

(d) The name and address of the person or persons from whom an offering circular meeting the requirements of § 230.504 may be obtained; and

(e) A detachable form, substantially as follows, for use in requesting a copy of the offering circular:

Please send me a copy of the offering circular relating to _____

Name _____

Address _____

§ 230.506 *Other material to be filed.* Four copies of every written or other communication (including those specified in § 230.505) prepared or authorized by the issuer or any of its affiliates or any underwriter of the securities to be offered hereunder which is proposed to be sent or given, in addition to the offering circular, to more than ten persons shall be filed with the principal office of the Commission at least 15 days prior to any use thereof, or such shorter period as the Commission may authorize upon a showing of good cause therefor.

§ 230.507 *Consent to service of process.* (a) The issuer, each of its officers and directors, each person on whose behalf any of the securities are to be offered, and each underwriter of the securities to be offered, who is not a resident of the United States, shall, at the time of filing the notification required by § 230.503, furnish to the Commission, in a form acceptable to it, a written irrevocable consent and power of attorney which (1) designates the Securities and Exchange Commission as his or its agent upon whom may be served any process, pleadings or other papers in any civil suit or action, brought after the effective date of this section, arising out of any offering made or purported to be made under §§ 230.500 to 230.510 or any purchase or sale of any security in connection therewith against the person executing the power of attorney, and (2) stipulates and agrees that any such civil suit or action may be commenced against the person executing the power of attorney in the appropriate courts of the United States, Federal, State or Territorial, by the service of process upon the Commission and the forwarding of copies thereof as provided in paragraph (b) of this section, and that the service of any such process, pleadings and other papers upon the Commission shall be taken and held in all courts to be as valid and binding as if due personal service thereof had been made upon the person executing such power of attorney.

(b) Whenever any process, pleading or paper as aforesaid is served upon the Commission, it shall at once forward a copy of the same by registered mail to the appropriate defendants at their last address of record filed with the Commission. The Commission shall be furnished a sufficient number of copies for such purpose and one copy for its file. Service of any process, pleading or other paper on the Commission under this rule shall be made by delivering the requisite number of copies thereof to the Secretary of the Commission or such other person as the Commission may designate for such purpose.

§ 230.508. *Prohibition of certain statements.* No written or oral commu-

nication used in connection with any offering under §§ 230.500 to 230.510 shall contain any language stating or implying that the Commission has in any way passed upon the merits of, or given approval to, the securities offered or the terms of the offering, or has determined that the securities are exempt from registration, or has made any finding that the statements in any such communication are accurate or complete.

§ 230.509 *Denial and suspension of exemption.* (a) The Commission may, at any time after the filing of a notification, enter an order temporarily denying the exemption, or if the public offering has commenced, it may enter an order temporarily suspending the exemption, if it has reason to believe that:

(1) No exemption is available under §§ 230.500 to 230.510 for the securities purported to be offered hereunder or any of the terms or conditions of §§ 230.500 to 230.510 have not been complied with;

(2) The notification, the offering circular or any other sales literature contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading; or

(3) Any device, scheme or artifice to defraud is being or would be employed in connection with the sale of the securities, or the offering is being or would be made in such manner as to operate as a fraud or deceit upon the purchaser.

(b) Upon the entry of an order under paragraph (a) of this section, the Commission will promptly give notice to the persons on whose behalf the notification was filed (1) that such order has been entered, together with a brief statement of the reasons for the entry of the order, and (2) that the Commission will, upon receipt of a written request, set the matter down for hearing within 20 days after the receipt of such request at a place to be designated by the Commission. If no hearing is requested and none is ordered by the Commission, the order shall remain in effect until it is modified or vacated by the Commission. Where a hearing is requested or is ordered by the Commission, the Commission will, after notice of and opportunity for such hearing, either vacate the order or enter an order permanently denying or suspending the exemption.

(c) The Commission may at any time after notice of and opportunity for hearing, enter an order permanently suspending the exemption for any reason upon which it could have entered a temporary suspension order under paragraph (a) of this section. Any such order shall remain in effect until vacated by the Commission.

(d) All notices required by this section shall be given to the person or persons on whose behalf the notification was filed by personal service, registered mail or confirmed telegraphic notice at the addresses of such persons given in the notification. In addition, all such notices will be published in the FEDERAL REGISTER.

§ 230.510 *Reports of sales under §§ 230.500 to 230.510.* Within 30 days

after the end of each six-month period following the commencement of the offering of the securities under §§ 230.500 to 230.510, the issuer or other person on whose behalf the securities are offered shall file with the Commission four copies of a report on Form 2-D containing the information called for by such form. A final report may be made upon completion or termination of the offering prior to the end of the period in which the last sale is made.

[F. R. Doc. 53-2243; Filed, Mar. 12, 1953; 8:49 a. m.]

PART 239—FORMS PRESCRIBED UNDER THE SECURITIES ACT OF 1933

SUBPART B—FORMS PERTAINING TO EXEMPTIONS¹

§ 239.90 *Form 1-A, Notification Under Regulation A.*

§ 239.91 *Form 2-A, Report Pursuant to Rule 224 of Regulation A.*

§ 239.111 *Form 1-D, Notification Under Regulation D.*

§ 239.112 *Form 2-D, Report Pursuant to Rule 510 of Regulation D.*

§ 239.113 *Form 3-D, Irrevocable Appointment by Individual of Agent for Service of Process, Pleadings and Other Papers.*

§ 239.114 *Form 4-D, Irrevocable Appointment by Corporation of Agent for Service of Process, Pleadings, and Other Papers.*

§ 239.115 *Form 5-D, Certificate of Resolution Authorizing Irrevocable Appointment by Corporation of Agent for Service of Process, Pleadings and Other Papers.*

§ 239.116 *Form 6-D, Irrevocable Appointment by Partnership of Agent for Service of Process, Pleadings and Other Papers.*

(Sec. 19, 48 Stat. 85, as amended; 15 U. S. C. 77s)

By the Commission.

[SEAL]

ORVAL L. DuBOIS,
Secretary.

MARCH 6, 1953.

[F. R. Doc. 53-2240; Filed, Mar. 12, 1953; 8:48 a. m.]

PART 240—GENERAL RULES AND REGULATIONS UNDER THE SECURITIES EXCHANGE ACT OF 1934

ANNUAL REPORTS TO OTHER FEDERAL AGENCIES

Purpose of rule. On December 12, 1952, the Commission published notice that it had under consideration the adoption of a rule, to be designated § 240.12b-33 (Rule X-12B-33) under the Securities Exchange Act of 1934, with respect to the filing with the Commission and with securities exchanges of copies of annual reports to other Federal agen-

¹ Filed as part of the original document.

cies. The Commission has considered all of the comments and suggestions received and has determined that the proposed rule should be adopted as published.

The new rule provides that where copies of such reports are required or permitted to be filed as exhibits to applications or reports filed with the Commission, only one copy of such exhibit need be filed, instead of three, or in some cases four, as heretofore required. Similarly, only one copy of such exhibits need be filed with any securities exchange.

Statutory basis. This action is taken pursuant to the Securities Exchange Act of 1934, particularly sections 12, 13, 15 (d) and 23 (a) thereof, the Commission deeming such action necessary and appropriate in the public interest and for the protection of investors and necessary to carry out the provisions of the act.

The text of the rule is as follows:

§ 240.12b-33 *Annual reports to other Federal agencies.* Notwithstanding any rule or other requirement to the contrary, whenever copies of an annual report by a registrant to any other Federal agency are required or permitted to be filed as an exhibit to an application or report filed by such registrant with the Commission or with a securities exchange, only one copy of such annual report need be filed with the Commission and one copy thereof with each such exchange, provided appropriate reference to such copy is made in each copy of the application or report filed with the Commission or with such exchange.

Since the new rule relieves a previously existing restriction, and is permissive in its application, the Commission finds it appropriate to make it effective upon publication. Accordingly, the rule shall become effective March 5, 1953.

(Sec. 23, 48 Stat. 901, as amended; 15 U. S. C. 78w)

By the Commission.

[SEAL] ORVAL L. DuBOIS,
Secretary.

MARCH 5, 1953.

[F. R. Doc. 53-2239; Filed, Mar. 12, 1953;
8:48 a. m.]

TITLE 24—HOUSING AND HOUSING CREDIT

Chapter II—Federal Housing Administration, Housing and Home Finance Agency

Subchapter D—Multifamily and Group Housing Insurance

PART 243—COOPERATIVE HOUSING INSURANCE; RIGHTS AND OBLIGATIONS OF MORTGAGEE UNDER INSURANCE CONTRACT RIGHTS AND DUTIES IN CONNECTION WITH INDIVIDUAL MORTGAGES

Section 243.10 (g) is hereby amended to read as follows:

(g) Nothing contained in this section shall be construed so as to prevent the mortgagee, with the written consent of the Commissioner, from taking action at a later date than herein specified. If at any time during default the mortgagor is

a "person in military service," as such term is defined in the Soldiers' and Sailors' Civil Relief Act of 1940, the period during which he is in such service shall be excluded in computing the 1-year period within which the mortgagee shall commence foreclosure or acquire the property by other means as provided in this section and no postponement or delay in the prosecution of foreclosure proceedings during the period the mortgagor is in such military service shall be construed as failure on the part of the mortgagee to exercise reasonable diligence in prosecuting such proceedings to completion as required by this section. If the mortgagor is a person in military service as defined in the Soldiers' and Sailors' Civil Relief Act of 1940, the mortgagee may, by written agreement with the mortgagor, postpone for the period of military service, and 3 months thereafter, that part of the monthly payment, or any part thereof which represents amortization of principal, provided such agreement contains a provision for the resumption of monthly payments thereafter in amounts which will completely amortize the mortgage debt within its original maturity. Such agreement, however, will in no way affect the amount of the annual mortgage insurance premium which will continue to be calculated in accordance with the original amortization provisions.

2. Section 243.10 (h) (1) is hereby amended to read as follows:

(1) Debentures of the Housing Insurance Fund as set forth in section 204 of the act, issued as of the date foreclosure proceedings were instituted or the property was otherwise acquired by the mortgagee after default, bearing interest at the rate of 2½ percent per annum payable semiannually on the first day of January and the first day of July of each year, and have a total face value equal to the value of the mortgage as defined in section 204 (a) of the act. Such value shall be determined by adding to original principal of the mortgage, which was unpaid on the date of the institution of foreclosure proceedings or the acquisition of the property otherwise after default, the amount of all payments, which have been made by the mortgagee for taxes, ground rent and water rates, which are liens prior to the mortgage, special assessments, which are noted on the application for insurance or which become liens after the insurance of the mortgage, insurance on the property mortgaged and any mortgage insurance premium paid after the institution of foreclosure proceedings or the acquisition of the property otherwise after default, and by deducting from such total any amount received on account of the mortgage after the institution of foreclosure proceedings or the acquisition of the property otherwise after default and from any source relating to the property on account of rent or other income after deducting reasonable expenses incurred in handling the property: *Provided, however,* That there will be included in the debentures issued by the Commissioner, on account of foreclosure costs actually paid by the mortgagee and approved by the Commissioner an amount not in ex-

cess of ⅓ of such costs or \$75, whichever is the greater: *Provided further,* That with respect to mortgages to which the provisions of sections 302 and 306 of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, apply, there shall be included in the debentures an amount which the Commissioner finds to be sufficient to compensate the mortgagee for any loss which it may have sustained on account of interest on debentures and the payment of insurance premiums by reason of its having postponed the institution of foreclosure proceedings or the acquisition of the property by other means during any part or all the period of such military service and 3 months thereafter. Such debentures shall be registered as to principal and interest and all or any such debentures may be redeemed, at the option of the Commissioner with the approval of the Secretary of the Treasury, at par and accrued interest on any interest payment day on 3 months' notice of redemption given in such manner as the Commissioner shall prescribe.

(Sec. 3, 52 Stat. 23; 12 U. S. C. 1715b. Interpretations or applies sec. 114, 64 Stat. 54; 12 U. S. C. 1715e)

Issued at Washington, D. C., March 6, 1953.

WALTER L. GREENE,
Federal Housing Commissioner.

[F. R. Doc. 53-2227; Filed, Mar. 12, 1953;
8:45 a. m.]

TITLE 32—NATIONAL DEFENSE

Chapter V—Department of the Army

Subchapter G—Procurement

PART 605—ARMY EMERGENCY FACILITIES DEPRECIATION BOARD

TREATMENT OF DEPRECIATION ON EMERGENCY FACILITIES COVERED BY CERTIFICATES OF NECESSITY FOR CONTRACT PRICING PURPOSES

A new Part 605, including §§ 605.1 to 605.3, is added as follows:

Sec.
605.1 Purpose.
605.2 Establishment of the Board.
605.3 Function of the Board.

AUTHORITY: §§ 605.1 to 605.3 issued under 64 Stat. 798-822, as amended; 50 U. S. C. App. Sup. 2061-2166.

SOURCE: Proc. Cir. 6, Feb. 12, 1953.

§ 605.1 *Purpose.* The purpose of this part is to implement Defense Mobilization Order No. 11, Amendment 1, issued by the Acting Director of Defense Mobilization, effective July 21, 1952, Department of Defense Directive No. 4105.34 dated December 10, 1952 (Part 121 of this title) and to establish within the Department of the Army a board to act upon cases with respect to the extent to which accelerated amortization may be allowed as a cost in negotiated contract pricing.

§ 605.2 *Establishment of the Board.* (a) In order to accomplish the requirement contained in the DOD Directive 4105.34 dated December 10, 1952 (Part 121 of this title), a Departmental board is established under the administration of the Assistant Chief of Staff, G-4, to

be designated as the "Army Emergency Facilities Depreciation Board" hereinafter referred to as "the Board." The Board shall consist of three members, one of which shall be designated chairman. One member will be designated as the liaison representative of the Board to the similar boards established by the Department of the Air Force and the Department of the Navy.

(b) The Board is hereby authorized to determine true depreciation of emergency facilities for which the Defense Production Administration issues or has issued Certificates of Necessity. The Board shall make determinations of true depreciation in accordance with the basic principles and other provisions of the referenced Department of Defense Directive 4105.34 (Part 121 of this title) and the provisions of this part. The determinations of the Board shall be binding upon all Army procuring activities, the Army Audit Agency, and the other military departments (as provided in the referenced DOD Directive) with respect to the amount of true depreciation which shall be used in computing and allocating depreciation costs of emergency facilities in the contract pricing of negotiated contracts. The Board will only make determinations of true depreciation on requests of Contractors having defense contracts where the prices have not been finally determined or redetermined (paragraph (c) (2) of this section and § 121.2 (b) of this title).

(c) (1) Requests for determinations of true depreciation with respect to certificates issued prior to December 10, 1952, will be submitted in writing by Contractors directly to the Board. Decisions of the Board will be transmitted by the Board to the Contractor concerned, Army procuring activities, the Army Audit Agency and the Emergency Facilities Depreciation Boards of the Departments of the Navy and the Air Force.

(2) Requests for determinations of true depreciation with respect to certificates issued subsequent to December 10, 1952, will be transmitted through normal procurement channels to the Defense Production Administration for estimate of true depreciation. The Defense Production Administration estimates will be channeled directly to the Board for review, determination and dissemination to all Army procuring activities, the Army Audit Agency and the Emergency Facilities Depreciation Boards of the Departments of the Navy and Air Force.

(3) The Contractor shall submit to the Army, Navy or Air Force Emergency Facilities Depreciation Board (as appropriate), his request for a determination of true depreciation (original and four copies). The request shall contain the information indicated below. With regards to certificates issued prior to December 10, 1952, the Contractor shall, to the extent practicable, include all certificates issued in connection with any individual plant or location which he desires to have considered for determination of true depreciation in connection with defense contracts. The responses to these questions may be in narrative

or tabular form as the Contractor deems best suited to his circumstances with such amplification as he considers necessary. If the Contractor considers a given question to be inapplicable in his particular case, then he should so state and give reasons therefor.

Cost					Date of completion	Percent certified
Land	Buildings and fixed installations	Equipment	Other	Total		

Necessity Certificate No.:
Location of Facilities
(City and State)

(ii) Photostats or similar facsimiles of Necessity Certificate(s) (Form DPAL-101), and a copy of the application(s) (including supporting documentation) to the Defense Production Administration therefor.

(iii) (a) When did you first authorize your expansion program in connection with the Necessity Certificate(s)?

(b) Why did you plan this expansion program?

(iv) What military contracts and subcontracts do you now have requiring the use of each facility? For each contract and subcontract furnish the following:

(a) Contract number.
(b) Total dollar value.
(c) Undelivered dollar value.
(d) Estimated completion date.
(e) Type of contract. (CPFF, CPFF-fixed overhead, fixed price, fixed price-redetermination, fixed price-incentive, etc.).

(v) With which military departments or military Contractors are you now negotiating or do you expect to negotiate for proposed new procurements? Indicate type of product, and item and estimated dollar amount.

(vi) Have you requested a determination of "true depreciation" for other facilities from any other military department(s)?

(a) Yes or no.
(b) Department(s).
(c) Certificate file number(s).
(vii) State for each item or by groups or categories comprising similar type of items on Appendix A of Necessity Certificate(s):

(a) (1) Annual normal depreciation rate currently approved by the Bureau of Internal Revenue for income tax purposes.

(2) Rate at which item is being depreciated by you in your operating accounting records.

(3) Rate being used for military contract pricing.

(b) Is this item, group or category integrated in or isolated from the production process to the extent that special consideration should be given to it in determining true depreciation?

(c) Is this item, group or category convertible to your possible post-emergency operations?

(1) Fully or partially and percent of original cost not convertible.

(2) Estimate of useful remaining life in years.

(i) (a) Name and address of Contractor.

(b) Location of the facility or facilities.

(c) Summary of the cost of the facilities (segregated by individual necessity certificates) substantially as follows:

(3) Not convertible.

(d) What plans do you have for the use or disposition of this facility, item, group or category after the emergency period?

(e) Explain to what extent, if any, the facility, item, group or category may cause prospective extraordinary obsolescence of pre-existing facilities which are not, in fact, already obsolete.

(f) Describe briefly and state cost of any special construction features included in this facility, item, group, or category which were made necessary exclusively by defense production requirements.

(viii) State any additional information other than that submitted above which should be taken into consideration in making a determination of true depreciation for this facility, item, group or category.

(ix) State your estimate of true depreciation for each facility, item, group or category and your evaluation of the above facts to support such estimate.

(4) The submissions by the Contractor will be signed by a responsible official of the company and will include the following certificate:

I hereby certify that the information contained in the foregoing request is true and correct to the best of my knowledge and belief.

(5) In submissions for new necessity certificates, the above information shall be appended together with appropriate information by the procuring activities in its processing of applications for Certificates of Necessity and forwarded through the appropriate procurement channels to the Defense Production Administration together with a request that the estimate of true depreciation be determined. The issuance of the certificates and the determinations of true depreciation shall be returned directly to the Board for review and dissemination to all Army procuring activities, the Army Audit Agency and the Emergency Facilities Depreciation Boards of the Navy and the Air Force.

(d) Requests for determinations received by the Board involving facilities as to which the Department of the Navy or the Department of the Air Force is responsible for the making of determinations of true depreciation, pursuant to the provisions of § 121.3 (g) of this title, shall be forwarded by the Board to the Emergency Facilities Depreciation Board

of the responsible department. Assignments to each departmental board shall be made in accordance with the provisions of § 121.3 (g) of this title. On cases involving questionable assignments, the majority vote of the joint liaison committee shall govern. A joint assignment list shall be compiled and maintained by a liaison committee consisting of one representative to be designated by each Board.

(e) Request for determination of true depreciation submitted by Contractors shall set forth information pursuant to regulations to be developed jointly by the boards of the Military Departments (or their liaison committee) by February 1, 1953, which shall then be promptly published in the FEDERAL REGISTER.

§ 605.3 *Function of the Board—(a) Duties and responsibilities of Board.* (1) The primary function of the Board is to determine, upon written request of Contractors, the amount of true depreciation of emergency facilities covered by Certificates of Necessity in accordance with existing directives.

(2) The Board will keep minutes of its proceedings and maintain a permanent record of the basis on which all determinations were made.

(3) It will forward five copies of each determination of the Board to each of the Departments of the Air Force and Navy Emergency Facilities Depreciation Board. The Board will transmit its determination direct to the Contractor concerned.

(4) The Board will receive from the Air Force and Navy Boards copies of their determinations and will forward after reproduction one copy to each of the Technical Services, Army Commanders and the Army Audit Agency.

(5) It will appoint a representative and an alternate to serve on a liaison committee consisting of three members, one from each Department of National Defense. The committee will compile and maintain a joint assignment list of Contractors and will meet to discuss mutual problems which will be involved in the accomplishment of the mission pursuant to § 605.2 (b).

(6) The Board may request Defense Production Administration to furnish available information which would be pertinent in determining true depreciation in those cases where DPA has already issued a Certificate of Necessity and the necessary information is not otherwise available.

(7) The Board will receive estimates of true depreciation made by DPA on all certificates issued on or after December 10, 1952. On future application for certification the procurement agency will furnish in accordance with existing directives, such factual information as it has at the time it notifies DPA of the need for the facilities for defense purpose and shall request DPA for an estimate of true depreciation.

(8) The Board is authorized to call upon the Army Commands, the Technical Services and any field office of the Department of the Army for information and assistance in reaching its determination.

(9) In determining the amount of true depreciation, the amount to be apportioned to the five (5) year emergency period, the following factors will be considered:

(i) When the company first planned its expansion program? Except in very unusual circumstances no company, which planned to expand prior to the passage of the National Production Act of 1950, would be entitled to more than normal depreciation for contract pricing. Planning prior to the enactment of the Bill (H. R. 9176, 81st Congress, 2d Session) would indicate the company had predetermined that normal depreciation for pricing purposes would cover the risk even without the tax benefit.

(ii) Why did the company plan its expansion program? With the rapid advances which have been made in recent years in the several categorical fields; i. e., automotive, aeronautical, electronic, photographic, etc., normal facilities improvements would be required in order for the company to remain in competition with other companies in the same field. Such requirements should be taken into consideration in determining true depreciations.

(iii) The effect of the increased expenditure in capital investments on the financial structure of the firm should have no bearing on the determination. There are other types of relief which should be considered in such instances.

(iv) Before accepting a case for study and review the Board should determine that the Army has jurisdiction in the case. If there is any question, the Board should refer the case to the liaison committee to determine which Department should have jurisdiction.

(v) Contractors may request the Board to make determinations of true depreciation for facilities on which no certificate of necessity has been issued. The Board's responsibility is limited by all directives, however, to determinations on facilities covered by certificates of necessity, and no action will be taken by the Board on facilities not covered by certificates of necessity. Such facilities should be subject to depreciation calculated by using Bulletin F of the Treasury Department as a guide.

(vi) Contractors may request the Board to make determinations of the effect of true depreciation on existing prices which are subject to adjustment under the terms of the Defense Directive. If the Board elects to do so, it may make such determination but only after coordination with the interested procuring officers on phases of pricing other than the determination of true depreciation. Such other matters would include original negotiations of overhead pools and profit or fee.

(vii) The Board should make separate determinations for each type of facility (as, for example, buildings, machine tools, other equipment). Nothing in this Directive shall be deemed to preclude plant visit, hearing of contractor's oral presentations or any other means available to ascertain complete facts and circumstances by the members of the board or agents thereof in order to arrive at an equitable and proper determination

of true depreciation. The size and complexity of the request will determine the best method of making the proper determination.

[SEAL]

WM. E. BERGIN,
Major General, U. S. Army,
The Adjutant General.

[F. R. Doc. 53-2280; Filed, Mar. 12, 1953; 8:54 a. m.]

Chapter VI—Department of the Navy

Subchapter D—Procurement, Property, Patents, and Contracts

PART 743—NAVY EMERGENCY FACILITIES DEPRECIATION BOARD

Sec.

743.1 General provisions.

743.2 Procedure.

Appendix A—Information to be submitted by contractors to the Board to support requests for determination of true depreciation on emergency facilities covered by certificates of necessity.

AUTHORITY: §§ 743.1 and 743.2 Issued under 64 Stat. 798-822, as amended; 50 U. S. C. App., Supp., 2061-2166.

SOURCE: Navy Current Procurement Directive 63-53.

§ 743.1 *General provisions — (a) Establishment and purpose.* (1) There is hereby established in the Office of Naval Material a board designated the "Navy Emergency Facilities Depreciation Board" (hereinafter referred to as "the Board"). The Board shall consist of three members, one of whom shall be the Chairman. Any two members of the Board shall constitute a quorum. The concurrence of any two members of the Board shall be necessary in arriving at determinations of the Board.

(b) *Jurisdiction; scope.* (1) The Board is hereby authorized, upon written requests of contractors, to determine true depreciation of emergency facilities for which the Defense Production Administration or the Office of Defense Mobilization issues or has issued Certificates of Necessity and for which the Department of the Navy has the responsibility for the making of such determinations. The Board shall make determinations of true depreciation in accordance with the basic principles and other provisions of §§ 121.1 to 121.4 of this title and the provisions of this part.

(2) The Board, in its discretion, may:

(i) Provide for hearing oral presentations by contractors.

(ii) Conduct plant visits by its members or representatives.

(iii) Develop by other available means the facts required for the making of a determination.

(3) The Board shall maintain a record of its proceedings. The determinations of the Board shall be binding upon all Navy procuring activities, the Cost Inspection Service of the Bureau of Supplies and Accounts, and the other military departments, as provided in §§ 121.1 to 121.4 of this title, with respect to the amount of true depreciation which shall be used by them in computing and allocating depreciation costs of emergency

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facilities covered by Certificates of Necessity in the contract pricing or repricing of "negotiated contracts" (as that term is defined in § 121.2 (a) of this title).

§ 743.2 Procedure—(a) *Requests for determinations.* (1) Requests of contractors for determinations of true depreciation with respect to Certificates of Necessity issued prior or subsequent to December 10, 1952, will be submitted by contractors directly to the Board. Each determination made by the Board will be transmitted by the Board to the contractor concerned, Navy procuring activities, the Cost Inspection Service of the Bureau of Supplies and Accounts, and the Emergency Facilities Depreciation Boards of the Departments of the Army and the Air Force.

(2) The Office of Naval Material (Code MO4B), in connection with the processing and forwarding of applications for Certificates of Necessity to the Office of Defense Mobilization, shall request that the Office of Defense Mobilization make an estimate of true depreciation with respect to the facility covered by such application and that the Office of Defense Mobilization transmit such estimate directly to the Board. Where a request is made by a contractor for a determination of true depreciation with respect to a facility covered by a Certificate of Necessity issued subsequent to December 10, 1952, and a request has not been made to the Office of Defense Mobilization for an estimate of true depreciation with respect to such facility in accordance with the procedure set forth in this subparagraph, the Board shall make such request directly to the Office of Defense Mobilization.

(3) Requests for determinations received by the Board involving facilities as to which the Department of the Army or the Department of the Air Force is responsible for the making of determinations of true depreciation, pursuant to the provisions of § 121.4 (g) of this title, shall be forwarded by the Board to the Emergency Facilities Depreciation Board of the responsible department. Assignments to each departmental board shall be made in accordance with the provisions of § 121.4 (g) of this title. A liaison committee consisting of one representative to be designated by each board shall, in addition to such other duties as may be assigned to it by joint action of the three boards, make assignments in cases where the responsibility for the making of the determination is in doubt and shall compile and maintain a master assignment list.

(b) *Form of requests for determinations.* (1) Requests for determinations of true depreciation submitted by contractors shall:

(i) Set forth the information called for by the provisions of Appendix A of this part.

(ii) Be signed by a responsible official of the contractor.

(iii) Contain the following certification by the official signing the request:

I hereby certify that the information contained in the foregoing request is true and correct to the best of my knowledge and belief.

NOTE: The regulations contained in §§ 743.1 to 743.2 implement §§ 121.1 to 121.4 of this title; 17 F. R. 11437.

APPENDIX A—INFORMATION TO BE SUBMITTED BY CONTRACTORS TO THE BOARD TO SUPPORT REQUESTS FOR DETERMINATION OF TRUE DEPRECIATION ON EMERGENCY FACILITIES COVERED BY CERTIFICATES OF NECESSITY

The Contractor shall submit to the Army Navy or Air Force Emergency Facilities Depreciation Board (as appropriate), his request for a determination of true depreciation (original and four copies). The request shall contain the information indicated below. With regard to certificates issued prior to December 10, 1952, the Contractor shall,

Cost					Date of completion	Percent certified
Land	Buildings and fixed installations	Equipment	Other	Total		

Necessity Certificate No.
Location of Facilities
(City and State)

2. Photostats or similar facsimiles of Necessity Certificate(s). (Form DPAL-101), and a copy of the application(s) (including supporting documentation) to the Defense Production Administration therefor.

3. (a) When did you first authorize your expansion program in connection with the Necessity Certificate(s)?

(b) Why did you plan this expansion program?

4. What military contracts and subcontracts do you now have requiring the use of each facility? For each contract and subcontract furnish the following:

- Contract number.
- Total dollar value.
- Undelivered dollar value.
- Estimated completion date.
- Type of contract. (CPFF, CPFF-fixed overhead, fixed price, fixed price-redetermination, fixed price-incentive, etc.)

5. With which military departments or military Contractors are you now negotiating or do you expect to negotiate for proposed new procurements? Indicate type of product, end item and estimated dollar amount.

6. Have you requested a determination of "true depreciation" for other facilities from any other military department(s)?

- Yes or No.
- Department(s).
- Certificate File Number(s).

7. State for each item or by groups or categories comprising similar type of items on Appendix A of Necessity Certificate(s):

(a) (1) Annual normal depreciation rate currently approved by the Bureau of Internal Revenue for income tax purposes.

(2) Rate at which item is being depreciated by you in your operating accounting records.

(3) Rate being used for military contract pricing.

(b) Is this item, group or category integrated in or isolated from the production process to the extent that special consideration should be given to it in determining true depreciation?

(c) Is this item, group or category convertible to your possible post-emergency operations?

(1) Fully or partially and percent of original cost not convertible.

(2) Estimate of useful remaining life in years.

(3) Not convertible.

(d) What plans do you have for the use or disposition of this facility, item, group or category after the emergency period?

to the extent practicable, include all certificates issued in connection with any individual plant or location which he desires to have considered for determination of true depreciation in connection with defense contracts. The responses to these questions may be in narrative or tabular form as the Contractor deems best suited to his circumstances with such amplification as he considers necessary. If the Contractor considers a given question to be inapplicable in his particular case, then he should so state and give reasons therefor.

- Name and address of Contractor.
- Location of the facility or facilities.
- Summary of the cost of the facilities (segregated by individual necessity certificates) substantially as follows:

7. (e) Explain to what extent, if any, the facility, item, group or category may cause prospective extraordinary obsolescence of pre-existing facilities which are not, in fact, already obsolete.

(f) Describe briefly and state cost of any special construction features included in this facility, item, group or category which were made necessary exclusively by defense production requirements.

8. State any additional information other than that submitted above which should be taken into consideration in making a determination of true depreciation for this facility, item, group or category.

9. State your estimate of true depreciation for each facility, item, group or category and your evaluation of the above facts to support such estimate.

R. B. ANDERSON,
Secretary of the Navy.

MARCH 9, 1953.

[F. R. Doc. 53-2281; Filed, Mar. 12, 1953; 8:54 a. m.]

Chapter VII—Department of the Air Force

Subchapter J—Procurement Procedures

PART 1021—AIR FORCE EMERGENCY FACILITIES DEPRECIATION BOARD

Part 1021 is added to Subchapter J as follows:

- Sec.
1021.1 General.
1021.2 Procedures.
1021.3 Contractor information on true depreciation.
1021.4 Implementation.
Appendix A—List of contractor information on true depreciation.

AUTHORITY: §§ 1021.1 to 1021.4 issued under 64 Stat. 798-822, as amended; 50 U. S. C. App., Sup., 2061-2166.

DERIVATION: AFMPE 160.

CROSS REFERENCE: For the Department of Defense directive on Treatment of Depreciation on Emergency Facilities Covered by Certificates of Necessity for Contract Pricing Purposes, which this part implements, see Part 121 of this title (17 F. R. 11437).

§ 1021.1 *General*—(a) *Establishment and composition of the Board.* The Commanding General, Air Materiel Command, shall establish and appoint a board designated the "Air Force Emergency Facilities Depreciation Board" (hereinafter referred to as the Board). The Board shall consist of three members, one of whom shall be designated Chairman. Any two members of the Board shall constitute a quorum. The concurrence of any two members of the Board shall be necessary in arriving at decisions of the Board. Authority to appoint members of the Board and to designate a Chairman may be delegated to the Director of Procurement and Production, Headquarters, Air Materiel Command with power to redelegate such authority to the Chief, Procurement Division, Headquarters, Air Materiel Command without authority of further redelegation.

(b) *Function and jurisdiction of the Board.* The Board, upon written requests of the contractors therefor, shall determine true depreciation of emergency facilities for which the Defense Production Administration issues or has issued Certificates of Necessity in accordance with the basic principles and other provisions of Part 121 of this title (17 F. R. 11437). The determinations of the Board shall be binding upon all Air Force purchasing and contract auditing activities and other military departments (as provided in Part 121 of this title) with respect to the amount of true depreciation which shall be used by such activities in computing and allocating depreciation costs of emergency facilities covered by Certificates of Necessity in the contract pricing of negotiated contracts. The Board shall designate a liaison representative to act with representatives of the Department of the Army and the Department of the Navy to perform such coordinating functions as may be required under Part 121 of this title.

§ 1021.2 *Procedures.* (a) Requests for determination of true depreciation with respect to Certificates of Necessity issued prior or subsequent to December 10, 1952, will be submitted by the contractors directly to the Board. The Board may, in its discretion, (1) provide for hearing oral presentations by contractors, (2) conduct plant visits by its members or representatives, or (3) develop by other available means the facts required for the making of a determination. The Board will keep minutes of its proceedings and maintain a permanent record of the facts and other considerations entering into the determinations made. Determinations of the Board will be transmitted by the Board to the contractor concerned, Air Force procurement activities concerned, the Auditor General, Headquarters Liaison Office, Wright-Patterson Air Force Base, Ohio, and the Emergency Facilities Depreciation Board of the Departments of the Army and the Navy.

(b) Requests for determination received by the Board involving facilities as to which the Department of the Army or the Department of the Navy is responsible for the making of determinations of true depreciation pursuant to the

provisions of § 121.4 (g) of this title (17 F. R. 11439) shall be forwarded by the Board to the Emergency Facilities Depreciation Board of the responsible departments. Assignments to each departmental Board shall be made in accordance with the provisions of § 121.4 (g) of this title. A liaison committee consisting of one representative to be designated by each Board shall, in addition to such other functional duties as may be assigned to it by joint action of the three Boards, make assignments in doubtful cases and shall compile and maintain a master assignment list.

(c) Except as provided in subparagraphs (2) and (3) of this paragraph, Air Materiel Command in processing applications for Certificates of Necessity to the Defense Production Administration through the Director of Industrial Resources, Headquarters, United States Air Force, shall:

(1) Include therewith requests for estimates of true depreciation by Defense Production Administration and the transmittal of such estimates by Defense Production Administration directly to the Air Force Board. Appropriate information similar to that required by § 1021.3 shall be appended to such request.

(2) With regard to certificates and application therefor, which are in process between December 10, 1952, and the promulgation of this part, requests to Defense Production Administration for estimates of true depreciation may be processed together with appropriate information, when available, at a later date.

(3) Where a request is made by a contractor for a determination of true depreciation with respect to a facility covered by a certificate of necessity issued subsequent to December 10, 1952, and a timely request to the Defense Production Administration for an estimate of true depreciation with respect to such facility has not been made possible, the Board shall require the contractor to furnish the information required by § 1021.3 and may submit such information directly to

the Defense Production Administration, together with a request for an estimate of true depreciation in accordance with § 121.4 (a) of this title.

§ 1021.3 *Contractor information on true depreciation.* Requests for determinations of true depreciation submitted by contractors shall (a) set forth the information called for by the provisions of Appendix A to this part, (b) be signed by a responsible official of the contractor, and (c) contain the following certification by the official signing the request:

I hereby certify that the information contained in the foregoing request is true and correct to the best of my knowledge and belief.

§ 1021.5 *Implementation.* Further implementation of Part 121 of this title (including those necessitated by revisions of this part) will be made by the Commanding General, Air Materiel Command.

APPENDIX A—LIST OF CONTRACTOR INFORMATION ON TRUE DEPRECIATION

Information to be submitted by contractors to the Board to support requests for determination of true depreciation on emergency facilities covered by Certificates of Necessity. The Contractor shall submit to the Army, Navy or Air Force Emergency Facilities Depreciation Board (as appropriate), his request for a determination of true depreciation (original and four copies). The request shall contain the information indicated below. With regard to certificates issued prior to December 10, 1952, the contractor shall, to the extent practicable, include all certificates issued in connection with any individual plant or location which he desires to have considered for determination of true depreciation in connection with defense contracts. The responses to these questions may be in narrative or tabular form as the contractor deems best suited to his circumstances with such amplification as he considers necessary. If the contractor considers a given question to be inapplicable in his particular case, then he should so state and give reasons therefor.

1. (a) Name and address of Contractor.
- (b) Location of the facility or facilities.
- (c) Summary of the cost of the facilities (segregated by individual necessity certificates) substantially as follows:

Cost					Date of completion	Percent certified
Land	Buildings and fixed installations	Equipment	Other	Total		

Necessity Certificate No.
Location of Facilities
(City and State)

2. Photostats or similar facsimiles of Necessity Certificate(s) (Form DPAL-101), and a copy of the application(s) (including supporting documentation) to the Defense Production Administration therefor.

3. (a) When did you first authorize your expansion program in connection with the Necessity Certificate(s)?

(b) Why did you plan this expansion program?

4. What military contracts and subcontracts do you now have requiring the use of each facility? For each contract and subcontract furnish the following:

- (a) Contract number.
- (b) Total dollar value.

- (c) Undelivered dollar value.
- (d) Estimated completion date.
- (e) Type of contract. (CPFF, CPFF-fixed overhead, fixed price, fixed price-redetermination, fixed price-incentive, etc.)

5. With which military departments or military contractors are you now negotiating or do you expect to negotiate for proposed new procurements? Indicate type of product, end item and estimated dollar amount.

6. Have you requested a determination of "true depreciation" for other facilities from any other military department(s)?

- (a) Yes or no.
- (b) Department(s).
- (c) Certificate file number(s).

7. State for each item or by groups or categories comprising similar type of items on Appendix A of Necessity Certificate(s):

(a) (1) Annual normal depreciation rate currently approved by the Bureau of Internal Revenue for income tax purposes.

(2) Rate at which item is being depreciated by you in your operating accounting records.

(3) Rate being used for military contract pricing.

(b) Is this item, group or category integrated in or isolated from the production process to the extent that special consideration should be given to it in determining true depreciation?

(c) Is this item, group or category convertible to your possible post-emergency operations?

(1) Fully or partially and percent of original cost not convertible.

(2) Estimate of useful remaining life in years.

(3) Not convertible.

(d) What plans do you have for the use or disposition of this facility, item, group or category after the emergency period?

(e) Explain to what extent, if any, the facility, item, group or category may cause prospective extraordinary obsolescence of pre-existing facilities which are not, in fact, already obsolete.

(f) Describe briefly and state cost of any special construction features included in this facility, item, group or category which were made necessary exclusively by defense production requirements.

8. State any additional information other than that submitted above which should be taken into consideration in making a determination of true depreciation for this facility, item, group or category.

9. State your estimate of true depreciation for each facility, item, group or category and your evaluation of the above facts to support such estimate.

NOTE: Requests for determination of true depreciation, including the information required by this Appendix, will be submitted by the contractor directly to the Air Force Emergency Facilities Depreciation Board at Headquarters, Air Materiel Command, Wright-Patterson Air Force Base, Ohio, Attn: MCPP-7, or to the local administrative contracting officer who will forward it directly to the Board.

[SEAL]

K. E. THIEBAUD,
Colonel, U. S. Air Force,
Air Adjutant General.

[F. R. Doc. 53-2279; Filed, Mar. 12, 1953;
8:54 a. m.]

TITLE 32A—NATIONAL DEFENSE, APPENDIX

Chapter III—Office of Price Stabilization, Economic Stabilization Agency

[General Overriding Regulation 23,
Amdt. 7]

GOR 23—TERRITORIAL EXEMPTIONS

EXEMPTIONS IN ALASKA, HAWAII, THE VIRGIN ISLANDS, AND THE COMMONWEALTH OF PUERTO RICO

Pursuant to the Defense Production Act of 1950, as amended, Executive Order 10161, and Economic Stabilization Agency General Order No. 2, this Amendment 7 to General Overriding Regulation 23 is hereby issued.

STATEMENT OF CONSIDERATIONS

The President of the United States has announced that he does not intend to ask for a renewal of price control authority on April 30, 1953, when the present legislation expires. He has stated that in the meantime steps will be taken to eliminate controls in an orderly manner. The Office of Price Stabilization has been instructed to proceed accordingly.

This amendment exempts from price control the following:

1. All sales of antifreeze in the Territory of Alaska.

2. All sales of concrete blocks in the Virgin Islands.

3. All sales of milk in the Juneau, Alaska, area.

4. All sales of used steel drums in the Territory of Alaska.

5. All sales of rice in Alaska, Hawaii, the Virgin Islands and the Commonwealth of Puerto Rico.

This amendment also adds to the Ceiling Price Regulations revoked in section 2.2, Territorial Supplementary Regulation 1 to Ceiling Price Regulation 34, dry cleaning and finishing and commercial laundry services in the Virgin Islands, and Ceiling Price Regulation 103, covering sales of new cars in the Territory of Hawaii. The sale of laundry services, and of new cars in Hawaii, have previously been exempted by the OPS. These regulations are added to the list of revoked regulations simply for the purpose of providing a convenient listing of territorial regulations which have been revoked.

In view of the special nature and basis of this amendment, consultations with industry representatives were impracticable and unnecessary.

AMENDATORY PROVISIONS

1. Section 2.2 (a) of General Overriding Regulation 23 is amended by adding the following items:

(8) Ceiling Price Regulation 111.

(9) Ceiling Price Regulation 144.

(10) Ceiling Price Regulation 159.

(11) Ceiling Price Regulation 160.

(12) Territorial Supplementary Regulation 1 to Ceiling Price Regulation 34.

(13) Ceiling Price Regulation 103, Revision 1.

2. Section 3.2 of General Overriding Regulation 23 is amended by adding the following new paragraphs:

(d) All commodities, the ceiling prices of which would otherwise be established by the General Ceiling Price Regulation.

(e) Rice at all levels of distribution.

(Sec. 704, 64 Stat. 816, as amended; 50 U. S. C. App. Sup., 2154)

Effective date. This Amendment 7 to General Overriding Regulation 23 is effective March 12, 1953.

JOSEPH H. FREEHILL,
Director of Price Stabilization.

MARCH 12, 1953.

[F. R. Doc. 53-2342; Filed, Mar. 11, 1953;
11:08 a. m.]

Chapter XVIII—National Shipping Authority, Maritime Administration, Department of Commerce

[N. S. A. Order No. 65 (OPR-5)]

OPR 5—REPATRIATION OF SEAMEN

Sec.

1. What this order does.

2. Definitions.

3. Classification of repatriates.

4. Manner of repatriation.

5. Repatriation charges.

6. General provisions.

AUTHORITY: Sections 1 to 6 issued under sec. 204, 49 Stat. 1987, as amended; 46 U. S. C. 1114.

SECTION 1. What this order does. This order prescribes the manner in which seamen separated from vessels operated for the account of the National Shipping Authority shall be repatriated and explains how charges in connection with such repatriation shall be handled.

SEC. 2. Definitions. (a) For the purpose of this order, the term "seaman" shall include every person, irrespective of capacity or rating, whose last service has been on a vessel operated for the account of the National Shipping Authority, upon which vessel he had signed shipping articles and whether or not he had signed off such articles before a consular or other authorized official, but shall not include the master of such a vessel.

(b) The term "General Agent" shall include any designated representative of such General Agent.

SEC. 3. Classification of repatriates. Seamen in need of repatriation, whether being repatriated to or from the United States, shall be classified as follows:

(a) Seamen separated from their vessels because of the destruction of, abandonment of, or damage to their vessels, or because of termination of shipping articles at a port outside the continental limits of the United States.

(b) Seamen separated from their vessels as the result of illness or injury received in the service of their vessels or otherwise through no fault of their own.

(c) Seamen separated from their vessels for any cause whatsoever not described in paragraphs (a) or (b) of this section.

SEC. 4. Manner of repatriation. (a) A seaman described in paragraph (a) of section 3 of this order shall be repatriated in accordance with the provisions of the shipping articles, or the applicable collective bargaining agreement, employment contract, or statute. If a seaman in this class is repatriated as a passenger, the General Agent of the vessel of which he was last a crew member shall arrange for his passage and pay the amount of expense involved.

(b) A seaman described in paragraph (b) of section 3 of this order may be repatriated as a passenger where space is available and circumstances permit. If applicable collective bargaining agreements, employment contracts, or statutes do not conflict, he may return as a workaway or, at the discretion of the