the Tulsa VOR 257° radials; Tulsa, Okla., VOR; Farmington, Mo., VOR; Louisville, Ky., VOR; Charleston, W. Va., VOR; Philipsburg, Pa., VOR; Allentown, Pa., VOR; to the Idlewild, N. Y., VOR.

(Sec. 205, 52 Stat. 984; 49 U. S. C. 425. Interprets or applies sec. 302, 52 Stat. 985, as amended; 49 U. S. C. 452)

This amendment shall become effective 0001 e. s. t. January 25, 1959.

[SEAL] WILLIAM B. DAVIS, *Acting Administrator of Civil Aeronautics.*

DECEMBER 19, 1958.

[F. R. Doc. 58-10655; Filed, Dec. 24, 1958; 8:50 a. m.]

[Amdt. 6]

PART 620—SECURITY CONTROL OF AIR TRAFFIC

DESIGNATION OF ADDITIONAL AREAS AS AIR DEFENSE IDENTIFICATION ZONES

The Department of Defense has advised the Administrator that in the interest of the national security a requirement exists for a Perimeter ADIZ which will, in effect, surround the continental United States. Acting pursuant to the authority delegated to the Administrator by the Secretary of Commerce (16 F. R. 99) Part 620 is hereby amended to include the following areas as Air Defense Identification Zones. The northern boundary of the Atlantic (Coastal) ADIZ has also been modified slightly to make it conform to the Moncton Flight Information Region (FIR) and Moncton Domestic Canadian Air Defense Identification Zone (CADIZ) boundary.

Since a military function of the United States is involved, compliance with the notice, procedures and effective date provisions of section 4 of the Administrative Procedure Act is not required.

1. Section 620.21 (f) is amended to read as follows:

§ 620.21 *Domestic ADIZ's.* * * *

(f) *Southern Border (Domestic) ADIZ.* A line extending from 32°16′ N., 117°08′ W.; 32°30′ N., 117°20′ W.; 32°32′03″ N., 117°07′25″ W.; eastward along the United States-Mexican Border to 25°58′ N., 97°07′ W.; 26°00′ N., 97°00′ W.; then along the 26 degree parallel to 26°00′ N., 96°35′ W.

2. In § 620.22, paragraph (b) is amended and a new paragraph (f) is added to read as follows:

§ 620.22 *Coastal ADIZ's.* * * *

(b) *Atlantic (Coastal) ADIZ.* The area bounded by a line 44°30′ N., 67°07′ W.; 44°30′ N., 67°00′ W.; 43°00′ N., 67°00′ W.; 43°00′ N., 65°48′ W.; 39°80′ N., 63°45′ W.; 30°45′ N., 74°00′ W.; 27°30′ N., 78°50′ W.; 25°40′ N., 79°25′ W.; 24°00′ N., 79°25′ W.; 24°00′ N., 80°00′ W.; 24°49′ N., 80°00′ W.; 29°04′ N., 79°10′ W.; 28°45′ N., 80°00′ W.; 30°05′ N., 81°07′ W.; 30°50′ N., 80°54′ W.; 32°01′ N., 80°32′ W.; 35°10′ N., 75°10′ W.; 36°10′ N., 75°10′ W.; 37°00′ N., 75°30′ W.; 39°30′ N., 73°45′ W.; 40°15′ N., 73°15′ W.; 41°15′ N., 69°30′ W.; 42°00′ N., 69°30′ W.; 42°40′ N., 70°10′ W.; 43°10′ N., 70°00′ W.; 44°19′ N., 67°53′ W.; 44°30′ N., 67°07′ W. (point of beginning).

* * * * *

(f) *Gulf of Mexico (Coastal) ADIZ.* The area bounded by a line 24°00′ N., 97°00′ W.; 26°00′ N., 96°35′ W.; 26°25′ N., 96°30′ W.; 28°05′ N., 96°30′ W.; 28°42′ N., 95°17′ W.; 29°26′ N., 94°00′ W.; 28°48′ N., 90°00′ W.; 30°00′ N., 88°55′ W.; 30°00′ N., 86°00′ W.; 29°20′ N., 85°00′ W.; 28°55′ N., 83°30′ W.; 25°45′ N., 82°07′ W.; 25°45′ N., 81°27′ W.; thence southeast along a line three nautical miles from the shore line to 25°10′ N., 81°12′ W.; 24°49′ N., 80°55′ W.; 24°49′ N., 80°00′ W.; 24°00′ N., 80°00′ W.; then along the 24 degree parallel to 24°00′ N., 97°00′ W. (point of beginning).

(Sec. 1203, 64 Stat. 825; 49 U. S. C. 703. Interpret or apply secs. 1201-1204, 64 Stat. 825; U. S. C. 701-704)

This amendment shall become effective February 1, 1959.

[SEAL] WILLIAM B. DAVIS, *Acting Administrator of Civil Aeronautics.*

DECEMBER 19, 1958.

[F. R. Doc. 58-10640; Filed, Dec. 24, 1958; 8:48 a. m.]

TITLE 24—HOUSING AND HOUSING CREDIT

Chapter III — Public Housing Administration, Housing and Home Finance Agency

PART 300—GENERAL PROCEDURAL PROVISIONS

PART 320—LOW-RENT HOUSING PROGRAM

PART 330—FEDERALLY OWNED WAR HOUSING PROPERTY

PART 340—WAR HOUSING PROGRAM; POLICY

PART 350—VETERANS' EMERGENCY HOUSING PROGRAM; POLICY

MISCELLANEOUS AMENDMENTS TO CHAPTER

Chapter III, Public Housing Administration, is amended as follows:

1. Section 300.1 (a) (2) is amended by deleting therefrom the words "PHA, Longfellow Building," and inserting instead the words "Public Housing Administration".

2. Section 320.5 (b) is amended by adding the following sentence: "Information as to locations and areas of jurisdiction of Regional Offices may also be obtained upon written request addressed to the Public Housing Administration, Washington 25, D. C."

3. A new Part 330 "Federally Owned War Housing Property" is added as follows:

Sec.
330.1 Management and disposition.
330.2 Locations and areas of jurisdiction of PHA regional offices.

AUTHORITY: §§ 330.1 and 330.2 issued under sec. 8, 50 Stat. 891, as amended; 42 U. S. C. 1408.

§ 330.1 *Management and disposition.* Virtually all of the Federally owned war housing property has been disposed of by the Public Housing Commissioner in accordance with the provisions of Public Law 849, 76th Congress, as amended, and pursuant to delegation of authority from the Housing and Home Finance Administrator to the Public Housing Commissioner (15 F. R. 372; 18 F. R. 4612). Any such property remaining under the jurisdiction of the Public Housing Administration, and any such property reacquired by the United States or by the PHA for the United States, will be managed, pending disposition, either directly by the PHA or through local public housing authorities or private contract managers. Public announcement will be made of any proposed disposition, except disposition to governmental agencies or to special classes of persons or organizations authorized by law to acquire such property. Such announcement will state the place where detailed information may be obtained as to the specific sales plan, preference if any, sales price, and other terms and conditions. Inquiries concerning any such property, and requests for statements of policy, procedures, and forms issued for the use or guidance of the public, should be directed to the Regional Director of the PHA Regional Office having jurisdiction of the area involved.

§ 330.2 *Locations and areas of jurisdiction of PHA regional offices.* A list of PHA Regional Offices, their addresses, and areas of jurisdiction is published in the FEDERAL REGISTER under the heading "Housing and Home Finance Agency, Public Housing Administration, Description of Agency and Programs." Information as to locations and areas of jurisdiction of Regional Offices may also be obtained upon written request addressed to the Public Housing Administration, Washington 25, D. C.

4. Sections 340.1 through 340.6, which constitute Part 340 "War Housing Program; Policy," and §§ 350.1 through 350.3, which constitute Part 350 "Veterans' Emergency Housing Program; Policy," are hereby revoked.

Date approved: December 17, 1958.

CHARLES E. SLUSSER, *Commissioner.*

[F. R. Doc. 58-10634; Filed, Dec. 24, 1958; 8:47 a. m.]

TITLE 26—INTERNAL REVENUE, 1954

Chapter I—Internal Revenue Service, Department of the Treasury

Subchapter D—Miscellaneous Excise Taxes

[T. D. 6344]

PART 148—CERTAIN EXCISE TAX MATTERS UNDER EXCISE TAX TECHNICAL CHANGES ACT OF 1958

TEMPORARY RULES RELATING TO REGISTRATION AND EXEMPTION FOR NONPROFIT EDUCATIONAL ORGANIZATIONS

The following rules, prescribed under the Excise Tax Technical Changes Act of 1958 (Public Law 85-859, approved September 2, 1958), relate to the registration requirements for certain tax-free sales of articles taxable under chapter 32 of the Internal Revenue Code of 1954, as amended, and the exemption from the retailers excise tax, manufacturers excise tax, and the excise tax on transportation and communications applicable with respect to nonprofit educational organizations.

The rules set forth herein are to remain in force and effect until superseded by regulations relating to the subject matters referred to herein conforming with the amendments affecting such matters made by the Excise Tax Technical Changes Act of 1958.

These rules are designed to inform interested taxpayers as to how, when, and where to perform certain acts required or permitted under section 4222 of the Internal Revenue Code of 1954, as added by section 119 (a) of the Excise Tax Technical Changes Act of 1958, section 4057 of the Code, as added by section 105 (a) of the Act, and section 4294 of the Code, as added by section 135 (a) of the Act, to assist them in the performance of such acts and in complying with the added or amended provisions of the Internal Revenue Code.

In order to prescribe temporary rules relating to the subject matters referred to above, the following regulations are hereby issued:

§ 148.1-3 *Temporary procedures for tax-free sales and purchases*—(a) *Purpose of this section.* The purpose of this section is to set forth temporary rules for compliance with the registration requirements of section 4222 of the Internal Revenue Code of 1954, as amended, whereby articles subject to tax under chapter 32 of such Code may be sold tax free on and after January 1, 1959.

(b) *Tax-free sales only if seller and purchaser are registered.* Except as provided in paragraphs (c) and (i) of this section, an article subject to tax under chapter 32 may on and after January 1, 1959, be sold tax free by the manufacturer for the following uses (but only if the seller, first purchaser, and second purchaser, as the case may be, have registered as required by this section)—

(1) For use by the purchaser for further manufacture;

(2) For resale by the purchaser to a second purchaser for use by such second purchaser in further manufacture;

(3) For export by the purchaser;

(4) For resale by the purchaser to a second purchaser for export by the second purchaser;

(5) For use by the purchaser as supplies for vessels or aircraft subject in the case of civil aircraft to the reciprocity requirements of section 4221 (e);

(6) To a State or local government for its exclusive use;

(7) To a nonprofit educational organization for its exclusive use;

(8) In the case of a tire, inner tube, or automobile radio or television receiving set, for use by the purchaser for sale on or in connection with the sale of another article manufactured or produced by such purchaser, provided such other manufactured article is to be sold by the manufacturer thereof for one of the purposes specified in subparagraphs (3) to (7), inclusive, of this paragraph;

(9) In the case of musical instruments, to a religious institution for exclusively religious purposes;

(10) In the case of automobile bodies, to a manufacturer or producer of automobile trucks or other automobiles to be sold by such manufacturer or producer;

(11) In the case of gasoline, to a producer of gasoline; or

(12) In the case of lubricating oil, to a manufacturer or producer of lubricating oil for resale by him.

(c) *Tires, tubes, and automobile radio or television receiving sets.* A tire, inner tube, or automobile radio or television receiving set may not be sold tax free under subparagraphs (1) and (2) of paragraph (b) of this section for use, or for resale for use, in further manufacture.

(d) *Definitions.* For purposes of this section—

(1) *Manufacturer.* The term "manufacturer" includes a producer or importer of an article.

(2) *Export.* The term "export" includes shipment to a possession of the United States; and the term "exported" includes shipped to a possession of the United States.

(3) *Supplies for vessels or aircraft.* The term "supplies for vessels or aircraft" means fuel supplies, ships' stores, sea stores, or legitimate equipment on vessels of war of the United States or of any foreign nation, vessels employed in the fisheries or in the whaling business, or vessels actually engaged in foreign trade or trade between the Atlantic and Pacific ports of the United States or between the United States and any of its possessions. For purposes of the preceding sentence, the term "vessels" includes civil aircraft employed in foreign trade or trade between the United States and any of its possessions, and the term "vessels of war of the United States or of any foreign nation" includes aircraft owned by the United States or by any foreign nation and constituting a part of the armed forces thereof.

(4) *State or local government.* The term "State or local government" means any State, Alaska, Hawaii, the District of Columbia, or any political subdivision of any of the foregoing.

(5) *Nonprofit educational organization.* For definition of the term "nonprofit educational organization" see § 148.1-4 (b).

(6) *Sold for use in further manufacture.* An article shall be treated as sold for use in further manufacture if—

(i) Such article (other than an article referred to in subdivision (ii)) is sold for use by the purchaser as material in the manufacture or production of, or as a component part of, another article taxable under chapter 32 to be manufactured or produced by him; or

(ii) In the case of an automobile part or accessory taxable under section 4061 (b), a radio or television component taxable under section 4141, or a camera lens taxable under section 4171, such article is sold for use by the purchaser as material in the manufacture or production of, or as a component part of, any other article (taxable or nontaxable) to be manufactured or produced by him.

(e) *Temporary registration*—(1) *Prior registration.* Any person who has been issued a certificate of registry before January 1, 1959, which is still in effect (i) authorizing him either to sell or purchase articles tax free for use in further manufacture of other articles, or for resale for such use, or (ii) as a producer or importer of gasoline or manufacture or producer of lubricating oil, may, on and after January 1, 1959, and until the temporary rules set forth in this section are superseded by subsequent regulations, use such registration for tax-free sales and purchases as provided by this section.

(2) *Other temporary registration.* Any person who is eligible to sell or purchase articles tax free as provided in paragraph (b) of this section and who does not have a prior certificate of registry as referred to in subparagraph (1) of this paragraph may, on and after January 1, 1959, and until the temporary rules set forth in this section are superseded by permanent regulations, make such tax-free sales or purchases in accordance with the following procedure. Such person shall prior to making a tax-free purchase or sale address a communication to the district director for the district in which is located his principal place of business (or if he has no principal place of business in the United States, with the Director of International Operations, Internal Revenue Service, Washington, D. C.) setting forth: (i) his name, or trade name if one is used, and address; (ii) the nature of the business (manufacturer, exporter, reseller for further manufacture, or nonprofit educational organization, etc.); and (iii) a general description of the types of tax-free sales or purchases intended to be made. In the case of a religious institution (other than a church) and a nonprofit educational organization, additional information shall be furnished showing that the institution or organization is exempt from income tax as an institution or organization described in section 501 (c) (3) of the Internal Revenue Code (or the corresponding provisions of prior revenue laws). Upon the filing of this information with the district director, the seller or purchaser, as the case may be, shall be considered to be temporarily registered for purposes of selling or purchasing articles tax free as indicated in paragraph (b) of this section.

(f) *Evidence of tax-free sale.* The purchaser shall note on the purchase order or other document furnished to the seller by the purchaser the exempt purpose for which the article or articles are being purchased and the registration number of the purchaser as provided in subparagraph (1) of paragraph (e) of this section, or if the purchaser has temporarily registered as provided in subparagraph (2) of paragraph (e) of this section, the date of such registration and the district director with whom registered.

(g) *Failure to register.* If either the seller or purchaser is not registered as provided in paragraph (e) of this section, tax-free sale for any of the purposes specified in paragraph (b) of this section may not be made, except as indicated in paragraph (i) of this section. Where tax is paid but the article is used or resold for use for an exempt purpose, a claim for refund may be filed on Form 843, or credit taken on a subsequent return, in accordance with the provisions of section 6402 (a) or 6416, as the case may be.

(h) *Duty of seller to ascertain use of registration or exemption certificate.* A manufacturer or reseller making a sale for a tax-free purpose as provided by this section must use reasonable diligence to satisfy himself that the tax-free sale is warranted by law. If the manufacturer has knowledge at the time of his sale that the article sold by him is not intended for use or resale as indicated by the purchaser, the manufacturer is liable for the tax and is not relieved of liability by reason of the registration of the purchaser or the furnishing of an exemption certificate or statement by the purchaser.

(i) *Exceptions to the requirement for registration*—(1) *State and local governments.* A State or local government purchasing articles direct from the manufacturer for its exclusive use may, but is not required to, register as provided in this section of the regulations. To establish the right to sell articles tax free to a State or local government which is not registered, the manufacturer must comply with the provisions of § 314.24 of Regulations 44 (26 CFR (1939) Part 314) and § 316.24 of Regulations 46 (26 CFR (1939) Part 316), as prescribed under and made applicable to the Internal Revenue Code of 1954 by Treasury Decision 6091, 19 F. R. 5167, August 17, 1954.

(2) *Sales or resales for export to foreign purchaser.* In the case of sales for export or for resale for export, where the first purchaser or the second purchaser is located in a foreign country or possession of the United States, such purchaser is not required to register as provided in paragraph (e) of this section. To establish the right to sell articles tax free for export to a purchaser who is not registered and who is located in a foreign country or a possession of the United States, the manufacturer must obtain from such purchaser the information required in § 314.25 of Regulations 44 (26 CFR (1939) Part 314) and § 316.25 of Regulations 46 (26 CFR (1939) Part 316). For requirements as to proof of exportation see section 4221 (b).

(3) *Sales of mechanical pencils, fountain pens, and ball point pens for export.* A manufacturer of mechanical pencils, fountain pens, and ball point pens and a purchaser of these articles may not register under the provisions of these regulations in order to sell or purchase these articles tax free for export or for resale for export. To establish the right to sell mechanical pencils, fountain pens, and ball point pens tax free for export or for resale by the purchaser to a second purchaser for export, the manufacturer must comply with the provisions of § 316.25 of Regulations 46 (26 CFR (1939) Part 316). For requirements as to proof of exportation see section 4221 (b).

(4) *United States.* The registration requirements of this section do not apply to purchases and sales by the United States. The United States or any of its agencies or instrumentalities may purchase and sell taxable articles for any of the exempt purposes specified in paragraph (b) of this section provided the purchase order or other document relating to such purchases clearly indicates that the articles are being purchased tax free as authorized by chapter 32 of the Code.

§ 148.1–4 *Tax-free sales or services to certain nonprofit educational organizations*—(a) *In general.* Sales to, or facilities or services furnished, a nonprofit educational organization, as defined in paragraph (b), are not subject to the tax imposed by:

(1) Chapter 31 of the Internal Revenue Code of 1954, relating to retailers excise taxes,

(2) Chapter 32 of the Internal Revenue Code of 1954, relating to manufacturers excise taxes,

(3) Section 4251 of the Internal Revenue Code of 1954, relating to the tax on communication services or facilities, or

(4) Section 4261 of the Internal Revenue Code of 1954, relating to the tax imposed upon the transportation of persons.

(b) *Definition of nonprofit educational organization.* The term "nonprofit educational organization" means an organization exempt from income tax under section 501 (a) of the Internal Revenue Code of 1954 whose primary function is the presentation of formal instruction and which normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on. The term also includes a school operated as an activity of an organization described in section 501 (c) (3) which is exempt from income tax under section 501 (a), provided such school normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on.

(c) *Retailers excise taxes*—(1) *Exemption.* Section 4057 of the Code provides an exemption from the retailers excise tax with respect to the sale after December 31, 1958, of any article, including liquid fuel referred to in section 4041 of the Code, to a nonprofit educational organization, as defined in paragraph (b), for its exclusive use. In addition section 4057 provides an exemption from the tax on the use of liquid fuel imposed by section 4041 with respect to the use after such date by a nonprofit educational organization of such liquid fuel. In the case of a school operated as an activity of an organization described in section 501 (c) (3), referred to in paragraph (b) of this section, the sale must be for the exclusive use of such school, or in the case of liquid fuel, such liquid fuel must be used by such school.

(2) *Evidence required to establish tax-free sales to a nonprofit educational organization; general rule.* (i) Except as provided in subparagraph (3) of this paragraph, to establish the right to exemption under section 4057 the retailer must obtain from the purchaser and retain in his possession a properly executed exemption certificate as set forth in paragraph (h) (1). Such certificate shall show that the organization has received a determination letter from a district director or a ruling from the Commissioner holding the organization to be exempt from income tax as an organization described in section 501 (c) (3) or that it has received such determination letter or ruling under the corresponding provisions of prior revenue laws. The exemption certificate must also show the date of such determination letter or ruling and that such determination letter or ruling is still in effect and has not been withdrawn or revoked. Unless exemption from income tax has been established by such a determination letter or ruling, the retailer does not have the right to make tax-free sales. The organization, in order to enable the retailer to establish his right to sell tax free, shall apply to the district director for the district in which its principal office is located for a determination of its status. Application for a determination should be made by filing Form 1023 with such district director. Copies of the form and instructions as to the appropriate procedure to be followed in filing it may be obtained from the appropriate district director.

(ii) The exemption certificate must also include a statement that the organization (or the school operated as an activity of an organization which has such a determination letter or ruling) normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on.

(3) *Evidence required to establish tax-free sales to a school operated as an activity of a church, parish, or other religious body.* (i) In the case of sales to a school operated as an activity of a church, parish, or other religious body, to establish the right to exemption under section 4057, the retailer must obtain from the purchaser and retain in his possession a properly executed exemption certificate as set forth in paragraph (h) (2). Such certificate shall show that the purchaser is either—

(*a*) A school operated as an activity of a church, parish, or other religious body within the meaning of section 503 (b) (1); or

(*b*) A church, parish, or other religious body within the meaning of section 503 (b) (1) which operates a school as one of its activities,

and that the purchase is for the exclusive use of that school.

(ii) The exemption certificate must also include a statement that such school normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on.

(4) *Frequency of certificates.* Where only occasional sales are made by a retailer to a nonprofit educational organization, as defined in paragraph (b) of this section a separate exemption certificate should be furnished for each order. However, where sales by the retailer to the educational organization are regularly or frequently made, a certificate covering all orders for a specified period not to exceed 4 calendar quarters will be acceptable. Such certificate and proper records of invoices, orders, etc., relative to tax-free sales must be readily accessible for inspection by internal revenue officers and retained as provided in section 6001 of the Code and the regulations thereunder.

(5) *Exemption certificate.* (i) For form of certificates for exemption from retailers excise taxes for use by a nonprofit educational organization other than a school operated as an activity of a church, parish, or other religious body, see paragraph (h) (1) of this section.

(ii) For form of certificates for exemptions from retailers excise taxes for use by a school operated as an activity of a church, parish, or other religious body, see paragraph (h) (2) of this section.

(6) *Prima facie evidence of exempt use.* In the absence of circumstances indicating a different use, the exemption certificate procured by the retailer from the purchasing nonprofit educational organization will be acceptable as prima facie evidence that the article is purchased for the exclusive use of such organization.

(7) *Exemption certificate not obtained prior to filing of retailer's excise tax return.* If the sale is otherwise exempt but the exemption certificate is not obtained prior to the time the retailer files a return covering taxes due for the period in which the sale was made, the retailer must include the tax on such sale in his return for that period. However, if the certificate is later obtained, a credit may be taken on a subsequent return or a claim for refund of the tax paid on such sale may be filed on Form 843, within the period of limitation prescribed by section 6511 (b) of the Code and § 301.6511 (b)-1.

(d) *Manufacturers excise taxes*—(1) *Exemption.* Section 4221 (a) (5) of the Code provides an exemption from the manufacturers excise tax with respect to the sale after December 31, 1958 of an article by the manufacturer, producer, or importer thereof to certain nonprofit educational organizations, as defined in paragraph (b) of this section, for their exclusive use. However, the exemption authorized by that section does not apply with respect to the sale of any article unless both the manufacturer, producer, or importer and the nonprofit educational organization are registered as provided in § 148.1-3 of these temporary rules. See such section of these temporary rules for the requirements relating to the tax-free sale of articles subject to the manufacturers excise tax to a nonprofit educational organization for its exclusive use.

(e) *Communication services or facilities furnished to nonprofit educational organizations*—(1) *Exemption.* Under the provisions of section 4294 (a) of the Code, amounts paid after December 31, 1958, for communication services or facilities furnished to a nonprofit educational organization, as defined in paragraph (b) of this section, are exempt from the tax imposed by section 4251, if such amounts are paid by such organization. In the case of a school operated as an activity of an organization described in section 501 (c) (3), which is exempt from income tax, the exemption from the communications tax only applies to the amount paid for services or facilities which are for the exclusive use of the school.

(2) *Exemption certificate for payments made by a nonprofit educational organization.* (i) A nonprofit educational organization shall establish its right to exemption by properly executing and furnishing to the person providing the service or facility an exemption certificate. No additional exemption certificates are required where payment for services or facilities furnished is made by such organization from its funds direct to such person.

(ii) For form of certificates for exemption from communications taxes for use by a nonprofit educational organization other than a school operated as an activity of a church, parish, or other religious body, see paragraph (h) (3) of this section.

(iii) For form of certificates for exemption from communications taxes for use by a school operated as an activity of a church, parish, or other religious body, see paragraph (h) (4) of this section.

(3) *Exemption certificate for payments made by a person other than a nonprofit educational organization.* (i) In all cases where payment is made for communication services or facilities furnished to a nonprofit educational organization by a person other than such nonprofit educational organization but for which he is reimbursed by such organization, the right to exemption shall be evidenced by properly executed exemption certificates. An agent of a telegraph, telephone, radio, or cable company should not accept an exemption certificate unless satisfied, on the basis of proper credentials or otherwise, that the person who signed it is the person whom he represents himself to be and that the exemption claimed is allowable under the law. A separate exemption certificate will be required for each message paid for as a separate item, but where periodic payments are made, a blanket certificate (for a period not to exceed one month) may be accepted as evidence of the right to exemption.

(ii) For form of certificates for exemption from communications taxes for use on behalf of a nonprofit educational organization other than a school operated as an activity of a church, parish, or other religious body, see paragraph (h) (3) of this section.

(iii) For form of certificates for exemption from communications taxes for use on behalf of a school operated as an activity of a church, parish, or other religious body, see paragraph (h) (4) of this section.

(f) *Exemption from tax on the transportation of persons*—(1) *In general.* Under the provisions of section 4294 (a), the tax imposed by section 4261 shall not apply to amounts paid after December 31, 1958 by a nonprofit educational organization, as defined in paragraph (b) of this section, for the transportation of persons or for seating or sleeping accommodations furnished to such organization. Amounts paid for transportation or facilities by an officer, employee, or student of such nonprofit educational organization who is traveling on a mileage or other allowance basis are exempt from tax where reimbursement is made to such officer, employee, or student by such nonprofit educational organization. In the case of a school operated as an activity of an organization described in section 501 (c) (3) which is exempt from income tax, the exemption from the tax on the transportation of persons only applies to amounts paid for such transportation of persons rendered for the exclusive benefit of such school.

(2) *Evidence of right to exemption.* (i) The right to exemption from the tax on the transportation of persons shall be established by the use of exemption certificates. A separate certificate must be furnished with respect to each amount paid for transportation or for seating or sleeping accommodations furnished in connection therewith. Where a nonprofit educational organization, as defined in paragraph (b) of this section, purchases transportation or facilities for a group of persons, as in the case of a college football team using transportation facilities to travel to the site of a game away from home, one certificate covering the total amount paid may be accepted by the carrier. Where such organization makes periodic payments for transportation or facilities furnished officers, employees, or students of such organization, one certificate covering the total amount paid at any one time may be accepted by the carrier. One exemption certificate covering a number of separate payments may not be accepted by the carrier. Each person claiming exemption from the tax must identify himself by presenting credentials in the form of papers, documents, or other evidence which will reasonably assure the agent of the carrier collecting a payment that he is the person covered by the exemption certificate furnished on behalf of the nonprofit educational organization. The exemption certificate must be submitted to the carrier at the time the payment for transportation or facilities is made.

(ii) For form of certificates for exemption from taxes on the transportation of persons for use by a nonprofit educational organization other than a school operated as an activity of a church, parish, or other religious body, see paragraph (h) (5) of this section.

(iii) For form of certificates for exemption from taxes on the transportation of persons for use by a school operated as an activity of a church, parish, or other religious body, see paragraph (h) (6) of this section.

(g) *Retention of exemption certificates.* The exemption certificates required under paragraphs (c), (e), and (f) of this section shall be retained by the retailer, carrier, or comunications facility, together with the record of the goods sold, the services rendered, or the facilities furnished, and made available for inspection by internal revenue officers for a period of at least three years from the date the tax would have become due, if payable.

(h) *Forms of exemption certificates.* The following forms of exemption certificates will be acceptable for the purposes of this section and must be adhered to in substance:

(1) Form of certificate for exemption from retailers excise taxes for use by a nonprofit educational organization other than a school operated as an activity of a church, parish, or other religious body:

EXEMPTION CERTIFICATE

(For use by a nonprofit educational organization purchasing articles subject to retailers excise tax for its exclusive use)

----------, 19--
(Date)

The undersigned hereby certifies that he is ---------- of ------------------------;
(Title) (Exempt organization)
that he is authorized to execute this certificate; and that the articles specified in the accompanying order or on the reverse side hereof are purchased by such organization exclusively for use in its educational activities.

It is understood that this exemption certificate is for use only by a nonprofit educational organization in the tax-free purchase for its exclusive use of articles subject to the retailers excise tax; or by an organization exempt from income tax described in section 501 (c) (3) of the Code in the tax-free purchase of any such article for the exclusive use of its school which qualifies for the exemption; and it is agreed that if any article purchased tax free under this exemption certificate is used otherwise, such fact will be reported to the retailer from whom the tax-free purchase was made.

The organization claiming exemption under this certificate has received a determination letter (or a ruling) from the Internal Revenue Service holding the organization to be exempt from income tax as an organization described in section 501 (c) (3) of the Internal Revenue Code (or has received a determination letter (or ruling) under the corresponding provisions of prior revenue laws). The date of such determination letter (or ruling) is ---------- and such determination letter (or ruling) has not been withdrawn or revoked.

The exempt organization, or the school operated as an activity of the exempt organization, normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on.

The undersigned understands that the fraudulent use of this certificate for the purpose of securing this exemption will subject him and all guilty parties to a fine of not more than $10,000, or to imprisonment for not more than five years, or both, together with costs of prosecution.

(Signature of authorized individual)

(Address)

(2) Form of certificate for exemption from retailers excise taxes for use by a school operated as an activity of a church, parish, or other religious body:

EXEMPTION CERTIFICATE

(For use by or for a school operated as an activity of a church, parish, or other religious body in purchasing articles subject to retailers excise tax for the exclusive use of the school)

----------, 19--
(Date)

The undersigned hereby certifies that he is ---------- of ------------------------;
(Title) (School, church, parish, etc.)
that he is authorized to execute this certificate; and that the articles specified in the accompanying order or on the reverse side hereof are purchased by such institution exclusively for use in its educational activities.

It is understood that this exemption certificate is for use only by a school operated as an activity of a church, parish, or other religious body in the tax-free purchase for its exclusive use of articles subject to the retailers excise tax; or by a church, parish, or other religious body in the tax-free purchase of any such article for the exclusive use of its school which qualifies for the exemption; and it is agreed that if any article purchased tax free under this exemption certificate is used otherwise, such fact will be reported to the retailer from whom the tax-free purchase was made.

The school operated as an activity of the church, parish, or other religious body normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on.

The undersigned understands that the fraudulent use of this certificate for the purpose of securing this exemption will subject him and all guilty parties to a fine of not more than $10,000, or to imprisonment for not more than five years, or both, together with costs of prosecution.

(Signature of authorized individual)

(Address)

(3) Form of certificate for exemption from communications taxes for use by or on behalf of a nonprofit educational organization other than a school operated as an activity of a church, parish, or other religious body:

EXEMPTION CERTIFICATE

(For use by or on behalf of a nonprofit educational organization exempt from communications tax)

----------, 19--
(Date)

The undersigned hereby certifies that he is -------------- of ------------------;
(Title or capacity) (Exempt organization)
that he is authorized to execute this certificate; and that the communication services or facilities furnished or to be furnished to the organization by ----------------------
----
(Telephone, telegraph company, etc.)
will be paid for from funds of the organization and are for the exclusive use of the organization in the educational activities which qualify it for exemption from tax under section 4294 of the Internal Revenue Code.

The organization claiming exemption under this certificate has received a determination letter (or a ruling) from the Internal Revenue Service holding the organization to be exempt from income tax as an organization described in section 501 (c) (3) of the Internal Revenue Code (or has received such determination letter (or ruling) under the corresponding provisions of prior revenue laws). The date of such determination letter (or ruling) is ---------- and such determination letter (or ruling) has not been withdrawn or revoked.

The exempt organization normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on.

The undersigned understands that the fraudulent use of this certificate for the purpose of securing this exemption will subject him and all guilty parties to a fine of not more than $10,000, or to imprisonment for not more than five years, or both, together with costs of prosecution.

(Signature of authorized individual)

(Address)

(4) Form of certificate for exemption from communications taxes for use by or on behalf of a school operated as an activity of a church, parish, or other religious body:

EXEMPTION CERTIFICATE

(For use by or on behalf of a school operated as an activity of a church, parish, or other religious body for exemption from communications tax)

----------, 19--
(Date)

The undersigned hereby certifies that he is --------------, of ------------------;
(Title or capacity) (School, church, parish, etc.)
that he is authorized to execute this certificate; and that the communication services or facilities furnished or to be furnished to the institution by ----------------------
(Telephone, telegraph company, etc.)
will be paid for from the funds of the institution and are for the exclusive use of the school.

The school operated as an activity of the church, parish, or other religious body normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on.

The undersigned understands that the fraudulent use of this certificate for the purpose of securing this exemption will subject him and all guilty parties to a fine of not more than $10,000, or to imprisonment for not more than five years, or both, together with costs of prosecution.

(Signature of authorized individual)

(Address)

(5) Form of certificate for exemption from taxes on the transportation of persons for use by or on behalf of a nonprofit educational organization other than a school operated as an activity of a church, parish, or other religious body:

EXEMPTION CERTIFICATE

(For use by or on behalf of a nonprofit educational organization exempt from the tax on the transportation of persons)

----------, 19--
(Date)

Place of issue of ticket(s) ----------------
Ticket Form No.(s) ----- Ticket No.(s) -----

(To be filled in by agent of carrier issuing ticket)

For ------------------------------------

(Transportation-seat, berth, or stateroom)

Via ------------------------------------

From ------------------------------------

To ------------------------------------

The undersigned hereby certifies that he is ---------------- of -------------------;

(Title or capacity) (Exempt organization)

that he is authorized to execute this certificate; and that the transportation furnished or to be furnished to the organization by

----

(Name of carrier)

will be paid for from funds of the organization and is for the exclusive use of the organization in the educational activities which qualify it for exemption from tax under section 4294 of the Internal Revenue Code.

The organization claiming exemption under this certificate has received a determination letter (or a ruling) from the Internal Revenue Service holding the organization to be exempt from income tax as an organization described in section 501 (c) (3) of the Internal Revenue Code (or has received such determination letter (or ruling) under the corresponding provisions of prior revenue laws). The date of such determination letter (or ruling) is ---------- and such determination letter (or ruling) has not been withdrawn or revoked.

The exempt organization normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on.

The undersigned understands that the fraudulent use of this certificate for the purpose of securing this exemption will subject him and all guilty parties to a fine of not more than $10,000, or to imprisonment for not more than five years, or both, together with costs of prosecution.

(Signature of authorized individual)

(Address)

(6) Form of certificate for exemption from taxes on the transportation of persons for use by or on behalf of a school operated as an activity of a church, parish, or other religious body:

EXEMPTION CERTIFICATE

(For use by or on behalf of a school operated as an activity of a church, parish, or other religious body for exemption from tax on the transportation of persons)

-----------, 19--

(Date)

Place of issue of ticket(s) ----------------

Ticket Form No.(s) ----- Ticket No.(s) -----

(To be filled in by agent of carrier issuing ticket)

For ------------------------------------

(Transportation—seat, berth, or stateroom)

Via ------------------------------------

From ------------------------------------

To ------------------------------------

The undersigned hereby certifies that he is ---------------- of -------------------;

(Title or capacity) (School, church parish, etc.)

that he is authorized to execute this certificate; and that the transportation furnished or to be furnished to the institution by

----

(Name of carrier)

will be paid for from the funds of the institution and is for the exclusive use of the school.

The school operated as an activity of the church, parish, or other religious body normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on.

The undersigned understands that the fraudulent use of this certificate for the purpose of securing this exemption will subject him and all guilty parties to a fine of not more than $10,000, or to imprisonment for not more than five years, or both, together with costs of prosecution.

(Signature of authorized individual)

(Address)

Because the provisions of law under which these temporary rules are prescribed become effective on January 1, 1959, and because it is essential that rules implementing these provisions of law be in effect on such date, it is found impracticable to issue this Treasury decision with notice and public procedure thereon under section 4 (a) of the Administrative Procedure Act, approved June 11, 1946, or subject to the effective date limitation of section 4 (c) of that Act.

(68A Stat. 917; 26 U. S. C. 7805)

[SEAL] DANA LATHAM,
Commissioner of Internal Revenue.

Approved: December 22, 1958.

FRED C. SCRIBNER, Jr.,
Acting Secretary of the Treasury.

[F. R. Doc. 58-10680; Filed, Dec. 23, 1958; 12:30 p. m.]

TITLE 31—MONEY AND FINANCE: TREASURY

Chapter II—Fiscal Service, Department of the Treasury

Subchapter A—Bureau of Accounts

PART 202—DEPOSIT OF PUBLIC MONEYS AND PAYMENT OF GOVERNMENT CHECKS

LIMITATION OF TIME FOR PAYMENT

Part 202, Subchapter A, Chapter II, Subtitle B, Title 31, of the Code of Federal Regulations of the United States (appearing also as Treasury Department Circular No. 176, Revised, dated December 21, 1945, as amended), is hereby amended effective December 31, 1958, by revising § 202.28 to read as follows:

§ 202.28 *Limitation of time for payment*—(a) *Checks drawn on the Treasurer of the United States.* All checks heretofore or hereafter drawn on the Treasurer of the United States, including those drawn by wholly owned and mixed-ownership Government corporations, are payable without limitation of time: *Provided,* That where on presentation of any check for payment the Treasurer of the United States is on notice of a doubtful question of law or fact the payment of such check will be deferred pending settlement by the General Accounting Office.

(b) *Checks drawn on depositaries.* After the expiration of one year following the close of the fiscal year (ending June 30) in which they are drawn, checks drawn by authorized officers of the United States on designated depositaries are not payable by those depositaries and should be transmitted by the owner or holder to the General Accounting Office, Washington 25, D. C., for settlement, accompanied by a request for payment over the signature and address of the owner or holder of such checks. This paragraph does not apply to checks drawn by wholly owned or mixed-ownership Government corporations on designated depositaries.

(Sec. 10, 56 Stat. 356, as amended; 12 U. S. C. 265. Interprets or applies sec. 1, 71 Stat. 464; 31 U. S. C. 132)

Dated: December 22, 1958.

[SEAL] JULIAN B. BAIRD,
Acting Secretary of the Treasury.

[F. R. Doc. 58-10651; Filed, Dec. 24, 1958; 8:50 a. m.]

Subchapter B—Bureau of the Public Debt

PART 306—GENERAL REGULATIONS WITH RESPECT TO UNITED STATES SECURITIES

MISCELLANEOUS AMENDMENTS

DECEMBER 19, 1958.

The following changes are hereby made:

1. Section 306.2 (i) is hereby amended and revised to read:

(i) The words "assigned in blank" refer to assignments of bonds by or on behalf of the owner, but without the space provided for the name of the assignee being filled in. The words "bonds so assigned as to become, in effect, payable to bearer," refer to bonds assigned in blank or to "bearer" or those on which the assignment form or forms have been signed by or on behalf of the owner, and the words "The Secretary of the Treasury for exchange for coupon bonds" (or substantially similar words), or in the case of Treasury Bonds, Investment Series B-1975-80, the words "The Secretary of the Treasury for exchange for the current Series EA or EO Treasury notes", have been inserted in the space provided for the name of the assignee, without inserting also the name of the person to whom the bearer securities are to be delivered.

2. Section 306.3 (a) is hereby amended and revised to read:

(a) *Registered securities.* Transferable registered bonds are payable, according to their terms, only to the designated payees or "registered assigns" (including assignees or successors in title), and are transferable by delivery pursuant to assignments duly executed by them or their duly authorized representatives. Nontransferable securities, which are issued only in registered form, are payable according to their terms to the registered owners or recognized successors in title, but are not transferable by assignment or otherwise, except to the extent and in the manner provided in the offering circulars or applicable regulations. The interest due on registered bonds to which these regulations apply, in whole or in part, is paid by checks drawn on the Treasurer of the United States to the order of the owners of record. Bearer bonds may be exchanged for registered bonds and holders may wish to take advantage of this privilege for their own protection, particularly where adequate facilities for safekeeping are not available. Relief may be granted on account of the loss, theft or destruction of transferable or nontransferable registered securities upon compliance with the applicable provisions of Subpart L of this part.

3. Section 306.11 (a) (2) is hereby amended and revised to read:

(2) *Natural guardians of minors.* A bond may be registered in the name of a natural guardian of a minor for whose estate no legal guardian or similar representative has been appointed by a proper court or is otherwise legally qualified. Either parent with whom the minor resides or, if he does not reside with either parent, the person who furnishes his chief support, will be recognized as his natural guardian for the purposes of this paragraph, for example:

John Jones as natural guardian of Henry Jones, a minor.

The person recognized as natural guardian will be considered as a fiduciary. Registration in the name of a minor himself (as distinguished from registration in the name of a legal or natural guardian) as owner or coowner is not authorized, except to the extent provided in § 306.57 (a) (3) or (c).

4. Section 306.11 (a) (7) is hereby amended and revised to read:

(7) *Private organizations (corporations, unincorporated associations and partnerships).* A bond may be registered in the name of any private corporation, unincorporated association or partnership. The full legal name of the organization, as set forth in its charter, articles of incorporation, constitution, partnership agreement or other authority from which its powers are derived, as the case may be, must be included in the registration, and may be followed, if desired by a parenthetical reference to a particular book account or fund other than a trust fund, in accordance with the rules and examples given below:

(i) *A corporation.* The name of a business, fraternal, religious or other private corporation must be followed by the words "a corporation", unless the corporate status is shown in the name or the name is that of an organization which is required by Federal law to be incorporated such as National banks, Federal building and loan associations, or Federal credit unions, for example:

Smith Manufacturing Company, a corporation.
The Standard Manufacturing Corporation.
Jones and Brown, Inc.
First National Bank of ----------

5. Section 306.12 is hereby amended and revised to read:

§ 306.12 *Forms or registration for nontransferable securities.* The forms of registration set forth in § 306.11 are authorized upon authorized reissue of Treasury Bonds, Investment Series B-1975-80.

6. Section 306.15 is hereby amended and revised to read:

§ 306.15 *General.* Transferable registered bonds are eligible for transfer, denominational exchange and exchange for coupon bonds, except that Panama Canal bonds are eligible for transfer and denominational exchange only. Treasury Bonds, Investment Series B-1975-80, are eligible for transfer by way of authorized reissue and denominational exchange, and for exchange for the current series of $1\frac{1}{2}$ percent 5-year Treasury Notes. Coupon bonds and other bearer securities, other than Panama Canal bonds, are eligible for denominational exchange, except that Treasury bills may be exchanged only from higher to lower denominations. Coupon bonds of any loan or issue are eligible for exchange for registered bonds. The securities submitted for any transaction must be presented and surrendered to a Federal Reserve Bank or Branch or the Bureau of the Public Debt, Division of Loans and Currency, Washington 25, D. C. If the securities presented are in order for the transaction requested, they will be retired and new securities in an equal face amount in authorized denominations will be issued and delivered. Except as otherwise specifically provided, the new securities will be of the same loan and issue as those presented. Specific instructions for the issuance and delivery of the new securities, signed by the owner or his authorized representative, must accompany the securities presented. Securities presented for any transaction described in this section, except denominational exchange, must be received by the agency authorized to complete the transaction not less than one full month before the date on which the securities mature or become redeemable pursuant to a call for redemption before maturity, and any security so presented which is received too late to comply with this provision will be accepted for payment only or redemption-exchange if new securities are offered.

7. Section 306.16 is hereby amended and revised to read:

§ 306.16 *Transfers of registered securities.* Registered bonds which are eligible for transfer from one person to another and presented for that purpose must be properly assigned in accordance with Subpart F, except that no assignment will be required for transfer to a succeeding fiduciary or other legal successor, including a guardian or equivalent representative, representative or distributee of a decedent's estate or a trust estate, or a corporation with which another corporation has merged or consolidated, but satisfactory proof of successorship will be required. Assignments for transfer should be made to the transferee. Assignments in blank will also be accepted, but should be used with caution; see § 306.42. Specific signed instructions for the issuance and delivery of the new bonds must accompany the bonds presented. (Form PD 1644 may be used.) The new bonds will bear interest from the interest payment date next preceding the date of presentation, except as provided in § 306.37 (b).

8. Section 306.17 is hereby amended and revised to read:

§ 306.17 *Denominational exchanges of registered securities.* No assignment or endorsement will be required for the authorized exchange of registered Treasury bonds for like securities in the same names in other authorized denominations, as no change of ownership is involved. Specific signed instructions for the issuance and delivery of the new securities must accompany the securities presented. (Form PD 1827 may be used.)

9. Section 306.19 is hereby amended and revised to read:

§ 306.19 *Reissue of nontransferable securities.* Nontransferable securities governed by these regulations may be reissued only in the names of (a) successors in title, including, but not limited to, succeeding organizations, persons entitled upon the dissolution of an organization, and succeeding trustees or persons entitled upon termination of a trust, or (b) persons entitled upon the death of the owner as legal representatives or distributees of the estate, except that Treasury Bonds, Investment Series A-1965, may be reissued only as provided in Department Circular No. 815, and Treasury Bonds Investment Series B-1975-80, may also be reissued in the names of state supervisory authorities in pursuance of any pledge required of the owner under state law, or upon termination of the pledge in the names of the pledgors or their successors. Bonds presented for reissue must be properly assigned for that purpose in accordance with Subpart F and must be accompanied by specific signed instructions for the issuance and delivery of the new bonds.

10. Delete Footnote "3" to § 306.25.

11. Section 306.28 (a) is hereby amended and revised to read:

(a) *General.* Treasury bonds of certain issues are redeemable at par and accrued interest upon the death of the owner, at the option of the representatives of, or persons entitled to, his estate, for the purpose of having the proceeds applied in payment of the Federal estate taxes on the decedent's estate, in accordance with the terms of the offering circulars cited on the face of the bonds.[5] All bonds to be redeemed for this purpose must be presented and surrendered to a Federal Reserve Bank or Branch or the Bureau of the Public Debt, Division of Loans and Currency, Washington 25, D. C. They must be accompanied by Form PD 1782, fully completed and duly executed on Part I by the representatives of or persons entitled to the estate, and by proof of their appointment or entitlement. Proof of appointment or entitlement should comply with the provisions of Subpart H. Part II of the form should be executed by the appropriate persons as indicated thereon. Redemption will be made at par plus accrued interest from the last preceding interest payment date to the date of redemption, except that if registered bonds are received by a Federal Reserve Bank or Branch or the Bureau of the Public Debt within one month preceding an interest payment date for redemption before that date a deduction will be made for interest from the date of redemption to the interest payment date, and a check for the full 6 months' interest will be paid in due course. The proceeds of redemption will be deposited to the credit of the District Director of Internal Revenue designated in Form PD 1782, the representatives of the estate will be notified of the deposit, and the District Director will in due course forward a formal receipt for the payment.

12. Section 306.28 (c) is hereby amended and revised to read:

(c) *Restriction on amount redeemable; transactions after death of owner.* The face amount of the bond or bonds which may be accepted for redemption at par, plus any accrued interest thereon, may not exceed the amount of the tax. The entire proceeds of redemption of bonds at par, including any accured interest, must be applied in payment of the Federal estate tax, but if the bond or bonds available are in excess of the amount of the tax and are not in the lowest authorized denominations, they may be exchanged for bonds of lower denominations in accordance with § 306.17 or § 306.22, as applicable, in order that the maximum amount may be selected for redemption at par. In addition to such denominational exchange, other transactions in bonds owned by the decedent and constituting part of his estate which may be conducted after the death of the owner without affecting the eligibility of the bonds for redemption at par, if no change of ownership is involved, include (1) exchange of registered bonds for coupon bonds, (2) transfer to the names of the representatives of his estate, and (3) exchange of coupon bonds for bonds registered in the names of the representatives of the estate, but all such transactions must be explained on Form PD 1782 or in a supplemental statement.

13. Section 306.35 is hereby amended and revised to read as follows:

§ 306.35 *Computation of interest.* The interest on Treasury bonds, Treasury notes and Treasury certificates of indebtedness accrues and is payable on a quarterly, semiannual or annual basis. Quarterly, semiannual or annual interest periods of exactly 3, 6 or 12 months, as the case may be, are used as the basis for computing the amount of the interest accruals. The offering circular and the text of the securities will state on which of these bases the interest accruals on a specific issue are to be computed. If the period of accrual is an exact 3, 6 or 12 months, the interest accrual is an exact one-quarter, one-half or one full year's interest, without regard to the number of days in the period. If the period of accrual is less than an exact 3, 6 or 12 months, the accrued interest is computed by determining the daily rate of accrual on the basis of the exact number of days in the full interest period, and multiplying the daily rate by the exact number of days in the fractional period for which interest has actually accrued. A full interest period does not include the day as of which the securities were issued or the day on which the last preceding interest became due, as the case may be, but does include the day on which the next succeeding interest payment is due. A fractional part of an interest period likewise does not include the day as of which the securities were issued or the day on which the last preceding interest payment became due, but does include the day as of which the transaction terminating the accrual of interest is effected. The 29th of February in a leap year is included whenever it falls within either a full interest period or a fractional part thereof. (The appendix to this part as originally printed contained a complete explanation of the method of computing the interest on Treasury bonds, notes and certificates of indebtedness in any given situation, as well as tables for convenience in making such computations, and also outlined the method of computing the discount rate on Treasury bills.)[4]

14. Section 306.37 (b) is hereby amended and revised to read:

(b) *Closing of transfer books.* The transfer books of the Treasury Department are closed for one full month preceding interest payment dates for the purpose of preparing interest checks. If the date set for the closing of the transfer books falls on Saturday, Sunday or a legal holiday, the books will be closed at the close of business on the last business day preceding that date. Interest on outstanding registered bonds is paid on the interest payment date to the owners of record on the closing dates. Transactions in registered bonds of the loans involved, other than denominational exchanges (see § 306.17), may not be effected during the closed period except that exchanges of Treasury Bonds, Investment Series B-1975-80, for the current series of EA or EO 1½ percent 5-year Treasury notes, as provided in § 306.20, or optional redemption of bonds at par as provided in § 306.28, may be made at any time. If registered bonds forwarded for transfer or for exchange for coupon bonds or coupon bonds forwarded for exchange for registered bonds are actually received by the Bureau of the Public Debt after the day fixed for closing the books, the transfer or exchange thereof will not be made until the first business day following the date on which interest falls due, when the books are reopened for all purposes.

15. Section 306.41 is hereby amended and revised to read:

§ 306.41 *Assignment forms.* Unless otherwise authorized by the Treasury Department or a Federal Reserve Bank, all assignments must be made on the backs of the bonds. Where all the assignment forms on the back of a bond have been used or spoiled and further assignment is to be made, a similar form, including the witnessing officer's certificate, may be written, typed or stamped in any convenient space on the back of the bond. If there is not sufficient space for an additional form, in any particular case, instructions may be obtained from the Bureau of the Public Debt, Division of Loans and Currency, Washington 25, D. C., or any Federal Reserve Bank or Branch.

16. Section 306.43 (a) (5) is hereby amended and revised to read:

(5) Officers of Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives, all located in Springfield (Mass.), Baltimore, Columbia (S. C.), Louisville, New Orleans, St. Louis, St. Paul, Omaha, Wichita, Houston, Berkeley and Spokane, and the Central Bank for Cooperatives, Washington, D. C.

17. Section 306.43 (b) (1) is hereby amended and revised to read:

(1) Postmasters, acting postmasters, assistant postmasters, inspectors-in-charge, chief and assistant chief accountants, and superintendents of stations of any post office, but only for assignments of securities for redemption for the account of the assignor or for redemption-exchange for securities to be registered in his name.

18. Section 306.43 (b) (4) is hereby amended and revised to read:

(4) Officers of Federal Savings and Loan Associations or other organizations which are members of the Federal Home Loan Bank System who have been authorized generally to bind their respective organizations by their acts, under the corporate seal, for assignments by the organizations or any of their regular customers of bonds of any class for any authorized transaction.

If an assignment is witnessed, under the corporate seal of an organization designated in subparagraph (4) of this paragraph, by the chairman of the board, the president, any vice president, the secretary or assistant secretary, or the treasurer or assistant treasurer, it will be presumed he was acting within the scope of his authority.

19. Section 306.43 (c) (2) is hereby amended and revised to read:

(2) Managers, assistant managers and other officers of foreign branches of banks or trust companies chartered by or incorporated under the laws of the United States, or any state, Commonwealth or Territory of the United States.

20. Section 306.44 is hereby amended and revised to read:

§ 306.44 *Duties of witnessing officers and responsibility for their acts.* The assignor must appear before the witnessing officer, satisfactorily establish his identity, execute the assignment, and acknowledge it to be his free act and deed. The officer must complete the certification provided, by inserting the date, his signature, and his official title and address, and must impress or imprint the proper seal or stamp, if any. An officer of a corporation must use the corporate seal except as provided in § 306.43 (a) (7). A clerk or judge of court must use the seal of the court. The signature of any post office official, other than a postmaster, must be in the following form: "John Doe, Postmaster, by Richard Roe, Superintendent of Station." Any post office official must use the official stamp of his office. Any other witnessing officer must

[4] Copies may be obtained from the Bureau of the Public Debt, Division of Loans and Currency, Washington 25, D. C.

use his official seal or stamp, if any, but, if he has neither, his official position and a specimen of his signature must be certified by some other authorized officer under official seal or stamp or otherwise proved to the satisfaction of the Treasury Department. No officer of the United States, except a clerk of a United States court, is authorized to charge a fee for witnessing an assignment of a United States bond, and banking institutions generally impose no charge for the service. The witnessing officer, and, if he is an officer of a corporation, the corporation, will be held responsible for any loss which the United States may suffer as the result of his fault or negligence.

21. Section 306.48 is hereby amended and revised to read:

§ 306.48 *Voidance of assignments.* If an assignment to or for the account of another person has not been and is not to be completed by delivery of the security, the assignment may be voided by obtaining from that person a disclaimer of interest which should be executed in the presence of an officer authorized to witness assignments of bonds as provided in § 306.43. Unless otherwise authorized by the Treasury Department or a Federal Reserve Bank the disclaimer must be written, typed, or stamped on the back of the bond, in substantially the following form:

The undersigned as assignee of this bond hereby disclaims any interest therein.

(Signature)

I certify that the above-named person as described, whose identity is well known or proved to me, personally appeared before me the ------ day of ------------------
(Month and year)
at ---------- and signed the above disclaimer of interest.
(Place)

[SEAL]

(Signature of witnessing officer)

(Official designation)

In the absence of a disclaimer, affidavits should be submitted explaining why a disclaimer could not be obtained, setting forth all other material facts and circumstances relating to the transaction, and stating specifically that the bond was not delivered to the person named as assignee and that he acquired no right, title, or interest in the bond. If an assignment to or for the account of another person was not properly witnessed or is otherwise imperfect, but has been completed by delivery, it cannot be considered void and must not be altered or erased. A new assignment must be executed in favor of the same assignee, unless the assignment can otherwise be perfected as directed by a Federal Reserve Bank or the Treasury Department.

22. Section 306.50 is hereby amended and revised to read:

§ 306.50 *Nontransferable securities.* The provisions of this subpart, with the exception of those of §§ 306.42 and 306.48, shall apply to Treasury Bonds, Investment Series B–1975–80, and Treasury Savings Notes, provided, that § 306.46 shall apply with respect to assignments of the bonds or requests for payment of the notes. In applying these provisions to Treasury Savings Notes appropriate substitutions in terms should be made, as follows: "Note(s)" or "Treasury Savings Note(s)" for "bond(s)" or "registered bond(s)"; "request(s) for payment" for "assignment(s)"; "requestor(s)" for "assignor(s)"; "certify" for "witness"; and "certifying officer" for "witnessing officer".

23. Section 306.55 is hereby amended and revised to read:

§ 306.55 *Signatures, minor errors, and change of name.* The registered owner's signature to an assignment should be in the form in which his or her name has been inscribed on the face of the bond, unless the name as so inscribed is incorrect or has been changed since the bond was issued. In case of a minor error in inscription (not sufficient to raise any doubt in the mind of the witnessing officer in regard to the identity of the owner), the signature to the assignment should be in the following form, for example, "John Smythe, erroneously inscribed John Smith." In case of a more serious error in inscription, the procedure prescribed in § 306.13 should be followed. In case of a change in name, the signature to the assignment should show both names and the manner in which the change was made, for example "John Young, formerly John Jung (changed by court order)." Satisfactory proof of change of name will be required, but for reissue in the new name no assignment will be necessary. However, if the change resulted from marriage, no proof of the change is required to support an assignment if the signature is written, for example "Mrs. Mary J. Brown, before marriage Miss Mary Jones," and an authorized officer duly witnesses the assignment, thereby certifying that he is satisfied the assignor is the registered owner.

24. Section 306.57 (a) (3) is hereby amended and revised to read:

(3) For redemption for reinvestment in other transferable bonds to be registered in the minor's name in the form "Miss Mary Smith, a minor", if the total face amount of bonds so registered exceeds $500 or if such amount does not exceed $500 but the minor is not of sufficient age and competency to sign his name and understand the nature of the transaction.

25. Section 306.57 (c) is hereby amended and revised to read:

(c) *Assignments by minors.* Bonds registered, before the effective date of these regulations, in the name of a minor for whose estate no guardian or similar representative has been appointed by a proper court or is otherwise legally qualified, may be assigned by the minor at maturity or call for redemption or redemption-exchange for new bonds to be registered in his name in the form "Henry Smith, a minor", if the total face amount of matured or called bonds so registered does not exceed $500, and if the minor, in the opinion of the witnessing officer, is of sufficient age and competency to sign his name to the assignments and understand the nature of the transaction. Payment will be made by check drawn to the order of the minor.

26. Section 306.59 is hereby amended and revised to read:

§ 306.59 *Attorneys in fact.* Assignments by attorneys in fact for individual owners or coowners will be recognized if supported by adequate powers of attorney. The use of Form PD 1001 or 1002 is suggested but any form sufficient in substance may be used. Every power must be executed in the presence of an officer authorized to witness assignments of the bonds for the desired transactions. A power may be either general or specific, depending on whether the owner desires to authorize execution of assignments of all his bonds assignable under these regulations or to limit the authority to bonds of designated issues or to certain designated bonds. The original power must be filed with the Treasury Department, except that a photocopy certified by an officer of a Federal Reserve Bank or Branch, or by an officer of a bank or trust company under its corporate seal, will be accepted, if the seal on the original power is legible on the copy or is copied by the certifying officer. An assignment by a substituted attorney in fact must be supported by an appropriate power of substitution, which must be supported in turn by an appropriate authorizing power of attorney. The use of Form PD 1005, 1006, 1007 or 1008 (the particular form depending on whether the power is to be general or specific and whether an individual or a corporation is to be named as attorney in fact) is suggested but any form sufficient in substance may be used. An assignment by an attorney in fact or a substituted attorney in fact for the apparent benefit of either will be accepted only if expressly authorized in both the power of attorney and power of substitution. A power of attorney or of substitution will be recognized until, but not after (unless the power is coupled with an interest) the Bureau of the Public Debt, Division of Loans and Currency, Washington 25, D. C., receives proof of revocation or proof of the grantor's death or incompetency, except that a pending transaction will be temporarily suspended on receipt of a request from the grantor of the power, by wire or otherwise, and except further that the Secretary of the Treasury may require evidence in any case that a power is still in full force at the time the Department is requested to act under it. If there are two or more joint attorneys in fact or substitutes all must unite in the assignment unless the power authorizes less than all to act or the bond has matured or been called, in which case less than all may assign for redemption for the account of the bond owner or for redemption and application of the proceeds in payment for new bonds offered in exchange to be registered in the name of the owner. An attorney in fact should execute an assignment with the signature written in the form "A, by B, attorney in fact".

27. Section 306.60 is hereby amended and revised to read:

§ 306.60 *Nontransferable securities.* The provisions of this subpart, except those of §§ 306.56 (a), 306.57 (a) (1) and 306.58 (c) relating to transfers, shall apply to Treasury Bonds, Investment Series B-1975-80, provided, that the term "exchange" as used in §§ 306.56 (a), 306.57 (a) (1) and 306.58 (c) (1) shall be deemed to refer to the exchange of these bonds for the current series of 1½ percent 5-year Treasury notes. The provisions of this subpart with respect to assignments of bonds except those of § 306.56 and those of §§ 306.57 (a) (1) and 306.58 (c) (1) relating to transfers or exchanges shall apply to requests for payment of Treasury Savings Notes.

28. Section 306.70 is hereby amended and revised to read:

§ 306.70 *Nontransferable securities.* The provisions of this subpart except those of § 306.66 (b) relating to transfer shall apply to Treasury Bonds, Investment Series B-1975-80, provided, that the term "exchange" shall be deemed to refer to the exchange of these bonds for the current series of 1½ percent 5-year Treasury notes. The provisions of this subpart with respect to assignments of bonds shall apply to requests for payment of Treasury Savings Notes, provided, that the term "redemption", as used in § 306.66 (a), shall be deemed to refer to payment of Treasury Savings Notes.

29. Section 306.82 is hereby amended and revised to read:

§ 306.82 *Nontransferable securities.* The provisions of this subpart with respect to assignments are applicable to assignments of Treasury Bonds, Investment Series B-1975-80, and to requests for payment of Treasury Savings Notes.

30. Section 306.88 is hereby amended and revised to read:

§ 306.88 *Political entities and public corporations.* Bonds registered in the name of a state, county, or other political entity, or in the name of an incorporated city, town, village, school district or other public corporation or body, may be assigned for any authorized transaction by a duly authorized officer or officers in accordance with the provisions of §§ 306.85 and 306.86, so far as applicable, except as otherwise provided herein. If evidence of authority derived from a municipal ordinance, charter of a public corporation, or special act of a state legislature is required, a copy of the pertinent provision must be certified to the Department by the proper public officer under official seal. If evidence of authority derived from a state constitution or from a public law is required, the pertinent provision must be cited. If a certificate of incumbency is required, it must be executed by the proper public officer under official seal.

31. Section 306.89 is hereby amended and revised to read:

§ 306.89 *Public officers.* Bonds registered in the title of a public officer who is the official custodian of public funds, for example, "Treasurer, State of North Carolina," may be assigned by the designated officer except that no assignment will be necessary for reissue in the title of the successor upon submission of evidence of succession by operation of law. No evidence will be required in support of an assignment for redemption for the officer's official account or for redemption and application of the proceeds in payment for new bonds offered in exchange to be registered in his official title or in the name of the political entity or public corporation for which he is acting. Any other assignment must be supported by satisfactory evidence that the assignor is the incumbent of the designated office, except that an assignment for his individual benefit will not be recognized. The evidence must be in the form of a certificate of incumbency executed by the proper public officer under official seal.

32. Section 306.90 is hereby amended and revised to read:

§ 306.90 *Partnerships.* An assignment of a bond registered in the name of a partnership must be executed by a general partner in the form, for example:

Smith and Jones, a partnership
By (signed) John Jones, a general partner.

An assignment for the benefit of one of the partners individually must be executed by another partner. Upon the death of a partner and the resulting dissolution of the partnership, assignment by all the surviving partners and by the persons entitled to assign in behalf of the decedent's estate will be required, unless the laws of the particular jurisdiction authorize the surviving partners to assign without regard to the decedent's estate. The assignment should be supported by an affidavit duly executed by a surviving partner identifying all the persons who had been partners immediately prior to the dissolution. Upon voluntary dissolution of a partnership, an assignment by a liquidating partner, as such, must be supported by a duly executed agreement among the partners appointing the liquidating partner.

33. Section 306.91 is hereby amended and revised to read:

§ 306.91 *Nontransferable securities.* The provisions of this subpart shall apply to Treasury Bonds, Investment Series B-1975-80, and to requests for payment of Treasury Savings Notes.

34. Section 306.95 (a) is hereby amended and revised to read:

(a) *General.* The Treasury Department assumes no responsibility for the protection of the interest of any person in securities not in his possession, and neither the Department nor any of its agencies will accept notice of any claim or of pending judicial proceedings by any such person, except as specifically provided in these regulations. (See Subpart L for information in regard to the conditions under which caveats may be entered against transactions in securities of certain classes and relief granted on account of the loss, theft or destruction thereof.) These limitations are based on the fact that the ready marketability of the securities, especially bearer securities, depends in part upon the promptness and freedom with which transactions therein may be effected.

35. Section 306.100 is hereby amended and revised to read:

§ 306.100 *Nontransferable securities.* The provisions of this subpart, with the exception of those of §§ 306.95, 306.96 and 306.98, shall apply to Treasury Bonds, Investment Series B-1975-80, provided, that the reference in § 306.97 (2) to assignment by a sheriff, marshal or other court officer, a trustee in bankruptcy or a receiver or similar officer, other than for redemption, shall be deemed to refer to assignment of the bonds for exchange for 1½ percent 5-year Treasury Notes of EA or EO series, and that the reference in § 306.99 relating to transfer of title and to an implied warranty of a presenter is not applicable. The provisions of this subpart, with the exception of those of §§ 306.95, 306.96 and 306.98, shall apply to Treasury Savings Notes, provided, that reference to assignment in § 306.97 shall be deemed to refer to a request for payment.

36. Section 306.117 is hereby amended and revised to read:

§ 306.117 *Nontransferables.* The provisions of this subpart apply to all nontransferable securities, other than United States Savings Bonds, subject only to the limitations imposed by the terms of the particular issues.

37. Delete "Appendix—Computation of Interest on Treasury Bonds, Treasury Notes, and Treasury Certificates of Indebtedness, and Computation of Discount on Treasury Bills."

Compliance with the notice, public procedure, and effective date requirements of the Administrative Procedure Act (P. L. 404, 79th Cong.; 60 Stat. 237) is found to be unnecessary with respect to these amendments.

(R. S. 161, 3706, 40 Stat. 288, as amended, 290, as amended, 1309, as amended, 48 Stat. 343, as amended, 50 Stat. 481, as amended; 5 U. S. C. 22, 31 U. S. C. 739, 752, 752a, 753, 754a, 738a)

[SEAL] JULIAN B. BAIRD,
Acting Secretary of the Treasury.

[F. R. Doc. 58-10629; Filed, Dec. 24, 1958; 8:46 a. m.]

Subchapter C—Office of the Treasurer of the United States

PART 360—INDORSEMENT AND PAYMENT OF CHECKS DRAWN ON THE TREASURER OF THE UNITED STATES

CHECKS PAYABLE WITHOUT LIMITATION OF TIME

Part 360, Subchapter C, Chapter II, Subtitle B, Title 31, of the Code of Federal Regulations of the United States (appearing also as Treasury Department Circular No. 21, Revised, dated September 5, 1946, as amended), is hereby amended by revising § 360.9 to read as follows:

§ 360.9 *Checks payable without limitation of time.* All checks heretofore or hereafter drawn on the Treasurer of the United States, including those drawn by wholly owned and mixed-ownership Government corporations, are payable without limitation of time: *Provided,* That where on presentation of any check for payment the Treasurer of the United States is on notice of a doubtful question of law or fact the payment of such check will be deferred pending settlement by the General Accounting Office.

(R. S. 161, as amended; 5 U. S. C. 22. Interprets or applies sec. 1, 71 Stat. 132)

Dated: December 22, 1958.

[SEAL] JULIAN B. BAIRD,
Secretary of the Treasury.

[F. R. Doc. 58-10652; Filed, Dec. 24, 1958; 8:50 a. m.]

TITLE 7—AGRICULTURE

Chapter I—Agricultural Marketing Service (Standards, Inspections, Marketing Practices), Department of Agriculture

PART 51—FRESH FRUITS, VEGETABLES AND OTHER PRODUCTS (INSPECTION, CERTIFICATION AND STANDARDS)

SUBPART—UNITED STATES STANDARDS FOR SHELLED WALNUTS (JUGLANS REGIA)[1]

On October 24, 1958, a notice of proposed rule making was published in the FEDERAL REGISTER (23 F. R. 8209) regarding a proposed revision of United States Standards for Shelled Walnuts (Juglans regia).

After consideration of all relevant matters presented, including the proposal set forth in the aforesaid notice, the following United States Standards for Shelled Walnuts (Juglans regia) are hereby promulgated pursuant to the authority contained in the Agricultural Marketing Act of 1946 (60 Stat. 1087 et seq., as amended; 7 U. S. C. 1621 et seq.).

The proposed United States Standards for Shelled Walnuts (Juglans regia) which were contained in the aforesaid notice are hereby adopted in the form in which such standards appeared in said notice and are hereby incorporated herein by this reference except for the following change: In Table III, add a final parenthesis in the last column following "3 percent".

The United States Standards for Shelled Walnuts (Juglans regia) contained in this subpart shall become effective 30 days after publication hereof in the FEDERAL REGISTER, and will thereupon supersede the United States Standards for Shelled English Walnuts (Juglans regia) which have been in effect since March 14, 1954 (§§ 51.2275 to 51.2296).

[1] Packing of the product in conformity with the requirements of these standards shall not excuse failure to comply with the provisions of the Federal Food, Drug, and Cosmetic Act.

Dated: December 22, 1958.

[SEAL] ROY W. LENNARTSON,
Deputy Administrator,
Marketing Services.

AUTHORITY: §§ 51.2275 to 51.2296 issued under sec. 205, 60 Stat. 1090, Pub. Law 156, 83d Cong.; 7 U. S. C. 1624.

GENERAL

§ 51.2275 *Application.* The standards contained in this subpart apply only to walnuts commonly known as English or Persian walnuts (Juglans regia). They do not apply to walnuts commonly known as black walnuts (Juglans nigra).

§ 51.2276 *Color chart.* The walnut color chart[2] to which reference is made in §§ 51.2281 and 51.2282 has been prepared by the United States Department of Agriculture as a part of these standards.

GRADES

§ 51.2277 *U. S. No. 1.* "U. S. No. 1" consists of portions of walnut kernels which are well dried, clean, free from shell, foreign material, insect injury, decay, rancidity, and free from damage caused by shriveling, mold, discoloration of the meat or other means. (See § 51.2280.)

(a) Color shall be specified in connection with this grade in terms of one of the color classifications. (See §§ 51.2276, 51.2281 and 51.2282.)

(b) Size shall be specified in connection with this grade in terms of one of the size classifications. (See §§ 51.2284 and 51.2285.)

§ 51.2278 *U. S. Commercial.* "U. S. Commercial" consists of portions of walnut kernels which meet the requirements of U. S. No. 1 grade, except for increased tolerances. (See § 51.2280.)

(a) Color of walnuts in this grade shall be not darker than "amber" classification, and color need not be specified. However, color may be specified in connection with the grade in terms of one of the color classifications. (See §§ 51.2276, 51.2281 and 51.2282.)

(b) Size shall be specified in connection with this grade in terms of one of the size classifications. (See §§ 51.2284 and 51.2285.)

UNCLASSIFIED

§ 51.2279 *Unclassified.* "Unclassified" consists of portions of walnut kernels which have not been classified in accordance with either of the foregoing grades. The term "unclassified" is not a grade within the meaning of these standards, but is provided as a designation to show that no grade has been applied to the lot.

TOLERANCES FOR GRADE DEFECTS

§ 51.2280 *Tolerances for grade defects.* (a) All percentages shall be calculated on the basis of weight.

(b) In order to allow for variations, other than for color and size, incident to proper grading and handling, tolerances shall be permitted for the respective grades as indicated in Table I:

TABLE I

Grade	Tolerances for grade defects			
	Total defects	Serious damage	Very serious damage	Shell and foreign material
	Percent	*Percent*	*Percent*	*Percent*
U. S. No. 1	5	2 (included in 5 percent total defects).	1 (included in 2 percent serious damage).	0.05 (included in 1 percent very serious damage).
U. S. Commercial	8	4 (included in 8 percent total defects).	2 (included in 4 percent serious damage).	0.05 (included in 2 percent very serious damage).

COLOR REQUIREMENTS

§ 51.2281 *Color classifications.* The following classifications are provided to describe the color of any lot: "Extra Light", "Light", "Light Amber" or "Amber". The portions of kernels in the lot shall not be darker than the darkest color permitted in the specified classification as shown on the color chart.

§ 51.2282 *Tolerances for color.* (a) All percentages shall be calculated on the basis of weight.

[2] The walnut color chart has been filed with the original document and is available for inspection in the Division of the Federal Register or in the Fruit and Vegetable Division, United States Department of Agriculture, South Building, Washington 25, D. C. A printed copy of this color chart is attached to each copy of these standards issued by the United States Department of Agriculture.

(b) In order to allow for variations incident to proper grading and handling, tolerances shall be permitted for the respective color classifications as indicated in Table II:

TABLE II

Color classification	Tolerances for color			
	Darker than extra light [1]	Darker than light [1]	Darker than light amber [1]	Darker than amber [1]
Extra light	15 percent	2 percent (included in 15 percent darker than extra light).		
Light		15 percent	2 percent (included in 15 percent darker than light).	
Light amber			15 percent	2 percent (included in 15 percent darker than light amber).
Amber				10 percent.

[1] See illustration of this term on color chart.

§ 51.2283 *Off color.* The term "off color" is not a color classification, but shall be applied to any lot which fails to meet the requirements of the "Amber" classification.

SIZE REQUIREMENTS

§ 51.2284 *Size classification.* The following classifications are provided to describe the size of any lot: "Halves", "Pieces and Halves", "Pieces" or "Small Pieces". The size of portions of kernels in the lot shall conform to the requirements of the specified classification as defined below:

(a) *Halves.* Lot consists of 85 percent or more, by weight, half kernels, and the remainder three-fourths half kernels. (See § 51.2285.)

(b) *Pieces and halves.* Lot consists of 20 percent or more, by weight, half kernels, and the remainder portions of kernels that cannot pass through a sieve with $^{24}/_{64}$ inch round openings. When a lot exceeds this minimum requirement, the actual percentage of halves may be specified. (See § 51.2285.)

(c) *Pieces.* Lot consists of portions of kernels that cannot pass through a sieve with $^{24}/_{64}$ inch round openings. (See § 51.2285.)

(d) *Small pieces.* Lot consists of portions of kernels that pass through a sieve with $^{24}/_{64}$ inch round openings, but that cannot pass through a sieve with $^{8}/_{64}$ inch round openings. When desired, the actual size ranges within such size ranges may be specified. (See § 51.2285.)

§ 51.2285 *Tolerances for size.* (a) All percentages shall be calculated on the basis of weight.

(b) In order to allow for variations incident to proper sizing and handling, tolerances shall be permitted for the respective size classifications as indicated in Table III:

TABLE III

Size classification	Tolerances for size				
	Smaller than three-fourths halves	Will not pass through $^{24}/_{64}$ inch round hole	Pass through $^{24}/_{64}$ inch round hole	Pass through $^{15}/_{64}$ inch round hole	Pass through $^{8}/_{64}$ inch round hole
	Percent	*Percent*	*Percent*	*Percent*	*Percent*
Halves	5			1 (included in 5 percent).	
Pieces and halves [1]			18	3 (included in 18 percent).	1 (included in 3 percent).
Pieces			25	5 (included in 25 percent).	1 (included in 5 percent).
Small pieces [2]		10			2.

[1] No part of any tolerance shall be used to reduce the percentage of halves required or specified in a lot of "pieces and halves".

[2] The tolerances of 10 percent and 2 percent for "small pieces" classification shall apply, respectively, to any smaller maximum or any larger minimum sizes specified.

APPLICATION OF TOLERANCES

§ 51.2286 *Application of tolerances.* The tolerances provided in these standards are on a lot basis, and they shall be applied to a composite sample representative of the lot. However, any container or group of containers in which the walnuts are obviously of a quality materially different from that in the majority of containers shall be considered a separate lot, and shall be sampled separately.

DEFINITIONS

§ 51.2287 *Well dried.* "Well dried" means that the portion of kernel is firm and crisp, not pliable or leathery.

§ 51.2288 *Clean.* "Clean" means that the appearance of the individual portion of kernel, or of the lot as a whole, is not materially affected by adhering dust, dirt or other foreign material.

§ 51.2289 *Shell.* "Shell" means the outer shell and/or the woody partition from between the halves of the kernel, and any fragments of either.

§ 51.2290 *Insect injury.* "Insect injury" means that the insect, web, frass or other evidence of insects is present on the portion of kernel.

§ 51.2291 *Rancidity.* "Rancidity" means that the portion of kernel is noticeably rancid to the taste. Rancidity should not be confused with a slightly astringent flavor of the pellicle (skin) or with staleness (the stage at which the flavor is flat but not objectionable).

§ 51.2292 *Damage.* "Damage" means any defect, other than color, which materially affects the appearance, or the edible or shipping quality of the individual portion of kernel, or of the lot as a whole. Any one of the following defects or any combination of defects the seriousness of which exceeds the maximum allowed for any one defect shall be considered as damage:

(a) Shriveling when more than one-eighth of the portion of kernel is severely shriveled, or a greater area is affected by lesser degrees of shriveling producing an equally objectionable appearance, except that kernels which are thin in cross-section but which are otherwise normally developed shall not be considered as damaged;

(b) Mold when plainly visible;

(c) Discoloration of the meat when more than one-eighth the volume of the portion of kernel is severely discolored, or a greater volume is affected by lesser degrees of discoloration producing an equally objectionable appearance;

(d) Not well dried; and,

(e) Not clean.

§ 51.2293 *Serious damage.* "Serious damage" means any defect, other than color, which seriously affects the appearance, or the edible or shipping quality of the individual portion of kernel or of the lot as a whole. Any one of the following defects or any combination of defects the seriousness of which exceeds the maximum allowed for any one defect shall be considered as serious damage:

(a) Shriveling when more than one-fourth of the kernel is severely shriveled, or a greater area is affected by lesser degrees of shriveling producing an equally objectionable appearance;

(b) Mold when plainly visible on more than one-eighth of the surface of the kernel in the aggregate; and,

(c) Discoloration of the meat when more than one-fourth the volume of the portion of kernel is severely discolored, or a greater volume is affected by lesser degrees of discoloration producing an equally objectionable appearance.

§ 51.2294 *Very serious damage.* "Very serious damage" means any defect, other than color, which very seriously affects the appearance, or the edible or shipping quality of the individual portion of kernel or of the lot as a whole. Any one of the following defects or any combination of defects the seriousness of which exceeds the maximum allowed for any one defect shall be considered as very serious damage:

(a) Shriveling when more than 50 percent of the portion of kernel is severely shriveled;

(b) Mold when plainly visible on more than one-fourth of the surface of the portion of kernel in the aggregate;

(c) Discoloration of the meat when more than one-half the volume of the portion of kernel is severely discolored;

(d) Insect injury;

(e) Rancidity or decay; and,

(f) Shell, or any foreign material.

§ 51.2295 *Half kernel.* "Half kernel" means the separated half of a kernel with not more than one-eighth broken off.

§ 51.2296 *Three-fourths half kernel.* "Three-fourths half kernel" means a portion of a half of a kernel which has more than one-eighth but not more than one-fourth broken off.

[F. R. Doc. 58-10674; Filed, Dec. 24, 1958; 8:53 a. m.]

PART 51—FRESH FRUITS, VEGETABLES AND OTHER PRODUCTS (INSPECTION, CERTIFICATION AND STANDARDS)

SUBPART—UNITED STATES STANDARDS FOR WALNUTS (JUGLANS REGIA) IN THE SHELL [1]

On October 24, 1958, a notice of proposed rule making was published in the FEDERAL REGISTER (23 F. R. 8210) regarding a proposed revision of the United States Standards for Walnuts (Juglans regia) in the Shell.

After consideration of all relevant matters presented, including the proposal set forth in the aforesaid notice, the following United States Standards for Walnuts (Juglans regia) in the Shell are hereby promulgated pursuant to the authority contained in the Agricultural Marketing Act of 1946 (60 Stat. 1087 et seq., as amended; 7 U. S. C. 1621 et seq.).

The proposed United States Standards for Walnuts (Juglans regia) in the Shell which were contained in the aforesaid notice are hereby adopted in the form in which such standards appeared in said notice and are hereby incorporated herein by this reference except for the following change: In § 51.2954 at the end of the paragraph, insert digit "2" after words "color chart" for reference to footnote.

The United States Standards for Walnuts (Juglans regia) in the Shell contained in this subpart shall become effective 30 days after publication hereof in the FEDERAL REGISTER, and will thereupon supersede the United States Standards for Walnuts (Juglans regia) in the Shell which have been in effect since August 18, 1957 (§§ 51.2945 to 51.2967).

Dated: December 22, 1958.

[SEAL] ROY W. LENNARTSON,
Deputy Administrator,
Marketing Services.

AUTHORITY: §§ 51.2945 to 51.2967 issued under sec. 205, 60 Stat. 1090, as amended; 7 U. S. C. 1624.

GENERAL

§ 51.2945 *Application.* The standards contained in this subpart apply only to walnuts commonly known as English or Persian walnuts (Juglans regia). They do not apply to walnuts commonly known as black walnuts (Juglans nigra).

§ 51.2946 *Color chart.* The walnut color chart [2] to which reference is made in §§ 51.2948, 51.2949 and 51.2950 has been prepared by the United States Department of Agriculture as a part of this subpart.

§ 51.2947 *Method of inspection.* In determining the grade of a lot of walnuts, all of the nuts in the sample first should be graded for size and then examined for external defects. The same nuts then should be cracked and examined for internal defects. The nuts must meet the requirements for both external and internal quality in order to meet a designated grade.

GRADES

§ 51.2948 *U. S. No. 1.* "U. S. No. 1" consists of walnuts, the shells of which are dry, practically clean, bright, fairly uniform in color, and free from splits, injury by discoloration and free from damage caused by broken shells, perforated shells, adhering hulls or other means. The kernels shall be well dried, free from decay, dark discoloration, rancidity, insects or any insect injury, and free from damage caused by mold, shriveling or other means. (See § 51.2954.)

(a) This grade shall contain at least 50 percent, by count, of walnuts having kernels which are not darker in color than "light" (see color chart), and which are free from defects of U. S. No. 1 grade. Higher percentages of nuts with kernels not darker than "light", which are free from defects of U. S. No. 1 grade, may be specified in accordance with the facts. (See § 51.2954.)

(b) Size shall be specified in connection with the grade. (See § 51.2952.)

§ 51.2949 *U. S. No. 2.* "U. S. No. 2" consists of walnuts, the shells of which are dry, practically clean, free from splits, and free from damage caused by broken shells, perforated shells, adhering hulls, discoloration or other means. The kernels shall be well dried, free from decay, dark discoloration, rancidity, insects or any insect injury, and free from damage caused by mold, shriveling or other means. (See § 51.2954.)

(a) This grade shall contain at least 30 percent, by count, of walnuts having kernels which are not darker in color than "light" (see color chart), and which are free from defects of U. S. No. 2 grade. Higher percentages of nuts with kernels not darker in color than "light", which are free from defects of U. S. No. 2 grade, may be specified in accordance with the facts. (See § 51.2954.)

(b) Size shall be specified in connection with the grade. (See § 51.2952.)

§ 51.2950 *U. S. No. 3.* "U. S. No. 3" consists of walnuts, the shells of which are dry, fairly clean, free from splits and free from damage caused by broken shells, and free from serious damage caused by discoloration, perforated shells, adhering hulls or other means. The kernels shall be well dried, free from decay, dark discoloration, rancidity, insects or any insect injury, and free from damage caused by mold, shriveling or other means. (See § 51.2954.)

(a) There shall be no requirements in this grade for the percentage of walnuts having kernels which are "light" in color. However, the percentage of walnuts in any lot having kernels which are not darker than "light" (see color chart), and which are free from defects of U. S. No. 3 grade, may be specified in accordance with the facts. (See § 51.2954.)

(b) Size shall be specified in connection with the grade. (See § 51.2952.)

UNCLASSIFIED

§ 51.2951 *Unclassified.* "Unclassified" consists of walnuts in the shell which have not been classified in accordance with any of the foregoing grades. The term "unclassified" is not a grade within the meaning of these standards but is provided as a designation to show that no grade has been applied to the lot.

SIZE SPECIFICATIONS

§ 51.2952. *Size specifications.* Size shall be specified in accordance with the facts in terms of one of the following classifications:

(a) *Mammoth size.* Mammoth size means walnuts of which not over 12 percent, by count, pass through a round opening 96/64 inches in diameter;

(b) *Jumbo size.* Jumbo size means walnuts of which not over 12 percent, by count, pass through a round opening 80/64 inches in diameter;

(c) *Large size.* Large size means walnuts of which not over 12 percent, by count, pass through a round opening 77/64 inches in diameter; except that for walnuts of the Eureka variety and type, such limiting dimension as to diameter shall be 76/64 inches;

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[1] Packing of the product in conformity with the requirements of these standards shall not excuse failure to comply with the provisions of the Federal Food, Drug, and Cosmetic Act.

[2] The walnut color chart has been filed with the original document and is available for inspection in the Division of the Federal Register or in the Fruit and Vegetable Division, United States Department of Agriculture, South Building, Washington 25, D. C. A printed copy of this color chart is attached to each copy of these standards issued by the United States Department of Agriculture.

(d) *Medium size.* Medium size means walnuts of which at least 88 percent, by count, pass through a round opening 77/64 inches in diameter, and of which not over 12 percent, by count, pass through a round opening 73/64 inches in diameter;

(e) *Standard size.* Standard size means walnuts of which not over 12 percent, by count, pass through a round opening 73/64 inches in diameter;

(f) *Baby size.* Baby size means walnuts of which at least 88 percent, by count, pass through a round opening 74/64 inches in diameter, and of which not over 10 percent, by count, pass through a round opening 60/64 inch in diameter; and,

(g) *Minimum diameter, or minimum and maximum diameter.* In lieu of one of the foregoing classifications, size of walnuts may be specified in terms of minimum diameter or minimum and maximum diameter: *Provided,* That not more than 12 percent, by count, pass through a round hole of the specified minimum diameter, and at least 88 percent, by count, pass through a round hole of any specified maximum diameter.

VARIETY OR TYPE SPECIFICATIONS

§ 51.2953 *Variety or type specifications.* The variety or type of any lot of walnuts in the shell may be specified in accordance with the facts as follows:

(a) If the lot is of one named variety, that variety name may be specified, or if the lot is of the Placentia Perfection variety and/or like types, it may be specified as "Budded": *Provided,* That not over 10 percent, by count, of the walnuts in the lot are of another variety or type than that specified; and,

(b) If the lot is a mixture of two or more distinct varieties or types or consists of seedlings, it may be specified as "Soft Shells" or "Mixed Varieties".

TOLERANCES FOR GRADE DEFECTS

§ 51.2954 *Tolerances for grade defects.* In order to allow for variations incident to proper grading and handling, the following tolerances shall be permitted for the respective grades as indicated. All percentages shall be determined on the basis of count. Terms in quotation marks refer to color classifications illustrated on the color chart.[2]

Grade	External (shell) defects	Internal (kernel) defects	Color of kernels
U. S. No. 1	10 percent for splits. In addition 5 percent total, for defects other than splits, including not over 3 percent serious damage.	10 percent total, including not more than 6 percent serious damage, but not over five-sixths of the latter amount, or 5 percent affected by insects or insect injury.	No tolerance for the required 50 percent or any larger percentage of "light" kernels specified.
U. S. No. 2	10 percent for splits. In addition 5 percent for defects other than splits.	20 percent total, including not more than 10 percent serious damage, but not over one-half of this latter amount, or 5 percent, affected by insects or insect injury.	No tolerance for the required 30 percent or any larger percentage of "light" kernels specified.
U. S. No. 3	10 percent for splits. In addition 10 percent total, for defects other than splits, including not over 5 percent serious damage by adhering hulls.	30 percent total, including not more than 20 percent serious damage, but not over one-half of the latter amount, or 10 percent, for very serious damage by shriveling or serious damage by causes other than shriveling.	No tolerance for any percentage of "light" kernels specified.

APPLICATION OF TOLERANCES

§ 51.2955 *Application of tolerances.* The tolerances provided in these standards are on a lot basis, and they shall be applied to a composite sample representative of the lot. However, any container or group of containers in which the walnuts are obviously of a quality materially different from that in the majority of containers shall be considered a separate lot, and shall be sampled separately.

DEFINITIONS

§ 51.2956 *Practically clean.* "Practically clean" means that from the viewpoint of general appearance the walnuts are practically free from adhering dirt or other foreign matter and that individual walnuts are not damaged by such means. A slight chalky deposit on the shell is characteristic of many bleached nuts and shall not be considered as dirt or foreign matter.

§ 51.2957 *Bright.* "Bright" means a fairly light, attractive appearance. A slight chalky deposit on the shell shall not be considered as affecting brightness.

§ 51.2958 *Fairly uniform color.* "Fairly uniform color" means that the shell color of individual nuts does not contrast materially with the general color of the lot.

§ 51.2959 *Splits.* "Splits" means walnuts with shell halves separated at the suture but held together by the kernel.

§ 51.2960 *Injury by discoloration.* "Injury by discoloration" means that the color of affected portions of the shell contrasts materially with the color of the rest of the shell of the individual nut.

§ 51.2961 *Damage.* "Damage" means any injury or defect which materially affects the appearance, or the edible or shipping quality of the walnut. Any one of the following defects, or any combination of defects the seriousness of which exceeds the maximum allowed for any one defect, shall be considered as damage:

(a) Broken shells when any material portion of the shell is missing or the halves are completely broken apart and separated;

(b) Perforated shells when the area affected aggregates more than one-fourth of an inch in diameter. The term "perforated shells" means imperfectly developed areas on the shell resembling abrasions and usually including small holes penetrating the shell wall;

(c) Adhering hulls when affecting more than 5 percent of the shell surface;

(d) Discoloration (or stain) which covers, in the aggregate, one-fifth or more of the surface of the shell of an individual nut, and which is brown, reddish brown, gray, or other color contrasting with the color of the rest of the shell or the majority of shells in the lot; or darker discoloration covering a smaller area if the appearance is equally objectionable;

(e) Mold which is white or gray, inconspicuous and thinly scattered over more than one-fourth of the surface of the entire kernel; or any white or gray mold which is thick and conspicuous; or any yellow, blue, green or other colored mold; and,

(f) Shriveling when more than 5 percent of the surface of the kernel, including both halves, is severely shriveled; or a greater area is affected by lesser degrees of shriveling producing an equally objectionable appearance. Kernels which are thin in cross section but which are otherwise normally developed, shall not be considered as damaged.

§ 51.2962 *Well dried.* "Well dried" means that the kernel is firm and crisp, not pliable or leathery.

§ 51.2963 *Dark discoloration.* "Dark discoloration" means that the color of the skin of the kernel is darker than "amber". (See color chart.[2])

§ 51.2964 *Rancidity.* "Rancidity" means the stage of deterioration in which the kernel has developed a rancid flavor. Rancidity should not be confused with a slightly astringent flavor of the pellicle (skin) or with staleness, the stage at which the flavor is flat but not distasteful.

§ 51.2965 *Fairly clean.* "Fairly clean" means that from the viewpoint of general appearance the lot is not seriously damaged by adhering dirt or other foreign matter and that individual walnuts are not coated or caked with dirt or foreign matter. Both the amount of surface affected and the color of the dirt shall be taken into consideration.

§ 51.2966 *Serious damage.* "Serious damage" means any injury or defect which seriously affects the appearance, or the edible or shipping quality of the walnut. Decay, rancidity and insects or insect injury shall be considered serious damage. Any one of the following defects, or any combination of defects the seriousness of which exceeds the maximum allowed for any one defect, shall be considered as serious damage:

(a) Discoloration (or stain) which covers, in the aggregate, one-third or more of the surface of the shell of an individual nut and which is brown, reddish brown, gray, or other color contrasting sharply with the color of the rest of

[2] The walnut color chart has been filed with the original document and is available for inspection in the Division of the Federal Register or in the Fruit and Vegetable Division, United States Department of Agriculture, South Building, Washington 25, D. C. A printed copy of this color chart is attached to each copy of these standards issued by the United States Department of Agriculture.

the shell or the majority of shells in the lot; or darker discoloration covering a smaller area if the appearance is equally objectionable;

(b) Perforated shells when the area affected aggregates more than three-eighths of an inch in diameter. The term "perforated shells" means imperfectly developed areas on the shell resembling abrasions and usually including small holes penetrating the shell wall;

(c) Adhering hulls when affecting more than one-eighth of the shell surface in the aggregate;

(d) Mold which is white or gray, thick and conspicuous and covers one-eighth or more of the surface of the entire kernel; or yellow, green, blue or other colored mold which covers 5 percent or more of the surface of the entire kernel; and,

(e) Shriveling when both halves of the kernel are affected by severe shriveling over an area totaling more than one-eighth of the surface; or when both halves are affected over a greater area by lesser degrees of shriveling producing an equally objectionable appearance. When one of the halves of the kernel shows no shriveling, the kernel shall not be considered damaged unless the other half shows shriveling to the extent that over 50 percent of its surface is severely shriveled or a greater area is affected by lesser degrees of shriveling producing an equally objectionable appearance. Kernels which are thin in cross section, but which are otherwise normally developed shall not be considered as damaged.

§ 51.2967 *Very serious damage by shriveling.* "Very serious damage by shriveling" means that more than one-half of the surface of the entire kernel is severely shriveled or that a greater area is affected by lesser degrees of shriveling producing an equally objectionable appearance.

[F. R. Doc. 58-10673; Filed, Dec. 24, 1958; 8:53 a. m.]

Chapter IV—Federal Crop Insurance Corporation, Department of Agriculture

[Amdt. 12]

PART 401—FEDERAL CROP INSURANCE

SUBPART—REGULATIONS FOR THE 1958 AND SUCCEEDING CROP YEARS

MISCELLANEOUS AMENDMENTS

The above-identified regulations, as amended, are hereby amended effective beginning with the 1960 crop year as follows:

1. Section 401.2 is amended to read as follows:

§ 401.2 *Insurable crops, coverages, premium rates, and fixed price.* The Manager shall establish coverages, premium rates, and if applicable fixed prices used to evaluate production, for each crop which is insurable in a county, and for combined crop insurance which shall be shown together with the crops which are insurable in the county, on the county actuarial table on file in the county office. The Manager of the Corporation is authorized in any county to designate on the county actuarial table for that county, any crops on which coverages will not be provided unless the insured has in force a contract providing coverages on additional insurable crops, which crops shall also be designated on the county actuarial table. Such coverages, premium rates, fixed prices, and crops may be changed from year to year.

2. The closing dates established for combined crop insurance in the table following paragraph (a) of § 401.3, as amended, are deleted.

3. Paragraph (a) of § 401.3, as amended, is amended by striking the period at the end of the sentence preceding the table contained therein, substituting a colon therefor, and adding the following: "*Provided, however,* That the closing date for combined crop insurance in any county shall be the earliest closing date for that county shown below for any of the crops for which coverages and premium rates are shown on the actuarial table for that county for combined crop insurance."

4. Paragraph (b) of § 401.3 is amended by adding a sentence thereto reading as follows: "This paragraph with respect to combined crop insurance shall apply only in those counties where the insurable crops shown on the county actuarial table for combined crop insurance are limited to cotton and tobacco."

5. Paragraph (g) of § 401.3 is amended to change the wording preceding the first colon contained therein to read as follows: "A person who is insured under an existing contract may use the following form to change his contract in any manner permissible under the terms of his contract."

6. In § 401.29, the combined crop endorsement is amended to read as follows:

1. *General.* As to each insured crop, the provisions for that crop contained in the individual endorsement for such crop on file in the county office shall apply except as provided otherwise herein. In addition, for the purpose of combined crop insurance, those parts of the policy which refer to individual crops shall be considered to mean all crops insured under this endorsement.

2. *Insured crops.* In lieu of the first sentence of section 1 of the policy, the following shall apply: "The crops insured are all of the crops (to the extent of interest of the insured therein as hereinafter set out) for which coverages and premium rates are shown on the county actuarial table for combined crop insurance, and which are grown on insured acreage."

3. *Annual premium.* Section 3 of the individual crop endorsements for dry edible beans, corn, cotton, flax, and wheat shall not be applicable under combined crop insurance.

4. *Life of the contract, cancellation, or termination thereof.* Section 6 of the cotton endorsement and section 7 of the tobacco endorsement shall not be applicable under combined crop insurance.

5. *Other insurance.* Section 8 of the tobacco endorsement shall not be applicable under combined crop insurance.

6. *Meaning of terms.* For purposes of combined crop insurance the term: "Insurance unit," notwithstanding any other provisions of the policy or any endorsement thereto means (i) all insurable acreage of all insured crops in the county in which one person at the time of planting has the entire interest in the crops, or (ii) all such insurable acreage in the county in which two or more persons at the time of planting have the entire interest in the crops, excluding any other acreage of crops in the county in which such persons together do not have the entire interest in the crops.

7. *Cancellation, termination for indebtedness, and discount dates.* For each crop year of the contract in any county, the cancellation date, the termination date for indebtedness, and the discount date for a contract shall be respectively the earliest applicable cancellation date, termination date, and discount date for that county shown in the individual crop endorsements for any crop for which coverages and premium rates are shown on the actuarial table for that county for combined crop insurance.

(Secs. 506, 516, 52 Stat. 73, as amended, 77, as amended; 7 U. S. C. 1506, 1516)

Adopted by the Board of Directors on December 18, 1958.

[SEAL] F. N. McCARTNEY,
Secretary,
Federal Crop Insurance Corporation.

Approved on December 19, 1958.

TRUE D. MORSE,
Acting Secretary.

[F. R. Doc. 58-10644; Filed, Dec. 24, 1958; 8:48 a. m.]

[Amdt. 11]

PART 401—FEDERAL CROP INSURANCE

SUBPART—REGULATIONS FOR THE 1958 AND SUCCEEDING CROP YEARS

EFFECTIVE DATE OF POLICY

The above-identified regulations, as amended, are hereby amended to change the proviso contained in the introductory statement of Amendment 5 (23 F. R. 6854) to read as follows: "*Provided, however,* That the revisions contained in the first two sentences of subsection 4 (c) of the policy shown in § 401.11 as amended by section 2 of this amendment shall not become effective with respect to barley or wheat crop insurance in counties with a March 15 cancellation date until the 1960 crop year."

(Secs. 506, 516, 52 Stat. 73, as amended, 77, as amended; 7 U. S. C. 1506, 1516)

Adopted by the Board of Directors on December 18, 1958.

[SEAL] F. N. McCARTNEY,
Secretary,
Federal Crop Insurance Corporation.

Approved on December 19, 1958.

TRUE D. MORSE,
Acting Secretary.

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[Amdt. 2]

PART 422—CITRUS CROP INSURANCE

SUBPART—REGULATIONS FOR THE 1956 AND SUCCEEDING CROP YEARS

AVAILABILITY

The above identified regulations, as amended (21 F. R. 1002; 22 F. R. 8473),