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Executive Order No. 5032, dated January 18, 1929.
Executive Order No. 5549, dated February 5, 1931.
Executive Order No. 5621, dated May 13, 1931.
Executive Order No. 5773, dated January 11, 1932.
Executive Order No. 5973, dated December 15, 1932.

FRANKLIN D ROOSEVELT

THE WHITE HOUSE,
July 11, 1941.
[No. 8820]

[F. R. Doc. 41-4963; Filed, July 12, 1941; 11:09 a. m.]

DESIGNATING A COORDINATOR OF INFORMATION

By virtue of the authority vested in me as President of the United States and as Commander in Chief of the Army and Navy of the United States, it is ordered as follows:

1. There is hereby established the position of Coordinator of Information, with authority to collect and analyze all information and data, which may bear upon national security; to correlate such information and data, and to make such information and data available to the President and to such departments and officials of the Government as the President may determine; and to carry out, when requested by the President, such supplementary activities as may facilitate the securing of information important for national security not now available to the Government.

2. The several departments and agencies of the Government shall make available to the Coordinator of Information all and any such information and data relating to national security as the Coordinator, with the approval of the President, may from time to time request.

3. The Coordinator of Information may appoint such committees, consisting

of appropriate representatives of the various departments and agencies of the Government, as he may deem necessary to assist him in the performance of his functions.

4. Nothing in the duties and responsibilities of the Coordinator of Information shall in any way interfere with or impair the duties and responsibilities of the regular military and naval advisers of the President as Commander in Chief of the Army and Navy.

5. Within the limits of such funds as may be allocated to the Coordinator of Information by the President, the Coordinator may employ necessary personnel and make provision for the necessary supplies, facilities, and services.

6. William J. Donovan is hereby designated as Coordinator of Information.

FRANKLIN D. ROOSEVELT

THE WHITE HOUSE,

July 11, 1941.

[F. R. Doc. 41-4969; Filed, July 12, 1941; 11:53 a. m.]

Rules, Regulations, Orders

TITLE 7—AGRICULTURE

CHAPTER VIII—SUGAR DIVISION OF THE AGRICULTURAL ADJUSTMENT ADMINISTRATION

[G. S. R. Series 2, No. 1, Revised]

PART 801—GENERAL SUGAR REGULATIONS ENTRY OF SUGAR INTO THE CONTINENTAL UNITED STATES

By virtue of the authority vested in the Secretary of Agriculture by the Sugar Act of 1937, as amended, I, Paul H. Appleby, Acting Secretary of Agriculture, in order to carry out the powers vested in me by the said act, do hereby make, prescribe, publish, and give public notice of these regulations, which shall have the force and effect of law and shall remain in force and effect until amended or superseded by regulations hereafter made by the Secretary of Agriculture.

§ 801.1 *Entry of sugar into the continental United States.* (a) All persons are hereby forbidden from bringing or importing into the continental United States sugar or liquid sugar produced in any area outside of continental United States, except through customs ports of entry. The collectors of customs shall not permit any such sugar or liquid sugar to enter continental United States unless and until there shall be furnished proof as to the following matters satisfactory to the collector of customs (an affidavit in duplicate (Form SS-3) subscribed and sworn to by the consignee as to such matters may be accepted by the collector of customs as satisfactory proof thereof): (1) The area in which such sugar or liquid sugar was produced, (2) the port from which such sugar or liquid sugar was brought, (3) the names of the consignor, consignee, shipper, and

owner, (4) the kind or type and identification marks of such sugar or liquid sugar, (5) the purpose for which such sugar or liquid sugar is brought into continental United States, to wit, whether such sugar or liquid sugar is for consumption in or for export from continental United States, either in the state in which it is being brought or imported into continental United States, or after it has been further refined or otherwise improved in quality, (6) the allotment, if any, under which such sugar or liquid sugar is being brought or imported into continental United States, and (7) the polarization and the weight of such sugar and the total sugar content and quantity of such liquid sugar.

(b) Upon notification by the Secretary of Agriculture that sugar or liquid sugar produced in any particular area outside of continental United States has, during any calendar year, been brought into continental United States for consumption therein in amounts totaling the amount of the quota fixed by the Secretary of Agriculture for that area for such calendar year, collectors of customs shall permit no further sugar or liquid sugar from such area to enter continental United States during such calendar year, except as authorized by the Secretary of Agriculture and in accordance with the terms and conditions of such authorization.

(c) After the Secretary of Agriculture has determined and certified that sugar or liquid sugar produced in any particular area outside of continental United States has, during any calendar year, been brought into continental United States for consumption therein in amounts totaling the amount of the quota and/or allotments fixed by the Secretary of Agriculture for that area for such calendar year, the Secretary of Agriculture may nevertheless authorize collectors of customs to permit sugar or liquid sugar from such area to enter continental United States for consumption therein, if and when an equivalent amount of sugar or liquid sugar theretofore entered as a part of the quota from the same producing area is delivered to any collector of customs in the place and stead thereof and in substitution therefor, to be held in customs control until thereafter authorized by the Secretary of Agriculture to be released therefrom: *Provided, however,* That no such authorization will be issued by the Secretary of Agriculture unless and until: (1) An application for such authorization has been filed with the Secretary of Agriculture, or his authorized agent, setting forth the reason for requesting such substitution; (2) there shall first be shown to his satisfaction, by such proof as he may require, that the sugar or liquid sugar tendered in substitution and the sugar or liquid sugar sought to be entered (i) were produced in and brought from the same area, (ii) have the equivalent weight translated into terms of pounds of sugar polarizing 96°, or, in the case of liquid sugar, the equivalent quantity translated

into terms of 72 percent total sugar content, and (iii) are owned or contracted for by the same person; (3) the owner of the sugar or liquid sugar tendered in substitution shall agree in writing that such sugar or liquid sugar shall be treated in the same manner and shall be subject to the same rules and regulations as the sugar or liquid sugar for which it is tendered in substitution would have been treated and subjected if substitution therefor were not permitted; and (4) the owner of the sugar or liquid sugar tendered in substitution shall agree in writing to be responsible for all storage charges and other expenses in connection with the retention of the substituted sugar or liquid sugar in customs control until the time of release of such sugars against an applicable quota; and, in the event that such sugars are not so withdrawn when notification is given by the Secretary of Agriculture or his agent, the sugars may be treated as abandoned to the Government and may be sold at such time and under such conditions as the Secretary of Agriculture shall determine will best protect the interests of the Government and the owner, subject to payment to the said owner of the surplus proceeds, if any, after the payment of all charges and other expenses. Any sugar or liquid sugar which has become subject to sale hereunder may, at any time before sale, be withdrawn under such conditions as the Secretary of Agriculture may prescribe. (Sec. 504, 50 Stat. 915; 7 U.S.C. 1174)

§ 801.2 *Recission of prior regulations.* The regulations in this part shall supersede General Sugar Regulations, Series 2, No. 1, issued September 16, 1937.

In testimony whereof, I have hereunto set my hand and caused the official seal of the Department of Agriculture to be affixed in the District of Columbia, city of Washington, this 12th day of July 1941.

[SEAL]

PAUL H. APPLEBY,

Acting Secretary of Agriculture.

[F. R. Doc. 41-5002; Filed, July 14, 1941; 11:17 a. m.]

TITLE 10—ARMY: WAR DEPARTMENT

CHAPTER V—MILITARY RESERVATIONS AND NATIONAL CEMENTERIES

PART 54—EXCHANGES¹

§ 54.1 *Purposes.* (a) Exchanges are established for the following purposes:

(1) To supply the persons to whom sales are authorized (§54.6), at the lowest possible prices, with articles of ordinary use, wear, and consumption not supplied by the Government.

(2) To afford to military personnel facilities for comfort, recreation, and amusement to include, as may be desirable, the financial support and maintenance of recreational athletics, entertainments, service clubs, libraries, and

¹ §§ 54.1 to 54.13 are superseded.

community cooperation within the limits prescribed in AR 210-50.²

(3) To provide, when necessary, the means for improving organization messes.

(b) Exchanges should be conducted in such a manner as to be of real assistance and convenience to enlisted men and not as large profit making institutions.*† [Par. 1]

*§§ 54.1 to 54.13, except as otherwise noted, issued under authority contained in R.S. 161; 5 U.S.C. 22.

†These regulations also appear in AR 210-65, July 1, 1941. The particular paragraphs of the Army Regulations appear in brackets at the end of sections.

§ 54.2 *Legal status—(a) Trusteeship of commanding officer and council.* An exchange is a government instrumentality existing at the pleasure of and in the form prescribed by the War Department; in general, for the real convenience of the Army as a whole and, in particular, for the military personnel served by it. The title to the assets of each exchange, subject to liabilities, is vested in the members of the exchange council and the commanding officer in their respective official capacities and not in their individual official capacities. The council members and commanding officer are therefore trustees and the conditions of the trust are these regulations. The council is a continuing body and when its personnel shifts, the new members are successor trustees. There are no vested rights in any fixed beneficiaries. The beneficiaries are the members of a class designated by the War Department from time to time. The net income accruing to the trust estate, viz., the exchange, is distributed as directed by the War Department upon recommendation of the Army Exchange Service, presently, as prescribed in these regulations. Op. JAG, May 22, 1941.

(b) *Liability of council and exchange officer.* The exchange officer is the agent of the council. The authority with which that agent may lawfully be vested is subject to the direction of the council and the supervision of the commanding officer. Neither the members of the council nor the exchange officer are personally liable for exchange indebtedness unless contracted in excess of authority and unratified. Op. JAG, May 22, 1941.

(c) *Liability to creditors.* The creditors of an exchange may look to the assets of that exchange for the satisfaction of its indebtedness but not beyond. Distributions made out of surplus to Army organizations or to the Army Exchange Service are not available to the creditors in the satisfaction of debts. Op. JAG, May 22, 1941.

(d) *Litigation with creditors.* Litigation should be conducted in the naming of the members of the council and in their official capacities as such. The

exchange officer is a proper but not a necessary party unless the action involves the question whether the agent has exceeded the scope of his authority, in which case the exchange officer is a necessary as well as a proper party. Controversies between the creditors on the one hand and the exchange on the other will not be determined by the War Department. Where such disputes cannot otherwise be amicably settled, the parties concerned will seek judicial relief. Op. JAG, May 22, 1941*† [Par. 7]

§ 54.3 *Activities—(a) Authorized activities.* An exchange may include, when deemed desirable by the council and approved by the commanding officer, the following activities:

- (1) General or main store.
- (2) Meat market.
- (3) Vegetable market.
- (4) Gasoline filling station.
- (5) Automobile garage and service station.
- (6) Restaurant.
- (7) Soda fountain and beer bar.
- (8) Barber shop.
- (9) Laundry.
- (10) Tailor shop.
- (11) Shoe repair shop.
- (12) Watch repair shop.
- (13) Radio repair shop.
- (14) Photographic studio.
- (15) Gymnasium including equipment for outdoor athletics.
- (16) Recreation rooms including billiard and pool tables, bowling alleys, and equipment for other proper indoor games.
- (17) Library supplied with books and periodicals.
- (18) Theater in which motion pictures, amateur dramatics, and other entertainment may be conducted.
- (19) Publication of a periodical.
- (20) Purchase and operation of automobiles as public carriers when justified by the necessities of the command. When so used they will not be permitted to compete with civilians by carrying persons not employed on the post.

(b) *Limitations.* (1) Activities other than those enumerated above will not be added to the business of an exchange without the authority of the War Department.

(2) Except in the Panama Canal Zone, Puerto Rico, Philippines, Alaska, and other stations outside the continental limits of the United States, articles for sale will be limited to those of small personal needs, not similar to those furnished by the Government.

(3) (i) In all cases where the exchange acts as a collection agency for either a civilian activity or a concessionaire, the contract or agreement must specifically state whether or not the exchange assumes liability for uncollected or uncollectible accounts.

(ii) Whether or not the exchange assumes liability determines whether or not military persons' pay may be stopped for such indebtedness. Where the exchange

has assumed liability, the pay may be stopped, but where the exchange has not assumed liability, the pay may not be stopped.

(4) An exchange cannot legally sell at a profit food supplies obtained by it from the Quartermaster Corps where the form of such supplies is not changed by the exchange. Where, however, the form of the supplies is changed by the exchange by converting ingredients into pastries, etc., they may be sold at a profit. Op. JAG, January 28, 1919.

(5) The sale to enlisted men of articles of outer uniform clothing, ornaments, insignia, or other articles of uniform similar to or as substitutes for those issued by a supply service of the Army, by exchanges or exchange concessionaires, is forbidden.

(6) The use of any device which favors of gambling, such as punch boards, slot machines, etc. in any exchange activity is prohibited.

(7) The sale of or dealing in beer, wine, or any other intoxicating liquors by any person in any exchange, canteen, or army transport or upon any premises used for military purposes by the United States is prohibited. Beer with an alcoholic content of not more than 3.2 per centum by weight is considered nonintoxicating.

(8) A periodical published by a post exchange or its concessionaire will not carry paid advertising.

(c) *Concessions.* (1) It is the policy of the War Department that all authorized activities of the exchange generally be conducted by the several local exchanges and not by concessionaires.

(2) Concessions may be granted only for the conduct of activities where labor is the principal component of the product sold, such as barber, tailor, and shoe repair shops.

(3) Concessions will not be granted private individuals, firms, or corporations to operate any activities of the type enumerated in (2) above without the authority of the corps area commander.

(4) A concession contract will be approved only when it embodies the express provision that the concessionaire assumes complete liability for all local taxes applicable to the property, income, and transactions of the concessionaire.

(5) Contracts with concessionaires will neither state nor imply that any rental is to be charged the concessionaire for occupancy of space in buildings or for the use of utilities or facilities on the military reservation. The contracts will contain provisions that the post authorities retain supervision of the activities and control of prices to be charged. See paragraph 2e (3), AR 30-1620.¹

(6) When the exchange acts as a collection agency for a concessionaire, the contract or agreement must specifically state whether or not the exchange assumes liability for uncollected or uncollectible accounts. See (b) (3) above.

²Administrative regulations of the War Department relating to unit and similar funds.

¹Administrative regulations of the War Department relating to heat, light, and electric power.

(7) When concessions occupy real estate not under the control of the exchange, a license or lease is required. (§§ 52.1 to 52.6)

(8) A concessionaire is in no sense an agent of the exchange and should not be permitted to represent himself as such to the public by the use of the words "Post Exchange" on letter or bill heads, or signs, or in any other manner.

(9) Restrictions upon concessionaires and their activities, imposed in paragraph (c) become effective upon the expiration of their existing contracts with exchanges or upon the expiration of the cancellation notice stipulated in such contracts. (Cir. 124, W.D., June 28, 1941)

(10) The limitations imposed in (b) (5) above and § 54.6 (c) upon sales by exchanges apply equally to exchange concessionaires. *†[Par. 9]

§ 54.4 *Army Exchange Service.* (a) There will be established in the War Department a central exchange agency to be known as the Army Exchange Service, with the necessary officer, enlisted, and civilian personnel to perform the functions assigned to it.

(b) This service will be extended to all exchanges of the Army through appropriate personnel on the staff of the corps, department, and local commanders.

(c) The Army Exchange Service is charged with:

(1) Developing and administering a uniform and coordinated system of operating procedures and accounting methods for all exchanges and the supervision of its installation and operation.

(2) Developing business policies for exchanges which will insure lowest possible prices for essentials and a reasonable distribution of profits to organizations for recreation and welfare purposes.

(3) Designating the general type of merchandise to be sold together with retail prices of essentials, and prescribing minimum and maximum percentages of gross profits, operating expenses, and net profits.

(4) Developing systems of operation and accounting to be made available for officers', noncommissioned officers', and service clubs permitting, when desired, the use of exchange accounting and procurement facilities on a nonprofit basis.

(5) Developing and supervising operational policies for personnel to include programs of training, and for supplying appropriate personnel records.

(6) Developing appropriate pension plans for civilian employees.

(7) Providing auditors of local exchange accounts, including those of other morale activities, when desired by post commanders.

(8) Obtaining written price agreements from manufacturers and distributors of merchandise, fixtures, and general sup-

plies normally purchased by exchanges and circularizing exchanges thereon.

(9) Providing a purchasing service for exchanges outside the continental limits of the United States.

(10) Prescribing the type of equipment and fixtures regarded as necessary to operate exchanges.

(11) Prescribing, from time to time, that a small percentage of the gross sales of all exchanges be paid each month to the Army exchange fund which will be in the custody of the officer in charge of the Army Exchange Service.

(12) Administering the Army exchange fund and the utilization of such funds for the best interests of the Army as a whole in connection with the establishment, expansion, and operation of exchanges generally.

(13) Providing for the periodic auditing of the War Department and corps area accounts of the Army exchange fund by disinterested public accountants and the forwarding of copies of these audits to The Inspector General.

(14) Negotiating, when necessary, loans from reputable lending agencies for financing new or expanding established exchanges.*† [Par. 11]

§ 54.5 *Purchases—(a) For the exchange.* (1) Except as authorized in (2) and (3) below, all purchases of merchandise or other property will be made by the exchange officer who will notify all firms and individuals from whom purchases are made that the invoices for purchases must be mailed direct to the exchange.

(2) Exception to the above requirement is authorized when, by reason of absence on other duty, the exchange officer may not advantageously make such purchases. In these cases the exchange manager may, when specifically authorized by the exchange officer, make purchases in limited quantity.

(3) In large exchanges maintaining a purchasing department and stock control system, routine replacement of lines of merchandise handled in the exchange may be made by the head of the purchasing department from a list of dealers authorized by the exchange officer.

(4) The exchange officer will, in all cases, be responsible for the purchases made by any subordinate as authorized in (2) and (3) above.

(5) Purchases made verbally by the exchange officer, or as provided in (2) and (3) above, will be confirmed by written purchase order as soon as practicable after purchases are made.

(6) When it is desired to buy articles in unusual quantities, the exchange officer will first obtain the approval of the exchange council and the commanding officer.

(7) Purchases of merchandise stock in excess of 3 months' requirements of any item for exchanges located within the continental limits of the United States,

and 6 months' requirements for exchanges located outside such limits, is normally unnecessary.

(8) Inventories should be held to the minimum necessary to carry on the business.

(9) Purchases at prices in excess of those published in the Army Exchange Service price agreements (§ 54.4 (c) (8)) are not authorized except to supply immediate needs to exchanges operating in the field or in emergencies due to lost or delayed shipments or other like circumstances.

(b) *For concessionaires.* The purchase by the exchange of merchandise needed by concessionaires in the operation of their concessions is prohibited except where it has been determined and made of record that matters of taxation are not involved.

(c) No merchandise will be held on consignment or to be paid for by exchanges when sold. The provisions of this paragraph will not be construed as prohibiting the established business practice of making an agreement, at the time of purchase, for the return to the vendor for credit of unsold seasonable merchandise at a specific time.

(d) Persons who are authorized to buy from an exchange may, by action of the exchange council approved by the commanding officer, be authorized to:

(1) Secure articles of merchandise from local dealers free from local sales taxes provided that such articles are made the subject of completed sales by the local dealer to the exchange and subsequent sales by the exchange to its customers which transaction must necessarily include the actual delivery of the articles to the exchange and a subsequent delivery of the articles from the exchange to the customer.

(2) Secure articles of merchandise or services direct from local firms under an arrangement whereby the exchange collects the purchase price from the purchaser and transmits such collection to the vendor. Under such arrangement the parties to the sales contract would be the local firm and the customer, the firm charging the article purchased to the individual customer, thus making the transaction subject to any sales tax which may be imposed by local, State, or municipal governments. An exchange acts as collector only in this case.*† [Par. 12]

§ 54.6 *Sales; to whom made.* (a) Exchanges are authorized to sell or make purchases for the following named persons and organizations only. Purchases by individuals will be limited to those items required for their own use or for the use of dependent members of their families.

(1) Such personnel and organizations as are now or may hereafter be authorized by law and regulation to purchase

subsistence stores or other quartermaster supplies. See paragraphs 2 and 6, AR 30-2290.¹

(2) Civilians permanently employed or serving at military posts, upon proper identification.

(b) Dependent members of the families of persons who are authorized to purchase at exchanges may act as agents for such persons upon proper identification.

(c) Sales to the Government by exchanges are authorized only in cases where the same class of service cannot be conveniently or reasonably obtained elsewhere and where a direct advantage will accrue to the Government from the method resorted to. In no case will an exchange, post laundry, or concessionaire bidding as such be permitted to enter into public competition or to submit bids in response to advertisements calling for proposals for furnishing supplies or services. When accounts are submitted for sales of the kind described, the vouchers will contain a full statement of the grounds upon which the sale of supplies or services was based and will fully set forth all the circumstances of the transaction with a view to enabling the proper bureau of the War Department and the General Accounting Office to determine whether such purchase was in the public interest.*† [Par. 13]

§ 54.7 *Personnel*—(a) *General*. (1) It is the policy of the War Department that, insofar as is practicable, exchanges be operated by civilian employees, with officers in executive control.

(2) Great care should be exercised in the selection of personnel in order that an efficient, honest, loyal, and permanent body of civilian employees may be developed.

(b) *In exchanges*. (1) In small exchanges the business and operations are conducted by an exchange officer, an exchange manager, and such assistants as may be necessary for their proper conduct.

(2) In large exchanges with departments, or branches, warehouse, and accounting departments there may be:

(i) Assistant exchange officers who, under the exchange officer, may be charged with the supervision of one or more of the activities of the exchange in addition to their other duties or on full time duty.

(ii) A civilian manager and such additional managers in charge of departments or branches as needed.

(iii) Necessary civilian employees with specific duties, such as branch supervisors, bookkeepers, purchasing agents, cashiers, stenographers, office clerks, storekeepers, warehousemen, etc.*† [Par. 15]

§ 54.8 *Enlisted employees*. (a) The corps area commander will make requi-

site limitations on the number of enlisted men employed in exchanges.

(b) The employment of enlisted men by exchange concessionaires is prohibited.*† [Par. 21]

§ 54.9 *Cashing final statements and personnel checks*—(a) *Final statements*. The exchange officer may, when there is no disbursing officer readily accessible, cash final statements of discharged enlisted men with exchange funds, retaining a portion sufficient to afford protection against loss due to error until the final statement has been paid by a disbursing officer and then remitting the balance, less any expense of the transaction, to the discharged enlisted man. The exchange assumes no liability for overpayment made by disbursing officers, this liability resting on the officer who signs the final statements or the disbursing officer who pays them, according to the source of error.

(b) *Personal checks*. The exchange officer may use exchange funds to cash checks, with the authority and under such restrictions as may be imposed by the exchange council and approved by the commanding officer. Any fees or bank charges involved will be paid by the persons for whom checks are cashed.*† [Par. 18]

§ 54.10 *Civilian auditors*. When approved by the corps area commander, the exchange council may authorize the employment of a qualified civilian public accountant at stated intervals to audit the accounts of the exchange at its expense. In such cases the commanding officer, the exchange council, and the auditing officers retain their full responsibility. The officer designated as the auditing officer may work with the accountant, in which case he is authorized to amend the certificate required of him. In view of the fact that exchange accounts will be audited regularly by auditors of the Army Exchange Service, the employment of civilians for this purpose should be exceptional.*† [Par. 26]

§ 54.11 *Contracts*. (a) The exchange officer is the contracting officer for the exchange for all contracts of any nature entered into on behalf of the exchange. He alone is authorized to sign a contract obligating the exchange.

(b) All contracts and agreements to which exchanges are a party will contain a statement that they will be terminated when the entire membership is changed or when an exchange is closed due to change of station of participating troops or for other reasons.

(c) Contracts on behalf of an exchange will not cover periods of over 1 year without the approval of the corps area commander.

(d) Proposed contracts with concessionaires will be submitted to the corps area commander for approval as provided in § 54.3 (c) (3).

(e) All contracts involving future performances will be reduced to writing, signed by the contracting parties, and filed in the exchange records.*† [Par. 33]

§ 54.12 *Credit sales*—(a) *General*. (1) It is the duty of all persons to make prompt payment of their accounts according to the terms thereof. Defaulters will be denied credit privileges.

(2) Monthly settlement accounts and the due portion of term payment accounts, not paid within 10 days subsequent to the debtor's pay day following the date upon which they became due, are delinquent and will be reported to the commanding officer who will take appropriate action.

(b) *To whom made*. Credit sales are authorized to military personnel, employees of the exchange, and at the discretion of the commanding officer to civilians permanently employed by the Government within the command.

(c) *Limitations upon*. Credit sales to employees, concessionaires, and civilians will be limited by the exchange officer to amounts, in his judgment, not in excess of ability to pay when due.*† [Pars. 34, 35 and 36]

§ 54.13 *Debt of deceased soldier*. An amount due the exchange from a deceased enlisted man is a claim against his estate and may be deducted from the pay and allowances due such estate. Exchanges having claims against deceased enlisted men will file them directly with the General Accounting Office, Military Division, Washington, D. C.*† [Par. 39]

[SEAL]

E. S. ADAMS,
Major General,
The Adjutant General.

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TITLE 16—COMMERCIAL PRACTICES

CHAPTER I—FEDERAL TRADE COMMISSION

SUBCHAPTER C—REGULATIONS UNDER SPECIFIC ACTS OF CONGRESS

[File 156]

PART 300—RULES AND REGULATIONS UNDER THE WOOL PRODUCTS LABELING ACT OF 1939

At a regular session of the Federal Trade Commission held at its office in the City of Washington, D. C., on the 15th day of July, A. D. 1941.

Acting under and in pursuance of the Wool Products Labeling Act of 1939 (Public No. 850, 76th Congress, Third Session), It is now ordered, That the Rules and Regulations hereinbelow set forth be, and they hereby are, made, issued and promulgated by the Federal Trade Commission as Rules and Regulations of the Commission under said Act, and are made effective July 15, 1941.

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Definitions

§ 300.1 *Terms defined.* As used in the rules in this part unless the context otherwise specifically requires:

(a) The term "Act" means the Wool Products Labeling Act of 1939 (approved October 14, 1940, Public No. 850, 76th Congress, Third Session).

(b) The terms "rule," "rules," "regulations" and "rules and regulations" mean the rules and regulations prescribed by the Commission pursuant to the Act.

(c) The definitions of terms contained in section 2 of the Act shall be applicable also to such terms when used in rules promulgated under the Act.* [Rule 1]

*§§ 300.1 to 300.36, inclusive, issued under the authority contained in the Wool Products Labeling Act of 1939, approved October 14, 1940 (Public No. 850, 76th Congress, Third Session).

Labeling

§ 300.2 *General requirement.* Each and every wool product subject to the Act shall be marked by a stamp, tag,

label, or other means of identification, in conformity with the requirements of the Act and the rules and regulations thereunder.* [Rule 2]

§ 300.3 *Required label information.* The marking of wool products under the Act shall be in the form of a stamp, tag, label, or other means of identification, showing and displaying upon the product the required information, legibly, conspicuously, and nondeceptively. The information required to be shown and displayed upon the product in the stamp, tag, label, or other mark of identification, shall be that which is required by the Act and the rules and regulations thereunder including the following:

(a) The fiber content of the product specified in section 4 (a) (2) (A) of the Act.

(b) The maximum percentage of the total weight of the wool product of any nonfibrous loading, filling or adulterating matter as prescribed by section 4 (a) (2) (B) of the Act.

(c) The name of the manufacturer of the wool product and/or the name of one or more persons subject to section 3 of the Act with respect to such wool product, subject, however, to the provisions of § 300.4.* [Rule 3]

§ 300.4 *Use of registered number in lieu of manufacturer's name.* (a) The name of the manufacturer need not appear upon the label or mark of identification if the same bears an identification number registered and assigned by the Federal Trade Commission as the mark which identifies the manufacturer and by which said manufacturer undertakes to be bound in respect of such label as fully as though the name of the manufacturer were used in lieu of such number: *Provided, however,* That such label or mark of identification bears, in addition to such number, the name of at least one person who subsequently sells such product to a reseller or to the purchaser-consumer, and the name of such seller, together with the manufacturer's registered number, remains or is set forth upon such label or mark affixed to the product when it is delivered to and received by the purchaser-consumer.

(b) *Applications for manufacturer's registered identification number.* Any manufacturer of a wool product residing in the United States desiring to use a manufacturer's registered number in lieu of his name upon the label or mark of identification affixed to the product by him, as provided for in this rule, may make application to the Federal Trade Commission for assignment to him of such registered number or numbers as, and in the form which, the Commission may deem appropriate for use by such manufacturer on the label or mark of identification under the Act in lieu of his name, but with fully as binding effect as though his name were used. Such application shall be in writing, duly executed under oath or affirmation, and shall be submitted in quadruplicate and in the following form:

To the Federal Trade Commission, Washington, D. C.

We, the undersigned, manufacturers of wool products subject to the Wool Products Labeling Act of 1939, residing in the United States and having principal office and place of business at _____

(Street and Number)

(City or County) (State or Territory) do hereby make application to the Commission for the assignment of a manufacturer's registered identification number to be used by us on our labels and marks of identification in accordance with requirements of the Commission and the applicable provisions of the rules and regulations under said Act.

It is understood by us and hereby agreed that, in the use of any such number assigned by the Federal Trade Commission, such number shall be construed as identifying us and as binding us as fully and in all respects as though our name were used on such labels and marks of identification in lieu of such manufacturer's number.

Dated, signed and executed this _____ day of _____, 19____, at _____

(City or County) (State or Territory)

(Full Name of Firm)

(Signature and title of proprietor, partner or executive officer thereunto duly authorized)

Subscribed and sworn to (or affirmed) before me by _____

(Name of proprietor, partner or executive officer who signed as thereunto duly authorized)

this _____ day of _____, 19____

Notary Public in and for County _____

of _____

State of _____

My commission expires _____

[Notarial Seal]

(c) If such applicant is a corporation, the application shall be duly executed in the name of such corporation and in accordance with the requirements of the following form:

In witness whereof the _____ (Full Legal Name of Corporation) the undersigned applicant herein, a corporation chartered and doing business under the laws of the State of _____, having principal office and place of business at _____

(Street and Number) (City or County)

(State or Territory)

has this _____ day of _____, 19____, caused this application to be executed and its name and corporate seal to be hereto affixed.

(Full Legal Name of Corporation)

[CORPORATE SEAL]

ATTEST:

By _____ Secretary (Signature and Title of Executive Officer)

On this _____ day of _____, 19____, subscribed and sworn to (or affirmed) before me by _____

(Name of Subscribing Executive Officer) who on his oath (or affirmation) deposes and states that he is _____

(Title of Executive Officer) of the above-named corporation; that he is authorized to sign and has signed the foregoing application for and on behalf of such corporation.

Notary Public in and for County _____

of _____

State of _____

My commission expires _____

[NOTARIAL SEAL]

(d) The application shall be accompanied by statement of the business con-

ducted by the applicant and designation of the kinds of wool products manufactured or sold by such applicant.* [Rule 4]

§ 300.5 *Types of labeling and methods of affixing marks to product.* The stamp, tag, label, or other means of identification, shall be such as is appropriate to the nature of the product and shall be affixed to the product securely and with sufficient permanency to remain thereon in a conspicuous, clear, distinct and plainly legible condition throughout the sale, resale, distribution and handling incident thereto, and shall remain on or be firmly affixed to the respective product when sold and delivered to purchasers and purchaser-consumers thereof. Where these requirements are met, the stamp, tag, label, or other means of identification, may be affixed by having the required information stencilled, imprinted or branded upon the product itself, or placed thereon in the form of a strong, durable label securely sewed or stapled to the product or otherwise securely attached thereto, or by a strong, durable tag securely tied to the product. (See § 300.15 for provision as to marking containers or packaging of wool products.)* [Rule 5]

§ 300.6 *Labels to be avoided.* Stamps, tags, labels, or other marks of identification, which are insecurely attached, or which in the course of offering the product for sale, selling, reselling, transporting, marketing, or handling incident thereto are likely to become detached, indistinct, obliterated, illegible, mutilated, inaccessible, or inconspicuous, shall not be used.* [Rule 6]

§ 300.7 *English language requirement.* All words, statements and other information required by or under authority of the Act and the rules and regulations thereunder to appear on the stamp, tag, label, or other mark of identification, shall appear in the English language. If the product bears any stamp, tag, label, or mark of identification which contains any of the required information in a language other than English, all of the required information shall appear both in such other language and in the English language.* [Rule 7]

§ 300.8 *Common generic name of fiber.* Except where another name is required or permitted under the Act, the respective common generic name of the fiber shall be used when naming fibers in the required information; as for example, "Wool," "Reprocessed Wool," "Reused Wool," "Cotton," "Rayon," "Silk," "Linen," "Horsehair," "Rabbit Hair."* [Rule 8]

§ 300.9 *Abbreviations or ditto marks.* Words or terms in the required information descriptive of fiber content shall not be abbreviated, nor be designated by the use of ditto marks, but shall be spelled out fully; as for example, "Wool," "Reprocessed Wool," "Reused Wool," "Cotton," "Rayon."* [Rule 9]

§ 300.10 *Arrangement of label information.* (a) All items or parts of the required information to be shown and displayed in the stamp, tag, label, or other mark of identification of the product, shall be set forth consecutively, in immediate conjunction with each other, and in type or lettering plainly legible and conspicuous; such as for example:

Made of
60% Wool
40% Reused Wool
Exclusive of Ornamentation
Distributed by:
JOHN Q. DOE CO., INC.,
New York, N. Y.

(b) If non-required information or representations are placed on the product or in the label or mark of identification, the same shall not in any way be false or deceptive, nor shall such information or representation be set forth or used in such manner as to interfere with the required information.* [Rule 10]

§ 300.11 *Improper methods of labeling.* The stamp, tag, label, or other mark of identification required under the Act, or the required information contained therein, shall not be minimized, rendered obscure or inconspicuous, or be so placed as likely to be unnoticed or unseen by purchasers and purchaser-consumers when the product is offered or displayed for sale or sold to purchasers or the consuming public, by reason of, among others:

(a) Small or indistinct type.

(b) Failure to use letters and numerals of equal size and conspicuousness in naming all fibers and percentages of such fibers as required by the Act.

(c) Insufficient background contrast.

(d) Crowding, intermingling, or obscuring with designs, vignettes, or other written, printed or graphic matter.* [Rule 11]

§ 300.12 *Marking of units of merchandise containing two or more pieces.*

(a) Except in instances where other form of marking is specifically authorized, the stamp, tag, label, or other mark of identification, shall be attached to and appear upon each garment or separate piece of merchandise subject to the Act, irrespective of whether two or more garments or pieces may be introduced into commerce, sold, or marketed together or in combination with each other.

(b) *Wearing apparel sold in pairs; hosiery, gloves, mittens, footwear, etc.* In the case of garments or wearing apparel manufactured for use in pairs and sold, distributed and used in such pairs, the use of more than one label or mark of identification will not be required if both pieces in the pair are of the same fiber composition, grade and quality, are and remain firmly attached to each other when marketed and delivered in the channels of trade and to the purchaser-consumer, and the stamp, tag, label, or mark of identification affixed thereto is clearly applicable to both pieces and supplies the required information promi-

nently in accordance with the Act and the rules and regulations thereunder.* [Rule 12]

§ 300.13 *Real name to be shown on label.* Trade name, trade-marks or other names which do not constitute the legal name of the manufacturer of the wool product or other person required by the Act to appear on the stamp, tag, label, or other mark of identification, shall not be used in lieu of or in substitution for the legal name of such manufacturer or other person. Nothing in these rules shall be construed as permitting the use of any corporate, trade, or other name which is false or deceptive.* [Rule 13]

§ 300.14 *Substitute label requirement.* When necessary to avoid deception, the name of any person other than the manufacturer of the product appearing on the stamp, tag, label, or other mark of identification affixed to such product shall be accompanied by appropriate words showing that the product was not manufactured by such person; as for example:

Manufactured for: _____
Distributed by: _____ Distributors

* [Rule 14]

§ 300.15 *Labeling of containers or packaging of wool products.* The label or mark of required information, as provided in § 300.5, shall be affixed to and displayed upon the container, wrapper, binder, or other means of packaging of wool products subject to the Act,

(a) where marking the product itself is impossible, or where such marking of the product would be inadequate to fully inform purchasers and purchaser-consumers of the required information or to prevent deception; or

(b) where the wool product is marketed or sold and delivered in sealed containers which remain unbroken and intact until after delivery of the product to, and receipt thereof by, the purchaser-consumer. Any such product packaged in a sealed container shall also be marked by stamp, tag, label, or other mark of identification showing the required fiber and material content where the product is capable of being so marked and where it is removed from the sealed container, or is likely to be removed therefrom, or the container is opened, for display or sales purposes or for other reasons, prior to purchase by and delivery to the ultimate purchaser-consumer. Where the product bears a label or mark of identification, as provided in § 300.5, which is clearly visible to the purchaser when offered for sale, no label or mark of identification need be placed on such container.* [Rule 15]

§ 300.16 *Ornamentation.* Where the wool product contains fiber ornamentation not exceeding 5% of the total fiber weight of the product and the stated percentages of fiber content of the product are exclusive of such ornamentation, the stamp, tag, label, or other means of identification shall contain a phrase or

statement showing such fact; as for example:

50% Wool
25% Reused Wool
25% Cotton
Exclusive of Ornementation

Where the fiber ornementation exceeds 5%, it shall be included in the statement of required percentages of fiber content of the product, subject, however, to the right of making sectional disclosure of content under § 300.23 where the ornementation constitutes a distinct section of the product and the provisions of such § 300.23 are fully met.* [Rule 16]

§ 300.17 *Use of the term "all" or "100%"* Where the fabric or product to which the stamp, tag, label, or mark of identification applies is composed wholly of one kind of fiber, either the word "all" or the term "100%" may be used with the correct fiber name; as for example, "100% Wool," "All Wool," "100% Reprocessed Wool," "All Reprocessed Wool," "100% Reused Wool," "All Reused Wool." If any such product is composed wholly of one fiber with the exception of fiber ornementation not exceeding 5%, such term "all" or "100%" as qualifying the name of the fiber may be used, provided it is immediately followed by the phrase "exclusive of ornementation," or by a phrase of like meaning; such as for example:

All Wool
Exclusive of Ornementation
or
100% Wool
Exclusive of Ornementation

*[Rule 17]

§ 300.18 *Use of name of specialty fiber.* In setting forth the required fiber content of a product containing any of the specialty fibers named in section 2 (b) of the Act, the name of the specialty fiber present may be used in lieu of the word "wool," provided the percentage of each named specialty fiber is given, and provided further that the name of the specialty fiber so used is qualified by the word "reprocessed" or "reused" when the fiber referred to is "reprocessed wool" or "reused wool," as defined in the Act. The following are examples of fiber content designation permitted under this rule:

55% Alpaca
45% Camel's Hair
50% Reused Camel's Hair
50% Wool
60% Reprocessed Alpaca
40% Rayon
35% Reused Llama
35% Reprocessed Vicuna
30% Cotton
60% Cotton
40% Reused Llama.

*[Rule 18]

§ 300.19 *Use of terms "mohair" and "cashmere."* In setting forth the required fiber content of a product containing hair of the Angora goat known as mo-

hair or containing hair or fleece of the Cashmere goat known as cashmere, the term "mohair" or "cashmere," respectively, may be used for such fiber in lieu of the word "wool," *Provided*, The respective percentage of each such fiber designated as "mohair" or "cashmere" is given; *And provided further*, That such term "mohair" or "cashmere" where used is qualified by the word "reprocessed" or "reused" when the fiber referred to is "reprocessed wool" or "reused wool," as defined in the Act. The following are examples of fiber content designation permitted under this rule:

50% Mohair
50% Wool
60% Reprocessed Mohair
40% Cashmere
60% Cotton
40% Reused Cashmere.

*[Rule 19]

§ 300.20 *Use of the term "Virgin" or "New."* The term "virgin" or "new" as descriptive of a wool product or any fiber or part thereof shall not be used when the product or part so described is not composed wholly of new or virgin wool which has never been used, or reclaimed, reworked, reprocessed or reused from any spun, woven, knitted, felted, or manufactured or used product. Products composed of or made from fiber reworked or reclaimed from yarn or clips shall not be described as virgin wool or new wool, or by terms of similar import, regardless of whether such yarn or clips are new or used or were made of new or reprocessed or reused material.* [Rule 20]

§ 300.21 *Use of separate label for name.* The name of the manufacturer or person subject to section 3 of the Act with respect to the wool product may be set forth on a label or mark separate from that which contains the statement of fiber and material content of the product where it is not practical to include such name in the label or mark bearing the fiber and material content: *Provided*, That the label or mark bearing said name and the name itself are prominently and conspicuously displayed either in immediate conjunction with, or in close proximity to, such other label or mark and in such manner as will fully inform purchasers and purchaser-consumers of the required information. This rule shall not apply to a manufacturer's registered number provided for in § 300.4.* [Rule 21]

§ 300.22 *Marking of samples, swatches or specimens.* Where samples, swatches or specimens of wool products subject to the Act were used to promote or effect sales of such wool products in commerce, said samples, swatches and specimens, as well as the products themselves, shall be labeled or marked to show their respective fiber contents and other information required by law.* [Rule 22]

§ 300.23 *Sectional disclosure of content—(a) Permissible.* Where the wool product is composed of two or more sec-

tions which are recognizably distinct and such several sections are of different fiber composition, the required fiber content to be stated upon the stamp, tag, label, or other mark of identification may be separated in the same label or mark in such manner as to show the fiber composition of each section, provided the section to which the respective percentages and fiber designations apply is specifically designated and such disclosure by sections is adequate fully to inform purchasers of the required information.

(b) *Mandatory.* The disclosure by sections as above provided shall be made in all instances where such form of marking is necessary to avoid deception of purchasers and purchaser-consumers.* [Rule 23]

§ 300.24 *Linings, paddings, stiffening, trimmings and facings.* (a) In labeling or marking garments or articles of apparel which are wool products, the fiber content of any linings, paddings, stiffenings, trimmings or facings of such garments or articles of apparel shall be given and shall be set forth separately and distinctly in the stamp, tag, label, or other mark of identification of the products,

(1) if such linings, paddings, stiffening, trimmings or facings, purport to contain or are represented as containing wool, reprocessed wool or reused wool; or

(2) if express or implied representations of fiber content of any of such linings, paddings, stiffening, trimmings or facings are customarily made.

(b) In the case of wool products which are not garments or articles of apparel, but which contain linings, paddings, stiffening, trimmings or facings, the stamp, tag, label, or other mark of identification of the product shall show the fiber content of such linings, paddings, stiffening, trimmings or facings, set forth separately and distinctly in such stamp, tag, label, or other mark of identification.

(c) In the case of garments which contain interlinings, the fiber content of such interlinings shall be set forth separately and distinctly as part of the required information on the stamp, tag, label, or other mark of identification of such garment. For purposes of this paragraph (c) the term "interlinings" shall not be construed as embracing paddings or stiffening ordinarily used in garments for structural purposes and not for warmth.

(d) Wool products which are or have been manufactured for sale or sold for use as linings, interlinings, paddings, stiffening, trimmings or facings, but not contained in a garment, article of apparel, or other product, shall be labeled or marked with the required information as in the case of other wool products.* [Rule 24]

§ 300.25 *Naming fibers not present.* Words which constitute the name or designation of a fiber which is not present in the product shall not appear in or

as a part of the listing or marking of required fiber content on the stamp, tag, label, or other mark of identification affixed to the wool product.* [Rule 25]

§ 300.26 *Pile fabrics and products composed thereof.* The fiber content of pile fabrics or products made thereof may be stated in the label or mark of identification in such segregated form as will show the fiber content of the face or pile and of the back or base, with the percentages of the respective fibers as they exist in the face or pile and in the back or base: *Provided*, That in such disclosure the respective percentages of the face and the back be given in such manner as will show the ratio between the face and the back. Examples of the form of marking pile fabrics as to fiber content provided for in this rule are as follows:

100% Wool Pile
100% Cotton Back
(Back constitutes 60% of fabric and pile 40%)
Pile—60% Reused Wool, 40% Wool
Back—70% Cotton, 30% Rayon
(Pile constitutes 60% of fabric and back 40%).

* [Rule 26]

§ 300.27 *Wool products containing superimposed or added non-woolen fiber.* Where the products is made wholly of wool, reprocessed wool, or reused wool, with the exception of a non-woolen fiber in minor proportion which is superimposed or added in certain distinct areas or sections for reinforcing or for other useful purpose, the product may be designated as all wool, all reprocessed wool, or all reused wool, as the case may be, with an exception naming the non-woolen fiber and giving the percentage thereof and indicating the area or section where superimposed or added for reinforcement or other useful purpose. An illustration of the type of statement provided for in this rule to designate the fiber content of hosiery composed entirely of reused wool, but having 15% cotton added to the toe and heel for reinforcement, is as follows:

All reused wool except 15% cotton reinforcement added to toe and heel.* [Rule 27]

§ 300.28 *Products made wholly of miscellaneous reused fibers of undetermined percentages.* Where a wool product is made of shoddy or material composed wholly of reused miscellaneous fibers of which the respective percentages of the different fibers and the variations thereof are not determined, the following form of disclosure as to fiber content of such wool product, where truthfully applicable, may be used for such classes of merchandise, with the proper percentage figures inserted:

Made of Reused material consisting of:
Not less than -----% reused wool
Not more than -----% cotton
Balance -----% unknown reused fibers

or

Made of Reused material consisting of:
Not less than -----% reused wool
Not more than -----% rayon
Balance -----% unknown reused fibers

For purposes of this rule, undetermined or unascertained amounts of wool or re-

processed wool may be classified and designated as reused wool.* [Rule 28]

§ 300.29 *Garments or products composed of or containing miscellaneous cloth scraps.* (a) For wool products which consist of, or are made from, miscellaneous cloth scraps comprising manufacturing by-products and containing various fibers of undetermined percentages, the following form of disclosure as to fiber content of such wool products, where truthfully applicable and with appropriate percentage figure inserted, may be used in the stamp, tag, label, or mark of identification of such product:

(1) Where the product contains chiefly cotton as well as woolen fibers in the minimum percentage designated for reused wool:

Made of
Miscellaneous Cloth Scraps
Composed Chiefly of Cotton with
Minimum of -----% Reused Wool

(2) Where the product contains chiefly rayon as well as woolen fibers in the minimum percentage designated for reused wool:

Made of
Miscellaneous Cloth Scraps
Composed Chiefly of Cotton with
Minimum of -----% Reused Wool

(3) Where the product is composed chiefly of a mixture of cotton and rayon as well as woolen fibers in the minimum percentage designated for reused wool:

Made of
Miscellaneous Cloth Scraps
Composed Chiefly of Cotton and Rayon
with Minimum of -----% Reused Wool

(4) Where the product contains chiefly woolen fibers with the balance of undetermined mixtures of cotton, rayon or other non-woolen fibers:

Made of
Miscellaneous Cloth Scraps
Containing Cotton, Rayon and Other
Non-woolen fibers, with
Minimum of -----% Reused Wool

(b) Where the cotton or rayon content or the non-woolen fiber content mentioned in such forms of disclosure is not known to comprise as much as 50% of the fiber content of the product, the word "Chiefly" in the respective form of disclosure specified in this rule shall be omitted.

(c) The words "Contents are" may be used in the above-mentioned forms of marking in lieu of the words "Made of" where appropriate to the nature of the product.

(d) For purposes of this rule, undetermined or unascertained amounts of wool or reprocessed wool which may be contained in the product may be classified and designated as reused wool.* [Rule 29]

§ 300.30 *Deceptive labeling in general.* Products subject to the Act shall not bear, nor have used in connection therewith, any stamp, tag, label, mark or representation which is false, misleading or deceptive in any respect.* [Rule 30]

Manufacturers' records

§ 300.31 *Maintenance of records.* In pursuance of the provisions of section 6

of the Act, every manufacturer of a wool product subject to the Act, irrespective of whether any guaranty has been given or received, shall maintain proper records showing the fiber content, as required by the Act, of all such wool products made by such manufacturer. The records so maintained shall show:

(a) The percentage of wool, reprocessed wool, and reused wool, and of each kind of fiber other than wool, placed in the respective wool products of such manufacturer in the form of fiber, yarn, fabric, or other form; and

(b) Such numbers, information, marks or means of identification as will identify the said records with the respective wool products to which they relate.

Manufacturers shall also keep and maintain as records under the Act all invoices, purchase contracts, orders or duplicate copies thereof, bills of purchase, business correspondence received, factory records, and other pertinent documents and data showing or tending to show (1) the purchase, receipt, or use by such manufacturer of all fiber, yarn, fabric or fibrous material, or any part thereof, introduced in or made a part of any such wool products of said manufacturer; (2) the content, composition or classification of such fiber, yarn, fabric or fibrous material with respect to the information required to appear upon the label of the wool products of such manufacturer; and (3) the name and address of the person or persons from whom such fiber, yarn, fabric or fibrous materials were purchased or obtained by such manufacturer.* [Rule 31]

Guaranties

§ 300.32 *Form of separate guaranty.* The following is a suggested form of separate guaranty under section 9 of the Act which may be used, by a guarantor residing in the United States or place subject to its jurisdiction, on and as part of an invoice, bill of sale or other sales document in which the merchandise covered is listed and specified and shows the date of such document and date of shipment of the merchandise:

We, the undersigned, manufacturers of the above-specified merchandise which is subject to the Wool Products Labeling Act of 1939, hereby guarantee that each such article therein is stamped, tagged, labeled or marked with the fiber content and other information as required by said Act, and that none of such articles or products is misbranded within the meaning of said Act.

JOHN DOE COMPANY, INC.,
New York, N. Y.

By -----
President.

*[Rule 32]

§ 300.33 *Continuing guaranty.* A continuing guaranty under section 9 of the Act, when properly executed and fully conforming to the requirements of the Act and the rules and regulations thereunder, may be filed with the Federal Trade Commission. If a continuing guaranty is filed with the Commission, it shall be filed in triplicate, each fully executed, and shall be renewed annually thereafter and at such other times as any

change is made in ownership or management of the guarantor. Such guaranty shall be set forth on 8½" x 11" sheets of white bond paper of good quality and shall be printed, lithographed, or typed in clearly legible form, with margins of at least 1" width on all sides, and with all signatures thereon written in ink. In the event the principal place of business of the guarantor is removed to another address, such change of address shall be reported promptly to the Commission by the guarantor. If the guarantor is a corporation, the guaranty shall be executed in the name of the corporation by an executive officer thereof thereunto duly authorized by the corporation, and shall be attested by the Secretary and the corporate seal affixed thereto. If the business of the guarantor is owned and operated by an individual, it shall be signed and executed by such individual; if owned and operated as a partnership or as an unincorporated association of individuals, it shall be signed and executed on behalf of the partnership or association and the members thereof by one or more of the partners or, in the case of such association, by one or more of the individuals and members actively engaged in the business. The guaranty shall be acknowledged before a Notary Public in accordance with the prescribed form.¹ The following are prescribed as forms of continuing guaranty:

(FORM A—FOR USE BY CORPORATIONS)

CONTINUING GUARANTY UNDER THE WOOL PRODUCTS LABELING ACT OF 1939

The undersigned, _____, a corporation residing in the United States, chartered and existing under the laws of the State of _____ and engaged in the business of manufacturing or selling wool products which are subject to the Wool Products Labeling Act of 1939, with principal office and place of business at _____

(Street and number)

(City or county) (State or Territory)

does hereby guarantee that every such wool product contained in each shipment or other delivery hereafter made by it pursuant to purchases made by customers will be, when so shipped and delivered, properly stamped, tagged, labeled or marked, showing the fiber content and other information required by said Act and the rules and regulations thereunder, and that no article or product in any such shipment or delivery will be misbranded within the meaning of the said Act.

Dated, signed and executed this ____ day of _____, 19____, at _____

(City or county)

(State or Territory)

[CORPORATE SEAL]

(Name of corporation)

(Executive officer authorized sign)

(Title of executive officer)

Attest:

Secretary

¹ Blank forms of continuing guaranties as needed may be procured from the Commission upon request.

STATE OF _____ } ss.
County of _____ }
On this ____ day of _____, 19____, before me personally appeared _____
(Name of executive officer signing)
_____ of
(Title of executive officer)

(Name of corporation)
to me personally known, and acknowledged the execution of the foregoing instrument on behalf of said corporation for the uses and purposes therein stated.

[NOTARIAL SEAL] Notary public
My commission expires _____
(FORM B—FOR USE BY INDIVIDUALS)

CONTINUING GUARANTY UNDER THE WOOL PRODUCTS LABELING ACT OF 1939

The undersigned, _____, residing in the United States and doing business under the name of _____, with principal office and place of business at _____
(Street and Number) (City or County)

(State or Territory)

and engaged in the business of manufacturing or selling wool products which are subject to the Wool Products Labeling Act of 1939, DOES HEREBY GUARANTEE that every such wool product contained in each shipment or other delivery hereafter made by him pursuant to purchases made by customers will be, when so shipped and delivered, properly stamped, tagged, labeled or marked showing the fiber content and other information required by said Act and the rules and regulations thereunder, and that no article or product in any such shipment or delivery will be misbranded within the meaning of said Act. Dated, signed and executed this ____ day of _____, 19____, at _____

(City or county) (State or territory)

(Signature of proprietor)

(Name under which business is conducted)

STATE OF _____ } ss.
County of _____ }
On this ____ day of _____, 19____, before me personally appeared the said _____, to me known to be the person described in and who executed the foregoing instrument, and acknowledged the execution of the same for the uses and purposes therein stated.

[NOTARIAL SEAL] Notary public
My commission expires _____

(FORM C—FOR BUSINESS CONDUCTED BY PARTNERSHIP OR UNINCORPORATED ASSOCIATION)

CONTINUING GUARANTY UNDER THE WOOL PRODUCTS LABELING ACT OF 1939

This is to certify that the undersigned, _____, together with _____
(Name of subscribing member)

(Full names of all partners, or if association names of members owning and operating business)

all residing in the United States and doing business under the name and style of _____
(Insert trade name under which business is conducted)

_____ with principal office and place of business at _____
(Street and number)

(City or county) (State or Territory)
and engaged in the business of manufacturing or selling wool products which are sub-

ject to the Wool Products Labeling Act of 1939, DO HEREBY GUARANTEE that every such wool product contained in each shipment or other delivery hereafter made by them pursuant to purchases made by customers will be, when so shipped and delivered, properly stamped, tagged, labeled or marked showing the fiber content and other information required by said Act and the rules and regulations thereunder, and that no article or product in any such shipment or delivery will be misbranded within the meaning of said Act.

In witness whereof, the said _____
(Name of person executing the guaranty) being thereunto duly authorized, has hereunto subscribed his name and executed this instrument for and on behalf of said _____

(Partnership or association)
and the members thereof this ____ day of _____, 19____, in _____
(City or county)

(State or Territory)

(Signature of subscribing member)

(Name of partnership or association)

STATE OF _____ } ss.
County of _____ }
On this ____ day of _____, 19____, before me personally appeared _____
(Name of Subscribing Member)
to me known to be the person described in and who executed the foregoing instrument, and acknowledged the execution of the same in the capacity and for the uses and purposes therein stated.

Notary Public

[NOTARIAL SEAL]
My commission expires _____

* [Rule 33]

§ 300.34 *Reference to existing guaranty on labels not permitted.* No representation or suggestion that a wool product is guaranteed under the Act by the Government, or any branch thereof, shall be made on or in the stamp, tag, label, or other mark of identification, applied or affixed to wool products.
* [Rule 34]

General

§ 300.35 *Hearings under section 4 (d) of the Act.* Hearings under section 4 (d) of the Act will be held when deemed by the Commission to be in the public interest. Interested persons may file applications for such hearings. Such applications shall be filed in quadruplicate and shall contain a detailed technical description of the class or classes of articles or products regarding which applicant requests a determination and announcement by the Commission concerning express or implied representations of fiber content of articles or concerning insignificant or inconsequential textile content of products.* [Rule 35]

§ 300.36 *Effective date.* The rules and regulations in this part shall become effective on July 15, 1941.*

By the Commission.

[SEAL]

OTIS B. JOHNSON,
Secretary.

[F. R. Doc. 41-5006; Filed, July 14, 1941; 11:39 a. m.]