and open world, a world in which hatred and discrimination are replaced by brotherhood and understanding—above all, a world free forever of fear and want and war.

This is the dream for which generations of American fighting men have made the ultimate sacrifice, from the bridge at Concord to the jungles of Vietnam. It can be achieved. Their sacrifices have moved us ever closer to it.

The Congress, by a joint resolution approved May 11, 1950, has requested the President to issue a proclamation calling upon the people of the United States to observe each Memorial Day as a day of prayer for permanent peace.

NOW, THEREFORE, I, RICHARD NIXON, President of the United States of America, do hereby designate Memorial Day, Monday, May 28, 1973, as a day of prayer for permanent peace, and I designate the hour beginning in each locality at 11 o'clock in the morning of that day as a time to unite in prayer.

I urge the press, radio, television, and all other information media to cooperate in this observance.

As a special mark of respect for those Americans who have given their lives in the war in Vietnam, I direct that the flag of the United States be flown at half-staff all day on Memorial Day on all buildings, grounds, and naval vessels of the Federal Government throughout the United States and all areas under its jurisdiction and control.

I also request the Governors of the United States and of the Commonwealth of Puerto Rico and the appropriate officials of all local units of government to direct that the flag be flown at half-staff on all public buildings during that entire day, and request the people of the United States to display the flag at half-staff from their homes for the same period.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-fifth day of May, in the year of our Lord nineteen hundred seventy-three, and of the Independence of the United States of America the one hundred ninety-seventh.

Richard Nixon

[FR Doc.73-10809 Filed 5-25-73;2:55 pm]

Rules and Regulations

This section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510.

The Code of Federal Regulations is sold by the Superintendent of Documents. Prices of new books are listed in the first FEDERAL REGISTER issue of each month.

Title 6—Economic Stabilization

CHAPTER I—COST OF LIVING COUNCIL

PART 130—COST OF LIVING COUNCIL, PHASE 3 REGULATIONS

Pay Adjustments Subsequent to Reductions in Wages or Salaries

In many situations, contracts or pay practices provided for specified wage or salary rates to be in effect for certain periods of time, or specified wage or salary increases to be put into effect on certain dates, and these rates or increases were required to be reduced in a control year by reason of a Pay Board or Cost of Living Council decision and order or by agreement of the parties pursuant to the Phase II regulations. Section 130.6 is added in the amendment set forth below to incorporate rules relating to the determination of allowable increases during Phase III in a subsequent control year under the contract or pay practice which was in effect when the prior reduction occurred. The regulation applies, for example, to increases during the third year of a collective bargaining agreement where wages specified during the second year were reduced by Pay Board order.

Paragraph (a) of the regulation provides that it is unlawful for an employer to pay and for employees to receive, without the prior approval of the Council, the rates specified or the increases scheduled under a contract or pay practice for a period in Phase III without reducing the scheduled rates or increases by an amount sufficient to reflect the prior reductions required in a prior control year under the same contract or pay practice. Thus, a reduction in 1 year of a contract will have a lasting effect and the contract may not be implemented so as to require a prospective restoration of the amounts by which a prior year's increase was reduced. The regulation thus insures that only the increment originally scheduled for the subsequent contract year may be paid. The general rule, however, does not limit any wage and salary increase which is not in excess of the general wage and salary standard in effect prior to January 11, 1973, computed in accordance with the computation rules set forth in subpart E of part 201 of Economic Stabilization regulations.

It is recognized that under the circumstances of specific contracts and pay practices, payment of wage and salary increases which do not reflect prior reductions may be appropriate. Therefore, provision has also been made in paragraph (b) of § 130.6 that applications for approval of pay adjustments that do not reflect the prior reductions may be submitted to the Council on forms prescribed by and pursuant to instructions issued by the Council. The Pay Board's Phase II form PB-3 (or optional form PB-3A, for units of fewer than 1,000 employees) should be used until replacement forms are issued. Such approval may be granted only when it is demonstrated, by means of written documentation, that historical relationships have been distorted or gross inequities have been created by the action of the Pay Board or the Council or by operation of the Economic Stabilization regulation or ruling which caused the prior reduction. The regulation provides that approval will be considered as having been granted if the Council takes no action within 60 days after receiving a request for approval.

For purposes of this regulation, as with all other regulations in this part 130, a decision issued by the Internal Revenue Service pursuant to authority delegated by the Pay Board is considered to be a decision of the Pay Board.

In addition, paragraph (c) of § 130.6 provides that the payment or receipt of increases in wage rates, or wages or salaries, during Phase III prior to the date this amendment is published, without taking into account a prior reduction, will not be considered a violation of the Economic Stabilization Act of 1970, as amended: *Provided*, That a report of such increases is made to the Council not later than 30 days after publication of the regulation. Reports should be submitted using the Pay Board's Phase II form PB-3 (or optional form PB-3A for units of fewer than 1,000 employees). The Council will review such reports and may issue an appropriate order to reduce a wage or salary rate or increase to a level which reflects a prior reduction.

The regulation incorporates the rule that an employer making a submission under this regulation must serve a copy on the employees' collective bargaining agent, if any, while a collective bargaining agent of the employees making a submission must serve a copy on the employer.

This clarification is intended to carry out the policy of section 3 of Executive Order No. 11695 to preserve the effect of actions settled under the Phase II rules.

Because the purpose of this amendment is to provide immediate guidance for compliance with the economic stabilization program during Phase III, I find that publication in accordance with normal rulemaking procedures is impracticable and that good cause exists for making this amendment effective in less than 30 days. Interested persons may submit comments regarding this amendment. Communications should be addressed to the Office of General Counsel, Cost of Living Council, Washington, D.C. 20508.

This amendment is effective as of January 11, 1973.

(Economic Stabilization Act of 1970, as amended, Public Law 92-210, 85 Stat. 743; Public Law 93-28, 87 Stat. 27; Executive Order 11695, 38 FR 1473; Cost of Living Council Order No. 14, 38 FR 1489.)

Issued in Washington, D.C., on May 25, 1973.

JAMES W. MCLANE,
Deputy Director,
Cost of Living Council.

Subpart A of part 130 is amended by adding a new § 130.6 to read as follows:

§ 130.6 Pay adjustments subsequent to reduction in wages or salaries.

(a) *General.*—If—

(1) A wage or salary rate for a job, or

(2) An annual aggregate wage or salary increase with respect to an appropriate employee unit,

payable with respect to a control year pursuant to a contract or pay practice, was reduced as a result of a decision and order of the Pay Board or the Council or the operation of any regulation or ruling issued under the Economic Stabilization program, it shall be unlawful as unreasonably inconsistent with the standards and goals of such program to pay or receive in a succeeding control year, without prior approval of the Council, pursuant to such contract or pay practice, a wage or salary rate for the same job (if a rate for a job was reduced) or a wage or salary increase with respect to such unit (if an annual aggregate increase was reduced) that does not reflect such prior reduction. Notwithstanding the preceding sentence, this section shall not operate to prevent an annual aggregate wage and salary increase for a unit which is not in excess of the general wage and salary standard in effect prior to January 11, 1973.

(b) *Application for approval.*—In specific situations, payment of a wage or salary rate or a wage or salary increase which does not reflect a prior reduction, as required under paragraph (a) of this section, may be appropriate. An application for approval of such a rate or such an increase may be submitted to the Council on forms prescribed by and pursuant to instructions issued by the Council. Payment of such a rate or such an increase or a portion thereof may be approved only upon a demonstration by means of written documentation that historical relationships have been distorted or gross inequities have been created by a decision and order of the Pay Board or the Council or by operation of any regulation or ruling issued under the Economic Stabilization program. Payment of such a rate or such an increase shall be considered to be approved by the Council if the Council takes no action with respect to such payment within 60 days after receipt of an application submitted under the provisions of this paragraph.

(c) *Increases paid prior to May 30, 1973.*—In the case of a wage or salary rate for a job, or a wage or salary increase with respect to an appropriate employee unit, referred to in paragraph (a) of this section, paid after January 10, 1973, and prior to May 30, 1973, without taking into account a prior reduction, the payment or receipt thereof prior to May 30, 1973, shall not be a violation under the act solely because of such failure to take into account a prior reduction. However, any such rate or increase put into effect after January 10, 1973, and prior to May 30, 1973, must be reported to the Council on forms prescribed by and pursuant to instructions issued by the Council not later than June 29, 1973. The failure to make such a report shall constitute a violation under the act. Upon review of such a report, the Council may by order direct the reduction of such rate or increase to an appropriate level consistent with the provisions of this section.

(d) *Service.*—An employer or employer association making any submission to the Council under the provisions of this section shall at the same time serve copies of each such submission on the collective bargaining agent, if any, for the affected employee unit. If such a submission is made by a collective bargaining agent for the employee unit, such collective bargaining agent shall at the same time serve copies of each such submission on the affected employer or employer association. A certification of service shall accompany all documents submitted to the Council under the provisions of this section.

[FR Doc.73-10863 Filed 5-25-73;5:01 pm]

Title 7—Agriculture

SUBTITLE A—OFFICE OF THE SECRETARY OF AGRICULTURE

PART 18—EQUAL EMPLOYMENT OPPORTUNITY IN THE STATE COOPERATIVE EXTENSION SERVICES

Coverage Provisions

Part 18 is amended to withdraw coverage as it applied to employees provided by county and other political subdivisions in support of Cooperative Extension Service programs and to eliminate review by the Secretary of Agriculture of final decisions by the President or chief executive of land-grant universities under this part.

Section 18.2(c) is revised to read as follows:

§ 18.2 Purpose, applicability, and coverage.

* * * * *

(c) *Coverage.*—This part applies to all positions in all units of the Cooperative Extension Service but does not apply to employees provided by county and other political subdivisions in support of Cooperative Extension Service programs.

§ 18.5 [Amended]

1. In § 18.5(f) the words "or the Secretary" are deleted.

2. In § 18.5(h) the following words are deleted from the final sentence "and of his right to request in writing a review by the Secretary and the time limit in which such request for review must be made".

§ 18.6 [Revoked]

Section 18.6 is revoked.

§ 18.8 [Amended]

1. Section 18.8(c) is deleted.

2. Section 18.8(d) is redesignated § 18.8(c).

Dated May 24, 1973.

EARL L. BUTZ,
Secretary.

[FR Doc.73-10731 Filed 5-29-73;8:45 am]

CHAPTER XVIII—FARMERS HOME ADMINISTRATION, DEPARTMENT OF AGRICULTURE

SUBCHAPTER C—LOANS PRIMARILY FOR PRODUCTION PURPOSES

[FHA Instruction 441.1]

PART 1831—OPERATING LOANS

Subpart A—Operating Loan Policies and Authorization

MISCELLANEOUS AMENDMENTS

Various sections and paragraphs of subpart A, part 1831, title 7, Code of Federal Regulations (37 FR 14858) are amended. In accordance with 5 U.S.C. 553, these amendments are being published without prior rulemaking because a delay in making available assistance provided by these amendments would be contrary to the public interest. These amendments implement the Rural Development Act of 1972 and shall become effective on May 30, 1973. They are as follows:

1. Section 1831.1 authorizes loans to rural youths;

2. Section 1831.2 provides that loans may be made to rural youths for modest income-producing projects in connection with participation in 4-H or similar organizations;

3. Section 1831.3 is revised for clarity and to set forth the youth's project adviser's responsibilities;

4. Section 1831.4 (d), (e), and (f) are revised to provide that nonfarm enterprises may be located off the farm and a rural youth does not have to be a farmer to qualify for a nonfarm enterprise loan;

5. Section 1831.5(h) provides that youth loans may be made to rural youths who have not reached age 21. All projects must be recommended by a project adviser. Parental permisison is required for youths who have not reached their majority.

6. Section 1831.9(r) is revised to enable a youth to initiate, develop, and carry on income producing farm or nonfarm projects with operating loan funds;

7. Section 1831.10(c)(iii) is revised to provide that security is defined as the market value;

8. Section 1831.10(d) is revised to provide that the principal balance of an operating loan may not exceed $50,000;

9. Section 1831.12(g) is added to provide that the security requirements for loans to rural youths are the same as required for other operating loans. In exceptional cases a cosigner may be required to assure the repayment of the loan.

The revised sections and paragraphs of subpart A of part 1831 read as follows:

Subpart A—Operating Loan Policies and Authorizations

§ 1831.1 General.

This subpart prescribes the policies and authorizations of the Farmers Home Administration (FHA) for making operating loans (OL) to farmers, ranchers, and rural youths.

§ 1831.2 Objectives.

The basic objectives are to assist borrowers through financial and supervisory assistance to make efficient use of land, labor, and capital and other resources, to conduct sound and successful operations, and afford borrower families an opportunity to have a reasonable level of living. Financial assistance may be provided to rural youths to enable them to operate modest, income producing, farm and nonfarm projects in connection with their participation in 4-H, Future Farmers of America, Future Homemakers of America, and similar organization activities.

§ 1831.3 Supervisory assistance.

Supervision will be provided borrowers to the extent necessary to achieve the objectives of the loan and to protect the interests of the FHA in accordance with subpart A of part 1802 of this chapter. Such assistance consists of farm, home, recreation, and nonfarm planning, recordkeeping, analysis, and providing management advice. The youth's project adviser will be expected to perform a major role in planning and supervising the youth's project.

§ 1831.4 Definitions.

* * * * *

(d) *Nonfarm enterprises.*—Loans may be made to farmers who will also continue farming operations to operate, improve, establish, or enlarge an enterprise(s) of a nonfarm nature needed to supplement farm income. Except for rural youths, loans will be made only for enterprises which produce goods or services for which there is a need that is not being adequately supplied by others in the community and for which there is a reasonably reliable market.

(e) *Rural youths.*—Applicants who have not reached the age of 21 and who do not reside in any area in any city or town which has a population in excess of 10,000 inhabitants.

(f) *Project adviser.*—A 4-H club adviser, vocational agricultural teacher, home economics teacher, county extension agent, and other similar sponsors or advisers.

§ 1831.5 Eligibility requirements.

* * * * *

(h) Loans may be made to rural youths who have not reached age 21 and without regard to the requirements of paragraph (c) of this section. All youths who have not reached their majority, as set forth by State requirements, will obtain their parent's or guardian's favorable recommendation for the loan. All recommendations will be in writing and filed with the application in the county office case file.

* * * * *

§ 1831.9 Loan purposes.

* * * * *

(r) To initiate, develop and carry on a farm or nonfarm project in connection with rural youth's participation in 4-H; Future Farmers of America, Future Homemakers of America, and similar organization activities for purposes authorized by this subpart. The project must produce sufficient income to meet expenses and debt repayment.

* * * * *

§ 1831.10 Special requirements and loan limitations.

* * * * *

(c) *Limitations on loans for real estate improvements.*—(1) * * *

(iii) The sum of the operating loan being made for real estate improvements and the unpaid indebtedness against the farm and other security which secures the FHA real estate loan will not exceed the total indebtedness or the market value limitations prescribed for real estate loans. The borrower's equity in the livestock and farm and other equipment to be taken as security for the operating loan may be added to the market value of the farm where this is necessary to comply with the market value limitations prescribed in subpart A of part 1821 of this chapter.

* * * * *

(d) *Limitations on amount of loan.*—The amount of each loan will be limited to the needs of the applicant and his ability to pay. In addition, consideration will be given to the value of the chattel property, including crops, which will be available as security. In no case may a loan be made which would result in the total principal balance outstanding to exceed $50,000 for operating loans (including production and subsistence.)

* * * * *

§ 1831.12 Security policies.

* * * * *

(g) The security requirements for loans to rural youths will be the same as required for other operating loans. In exceptional cases the loan approval official may require a cosigner if he determines such action is necessary to assure repayment of the loan.

* * * * *

(Sec. 339, 75 Stat. 318, 7 U.S.C. 1989; orders of Acting Secretary of Agriculture, 37 FR 22008.)

Dated May 16, 1973.

FRANK B. ELLIOTT,
Acting Administrator,
Farmers Home Administration.

[FR Doc.73-10645 Filed 5-29-73;8:45 am]

[FHA Instruction 441.3]

PART 1831—OPERATING LOANS

Subpart B—Operating Loan Processing

MISCELLANEOUS AMENDMENTS

Various sections and paragraphs of subpart B, part 1831, title 7, Code of Federal Regulations (37 FR 14864), are amended. In accordance with 5 U.S.C. 553 these amendments are being published without prior rulemaking because a delay in making available assistance provided by these amendments would be contrary to the public interest. These amendments implement the Rural Development Act of 1972 and shall become effective on May 30, 1973. The major changes are:

1. Section 1831.32(b)(2) is amended for clarity and to delete reference to the recertification statement on form FHA 440-2, County Committee Certification or Recommendation.
2. Section 1831.32(d) is revised to provide instructions for the preparation of plans for youth projects.
3. Section 1831.32(h)(2) is added to set forth a youth's liability upon executing a promissory note.
4. Section 1831.32(l)(3)(ii) deletes reference to form FHA 441-1, Cancellation of Loan or Grant Check and/or Obligation.
5. Section 1831.32(v)(10)(i) is revised to delete reference to describing promissory notes on security agreements.
6. Section 1831.36(a) provides for the use of form FHA 451-2, Schedule of Remittances.
7. Section 1831.36(b)(1)(i) is added to provide an exception for obtaining a lien search for youth loans. Section 1831.36(b)(1)(i) is renumbered as § 1831.36(b)(1)(ii).

The revised sections and paragraphs of subpart B of part 1831 read as follows:

§ 1831.32 Loan forms and routines.

* * * * *

(b) *Form FHA 440-2, County Committee Certification or Recommendation.*—(1) * * *

(2) When the county committee has agreed to increase the maximum amount of loan assistance certified for the crop or operating year a new form FHA 440-2 will be prepared and executed with item 9 completed. The crop or operating year ending date will be the same as on the original certification for the year. In item 2 insert the sum of the latest certification for the year for any operating and emergency loans and the additional amount the county committee determines is necessary to meet the credit needs of the borrower for the remainder of the crop or operating year. All executed forms 440-2 are retained in the case file.

* * * * *

(d) *Form FHA 431-2, Farm and Home Plan.*—Form FHA 431-2 will be developed as prescribed in subpart B of part 1802 of this chapter, except when:

(1) A loan is made only for the acquisition of membership or the purchase of stock in a cooperative association and the applicant is not indebted for another FHA loan. In this case, the best estimates available will be used to complete table J of form FHA 431-2 in order to determine whether the loan requested can be paid and the period over which payments should be scheduled. The source of payment should be shown in table K. When the preparation of table J is inadequate to enable the loan approval official to make the required determinations, other portions of form FHA 431-2, as necessary, will be used.

(2) A loan is made to a youth. A farm and home plan, business analysis, nonagricultural enterprise, or other plan acceptable to the loan approval official will be developed ordinarily by the youth, project adviser, and the County Supervisor. The information contained in the plan, application, and running record must fully support and document the objectives of the loan. The plan must clearly set forth the following minimum information:

(i) Description of the project;
(ii) Type and amount of supervision to be provided by the project adviser, guardian, and the County Supervisor;
(iii) Income;
(iv) Expenses;
(v) Net income;
(vi) Debt repayment;

* * * * *

(h) *Form FHA 441-1, Promissory Note.* * * *

(2) A youth executing the promissory note shall incur full personal liability for the indebtedness evidenced by such note.

* * * * *

(l) *Immediate and future disbursements.* * * *

(3) When a future advance is to be canceled the following actions must be taken:

(i) Complete form FHA 440-10, Cancellation of Loan or Grant Check and/or Obligation, in accordance with the FMI.

(ii) Prepare and execute a substitute note on form FHA 441-1 reflecting the revised total of the loan and the revised repayment schedule.

* * * * *