 0007Q) from Honolulu, USA, to Los Angeles, USA, Portland, Oregon, USA, San Francisco, USA, and Seattle, USA, appearing on 6th Revised Page 14-A of Agent R. C. Lounsbury's C.A.B. No. 118, including subsequent revisions and reissues of such rates and charges, are, or will be, unjust, unreasonable, unjustly discriminatory, unduly preferential, unduly prejudicial or otherwise unlawful and if found to be unlawful, to determine and prescribe the lawful rates and charges;

2. The proceeding herein be assigned before an examiner of the Board at a time and place hereafter to be designated;

3. Copies of this order shall be served upon Pan American World Airways, Inc., The Flying Tiger Line Inc., and World Airways, Inc., which are hereby made parties to this proceeding.

This order will be published in the FEDERAL REGISTER.

By the Civil Aeronautics Board.

[SEAL] HAROLD R. SANDERSON,
Secretary.

[F.R. Doc. 63-7185; Filed, July 8, 1963;
8:51 a.m.]

[Docket No. 14624; Order E-19770]

WORLD AIRWAYS, INC.

Order of Investigation

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., on the 3d day of July 1963.

Cargo charter rates from Hawaiian points to Los Angeles proposed by World Airways, Incorporated; Docket No. 14624.

By tariff revision marked to become effective July 7, 1963, World Airways, Incorporated (World), proposes a cargo charter rate of \$3,200 for L-1649 aircraft, applicable from Hilo, Honolulu, or

² The period allowed in the Board's rules of practice (§ 302.505) has not expired with respect to Tiger's proposal from Hilo. The Board will, of course, consider any timely complaints seeking suspension of this tariff.