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 30—Mineral Resources

CHAPTER I—MINING ENFORCEMENT AND SAFETY ADMINISTRATION, DEPARTMENT OF THE INTERIOR

SUBCHAPTER N—METAL AND NONMETALLIC MINE SAFETY

PART 57—HEALTH AND SAFETY STANDARDS—METAL AND NONMETALLIC UNDERGROUND MINES

Noise Control Standards; Correction

In FR Doc. 74-17963 appearing at page 28434 in the issue of Wednesday, August 7, 1974, the following correction is made as set forth below:

In § 57.5-50(b), the second sentence is corrected to read "If such controls fail to reduce exposure to within permissible levels, personal protection equipment shall be provided and used to reduce sound levels to within the levels of the table."

JACK W. CARLSON,
Assistant Secretary of the Interior.

OCTOBER 2, 1974.

[FR Doc.74-23309 Filed 10-4-74;8:45 am]

Title 7—Agriculture

CHAPTER III—ANIMAL AND PLANT HEALTH INSPECTION SERVICE, DEPARTMENT OF AGRICULTURE

PART 354—OVERTIME SERVICES RELATING TO IMPORTS AND EXPORTS

Commuted Traveltime Allowances

The purpose of this amendment is to establish commuted traveltime periods as nearly as may be practicable to cover the time necessarily spent in reporting to and returning from the place at which an employee of the Plant Protection and Quarantine Programs performs overtime or holiday duty when such travel is performed solely on account of such overtime or holiday duty. Such establishment depends upon facts within the knowledge of the Animal and Plant Health Inspection Service.

Also included in this statement is the allowance of 1 hour commuted traveltime, within the metropolitan area, for any inspection point to which such employee may be temporarily detailed to cover travel between temporary base quarters, such as a motel, and the point of inspection.

Therefore, pursuant to the authority conferred upon the Deputy Administrator, Plant Protection and Quarantine Programs, by 7 CFR 354.1 of the regulations concerning overtime services relating to imports and exports, the administrative instructions appearing at 7 CFR 354.2, as amended, July 26, 1974 (39 FR 27299), prescribing the commuted traveltime that shall be included in each period of overtime or holiday duty are further amended by adding (in appropriate alphabetical sequence (or deleting the information as shown below:

§ 354.2 Administrative instructions prescribing commuted traveltime.

* * * * *

COMMUTED TRAVELTIME ALLOWANCES (IN HOURS)

Location covered	Served from	Metropolitan area: Within	Metropolitan area: Outside
Delete:			
*	*	*	*
Connecticut:			
Undesignated ports.	Warwick, R.I. and Windsor Locks.		3
Washington:			
Anacortes	Seattle		4
Bellingham	do		5
Cherry Point	do		5
Ferndale	do		5
Seattle (except SEA TAC Airport and Point Wells).		1	
Tacoma	McChord AFB		1
*	*	*	*
Add:			
*	*	*	*
Connecticut:			
Groton (including New London).		1	
Undesignated ports.	Wallingsford		3
Washington:			
Anacortes	Seattle		5
Bangor NSD	do		4
Bellingham	do		6
Cherry Point	do		6
Ferndale	do		6
Paine Field	do		3
Seattle		2	
Tacoma	McChord AFB		2
*	*	*	*
Add the following at the end of the commuted traveltime allowances listing:			
Temporary Detail:			
Any inspection point to which an employee may may be temporarily detailed.		1	

(64 Stat. 561; (U.S.C. 2260))

Effective date. The foregoing amendment shall become effective on October 7, 1974.

It is to the benefit of the public that this instruction be made effective at the earliest practicable date. Accordingly, it is found upon good cause, under the administrative procedure provisions of 5 U.S.C. 553, that notice and other public procedure with respect to the foregoing amendment are impracticable and unnecessary and good cause is found for making it effective less than 30 days after publication in the FEDERAL REGISTER.

Done at Washington, D.C., this 30th day of September 1974.

T. G. DARLING,
Acting Deputy Administrator, Plant Protection and Quarantine Programs.

[FR Doc.74-23075 Filed 10-4-74;8:45 am]

CHAPTER IX—AGRICULTURAL MARKETING SERVICE (MARKETING AGREEMENTS ANΓ ORDERS; FRUITS, VEGETABLES, NUTS), DEPARTMENT OF AGRICULTURE

[Walnut Order 934 Docket No. AO-192 A5]

PART 984—WALNUTS GROWN IN CALIFORNIA, OREGON, AND WASHINGTON

Correction

In FR Doc.74-22710, appearing at page 35327, in the issue for Tuesday, October 1, 1974, make the following corrections:

1. In § 984.40(a), the word "vent" in the sixth line should be changed to read "event".

2. In § 984.48(a)(5), the word "each" in the third line should be changed to read "such".

CHAPTER XIV—COMMODITY CREDIT CORPORATION, DEPARTMENT OF AGRICULTURE

SUBCHAPTER B—LOANS, PURCHASES, AND OTHER OPERATIONS

[CCC Grain Price Support Regs.—1974 Crops. Texas Flaxseed Purchase Program Supplement, Amdt. 1]

PART 1421—GRAINS AND SIMILARLY HANDLED COMMODITIES

Subpart—1974 Crop Texas Flaxseed Purchase Program

PURCHASE PRICES, PREMIUMS, AND DISCOUNTS

The regulations issued by Commodity Credit Corporation (CCC) published in the FEDERAL REGISTER at 39 FR 23240, as amended, containing provisions for a purchase program for 1974 crop flaxseed in designated Texas counties are hereby amended as follows:

Section 1421.643(b)(2) is amended to provide for a truck receiving rate of 7 cents to the Corpus Christi terminal market. A new paragraph (b)(3) is being added to reflect the rate for deliveries by rail.

§ 1421.643 Purchase prices, premiums, and discounts.

* * * * *

(b) * * *

(2) *Deliveries by truck to Corpus Christi terminal market.* The basic purchase price for flaxseed delivered by truck to an authorized dealer located within the switching limits of the Corpus Christi, Texas, terminal market shall be determined by adding 7 cents per bushel to the basic purchase price established for Nueces County, Texas.

(3) *Deliveries by rail to Corpus Christi terminal market.* The basic purchase price for flaxseed delivered by rail to an authorized dealer located within the switching limits of the Corpus Christi, Texas, terminal market shall be determined by adding to the basic purchase price for the county from which the flaxseed was shipped, the amount of freight per bushel actually paid in plus the current uniform grain storage agreement truck receiving and rail loading out charges of 10 cents per bushel.

Since 1974 crop flaxseed is being harvested in parts of the flaxseed-producing area and the provisions of this amendment are needed to carry out the loan program more effectively, compliance with the notice of proposed rulemaking would be impracticable and contrary to the public interest. Therefore, this amendment is issued without following such procedure.

(Sec. 4, 62 Stat. 1070, as amended (15 U.S.C. 714b). Interpret or apply sec. 5, 62 Stat. 1072 (15 U.S.C. 714c); secs. 301, 401, 63 Stat. 1053, 1054 (7 U.S.C. 1447, 1421))

Effective date: October 7, 1974.

Signed at Washington, D.C., on October 1, 1974.

GLENN A. WEIR,
Acting Executive Vice President, Commodity Credit Corporation.

[FR Doc.74-23322 Filed 10-4-74;8:45 am]

Title 9—Animals and Animal Products

CHAPTER III—ANIMAL AND PLANT HEALTH INSPECTION SERVICE (MEAT AND POULTRY PRODUCTS INSPECTION), DEPARTMENT OF AGRICULTURE

SUBCHAPTER A—MANDATORY MEAT INSPECTION

SUBCHAPTER C—MANDATORY POULTRY PRODUCTS INSPECTION

MEAT AND POULTRY INSPECTION

Miscellaneous Amendments; Correction

Statement of considerations. Pursuant to the authority contained in the Federal Meat Inspection Act, as amended (21 U.S.C. 601 et seq.), and the Poultry Products Inspection Act, as amended (21 U.S.C. 451 et seq.), the Animal and Plant Health Inspection Service is amending certain provisions of the federal meat inspection regulations (9 CFR Parts 301, 309, 312, 314, 316, 329) and the poultry products inspection regulations (9 CFR Part 381) to reflect organizational changes and make certain corrections.

In changing the designation of the nonveterinary poultry inspector from "lay" inspector to "food" inspector, one reference to such inspector in § 381.108 (a) in the poultry products inspection regulations was inadvertently omitted. This is hereby corrected.

Two of the changes, those in § 301.2 of the federal meat inspection regulations and in § 381.169 of the poultry products inspection regulations, make corrections in codified references. Other changes indicate the current designation of several Meat and Poultry Inspection Program forms which have been revised since the reorganization of the Meat and Poultry Inspection Program, formerly in the Consumer and Marketing Service, into the Animal and Plant Health Inspection Service in 1972. During the time that the Meat and Poultry Inspection Program was under the Consumer and Marketing Service, some of the official forms required to be submitted for recordkeeping purposes bore the designation of CP and C&MS. Since these forms have been revised because of changing requirements, the designation of these forms has also been changed from C&MS to APHIS or from CP to MP. These amendments will bring our inspection regulations up to date in the interest of accuracy.

Accordingly, the federal meat inspection regulations are amended as follows:

PART 301—DEFINITIONS

1. In § 301.2(i), a period is inserted after the word "subchapter" where it first appears in that section and the phrase reading "except as otherwise provided in Part 330 of this subchapter" is deleted.

PART 309—ANTE-MORTE INSPECTION

2. In § 309.2(o), the designation "CP 402-2" is amended to read "MP 402-2."

PART 312—OFFICIAL MARKS, DEVICES AND CERTIFICATES

3. In both paragraphs (a) and (b) of § 312.5, the designation "CP 408-3" is amended to read "MP 408-3."

4. In § 312.6(a)(1), the designation "CP 427" is amended to read "MP 427." Also, in § 312.6(a)(2) and (a)(3), the designation "C&MS 510" is amended to read "MP 35."

PART 314—HANDLING AND DISPOSAL OF CONDEMNED OR OTHER INEDIBLE PRODUCTS AT OFFICIAL ESTABLISHMENTS

5. In § 314.9(a), the designation "CP 403-10" is amended to read "MP 403-10."

PART 316—MARKING PRODUCTS AND THEIR CONTAINERS

6. In § 316.10(b), the designation "CP 408-1" is amended to read "MP 408."

PART 329—DETENTION, SEIZURE AND CONDEMNATION; CRIMINAL OFFENSES

7. In § 329.2, the designation "CP 483" is amended to read "MP 483."

8. In § 329.3, the designation "CP 479" is amended to read "MP 479" in both places; and the designation "CP 484" is amended to read "MP 484" in both places.

9. In § 329.5, the designation "CP 487" is amended to read "MP 487."

Further, the poultry products inspection regulations are amended as follows:

PART 381—POULTRY PRODUCTS INSPECTION REGULATIONS

1. In § 381.169(a), the reference to § 381.130(a)(3) is amended to read "§ 381.121(b)."

2. In § 381.99, the designation "C&MS 510" is amended to read "MP 35" in both places.

3. In the third sentence of § 381.108(a), the word "lay" is amended to read "food."

(Sec. 21, 34 Stat. 1260, as amened (21 U.S.C. 621); sec. 14, 71 Stat. 441, as amended (21 U.S.C. 463); 37 FR 28464, 28477)

These amendments make corrections and reflect organizational changes which involve no change in policy. They do not substantially affect any member of the public. Accordingly, under the administrative procedure provisions in 5 U.S.C. 553, it is found upon good cause that notice and other public rulemaking procedures concerning the amendments are impracticable and unnecessary and good cause is found for making these amendments effective in less than 30 days after publication hereof in the FEDERAL REGISTER.

These amendments shall become effective October 7, 1974.

Done at Washington, D.C. on September 30, 1974.

F. J. MULHERN,
Administrator, Animal and Plant Health Inspection Service.

[FR Doc.74-23140 Filed 10-4-74;8:45 am]

Title 16—Commercial Practices

CHAPTER I—FEDERAL TRADE COMMISSION

[Docket No. C-2526]

PART 13—PROHIBITED TRADE PRACTICES

Pay'N Save Corp.

Subpart—Advertising falsely or misleadingly: § 13.10 *Advertising falsely or misleading;* 13.10-1 Availability of merchandise;* § 13.155 *Prices;* 13.155-93 Special or test offers; § 13.240 Special or limited offer. Subpart—Misrepresenting oneself and goods—Goods: § 13.1572 *Availability of advertised merchandise.*[1] Subpart—Offering unfair, improper and deceptive inducements to purchase or deal: § 13.2070 *Special or trial offers, savings and discounts.*

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interprets or applies sec. 5, 38 Stat. 719, as amended; 15 U.S.C. 45.) [Cease and desist order, Pay'N Save Corporation, Seattle, Washington, Docket C-2526, August 6, 1974.]

[1] New.

In the Matter of Pay'N Save Corporation, a corporation.

Consent order requiring a Seattle, Wash., owner and operator of retail drug, general merchandise, retail department and hardware stores, among other things to cease failing to have advertised specials readily available for sale at or below the advertised prices. Further, respondent is required to hire an independent testing company to check on its compliance with the order for a period of two years.

The Decision and Order, including further order requiring report of compliance therewith is as follows.[1]

It is ordered, That Pay'N Save Corporation, a corporation, its successors and assigns, its officers, agents, representatives, and employees, directly or through any corporation, subsidiary, division or other device, do forthwith cease and desist from representing orally, in writing, visually or in any other manner, directly or by implication, that any product is available for sale to the public at its stores at any price unless:

1. Each advertised item is clearly and conspicuously available for sale to the public at or below the advertised price in each store covered by the advertisement;

2. At each location where an advertised item is displayed for sale, there is a sign or other conspicuous marking clearly disclosing that the item is "as advertised" or "on sale" or words of similar import and meaning; and

3. Each advertised item, which is individually marked with a price, is individusually and clearly marked with a price which is at or below the advertised price: *Provided however*,

1. A product shall be deemed clearly and conspicuously available if a clear and conspicuous notice is displayed stating that said product is in stock and may be obtained upon request, and such product is furnished immediately upon request.

2. A product shall not be deemed unavailable if respondent maintains such records as will clearly and convincingly disclose (a) that the advertised products were ordered in adequate time for delivery and were delivered to its stores in quantities sufficient to meet reasonably anticipated demands; or (b) that ordered items were not delivered due to circumstances beyond respondent's control; and (c) furthermore, respondent offers a rain check to customers which allows them to purchase the product in the near future at or below the advertised price or respondent immediately offers a similar product of equal or better quality at or below the advertised price.

3. If an advertisement includes two or more stores, a product shall not be deemed unavailable or mispriced if such advertisement contains a specific exemption or limitation with respect to each product and each store in which the product is unavailable.

4. If an advertised item is placed for sale in a large stack, pyramid or other special display containing a great number of such items all of the items need not be individually marked at or below the advertised price, if the items not marked individually at or below the advertised price are so situated that it would be difficult or impossible for a customer to select that unmarked item.

It is further ordered, That for a period of two (2) years from the date this order becomes final respondent shall place notices during the effective period of each advertisement which represents that any product is available at respondent's stores (a) at or near each door offering entrance to the public in each retail store; and (b) at or near each cash register or place where customers pay for merchandise. The notice shall contain the following information:

NOTICE

1. A copy of the advertisement.
2. A statement that: "All items listed in the above advertisement are required to be readily available for sale at or below the advertised price."
3. If any advertised item that you wish to purchase is unavailable either (a) you will be given a rain check which will enable you to purchase the item at or below the advertised price in the near future; or (b) you will be allowed to immediately purchase a similar product of equal or better quality at or below the advertised price.
4. A statement that: "If you have any questions please speak to the store manager."

It is further ordered, That for a period of two (2) years from the date this order becomes final, in each advertisement which represents that products are available at any of its stores, respondent shall place the following statement:

Each of these advertised products are required to be readily available for sale at or below the advertised price in each ________ ____ (name of store) store, except as specifically noted in this ad.

It is further ordered, That:

1. Respondent shall deliver a copy of the complaint and this order to each of its present and future officers and other personnel in its organization down to the level of and including Assistant Store Managers who, directly or indirectly, have any supervisory responsibilities as to individual retail stores of respondent.

2. Respondent shall institute a program of continuing surveillance adequate to reveal whether the business practices of each of its retail stores conform with this order; and

3. Respondent shall hire under written contract an independent testing company to be approved by authorized representatives of the Federal Trade Commission. Such contract shall provide that the testing company shall randomly select four of respondent's retail stores every four months for a period of two years from the date this order becomes final, and survey such stores for compliance with this order; that respondent shall not receive prior notification of which stores will be surveyed; that the testing company shall submit its proposed testing procedure for approval by authorized representatives of the Federal Trade Commission prior to testing; that the Federal Trade Commission reserves the right to require changes in the testing procedure during the course of the testing program; and that upon completion of each survey the testing company shall send the survey results to the Fedral Trade Commission and to respondent.

It is further ordered, That respondent shall notify the Commission at least thirty (30) days prior to any proposed change in the respondent, such as dissolution, assignment or sale resulting in the emergence of a successor corporation, the creation or dissolution of subsidiaries or any other change in the respondent which may affect compliance obligations arising out of this order.

It is further ordered, That respondent shall, within sixty (60) days after service upon it of this order, file with the Commission a written report setting forth in detail the manner and form of its compliance with this order.

Decision and order issued by the Commission August 6, 1974.

VIRGINIA M. HARDING,
Acting Secretary.

[FR Doc.74-23247 Filed 10-4-74;8:45 am]

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[1] Copies of the complaint, decision and order, filed with the original document.

[Docket No. C-2527]

PART 13—PROHIBITED TRADE PRACTICES

Sam Nagler

Subpart—Advertising falsely or misleadingly: § 13.15 *Business status, advantages or connections;* 13.15–235 Producer status of dealer or seller; 13.15–235(m) Manufacturer; § 13.30 *Composition of goods;* 13.30–30 Fur Products Labeling Act; § 13.73 *Formal regulatory and statutory requirements;* 13.73–10 Fur Products Labeling Act; § 13.130 *Manufacture or preparation;* 13.130–20 Fur Products Labeling Act. Subpart—Furnishing false guaranties: § 13.1053 *Furnishing false guaranties;* 13.1053–35 Fur Products Labeling Act. Subpart—Invoicing products falsely: § 13.1108 *Invoicing products falsely;* 13.1108–45 Fur Products Labeling Act. Subpart—Misbranding or mislabeling: § 13.1185 *Composition;* 13.1185–30 Fur Products Labeling Act; § 13.1212 *Formal regulatory and statutory requirements;* 13.1212–30 Fur Products Act; § 13.1255 *Manufacture or preparation;* 13.1255–30 Fur Products Labeling Act. Subpart—Misrepresenting oneself and goods—Business status, advantages or connections: § 13.1485 *Manufacturer's operations*—Goods: § 13.1590 *Composition;* 13.1590–30 Fur Products Labeling Act; § 13.1623 *Formal regulatory and statutory requirements;* 13.1623–30 Fur Products Labeling Act. Subpart—Neglecting, unfairly or deceptively, to make material disclosure: § 13.1852 *Formal regulatory and statutory requirements;* 13.1852–35 Fur Products Labeling Act.

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended, sec. 8, 65 Stat. 179; 15 U.S.C. 45, 69f.) [Cease and desist order, Sam Nagler, New York City, Docket C-2527, August 16, 1974.]

In the Matter of Sam Nagler, an individual.

Consent order requiring a New York City wholesaler of furs and fur products, among other things to cease misrepresenting his business as being a manufacturer of fur products; misbranding, mislabeling, and falsely invoicing his fur products; and furnishing false guaranties as to his fur products.

The Decision and Order, including further order requiring report of compliance therewith is as follows: [1]

It is ordered, That respondent, Sam Nagler, an individual trading as Sam Nagler, or under any other name or names, his successors and assigns, and respondent's representatives, agents and employees, directly or through any corporation, subsidiary, division, or other device, in connection with the introduction, or manufacture for introduction into commerce, or the sale, advertising or offering for sale in commerce, or the transportation or distribution in commerce, of any fur product; or in connection with the manufacture for sale, sale, advertising, offering for sale, transportation or distribution of any fur product which is made in whole or in part of fur which has been shipped and received in commerce, as the terms "commerce," "fur" and "fur product" are defined in the Fur Products Labeling Act, do forthwith cease and desist from:

A. Misbranding fur products by:

1. Representing directly or by implication, on labels that the fur contained in any fur product is natural when the fur contained therein is pointed, bleached, dyed, tip-dyed, or otherwise artificially colored.

2. Failing to affix labels to fur products showing in words and in figures plainly legible all of the information required to be disclosed by each of the subsections of section 4(2) of the Fur Products Labeling Act.

3. Failing to set forth on labels the item number or mark to be assigned to each fur product.

B. Falsely or deceptively invoicing fur products by:

1. Failing to furnish invoices, as the term "invoice" is defined in the Fur Products Labeling Act, showing in words and figures plainly legible all the information required to be disclosed by each of the subsections of section 5(b)(1) of the Fur Products Labeling Act.

2. Representing, directly or by implication, on invoices that the fur contained in the fur products is natural when such fur is pointed, bleached, dyed, tip-dyed or otherwise artificially colored.

3. Describing fur products which have been bleached, dyed or otherwise artificially colored by the name of mink or any other animal name or names without disclosing that the said fur products are bleached, dyed or otherwise artificially colored.

4. Failing to set forth on invoices the item number or mark required to be assigned to such fur products.

5. Representing directly or indirectly on invoices the word "manufacturers" or any other word of similar import or meaning implying that the respondent manufactures the fur products sold by him, unless and until respondent actually owns and operates, or directly and absolutely controls the manufacturing plant wherein his fur products are made.

C. Falsely or deceptively advertising any fur product through the use of any advertisement, representation, public announcement or notice which is intended to aid, promote or assist, directly or indirectly, in the sale or offering for sale of any such fur product, which implies that the respondent manufactures the fur products sold by him, unless and until respondent actually owns and operates, or directly and absolutely controls the manufacturing plant wherein his fur products are made.

D. Furnishing a false guaranty that any fur product is not misbranded, falsely invoiced or falsely advertised when the respondent has reason to believe that such fur product may be introduced, sold, transported, or distributed in commerce.

It is further ordered, That the respondent herein promptly notify the Commission of the discontinuance of his present business or employment and of his affiliation with a new business or employment. Such notice shall include respondent's current business and address, the nature of the business or employment in which he is engaged, as well as a description of his duties and responsibilities.

It is further order, That respondent shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing, setting forth in detail the manner and form in which they have complied with the order to cease and desist contained herein.

Decision and Order issued by the Commission August 16, 1974.

VIRGINIA M. HARDING,
Acting Secretary.

[FR Doc.74-23248 Filed 10-4-74;8:45 am]

[1] Copies of the complaint, decision and order, filed with the original document.

Title 17—Commodity and Securities Exchanges

CHAPTER II—SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-8494]

PART 270—RULES AND REGULATIONS, INVESTMENT COMPANY ACT OF 1940

PART 274—FORMS PRESCRIBED UNDER THE INVESTMENT COMPANY ACT OF 1940

Exemption for Securities Traded in Over-the-Counter Market and Change in Annual Report Form N-1R

On February 13, 1974, there was published in the FEDERAL REGISTER (39 FR 5506) a notice of proposed rulemaking with a proposed amendment to Rule 17a-7 (17 CFR 270.17a-7) under the Investment Company Act of 1940 (the "Act") pursuant to authority granted to the Commission in sections 6(c) and 38(a) of the Act (15 U.S.C. 80a-6(c), 80a-37(a)) and the revision of Item 2.07 of Form N-1R and of the EDP Attachment to Form N-1R (17 CFR 274.101, 274.101a-1, 274.101a-2) for management investment companies pursuant to authority granted to the Commission in section 30 of the Act (15 U.S.C. 80a-29) and in sections 13 and 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m, 78o(d))) (the "1934 Act"). The proposed amendment to Rule 17a-7 would have qualified for the Rule's exemptive relief purchase or sale transactions between affiliated investment companies in securities which are included in an inter-dealer quotation system which is sponsored and governed by the rules of a national securities association registered pursuant to section 15A of the 1934 Act (15 U.S.C. 78o-3), provided (i) the transaction is effected at the average of the highest last independent bid and the lowest last independent offer for such security as quoted on such quotation system on such day and (ii) on such day such quotation system carries at least two independent bids and offers furnished or submitted by at least two brokers or dealers with respect to such security. The proposed amendment to Item 2.07 of Form N-1R would have required the registrant to state the reasons why a Rule 17a-7 transaction was engaged in. The proposed amendment to Item 2.07 of the EDP Attachment to Form N-1R would have required the registrant to state, affirmatively or negatively, whether it reported in Item 2.07 of Form N-1R any transaction which was exempted by Rule 17a-7 under the Act.

As a result of comments received, the following changes are made:

1. The word "last" which appeared twice in proposed paragraph (c) of Rule 17a-7 has been changed to "current" in order to correlate the type of quotation with its respective quotation system.

2. The word "current" has been added to sub-part (3) of proposed paragraph (c) of Rule 17a-7 to further emphasize this clarification.

3. The language "and which displays quotations for such security on a current and continuous basis" has been added to sub-part (1) of proposed paragraph (c) of Rule 17a-7 to describe more precisely the quotation system which can be used to effect the transaction.

4. The language "at the time of such transaction" has been added to the beginning of sub-part (3) of proposed paragraph (c) of Rule 17a-7 to emphasize the fact that the quotes being used must be those which are being displayed by the system at the time of execution.

5. The language "on such day" has been deleted from sub-parts (2) and (3) of proposed paragraph (c) of Rule 17a-7 to make these clauses consistent with the change described in No. 4 above.

Commission Action

I. Pursuant to the authority in sections 6 and 38(a) of the Investment Company Act of 1940, the Securities and Exchange Commission hereby amends § 270.17a-7 of Part 270 of Chapter II of Title 17 of the Code of Federal Regulations to become effective on November 1, 1974, and to read as follows:

§ 270.17a-7 Exemption of certain purchase or sale transactions between affiliated registered investment companies.

A purchase or sale transaction between registered investment companies, which are affiliated persons, or affiliated persons of affiliated persons, of each other, or between separate series of a registered investment company, shall be exempt from section 17(a) of the Act: *Provided:*

(a) The transaction is a purchase or sale, for no consideration other than cash payment against prompt delivery, of a security traded on a national securities exchange or of a security traded in the over-the-counter market;

(b) If the principal market for such security is a national securities exchange, the transaction is effected at the independent current market price of such security on such principal market. For the purposes of this paragraph, the "current market price" shall be the last independent sale price of such security on such exchange if such security was traded on such exchange on such day, or the average of the highest current independent bid and the lowest current independent offer for such security on such exchange if it was not traded on such exchange on such day;

(c) If the principal market for such security is the over-the-counter market, (1) the security is entered in an inter-dealer quotation system which is sponsored and governed by the rules of a national securities association registered pursuant to section 15A of the Securities Exchange Act of 1934 and which displays quotations for such security on a current and continuous basis, (2) the transaction is effected at the average of the highest current independent bid and the lowest current independent offer for such security as quoted on such quotation system, and (3) at the time of such transaction, such quotation system carries at least two independent current bids and offers furnished or submitted by at least two brokers or dealers with respect to such security;

(d) The transaction is consistent with the policy of each registered investment company, or of separate series of a registered investment company, as recited in its registration statement and reports filed under the Act; and

(e) No brokerage commission, fee (except for customary transfer fees), or other remuneration is paid in connection with the transaction.

II. The proposed amendments to Item 2.07 of Form N-1R are adopted as set forth below and will become effective for all fiscal years ending on or after December 31, 1974.

Item 2.07 Transactions between registrant or controlled company and affiliated or certain other persons (sections 17(a), 17(b), 17(c), and 21).

* * * * *

(b) If during the fiscal year any of the persons specified below, acting as principal, sold to the registrant, or to any company controlled by the registrant, any security or other property, other than pursuant to any of the exemptions specified in section 17(a) (1) or 17(c) of the Act, cite the specific order, if any, of the Commission pursuant to section 17(b) of the Act relied upon for exemption, or, in the absense of such an order, describe the transaction, identify the persons and the nature of the affiliation with the registrant, and cite the rule, if any, under the Act relied upon for exemption. If Rule 17a-7 was relied upon for exemption, also state the reasons why the registrant purchased and the persons sold such security or property.

(c) If during the fiscal year any of the persons specified in paragraph (b) above, acting as principal, purchased from the registrant, or from any company controlled by the registrant, any security or other property, other than pursuant to any of the exceptions specified in section 17(a) (2) or 17(c) of the Act, furnish the information required in paragraph (b) above, including, if Rule 17a-7 was relied upon for exemption, the reasons why the persons purchased and the registrant sold such security or property.

* * * * *

III. The proposed amendments to Item 2.07 of the EDP Attachment to Form N-1R are adopted as set forth below and will become effective for all fiscal years ending on or after December 31, 1974.

Item 2.07(a) Transactions between registrant or controlled company and affiliated or certain other persons (Sections 17(a), 17 (b), 17(c) and 21). State whether registrant reported in Item 2.07 of its annual report on Form N-1R for fiscal year any transaction which was not exempted by an order of the Commission or exempted or excepted by any provision of sections 17 or 21 of the Act or any Rule thereunder.

-------- (Yes or No)

Item 2.07(b) Certain Purchase or Sale Transactions Between Certain Registered Investment Companies (Rule 17a-7). State whether registrant reported in Item 2.07 of its annual report on Form N-1R for fiscal year any transaction which was exempted by Rule 17a-7 under the Act.

-------- (Yes or No)

(Sec. 6(c), 30, 38(a), Pub. L. 76-768, 54 Stat. 800, 836, 841 (15 U.S.C. 80a-6(c), 80a-29, 80a-37(a); sec. 13, 15(d), Pub. L. 73-291, 48 Stat. 894, 895 (15 U.S.C. 78m, 78o(d))

By the Commission.

[SEAL] GEORGE A. FITZSIMMONS, *Secretary.*

SEPTEMBER 13, 1974.

[FR Doc.74-23220 Filed 10-4-74;8:45 am]

Title 20—Employees' Benefits

CHAPTER III—SOCIAL SECURITY ADMINISTRATION, DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

[Regs. 16]

PART 416—SUPPLEMENTAL SECURITY INCOME FOR THE AGED, BLIND, AND DISABLED

Subpart O—Representation of Parties

On December 14, 1973, there was published in the FEDERAL REGISTER (38 FR 34469) a notice of proposed rulemaking with a proposed new subpart (Subpart O) of Regulations No. 16. The proposed regulations were designed to implement the provisions of title XVI of the Social Security Act, as amended by the Social Security Amendments of 1972 (Pub. L. 92-603), relating to representation of parties in proceedings under the supplemental security income program. They provide the rules and procedures governing the representation of parties in proceedings as provided in section 1631(d) (3) of the Social Security Act. The proposed provisions parallel the provisions of 20 CFR 404.971 through 404.990, dealing with the representation of parties in proceedings under titles II and XVIII of the Social Security Act, except that there is no provision in these proposed regulations for the direct payment by the Social Security Administration of fees to attorneys out of the past-due benefits of claimants. Interested parties were given 30 days within which to submit their data, views, and arguments.

Only two letters of comment have been received in response to the proposal.

In the proposed § 416.1503(b)(1) there is a provision that any person (other than an attorney) who "is of good character, is in good repute, and has the necessary qualifications to enable him to render valuable assistance to an individual in connection with his claim" may be appointed a representative. It was suggested that this provision is too vague and would render arbitrary the acceptance or preclusion of a representative. The provision paraphrases the regulation governing the representation of parties under titles II and XVIII and is intended to be the uniform criterion applied for the appointment of all representatives before the Social Security Administration. It is purposely patterned after the language of the statute (section 1631(d)(3)) so as not to restrict the acceptance of appointments to any set of limited qualifications. Rather than preventing the selection of various types or classes, such language provides discretion to select individuals meeting the basic fundamental qualifications for sound representation.

In the proposed § 416.1503(b)(3) there appears as a condition under which a person other than an attorney may represent a claimant in a proceeding before the Social Security Administration, that he is "not, pursuant to any provision of law, otherwise prohibited from acting as a representative." The comment was made that in some States individuals who are not attorneys would be precluded from representing claimants before the Social Security Administration. This has not been the case in the past with respect to representation under titles II and XVIII. The statute governing representation of parties before the Social Security Administration is a Federal statute and supersedes State statute with respect to representation before the Social Security Administration. Therefore, it would not be necessary to construe a State statute as precluding such representation. Rather, this provision was intended to preclude representation