

"Caribbean Area ASC Committee", respectively, are substituted therefor.

21. Wherever in Part 816 the designations "Director or Acting Director, Caribbean Area, Production and Marketing Administration" and "Office of the Production and Marketing Administration" appear they are deleted and the designations "Director or Acting Director, Caribbean Area Stabilization and Conservation Office" and "Agricultural Stabilization and Conservation Office", respectively, are substituted therefor.

22. Wherever in Parts 842 and 845 the designation "County Agricultural Conservation Committee" appears it is deleted and the designation "Agricultural Stabilization and Conservation County Committee" is substituted therefor.

23. Wherever in Parts 846, 866, and 876 the designations "Hawaiian Area Office of the Production and Marketing Administration" and "Area Office of PMA" appear they are deleted and the designation "Hawaiian Area Stabilization and Conservation Office" and "ASC Area Office", respectively, are substituted therefor.

24. Wherever in Part 850 the designations "Area Office of the Production and Marketing Administration" and "Area Office of PMA" appear they are deleted and the designations "Area Stabilization and Conservation Office" and "ASC Area Office", respectively, are substituted therefor.

25. Subject to the amendments heretofore specified, wherever in Parts 722, 723, 801, 833, 845, and 855 the designation "Production and Marketing Administration" appear it is deleted and the designation "Commodity Stabilization Service" is substituted therefor.

26. Under the heading "Redesignation of Regulations" Chapter XI, Title 7, Code of Federal Regulations (18 F. R. 3635), the first paragraph of enumerated paragraph 1 is amended to read:

1. The regulations pertaining to the Agricultural Conservation Program Service are removed from Chapter VII of Title 7, Code of Federal Regulations, and redesignated Chapter XI which shall be entitled "Agricultural Conservation Program Service, Department of Agriculture",

and enumerated paragraph 2 is amended to read:

2. Wherever the term "Director of Agricultural Conservation Programs Branch, Production and Marketing Administration" or "Director of ACP Branch" appears in these regulations it shall mean the "Administrator of the Agricultural Conservation Program Service."

27. In Part 1101:

(a) Wherever the designations "Chief Agricultural Conservation Program" and "Chief ACP" appear they are deleted and the designations "Administrator, Agricultural Conservation Program Service" and "Administrator ACPS", respectively, are substituted therefor;

(b) Wherever the designations "Production and Marketing Administration county and community committees", "PMA" and "Production and Marketing Administration" appear they are deleted

and the designations "Agricultural Stabilization and Conservation county and community committees", "ASC" and "Agricultural Conservation Program Service", respectively, are substituted therefor; and

(c) The definition of the term "State Committee" is amended to read "'State Committee' means the persons in the State designated by the Secretary as the Agricultural Stabilization and Conservation State Committees."

28. Wherever in Parts 1102, 1103, 1104 and 1105 the designations "Director" and "ACP Branch" appear they are deleted and the designations "Administrator" and "ACPS", respectively, are substituted therefor; and the definitions of the terms "Director" and "ACP Branch" appearing in said parts are deleted and the following definitions are substituted, respectively, therefor:

"Administrator" means the Administrator of the Agricultural Conservation Program Service,

"ACPS" means the Agricultural Conservation Program Service.

29. In Parts 1102 and 1103:

(a) Wherever the designation "PMA State Office" appears it is deleted and the designation "ACS State Office" is substituted therefor;

(b) Wherever the designations "Production and Marketing Administration District Offices" or "District Offices of the Production and Marketing Administration" appear they are deleted and the designation "Agricultural Stabilization and Conservation District Offices" is substituted therefor;

(c) Wherever the designation "PMA Inspector" appears it is deleted and the designation "Agricultural Conservation Program Service Inspector" is substituted therefor; and

(d) The definitions of the term "PMA State Office" appearing in said parts are amended to read "'ASC State Office' means the Caribbean Area Agricultural Stabilization and Conservation Office."

30. Wherever in Part 1104 the designation "ACP Committee" appears it is deleted and the designation "Agricultural Stabilization and Conservation Committee" is substituted therefor.

31. In Part 1105:

(a) Wherever the designation "PMA Farm Checkers" appears it is deleted and the designation "Agricultural Conservation Program Service Farm Checkers" is substituted therefor;

(b) Wherever the designations "PMA Area Office" and "Office of the Production and Marketing Administration" appear they are deleted and the designations "Agricultural Stabilization and Conservation Area Office" and "Agricultural Stabilization and Conservation Office", respectively, are substituted therefor;

(c) Wherever the designation "Production and Marketing Administration" appears it is deleted and the designation "Agricultural Conservation Program Service" is substituted therefor; and

(d) The definition of the term "State Office" appearing in said part is amended to read "'State Office' means the Agricultural Stabilization and Conservation Office in Honolulu, Territory of Hawaii."

32. In Part 1107:

(a) Wherever the designations "Agricultural Conservation Programs Branch", "ACP Branch" and "Director" appear they are deleted and the designations "Agricultural Conservation Program Service", "ACPS" and "Administrator", respectively, are substituted therefor, and the definition of the term "Director" appearing in said part is deleted and the following definition is substituted therefor, "Administrator" means the Administrator of the Agricultural Conservation Program Service."

33. Wherever in Part 1108 the designation "Production and Marketing Administration" appears it is deleted and the designation "Agricultural Conservation Program Service" is substituted therefor.

34. In Part 1109:

(a) Paragraph (d) of § 1109.1 is amended to read:

(d) A person is indebted to the Commodity Stabilization Service, or to any other agency of the Department of Agriculture by reason of any payments certified on vouchers or on sight-drafts by the Agricultural Stabilization and Conservation State Offices or by the County Agricultural Conservation Association, or is indebted for an unpaid marketing quota penalty.

(b) Wherever in §§ 1109.2 and 1109.3 the designation "Production and Marketing Administration" appears it is deleted and the designation "Commodity Stabilization Service" is substituted therefor.

Effective date. The foregoing amendments shall be effective upon publication in the FEDERAL REGISTER.

The foregoing amendments relate solely to matters of agency management and personnel, and therefore are excepted from the requirements of section 4 of the Administrative Procedure Act (5 U. S. C. 1003).

Done at Washington this 19th day of January 1954. Witness my hand and seal of the Department of Agriculture.

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

[F. R. Doc. 54-465; Filed, Jan. 21, 1954; 8:50 a. m.]

Chapter IX—Agricultural Marketing Service (Marketing Agreements and Orders), Department of Agriculture

PART 904—MILK IN THE GREATER BOSTON MARKETING AREA

PART 934—MILK IN THE LOWELL-LAWRENCE, MASSACHUSETTS, MARKETING AREA

PART 947—MILK IN THE FALL RIVER, MASSACHUSETTS, MARKETING AREA

PART 996—MILK IN THE SPRINGFIELD, MASSACHUSETTS, MARKETING AREA

PART 999—MILK IN THE WORCESTER, MASSACHUSETTS, MARKETING AREA

DETERMINATION OF EQUIVALENT FEED PRICES

The simple average of the four latest weekly retail prices per ton of dairy

ration reported by the United States Department of Agriculture for the Boston milkshed are used pursuant to section 48 (a) (3) of the respective orders in the computation of a New England Basic Class I price. The publication of these specified feed prices has been discontinued by the United States Department of Agriculture.

The respective orders provide that if a feed price, specified by those orders for use in computing class prices, is not reported or published in the manner described in the respective orders, the market administrator shall use a feed price determined by the Secretary to be equivalent to or comparable with the feed price which is specified (§§ 904.45, 934.44, 996.44, 999.44, and 947.55 of the respective orders).

Pursuant to the applicable provisions of the respective orders and on the basis of available information it is hereby found and determined that the feed price equivalent to or comparable with the simple average of the four latest weekly average retail prices per ton of dairy ration for the Boston milkshed shall be determined as follows:

Multiply by 20 the average price per 100 pounds paid by farmers in the New England region for all mixed dairy feed of less than 29 percent protein content as reported by the United States Department of Agriculture for the month.

In accordance with section 4 of the Administrative Procedure Act (5 U. S. C. 1001 et seq.), it is hereby found and determined that notice and public procedure with respect to this determination, and the postponement of the effective date of this determination until 30 days after publication thereof in the FEDERAL REGISTER are impractical, unnecessary, and contrary to public interest in that the equivalent feed price must become effective as soon as possible in order to facilitate, promote, and maintain orderly marketing of milk in the Greater Boston, Lowell-Lawrence, Springfield, Worcester, and Fall River marketing areas. The changes effected by this determination do not require any preparation by the persons affected prior to the effective date.

(Sec. 5, 49 Stat. 753, as amended; 7 U. S. C. and Sup. 608c)

Issued at Washington, D. C., this 18th day of January 1954, to become effective immediately.

[SEAL] JOHN H. DAVIS,
Assistant Secretary of Agriculture.

[P. R. Doc. 54-429; Filed, Jan. 21, 1954;
8:46 a. m.]

[Grapefruit Reg. 94]

PART 955—GRAPEFRUIT GROWN IN ARIZONA; IN IMPERIAL COUNTY, CALIFORNIA, AND IN THAT PART OF RIVERSIDE COUNTY, CALIFORNIA, SITUATED SOUTH AND EAST OF THE SAN GORGONIO PASS

LIMITATION OF SHIPMENTS

§ 955.355 *Grapefruit Regulation 94—*
(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 55, as amended (7 CFR Part 955),

regulating the handling of grapefruit grown in the State of Arizona; in Imperial County, California, and in that part of Riverside County, California, situated south and east of the San Gorgonio Pass, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended, and upon the basis of the recommendations of the Administrative Committee (established under the aforesaid amended marketing agreement and order), and upon other available information, it is hereby found that the limitation of shipments of grapefruit, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule making procedure, and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (60 Stat. 237; 5 U. S. C. 1001 et seq.) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient; a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions of this section effective not later than January 24, 1954. Shipments of grapefruit, grown as aforesaid, have been subject to regulation by grades and sizes, pursuant to the amended marketing agreement and order, since October 18, 1953, and will so continue until January 24, 1954; the recommendation and supporting information for continued regulation subsequent to January 23, 1954, was promptly submitted to the Department after an open meeting of the Administrative Committee on January 14; such meeting was held to consider recommendations for regulation, after giving due notice of such meeting, and interested persons were afforded an opportunity to submit their views at this meeting; the provisions of this section, including the effective time thereof, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such grapefruit; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period hereinafter set forth so as to provide for the continued regulation of the handling of grapefruit; and compliance with this section will not require any special preparation on the part of persons subject thereto which cannot be completed by the effective time of this section.

(b) *Order.* (1) During the period beginning at 12:01 a. m., P. s. t., January 24, 1954, and ending at 12:01 a. m., P. s. t., February 28, 1954, no handler shall ship:

(i) Any grapefruit of any variety grown in the State of Arizona; in Imperial County, California; or in that part of Riverside County, California, situated south and east of the San Gorgonio Pass unless such grapefruit grade at least U. S. No. 2; or

(ii) From the State of California or the State of Arizona (a) to any point outside thereof in the United States, any grapefruit, grown as aforesaid, which are of a size smaller than $3\frac{1}{16}$ inches in diameter, or (b) to any point in Canada, any grapefruit, grown as aforesaid, which are of a size smaller than $3\frac{1}{16}$ inches in diameter ("diameter" in each case to be measured midway at a right angle to a straight line running from the stem to the blossom end of the fruit), except that a tolerance of 5 percent, by count, of grapefruit smaller than the foregoing minimum sizes shall be permitted which tolerance shall be applied in accordance with the provisions for the application of tolerance, specified in the revised United States Standards for Grapefruit (California and Arizona), §§ 51.925 to 51.955 of this title: *Provided*, That in determining the percentage of grapefruit in any lot which are smaller than $3\frac{1}{16}$ inches in diameter, such percentage shall be based only on the grapefruit in such lot which are of a size $4\frac{1}{16}$ inches in diameter and smaller; and in determining the percentage of grapefruit in any lot which are smaller than $3\frac{1}{16}$ inches in diameter, such percentage shall be based only on the grapefruit in such lot which are of a size $3\frac{1}{16}$ inches in diameter and smaller.

(2) As used in this section, "handler," "variety," "grapefruit," and "ship" shall have the same meaning as when used in said amended marketing agreement and order; and the term "U. S. No. 2" shall have the same meaning as when used in the revised United States Standards for Grapefruit (California and Arizona), §§ 51.925 to 51.955 of this title.

(Sec. 5, 49 Stat. 753, as amended; 7 U. S. C.)

Done at Washington, D. C., this 19th day of January 1954.

[SEAL] S. R. SMITH,
Director, Fruit and Vegetable
Division, Agricultural Market-
ing Service.

[P. R. Doc. 54-440; Filed, Jan. 21, 1954;
8:48 a. m.]

PART 972—MILK IN THE TRI-STATE MARKETING AREA

ORDER SUSPENDING CERTAIN PROVISIONS

Pursuant to the applicable provisions of Public Act No. 10, 73d Congress, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 1940 et seq.), hereinafter referred to as the "act," and of the order, as amended, regulating the handling of milk in the Tri-State marketing area, hereinafter referred to as the "order," it is hereby found and determined that all provisions appearing in § 972.41 (b) of such order do not tend to effectuate the declared policy of the act with respect to all milk subject to the provisions thereof for the month of February 1954.

Request for the temporary suspension of the provisions of § 972.41 (b) was recently filed with the Department by associations representing a majority of the producers supplying milk to the Tri-State marketing area whose milk is

priced pursuant to such regulation. Following this request a public meeting was held on January 4, 1954, at Gallipolis, Ohio, to consider whether the suspension, or possible termination of the said provisions would be appropriate. This meeting was attended by a number of handlers regulated under the order, counsel for other handlers, representatives of cooperative associations having members who are producers as defined in the order, government representatives, and others.

The provisions of § 972.41 (b) are intended to result in automatic Class I and Class II price adjustments as market supplies of producer milk change in relation to the quantity of Class I milk sold. As a measure of changes in the "supply-demand ratio" from a norm the percentage of supplies to sales in a recent two-month period is compared with a "standard utilization percentage." Certain revisions in other provisions of the order, including the introduction on November 1, 1953, of "individual-handler" pools to replace the former "market-wide" pool, and expansion of the marketing area, and the adoption of a revised definition of "fluid milk plant" to take effect May 1, 1954, were adopted following a public hearing held in May 1953. At least in part as the result of such changes in the regulatory program certain supply and marketing adjustments are taking place within both the Tri-State milkshed and Tri-State marketing area. In the circumstances prevailing the standard utilization percentages now effective under § 972.41 (b) do not perform to accurately measure supply changes in relation to market demand and at present have an adverse effect on producer prices even though other source milk still is being received in substantial quantities in portions of the marketing area for use as Class I and Class II milk. It is found and determined therefore that the issuance of this order to suspend the application of such provisions for February 1954 is necessary to reflect current marketing conditions and to facilitate, promote, and maintain the orderly marketing of milk produced for the said marketing area. The changes caused by this suspension order do not require of persons affected substantial or extensive preparation prior to its effective date. Any further action to alter the effects of such provisions of the order should be determined from subsequent consideration. A public hearing for this purpose will be convened at Gallipolis, Ohio, on February 18, 1954.

It is therefore ordered, That the provisions of the order (No. 72), as amended, regulating the handling of milk in the Tri-State marketing area which appear in § 972.41 (b) be and they are hereby suspended in their entirety for the month of February 1954.

(Sec. 5, 49 Stat. 753, as amended; 7 U. S. C. 608c)

Done at Washington, D. C., this 19th day of January 1954.

[SEAL] JOHN H. DAVIS,
Assistant Secretary of Agriculture.
[F. R. Doc. 54-441; Filed, Jan. 21, 1954;
8:48 a. m.]

TITLE 17—COMMODITY AND SECURITIES EXCHANGES

Chapter II—Securities and Exchange Commission

PART 230—GENERAL RULES AND REGULATIONS, SECURITIES ACT OF 1933

REGULATION C—REGISTRATION

On November 10, 1953, the Securities and Exchange Commission invited all interested persons to submit data, views and comments on a proposal to adopt § 230.415 (Rule 415) relating to competitive bidding registration statements, to adopt related amendments to certain other rules, and to rescind § 230.460 (Rule 460) (see Securities Act of 1933 Release No. 3491-Z). The Commission has considered all the data, views and comments submitted and has adopted the proposals with certain modifications set forth below. This action has been taken pursuant to the provisions of sections 7, 8, 10, and 19 (a) of the Securities Act of 1933, the Commission deeming such action necessary and appropriate to carry out the provisions of the act and necessary and appropriate in the public interest and for the protection of investors.

The Commission is engaged in a comprehensive review of the rules, regulations, forms and procedures adopted under the various statutes administered by it. It is attempting to eliminate duplication and to simplify its requirements wherever practicable without prejudice to the public interest or the protection of investors. The action stated in this release is a part of this program, as is the parallel simplification of competitive bidding procedures under the Public Utility Holding Company Act of 1935.

The current practice where securities are offered at competitive bidding requires that the registration statement become effective prior to the invitation for bids, and that a post-effective amendment be filed at the time bids are opened, to reflect the results of the bidding. An order of the Commission is issued declaring the registration statement effective and an order is subsequently issued declaring the post-effective amendment effective. In most cases, the post-effective amendment makes no change in the effective registration statement except to reflect the results of the bidding.

Rule 415 modifies the procedure by providing that if specified conditions are met the amendment reflecting the results of the bidding will become effective without further order on filing with the Commission or a regional or branch office. In addition, the amended Rule 471 permits the amendment to be signed by the agent for service and the amended Rule 472 requires only the filing of changed pages of the prospectus, without the usual simultaneous filing of five complete copies of the amended prospectus, and does not require the re-filing of exhibits solely to insert interest rate, redemption prices, etc. It should be noted that Rule 403 does not require that the amendment itself be printed.

It may, for instance, be typed or mimeographed, and the Commission will continue to accept appropriate inked insertions provided they are legible.

Rule 415 codifies the practice of requiring that the registration statement in all competitive bidding cases contain an undertaking to file an amendment to reflect the results of the bidding. Under the new filing procedure, it will not be possible for the Commission to consider the adequacy of the distribution of bidding prospectuses, as it has in the past (see Release No. 3453, part IV). The rule, therefore, requires an additional undertaking intended to insure a minimum distribution as a condition to the use of the new filing procedure.

Paragraph (c) of the rule has principally a clarifying effect. The Commission's position is that when a registration statement becomes initially effective, the prohibitions of section 5 (a) of the act cease to apply in the absence of a stop order; that the bidding prospectus meets the requirements of section 10 of the act prior to the acceptance of a bid; and that after the acceptance of a bid, the prospectus does not meet the requirements of section 10 of the act unless it reflects the results of the bidding and otherwise complies with the applicable form and regulations. The Commission, moreover, construes section 5 (b) (2) of the act to require that the delivered prospectus meet the requirements of section 10 at the time the security is carried or caused to be carried through the mails or in interstate commerce and similarly construes section 2 (10) (a) of the act to require that the delivered prospectus meet the requirements of section 10 of the act at the time of making the other communication referred to in section 2 (10) (a) of the act.

Some issuers have, on occasion, combined in one registration statement securities to be offered at competitive bidding and other securities to be offered noncompetitively. Since the provisions of paragraphs (b) and (c) of Rule 415 have been drafted with specific reference to competitive bidding procedures, paragraph (d) of the rule limits the use of such joint registration statements to cases where all price and other required data for the non-competitive issue are available prior to the invitation for bids. An appropriate composite prospectus is permitted in any event.

The rule should simplify the registration procedure in competitive bidding cases to a substantial degree, as well as clarify the status of the registration statement and the prospectuses under section 5 of the act. By eliminating the present practice of requiring an order declaring a post-effective amendment effective, the rule should avoid the delay and attendant uncertainty which now occur between the filing and effectiveness of the amendment. Further, by permitting a filing in a regional or branch office, the rule should permit a more rapid filing and effectiveness. The Commission may administratively request that it be advised informally, as at present, of the results of the bidding, as promptly as practicable.

Rule 455 has been amended to make its filing requirements consistent with those set forth in Rule 415.

The Commission has (a) amended Rule 424 to provide for the filing of 25, instead of 20, copies of a prospectus, to make it clear that bidding prospectuses need not usually be filed under the rule, and to permit a revised prospectus to be used if it is filed or mailed for filing prior to its use and (b) similarly amended Rule 427 (c).

The Commission has also rescinded § 230.460 (Rule 460).

The text of § 230.415 (Rule 415) and of the amendments to §§ 230.424, 230.427, 230.455, 230.471, and 230.472 (Rules 424, 427, 455, 471 and 472) as adopted by the Commission are as follows:

§ 230.415 *Competitive bidding registration statements.* (a) A registration statement covering securities to be offered at competitive bidding, the terms of which require that each bid be for the purchase or underwriting of the entire amount of one or more of the issues registered, shall contain undertakings by the registrant (1) to file an amendment to the registration statement reflecting the results of the bidding, the terms of reoffering, and related matters to the extent required by the applicable form, not later than the first use, authorized by the registrant, after the opening of bids, of a prospectus relating to the securities offered at competitive bidding, unless no further public offering of such securities by the registrant and no reoffering of such securities by the purchasers is proposed to be made, and (2) to use its best efforts to distribute, as soon as practicable after the registration statement has become effective and prior to the opening of bids, to prospective bidders, underwriters, and dealers, a reasonable number of copies of the prospectus relating to the securities offered at competitive bidding contained in the effective registration statement, together with any supplements thereto. Any order declaring the registration statement effective shall be deemed to declare an amendment to the registration statement filed pursuant to the first such undertaking effective in accordance with paragraph (b) of this section.

(b) An amendment to such a registration statement filed pursuant to the undertaking referred to in paragraph (a) (1) of this section (which may make such other changes in the registration statement as the registrant deems appropriate) shall become effective at the time such amendment is filed with the Commission at its principal office or any regional or branch office, unless the Commission has notified the registrant that it has instituted proceedings under section 8 of the act. The amendment shall be accompanied by the consent of a managing underwriter, acting on behalf of all principal underwriters of the securities offered at competitive bidding, to the filing thereof.

(c) When such a registration statement becomes effective the prohibitions of section 5 (a) of the act shall cease to apply to the securities registered unless a stop order is issued under section 8 of the act. A prospectus relating to

the securities offered at competitive bidding, when used prior to the opening of bids, need not contain information dependent upon the determination of the offering price of such securities or the acceptance of the bid, in order to meet the requirements of section 10 of the act. A prospectus relating to such securities, when used after the opening of bids, shall not be deemed to meet the requirements of section 10 of the act unless (1) an amendment to the registration statement has been filed pursuant to the undertaking referred to in paragraph (a) (1) of this section, if required, and (2) such prospectus reflects the information contained in the registration statement, as amended, to the extent required by the applicable form.

(d) A registrant may register securities to be offered at competitive bidding and securities not to be so offered pursuant to a single joint registration statement only if all information (including offering data, etc.) required by the applicable form with respect to the securities not to be so offered is included in the registration statement prior to the initial effectiveness thereof. If such information is not so included, the Commission will not accelerate such effectiveness unless an amendment to the registration statement is first filed so as to make it cover only the securities to be offered at competitive bidding. The registrant may, however, either initially or after such amendment, register the securities not to be offered at competitive bidding pursuant to a separate registration statement. An appropriate composite form of prospectus may in any event be used for all securities registered.

§ 230.424 *Filing of prospectuses; number of copies.* * * *

(b) Within 5 days after the commencement of a public offering, 25 copies of each form of prospectus used in connection with such offering shall be filed with the Commission in the exact form in which it was used: *Provided, however,* That this paragraph shall not apply in respect of a form of prospectus contained in a registration statement and relating solely to securities offered at competitive bidding which prospectus is intended for use prior to the opening of bids.

(c) No prospectus which purports to comply with section 10 of the act and which varies from any form of prospectus filed pursuant to paragraph (b) of this section shall be used until 25 copies thereof have been filed with, or mailed for filing to, the Commission, together with 5 copies of a cross reference sheet similar to that previously filed, if changed; provided however, that this paragraph shall not apply in respect of a form of prospectus contained in a registration statement and relating solely to securities offered at competitive bidding which prospectus is intended for use prior to the opening of bids.

§ 230.427 *Contents of prospectuses used after 13 months.* * * *

(c) Twenty-five copies of every prospectus used more than 13 months after the effective date of the registration

statement shall be filed with the Commission pursuant to § 230.424 (c).

§ 230.455 *Place of filing.* All registration statements and other papers filed with the Commission shall be filed at its principal office, except as otherwise provided in § 230.415. Such material may be filed by delivery to the Commission through the mails or otherwise.

§ 230.471 *Signatures to amendments.* (a) Except as provided in paragraph (b) of this section and § 230.478, every amendment to a registration statement shall be signed by the persons specified in section 6 (a) of the act. At least one copy of every amendment filed with the Commission shall be signed. If the amendment is typewritten, the original "ribbon" copy shall be signed. Unsigned copies shall be conformed.

(b) A registration statement filed in connection with the registration of securities to be offered at competitive bidding may expressly confer authorization upon the agent for service named in the registration statement to amend the registration statement in accordance with the undertaking required by § 230.415 (a) (1). The authorization shall be substantially in the following form:

Each person whose signature appears below hereby authorizes the agent for service named in the registration statement to execute in the name of each such person, and to file, an amendment to the registration statement pursuant to the above undertaking, which amendment may make such other changes in the registration statement as the registrant deems appropriate.

§ 230.472 *Filing of amendment; number of copies.* (a) Three copies of every amendment, other than telegraphic amendments pursuant to § 230.473, shall be filed with the Commission. If an amendment relates to the prospectus, a copy of the amended prospectus and of the cross reference sheet required by § 230.404 (c), if amended, shall be included in each copy of the amendment filed; except that only the changed pages of the prospectus and the cross reference sheet, if amended, need be included in an amendment filed pursuant to the undertaking referred to in § 230.415 (a) (1).

(b) Where an amendment relates to the prospectus, five copies of the amended prospectus and of the cross reference sheet, if amended, shall be filed in addition to the three copies required by paragraph (a) of this section. This paragraph shall not apply to amendments filed pursuant to the undertaking referred to in § 230.415 (a) (1).

(c) If an exhibit to a registration statement (other than an opinion or a consent), filed in preliminary form, has been changed only (1) to insert information as to interest, dividend or conversion rates, redemption or conversion prices, purchase or offering prices, underwriters' or dealers' commissions, names, addresses or participations of underwriters or similar matters, which information appears elsewhere in an amendment to the registration statement, or (2) to correct typographical

errors, insert signatures or make other similar immaterial changes, then, notwithstanding any contrary requirement of any rule or form, the registrant need not refile such exhibit as so amended; provided the registrant states in the amendment the basis provided in this section for not refiling such exhibit. Any such incomplete exhibit may not, however, be incorporated by reference in any subsequent filing under any act administered by the Commission.

Since the adoption of § 230.415 and the amendment to §§ 230.424, 230.427, 230.455, 230.471 and 230.472 are designed primarily to simplify and clarify competitive bidding procedures, they have been made effective immediately, January 13, 1954; except that such adoption and amendments shall not be effective as to any registration statement which theretofore became effective or, if the registrant so elects, as to any registration statement filed prior to February 13, 1954. Since the rescission of § 230.460 relieves a restriction, it has been made effective immediately, January 13, 1954.

(Secs. 19, 48 Stat. 85, as amended; 15 U. S. C. 77a. Interprets or apply secs. 7, 8, 10, 48 Stat. 78, 79, 81; 15 U. S. C. 77g, 77h, 77j)

By the Commission.

[SEAL] ORVAL L. DuBOIS,
Secretary.

JANUARY 12, 1954.

[F. R. Doc. 54-424; Filed, Jan. 21, 1954;
8:45 a. m.]

PART 230—GENERAL RULES AND REGULATIONS, SECURITIES ACT OF 1933

REGULATION D—EXEMPTION FOR CANADIAN SECURITIES

Purpose of amendment. The Securities and Exchange Commission has amended § 230.501 (b) (6) (ii) (Rule 501 (b) (6) (ii) of Regulation D under the Securities Act of 1933.

Regulation D provides a conditional exemption from registration under the act for offerings not exceeding \$300,000 in any one year made by Canadian issuers or by domestic issuers having their principal place of business in Canada. The promulgation of this regulation, on March 6, 1953, followed the amendment of the extradition agreements between the United States and Canada. It is part of a comprehensive program designed to achieve advantages for investors by remedying certain abuses which existed in this area in years past. The steps which have been taken under this program are noted in Securities Exchange Act Release No. 4937 (September 14, 1953).

The original Rule 501 (b) (6) (ii) of the regulation automatically renders the exemption unavailable if the issuer, its management, the underwriters or certain other persons are subject to certain securities injunctions. In certain instances, injunctions of a technical nature, not based on fraud, have resulted in disqualification under the rule and have prevented registered Canadian broker-

dealers from underwriting an issue, although this result might not be required in the public interest in the particular case.

In a similar context, the Commission, in considering applications by Canadian firms under section 15 (b) of the Securities Exchange Act of 1934 has, under the public interest standard there provided, granted registration where the injunctions existing against the applicant were only of a technical nature as distinguished from decrees based upon fraud or overreaching of investors. (See Matter of Dennis, Securities Exchange Act Release No. 4769.)

The present amendment of Regulation D will permit the same considerations to govern under that regulation in the absence of fraud or overreaching.

Statutory basis. The action is taken pursuant to the Securities Act of 1933, particularly sections 3 (b) and 19 (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.

Text of amendment. Section 230.501 (b) (6) is amended to read as follows:

§ 230.501 Securities exempted. * * *

(b) No exemption under this regulation shall be available for any of the following securities:

(6) Securities of any issuer if such issuer or any of its directors, officers, affiliates or predecessors, any of its promoters presently connected with it in any capacity, or any underwriter of the securities to be offered under this section:

(i) Has been convicted within five years preceding the filing of the notification required by § 230.503 of any crime or offense involving the purchase or sale of any security or arising out of the conduct of the business of a broker or dealer;

(ii) Is subject to any order, judgment or decree of any court entered within five years prior to the date of such filing, enjoining or restraining such person from engaging in or continuing any conduct or practice in connection with the purchase or sale of any security or arising out of the conduct of the business of a broker or dealer, unless cause be shown as to why it is not necessary or appropriate in the public interest or for the protection of investors that the exemption be denied on the basis of such order, judgment or decree in the particular case; or

(iii) Is subject to a United States Post Office fraud order.

The Commission finds that as the foregoing amendment is exemptive in character and reserves to the Commission full right to deny the exemption, if appropriate in the public interest, notice and procedure in accordance with section 4 of the Administrative Procedure Act with respect thereto is not necessary.

The amendment is therefore, effective immediately upon publication January 13, 1954.

(Sec. 19, 46 Stat. 85 as amended; 15 U. S. C. 77a)

By the Commission.

[SEAL] ORVAL L. DuBOIS,
Secretary.

JANUARY 12, 1954.

[F. R. Doc. 54-426; Filed, Jan. 21, 1954;
8:46 a. m.]

PART 250—GENERAL RULES AND REGULATIONS, PUBLIC UTILITY HOLDING COMPANY ACT OF 1935

REGULATION AND EXEMPTION OF VARIOUS FINANCIAL TRANSACTIONS

Statutory basis. On November 10, 1953, the Securities and Exchange Commission invited all interested persons to submit data, views and comments on a proposal to amend § 250.50 (Rule U-50) to eliminate supplemental bidding orders under certain circumstances (Holding Company Act Release No. 12206-Y). The Commission has considered all the data, views and comments submitted and has adopted the amendments to Rule U-50, as proposed, with certain modifications set forth below. This action has been taken pursuant to the provisions of sections 6 (b), 7, 12 (d) and 20 (a) of the Public Utility Holding Company Act of 1935, the Commission deeming such action necessary and appropriate to carry out the provisions of the act.

Statement of purpose. The Commission is engaged in a comprehensive review of the rules, regulations, forms and procedures adopted under the various statutes administered by it. It is attempting to eliminate duplication and to simplify its requirements wherever practicable without prejudice to the public interest or the protection of investors. The amendment of Rule U-50 is a part of this program, as is the parallel simplification of competitive bidding procedures under the Securities Act of 1933.

Rule U-50 requires, except in the cases specified in paragraph (a), that the issue or sale of securities by registered holding companies and subsidiary companies be at competitive bidding. Paragraph (c) of the rule formerly required that the results of competitive bidding be submitted to the Commission by amendment of the application or declaration for final clearance.

The principal change in the rule consists of an amendment to paragraph (c) which makes unnecessary an amendment to the application or declaration and a supplemental order of the Commission with respect to the results of the competitive bidding if at least two bids are submitted. The new paragraph (d) of the rule will, however, keep the Commission informed as to bidding results. If only one bid is received, however, a further order of the Commission authorizing the issuance or sale must be obtained, as in the past. As the Commission stated in Holding Company Act Release No. 12206-Y (November 10, 1953) it is anticipated that the amendment of paragraph (c) will result in a considerable saving of time and expense