the form of a draft payable to the Treasurer of the United States of America, upon the filing by the corporation of any of the following documents:

Incorporation fee (as provided for by section 5 of the Act).	$100.00 U.S.
Certificate of Amendment of Articles of Incorporation.	$25.00 U.S.
Certificate of Property Value (minimum) (fee based on value of property and nature of investigations made).	$25.00 U.S.

(b) *Other fees and charges*:

Search and copying records and documents.	$0.30 per page.
Certifying copies of records and documents.	$0.50

(56 Stat. 1067; 5 U.S.C. 606, 15 CFR 4.2)

Because this amendment merely republishes existing fees, except for the addition of those for searching and copying records and documents, I find that notice of and an opportunity to participate in the rule making is unnecessary and would serve no useful purpose.

This amendment shall become effective 30 days after publication in the FEDERAL REGISTER.

Dated: November 16, 1964.

BUREAU OF INTERNATIONAL COMMERCE,
EUGENE M. BRADERMAN,
Director.

[F.R. Doc. 64-11869; Filed Nov. 19, 1964; 8:47 a.m.]

Title 16—COMMERCIAL PRACTICES

Chapter I—Federal Trade Commission

SUBCHAPTER D—TRADE REGULATION RULES

PART 408—UNFAIR OR DECEPTIVE ADVERTISING AND LABELING OF CIGARETTES IN RELATION TO THE HEALTH HAZARDS OF SMOKING

Effective Date for Labeling Requirements

The Commission orders that § 408.4 be, and it hereby is amended to read as follows:

§ 408.4 Effective date.

The rule in this part shall become effective on July 1, 1965: *Provided, however*, That the Commission will entertain an application filed prior to May 1, 1965, by any interested party to postpone the effective date or otherwise suspend, modify, or abrogate the provisions of the rule in this part as to advertising, upon a showing of such change in circumstances as to justify such requested action in the public interest.

Issued: September 3, 1964.

By the Commission.

[SEAL] JOSEPH N. KUZEW,
Acting Secretary.

[F.R. Doc. 64-11880; Filed, Nov. 19, 1964; 8:47 a.m.]

Title 17—COMMODITY AND SECURITIES EXCHANGES

Chapter I—Commodity Exchange Authority (Including Commodity Exchange Commission, Department of Agriculture

[Hearing Docket CE-P-13]

PART 150—ORDERS OF THE COMMODITY EXCHANGE COMMISSION

Limits on Position and Daily Trading in Potatoes for Future Delivery

Findings of fact. Pursuant to the provisions of section 4a of the Commodity Exchange Act (7 U.S.C. 6a), the Commodity Exchange Commission, after due notification in the FEDERAL REGISTER providing all interested persons opportunity to request by August 28, 1964, an oral hearing and/or to present written statements concerning the proposed imposition of speculative trading and position limits on futures trading in potatoes, and after receiving no such request that an oral hearing be held, and upon investigation and full consideration of the statements and opinions filed by the Commodity Exchange Authority and other interested persons, does hereby find that:

(a) Potato futures prices fluctuate more in the calendar months of March, April and May, than in any other months.

(b) Volume of trading and open contracts are heaviest in the March, April and May futures, particularly in the May future.

(c) Daily price ranges of over 15 cents per cwt. are considered to be unusual because in the period considered a daily high-low price range of over 15 cents occurred at no time in the January future, on less than 1 percent of the trading days in the November and March futures, 1.5 percent in the April future and 7.2 percent in the May future.

(d) In potato futures trading, a definite relationship exists between the amount of trading and the daily high-low price range. The average daily volume of trading in the March, April, and May futures in potatoes was progressively larger when the daily price range extended beyond 15 cents.

(e) Transactions of traders for their own accounts (house accounts) who are exchange clearing members of the New York Mercantile Exchange showed, on the average, larger size trading on days when the daily price range was over 15 cents per cwt. than on days of lesser price movement. On these days of over 15 cents price change, the proportion of total transactions in the 151-and-over carlot group increased from 2 to 3 fold, notwithstanding the overall increase in trading in the total market, indicating that large price movements are related to large trading.

(f) Trading of large scalpers showed the same trading-price relationships as house accounts.

(g) The measurement of the number of daily trades by their size as associated with the direction of price change did not show conclusive results, since there was not a preponderance of price movements in direction of large trades.

(h) In the largest trading group of 151 carlots and over, prices moved downward in three out of four years when there were large daily sales.

(i) Ample stocks and the absence of any large price movements during the life of the potato futures maturing prior to the March contract indicate a lack of need for the same trading and position limits required for the March, April, and May futures. The substantially larger stocks available for delivery earlier than March and the less frequent large price fluctuations in this earlier period allow for larger limits than in the later futures.

(j) Speculative buying or selling by a person during one business day of more than 150 carlots in either March, April, or May futures, or 300 carlots in any other future, or 350 carlots in all futures combined, on or subject to the rules of a contract market, tends to cause sudden or unreasonable fluctuations or changes in the price of potatoes not warranted by changes in the conditions of supply and demand.

(k) Because positions become a positive price force in corners, squeezes and other forms of price manipulation, it is necessary that limits be placed on positions as well as on trading. The limitation of positions to the same level as prescribed for trading limits also reduces the possibility of undue pressure upon prices resulting from the liquidation of positions which have become too large for the market to liquidate in orderly fashion.

(l) Trading in potatoes for future delivery on or subject to the rules of a contract market by a person who holds or controls a speculative net long or short position of more than 150 carlots in either March, April, or May futures, or 300 carlots in any other future, or 350 carlots in all futures combined, tends to cause sudden or unreasonable fluctuations or changes in the price of potatoes not warranted by conditions of supply and demand.

(m) Hedging services of the market will not be impeded by the establishment of limits, as aggregate long and short positions held by small traders with 25 carlots or less in most months exceed the positions classified as hedging reported by large traders with 25 carlots or more.

Conclusions. Upon the foregoing facts, it is concluded that in order to prevent excessive speculation in potato futures which causes sudden, unreasonable or unwarranted fluctuations or changes in price resulting in an undue or unnecessary burden on interstate commerce in potatoes, it is necessary to establish limits on the amount of speculative trading under contracts of sale of potatoes for future delivery on or subject to the rules of contract markets which may be done by any person; that the amounts set forth in paragraphs (j) and (l), respectively, of the above findings are reasonable limits upon the daily speculative purchases or sales which any person may make in potato futures and on the net long or net short speculative positions which any person may hold or control on or subject to the rules of any contract market.

ORDER

§ 150.10 Limits on position and daily trading in potatoes for future delivery.

The following limits on the amount of trading under contracts of sale of potatoes for future delivery on or subject to the rules of any contract market, which may be done by any person, are hereby proclaimed and fixed, to be in full force and effect on and after November 27, 1964.

(a) *Position limit.* The limit on the maximum net long or net short position which any person may hold or control in potatoes on or subject to the rules of any one contract market is 300 carlots in any one future and 350 carlots in all futures combined: *Provided,* That no person may hold or control a net long or net short position in excess of (1) 150 carlots in the March potato future, (2) 150 carlots in the April potato future, or (3) 150 carlots in the May potato future.

(b) *Daily trading limit.* The limit on the maximum amount of potatoes which any person may buy, and on the maximum amount which any person may sell, on or subject to the rules of any one contract market during any one business day is 300 carlots in any one future and 350 carlots in all futures combined: *Provided,* That no person may buy or sell during any one business day more than (1) 150 carlots in the March potato future, (2) 150 carlots in the April potato future, or (3) 150 carlots in the May potato future.

(c) *Bona fide hedging.* The foregoing limits upon position and upon daily trading shall not be construed to apply to bona fide hedging transactions, as defined in section 4a(3) of the Commodity Exchange Act (7 U.S.C. 6a(3)).

(d) *Manipulation; corners; responsibility of contract market.* Nothing contained herein shall be construed to affect any provisions of the Commodity Exchange Act relating to manipulation or corners, nor to relieve any contract market or its governing board from responsibility under section 5(d) of the Commodity Exchange Act (7 U.S.C. 7(d)) to prevent manipulation and corners.

(e) *Definition.* As used in this part, the word "person" imports the plural or singular and includes individuals, associations, partnerships, corporations, and trusts.

(f) *Application of limits.* The foregoing limits upon positions and upon daily trading shall be construed to apply, respectively, to positions held by, and trading done by, two or more persons acting pursuant to an expressed or implied agreement or understanding, the same as if the positions were held by, or the trading were done by, a single individual.

Issued this 17th day of November 1964.

Commodity Exchange Commission.

ORVILLE L. FREEMAN,
Secretary of Agriculture, Chairman.

LUTHER H. HODGES,
Secretary of Commerce.

NICHOLAS DEB. KATZENBACH,
Acting Attorney General.

[F.R. Doc. 64-11879; Filed, Nov. 19, 1964; 8:47 a.m.]

Title 22—FOREIGN RELATIONS

Chapter I—Department of State

SUBCHAPTER A—GENERAL

[Dept. Reg. 108.514]

PART 2—PROTECTION OF FOREIGN DIGNITARIES AND OTHER OFFICIAL PERSONNEL

Designation of Personnel To Carry Firearms and Exercise Appropriate Power of Arrest

Part 2 of Subchapter A of Title 22 of the Code of Federal Regulations is superseded by new Part 2 of Subchapter A of Title 22, issued simultaneously herewith.

§ 2.1 Designation of personnel to carry firearms and exercise appropriate power of arrest.

The Deputy Assistant Secretary of State for Security is authorized to designate certain employees of the Department of State and the Foreign Service, as well as employees of other departments and agencies detailed to and under the supervision and control of the Department of State, as Security Officers, as follows:

(a) Persons so designated shall be authorized to carry firearms when engaged in the performance of the duties prescribed in section (1) of the Act of January 28, 1955, 69 Stat. 188, as amended. No person shall be so designated unless he has either qualified in the use of firearms in accordance with standards established by the Deputy Assistant Secretary of State for Security, or in accordance with standards established by the department or agency from which he is detailed.

(b) Persons so designated shall also be authorized, when engaged in the performance of duties prescribed in section (1) of the Act of January 28, 1955, 69 Stat. 188, as amended, to arrest without warrant and deliver into custody any person violating the provisions of Section 111 or 112 of Title 18, United States Code, in their presence or if they have reasonable grounds to believe that the person to be arrested has committed or is committing such felony.

(Sec. 4, 63 Stat. 111, as amended; 5 U.S.C. 151c. Interprets or applies 69 Stat. 188; 5 U.S.C. 170e, as amended)

Dated: November 13, 1964.

For the Secretary of State:

DWIGHT J. PORTER,
Acting Deputy Under Secretary for Administration.

[F.R. Doc. 64-11874; Filed, Nov. 19, 1964; 8:47 a.m.]

Title 26—INTERNAL REVENUE

Chapter I—Internal Revenue Service, Department of the Treasury

SUBCHAPTER A—INCOME TAX

[T.D. 6771]

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

Partner's Distributive Share

In order to clarify example (5) of paragraph (b)(2) of § 1.704-1 of the Income Tax Regulations (relating to partner's distributive share), such provision is amended to read as follows:

§ 1.704-1 Partner's distributive share.

* * * * *

(b) *Distributive share determined by income or loss ratio.* * * *

(2) * * *

Example (5). G and H, each of whom is engaged as a sole proprietor in the business of developing and marketing electronic devices, enter into a partnership agreement to develop and market electronic devices. H contributes $2,500 cash and agrees to devote his full-time services to the partnership. G contributes $100,000 cash and agrees to obtain a loan for the partnership of any additional capital needed. The partnership agreement provides that the full amount of any research and experimental expenditures and any interest on partnership loans are to be charged to G. It also provides that G's distributive share is to be 90 percent of partnership income or loss computed without reduction by such research and experimental expenditures and such interest, until all loans have been repaid and G has received through his 90 percent share of income an amount equal to the full amount of such research and experimental expenditures, of such interest, and his share of any partnership operating losses. During this time H's distributive share will be 10 percent. Thereafter, G and H will share profits and losses equally. Since all of the research and experimental expenditures and interest specially allocated to G are in fact borne by G, the allocation will be recognized in the absence of other circumstances showing that its principal purpose was tax avoidance or evasion.

* * * * *

Because this Treasury decision merely clarifies the facts under example (5) of paragraph (b)(2) of § 1.704-1, it is found that it is 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 said Act.

(Sec. 7805, Internal Revenue Code of 1954; 68A Stat. 917; 26 U.S.C. 7805)

[SEAL] BERTRAND M. HARDING,
Acting Commissioner of Internal Revenue.

Approved: November 16, 1964.

STANLEY S. SURREY,
Assistant Secretary of the Treasury.

[F.R. Doc. 64-11882; Filed, Nov. 19, 1964; 8:47 a.m.]

Title 28—JUDICIAL ADMINISTRATION

Chapter I—Department of Justice

PART 0—ORGANIZATION OF THE DEPARTMENT OF JUSTICE

Subpart W—Authority To Compromise and Close Civil Claims

APPENDIX—REDELEGATIONS OF AUTHORITY TO COMPROMISE AND CLOSE CIVIL CLAIMS

The following redelegation is added to the appendix to Subpart W of Part 0, Chapter I, Title 28 of the Code of Federal Regulations:

LANDS DIVISION

[Memo. No. 388]

REDELEGATION OF AUTHORITY TO UNITED STATES ATTORNEYS TO ACT IN CONNECTION WITH AND TO COMPROMISE LANDS DIVISION DIRECT-REFERENCE CASES

By virtue of the authority vested in me by Part 0 of Title 28 of the Code of Federal Regulations, particularly §§ 0.65, 0.160, 0.162, 0.164, 0.166, and 0.170, I hereby redelegate to United States Attorneys authority to act in connection with and to compromise Lands Division direct-reference cases as follows:

SECTION 1. *Matters Subject to Direct Reference.* United States Attorneys are hereby authorized to act in matters concerning real property of the United States, including tribal and restricted individual Indian land, not involving new or unusual questions or questions of title or water rights, on behalf of any other department or agency in response to a direct request in writing from an authorized field officer of the department or agency concerned, without prior authorization from the Lands Division in the following-described cases:

(1) Actions to recover possession of property from tenants, squatters, trespassers, or others, and actions to enjoin trespasses on federal property;

(2) Actions to recover damages resulting from trespasses when the amount of the claim for actual damage based upon an innocent trespass does not exceed $5,000.00. The United States Attorneys may seek recovery of amounts exceeding $5,000.00: (A) if the actual damages are $5,000.00 or less and state statutes permit the recovery of multiple damages, e.g., double or treble, for either a wilful or an innocent trespass; (B) if the actual damages are $5,000.00 or less, but the action is for conversion to obtain recovery of the enhanced value of property severed and removed in the trespass;

(3) Actions to collect delinquent rentals or damages for use and occupancy of not more than $5,000.00;

(4) Actions to collect costs of forest fire suppression and other damages resulting from such fires if the total claim does not exceed $5,000.00;

(5) Actions to collect delinquent operation and maintenance charges accruing on Indian irrigation projects and federal reclamation projects of not more than $5,000.00;

(6) Actions to collect loans of money or livestock made by the United States to individual Indians without limitation on amount, including loans made by Indian tribal organizations to individual Indians if the loan agreements, notes and securities have been assigned by the tribal organizations to the United States.

In each such case, the United States Attorneys shall, prior to taking action, assure that a copy of the written request of the authorized field officer has been forwarded to the Lands Division, General Litigation Section, Department of Justice, Washington, D.C.

SEC. 2. *Compromise, dismissal, or closing of direct-reference cases.* (1) Subject to the limitations imposed by paragraph (3) of this section, United States Attorneys are hereby authorized to accept or reject offers in compromise in direct-reference cases described in Section 1 without the prior approval of the Lands Division if the authorized field officer of the interested agency concurs in writing, except that a United States Attorney may accept an offer without the concurrence of the field officer if the acceptance is based solely upon the financial circumstances of the debtor.

(2) A direct-reference matter described in Section 1 may be closed without action by the United States Attorney or, if filed in court, may be dismissed by him, if the field officer of the interested agency concurs in writing that it is without merit legally or factually. The United States Attorney may close a claim without consulting the field officer of the interested agency if the claim is for money only and if he concludes (A) that the cost of collection under the circumstances would exceed the amount of the claim or (B) that the claim is uncollectable.

(3) The United States Attorneys are not authorized, without the prior approval of the Lands Division, to act with respect to the dismissal, compromise, or closing of a case, if (A) the claim is not a direct reference described in Section 1; (B) there is a divergence of views between the United States Attorney and the field officer of the referring agency in a case requiring concurrence; (C) subsequent to acceptance of the reference, it becomes apparent that the claim involves a novel point of law, a question of policy, or otherwise constitutes a precedent; (D) for any reason, the compromise of a claim, as a practical matter, will control or adversely affect the disposition of other claims totaling more than the amounts designated in Section 1 as being subject to direct reference. If any of these conditions exist, the matter shall be submitted to the Lands Division for decision.

SEC. 3. Circular No. 3745½, dated November 9, 1942, is superseded to the extent that it is inconsistent with the provisions of this memorandum. The United States Attorneys' Manual will be revised accordingly.

SEC. 4. This memorandum shall be effective upon its publication in the FEDERAL REGISTER.

RAMSEY CLARK,
Assistant Attorney General, Lands Division.

Approved: November 16, 1964.

NICHOLAS DEB. KATZENBACH,
Acting Attorney General.

[F.R. Doc. 64-11943; Filed, Nov. 19, 1964; 10:18 a.m.]

PART 0—ORGANIZATION OF THE DEPARTMENT OF JUSTICE

Subpart W—Authority To Compromise and Close Civil Claims

APPENDIX—REDELEGATIONS OF AUTHORITY TO COMPROMISE AND CLOSE CIVIL CLAIMS

The following redelegation is added to the appendix to Subpart W of Part 0, Chapter I, Title 28, of the Code of Federal Regulations:

LANDS DIVISION

[Memo No. 389]

REDELEGATION OF AUTHORITY TO UNITED STATES ATTORNEYS TO COMPROMISE CONDEMNATION CASES

By virtue of the authority vested in me by Part 0 of Title 28 of the Code of Federal Regulations, particularly §§ 0.65, 0.160, 0.162, 0.164, 0.166, and 0.170, I hereby redelegate to United States Attorneys authority to compromise condemnation cases subject to and in accordance with the following limitations and conditions:

1. Except as provided in paragraph 2 hereof, United States Attorneys are authorized to accept or reject offers in compromise of claims against the United States for just compensation in condemnation proceedings in any case in which the gross amount of the proposed settlement does not exceed $10,000: *Provided* that—

(a) The settlement is approved in writing (to be retained in the file of the United States Attorney concerned) by the authorized field representative of the acquiring agency if the amount of the settlement exceeds the amount deposited with the declaration of taking as to the particular tract of land involved; and

(b) The amount of the settlement is compatible with the sound appraisal, or appraisals, upon which the United States would rely as evidence in the event of trial, due regard being had for probable minimum trial costs and risks.

2. This redelegation of authority shall not apply—

(a) In any case in which, for any reason, the compromise of a particular claim, as a practical matter, will control or adversely influence the disposition of