

(2) During the aforesaid period, any handler may handle any individual shipment of cherries which; in the aggregate, does not exceed 100 pounds, net weight, without regard to the restrictions specified in this paragraph (b) or in § 923.41 or § 923.55 of this part.

(c) Terms used in the marketing agreement and order shall, when used herein, have the same meaning as given to the respective term in said marketing agreement and order; "U.S. No. 1" and "diameter" shall have the same meaning as when used in the United States Standards for Sweet Cherries (§§ 51.2646-51.2657 of this title); and "faced pack" means that the cherries in the top layer in any container are so placed that the stem ends are pointing downward toward the bottom of the container.

(Secs. 1-19, 48 Stat. 31, as amended; 7 U.S.C. 601-674)

Dated: June 7, 1963.

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[F.R. Doc. 63-6184; Filed, June 11, 1963; 8:51 a.m.]

## Chapter XIV—Commodity Credit Corporation, Department of Agriculture

### SUBCHAPTER B—LOANS, PURCHASES, AND OTHER OPERATIONS

#### PART 1427—COTTON

##### Subpart—Cotton Loan Program Regulations

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AUTHORITY: §§ 1427.1351 to 1427.1376 issued under secs. 4, 5, 62 Stat. 1070, as amended; secs. 101, 103, 401, 63 Stat. 1051, as amended; 15 U.S.C. 714 b and c; 7 U.S.C. 1441, 1444, 1421.

#### § 1427.1351 General statement.

(a) The regulations in this subpart and any amendments, and the annual supplement thereto, set forth the requirements with respect to loans on cotton of each crop for which an annual supplement to these regulations is issued. Loans on upland cotton produced on farms for which Form MQ-76—Upland Cotton is issued and on extra long staple cotton produced on farms for which Form MQ-76—ELS Cotton is issued will be available from Commodity Credit Corporation (referred to in this subpart as "CCC") through the Agricultural Stabilization and Conservation Service county offices (referred to in this subpart as "county offices") and through approved lending agencies, irrespective of whether the cotton is produced in the county where the loan is obtained. Loans on other eligible upland cotton and extra long staple cotton will be available only through the county office which keeps the farm program records for the farm. However, the State Agricultural Stabilization and Conservation committee may determine that no lending agency shall be approved in a county if it determines that the county office is in a position to make all loans in such county which are made on Form CCC Cotton A and that all producers can be served conveniently either at a county office or by lending agencies in another county. The State committee shall make a determination as to counties where lending agencies will not be approved and shall publicize this determination a reasonable time before loans are usually made so that cotton producers in each such county will have reasonable notice as to where CCC loans on cotton may be obtained.

(b) Disbursement of loan proceeds will be made by county offices by sight drafts drawn on CCC, and by approved lending agencies under agreements with CCC at the locations for which they are approved. In each case where the county office assists in the preparation of the loan documents, the county office shall also disburse the loan proceeds. Disbursement of loan proceeds will be made not later than five days after the final date of availability of loans as provided in § 1427.1353(c), except where specifically approved by the New Orleans Agricultural Stabilization and Conservation Service Commodity Office, 120 Marnie Street, New Orleans 16, Louisiana (referred to in this subpart as the "New Orleans office"). The producer shall not present the loan documents for disbursement unless the cotton is in existence and in good condition. If the cotton is not in existence and in good condition at the time of disbursement, the producer shall immediately return the check or draft issued in payment of the loan, or if the check or draft has been negotiated, shall promptly refund the proceeds.

(c) The Farmer Programs Division will administer the provisions of this subpart under the general supervision and direction of the Deputy Administrator, State and County Operations, in accordance with program provisions and policy determined by the CCC Board and the Executive Vice President, CCC. In the field, the program will be administered through the New Orleans office and Agricultural Stabilization and Conservation State and county committees (referred to in this subpart as "State committee" and "county committee," respectively).

(b) Forms will be available in county offices, at approved lending agencies, at approved warehouses, and through others who are designated to participate in the loan program.

(c) State and county committees and employees thereof and the New Orleans office do not have authority to modify or waive any of the provisions of this subpart or any amendment or supplement thereto.

(d) No delegation herein to a State or county committee or to the New Orleans office shall preclude the Executive Vice President, CCC, or his designee, from determining any question arising under the program or from reversing or modifying any determination made by a State or county committee, or by the New Orleans office.

§ 1427.1353 Availability of loans.

(a) Warehouse-storage loans. Loans on cotton represented by warehouse receipts will be available to eligible producers on:

(1) Eligible upland cotton produced in the continental United States and stored in an approved warehouse.

(2) Eligible extra long staple cotton produced in an area designated in the following subparagraphs for the particular type of extra long staple cotton and stored in an approved warehouse:

(i) American-Egyptian cotton produced in Cochise, Gila, Graham, Greenlee, Maricopa, Mohave, Pima, Pinal, Santa Cruz, and Yuma Counties, Arizona; Imperial and Riverside Counties, California; Chaves, Dona Ana, Eddy, Grant, Hidalgo, Luna, Otero, and Sierra Counties, New Mexico; and Brewster, Culberson, El Paso, Hudspeth, Jeff Davis, Loving, Pecos, Presidio, Reeves, and Ward Counties, Texas.

(ii) Sea Island and Sealand cotton produced in Berrien, Cook, and Lanier Counties, Georgia; and Alachua, Bradford, Columbia, Hamilton, Jefferson, Lake, Levy, Madison, Marion, Orange, Putnam, Seminole, Sumter, Suwannee, Union, and Volusia Counties, Florida; and Sea Island cotton produced in Puerto Rico from seed planted in the crop year to which a loan program is applicable.

(b) Bill of lading loans. Loans on cotton represented by bills of lading will be available as provided in § 1427.1369.

(c) Period of availability of loans. Loans on a crop of cotton will be available from the beginning of harvest of the crop through April 30 following the calendar year in which such crop is grown (planted in Puerto Rico). The New Orleans office is authorized to extend the period of availability for loans on fall seeded extra long staple cotton in Puerto Rico if needed. Notes for loans on warehouse-stored cotton must be signed by the producer and delivered to the lending agency or to the county office within this period of loan availability. Loans on cotton represented by a bill of lading will be available in any area only during the period specified by the New

Orleans office. Whenever the final date of availability falls on a nonworkday for county offices, the applicable final date of availability shall be extended to include the next workday.

#### § 1427.1354 Approved lending agency.

An approved lending agency shall be any bank, corporation, partnership, association, individual, or other legal entity which has entered into a Lending Agency Agreement—Cotton (Form CCC Cotton D, referred to in this subpart as "Form D") with CCC. Banks and other agencies desiring to enter into Lending Agency Agreements should make application to the New Orleans office. The New Orleans office will enter into such agreements on behalf of CCC with responsible applicants who meet the financial responsibility or guarantee requirements of CCC, and have organizations and facilities adequate to properly carry out their responsibilities and obligations under the program.

#### § 1427.1355 Eligible producer.

An eligible producer is any individual, partnership, corporation, association, trust, estate, or other legal entity, a State or political subdivision thereof, or an agency of such State or political subdivision producing eligible upland cotton or eligible extra long staple cotton in the capacity of landowner, landlord, tenant, or sharecropper. If eligible cotton is produced by a landlord and his share tenant or sharecropper, a loan may be obtained only as follows:

(1) If the cotton is divided among the producers entitled to share in such cotton, each landlord, tenant, or sharecropper may obtain a loan on his separate share.

(2) If the cotton is not divided, (1) all producers having a share in the cotton may obtain a joint loan on such cotton, or (ii) the landlord may obtain a loan on cotton in which both he and one or more share tenants or sharecroppers have an interest if he has the legal right to do so. In such cases the share tenants or sharecroppers must be paid their pro rata share of the loan proceeds and their pro rata share of any additional proceeds received from the cotton. In no case shall a share tenant or sharecropper obtain a loan individually on cotton in which a landlord has an interest. Except as provided above, two or more producers may not obtain a joint loan on their cotton.

#### § 1427.1356 Eligible cotton.

Upland cotton produced in the continental United States or extra long staple cotton produced in an area designated in § 1427.1353 for the particular type of extra long staple cotton is eligible cotton if it meets the following requirements:

(a) Such cotton must be tendered for loan within the availability period of § 1427.1353(c) and must have been produced in a crop year for which loans are available, as provided in an annual supplement to these regulations, on a farm on which the acreage planted to such kind of cotton in such crop year (as determined for purposes of cotton

marketing quotas) does not exceed the acreage allotment determined under Title III of the Agricultural Act of 1938, as amended, for the farm for such kind of cotton for such crop year. The upland or extra long staple cotton acreage on the farm for such crop year will not be deemed to be in excess of the acreage allotment for such cotton for the crop year unless the acreage allotment is knowingly exceeded. If the producer operating the farm is notified that such acreage allotment has been exceeded and the planted acreage is not adjusted to such acreage allotment within the period allowed under the notice, such acreage allotment shall be deemed to have been knowingly exceeded by the producers having an interest in the cotton.

(b) Such cotton must be of a grade and staple length specified in the schedule of premiums and discounts contained in the annual supplement to these regulations for the crop year in which the cotton was grown and must be represented by a warehouse receipt meeting the requirements of § 1427.1368 or by a bill of lading meeting the requirement of § 1427.1369.

(c) Such cotton must not be false-packed, water-packed, mixed-packed, reginned, or repacked; upland cotton must not have been reduced more than two grades because of preparation; extra long staple cotton must have been ginned on a roller gin, must be of normal character, and must not have been designated as "wasty" or reduced in grade for any reason.

(d) Such cotton must be in existence and in good condition.

(e) Such cotton must not be compressed to high density.

(f) The person tendering the cotton for a loan must have the legal right to pledge it as security for a loan.

(g) If such cotton was produced on land owned by the Federal Government, it must not have been produced in violation of the provisions of the lease.

(h) If the person tendering such cotton is a landlord or landowner, the cotton must not have been acquired by such landlord or landowner directly or indirectly from a share tenant or sharecropper and must not have been received in payment of fixed or standing rent; and if the person tendering such cotton produced it in the capacity of landlord, share tenant, or sharecropper, it must be his separate share of the crop, unless he is a landlord and is tendering cotton in which both he and one or more share tenants or sharecroppers have an interest.

(i) The person or association tendering such cotton must not have previously sold and repurchased such cotton.

(j) Each bale of cotton must weigh not less than 350 nor more than 625 pounds, gross weight, including any bagging allowance authorized under § 1427.1359(a).

(k) Cotton compressed to standard density, whether compressed by a warehouseman or at a gin, must have not less than eight bands.

(l) Each bale must be adequately packaged in new material manufactured

for cotton bale covering, except that used jute and sugar sack bagging will be acceptable if such bagging is clean and in sound condition. Bagging manufactured from sisal and other hard fibers will not be acceptable. The bagging must be sufficiently strong to adequately protect the cotton. Heads of bales must be completely covered.

(m) Each bale of cotton must bear the gin bale number.

(n) To be eligible for price support, the beneficial interest in the cotton must (except as provided in § 1427.1355) be in the producer tendering the cotton for loan (or in the producer-member delivering the cotton to the cooperative marketing association which tenders the cotton for a loan) and must have always been in him or in him and a former producer whom he succeeded before it was harvested. To meet the requirements of succession to a former producer, the right, responsibilities, and interest of the former producer with respect to the farming units on which the cotton was produced shall have been substantially assumed by the person claiming succession. Mere purchase of the crop prior to harvest without acquisition of any additional interest in the farming unit shall not constitute succession. The county committee shall determine whether the requirements with respect to succession have been met.

#### § 1427.1357 Forms and authorizations.

The following documents must be delivered by producers in connection with every loan except loans made pursuant to § 1427.1375.

(a) *Cotton Classification Memorandum, Form 1 or Form A3* for each bale showing the classification assigned by a board of cotton examiners of the United States Department of Agriculture.

(b) *Lien Waiver, Form CCC-889* (referred to in this subpart as "Form 889"), if used in lieu of execution of Lienholder's Waiver on Form A in accordance with the provisions of § 1427.1363.

(c) *Additional documents for warehouse-stored cotton:*

(1) Cotton Producer's Note, Form CCC Cotton A (referred to in this subpart as "Form A").

(2) Warehouse receipts complying with the provisions of § 1427.1368.

(d) *Additional documents for bill of lading cotton:*

(1) Form A executed within an area as provided in § 1427.1369 and during the period such loans are available.

(2) Order bill of lading in form acceptable to CCC and representing the cotton tendered as security for the loan.

(3) If the receiving agency is not a warehouseman, Weight and Condition Certificates complying with the provisions of § 1427.1369.

(4) Receiving Agency Certificate in form prescribed by CCC.

(e) *Loan documents executed by an administrator, executor, or trustee.* Loan documents executed by an administrator, executor, or trustee will be acceptable only where valid in law. State documentary revenue stamps shall be affixed to loan documents where required by law.



(f) *Powers of attorney.* A producer who desires to appoint an attorney-in-fact to act in his place and stead in obtaining loans shall use Power of Attorney, Form CCC-818 (referred to in this subpart as "Form 818"), which must be filed with the New Orleans office, and an executed copy must be filed with the lending agency or with the county office disbursing the loan proceeds.

#### § 1427.1358 Approved storage.

Except as provided otherwise in § 1427.1369, cotton will be accepted as security for loans only if stored in warehouses approved by CCC. Warehousemen desiring approval of their facilities should communicate with the New Orleans office. The names of approved warehouses may be obtained from the New Orleans office or from State or county offices.

#### § 1427.1359 Weight, loan rate, and amount.

(a) *Weight.* Loans will be made on the gross weight of upland cotton and on the net weight of extra long staple cotton. The gross weight of the bale shall be the gross weight shown on the warehouse receipt if the loan is made on cotton represented by warehouse receipts, or on the Weight and Condition Certificate (see § 1427.1369(c)) if the loan is made on cotton represented by order bills of lading. Notes for loans on cotton pledged on reweights will not be accepted if it is evident that such reweights reflect an increase in weight due to the absorption of moisture. In making loans on upland cotton covered with bagging made of cotton material manufactured specifically for covering cotton bales, an allowance of not to exceed seven pounds per bale will be added to the gross weight of the bale: *Provided*, That the allowance to be added to the gross weight of the bale shall not exceed an amount which will reflect a tare weight of more than 21 pounds for the bale. In order to encourage improved wrapping methods and compensate for resulting reduced tare weight in making loans on upland cotton wrapped with material under the Cotton Experimental Bale Packaging Program sponsored by the National Cotton Council, Memphis, Tennessee, there will be added to the gross weight of the bale an allowance equal to the number of pounds shown on the program bale tag to be necessary "to adjust to normal gross weight" under such program. The bale tag must identify the bale with the program and must also show the actual tare weight of the bale. No allowances other than those provided for in this subsection will be made.

(b) *Loan rate.* (1) The base loan rate for Middling 1-inch upland cotton (except for the special condition upland cotton provided for in this section) of each crop at each approved warehouse will be stated in the schedule of base loan rates for upland cotton by warehouse locations contained in the supplement to these regulations for such crop. This schedule will be available at county offices.

(2) The premium or discount applicable to each other eligible grade and staple length of upland cotton of each crop will also be contained in the supplement to these regulations for such crop.

(3) The loan rate for upland cotton for which the classification memorandum shows a reduction in grade because of the presence of extraneous matter (such as grass, bark, oil, sand, etc.) or because of spindle twist shall be one cent a pound less than the loan rate for the quality (grade and staple length) to which the cotton is reduced.

(4) The loan rate for upland cotton which is designated on the classification memorandum as "wasty" shall be four cents a pound less than the loan rate for the quality (grade and staple length) shown on the classification memorandum for the cotton.

(5) The loan rate for upland cotton for which the classification card shows a reduction in grade because of the presence of extraneous matter or spindle twist and also designates the same cotton as "wasty" shall be five cents a pound less than the loan rate for the quality (grade and staple length) shown on the classification memorandum for the cotton.

(6) Loan rates for extra long staple cotton of each crop will be contained in the supplement to these regulations for such crop.

(c) *Amount.* The amount due the producer will be determined by multiplying the weight, as determined in paragraph (a) of this section, by the applicable loan rate, as determined in paragraph (b) of this section. After a loan is made, CCC will not be obligated to make any adjustment in the amount of the loan due to any subsequent redetermination of the weight or quality of the cotton.

#### § 1427.1360 Preparation and transmittal of documents.

(a) *Availability and preparation of loan forms.* A producer may obtain the necessary loan forms from county offices, approved lending agencies, approved warehouses, and approved loan clerks (persons approved by county committees to assist producers in preparing and executing the loan forms). All applicable blanks on the loan forms shall be filled in with ink, indelible pencil, or typewriter in the manner indicated therein, and documents containing additions, alterations, or erasures may be rejected by CCC. All copies shall be clearly legible, and the copies shall reflect all information contained on the original, including all signatures. Loan forms shall not be signed in blank under any circumstances. The Schedule of Pledged Cotton on the Form A shall be completed, and the data entered therein shall be verified by the loan clerk or an employee in the county office when the loan is disbursed in the county office.

(b) *Marketing Cards.* Marketing cards issued by the county office indicate whether the producer is eligible for loans.

(1) When the marketing card is either a Form MQ-76—Upland Cotton or a Form MQ-76—ELS Cotton, the producer is eligible to obtain a loan on cotton pro-

duced on the farm of the kind for which the card was issued.

(2) When the marketing card is either a Form MQ-76-R—Upland Cotton or a Form MQ-76-R—ELS Cotton and the box following the words "Not eligible unless loan documents prepared in county office" contains an "X," or when a marketing certificate is presented in lieu of a marketing card, in order for the producer to obtain a loan on his cotton, the loan documents must be prepared in the county office in which the farm marketing quota records are maintained. Disbursement of loan proceeds in such cases will be made by the county office preparing the loan documents.

(3) When the marketing card is either a Form MQ-76-R—Upland Cotton or a Form MQ-76-R—ELS Cotton and the box following the words "Not eligible for price support" contains an "X," the cotton produced on the farm of the kind for which such card is issued is not eligible for a loan.

(c) *Schedule of pledged cotton.* All cotton pledged as security for a loan must be stored in the same warehouse, but may be of different grades and staple lengths. Not more than 500 bales of cotton may be pledged as security for a loan. The loan clerk shall enter on Form A all applicable data from the classification memorandums and the warehouse receipt or other required documents for the cotton listed thereon.

(d) *Lien waivers.* All persons claiming liens on the cotton must sign the Lienholder's Waiver on the Form A, except that in lieu of signing the Lienholder's Waiver on each Form A, the lienholder may waive his lien on all cotton produced on a farm by executing Form 889 as provided in § 1427.1363.

(e) *Producer's request for payment.* The spaces provided on Form A for the producer to request payment of the proceeds must be completed. Distribution of loan proceeds, including applicable clerks' fees as shown on Form A, must agree with the total amount of the note. No deduction may be made from the loan proceeds by the lending agency as a charge for interest, commission, exchange, or any other charge in connection with disbursement of the loan or handling of the loan documents, except the authorized clerk's fee in case an employee of the lending agency has executed the Clerk's Certificate on the Form A.

(f) *Clerk's Certificate.* Before the loan clerk prepares loan documents for a producer, he must require the producer to present his marketing card so that he can determine whether the producer is eligible for a loan. The Clerk's Certificate on each Form A tendered for a loan must be executed by an approved clerk who assisted the producer in the preparation and execution of the Form A. The Form A must be signed by the producer in the presence of an approved loan clerk, except that loan documents for nonresident producers may be prepared in the county office and mailed to the producer for signature. When such loan documents are returned to the county office, the Clerk's Certificate, with such modifications therein as are necessary to re-

fect the actual situation, may be executed by an approved clerk in the county office if he is satisfied that the producer's signature is genuine. All applicable entries must be completed on the Form A prior to the time the form is signed by either the producer or by the loan clerk.

(g) *Care in making disbursement and date of disbursement.* Care should be exercised by the lending agency and the county office to determine that the warehouse receipts and bills of lading are genuine. Date of disbursement shown on the Form A must be the actual date of disbursement by the lending agency or by the county office and must appear on all copies of Form A.

(h) *Transmittal of documents.* (1) The lending agency shall transmit the loan documents to the New Orleans office as provided in § 1427.1371.

(2) The county office shall transmit Forms A and the related loan documents, including cotton classification memorandum, for the pledged cotton to the New Orleans office.

(3) The lending agency or the county office, whichever disburses the loan, shall retain the lending agency copy of the Form A and transmit the producer's copy of the Form A to the producer and the warehouseman's copy of the Form A to the warehouseman.

(i) *Restrictions on lending agencies and clerks.* (1) Lending agencies which are also eligible producers must obtain loans on cotton produced by them through a county office or through another approved lending agency.

(2) An approved clerk cannot execute the Clerk's Certificate on his own or his spouse's loan documents. An approved clerk who, under power of attorney, executes the loan documents on behalf of the producer shall not execute the Clerk's Certificate on such loan documents.

#### § 1427.1361 Service charges.

No service charge will be collected by CCC or by approved lending agencies in connection with warehouse-storage loans (except fees collected by loan clerks outside the county offices and determined for county office employees as provided in § 1427.1362).

#### § 1427.1362 Fees.

The loan clerk assisting the producer in the preparation of the loan documents may (loan clerks in the county office shall) collect a fee from the producer not to exceed the fees shown in the following schedule:

Number of bales on note:	Maximum fee allowed
1.....	25 cents.
2-6.....	25 cents plus 15 cents for each bale over 1.
7 and over.....	\$1 plus 10 cents for each bale over 6.

#### § 1427.1363 Liens.

Eligible cotton tendered for loan must be free and clear of all liens except the warehouseman's lien for charges. The signatures of the holders of all existing liens on cotton tendered as security for a loan, such as landlords, laborers, or mortgagees (but not the warehouseman if the cotton is stored in a warehouse)

must be obtained on the Lienholder's Waiver on each Form A, except that in lieu of signing the Lienholder's Waiver on each Form A, the lienholder may waive his lien on all cotton of that crop produced on a farm by use of Form 889. A fraudulent representation as to prior liens or otherwise will render the producer personally liable and subject him, and any other person who causes the fraudulent representation to be made, to criminal prosecution under the provisions of the Commodity Credit Corporation Charter Act. A joint disbursement of loan proceeds to the producer and the lienholder does not satisfy the requirement that lienholders must execute the Lienholder's Waiver.

#### § 1427.1364 Setoffs.

(a) If any installment(s) on any loan made available by CCC on farm-storage facilities or mobile drying equipment is payable under the provisions of the note evidencing such loan, out of any amount due the producer under the program provided for in this subpart, the producer must designate CCC as payee of such amount to the extent of such installment(s), but not to exceed that portion of the amount remaining after deduction of clerk's fees and amounts due prior lienholders.

(b) If the producer is indebted to CCC, or if the producer is indebted to any other agency of the United States, and such indebtedness is listed on the county debt record, amounts due the producer under the program provided for in this subpart, after deduction of amounts payable under paragraph (a) of this section, shall be applied, as provided in the Secretary's Setoff Regulations, 7 CFR Part 13 (23 F.R. 3757), to such indebtedness.

(c) In any case referred to in paragraphs (a) and (b) of this section, the producer's marketing card will indicate that he must go to the county office in the county in which the cotton was produced and have his loan documents prepared. Any amount which is to be set off must be entered in the space provided in the Cotton Producer's Note by an employee in the county office.

(d) Compliance with the provisions of this section shall not deprive the producer of any right he otherwise has to contest the justness of the indebtedness involved in the setoff action, either by administrative appeal or by legal action.

#### § 1427.1365 Classification of cotton.

(a) All cotton tendered for loan must be classed by a USDA Board of Cotton Examiners (referred to in this subpart as "the board") and tendered on the basis of such classification. A Cotton Classification Memorandum Form 1 must be based upon a representative sample drawn in accordance with instructions to organized improvement groups for sampling cotton under the Smith-Doxey Program. If the producer's cotton has not been sampled for a Form 1 classification, the warehouseman (for warehouse-stored cotton) or receiving agency (for cotton covered by bills of lading) shall sample such cotton and forward the samples to the board serving the district in which

the cotton is located. A Cotton Classification Memorandum Form A3 must be inserted in each such sample. A Tag List and Record Sheet, CCC Cotton Form L (referred to in this subpart as "Form L"), must be prepared by the warehouseman or receiving agency, listing each sample included in a shipment to the board. A copy of such Form L shall be included with the samples, and the original and two copies must be mailed separately to the board. The board will enter the classification of each bale on the Form L and return a copy of such form to the warehouseman or receiving agency. The Cotton Classification Memorandum Form A3 will be returned to the producer by the board. If a sample has been submitted for a Form 1 or Form A3 classification, another sample shall not be drawn and forwarded to a board except for a review classification. Where review classification is not involved, if through error or otherwise two or more samples from the same bale are submitted for classification, the loan rate shall be based on the classification having the lower loan value. If a Form 1 or Form A3 review classification is obtained, the loan value of the cotton represented thereby will be based on such review classification.

(b) A classing charge of 25 cents per bale shall be collected from the producer by the warehouseman or receiving agency for all cotton for which samples are submitted to a board for a Form A3 classification or for a Form A3 review classification. The boards will bill warehousemen and receiving agencies at the end of each month for such classing charges. Payment of these bills shall be made by check or money order payable to "Commodity Credit Corporation" and mailed to the New Orleans office.

#### § 1427.1366 Interest rate.

Loans and charges shall bear interest from the date of disbursement at the rate announced in a separate notice published in the FEDERAL REGISTER.

#### § 1427.1367 Maturity.

(a) Loans mature on July 31 following the calendar year in which the loan cotton was grown (planted in Puerto Rico), or upon such earlier date as CCC may make demand for payment. Whenever the maturity date falls on a non-workday for the New Orleans office, the applicable date of maturity shall be extended to include the next workday.

(b) Upon the maturity and nonpayment of the note, CCC is authorized without notice to the producer to sell, transfer, and deliver the cotton, or documents evidencing title thereto, at such time, in such manner, and upon such terms and conditions as CCC may determine, at any cotton exchange, or elsewhere, or through any agency, at public or private sale, for immediate or future delivery, and without demand, advertisement, or notice of the time and place of sale or adjournment thereof or otherwise; and, upon such sale, CCC may become the purchaser of the whole or any part of such cotton. Any overplus remaining from the proceeds received therefrom, after deducting from such proceeds the amount of the loan, charges, and in-



terest, shall be paid to the producer or to his personal representative without right of assignment to or substitution of any other person.

(c) At CCC's election, upon maturity and nonpayment of the note, title to the cotton shall, without a sale thereof, immediately vest in CCC, and CCC shall have no obligation to pay for any market value which such cotton may have in excess of the amount of the loan and charges plus interest.

(d) To avoid administrative costs of making small payments and handling small accounts, amounts of \$3 or less will be paid to the producer only upon his request. Deficiencies of \$3 or less, including interest, may be disregarded unless demand for payment is made by CCC.

#### § 1427.1368 Warehouse receipts and insurance.

Only negotiable machine card-type warehouse receipts, acceptable to CCC, issued by approved warehouses which provide for delivery of the cotton to bearer, or are properly assigned by endorsement in blank so as to vest title in the holder of the receipt will be acceptable. When submitted to CCC by a lending agency for reimbursement of a loan advance made on such cotton or before the county office may disburse the proceeds of a loan on such cotton, the warehouse receipt must contain the gin bale number, must show that the cotton is covered by fire insurance, must be dated on or prior to the date the producer signs the note, and must be stamped by the warehouseman to show "Receiving charges paid" or "Rec. Chgs. Pd" before the cotton represented by the warehouse receipt will be acceptable to CCC. Open yard endorsement, if any, on the warehouse receipt must have been rescinded with the legend "Open yard disclaimer deleted" with appropriate warehouseman's signature. Each receipt must set out in its written or printed terms a description by tag number and gross weight of the bale represented thereby and all other facts and statements required to be stated in the written or printed terms of a warehouse receipt under the provisions of section 2 of the Uniform Warehouse Receipts Act. If a bale of cotton has been compressed to standard density, the warehouseman must have stamped or otherwise noted on the face of the warehouse receipt covering the bale whether the bale was compressed to "standard" density at a warehouse or to "gin standard" density at a gin. If the compression charge has been paid, he must also stamp or otherwise note this on the face of the receipt.

The date through which any storage charges have been paid by the producer shall be stamped or otherwise noted on the warehouse receipt. Block warehouse receipts will not be accepted except on cotton to be reconcentrated pursuant to § 1427.1370.

#### § 1427.1369 Loans on order bills of lading.

(a) Loans on cotton represented by order bills of lading will be available only in areas and during the periods specified by the New Orleans office where there is

a shortage of storage space and where the necessary arrangements for handling the cotton have been made.

(b) Cotton represented by order bills of lading will be eligible for a loan only when it is shipped by an approved receiving agency as agent for the producer. Warehousemen, ginners, and other responsible parties in areas where such loans are available, may be approved by the New Orleans office to act as receiving agencies. A receiving agency shall enter into either a Receiving Agency Agreement—Warehouseman, CCC Cotton Form 72, or a Receiving Agency Agreement—Other Than Warehouseman, CCC Cotton Form 73, with CCC. When receiving agencies are approved, notifications will be given by letter or by published lists.

(c) A producer in any such area who is unable to find storage space in his local area and who wishes to obtain such a loan should deliver his cotton to a receiving agency with the request that it ship the cotton as agent for the producer, in accordance with shipping instructions furnished by CCC, to a warehouse where storage space is available. The receiving agency shall complete the Schedule of Pledged Cotton on Form A. If the receiving agency is not a warehouseman, it shall have the cotton weighed by a public or licensed weigher and obtain a Weight and Condition Certificate in the form prescribed by CCC. The receiving agency shall also execute the Receiving Agency's Certificate. The receiving agency shall ship the cotton, secure order bills of lading in a form acceptable to CCC, and deliver to the producer the bills of lading, together with Form A and Weight and Condition Certificates (if any). If the receiving agency is a warehouseman, it may collect fees for warehouse charges as permitted for the crop year, and a fee of not to exceed 10 cents per bale to cover the costs of preparation of shipping documents. If the receiving agency is not a warehouseman, it shall, for the purpose of payment of gin compression only, be considered as a warehouseman and shall be permitted to collect from CCC charges for gin compression, as provided in the storage agreement for the crop year between CCC and approved warehouses, and shall be permitted to collect from producers a fee not in excess of the fee set forth in the Receiving Agency Agreement executed by the receiving agency, and shall post in a conspicuous place a notice showing the fee to be charged producers. Loans shall be made at the full loan rate at the point where the receiving agency receives the cotton. CCC shall pay warehouse storage charges on cotton tendered by the producer for a loan under this section if the receiving agency is a warehouseman.

#### § 1427.1370 Loans on cotton to be reconcentrated.

Loans on cotton to be reconcentrated shall be available only on cotton stored at warehouses approved by the New Orleans office in areas where there is a shortage of storage space. The warehouseman shall enter into a reconcentration agreement with CCC. Warehouse

receipts covering cotton to be reconcentrated under a reconcentration agreement must be in a form acceptable to CCC and must provide for delivery of the cotton to the order of CCC. Block warehouse receipts covering cotton to be reconcentrated under a reconcentration agreement will be accepted. A producer who desires to obtain a loan in this manner should request the warehouseman to issue a warehouse receipt to him in the form specified above and must furnish written authorization to the warehouseman for the reconcentration of the cotton after which the warehouseman will ship the cotton. The Forms A and warehouse receipts covering cotton to be reconcentrated under a reconcentration agreement must show the reconcentration order number under which the cotton will be shipped. The producer shall obtain a loan on these documents in the usual manner, and after receipt of the loan documents, CCC will surrender the warehouse receipts to the warehouseman.

#### § 1427.1371 Tender of Forms A by lending agencies.

Forms A for loans disbursed by a lending agency, which has entered into a Form D agreement prior to disbursing the loans, shall be tendered to CCC at the New Orleans office on Form C, accompanied by warehouse receipts, order bills of lading, or other documents specified by the New Orleans office, classification memorandums, and any other documents required to be delivered by the producers in connection with the loans as set forth in § 1427.1357, within 15 days after the dates of disbursement of the loans except where later tender is approved by the New Orleans office. Forms A may be tendered directly to CCC at the New Orleans office or through other approved lending agencies. Separate Forms C shall be used for upland and each type of extra long staple cotton, for Forms A secured by warehouse receipts (nonreconcentrated cotton), for Forms A secured by warehouse receipts (reconcentrated cotton), for Forms A secured by order bills of lading, and for Forms A executed under powers of attorney. Each Form C shall state whether the lending agency desires CCC to effect settlement by cash payment or by a certificate of interest. Upon receipt of the loan documents by the New Orleans office they will be examined and, if found acceptable, will be settled for by cash payment or by issuance of a certificate of interest (as directed by the lending agency), except that certificates of interest will be issued only to commercial banks. If a certificate of interest is issued, the Forms A will be placed in a pool, and the certificate shall represent an interest in the pool. Lending agencies which are commercial banks may, subject to the approval and instructions of CCC, obtain immediate advance payment for Forms A they tender to CCC by drawing sight drafts on CCC through a Federal Reserve bank or branch bank approved by CCC, together with the originals of the Forms C. Forms A covered by such drafts must be immediately submitted with other required documents to the New Orleans office.

**§ 1427.1372 Loss of or damage to pledged cotton.**

In any case where loss of or damage to cotton occurs while such cotton is pledged to CCC, CCC shall have the right to determine and file claims against any liable parties for the resulting loss. Upon determination of the identity of the bales of loan cotton lost or damaged, CCC will give credit on the producer's note for the loan value (including charges and interest) of such cotton. If the proceeds of the claim exceed the loan value of such cotton, the excess proceeds shall be remitted to the producer or to the party repaying the loan if the loan has been repaid.

**§ 1427.1373 Transfer of producer's interest in loan cotton.**

If a producer desires to sell his equity in upland or extra long staple cotton pledged as security for a loan, he must use a Form CCC Cotton AA, Release of Warehouse Receipts (referred to in this subpart as "Form AA"), for this purpose. This form may be obtained only from a county office. A producer who desires to appoint an attorney-in-fact to act in his place and stead in selling his equity in loan cotton shall use Power of Attorney, Form CCC-819 (referred to in this subpart as "Form 819"), which must be filed with the New Orleans office and an executed copy must be filed with the county office validating the Form AA. To obtain the Form AA, the producer may (1) present his copy of the Form A to any county office in the cotton producing area for preparation of Form AA, or (2) without presenting his copy of the Form A, request in person, by telephone or by written communication the county office in which the farm records are maintained to transmit a validated Form AA to him or to a person designated by him. If the "Producer's Copy" of the Form A has been lost or destroyed, he may obtain a duplicate from the New Orleans office, or from the county office disbursing the loan if it was disbursed by a county office. Unless the equity purchaser completes the Redemption Request on the Form AA, or the transferee executes the Transferee's Redemption Request on Form AA, and presents or mails the form to CCC, in care of the New Orleans office, within 15 days after the date of issuance of the Form AA by the county office, the equity transfer will be void. It shall be the responsibility of the equity purchaser to see that all necessary entries have been made on the Form AA. Upon timely receipt of the Form AA, the New Orleans office will forward the warehouse receipts to the bank designated by the person who signed the redemption request with directions to the bank to release the warehouse receipts to such person upon payment of the loan value of the cotton plus applicable charges and interest. Banks may accept valid cotton export payment certificates issued under the cotton export program in payment of

all or part of the amount due on CCC loans on upland cotton. If payment is not effected within five business days after the date warehouse receipts are received by the bank or prior to the time at which the loan matures and CCC acquires the cotton, which ever is earlier, the equity transfer will be void, and the bank will return the warehouse receipts to the New Orleans office. Repayments will not be accepted after CCC acquires the cotton. All charges assessed by the bank to which the warehouse receipts are sent must be paid by the person redeeming the cotton.

**§ 1427.1374 Repayment of loan by producer.**

If a producer desires to redeem one or more bales of cotton pledged to CCC as security for a loan, he must use a Form AA which may be obtained only from a county office. A producer who desires to appoint an attorney-in-fact to act in his place and stead to redeem his loan cotton shall use Form 819 which must be filed with the New Orleans office and an executed copy must be filed with the county office validating the Form AA. To obtain the Form AA, the producer may (a) present his copy of Form A to any county office in the cotton-producing area for preparation of Form AA, or (b) without presenting his copy of Form A, request in person by telephone or by written communication the county office in which the farm records are maintained, to transmit a validated Form AA to him or to a person designated by him. In the event the "Producer's Copy" of the Form A has been lost or destroyed, he may obtain a duplicate from the New Orleans office, or from the county office disbursing the loan if it was disbursed by a county office. The producer must complete the Redemption Request on the Form AA and present or mail the form to CCC, in care of the New Orleans office, within 15 days after the date Form AA is validated by the county office. It shall be the responsibility of the producer to see that all necessary entries have been made on the Form AA. Upon timely receipt of Form AA, the New Orleans office will forward the warehouse receipts to a bank designated by the producer with directions to the bank to release the warehouse receipts to the producer upon payment of the loan value of the cotton plus applicable charges and interest. Banks may accept valid cotton export payment certificates issued under the cotton export program in payment of all or part of the amount due on CCC loans on upland cotton. If payment is not effected within five business days after the receipts are received by the bank or prior to the time at which the loan matures and CCC acquires the cotton, which ever is the earlier, the bank will return the warehouse receipts to the New Orleans office. Repayments will not be accepted after CCC acquires the cotton. All charges assessed by the bank to which the warehouse receipts are sent

must be paid by the person redeeming the cotton.

**§ 1427.1375 Cotton cooperative marketing association loans.**

A special form of loan agreement will be made available to cotton cooperative marketing associations which satisfy the requirements of this section. Under this agreement, members of such associations may act collectively in obtaining loans. The loan rates under this agreement will be the same as the loan rates to individual producers, and eligibility requirements with respect to the cotton and the producers tendering the cotton to the association and other loan provisions will be similar to those for loans to individual producers. Members desiring to obtain loans from their association should contact their association. Each association must meet the following requirements:

(a) Each association must be organized for the purpose of marketing cotton in accordance with the provisions of the Capper-Volstead Act.

(b) Each association shall be financially able to make loans to its producer-members and market their cotton in accordance with the provisions of the current Cotton Cooperative Loan Agreement.

(c) Each association shall enter into marketing agreements with its members which give the association the authority to pledge the cotton to and otherwise handle it with CCC.

(d) Each association shall have a cotton marketing organization to sell its producer-members' cotton.

(e) Each association shall have a sales manager employed on an annual basis.

(f) The sales manager of each association must not have any connection whatever with any firm (other than the association) interested in buying and selling cotton.

**§ 1427.1376 Custodial offices.**

All Forms A will remain in the custody of the New Orleans office until they are repaid or until the maturity date of the notes, whichever is earlier.

Effective date: This subpart shall become effective upon publication in the FEDERAL REGISTER.

Signed at Washington, D.C., on June 7, 1963.

H. D. GODFREY,  
Executive Vice President,  
Commodity Credit Corporation.

[F.R. Doc. 63-6186; Filed, June 11, 1963; 8:51 a.m.]

**PART 1464—TOBACCO**

**Subpart—Tobacco Loan Program**

Set forth below is a schedule of advance rates, by grades, for the 1963 crop of types 11-14, flue-cured tobacco, under the tobacco loan program published July 4, 1962 (27 F.R. 6311).



§ 1464.1501 1963 crop, flue-cured tobacco, Types 11-14, advance schedule.

[Dollars per hundred pounds, farm sales weight]

Grade:	Advance rate	Grade:	Advance rate
A1F	84.12	B3KL	56.12
A2F	82.12	B4KL	54.12
A1R	81.12	B5KL	50.12
A2R	80.12	B6KL	44.12
B1L	78.12	B3KF	56.12
B2L	73.12	B4KF	54.12
B3L	69.12	B5KF	50.12
B4L	66.12	B6KF	44.12
B5L	61.12	B3KM	56.12
B6L	56.12	B4KM	54.12
B1F	78.12	B5KM	50.12
B2F	73.12	B6KM	43.12
B3F	69.12	B4GL	52.12
B4F	66.12	B5GL	48.12
B5F	61.12	B6GL	41.12
B6F	56.12	B4GF	52.12
B1FR	77.12	B5GF	48.12
B2FR	71.12	B6GF	41.12
B3FR	67.12	B4GR	46.12
B4FR	62.12	B5GR	42.12
B5FR	57.12	B6GR	34.12
B6FR	51.12	B4GK	46.12
B1R	63.12	B5GK	43.12
B2R	59.12	B6GK	36.12
B3R	55.12	B5GG	32.12
B4R	50.12	B3LS	55.12
B5R	44.12	B4LS	53.12
B6R	37.12	B5LS	49.12
B5D	38.12	B6LS	42.12
B6D	31.12	B3FS	55.12
B3LV	63.12	B4FS	53.12
B4LV	58.12	B5FS	49.12
B5LV	54.12	B6FS	42.12
B3FV	63.12	B5RR	40.12
B4FV	58.12	B5RG	36.12
B5FV	54.12	H1L	77.12
B4KV	49.12	H2L	73.12
B5KV	43.12	H3L	72.12
B6KV	36.12	H4L	71.12
B4K	63.12	H5L	68.12
B5K	59.12	H6L	64.12
B6K	53.12		

The advance rates listed above are applicable only to tied flue-cured tobacco identified on a "Within-Quota" (white) marketing card; rates for untied flue-cured tobacco similarly identified are six dollars (\$6.00) per hundred pounds less for each grade than for tied tobacco; and rates for tobacco identified on a "Limited Support-Within-Quota" (blue) marketing card are 50 percent of the applicable rates for tobacco identified on a "Within-Quota" (white) marketing card, plus six cents (\$0.06) per hundred pounds. Tobacco is eligible for advances only if consigned by the original producer and only if produced on a cooperating farm.

In the Georgia-Florida area price supports will be available only on untied tobacco as in the past years. On all markets except in the Georgia-Florida area, price support on untied tobacco will be available for the first seven market days on lugs, primings and nondescript grades thereof, and price support for tied tobacco will be available for all grades during the first seven sale days as well as during the remainder of the marketing season.

Tobacco graded "W" (unsafe order), "U" (unsound), N2, No-G or scrap will not be accepted. The Cooperative Association through which price support is made available is authorized to deduct 12 cents per hundred pounds to apply against overhead costs.

[Dollars per hundred pounds, farm sales weight]

Grade:	Advance rate	Grade:	Advance rate
H1F	77.12	X4F	68.12
H2F	73.12	X5F	62.12
H3F	72.12	X3LV	61.12
H4F	71.12	X4LV	58.12
H5F	68.12	X3FV	61.12
H6F	64.12	X4FV	58.12
H3FR	68.12	X4KV	49.12
H4FR	65.12	X4KL	56.12
H5FR	62.12	X4KF	56.12
H6FR	58.12	X3KM	60.12
C1L	78.12	X4KM	55.12
C2L	74.12	X3LS	58.12
C3L	73.12	X4LS	55.12
C4L	72.12	X3FS	58.12
C5L	71.12	X4FS	55.12
C1F	78.12	X4G	48.12
C2F	74.12	X5G	41.12
C3F	73.12	P2L	65.12
C4F	72.12	P3L	63.12
C5F	71.12	P4L	57.12
C4LV	66.12	P5L	47.12
C4FV	66.12	P2F	65.12
C4KL	62.12	P3F	63.12
C4KF	62.12	P4F	57.12
C4KM	62.12	P5F	45.12
C4LS	60.12	P4G	42.12
C5LS	58.12	P5G	34.12
C4FS	60.12	N1L	27.12
C5FS	58.12	N1LX	39.12
X1L	73.12	N1F	34.12
X2L	72.12	N1R	28.12
X3L	71.12	N1GL	25.12
X4L	68.12	N1GF	31.12
X5L	62.12	N1GR	26.12
X1F	73.12	N1GG	24.12
X2F	72.12		
X3F	71.12		

(Sec. 4, 62 Stat. 1070, as amended; 15 U.S.C. 714b. Interpret or apply sec. 5, 62 Stat. 1072, secs. 101, 106, 401, 403, 63 Stat. 1051, as amended, 1054; 74 Stat. 6; 15 U.S.C. 714c, 7 U.S.C. 1441, 1445, 1421, 1423; sec. 125, 70 Stat. 198, 7 U.S.C. 1813)

Effective date: Date of signature.

Signed at Washington, D.C., on June 7, 1963.

H. D. GODFREY,  
Executive Vice President,  
Commodity Credit Corporation.

[F.R. Doc. 63-6188; Filed, June 11, 1963; 8:51 a.m.]

## Title 14—AERONAUTICS AND SPACE

### Chapter I—Federal Aviation Agency

#### SUBCHAPTER E—AIRSPACE [NEW]

[Airspace Docket No. 62-WA-79]

#### PART 75—ESTABLISHMENT OF JET ROUTES [NEW]

##### Designation of Jet Route and Jet Advisory Area

On January 16, 1963, a notice of proposed rule making was published in the FEDERAL REGISTER (28 F.R. 413) stating that the Federal Aviation Agency (FAA) proposed to designate a jet route and

associated jet advisory area from Albuquerque, N. Mex., to Dallas, Tex., via Texico, N. Mex.; and a terminal jet advisory area from the Wichita Falls, Tex., VORTAC via the Wichita Falls VORTAC 262° True radial to its intersection with the proposed route for Dallas/Ft. Worth departures.

The Department of the Air Force (AF) objected to the proposal for the following reasons:

1. The proposed route would overlie the Bridgeport, Tex., VORTAC facility which is the primary facility for south-bound operations at Carswell AFB;

2. Negotiations between the AF and FAA on the requirement for high altitude intensive student jet training areas to support the Webb/Reese Undergraduate Pilot Training Program have not progressed to a degree which would enable a comprehensive assessment of overall effect; and

3. The proposed route would be in conflict with operations from Cannon AFB.

Since the normal routing for west-bound departures from the Dallas/Ft. Worth Metropolitan area is via the Wichita Falls VORTAC, the FAA is designating the proposed jet route segment between Texico and Dallas via Wichita Falls. Such action would obviate the requirement for the terminal jet advisory area and would route aircraft away from the Bridgeport VORTAC. Should negotiations between the AF and FAA for additional Webb/Reese high altitude intensive student jet training areas reveal the need for any change in alignment of the route structure, such change will be considered at that time. Additionally, any conflict between en route traffic and operations at Cannon AFB will be resolved on a procedural basis by the appropriate air route traffic control center to ensure efficient air traffic service. No other adverse comments were received.

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

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

1. In § 75.100 (28 F.R. 19-50, January 26, 1963) the following is added:

Jet Route No. 72 (Albuquerque, N. Mex., to Dallas, Tex.). From Albuquerque, N. Mex., via Texico, N. Mex.; Wichita Falls, Tex.; to Dallas, Tex.

2. In § 75.200 (28 F.R. 19-60, January 26, 1963) the following is added:

Jet Route No. 72 jet advisory area. Radar-Albuquerque, N. Mex., to Dallas, Tex.

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

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

Issued in Washington, D.C., on June 5, 1963.

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

[F.R. Doc. 63-6147; Filed, June 11, 1963; 8:46 a.m.]

## Title 21—FOOD AND DRUGS

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

#### PART 1—REGULATIONS FOR THE ENFORCEMENT OF THE FEDERAL FOOD, DRUG, AND COSMETIC ACT

#### PART 3—STATEMENTS OF GENERAL POLICY OR INTERPRETATION

#### PART 164—CERTIFICATION OF BATCHES OF DRUGS COMPOSED WHOLLY OR PARTLY OF INSULIN

#### PART 165—CERTAIN CHEMICAL DERIVATIVES OF SUBSTANCES NAMED IN SECTION 502(d) OF THE FEDERAL FOOD, DRUG, AND COSMETIC ACT DESIGNATED AS HABIT FORMING

#### Drugs and Devices; Spanish-Language Versions of Required Labeling Statements

Under the authority vested in the Secretary of Health, Education, and Welfare by the Federal Food, Drug, and Cosmetic Act (sec. 701(a), 52 Stat. 1055; 21 U.S.C. 371(a)) and delegated to the Commissioner of Food and Drugs by the Secretary (25 F.R. 8625), the following amendments are ordered:

Part 1 is amended in the following respects:

a. By changing § 1.103(c) (1) to read as follows:

§ 1.103 Drugs and devices; forms of making required statements.

(c) (1) All words, statements, and other information required by or under authority of the act to appear on the label or labeling shall appear thereon in the English language: *Provided, however*, That in the case of articles distributed solely in the Commonwealth of Puerto Rico or in a Territory where the predominant language is one other than English, the predominant language may be substituted for English.

b. By adding to Part 1 the following new section:

§ 1.108 Drugs and devices; statement of policy re Spanish-language versions of required labeling statements.

An increasing number of medications restricted to prescription use only are being labeled solely in Spanish for distribution in the Commonwealth of Puerto Rico where Spanish is the predominant language. Such labeling is authorized under § 1.103(c). Two required warnings, the wording of which is fixed by law in the English language, are presently being translated in various ways, from literal translation to loose interpretation. The statutory nature of these two statements requires that the translation must convey the meaning properly, in order to avoid confusion and dilution of the purposes of the warnings. The Commissioner of Food and Drugs hereby adopts the following Spanish-language versions as the accepted equiv-

alents of the English wording of the following:

(a) Section 503(b) (4) of the Federal Food, Drug, and Cosmetic Act requires the statement "Caution: Federal law prohibits dispensing without prescription." The Spanish version of this shall be: "Precaucion: La ley Federal prohíbe su despacho sin prescripcion facultativa."

(b) Section 502(d) of the Federal Food, Drug, and Cosmetic Act requires the statement "Warning—May be habit forming" on habit-forming drugs. The Spanish version of this shall be: "Aviso—Puede formar habito o vicio."

(Secs. 502(d), 503(b) (4), 701(a); 52 Stat. 1052, as amended 65 Stat. 648; 1055; 53 Stat. 854; 21 U.S.C. 352(d), 353(b) (4), 371(a))

2. The following cross-reference is inserted preceding § 1.106:

CROSS-REFERENCE: See § 1.108 for the Spanish-language version of the required labeling statement in § 1.106 (b) (2) (i), (c) (2) (i), (d) (2) (i), (k) (2) (ii), and (l).

3. The following cross-reference is inserted immediately following § 3.504:

CROSS-REFERENCE: For the Spanish-language version of the required labeling statement, see § 1.108 of this chapter.

4. The following cross-reference is inserted immediately following § 164.6(h) (1):

CROSS-REFERENCE: For the Spanish-language version of the required labeling statement, see § 1.108 of this chapter.

5. The following cross-reference is inserted immediately following § 165.2:

CROSS-REFERENCE: For the Spanish-language version of the required labeling statement, see § 1.108 of this chapter.

Notice and public procedure and delayed effective date are not necessary prerequisites to the promulgation of this order, and I so find, since the amendments are definitive or interpretative in nature or merely insert appropriate cross-references.

(Sec. 701(a), 52 Stat. 1055; 21 U.S.C. 371(a))

Dated: June 7, 1963.

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

[F.R. Doc. 63-6166; Filed, June 11, 1963; 8:48 a.m.]

## PART 8—COLOR ADDITIVES

### Subpart F—Listing of Color Additives for Drug Use Exempt From Certification

#### SYNTHETIC IRON OXIDE; STAY OF ORDER LISTING AS A COLOR ADDITIVE

In the matter of listing synthetic iron oxide as a safe color additive for use in or on drugs and exempting it from certification:

In accordance with the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 706 (b) (1), (c) (2), 74 Stat. 403; 21 U.S.C. 376 (b) (1), (c) (2)) and under the authority delegated to him by the Secretary of Health, Education, and Welfare (25 F.R. 8625), the Commissioner of Food and Drugs, based on a petition filed by Smith Kline & French

Laboratories, 1500 Spring Garden Street, Philadelphia 1, Pennsylvania, and other relevant material, promulgated an order on April 16, 1963 (28 F.R. 3693), listing synthetic iron oxide as a safe color additive for use in or on drugs and exempting it from certification. The act permits a period of 30 days for the filing of objections to an order. Within that period, Ansbacher Siegle Division of Sun Chemical Co., H. Kohnstamm & Co., Inc., Thomasset Color Division of Sterling Drug Co., McNeil Laboratories, Inc., and the Pharmaceutical Manufacturers Association filed objections, stating that they would be adversely affected by such an order, and specifying their objections.

Having carefully considered the objections filed, the Commissioner has concluded that the persons objecting are adversely affected and that the objections are based on reasonable grounds. Although the objections were directed only toward paragraphs dealing with the specifications and the uses and restrictions, the objections relate to all provisions of the order.

Now, therefore, it is ordered, That the order listing synthetic iron oxide as a color additive for use in or on drugs and exempting it from certification be stayed in its entirety.

At a later date, the Commissioner will announce the date and place of a public hearing, should one become necessary, or the final decision in this matter by publication in the FEDERAL REGISTER.

(Secs. 701, 706, 52 Stat. 1055 as amended; 74 Stat. 403; 21 U.S.C. 371, 376)

Dated: June 7, 1963.

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

[F.R. Doc. 63-6167; Filed, June 11, 1963; 8:48 a.m.]

## PART 42—EGGS AND EGG PRODUCTS; DEFINITIONS AND STANDARDS OF IDENTITY

### Dried Egg Yolks; Effective Date of Order Amending Standard of Identity

Pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (secs. 401, 701, 52 Stat. 1046, 1055, as amended 70 Stat. 919; 21 U.S.C. 341, 371) and in accordance with the authority delegated to the Commissioner of Food and Drugs by the Secretary of Health, Education, and Welfare (25 F.R. 8625), notice is given that no objections were filed to the order published in the FEDERAL REGISTER of April 27, 1963 (28 F.R. 4179), amending the standard for dried egg yolks to permit the optional use of sodium silicoaluminate as an anticaking ingredient. Accordingly, the amendment to the definition and standard of identity promulgated by that order will become effective June 11, 1963.

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

Dated: June 7, 1963.

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

[F.R. Doc. 63-6168; Filed, June 11, 1963; 8:48 a.m.]



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

### Buffered Methicillin Sodium

Under the authority vested in the Secretary of Health, Education, and Welfare by the Federal Food, Drug, and Cosmetic Act (sec. 507, 59 Stat. 463, as amended; 21 U.S.C. 357) and delegated to the Commissioner of Food and Drugs by the Secretary (25 F.R. 8625), the regulations for the certification of penicillin and penicillin-containing drugs (21 CFR 146a.11; 28 F.R. 2163) are amended by adding to § 146a.11(a) a new subparagraph (4) reading as follows:

#### § 146a.11 Buffered methicillin sodium.

(a) \* \* \*

(4) Its pH in an aqueous solution containing 10 milligrams per milliliter is not less than 6.0 and not more than 8.5.

Notice and public procedure and delayed effective date are not necessary prerequisites to the promulgation of this order, and I so find, since the amendment provides for improved stability of reconstituted solutions of the drug involved.

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

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

Dated: June 7, 1963.

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

[F.R. Doc. 63-6169; Filed, June 11, 1963; 8:48 a.m.]

## Title 26—INTERNAL REVENUE

### Chapter I—Internal Revenue Service, Department of the Treasury

#### SUBCHAPTER A—INCOME TAX

[T.D. 6657]

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

### Deduction for Deficiency Dividends

In order to change the date of a determination under section 547(c)(3) of the Internal Revenue Code, relating to the deduction for deficiency dividends for purposes of the personal holding company tax, paragraph (b)(1)(v) of § 1.547-2 of the Income Tax Regulations (26 CFR Part 1) is amended to read as follows:

#### § 1.547-2 Requirements for deficiency dividends.

(b) **Special rules**—(1) *Nature and details of determination.* \* \* \*

(v) A determination under section 547(c)(3) may be made by an agreement signed by the district director or such other official to whom authority to sign the agreement is delegated, and by or on behalf of the taxpayer. The agreement

shall set forth the total amount of the liability for personal holding company tax for the taxable year or years. An agreement under this subdivision which is signed by the district director (or such other official to whom authority to sign the agreement is delegated) on or after July 15, 1963, shall be sent to the taxpayer at his last known address by either registered or certified mail. If registered mail is used for such purpose, the date of registration shall be treated as the date of determination; if certified mail is used for such purpose, the date of the postmark on the sender's receipt for such mail shall be treated as the date of determination. However, if a dividend is paid by the corporation before such registration or postmark date but on or after the date such agreement is signed by the district director or such other official to whom authority to sign the agreement is delegated, the date of determination shall be such date of signing. The date of determination with respect to an agreement which is signed by the district director (or such other official to whom authority to sign the agreement is delegated) before July 15, 1963, shall be the date of the postmark on the cover envelope in which such agreement is sent by ordinary mail, except that if a dividend is paid by the corporation before such postmark date but on or after the date such agreement is signed by the district director or such other official to whom authority to sign the agreement is delegated, the date of determination shall be such date of signing.

Because this Treasury decision merely effects a liberalizing amendment to existing regulations with respect to the date of a determination under section 547(c)(3), it is found unnecessary to issue this Treasury decision with notice and public procedure thereon under section 4(a) of the Administrative Procedure Act, approved June 11, 1946, or subject to the effective date limitation of section 4(c) of that Act.

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

[SEAL] MORTIMER M. CAPLIN,  
Commissioner of Internal Revenue.

Approved: June 6, 1963.

STANLEY S. SURREY,  
Assistant Secretary of the  
Treasury.

[F.R. Doc. 63-6174; Filed, June 11, 1963; 8:49 a.m.]

#### SUBCHAPTER D—MISCELLANEOUS EXCISE TAXES [T.D. 6656]

## PART 44—TAXES ON WAGERING; EFFECTIVE JANUARY 1, 1955

### Change of Address

On April 10, 1963, notice of proposed rule making was published in the FEDERAL REGISTER (28 F.R. 3487) to amend paragraph (a) of § 44.4905-2 of the Wagering Tax Regulations (26 CFR Part

44) to require the registration of a change of address by each person engaged in the business of accepting wagers before conducting any wagering activity at the new address. No objection to the rules proposed having been received during the 30-day period prescribed in the notice, the regulations so proposed are hereby adopted.

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

MORTIMER M. CAPLIN,  
Commissioner of Internal Revenue.

Approved: June 6, 1963.

STANLEY S. SURREY,  
Assistant Secretary of the  
Treasury.

In order to require the registration of a change of address by each person engaged in the business of accepting wagers before conducting any wagering activity at the new address, paragraph (a) of § 44.4905-2 of the Wagering Tax Regulations (26 CFR Part 44) is amended to read as follows:

#### § 44.4905-2 Change of address.

(a) **Procedure by taxpayer**—(1) *After June 30, 1963.* Whenever, after June 30, 1963, a taxpayer changes his business or residence address to a location other than that specified in his last return on Form 11-C, he shall register the change with the district director from whom the special tax stamp was purchased by filing a new return, Form 11-C, designated "Supplemental Return", setting forth the new address and the date of change. He shall so register the change of address before—

(i) He engages in any wagering activity at the new address, or

(ii) The termination of a 30-day period which begins on the day after the date of such change,

whichever occurs first. The taxpayer's special tax stamp shall accompany the supplemental return for proper notation by the district director. As to liability in case of failure to register a change of address, see § 44.4905-3.

(2) *Before July 1, 1963.* Whenever, before July 1, 1963, a taxpayer changes his business or residence address to a location other than that specified in his last return on Form 11-C, he shall, within 30 days after the date of such change, register the change with the district director from whom the special tax stamp was purchased by filing a new return, Form 11-C, designated "Supplemental Return", setting forth the new address and the date of change. The taxpayer's special tax stamp shall accompany the supplemental return for proper notation by the district director. As to liability in case of failure to register a change of address, see § 44.4905-3.

This Treasury decision is issued under authority contained in section 7805 of the Internal Revenue Code of 1954 (68A Stat. 917; 26 U.S.C. 9805).

[F.R. Doc. 63-6173; Filed, June 11, 1963; 8:49 a.m.]