



## Department of Agriculture

CERTAIN FATTY ACIDS REMOVED FROM LIST OF ITEMS SUBJECT TO AGRICULTURE-IMPORT ORDER: Appendix A to the Agriculture-Import Order (Part 4—War Food Orders, FMA) has been revised by deleting certain items, including, among others, "Fatty acids, not specially provided for, derived from vegetable oils, animal or fish oils, animal fats and greases, not elsewhere specified" (Commerce Import Class No. 2260.240). This revision was announced in the Federal Register of November 29, 1950, by the U. S. Department of Agriculture, and became effective on November 25, 1950.



## Department of Commerce

BRITISH TOKEN IMPORT PLAN WILL BE CONTINUED IN THE UNITED STATES DURING 1951: The British Token Import Plan will be continued in the United States during 1951, the U. S. Department of Commerce announced December 14, 1950, through its Office of International Trade. The only item of interest to the fishing and allied industries included in the commodities subject to the plan is canned lobster.

This means that eligible United States manufacturers, or their authorized agents, will be permitted to export to the United Kingdom during 1951 token shipments of specified commodities, the general importation of which is prohibited by the British Government. Manufacturers or agents eligible to participate are those having established prewar trade connections in England, Scotland, Wales, or Northern Ireland.

One important revision in the Plan permits importation of shipments valued at twice the amount heretofore permitted. Shipments will now be permitted in an annual amount not to exceed 40 percent of the individual firm's average annual shipments of the specified commodities to the United Kingdom during the base years 1936, 1937, and 1938. The amount previously permitted was only 20 percent.

The British Board of Trade announced there would be no new additions to the list of approved commodities, the number of items remaining at 197, the same as in 1950.

The British trade arrangement was originally established with the United States in 1946, and operates on a calendar year basis. It is also applicable to several other countries having prewar trade connections in the United Kingdom.

Commerce's Office of International Trade (OIT) acts as certifying agent of statements of eligibility and prewar exports submitted by U. S. firms under the Plan. Certificates are issued by OIT, in the form of scrip, to qualified exporters.

The certificate is then forwarded by the exporter to the British importer, who uses it in applying to the Government there for a permit to import the commodity.

The certification procedure to be followed by OIT under the 1951 Plan will be similar to that followed in 1950. The same application Form (IT-558) will be used and should be submitted to OIT as soon as possible. Certification will begin immediately after January 1.

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DESIGNATION OF CLAIMANT AGENCIES: Claimant agencies to present requirements to the Secretary of Commerce with respect to materials and facilities placed under his jurisdiction by the Defense Production Act<sup>1/</sup> were designated and announced by Commerce in the Federal Register of November 25, 1950. The full text of the order follows:

DESIGNATION OF CLAIMANT AGENCIES

1. The purpose of this notice is to designate claimant agencies to present requirements to the Secretary of Commerce with respect to materials and facilities placed under his jurisdiction by section 101 (d) of Executive Order 10161 of September 9, 1950 (15 F. R. 6105).

2. Section 101 (d) of Executive Order 10161 delegates to the Secretary of Commerce the functions conferred upon the President by Title 1 of the Defense Production Act of 1950 (Pub. Law 774, 81st Cong.) with respect to all materials and facilities except those specifically delegated by sections 101 (a), (b), and (c) to the Secretary of the Interior, the Secretary of Agriculture, and the Commissioner of the Interstate Commerce Commission responsible for supervising the Bureau of Service, respectively.

Section 103 of Executive Order 10161 provides:

(a) Each delegate referred to in section 101 of this Executive order shall be a claimant before the other such delegates, respectively, in the case of materials and additional facilities deemed by the claimant delegate to be necessary for the provision of an adequate supply of the materials and facilities with respect to which delegation is made to the claimant delegate by the said section 101.

(b) Each delegate under section 101 of this Executive order may, with the approval of the Chairman of the National Security Resources Board, designate agencies and officers of the Government, additional to the claimants referred to in section 103 (a) of this Executive order, to be claimants before such delegate with respect to stated materials and facilities.

3. In accordance with the description of claimant responsibilities set forth in section 103 of Executive Order 10161 and pursuant to the designations in section 103 (a) and to the authority contained in section 103 (b) of the order, the following officers and agencies of the Government, having been approved by the

National Security Resources Board, are hereby designated as claimants before the Secretary of Commerce: (1) The Secretary of the Interior with respect to petroleum; gas; solid fuels; electric power; construction and maintenance projects under his jurisdiction other than those classes of construction specified in paragraphs 12 and 15; fishery products as set forth in the October 13, 1950, order of the Secretary of Agriculture delegating fishery authority to the Secretary of the Interior; those areas of minerals and metals as set forth in the October 6, 1950, Memorandum of Agreement between the Departments of Interior and Commerce; and the construction program of the Tennessee Valley Authority; (2) The Secretary of Agriculture with respect to food; and the domestic distribution of farm equipment and commercial fertilizer, and veterinary supplies and equipment; (3) That commissioner of the Interstate Commerce Commission who is the Administrator of the Defense Transport Administration with respect to domestic transportation, storage, and port facilities, or the use thereof; (4) The Secretary of Defense with respect to the military needs of the Department of Defense, except those items for which the General Services Administration regularly procures for the Department of Defense; equipment and supplies of military-type products for the Mutual Defense Aid Program; stockpile; and military construction; (5) The Secretary of the Army with respect to civil construction projects under the jurisdiction of the Department of the Army, except projects having electric power generating capacity or facilities unless specifically exempted by the Secretary of the Interior; (6) The Administrator of the Economic Cooperation Administration with respect to all nonmilitary exports to countries in which the ECA has a program including the requirements for

additional military production under the Mutual Defense Aid Program and for common-use items under other approved military programs. In developing requirements for his claimant area, the Administrator shall consult with the Secretary of State and with the heads of those agencies having responsibility for particular domestic programs. The presentation of requirements for foreign mineral and energy development programs shall include a statement by the Secretary of the Interior covering the relationship of the programs concerned to his over-all mineral and energy development programs; (7) The Director of the Office of International Trade (Department of Commerce) with respect to all exports not covered by the Department of Defense and the Economic Cooperation Administration. In developing the requirements for his claimant area the Director shall consult with the Secretary of State and with the heads of those agencies having responsibility for particular domestic programs. The presentation of requirements for foreign mineral and energy development programs shall include a statement by the Secretary of the Interior covering the relationship of the programs concerned to his over-all mineral and energy development programs; (8) The Chairman of the Atomic Energy Commission with respect to the program of that agency; (9) The Maritime Administrator with respect to coastwise, intercoastal, and overseas shipping, and merchant ship construction and repair; (10) The Chairman of the Civil Aeronautics Board with respect to all aircraft used in carrier transportation and the use thereof; (11) The Administrator of the Civil Aeronautics Administration with respect to all civil aviation operations not covered in paragraph 10, including materials, parts, and equipment for all civil aircraft and for aeronautical communication facilities; (12) The Commissioner of Public

<sup>1/</sup>SEE COMMERCIAL FISHERIES REVIEW, NOVEMBER 1950, PP. 79-81.  
<sup>2/</sup>IBID., PP. 82-3.

Roads with respect to all highway construction and maintenance, including urban streets constructed with or without Federal aid. The Commissioner shall consult with the Secretary of the Interior and the Secretary of Agriculture on road programs under their jurisdiction and with the Administrator of the Housing and Home Finance Agency on road programs related to community facilities; (13) The Chairman of the Federal Communications Commission with respect to all communications facilities, both Government and private, of a civilian character not covered otherwise; (14) The Director of the National Advisory Committee for Aeronautics with respect to the program of that agency; (15) The Administrator of the Federal Security Agency with respect to school and hospital construction other than veterans' hospitals; and the domestic distribution of supplies and equipment needed in the fields of health, education, welfare, recreation and related activities; (16) The Administrator of the Veterans' Administration with respect to the hospital program of that agency; (17) The Administrator of the

Housing and Home Finance Agency with respect to all housing construction, alteration and repair, and with respect to State and local community facilities not covered elsewhere. The Administrator shall consult with the Administrator of the Federal Security Agency with respect to the establishment of requirements for the community facilities under his area of responsibility, particularly as regards the health and sanitation problems involved; and as regards the relationship of the Housing and Home Finance Agency community facility requirements to the school and hospital requirements as developed by the Administrator of the Federal Security Agency. The Administrator shall also consult with the Director of the United States Geological Survey on community water facility projects in order to obtain his recommendations as to the most effective utilization of water supply; (18) The Administrator of the General Services Administration with respect to the needs of all Federal Government agencies not covered otherwise, including Federal construction not covered otherwise, and notwithstanding the other designations

made, the needs of all Federal Government agencies for common-use items listed in the General Services Administration Stores Stock Catalog, or procured under Federal Supply Schedule contracts, or otherwise designated as common-use items by the Administrator of General Services: *Provided*, That the Secretary of Defense shall act as claimant with respect to the needs of the Department of Defense for such common-use items as may be designated by agreement between the Secretary of Defense and the Administrator; and (19) The Assistant Administrator of NPA for Industry Operations (Department of Commerce) with respect to the needs of all industries and business, including wholesale and retail trades, and the construction and service industries not otherwise covered. This includes claimant status with respect to general consumption of products and services produced in the industries put under the cognizance of the Secretary of Commerce by Executive Order 10161.

[SEAL] PHILIP B. FLEMING,  
Acting Secretary of Commerce.

#### NATIONAL PRODUCTION AUTHORITY

##### ORDER ISSUED FOR EQUITABLE CIVILIAN DISTRIBUTION AND CONSERVATION OF TIN:

In order to assure tin supplies for the rearmament program, the National Production Authority (NPA) on December 19 issued an order designed also to provide for equitable civilian distribution of the remaining supply and encourage conservation of the scarce metal.

In an amendment superseding its Order M-8, NPA ruled that materials containing 1.5 percent or more of tin may be used for civilian purposes in January at 100 percent of the rate of use during the first half of 1950 and at 80 percent of that rate in February and March.

The action was taken, NPA officials said, because the amount of tin available for both defense and civilian consumption in the first half of 1951 is expected to be less than the amount consumed in the first half of 1950. The United States depends entirely on foreign sources for tin. Most of it comes from the Far East.

The order encourages the use wherever possible of substitute metals that are not in short supply. Use of new pig tin is specifically prohibited in cases where secondary tin can be re-used.

Task groups from specific industries will work with NPA in developing conservation measures, officials report. These conservation orders will feature changes in present specifications, standardization of types and sizes, and use of substitute materials.

The Tin Plate Industry Advisory Committee members met with NPA officials on December 13 to discuss immediate measures needed to assure the meeting of tin requirements in the expanding rearmament program and to spread the remaining tin supplies as far as possible to permit maximum production of non-defense goods. The committee reported that methods for conserving tin, such as use of a lighter coating, were being actively explored.



The full text of the amended NPA order follows (Order M-8, as amended December 18, 1950):

## TITLE 32A—NATIONAL DEFENSE, APPENDIX

### Chapter 1—National Production Authority, Department of Commerce

[NPA Order M-8 as Amended]

#### PART 27—TIN

This Order amending and superseding NPA Order M-8, dated November 13, 1950, is found necessary and appropriate to promote the national defense and is issued pursuant to the authority of Section 101 of the Defense Production Act of 1950. In the formulation of this order, there has been consultation with industry representatives, including trade association representatives, and consideration has been given to their recommendations. However, consultation with representatives of all trades and industries affected in advance of the issuance of this order, has been rendered impracticable by the fact that the order affects a very substantial number of different trades and industries.

|       |   |
|-------|---|
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**AUTHORITY:** §§ 27.1 to 27.11 issued under sec. 704, Pub. Law 774, 81st Cong. Interpret or apply sec. 101, Pub. Law 774, 81st Cong., sec. 101, E. O. 10161, Sept. 9, 1950, 15 F. R. 6105.

§ 27.1 *What this part does.* This part amends and supersedes NPA Order M-8. The purpose of this part is to describe how tin remaining after allowing for the requirements of national defense may be distributed and used in the civilian economy. This part also sets forth limitations on inventories of pig tin as well as alloys and other materials containing tin, and explains the conditions under which reports are required in connection with the production, distribution, importation, use, and inventories of pig tin. It also covers the conditions under which reporting is required in connection with the customs entry of tin importation. It is the policy of the National Production Authority that tin and alloys and other materials containing tin and articles made of tin and tin products, not required to fill rated orders, shall be distributed equitably through normal channels of distribution, and that due regard shall be given by suppliers to the needs of new and small business. It is the intent of this part that other materials which are not in short supply will be substituted for tin and alloys and other materials containing tin wherever possible.

§ 27.2 *Definitions.* As used in this Order:

(a) "Person" means any individual, corporation, partnership, association, or any other organized group of persons and includes any agency of the United States or any other government.

(b) "Base period" means the six months period ending June 30, 1950.

(c) "Manufacture" means to melt, put into process, machine, fabricate, cast, roll, turn, spin, coat, extrude, or otherwise alter pig tin, alloys containing tin, or other materials containing tin, by physical or chemical means and includes the use of tin and alloys and other materials containing tin in plating, and in chemical compounding and processing. It does not include the use of tin contained in any "in process" materials or any other materials not actually to be incorporated into the items to be manufactured, such "in process" materials and other materials being included under paragraphs (d) and (e) of this section.

(d) "Maintenance" means the minimum upkeep necessary to continue a building, machine, piece of equipment, or facility in sound working condition, and "repair" means the restoration of a building, piece of equipment, or facility to sound working condition when the same has been rendered unsafe or unfit for service by wear and tear, damage, failure of parts, or the like: *Provided, however,* Neither maintenance nor repair includes the improvement of any such item with material of a better kind, quality, or design.

(e) "Operating supplies" means any tin or alloy or other material containing tin normally carried by a person as operating supplies according to established accounting practice and not included in his finished product, except that materials included in such product which are normally chargeable to operating expense may be treated as operating supplies.

(f) "Import" means to transport in any manner into the continental United States from any foreign country or from any territory or possession of the United States. It includes shipments into a United States foreign trade zone or bonded custody of any United States Collector of Customs (bonded warehouse) in the continental United States and shipments into the continental United States for processing or manufacture in bond for exportation. "Import" does not include shipments in transit in bond through the continental United States without processing or manufacture to Canada, Mexico, or any other foreign country, or shipments through United States foreign trade zones to a foreign country without processing or manufacture. However, if any material in such shipments in transit in bond is, because of a change in plans, to be sold or used in the continental United States, or subjected to processing or manufacture in the continental United States, it becomes an "import" for the purposes of this part and requires the reports specified in § 27.7.

(g) "Pig tin" means metal containing

95 percent or more by weight of the element tin, in shapes current in the trade, including anodes, small bars, and ingots, but excluding the products specifically listed in Section IV of report form NPAF-7.

(h) "Secondary tin" means any alloy, produced from scrap, which contains less than 95 percent but not less than 1.5 percent by weight of the element tin.

(i) "Tin" means pig tin and tin in any raw, semi-finished, or scrap form, and any alloys, compounds, or other materials containing tin (where tin is of chief value) in any raw, semi-finished, or scrap form. This includes, but is not limited to, the following:

|   |          |
|---|----------|
| Babbitt metal and solder.....   | 6506.100 |
| Alloys and combinations of lead, not in chief value lead (including lead, antimony, and white metal).....                       | 6506.900 |
| Tin bars, blocks, pigs, grain or granulated.....  | 6551.300 |
| Tin metallic scrap (except alloyed scrap).....  | 6551.500 |
| Tin alloys, chief value tin n. s. p. f. (including alloy scrap).....  | 6551.900 |
| Tin foil less than 0.006 inch thick.....  | 6790.710 |
| Tin powder, flitters, and metallics.....  | 6790.720 |
| Tin bichloride, tin tetrachloride and other chemical compounds, mixtures, and salts, tin chief value (including tin oxide)..... | 8380.920 |

**NOTE.**—The numbers listed in the second column are commodity numbers taken from Schedule A, Statistical Classification of Imports into the United States, issued by the U. S. Department of Commerce (September 1, 1946 edition).

(j) "Copper-base alloy" for the purpose of this Order means any alloy containing tin in the composition of which the percentage of copper metal by weight equals or exceeds 40 percent of the total weight of the alloy.

(k) "Scrap" means all materials or objects which are the waste or by-products of industrial fabrications or which have been discarded for obsolescence, failure, or other reason, and which contain tin or alloys or other materials containing tin in a form making such scrap suitable for industrial use.

§ 27.3 *Application of part.* Subject to the exemptions stated in § 27.6, this part applies to all persons who produce tin or alloys or other materials containing tin, or who use tin or alloys or other materials containing tin, in manufacture, processing, or construction, or for maintenance, repair, or operating supplies. In addition, the reporting provisions stated in § 27.7 apply to persons who produce, distribute, or hold in their possession pig tin, or who import tin.

§ 27.4 *Use of pig tin and alloys and other materials containing tin.* Subject to the exemptions stated in § 27.6, or unless specifically directed by NPA:

(a) No pig tin shall be used where secondary tin can be used.

(b) No person shall put into process or otherwise use in manufacturing, or in treating any item or product, or in the installation or construction of any item, during the following months, a total quantity by weight of tin contained in



pig tin, secondary tin, solder, babbitt, copper-base alloys and other alloys containing 1.5 percent or more tin, or other materials containing 1.5 percent or more tin, in excess of the percentages specified with respect to each month of his average monthly use of such forms of tin during the base period:

|                    | Percent |
|--------------------|---------|
| January 1951.....  | 100     |
| February 1951..... | 80      |
| March 1951.....    | 80      |

(c) No person shall use for the purposes stated in paragraph (b) of this section during the following months a total quantity by weight of pig tin in excess of the following percentages specified with respect to each month of his average monthly use of pig tin during the base period:

|                    | Percent |
|--------------------|---------|
| January 1951.....  | 100     |
| February 1951..... | 80      |
| March 1951.....    | 80      |

§ 27.5 *Maintenance, repair, and operating supplies.* Unless specifically directed by the National Production Authority, during the calendar quarter commencing January 1, 1951, no person shall use for maintenance, repair, and operating supplies a quantity by weight of tin contained in pig tin or alloys or other materials containing tin in excess of 100% of his average quarterly use for such purposes during the base period. No pig tin shall be used for such purpose where secondary tin can be used.

§ 27.6 *Exemptions.* (a) The use by any person of pig tin or alloys or other materials containing tin required to fill an order that is rated under the priorities system established by Part 11 of this Chapter (NPA Reg. 2), or to meet any other mandatory order of the National Production Authority, is permitted in addition to the use of such materials authorized by the provisions of §§ 27.4 and 27.5.

(b) Pig tin or alloys or other materials containing tin acquired by a rated order or to meet a National Production Authority scheduled program may be used in addition to the quantities permitted by the provisions of §§ 27.4 and 27.5.

§ 27.7 *Reports.* (a) Reports on pig tin:

(1) Any person using 1,000 lbs. or more of pig tin in any calendar month must complete and file report form NPAF-7 with the National Production Authority on or before the 20th day of November 1950, and on or before the 20th day of each succeeding month with respect to such use during the preceding month.

(2) Any person who on the last day of any calendar month has in his possession or under his control 1,000 lbs. or more of pig tin must complete and file report form NPAF-7 with the National Production Authority on or before the 20th day of November 1950, and on or before the 20th day of each succeeding month with respect to such possession or control on the last day of the preceding month.

(3) Any person who produces, imports, or distributes any pig tin must report his production, entries, receipts, deliveries, inventories, balance of entries, and all other transactions in pig tin either by completing and filing report form

NPAF-7, or by letter in triplicate with the National Production Authority, on or before the 20th day of November 1950, with respect to all such operations and transactions during October 1950, and on or before the 10th of December and on or before the 10th day of each succeeding month with respect to all such operations and transactions during the preceding month.

(b) Reports on Customs Entry: No tin, including without limitation, tin imported by or for the account of the Reconstruction Finance Corporation U. S. Commercial Company, or any other United States governmental department, agency, or corporation, shall be entered through the United States Collectors of Customs unless the person making the entry shall complete and file with the Bureau Form NPAF-8. The filing of such form a second time shall not be required upon any subsequent entry of the same material through the United States Collectors of Customs; nor shall the filing of such form a second time be required upon the withdrawal of such material from bonded custody of the United States Collectors of Customs, regardless of the date when such material was first transported into the continental United States. Form NPAF-8 will be transmitted by the Collector of Customs to the National Production Authority.

(c) Other reports: All persons having any interest in, or taking any action with respect to, the importation of tin, whether as owner, agent, consignee, or otherwise, shall file such other reports as may be required from time to time by the National Production Authority, subject to the terms of the Federal Reports Act (P. L. 831—77th Cong., 5 U. S. C. 139-139F).

(d) All reports required by this part shall be addressed to the National Production Authority, Washington 25, D. C., Ref: M-8, together with such number of copies as may be specified in the report form.

§ 27.8 *Inventories.* In addition to the inventory provisions of Part 10 of this Chapter (NPA Reg. 1), it is considered that a more exact requirement applying to users of pig tin or alloys or other materials containing tin (excluding ores and concentrates) is necessary.

(a) No person obtaining any such materials for use in manufacture, processing, or construction, or for maintenance, repair, or operating supplies, shall receive or accept delivery of a quantity of the materials listed in Column A below from domestic sources if his inventory of such materials is, or by such receipt would become, more than the smallest quantity which will be required by his scheduled method and rate of operation to be put into use for such purposes during the next succeeding period specified in the corresponding section of Column B below, or (except for pig tin) in excess of a "practicable minimum working inventory" as defined in NPA Reg. 1, whichever is less:

Column A

1. Pig tin.
2. Copper-base alloys (containing 1.5 percent or more tin).
3. Solder, babbitt, and other alloys containing 1.5 percent or more tin (except copper-base alloys).
4. All other materials containing tin.

Column B

1. 120 days (for manufacture of tin plate); 60 days (for any other use).
2. 60 days.
3. 60 days.
4. 60 days.

For the purpose of this section, any such materials in which only minor changes or alterations have been effected shall be included in inventory.

(b) Section 10.11 of NPA Reg. 1, entitled "Imported materials" will continue to apply. The other provisions of this regulation will continue to apply except as modified by this section.

(c) No scrap dealer shall accept delivery of any form of scrap defined in § 27.2, unless, during the 60 days immediately preceding the date of such acceptance, he shall have made delivery or otherwise disposed of scrap to an amount at least equal in weight to his scrap inventory on the date of such acceptance, exclusive of the delivery to be accepted.

§ 27.9 *Application for adjustments.* Any person affected by any provision of this order may file a request for adjustment or exception upon the ground that his business operation was commenced during or after the base period, or because any provision otherwise works an undue or exceptional hardship upon him not suffered generally by others in the same trade or industry, or its enforcement against him would not be in the interest of the national defense or in the public interest. In examining requests for adjustment claiming that the public interest is prejudiced by the application of any provision of this part, consideration will be given to the requirements of the public health and safety, civilian defense, and dislocation of labor and resulting unemployment that would impair the defense program. Each request shall be in writing and shall set forth all pertinent facts and the nature of the relief sought, and shall state the justification therefor.

§ 27.10 *Communications.* All communications concerning this order shall be addressed to National Production Authority, Washington 25, D. C., Ref: M-8.

§ 27.11 *Violations.* Any person who wilfully violates any provisions of this order or any other order or regulation of the National Production Authority or wilfully conceals a material fact or furnishes false information in the course of operation under this order is guilty of a crime and, upon conviction, may be punished by fine or imprisonment or both. In addition, administrative action may be taken against any such person to suspend his privilege of making or receiving further deliveries of materials or using facilities under priority or allocation control and to deprive him of further priorities assistance.

NOTE: All reporting requirements of this order have been approved by the Bureau of the Budget in accordance with the Federal Reports Act.

This part shall take effect except as otherwise specifically stated on December 18, 1950.

NATIONAL PRODUCTION AUTHORITY,

[SEAL]

W. H. HARRISON,  
Administrator.

PRESENT AND ANTICIPATED HARD FIBRE SUPPLIES AND DEMAND TO BE STUDIED: Representatives of the hard fibre cordage industry met on December 20, 1950, with officials of the National Production Authority for a preliminary review of the manila and sisal fibre supply and demand situation.

Both industry and NPA agreed that because of expected increased demands for fibre cordage products resulting from the expanding rearmament program, further studies of present and anticipated hard fibre supplies and demand should be made. NPA will appoint a Hard Fibre Industry Advisory Committee to make such studies and report the findings at a meeting with the agency in January.

Hard fibre cordage products are important to our defense program, as well as for essential civilian needs, NPA said. If studies indicate the possibility of shortages of these products, steps will be taken to assure supplies for defense and essential civilian usage, NPA added.

Products in which hard fibres are used include rope, binder and baler twine, tying twine, and some types of paper. Our supplies of manila fibre come from Central America and the Philippines, while sisal fibre is imported from various points in the West Indies, South America, and Africa.

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INCREASES AMOUNT OF ALUMINUM THAT CAN BE USED IN FUNCTIONAL COMPONENT PARTS: The National Production Authority on December 26 modified its Order M-7 (Direction No. 3) to permit an increase in the amount of aluminum that can be used in the manufacture of strictly functional component parts during March.

The action was taken, NPA said, to give relief to certain manufacturers and assemblers of end products during March to maintain production and to permit additional time for adoption of substitute materials.

Order M-7 permits consumption of aluminum for non-defense purposes in March at 65 percent of the monthly average use for the first half of 1950. Direction No. 3 provides that in March manufacturers of component parts may use 75 percent of their average monthly use for this purpose in the base period, provided that:

1. The aluminum components serve a functional purpose in the end product.
2. It is not practicable to substitute another material for aluminum before or during March.
3. The aluminum components do not exceed one percent of the total weight of the end product.

Anyone manufacturing aluminum component parts under these conditions must obtain a certification from the manufacturer or assembler of the end product stating that the terms of the NPA Direction were complied with.

NOTE: FULL TEXT OF DIRECTION NO. 3 TO ORDER M-7 AND THE ORIGINAL ORDER M-7 AND OTHER DIRECTIONS ISSUED ARE AVAILABLE FROM NATIONAL PRODUCTION AUTHORITY, U. S. DEPARTMENT OF COMMERCE, WASHINGTON 25, D. C.

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ISSUES LIST OF MATERIALS SUBJECT TO ANTI-HOARDING PROVISIONS OF DEFENSE PRODUCTION ACT: In order to prevent excessive accumulation of a wide range of materials important to both defense and civilian production, the National Production

Authority on December 28 issued a list of materials (NPA Notice 1) subject to the anti-hoarding provisions of the Defense Production Act. The list covers those materials, under the jurisdiction of the Department of Commerce, vital to meeting defense production goals. Hoarding of these materials is unlawful, NPA pointed out.

Section 102 of the Defense Production Act specifies that hoarding of important materials may be either that which is: (1) In excess of the reasonable demands of business, personal, or home consumption, or (2) for the purpose of resale at prices in excess of prevailing market prices of materials, the supply of which would be threatened by such accumulation.

Materials in the NPA listing include certain building materials, chemicals, iron and steel products and scrap, lumber, plywood, wood pulp, aluminum, antimony, asbestos, cadmium, cerium, chromium, cobalt, columbium, copper, industrial diamonds, lead, magnesium, manganese, mica, molybdenum, nickel, platinum, talc, tin, tungsten, vanadium, zinc, zircon, paper, paperboard, hog bristles.

NOTE: FULL TEXT OF NPA NOTICE 1 (DATED DECEMBER 27, 1950) AVAILABLE FROM NATIONAL PRODUCTION AUTHORITY, U. S. DEPARTMENT OF COMMERCE, WASHINGTON 25, D. C.



## Department of Defense

DECENTRALIZED ARMY OFFICES CONTINUE TO HANDLE ALL ARMY PROCUREMENT: While the National Emergency proclamation has effected some changes in Army procurement procedures, the Army's decentralized purchasing offices located throughout the United States will continue to handle all Army procurement, Under Secretary of the Army Archibald S. Alexander announced on December 20, 1950.

Even though most contracts for Army procurement will not be negotiated, the negotiations will be done at the decentralized purchasing offices. Industrialists who wish to sell to the Army have no more reason for coming to Washington to accomplish their business than they had before, the Under Secretary announced.

Under the emergency procedure, the major part of Army procurement will be handled on a negotiated-contract basis rather than the advertised-bid procedure that has been used almost entirely heretofore. This will enable purchasing offices to speed up purchases of needed items.

The fact that procurement is to be negotiated does not relax the requirements for competition. When supplies or services are to be acquired by negotiation, price quotations and proposals are solicited from qualified sources to assure competition consistent with the needs in each case.

Under negotiated-contract procurement the Army purchasing office normally invites qualified suppliers to submit quotations accompanied by estimated production costs. Each supplier whose proposal is low enough to be considered is then ordinarily invited to separate conferences at which purchasing officers endeavor to secure the best possible contract, taking into account quality, delivery, price, and other contract terms. The award is made to the supplier making the best final proposal. It is estimated that a 30 percent savings in contract-award time can be effected by use of negotiated contract.

Changes in procurement procedures will not involve any changes in procurement channels because the Army has decentralized its procurement to many purchasing offices throughout the United States, each responsible for purchasing certain classes



of commodities. Suppliers who have been on lists for advertised bids will also be on lists for negotiated contracts. Consequently they will continue to do business with the same purchasing offices as heretofore.

However the system of advertising for bids will continue to be used in the purchase of many items, particularly standard consumer goods.



## Office of Defense Mobilization

### FUNCTIONS OF DEFENSE PRODUCTION ADMINISTRATION AND DEFENSE MOBILIZATION BOARD:

With the establishment by the President of a new Defense Production Administration and a Defense Mobilization Board (Executive Order dated January 3, 1951<sup>1/</sup>), Charles E. Wilson, Director of Defense Mobilization, issued the following statement on their functions:

"The establishment of the Defense Production Administration to be headed by Mr. Harrison, and the Defense Mobilization Board are logical and timely steps in the orderly development of our defense program.

"The board will advise and assist the Director in all of the major fields in which he has been assigned responsibility--production, food, transport, manpower, maintenance of a sound economy, and foreign aid.

"The Defense Production Administration will provide coordination and direction to the production phase of the program. Its Administrator has been given all of the powers over priorities, allocations, requisitioning, loans, purchasing, and certification of accelerated tax amortization which have heretofore been given to other agencies by the Defense Production Act and by executive order.

"Under this plan of organization, the Office of Defense Mobilization will determine general policies very much like the Office of War Mobilization did in World War II, and the Defense Production Administration will have about the same powers as did the former War Production Board. However, while WPB conducted both programming and operating in its own name, the new Administration will concentrate on programming and will delegate back to the operating agencies the actual administration functions which they now perform.

"For instance, the National Production Authority of the Commerce Department has heretofore had both programming and administrative powers over industrial priorities and allocations. These powers are now transferred to the Defense Production Administration, but the actual issuance of orders after approval by DPA, etc., will be continued by NPA. Therefore, the change in organization will not disrupt the channels through which the public and industry have been dealing.

"Not only will the Defense Production Administrator direct the domestic defense production effort, but he will also represent the United States on such combined boards as may hereafter be set up in conjunction with other friendly nations, cooperating in production for defense of the free world.

"In the case of food, it should be noted that the Administrator's powers are confined to the industrial uses of food. The Secretary of Agriculture will, of course, continue to administer the agricultural production programs, and will also

<sup>1/</sup>ALSO SEE PP. 79-80 OF THIS ISSUE.

exercise whatever allocation and other powers may be needed in connection with distribution of food for human and animal consumption.

"Insofar as there is any need at present for planning and providing industrial production to take care of essential civilian needs, the Administrator will undertake the responsibility. However, if civilian supply becomes a more serious problem, it is intended that a separate agency will be created for this purpose.

"We deem this organizational arrangement to be appropriate to the present stage of our defense program. Obviously, as the program accelerates and broadens, consideration will have to be given to other changes."



## Executive Order

### DEFENSE PRODUCTION ADMINISTRATION AND DEFENSE MOBILIZATION BOARD ESTABLISHED:<sup>1/</sup>

The President on January 3, 1951, issued an Executive Order establishing a new Defense Production Administration and a Defense Mobilization Board. The full text of the order follows:

#### EXECUTIVE ORDER 10200

##### ESTABLISHING THE DEFENSE PRODUCTION ADMINISTRATION

By virtue of the authority vested in me by the Constitution and statutes, including the Defense Production Act of 1950, and as President of the United States and Commander-in-Chief of the armed forces, it is hereby ordered as follows:

##### PART I. DEFENSE PRODUCTION ADMINISTRATION

SECTION 1. (a) There is hereby created an agency which shall be known as the Defense Production Administration.

(b) There shall be at the head of the Defense Production Administration a Defense Production Administrator, hereinafter referred to as the Administrator, who shall be appointed by the President by and with the advice and consent of the Senate. The Administrator shall perform his duties subject to the direction, control, and coordination of the Director of Defense Mobilization.

SEC. 2. (a) There are hereby delegated to the Administrator the functions conferred upon the President by Titles I and II and section 708 of the Defense Production Act of 1950 (relating respectively to priorities and allocations, requisitioning, and voluntary agreements) which were by the provisions of Part I, section 201 (a) of Part II, and Part VII of Executive Order No. 10161 of September 9, 1950, delegated to the Secretary of Commerce, the Secretary of the Interior, and the commissioner of the Interstate Commerce Commission, respectively, and those which were by the provisions of section 101 of the said

Executive Order No. 10161 delegated to the Secretary of Agriculture to the extent that they relate to food which has been determined to be available for industrial needs pursuant to section 3 of this order; and the said delegations made by the said Executive Order No. 10161 are hereby terminated accordingly.

(b) The Administrator shall direct the administration of the functions provided for in sections 302 and 303 of the Defense Production Act of 1950 (relating to expansion of production, capacity, and supply) except as to food; and accordingly, (1) the functions delegated to the Administrator of General Services by the provisions of section 304 of the said Executive Order No. 10161 shall be performed by him only pursuant to certificates of or subject to the approval of the Defense Production Administrator, and (2) that part of section 303 of the said Executive Order No. 10161 which precedes paragraph (a) thereof is hereby amended to read as follows:

"SECTION 303. Within such amounts of funds as may be made available, and upon the certificate of the Secretary of Agriculture in respect of food and of the Defense Production Administrator in respect of other materials and facilities, as to the necessity for loans, purchases, commitments, or exploration, as the case may be:"

(c) In carrying out the functions delegated or otherwise assigned to him by the foregoing provisions of this Executive order, the Administrator shall:

(1) Pending the further order of the President or the Director of Defense Mobilization, and excluding the duties set forth in paragraphs (2) to (5), inclusive, immediately below, provide by re-delegation or otherwise for the perfor-

mance of the said functions by the respective officers and agencies to whom the said functions were delegated by the said Executive Order No. 10161 and their delegates.

(2) Perform the central programming functions incident to the determination of the production programs required to meet defense needs.

(3) Make determinations as to the provision of adequate facilities for defense production and as to the procedures and methods followed by Executive agencies with respect to the accomplishment of defense production programs, including those with respect to purchasing, contracting, and specifications.

(4) Assemble estimated labor supply requirements for the fulfillment of projected defense production programs and furnish them to the Secretary of Labor for use in connection with the functions assigned to him by Part VI of the said Executive Order No. 10161.

(5) Perform, without the power of re-delegation, those functions of the Administrator under section 2 (a) of this Executive order (relating to certain voluntary agreements), which were heretofore delegated to the Secretary of Commerce by the provisions of section 701 (b) (1) of the said Executive Order No. 10161, and perform such other functions regarding voluntary agreements as he may determine.

(d) The provisions of sections 902 and 903 of Executive Order No. 10161 (including those with respect to subpoena) are hereby made applicable to the Administrator with respect to his functions.

(e) The Administrator is hereby designated as the certifying authority for

<sup>1/</sup>SEE PP. 78-9 OF THIS ISSUE FOR STATEMENT ON FUNCTIONS.

the purposes of and within the meaning of subsection (e) of section 124A of the Internal Revenue Code, as added by section 216 of the Revenue Act of 1950, approved September 23, 1950.

SEC. 3. (a) Whenever the available supply of any food is insufficient to meet all needs therefor the Administrator and the Secretary of Agriculture shall jointly determine the division to be made of the available supply of such food as between food for industrial needs and food for human and animal consumption.

(b) In the event of any difference of view between the Administrator and the Secretary of Agriculture relating to the execution of section 3 (a) above, or in the event of any difference in view arising between the Secretary of Agriculture and any other officer or agency of the Government in the administration of functions under the Defense Production Act of 1950 with respect to food or facilities therefor, such difference of view shall be submitted to the Director of Defense Mobilization for decision.

SEC. 4. Section 902 (d) (1) of Executive Order No. 10161 of September 9, 1950 is hereby amended to read as follows:

"(1) Each officer or agency having functions under the said Act delegated or assigned to such officer or agency by or pursuant to this Executive order shall submit to the Chairman of the United States Civil Service Commission such requests for classification of positions in grades 16, 17, and 18 of the General Schedule as may be neces-

sary, and shall accompany any such request with a certificate stating that the duties of the position are essential and appropriate for the administration of the said Act."

SEC. 5. Section 802 of Executive Order No. 10161 of September 9, 1950, is hereby revoked, and the authority of the Chairman of the National Security Resources Board under section 103 (b) of the said Executive Order No. 10161 to approve the designation of officers and agencies as claimants is hereby terminated.

SEC. 6. (a) To the extent that provisions of Executive Order No. 10161 of September 9, 1950 are inconsistent with the provisions of this order the latter shall control, and the said Executive Order No. 10161 is amended accordingly.

Except as modified or made inapplicable by the provisions of this Executive order, provisions of the said Executive Order No. 10161 relating to functions vested in the Administrator hereby shall continue to be applicable to such functions. Executive Order No. 10172 of October 12, 1950 is hereby revoked. Nothing in this Executive order shall affect the validity or force of anything heretofore done under the said Executive Orders Nos. 10161 or 10172.

(b) Any officer or agency having by delegation or otherwise any function under this order shall have all the authority conferred by sections 902 and 903 of Executive Order No. 10161, including the authority with respect to subpoena.

(c) All orders, regulations, rulings, certificates, directives, and other actions

relating to any function affected by this Executive order shall remain in effect except as they are inconsistent herewith or are hereafter amended or revoked under proper authority.

(d) Nothing in this Executive order shall be deemed to supersede any provision of Executive Order No. 10193 of December 16, 1950.

SEC. 7. The provisions of sections 2 to 6, inclusive, of this Executive order shall not be effective until the Administrator first appointed hereunder takes office as Administrator.

#### PART II. DEFENSE MOBILIZATION BOARD

SEC. 8. There is hereby established in the Office of Defense Mobilization (established by Executive Order No. 10193 of December 16, 1950) the Defense Mobilization Board, which shall consist of the Director of Defense Mobilization as Chairman, the Secretaries of Defense, the Treasury, the Interior, Commerce, Agriculture, and Labor, the Chairman of the Reconstruction Finance Corporation, the Chairman of the Board of Governors of the Federal Reserve System, the Chairman of the National Security Resources Board, and such other officials as said Director may from time to time designate. The said Board shall be advisory to the Director of Defense Mobilization.

HARRY S. TRUMAN

THE WHITE HOUSE,  
January 3, 1951.



## Economic Stabilization Agency

ORGANIZATIONAL STATEMENT: In December 1950 the Economic Stabilization Agency issued the following organizational statement:

The organization of the Economic Stabilization Agency, established pursuant to the Defense Production Act of 1950 (Pub. Law 774, 81st Cong.) and Executive Order 10161 (15 F. R. 6105), is outlined below (in the formulation of the following regulations special circumstances have rendered impracticable consultation with industry representatives, including trade association representatives):

#### CENTRAL OFFICE

- Sec.  
I. Location.  
II. Official communications.  
III. Internal organization.  
IV. Where information may be secured or submittals made.  
V. Availability of opinions, orders and decisions.  
VI. Availability of official records.

#### CENTRAL OFFICE

Section I *Location.* The Central Office of the Economic Stabilization Agency is located at Temporary Building E, Fourth and Adams Drive, SW., Washington, D. C.

Sec. II *Official Communications.* Official communications should be addressed to the Economic Stabilization Administrator, Washington 25, D. C.

Sec. III *Internal Organization.* There are in the Economic Stabilization Agency:

(a) An Economic Stabilization Administrator, hereinafter referred to as the Administrator, to whom functions have been delegated under Executive Order 10161 and the Defense Production Act of 1950.

(b) A Director of Price Stabilization, who shall perform such functions with respect to price stabilization as may be determined by the Administrator.

(c) A Wage Stabilization Board, which shall make recommendations to the Administrator regarding the planning and development of wage stabilization policies and shall perform such further functions with respect to wage stabilization as may be determined by the Administrator after consultation with the Board.

(d) From time to time the Adminis-

trator may, in accordance with section 407 (c) of the Defense Production Act of 1950, designate a Board of Review, consisting of one or more officers or employees of the Economic Stabilization Agency, to give consideration to a particular protest filed against a regulation or order relating to price controls and to make written recommendations to the Administrator concerning such protest.

Sec. IV *Where information may be secured or submittals made.* Any person desiring information relative to a matter within the jurisdiction of the Economic Stabilization Agency or any person desiring to make a submittal or a request in connection with such a matter should communicate either orally or in writing with the Economic Stabilization Administrator.

Sec. V *Availability of opinions, orders and decisions.* All final opinions, orders and decisions issued by the Administrator in the administrative adjudication of cases arising under the Defense Production Act of 1950, except those opinions,



orders and decisions required for good cause to be held confidential, shall be available for public inspection at the office of the Economic Stabilization Agency.

Sec. VI *Availability of official records.* Except as otherwise required by law, copies of and information from official records of the Economic Stabilization Agency, except such as are held confidential for good cause found, shall be made available to persons properly and

directly concerned. Official records of the Economic Stabilization Agency shall include:

- (a) All applications, registrations, petitions, protests, reports and returns filed with the Administrator under any statute, regulation, or executive order.
- (b) All final opinions, orders and decisions issued by the Administrator.
- (c) All pleadings, transcripts of testimony, exhibits, and all documents received in evidence or made part of the

record of a proceeding held under any statute, regulation or executive order.

- (d) All ceiling price regulations promulgated by the Administrator.
- (e) All wage stabilization regulations promulgated by the Administrator.
- (f) All other regulations promulgated by the Administrator pursuant to the Act.

ALAN VALENTINE,  
Economic Stabilization Administrator.

\* \* \* \* \*

NEED AND PURPOSES FOR ECONOMIC STABILIZATION EXPLAINED BY DIRECTOR OF PRICE STABILIZATION: The following statement on the need and purposes of economic stabilization was made by the Director of Price Stabilization, Economic Stabilization Agency, at a press conference held on December 8, 1950:

"It is our task to mobilize the people of the nation, i.e., consumer, management, labor and agriculturists in an all-out effort to keep this nation sound economically in the face of defense needs. No greater contribution to this program could be made than to emphasize the value of individual conduct in this drive. Individual self-discipline and restraint will be our greatest weapons in the job that has to be done; buy only that which is absolutely necessary; refrain from hoarding; refuse to profiteer; keep calm amongst rumors of shortages; remember that the productive capacity of this nation continues to be great enough to supply our needs at this time.

"As I interpret it, the intent of Congress was tenfold:

1. To prevent inflation and preserve the value of the national currency.
2. To assure that defense appropriations are not dissipated by excessive costs and prices.
3. To stabilize the costs of living for workers and other consumers.
4. To stabilize the cost of production for farmers and businessmen.
5. To eliminate and prevent profiteering hoarding, manipulation, speculation, and other disruptive practices resulting from abnormal market conditions or scarcities.
6. To protect consumers, wage earners, investors, and persons with relatively fixed or limited incomes from undue

impairment of their living standards.

7. To prevent economic disturbances, labor disputes, interference with the effective mobilization of national resources, and impairment of national unity and morale.
8. To assist in maintaining a reasonable balance between purchasing power and the supply of consumer goods and services.
9. To protect the national economy against future loss of needed purchasing power by the present dissipation of individual savings.
10. To prevent a future collapse of values.

"Hoarders and profiteers are enemies of the nation. Their activities if not curbed will defeat the purposes of this Act, and destroy the nation from within as certainly as armed action by an outside foe. Consequently we cannot emphasize too strongly our complete determination to lick this problem.

"Every agency of the Government that can be of assistance will be called upon to cooperate in an all out drive to protect the great percentage of patriotic and loyal citizens against the selfishness and total lack of responsibility of this small percentage of jackals that attempt to unjustly enrich themselves at the expense of national peril.

"These internal enemies will be hunted out and exposed. They will be followed and brought to justice regardless of the time involved. This will be an everyday and never-ending task of this Agency.

\* \* \* \* \*

PRICING STANDARDS FOR BUSINESS AND INDUSTRY: Pricing standards for business and industry were announced by the Economic Stabilization Agency (ESA) on December 9, 1950. Nation-wide compliance in order to avoid the necessity of further mandatory price controls was requested by the Agency.

ESA announced that any price increases after December 1, 1950, which are in excess of those that would be permissible under the following standards will be regarded as subject to action by the Agency at the earliest feasible time.

1. Prices may not be increased by any manufacturer or industrial producer whose net dollar profits before taxes are equal to or in excess of its average net dollar profits before taxes in the period 1946-1949, except as provided in the following standard.
2. As to an individual material or service sold by a company whose net over-all profits are running above the general earning standard as set out above, the price of such particular product or service may not be increased if it is being sold at a profit. In case of a particular material or service which is not profitable, the price may be increased but in no case by more than (a) the amount necessary to make it profitable or (b) the amount of the increase since June 24, 1950, in the cost of direct wages and materials going into this product, whichever is lower.
3. As applied to the distribution trade (wholesale and retail), gross margins may not be increased above the June 1950 level if net dollar profits before taxes of the distributor are equal to or in excess of average net dollar profits before taxes of the distributor in the period 1946-1949.
4. Distributors may not increase their prices on the basis of increases in replacement costs or market costs. Margins may be added only to inventory cost actually paid.

In applying the above standards, producers and processors should maintain the same proportionate production of lower-priced items as in the pre-Korean period.

In determining whether a price increase is permissible under the above standards, sellers must base their determination only upon actual experience. It is not permissible, under the standards, to raise any price on the basis of a forecast of conditions that may prevail at some later date or of costs which are estimated without experience.

The Agency served notice upon all sellers affected by the standards that any official price action hereafter taken will make use of a base period ending not later than December 1, 1950, and that no seller will derive any advantage under the regulations from price increases after that date. Prices of certain basic materials which were increased during the period between June 24, 1950, and December 1, 1950, will be subject to reduction, in accordance with these standards, where that is necessary to make possible the maintenance of December 1 price levels at later stages of manufacture.

The Director of Price Stabilization, in releasing the pricing standards, stated that he wished it understood that these standards do not limit profits to any company except as increased profits would be generated by price increases. There is no intention on the part of the Agency to control profits which accrue through increased volume or economies in operation. The Agency does feel, however, that in such a national emergency as presently confronts the country it is reasonable to ask all sellers to cooperate in the stabilization program to the extent that they do not increase prices in order to enable them to make greater profits than they were able to make before fighting began in Korea.

The cooperation of industry in pricing according to the standards will largely determine the necessity of mandatory controls, the Director stated; and that while these standards are appropriate at this time, more rigorous standards may be necessary later.

\* \* \* \* \*

QUESTIONS AND ANSWERS INTERPRETING PHASES OF VOLUNTARY PRICING STANDARDS:

The following list of questions and answers interpreting phases of the Voluntary Pricing Standards were issued by the Agency on December 27, 1950:

1. Q. Are the new pricing standards a mandatory ceiling?
  - A. No. They are standards to which sellers are asked to adhere voluntarily.
2. Q. What is meant by the statement that price increases in excess of the standards will be regarded as subject to action by ESA?
  - A. The action referred to is investigation, consultation, and possible issuance of a legal ceiling.
3. Q. Do the standards apply to processors?
  - A. Yes. (They are included in the term "industrial producer.")
4. Q. What does "net dollar profits before taxes" mean?
  - A. Net income. Net dollar profits in the base period can ordinarily be determined simply by taking the total net income reported on federal income tax returns.
5. Q. What base period should be used by a seller whose accounts are on a fiscal year rather than a calendar year basis?
  - A. He should use fiscal years, taking the four years ending nearest to December 31, 1949.
6. Q. How does a company tell whether its net dollar profits have fallen below the base period standard?
  - A. The announcement says that a company should make this determination only on the basis of actual experience. This means that it should ordinarily rely on its earnings statement for its most recent accounting period.
7. Q. What does the term "profitable" mean in the standard for permitted increases in the prices of particular materials or services?
  - A. The announcement does not attempt to define this term exactly since the standards are general guides and the situations of particular products affected will vary widely in nature. No increase is permitted under this standard unless the product is selling at a loss. The increase cannot in any case exceed



the amount of the increase in direct labor and material costs incurred since the Korean outbreak. The full amount of this increase may not be added if a lesser increase will put the product in a profit position. Since this standard applies only to companies whose overall position is favorable, a profit position will generally be defined as considerably less than the average profit margin for the company's operations as a whole.

8. Q. How long must a company stand a loss on a product before adjusting prices (i.e. if a sudden market upheaval in one line resulted in a loss operation, would one week, one month, etc., be long enough to determine that a price raise was necessary?)
  - A. Only as long as is necessary to establish firmly that a loss is actually being incurred on the particular product.
9. Q. What is meant by gross margins?
  - A. Gross margins are to be defined and calculated in accordance with the customary practices of the individual trade.
10. Q. Do the standards apply to rapid growth industries, television for instance?
  - A. The standards are general ones, used for the purpose of guiding businessmen in their current pricing. While generally applicable to American business, they obviously do not specifically cover all types of situations. They do apply to industries or companies which have experienced normal or moderate rates of growth, but special provisions will have to be made for companies whose operations have experienced an abnormally rapid growth as a result of new products.
11. Q. How do companies determine pricing standards for new products, and how about new firms which have no base period record?
  - A. The answer to 10 partly applies here also. However, the general rule on new models and for new sellers is to price in line with the prices of previous models of established sellers.
12. Q. Why was the period of 1946-49 chosen, rather than the high profit and high volume period of 1950?
  - A. In view of the shifting relationships among firms and industries, a base period needs to cover at least several years. Furthermore, half of 1950 reflected the price movement which occurred after Korea. For the purpose of these standards, it is believed that the post-war years, 1946 through 1949, are a fair and equitable base period. It should be emphasized that the general standard does not limit profits to those of this period—on the contrary, it permits price increases when necessary to preserve the profits of this period, and is thus in a sense a minimum guarantee.
13. Q. Do the new standards apply to farmers or sellers of farm commodities on commodity markets?

A. No. they apply only to "manufacturers, industrial producers and distributors."

14. Q. The announcement says that distributors must add their margins only to inventory cost actually paid, and not to replacement or market costs. Is this not inconsistent with the LIFO or other basis of accounting?

A. No. The LIFO basis is simply a way of determining actual inventory cost. Distributors should follow their regular method of determining such costs, whether on a LIFO basis or any other, always providing it is based on actual inventory.

Other questions that arise will be answered in similar releases to be issued as soon as possible.

\* \* \* \* \*

WAGE STABILIZATION BOARD ISSUES STATEMENT ON WAGE AND SALARY CONTROLS: The Administrator of the Economic Stabilization Agency made public on December 18, 1950, a memorandum addressed to him by the Wage Stabilization Board of the ESA stating the unanimous views of its members regarding the place of wage and salary stabilization in an over-all national effort to control the causes, and to avoid the consequences of inflation.

The Board expressed its conviction that immediate and long range prevention of inflation can best be insured by a broad scale attack on its basic causes, and cited 18 specific steps which it felt are essential or desirable to combat the strains now threatening the national economy.

Among them were: various steps to increase production, higher taxes, reduction of government non-military spending, limitation of credit expansion by controlling private lending, consumer credit controls, rent controls, controls over consumer, industrial and farm prices, and over speculative commodity markets, business inventory limitations, and stabilization of wages, salaries, and other compensations.

The stabilization of wages, price ceilings and other measures to control specific areas of the economy will not by themselves attack inflation at its sources, the Board statement declared, but will conceal and defer its effects, while permitting a pressure of hidden spending power to build up.

It added, however, that properly conceived, integrated, and administered, wage and salary controls have a definite and essential part to play and pledged the Board to do all in its power to perform its stabilization functions according to the intent and spirit of the law.

The statement was adopted during a four day session of the Board in Washington in mid-December. The Board, which is charged with making recommendations to the ESA Administrator on policies of wage stabilization, is composed of nine members, three each from industry, labor, and the public. Its Chairman is a public member.

\* \* \* \* \*

**PRICE PROCEDURAL REGULATION ISSUED:** Price Procedural Regulation 1 (effective December 18, 1950) was issued by the Economic Stabilization Agency. Since this is a basic regulation which will be used by the Agency in making various kinds of price determinations, the full text of the Regulation follows:

## TITLE 32A—NATIONAL DEFENSE, APPENDIX

### Chapter II—Economic Stabilization Agency

[Price Procedural Reg. 1]

#### PART 300—PRICE PROCEDURAL REGULATION

Pursuant to the Defense Production Act of 1950 (Pub. Law 774, 81st Cong.) and Executive Order 10161 (15 F. R. 6105), the following part is issued governing the promulgation of ceiling price regulations, applications for adjustment, petitions for amendment, protests and interpretations, all relating to price stabilization (in the formulation of the following part special circumstances have rendered impracticable consultation with industry representatives, including trade association representatives):

##### SUBPART A—PURPOSE OF THIS PART

Sec.  
300.1 Purpose.

##### SUBPART B—ISSUANCE OF CEILING PRICE REGULATIONS

300.2 Investigation prior to issuance.  
300.3 Price hearing prior to issuance.  
300.4 Notice of pre-issuance hearing.  
300.5 Conduct of pre-issuance hearing.  
300.6 Statement of considerations.  
300.7 Notice of provisions of a ceiling price regulation.  
300.8 Effective date.

##### SUBPART C—APPLICATIONS FOR ADJUSTMENT

300.9 Right to apply for adjustment.  
300.10 Place of filing.  
300.11 Form of application.  
300.12 Applications must be signed.  
300.13 Joint applications; consolidation.  
300.14 Investigation of application.  
300.15 Action by the Administrator on applications for adjustment.  
300.16 Protest of denial of application.

##### SUBPART D—PETITION FOR AMENDMENT

300.17 Right to file a petition.  
300.18 Time and place for filing petitions; form and contents.  
300.19 Joint petitions for amendment.  
300.20 Action by the Administrator on petition.

##### SUBPART E—PROTESTS

300.20a Introduction Note.

##### GENERAL PROVISIONS

300.21 Right to protest.  
300.22 Action by representative.  
300.23 Time and place for filing protests.  
300.24 Form of protest and number of copies.  
300.25 Assignment of docket number.  
300.26 Protest and evidential material not conforming to the requirements of this subpart.  
300.27 Joint protests.  
300.28 Consolidation of protests.  
300.29 Amendment of protests and presentation of additional evidence.  
300.30 Action by the Administrator on protest.  
300.31 Basis for determination of protest.

##### CONTENTS OF PROTESTS AND SUPPORTING MATERIALS

300.32 Contents of protests.  
300.33 Affidavits or other written evidence in support of protest.  
300.34 Receipt of oral testimony.  
300.35 Submission of brief by protestant.

##### MATERIAL IN SUPPORT OF THE REGULATION PROTESTED

300.36 Statements of considerations.  
300.37 Incorporation of material in the record by the Administrator.  
300.38 Other written evidence in support of the ceiling price regulation.  
300.39 Receipt of oral testimony in support of the regulation.

##### BOARDS OF REVIEW

300.40 Right to consideration by a board of review.  
300.41 Composition of boards of review.  
300.42 Where boards of review hear oral argument.  
300.43 Notice of consideration by a board of review.  
300.44 Waiver of right to consideration in whole or in part.  
300.45 Hearing of oral argument.  
300.46 Action by boards of review at the conclusion of their consideration of a protest.  
300.47 Action by Administrator after receipt of board of review's recommendations.

##### DETERMINATION OF PROTEST

300.48 Order granting protest in whole.  
300.49 Opinion denying protest in whole or in part.  
300.50 Treatment of protest as petition for amendment or an application for adjustment.  
300.51 Petitions for reconsideration.

##### SUBPART F—INTERPRETATIONS

300.52 Who may render official interpretations, and the effect thereof.  
300.53 Requests for interpretations; form and contents.  
300.54 Revocation or modification of interpretation.

##### SUBPART G—MISCELLANEOUS PROVISIONS AND DEFINITIONS

300.55 Witness fees.  
300.56 Contemptuous conduct.  
300.57 Continuance or adjournment of hearings.  
300.58 Subpenas.  
300.59 Service of papers.  
300.60 Office hours.  
300.61 Confidential information; inspection of documents filed with the Administrator.  
300.62 Definitions.  
300.63 Amendment of this part.

**AUTHORITY:** §§ 300.1 to 300.63 issued under sec. 704, Pub. Law 774, 81st Cong. Interpret or apply Title IV, Pub. Law 774, 81st Cong., E. O. 10161, Sept. 9, 1950, 15 F. R. 6105.

##### SUBPART A—PURPOSE OF THIS PART

§ 300.1 *Purpose.* It is the purpose of this part (Price Procedural Regulation 1) to prescribe and explain the procedure used by the Economic Stabilization Administrator in making various kinds of price determinations.

(a) Subpart B deals with the procedure of the Economic Stabilization Administrator in issuing ceiling price regulations.

(b) Subpart C deals with individual applications for adjustment of ceiling prices established by a ceiling price regulation. An adjustment ordinarily affects the prices of one particular seller or group of sellers who apply for a change in the prices established for them by the provisions of a ceiling price regulation. An adjustment can be granted only if the applicable ceiling price regulation contains specific provision for the granting of an adjustment, or where otherwise authorized by the Administrator.

(c) Subpart D deals with petitions for amendment. A petition for amendment may be filed by any person who is affected by a ceiling price regulation and who desires a change of general applicability in the provisions of the regulation itself. It is the appropriate document to be filed when a person does not wish to file a formal statutory protest or is not entitled to do so because he is not subject to the regulation as defined in § 300.21.

(d) Subpart E deals with protests. The nature and function of protests are set forth in general in the introduction to Subpart E (§ 300.20a).

(e) Subpart F explains the way in which interpretations are rendered by the Economic Stabilization Administrator.

(f) Subpart G contains miscellaneous provisions and definitions.

(g) The term "Administrator" as hereinafter used shall refer to the Economic Stabilization Administrator.

##### SUBPART B—ISSUANCE OF CEILING PRICE REGULATIONS

§ 300.2 *Investigation prior to issuance.* A ceiling price regulation may be issued by the Administrator after such studies and investigations as he deems necessary or proper. Before issuing a ceiling price regulation the Administrator shall, so far as is practicable, advise and consult with representatives of persons substantially affected by such regulation.

§ 300.3 *Price hearing prior to issuance.* Whenever the Administrator deems it necessary or proper that a price hearing be held prior to the issuance of a ceiling price regulation, he may provide for such hearing in accordance with §§ 300.4 and 300.5.

§ 300.4 *Notice of pre-issuance hearing.* Notice of any price hearing ordered prior to the issuance of a ceiling price regulation shall be given by publication of such notice in the FEDERAL REGISTER and may be supplemented by notice given in any other appropriate manner. The notice shall state the time and place of the price hearing and shall contain



appropriate indication of the purposes of such hearing.

§ 300.5 *Conduct of pre-issuance hearing.* A price hearing held prior to the issuance of a ceiling price regulation shall be conducted in such manner, consistent with the need for expeditious action, as will permit the fullest possible presentation of evidence by such persons as are, in the judgment of the Administrator, best qualified to provide information with respect to matters considered at the hearing or most likely to be seriously affected by action which may be taken as a result of the hearing.

§ 300.6 *Statement of considerations.* Every ceiling price regulation shall be accompanied by a statement of the considerations involved in its issuance. Such statement may include economic data and other facts of which the Administrator has taken official notice and facts found by the Administrator as a result of action taken under section 705 of the act.

§ 300.7 *Notice of provisions of a ceiling price regulation.* Notice of the provisions of a ceiling price regulation shall be given by filing such regulation with the Division of the Federal Register. As soon as possible after the filing of such regulation, the Administrator shall make copies thereof available to the press.

§ 300.8 *Effective date.* The effective date of a ceiling price regulation shall be the date specified in such regulation.

#### SUBPART C—APPLICATIONS FOR ADJUSTMENT

§ 300.9 *Right to apply for adjustment.* Unless otherwise provided, any person subject to a ceiling price regulation who seeks adjustment under an adjustment provision thereof, shall make application therefor pursuant to the provisions of this subpart.

§ 300.10 *Place of filing.* All applications shall be filed with the Economic Stabilization Administrator, Washington 25, D. C.

§ 300.11 *Form of application.* (a) Applications for adjustment shall be filed upon such forms as the Administrator shall from time to time prescribe. If no form has been designated for applications for the particular type of adjustment sought, the application shall set forth the following:

(1) Name and post office address of the applicant, the nature of his business, and the manner in which he is subject to the price regulation in question.

(2) A designation of the provision for adjustment pursuant to which the application is filed.

(3) The information, if any, required by the terms of the applicable adjustment provision.

(4) A clear and concise statement of the facts upon which applicant relies to qualify him for adjustment under the applicable adjustment provision, to the extent that such facts are not furnished under paragraph (a) (3) of this section.

(5) A statement of the specific adjustment or other relief sought.

(b) Applications for adjustment and all accompanying documents shall be filed in duplicate.

§ 300.12 *Applications must be signed.* Any application for adjustment filed pursuant to this subpart, inclusive, shall be signed either by the applicant personally, or if a partnership by a partner, or if a corporation or association by a duly authorized officer thereof.

§ 300.13 *Joint applications; consolidation.* (a) Two or more persons may file a joint application for adjustment where at least one ground is common to all persons joining therein. A joint application shall be signed by each applicant in accordance with § 300.12 and shall be filed and determined in accordance with the rules governing the filing and determination of applications filed by one person. Whenever the Administrator deems it necessary or appropriate for the disposition of joint applications, he may treat joint applications separately, and, in any event, may require the filing of relevant materials by each individual applicant.

(b) Whenever the Administrator deems it necessary or appropriate for the disposition of the applications filed by more than one person, he may consolidate the applications.

§ 300.14 *Investigation of application.* Upon receipt of an application for adjustment, the Administrator may make such investigation of the facts involved in the application, hold such conferences, and request the filing of such supplementary information as may be necessary to the proper disposition of the application.

§ 300.15 *Action by the Administrator on applications for adjustment.* Within a reasonable time after the filing of an application for adjustment, the Administrator may either

(a) Dismiss any application for adjustment which fails substantially to comply with this subpart; or

(b) Grant or deny, in whole or in part, any application for adjustment which is properly pending before him. The applicant shall be informed in writing of the action so taken.

§ 300.16 *Protest of denial of application.* Any applicant whose application for adjustment has been denied in whole or in part by the Administrator may file a protest against such order in accordance with the provisions of Subpart E. The effective date of such order for the purpose of such protest shall be the date on which it was mailed to the applicant. Such protest may be based only upon grounds raised in the application for adjustment.

#### SUBPART D—PETITION FOR AMENDMENT

§ 300.17 *Right to file a petition.* A petition for amendment may be filed at any time by any person subject to or affected by a provision of a ceiling price regulation. A petition for amendment shall propose an amendment of general applicability and shall be granted or denied solely on the merits of the amendment proposed. The denial of a petition

for amendment is not subject to protest or judicial review under the act.

§ 300.18 *Time and place for filing petitions: form and contents.* A petition for amendment shall be filed with the Economic Stabilization Administrator, Washington 25, D. C. Five copies of the petition and of all accompanying documents and briefs shall be filed. Each copy shall be printed, typewritten, mimeographed, or prepared by a similar process, and shall be plainly legible. Copies shall be double spaced, except that quotations shall be single spaced and indented. Every petition shall contain, upon the first page thereof, the number and the date of issuance of the ceiling price regulation to which the petition relates, and shall be designated "Petition for Amendment"; shall state the name and address of the petitioner, shall specify the manner in which the petitioner is subject to or affected by the provision of the ceiling price regulation involved, and shall include a specific statement of the particular amendment desired and the facts which make that amendment necessary or appropriate. The petition shall be accompanied by statements setting forth the evidence upon which the petitioner relies in his petition.

§ 300.19 *Joint petitions for amendment.* Two or more persons may file a joint petition for amendment. Joint petitions shall be filed and determined in accordance with the rules governing the filing and determination of petitions filed by one person. A joint petition may be filed only where at least one ground is common to all persons joining it. Whenever the Administrator deems it to be necessary or appropriate for the disposition of joint petitions, he may treat such joint petitions as several and, in any event, he may require the filing of relevant material by each individual petitioner.

§ 300.20 *Action by the Administrator on petition.* In the consideration of any petition for amendment the Administrator may afford to the petitioner and to other persons likely to have information bearing upon such proposed amendment, or likely to be affected thereby, an opportunity to present evidence or argument in support of, or in opposition to, such proposed amendment. Whenever necessary or appropriate for the full and expeditious determination of common questions raised by two or more petitions for amendment, the Administrator may consolidate such petitions.

#### SUBPART E—PROTESTS

§ 300.20a *Introduction Note.* Subpart E deals with protests. A protest is the means provided by section 407 (a) of the act for making formal objections to a regulation or order relating to price controls. Ordinarily, the filing of a protest is also a prerequisite to obtaining judicial review by the Emergency Court of Appeals of the validity of such regulations or orders. The only other method of obtaining judicial review is the filing of a complaint in the Emergency Court of Appeals after obtaining

special leave to do so in an enforcement proceeding pursuant to section 408 (e) of the act.

Subpart E also contains provisions for consideration of protests by boards of review in accordance with section 407 (c) of the act. A protestant is entitled to consideration of his objections by a board of review if he files a protest in accordance with the provisions of this subpart, inclusive, making a specific request for consideration by a board of review in accordance with § 300.32 (b).

#### GENERAL PROVISIONS

§ 300.21 *Right to protest.* Any person subject to any provision of a regulation or order relating to price controls may file a protest against such provision in the manner set forth in this subpart. A person is, for the purposes of this subpart, subject to a provision of a regulation or order relating to price controls only if such provision prohibits or requires action by him: *Provided, however,* That a producer of an agricultural commodity shall be considered to be subject to a ceiling price regulation for the purpose of asserting any right created by section 402 (d) (3) of the act for the benefit of producers of such an agricultural commodity. Any protest filed by a person not subject to the provision protested, or otherwise not in accordance with this subpart, may be dismissed by the Administrator.

§ 300.22 *Action by representative.* Any action which by the provisions of this subpart is required of, or permitted to be taken by, a protestant may, unless otherwise expressly stated, as in § 300.32 (a) (8), be taken on his behalf by any person whom the protestant has by written power of attorney authorized to represent him. Such power of attorney, signed by the protestant, shall be filed with the protest.

§ 300.23 *Time and place for filing protests.* (a) A protest against a provision of a regulation or order relating to price controls may be filed at any time within six (6) months after the effective date of such regulation or order, or, in the case of new grounds arising after the effective date of such regulation or order, within six (6) months after such new grounds arise. In the latter case, the protest shall state the new grounds which are the basis for the delayed protest, and shall make clear when such new grounds arose and in what respect they were not available upon the effective date of the regulation or order protested.

(b) Protests shall be filed with the Economic Stabilization Administrator, Washington 25, D. C., and shall be deemed filed on the date received by the Administrator.

§ 300.24 *Form of protest and number of copies.* Every protest shall contain upon the first page thereof a heading or title clearly designating it as a protest. The protest shall also contain on the first page thereof the number of the ceiling price regulation, or appropriate identification of any other regulation or order, against which the protest is di-

rected. Six copies of the protest and of all accompanying documents and briefs shall be filed.

§ 300.25 *Assignment of docket number.* Upon receipt of a protest it shall be assigned a docket number, of which the protestant shall be notified, and all further papers in the proceedings shall contain on the first page thereof the docket number so assigned and the number of the ceiling price regulation, or appropriate identification of any other regulation or order, being protested.

§ 300.26 *Protest and evidential material not conforming to the requirements of this subpart.* In any case where a protest or accompanying evidential material does not conform, in a substantial respect, to the requirements of this subpart, the Administrator may dismiss such protest, or, in his discretion, may strike such evidential material from the record of the proceedings in connection with the protest.

§ 300.27 *Joint protests.* Two or more persons may file a joint protest. Joint protests shall be filed and determined in accordance with the rules governing the filing and determination of protests filed by one person. A joint protest shall be verified in accordance with § 300.32 (a) (8) by each protestant. A joint protest may be filed only where at least one ground is common to all persons joining in it. Whenever the Administrator deems it to be necessary or appropriate for the disposition of joint protests, he may treat such joint protests as several, and, in any event, he may require the filing of relevant materials by each individual protestant.

§ 300.28 *Consolidation of protests.* Whenever necessary or appropriate for the full and expeditious determination of common questions raised by two or more protests the Administrator may consolidate such protests.

§ 300.29 *Amendment of protests and presentation of additional evidence.* In general, all of the objections upon which a protestant intends to rely in the protest proceedings must be clearly stated in the protest when it is filed and all of the evidence which the protestant wishes to offer in support of the protest must be filed at the same time. This rule does not apply to evidence not subject to protestant's control, dealt with in § 300.33 (b), and the submission of oral testimony, dealt with in § 300.34. A protestant may, however, be granted permission to amend his protest so as to state additional objections or to present further evidence in connection therewith upon a showing of reasonable excuse for failure to present such objections, or evidence, at the time the protest was first filed. The permission will be granted only if, in the judgment of the Administrator, it will not unduly delay the completion of the proceedings on the protest.

§ 300.30 *Action by the Administrator on protest.* (a) Within a reasonable time after the filing of any protest in accordance with this subpart, but in no

event more than thirty (30) days after such filing, the Administrator shall:

(1) Grant or deny such protest in whole or in part;

(2) Notice such protest for hearing of oral testimony in accordance with §§ 300.34 or 300.39;

(3) Notice such protest for hearing of oral argument by a board of review in accordance with § 300.43; or

(4) Provide an opportunity to present further evidence in connection with such protest. Within a reasonable time after the presentation of such further evidence, the Administrator may notice such protest for hearing of oral testimony in accordance with paragraph (a) (2) of this section, notice the protest for hearing of oral argument by a board of review in accordance with paragraph (a) (3) of this section, include additional material in the record of the proceedings on the protest in accordance with § 300.37, or take such other action as may be appropriate to the disposition of the protest.

(b) Notice of any such action taken by the Administrator shall promptly be served upon the protestant.

(c) Where the Administrator has ordered a hearing on a protest or has provided an opportunity for the presentation of further evidence in connection therewith, he shall, within a reasonable time after the completion of such hearing or the presentation of such evidence, grant or deny such protest in whole or in part.

§ 300.31 *Basis for determination of protest—(a) Record of the proceedings.* The factual basis upon which a protest is determined is to be found in the record of the proceedings. This record consists of the following:

(1) The protest and supporting evidential material properly filed with the Administrator, in accordance with §§ 300.32 and 300.33;

(2) Materials incorporated into the record of the proceedings by the Administrator under §§ 300.37 and 300.33;

(3) Oral testimony taken in the course of the proceedings in accordance with §§ 300.34 and 300.39;

(4) All orders and opinions issued in the course of the proceedings;

(5) The statement of considerations accompanying the regulation or order protested; and

(6) If the protest is to an order denying an application for adjustment under a provision of a ceiling price regulation, the application, materials filed in support thereof in accordance with the provisions of the ceiling price regulation, and the order and opinion denying the application.

(b) *Facts of which the Administrator has taken official notice.* The record of the proceedings may also include statements of economic data and other facts of which the Administrator has taken official notice under section 407 (b) of the act, including facts found by him as a result of reports filed and studies and investigations made pursuant to section 705 of the act.

(c) *Briefs and arguments.* Briefs and oral arguments submitted or presented in accordance with this subpart, of course, considered in the determination of a protest. They are, however, not a part of the record of the proceedings and are not included in the transcript of protest proceedings which is filed, in case of appeal, with the Emergency Court of Appeals.

#### CONTENTS OF PROTESTS AND SUPPORTING MATERIALS

§ 300.32 *Contents of protests*—(a) *That each protest must contain.* Every protest shall set forth the following:

(1) The name and the post office address of the protestant, the nature of his business, and the manner in which the protestant is subject to the provision of the regulation or order being protested;

(2) The name and post office address of any person filing the protest on behalf of the protestant and the name and post office address of the person to whom all communications from the Administrator relating to the protest shall be sent;

(3) A complete identification of the provision or provisions protested, citing the number of the ceiling price regulation or otherwise identifying any other regulation or order being protested, and further citing the date of issuance of such regulation or order and the section or sections thereof to which objection is made;

(4) Where the protest is filed more than six (6) months after the effective date of a regulation or order, based on new grounds arising after such effective date, the delayed protest shall be justified as provided in § 300.23 (a).

(5) A clear and concise statement of all objections raised by the protestant against the provision or provisions protested, each such objection to be separately stated and numbered;

(6) A clear and concise statement of all facts alleged in support of each objection;

(7) A statement of the relief requested by the protestant, including, if the protestant requests modification of a provision of the regulation or order, the specific changes which he seeks to have made in the provision;

(8) A statement signed and sworn to (or affirmed) before an officer authorized to take oaths either by the protestant personally, or, if a partnership, by a partner, or, if a corporation or association, by a duly authorized officer, that the protest and the documents filed herewith are prepared in good faith and that the facts alleged are true to the best of his knowledge, information and belief. The protestant shall specify which of the facts alleged are known to be true and which are alleged on information and belief.

(b) *Request for consideration by a board of review.* A protestant who wishes his protest considered by a board of review must specifically so request, indicating, if he wishes to offer oral argument, the order of his preference as to (1) argument before a board of review in Washington, D. C.; (2) argument before a subcommittee consisting of one

member of a board at a location named by him. Section 300.42 sets forth the considerations which will be determinative in the decision as to where oral argument may be heard. The request for consideration by a board of review must be made either in the protest or in an amendment thereto filed within fifteen (15) days of the date the protest is filed. Such an amendment shall be deemed filed within the fifteen (15) day period if it is received by the Economic Stabilization Administrator, Washington 25, D. C., no later than the fifteenth day after the protest was filed. Further provisions with respect to proceedings before a board of review are to be found in §§ 300.40 to 300.47, inclusive.

§ 300.33. *Affidavits or other written evidence in support of protest.* Every protestant shall file, together with his protest, the following:

(a) Affidavits and any other written evidence, setting forth in full all the evidence to the control of the protestant upon which the protestant relies in support of the facts alleged in the protest. Each such affidavit shall state the name, post office address, and occupation of the affiant; his business connection, if any, with the protestant; and whether the facts set forth in the affidavit are stated from personal knowledge or on information and belief. In every instance the affiant shall state in detail the sources of his information.

(b) A statement by the protestant in affidavit form setting forth in detail the nature and sources of any further evidence, not subject to his control, upon which he believes he can rely in support of the facts alleged in his protest. Such statement shall be accompanied by an application for assistance, by way of subpoena, interrogatories, or otherwise, in obtaining the documentary evidence, or the evidence of persons, not subject to protestant's control, showing, in any case, what material facts would be adduced thereby. Such application, if calling for the evidence of persons, shall specify the name and address of each person, and the facts to be proved by him, and where the oral testimony of such person is requested the application shall set forth the basis for such request as provided in § 300.34 (a). Where the application calls for the production of documents, it shall specify them with sufficient particularity to enable them to be identified for purposes of production.

§ 300.34 *Receipt of oral testimony.*

(a) In most cases, evidence in protest proceedings will be received only in written form. However, the protestant may request the receipt of oral testimony. Such request shall be accompanied by a showing by the protestant as to why the filing of affidavits or other written evidence will not permit the fair and expeditious disposition of the protest.

(b) In the event that the Administrator orders the receipt of oral testimony, notice shall be served on the protestant not less than five (5) days prior to the receipt of such testimony. If a hearing

is to be held to receive the testimony, the notice shall state the time and place of the hearing and the presiding officer designated by the Administrator.

(c) A stenographic report of any hearing of oral testimony shall be made, a copy of which shall be available during business hours in the office of the Economic Stabilization Administrator, Washington 25, D. C. Protestants who wish a copy of the report may obtain it by requesting the reporter at the hearing to make a copy for them and paying the cost thereof.

§ 300.35 *Submission of brief by protestant.* The protestant may file with his protest and accompanying evidential material a brief in support of the objections set forth in the protest. Such brief shall be submitted as a separate document, distinct from the protest and evidential material.

#### MATERIAL IN SUPPORT OF THE REGULATION PROTESTED

§ 300.36 *Statements of considerations.* The statement of considerations accompanying a ceiling price regulation at the time of issuance contains economic and other material supporting the regulation. This statement, a copy of which can be obtained from the Administrator, is a document of public record, filed with the Division of the Federal Register. It is considered a part of the record of protest proceedings without formal incorporation therein.

§ 300.37 *Incorporation of material in the record by the Administrator.* In addition to the statement of considerations, the Administrator shall include in the record of the proceedings on the protest such evidence, in the form of affidavits or otherwise, as he deems appropriate in support of the provisions against which the protest is filed. When such evidence is incorporated into the record, and is not so incorporated at a hearing of oral testimony, copies thereof shall be served upon the protestant, and the protestant will be given a reasonable opportunity to present evidence in rebuttal thereof.

§ 300.38 *Other written evidence in support of the ceiling price regulation.*

(a) Any person affected by the provisions of a ceiling price regulation may at any time after the issuance of such regulation submit to the Administrator a statement in support of any such provision or provisions. Such statement shall include the name and post office address of such person, the nature of his business, and the manner in which such person is affected by the ceiling price regulation in question, and may be accompanied by affidavits and other data in written form. Each such supporting statement shall conform to the requirements of § 300.34.

(b) In the event that a protest has been, or is subsequently, filed to a provision of a ceiling price regulation in support of which a statement has been submitted, the Administrator may include such statement in the record. If such supporting statement is incorporated into the record, and is not so incorporated at a hearing of oral testi-



mony, copies of such supporting statement shall be served upon the protestant, and the protestant shall be given a reasonable opportunity to present evidence in rebuttal thereof.

§ 300.39 *Receipt of oral testimony in support of the regulation.* Ordinarily, material in support of the ceiling price regulation protested, like material in support of protests, will be received in the protest proceeding only in written form. Where, however, the Administrator is satisfied that the receipt of oral testimony is necessary to the fair and expeditious disposition of the protest, he may, on his own motion, direct such testimony to be received. In that event, the oral testimony will be taken in the manner provided in § 300.34.

#### BOARDS OF REVIEW

§ 300.40 *Right to consideration by a board of review.* Under section 407 (c) of the act, any properly filed protest must, upon the protestant's request, be considered by a board of review before it can be denied in whole or in part. Consideration of the record in a protest proceeding by a board of review is undertaken for the purpose of reconsidering the provision or provisions of the ceiling price regulation, or other regulation or order, protested and recommending action relative thereto to the Administrator. A board of review considers the protest upon the basis of the record which has been developed in the proceedings. Protestant is accorded an opportunity to present oral argument to a board, upon the basis of the objections raised in the protest and the evidence in the record, and guided by the explanatory statement of the issues in the notice of consideration by a board of review. Section 300.31 explains the nature of the record in the proceedings. Section 300.32 (b) explains the nature of such a request and states the time within which it must be filed.

§ 300.41 *Composition of boards of review.* A board of review is composed of one or more officers or employees of the Economic Stabilization Agency designated by the Administrator to review the record of the proceedings on a particular protest and make recommendations to him as to its disposition. The number of members constituting a board will be determined in the light of the scope and complexity of the issues presented. When a board consists of more than one member, ordinarily at least one member shall be selected who has been directly responsible for the formulation or administration of the ceiling price regulation protested. The protestant will be advised of the membership of a board considering his protest, and, if the board consists of more than one member, of the member selected to preside, in the notice of consideration by a board provided for in § 300.43. When necessitated by incapacity of a member or other good cause, the Administrator may make substitutions in the membership of the board as originally constituted.

§ 300.42 *Where boards of review hear oral argument.* A board of review consisting of more than one member will ordinarily hear oral argument at the office of the Economic Stabilization Administrator, Washington, D. C., and only in exceptional cases and for good cause shown will the full board hold hearings elsewhere. A board consisting of only one member may hear argument at any designated place. Where the protestant has requested that oral argument be heard at some other place than Washington, D. C., and where the board consists of more than one member, a subcommittee thereof may be designated to hear argument at the place requested or at some other convenient place.

§ 300.43 *Notice of consideration by a board of review.* Before denial of any protest in whole or in part in which the protestant has requested consideration by a board of review in accordance with § 300.32 (b) which has not subsequently been waived by the protestant, notice of consideration by a board of review will be sent by registered mail to the protestant. Sending of notice marks a close of the record of the evidence in a protest proceeding. The notice will indicate the issues thought to be determinative of the case which may serve as a guide to the protestant in planning oral argument. The notice of consideration shall contain, or be accompanied by, the following items, as nearly as the circumstances permit:

(a) Information identifying the protest, including the ceiling price regulation or other regulation or order being protested and the docket number;

(b) A list of the documents comprising the completed record of the proceeding;

(c) A brief statement of the issues involved;

(d) A statement of the time (which shall not be less than seven (7) days from the date of the mailing of the notice) and place where a board of review or a subcommittee thereof will hear oral argument.

(e) A list of persons comprising the board of review which is thereby appointed to consider the protest, with their official titles and a designation of the presiding member if the board of review is composed of more than one person.

§ 300.44 *Waiver of right to consideration in whole or in part.* A protestant who has properly requested consideration by a board of review in accordance with § 300.32 (b) may, if he so desires, waive his right to consideration by a board. If he chooses, he may have his protest considered by a board, waiving his right to oral argument before a board. Such waiver shall be in writing and shall constitute a part of the record of proceedings on the protest. Failure of a protestant to appear at a hearing of oral argument, which he has not waived in accordance with the foregoing, at the time and place specified in the notice of consideration, shall, unless a reasonable excuse is shown, also constitute waiver of his right to consideration by a board.

Unexcused failure to appear at a hearing of oral argument shall be noted on the record of proceedings. A waiver by less than all of a group of joint protestants shall not affect the rights of a protestant who has made no waiver.

§ 300.45 *Hearing of oral argument.*  
(a) Argument before a board of review by a protestant shall ordinarily be limited to one hour except for good cause shown. Where the magnitude of the issues involved warrants more extended discussion, or where the protestants are numerous, the board may extend or limit the time of each protestant in its discretion. A board may exclude specific argument deemed to be irrelevant to the objections set forth in the protest or unsupported by any evidence in the record. Hearings of argument will be open to the public. Where argument is to be heard by a board of review consisting of more than one member, a majority of such board shall constitute a quorum for the purpose of hearing argument. Presentation of oral argument may be accompanied by submission of a brief.

(b) A stenographic report of all hearings of oral argument by boards of review or subcommittees thereof shall be taken. The report will be transcribed at the direction of the board if a transcription is desired to facilitate consideration of the protest. The report will ordinarily be transcribed if the argument is heard by a subcommittee of a board. If the report is transcribed, a copy shall be available for inspection during business hours in the office of the Economic Stabilization Administrator, Washington, D. C. Protestants who wish a copy of the report may obtain it by requesting the reporter at the hearing to make a copy for them and paying the cost thereof.

§ 300.46 *Action by boards of review at the conclusion of their consideration of a protest.* Within a reasonable time after the hearing of oral argument or after the closing of the record, if such argument has been waived, a board of review shall submit its recommendations in writing to the Administrator as to the disposition of the protest. The recommendations of a majority of the members of a board shall constitute the recommendations of the board but the disagreement of any member with the recommendations shall be expressly noted. A board of review shall have authority to recommend to the Administrator that the protest be granted or denied in whole or in part. If it is the opinion of the board that the record in the proceeding should be expanded, it may refer the record of the proceeding to the Administrator in order that the Administrator may consider permitting the amendment of the protest or the receipt of additional evidence. Records will, however, be reopened only in very exceptional circumstances and where the requirements of § 300.29 can be met.

§ 300.47 *Action by Administrator after receipt of board of review's recommendations.* After receipt of a board

of review's recommendations as to the disposition of the protest, the Administrator shall, within a reasonable time, grant or deny the protest in whole or in part.

#### DETERMINATION OF PROTEST

§ 300.48 *Order granting protest in whole.* Where the Administrator grants a protest in whole, a copy of the order shall be sent to the protestant by registered mail. If the protest has been considered by a board of review, the protestant will be advised of the recommendations of the board in an appendix to the Administrator's order.

§ 300.49 *Opinion denying protest in whole or in part.* In the event that the Administrator denies any protest in whole or in part, a copy of the Administrator's opinion shall be sent to the protestant by registered mail. In such opinion the protestant shall be informed of any economic data or other facts of which the Administrator has taken official notice, the grounds upon which such decision is based, and (if the protest has been considered by a board of review) the recommendations of a board of review and, if any recommendation of such a board has been rejected, the reason for rejection.

§ 300.50 *Treatment of protest as petition for amendment or an application for adjustment.* Any protest filed against a provision of a ceiling price regulation, or other regulation or order, may, in the discretion of the Administrator, be treated not only as a protest but also as a petition for amendment of the regulation or order protested or as an application for adjustment pursuant thereto, when the facts produced in connection with the protest justify such treatment.

§ 300.51 *Petitions for reconsideration.* An order denying a protest may include leave to file a petition for reconsideration within a specified period. If the order of denial does include leave to file a petition for reconsideration, the filing of such a petition within the time provided shall automatically vacate the order of denial and reopen the protest proceeding.

#### SUBPART F—INTERPRETATIONS

§ 300.52 *Who may render official interpretations, and the effect thereof.* (a) Action taken in reliance upon and in conformity with an official interpretation of a provision of any regulation or order relating to price controls, and prior to any revocation or modification of such interpretation or to any superseding thereof by regulation, order or amendment, shall constitute action in good faith pursuant to the provision of the regulation or order to which such official interpretation relates.

(b) Interpretations of regulations or orders relating to price controls will be regarded by the Economic Stabilization Agency as official only where issued by the Administrator, and shall be given only in writing. An official interpretation shall be applicable only with respect to the particular person to whom, and to the particular factual situation with re-

spect to which, it is rendered, unless publicly announced as an interpretation of general application.

§ 300.53 *Requests for interpretations: form and contents.* Any person desiring an official interpretation of a regulation or order relating to price controls shall request it in writing from the Administrator. Such request shall set forth in full the factual situation out of which the interpretative question arises and shall, so far as is practicable, state the names and post office addresses of the persons involved. If the interpretation will affect operations of establishments located in more than one state, the request shall name the states in which the establishments are located. No interpretation shall be requested or given with respect to any hypothetical situation or in response to any hypothetical question.

§ 300.54 *Revocation or modification of interpretation.* Any official interpretation of a regulation or order relating to price controls may be revoked or modified by publicly announced statement by the Administrator, or by a statement or notice by the Administrator published in the FEDERAL REGISTER. An official interpretation addressed to a particular person may also be revoked or modified at any time by a statement in writing mailed to such person and signed by the Administrator.

#### SUBPART G—MISCELLANEOUS PROVISIONS AND DEFINITIONS

§ 300.55 *Witness fees.* Witnesses summoned to give testimony shall be paid the fees and mileage specified by section 705 (c) of the act. Witness fees and mileage shall be paid by the person at whose instance the witness appears.

§ 300.56 *Contemptuous conduct.* Contemptuous conduct at any hearing shall be ground for exclusion from the hearing.

§ 300.57 *Continuance or adjournment of hearings.* Any hearing may be continued or adjourned to a later date or a different place by announcement at the hearing by the person who presides.

§ 300.58 *Subpenas.* Subpenas may require the production of documents or the attendance of witnesses at any designated place. Service of a subpoena upon a person named therein shall be made by delivering a copy thereof to such person or leaving a copy at his regular place of business or abode and by tendering to him the fees and mileage specified in section 705 (c) of the act. When the subpoena is issued at the instance of the Administrator, fees and mileage need not be tendered. Any person 18 years of age or over may serve a subpoena. The person making the service shall make an affidavit thereof describing the manner in which service is made, and return such affidavit on or with the original subpoena forthwith to the Administrator. In case of failure to make service, the reasons for the failure should be stated on the original subpoena.

§ 300.59 *Service of papers.* Notices, orders, and other process and papers may be served personally or by leaving a copy thereof at the principal office or place of business of the person to be served; or by registered mail, or by telegraph. When service is made personally or by leaving a copy at the principal office or place of business, the verified return of the person serving or leaving the copy shall be proof of service. When service is by registered mail or telegraph, the return post office receipt or telegraph receipt shall be proof of service. Where the protestant has filed a power of attorney authorizing any other person to represent him, as provided in § 300.22, service upon such representative shall be deemed service upon the protestant.

§ 300.60 *Office hours.* The office of the Economic Stabilization Administrator, Washington, D. C., shall be open on week days, from 8:30 a. m. until 5:00 p. m. Any person desiring to file any papers, or to inspect any documents filed with the Administrator at any time other than the regular office hours stated, may file a written application with the Administrator requesting permission therefor.

§ 300.61 *Confidential information: inspection of documents filed with the Administrator.* Information obtained under section 705 of the act, which the Administrator deems confidential or with reference to which a request for confidential treatment is made by the person furnishing such information, shall not be published or disclosed unless the Administrator determines that the withholding thereof is contrary to the interest of the national defense: *Provided, however,* That all protests and orders and opinions in connection therewith are open to inspection in the office of the Administrator, upon such reasonable conditions as he may prescribe. Information submitted in a protest proceeding with a request for confidential treatment, and confidential material incorporated by the Administrator into a protest proceeding, will be treated as confidential to the extent consistent with the proper conduct of the protest proceeding. In the event of a complaint being filed in the Emergency Court of Appeals, such information and such material will be included in the transcript of the protest proceeding to the extent that it is material under the complaint. All letters denying petitions for amendment and all orders and opinions granting or denying in whole or in part any application for adjustment are open to inspection in the office of the Administrator, upon such reasonable conditions as he may prescribe. To the extent that this section provides for the disclosure of confidential information, it shall be deemed a determination by the Administrator, pursuant to section 705 (e) of the Defense Production Act of 1950, that the withholding of such information is contrary to the interest of the national defense.

§ 300.62 *Definitions.* As used in this part, unless the context otherwise requires, the term:

(a) "Act" means the Defense Production Act of 1950 (Pub. Law 774, 81st Cong.)

(b) "FEDERAL REGISTER" means the publication provided for by the Act of July 26, 1935 (49 Stat. 500), as amended.

(c) "Ceiling price regulation" means any regulation or order establishing a ceiling on prices.

(d) "Person" includes an individual, corporation, partnership, association, or any other organized group of persons, or legal successor or representative of the

foregoing, and includes the United States or any agency thereof, or any other government or any of its political subdivisions, or any agency of any of the foregoing.

(e) "Protestant" means a person subject to any provision of a regulation or order relating to price controls, who files a protest in accordance with section 407 (a) of the act.

(f) "Price hearing" means any formal or informal opportunity to present evidence which may be ordered by the Administrator in connection with any

action or proceedings related to price control.

§ 300.63 *Amendment of this part.* Any provision of this part may be amended or revoked by the Administrator at any time. Such amendment or revocation shall be published in the FEDERAL REGISTER and shall take effect upon the date of its publication, unless otherwise specified therein.

This Price Procedural Regulation 1 (Part 300) shall become effective on December 18, 1950.

ALAN VALENTINE,  
*Economic Stabilization Administrator.*

\* \* \* \* \*

WAGE PROCEDURAL REGULATION ISSUED: The Economic Stabilization Agency on December 27, 1950, issued Wage Procedural Regulation No. 1, following its first wage regulation order freezing wages in the passenger automobile-manufacturing industry until next March 1.

This order delineates the procedures by which interested parties, either company managements, employees, or labor union officials, may file petitions regarding wage stabilization regulations, and the steps toward reaching a decision on each such petition.

Any petition filed with the Agency, the order says, must contain full information on the justification for any proposed wage increase in terms of wages or rates, whether or not the wage raise is subject to collective bargaining procedures in the particular plant, the name of the union involved, and what steps have led up to the formal increase request. The order also says that if the wage raise is to be made the basis for an application for increase in the ceiling price of the product manufactured by the company, such application is to be filed within the next 15 days.

The full text of the order follows:

**TITLE 32A—NATIONAL DEFENSE,  
APPENDIX**

**Chapter II—Economic Stabilization  
Agency**

[Wage Procedural Reg. 1]

**PART 500—WAGE PROCEDURAL REGULATION**

Pursuant to the Defense Production Act of 1950 (Pub. Law 774, 81st Cong.) and Executive Order 10161 (15 F. R. 6105), the following part is issued governing the filing, consideration and disposition of petitions for relief with regard to wage stabilization regulations (in the formulation of the following part special circumstances have rendered impracticable consultation with labor organizations, industry representatives, associations or others affected by this part):

- 500.1 Definitions.
- 500.2 Filing of petition for relief.
- 500.3 Service upon other interested parties.
- 500.4 Filing of responsive statement by other interested parties.

- 500.5 Contents of petition.
- 500.6 Consideration of petition by Administrator.
- 500.7 Oral hearings.
- 500.8 Disposition of petition by Administrator.
- 500.9 Application for reconsideration or clarification.
- 500.10 Service of papers.
- 500.11 Subpoenas.
- 500.12 Official interpretations.

**AUTHORITY:** §§ 500.1 to 500.12 issued under sec. 704, Pub. Law 774, 81st Cong. Interpret or apply Title IV, Pub. Law 774, 81st Cong., E. O. 10161, September 9, 1950, 15 F. R. 6105.

§ 500.1 *Definitions.* As used in §§ 500.1 to 500.12, inclusive, the term:

(a) "Act" means the Defense Production Act of 1950 (Public Law 774, 81st Cong.).

(b) "Administrator" means the Economic Stabilization Administrator, Washington 25, D. C.

(c) "Wage regulation" means any regulation or order stabilizing wages, salaries, and other compensation, issued pursuant to the Act.

(d) "Interested party" means an employer, union, employee or group of em-

ployees not represented by a union, in the employment relationship which is the subject matter of the petition.

(e) "Petitioner" means the interested party or parties who file a petition.

§ 500.2 *Filing of petition for relief.* Any interested party who is directly subject to a wage regulation may file a petition requesting the Administrator to take any action relating to such regulation. Five copies of such petition and of all accompanying documents shall be filed.

§ 500.3 *Service upon other interested parties.* At the time a petition is filed under § 500.2, the petitioner shall also serve a copy of such petition upon all other interested parties.

§ 500.4 *Filing of responsive statement by other interested parties.* Within twenty days from the date on which a copy of such petition was served upon him, each other interested party may, if he so desires, file with the Administrator a responsive statement, together with all available supporting material. Such filing shall be in five copies. In the event the Administrator determines



that the case requires earlier disposition, because of special circumstances, he may direct the earlier filing of responsive statements. The party filing a responsive statement shall serve a copy of such statement and of the supporting material upon the petitioner and any other interested party.

§ 500.5 *Contents of petition.* Each petition must state the following:

(a) The name and address of the employer and a summary description of the enterprise and industry involved.

(b) The identification of the wage regulation, and the provisions thereof and of the act which are involved.

(c) The nature of and basis for the action requested, with all available supporting material. Where approval of a wage adjustment is requested, the petition shall contain a detailed description of the proposed increase in rates of wages, salaries, or other compensation, including its relation to the present structure of such rates, and the reasons why approval of the proposed adjustment would be appropriate under the terms of the applicable wage regulation and the act.

(d) The petition shall state whether the proposed wage adjustment is to be made the basis for an application for adjustment of ceiling prices. If it is, such application for adjustment of ceiling prices shall be filed with the Administrator within fifteen days.

(e) If there is a duly certified collective bargaining representative in the plant, the petition shall state the name and address of such representative, and that of its parent organization, if any. The petition shall also state whether the matter involved therein is the subject of collective bargaining and, if so, a description of the steps taken up to the time of filing, including procedures provided in the collective bargaining agreement and conciliation and mediation action established by law.

(f) The petition shall further state the names and addresses of other interested parties on whom it was served, and the date of such service, and proof of service shall be attached.

§ 500.6 *Consideration of petition by Administrator.* Unless an oral hearing is requested and granted, the Administrator shall dispose of the petition on the basis of the statements contained therein and in any responsive statement filed by other interested parties, together with any supporting material which may have been filed, and on the further basis of such economic data and other facts of which the Administrator may have taken official notice under section 407 (b) of the act.

§ 500.7 *Oral hearings.* (a) Where an oral hearing is requested, the Administrator shall grant such request unless he

determines that the petition may be disposed of adequately and with full protection to the rights of the parties without oral hearing.

(b) In the event an oral hearing is granted, the interested parties shall be notified at least fifteen days in advance of the date and place of such oral hearing. The notice may, in the discretion of the Administrator, state the issues. The parties shall submit to the Administrator, not less than five days prior to the hearing, five copies of any additional statement that they wish to make, and shall at the same time serve copies of such statement upon all other interested parties.

(c) At any such hearing, the Administrator shall grant the interested parties reasonable opportunity to be present and to be adequately represented at every stage of the hearing, to present any material evidence, to rebut the evidence offered by the other parties, and to present to the Administrator oral or written argument on the issues. The Administrator may, on his own initiative, call witnesses and introduce documentary or other evidence and may participate in the examination of the witnesses.

(d) A stenographic report of the oral hearing shall be made. A copy thereof shall be available to the public during business hours at the office of the Administrator.

§ 500.8 *Disposition of petition by Administrator.* The Administrator shall grant or deny the petition in whole or in part, or otherwise dispose of the case, upon such terms and conditions as he may deem proper to effectuate the purposes of the act. He shall notify the interested parties in writing of his ruling and shall render an opinion if he deems it appropriate.

§ 500.9 *Application for reconsideration or clarification.* Within fourteen days after the date of issuance of a ruling, any party thereto may file with the Administrator, in five copies, an application for reconsideration or clarification, setting forth in full the reasons therefor. A copy of such application shall be served on all other interested parties. The Administrator shall grant or deny the application on the basis of the entire record in the case. If the application is granted, the case will be reconsidered and such disposition made or further proceedings ordered therein as the Administrator may determine.

§ 500.10 *Service of papers.* Papers may be served personally or by leaving a copy thereof at the principal office or place of business of the person to be served; or by registered mail, or by telegraph. In addition, service upon a group of employees not represented by a union

may be made by posting copies of the paper in appropriate places. When service is made personally or by leaving a copy at the principal office or place of business or by posting in appropriate places, the verified return of the person making such service shall be proof of service. When service is by registered mail or by telegraph, the return post office receipt or telegraph receipt shall be proof of service.

§ 500.11 *Subpenas.* Subpenas may require the production of documents or the attendance of witnesses at any designated place. Service of a subpoena upon a person named therein shall be made by delivering a copy thereof to such person or leaving a copy at his regular place of business or abode and by tendering to him the fees and mileage specified in section 705 (c) of the act. When the subpoena is issued at the instance of the Administrator, fees and mileage need not be tendered. Any person eighteen years of age or over may serve a subpoena. The person making the service shall make an affidavit thereof describing the manner in which service is made, and return such affidavit on or with the original subpoena forthwith to the Administrator. In case of failure to make service, the reasons for the failure should be stated on the original subpoena.

§ 500.12 *Official interpretations.* Action taken in reliance upon and in conformity with an official interpretation of a provision of any wage regulation, and prior to any revocation or modification of such interpretation or to any superseding thereof by regulation, order or amendment, shall constitute action in good faith pursuant to the provision of the regulation to which such official interpretation relates. Interpretations of wage regulations will be regarded as official only where issued by the Administrator, and shall be given only in writing. An official interpretation shall be applicable only with respect to the interested parties to whom, and to the particular factual situation with respect to which, it is rendered, unless publicly announced as an interpretation of general application. Any official interpretation of a wage regulation may be revoked or modified by publicly announced statement by the Administrator, or by a statement or notice by the Administrator published in the FEDERAL REGISTER. An official interpretation addressed to a particular person may also be revoked or modified at any time by a statement in writing mailed to such person and signed by the Administrator.

This Wage Procedural Regulation No. 1 shall become effective December 22, 1950.

ALAN VALENTINE,  
Economic Stabilization Administrator.

## Department of the Interior

NEW INTERNATIONAL DIVISION ESTABLISHED: The establishment of the Division of International Activities in the Department of the Interior under the President's Reorganization Plan No. 3, and the appointment of Joseph C. McCaskill as its director, was announced by the Secretary of the Interior on December 6.

The new division will coordinate the international programs of the various bureaus and offices of the Department and will serve as Interior's liaison office on foreign affairs matters with the Department of State, other United States Government agencies, the United Nations, and other international organizations and agencies.

The Division will be responsible for the consideration of possible foreign impact of all proposed major domestic policies and programs of the Department, in consultation with the Department of State, and will review legislative proposals involving the Department to determine their impact on foreign affairs.

As part of its responsibilities, the new Division will prescribe procedures for the conduct of international activities by the Department's bureaus and offices, assure fulfillment of international commitments, and supervise participation by Interior representatives on committees dealing with foreign affairs.

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DEFENSE FISHERIES ADMINISTRATION<sup>1/</sup> ESTABLISHED: A Defense Fisheries Administration is one of four new defense agencies established on October 4 within the Department of the Interior to carry out functions vested in the Secretary of the Interior under the Defense Production Act of 1950.

The newly established agencies are the Defense Fisheries Administration, the Defense Minerals Administration, the Defense Power Administration, and the Defense Solid Fuels Administration.

Each of the new agencies is to be headed by an Administrator appointed by and reporting directly to the Secretary of the Interior.

A fifth agency—the Petroleum Administration for Defense—was formally established October 3, 1950.

On December 5, the Secretary of the Interior announced the appointment of Albert M. Day (Director of the Department's Fish and Wildlife Service) as Administrator of the Defense Fisheries Administration.

The full text of Interior Order No. 2605 establishing these new agencies follows:

**DEFENSE ADMINISTRATIONS FOR MINERALS, POWER, SOLID FUELS, AND FISHERIES**

**SECTION 1. Purpose.** The purpose of this order is to establish the Defense Minerals Administration, the Defense Power Administration, the Defense Solid Fuels Administration, and the Defense Fisheries Administration, to carry out the functions vested in the Secretary of

the Interior pursuant to Executive Order 10161 (15 F. R. 6105) with respect to metals and minerals, electric power, solid fuels, and fishery commodities.

**SEC. 2. Establishment of administrations.** There are established a Defense Minerals Administration, a Defense Power Administration, a Defense Solid Fuels Administration, and a Defense

Fisheries Administration. Each of the defense administrations shall be headed by an Administrator who shall be appointed by the Secretary of the Interior and who shall report and be responsible directly to the Secretary.

**SEC. 3. Delegation of authority.** Except as provided in section 4 of this order, and except as the Secretary of the

<sup>1/</sup>ALSO SEE PP. 26-8 OF THIS ISSUE.

Interior may otherwise provide, all of the functions and powers vested in the Secretary of the Interior by Executive Order 10161 and by subdelegations made to him under that order by appropriate officers of the Government may be performed and exercised by:

(a) The Administrator of the Defense Minerals Administration in so far as these functions and powers relate to metals and minerals,

(b) The Administrator of the Defense Power Administration in so far as these functions and powers relate to electric power,

(c) The Administrator of the Defense Solid Fuels Administration in so far as these functions and powers relate to solid fuels, and

(d) The Administrator of the Defense Fisheries Administration in so far as these functions and powers relate to fishery commodities.

SEC. 4. *Limitations.* With respect to the defense administrations established by this order, the Secretary of the Interior reserves to himself:

(a) The approval of any redelegation by an Administrator of any of the powers

delegated to him by the Secretary of the Interior;

(b) The creation of advisory committees, and the establishment of policies respecting the composition, appointment of members and operation of such committees;

(c) The exercise of the powers and the performance of the functions respecting voluntary agreements and programs delegated to the Secretary of the Interior by section 701 (b) of Executive Order 10161;

(d) The exercise of the powers and the performance of the functions respecting the guarantee of loans and the certification of loans, purchases, and commitments delegated to the Secretary of the Interior by Part III of Executive Order 10161;

(e) The employment of persons under section 710 of the Defense Production Act of 1950 and the obtaining of exemptions under that section;

(f) The requisitioning of property;

(g) The making of recommendations with respect to necessity certificates in regard to amortization;

(h) The approval of all industry

orders, and amendments, which the Administrators formulate;

(i) The approval of major policy or program actions which the Administrators propose to take;

(j) The maintenance of all inter-agency relationships with respect to matters which are common to the areas of responsibility covered by the defense administrations, including representation on the policy level with the National Security Resources Board, the National Production Authority, the Executive Office of the President, and other major agencies concerned with defense production, and the Congress; and

(k) The establishment of general policies and procedures respecting the exercise of powers and the performance of functions vested in the Secretary of the Interior by or under Executive Order 10161 and matters of internal administration.

(Sec. 902, E. O. 10161; 15 F. R. 6105, 6107)

OSCAR L. CHAPMAN,  
Secretary of the Interior.

DECEMBER 4, 1950.

## DEFENSE FISHERIES ADMINISTRATION

BRANCH OF MATERIAL FACILITIES ESTABLISHED AND CHIEF NAMED: A Branch of Material Facilities has been established under the Defense Fisheries Administration, according to a January 5 announcement by Administrator Albert M. Day. This new Branch will be concerned with determining the requirements for materials necessary to maintain fish production and to pass on the applications for the materials that will be made available to the Defense Fisheries Administration.

At the same time Edward A. Power has been named by the Administrator as Chief of the Branch of Material Facilities. He has been Chief of the Statistical Section of the Service's Branch of Commercial Fisheries since 1938. His employment with the U. S. Fish and Wildlife Service dates from 1928 when, prior to his graduation from the University of Washington's School of Fisheries, he was employed in Alaska by the Branch of Alaska Fisheries.

Power served in a somewhat similar capacity in World War II when he was detailed from the Fish and Wildlife Service to the Office of the Coordinator of Fisheries in Washington, D. C., to assist in handling priorities and materials equipment requirements for the fishing industry.

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METHODS TO BE USED BY FISHERY INDUSTRIES TO GET SCARCE MATERIALS: The recently-established Defense Fisheries Administration is being deluged with requests from commercial fishermen and processors for a blanket priority rating to apply to orders for supplies and equipment which they require to conduct their business, according to a December 29 statement by Administrator Albert M. Day.

To clarify the situation, Administrator Day has described the procedure now in effect and outlined the steps that commercial fishery interests can take to obtain materials now in short supply.



The present NPA policy does not provide for nor require priority ratings on normal civilian orders, emphasized Day. "It is true that construction of certain non-essential facilities is prohibited, the use of certain materials is restricted as to end use or to varying percentages of a base period, and there is no doubt that additional restrictions will be instituted. In general, however, and except for a few specific directives, it is the present policy of NPA that rearmament orders only shall be given "DO" (Defense Order) ratings and that the remaining supplies shall be distributed as equitably as possible through normal channels among their usual customers for all permitted uses."

To accomplish this NPA has limited the percentage of rated orders that manufacturers must accept and is attempting to distribute this load as evenly as possible so that the bulk of supplies shall flow through normal channels with no ratings asked or given.

To help fishermen or fish processors to get needed materials, the following suggestions are offered:

1. Familiarize yourself with NPA regulatory orders to determine what controls now exist.
2. Give serious consideration to whether you can substitute a less critical and more easily available material.
3. Look for alternative suppliers who may be able to book your orders.
4. Determine whether your suppliers' refusals to book orders are based on actual incapacity or on a misunderstanding of current regulations which perhaps can be overcome with the assistance of local Department of Commerce officials.

"If all these measures fail," declared Day, "the Defense Fisheries Administration will welcome a complete recital of the facts. This should include quantity and specifications of the item, the suppliers contacted and reasons given for not accepting the order, the end-use and essentiality of the item, and the deadline for delivery. This information will not only be valuable in keeping DFA posted as to how critical material shortages are, but is essential to any effort to obtain concrete assistance in finding a source of supply for a critical item."

## FISH AND WILDLIFE SERVICE

### SERVICE EMPLOYEE DESIGNATED TO HANDLE TRADE AGREEMENT AND TARIFF MATTERS:

In order to handle trade agreement and tariff matters pertaining to the Fish and Wildlife Service's interests in connection with the recent appointment of a trade agreement representative on the Interdepartmental Trade Agreements Committee and the Committee on Reciprocity Information, the Service has designated Arthur M. Sandberg to serve as liaison between the Service's Branch of Commercial Fisheries and that of the Departmental trade agreement representative William E. S. Flory.

In his new capacity, Sandberg (formerly Assistant Chief of the Branch of Commercial Fisheries' Educational and Market Development Section) will have charge of developing the facts on fishery tariffs, frequently through industry consultations, and presenting them to the Committees concerned, the Service announced in mid-December.

Through his market development and statistical work in the Service for the past nine years, his recent survey of European markets for United States fishery products, and his earlier experience in the fishing industry, Sandberg is well acquainted with fishery production and marketing, and their problems. In his present assignment, he will be attached to the Branch's Economics and Cooperative Marketing Section.

NOTE: ALSO SEE COMMERCIAL FISHERIES REVIEW, NOVEMBER 1950, PP. 79 AND 84.

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ALASKA'S PRIMARY COMMERCIAL FISHERIES BUYERS REQUIRED TO SUBMIT RECEIPTS REPORTS: Reports of individual receipts and allied data with respect to commercial fish are to be submitted by Alaska's primary buyers after January 1, 1951. The full text of the notice as it appeared in the December 7, 1950, issue of the Federal Register follows:

ALASKA; REPORTS OF INDIVIDUAL RECEIPTS AND ALLIED DATA  
WITH RESPECT TO COMMERCIAL FISH

NOTICE OF REQUIREMENTS

NOTICE IS HEREBY GIVEN, PURSUANT TO §102.7 OF THE REGULATIONS FOR THE PROTECTION OF THE COMMERCIAL FISHERIES OF ALASKA (50 CFR 102.7 (b)) THAT ON AND AFTER JANUARY 1, 1951, EACH AND EVERY INDIVIDUAL PURCHASE OR RECEIPT OF FISH OR SHELLFISH AND ALLIED DATA RELATIVE THERETO SHALL BE FULLY AND ACCURATELY REPORTED BY THE PRIMARY BUYER, AS PROVIDED IN SECTION I AND COLUMNS 1 AND 2 OF SECTION II, OF THE VARIOUS FISH TICKET FORMS OF THE FISH AND WILDLIFE SERVICE, WHICH FORMS MAY BE OBTAINED FROM THE OFFICE OF THE REGIONAL DIRECTOR, JUNEAU, ALASKA, OR LOCAL SERVICE REPRESENTATIVES. THESE REPORTS SHALL BE SUBMITTED TO THE LOCAL REPRESENTATIVES OF THE FISH AND WILDLIFE SERVICE AT SUCH TIMES AS THE REGIONAL DIRECTOR MAY REQUIRE.



## Department of State

STATUS OF AMERICAN PARTICIPATION IN THE GENERAL AGREEMENT ON TARIFFS AND TRADE REVIEWED: The Governments participating in the General Agreement on Tariffs and Trade, now meeting in Torquay, England, will shortly take up the question of the future administration of the Agreement.

In anticipation of this discussion, the executive agencies of the United States Government have reviewed the status of legislation affecting American participation in the General Agreement, the State Department announced on December 6, 1950. This includes the Reciprocal Trade Agreements Act, which is scheduled to expire on June 12, 1951, the proposals to simplify our customs laws and regulations, and the proposed Charter for an International Trade Organization.

As a result of this review, the interested agencies have recommended and the President has agreed, that while the proposed Charter for an International Trade Organization should not be resubmitted to the Congress, Congress should be asked to consider legislation which will make American participation in the General Agreement more effective. The many serious problems now facing our Congress, and the legislatures of other countries, require that we concentrate on the trade

programs that are most urgently needed and will most quickly produce concrete results.

We must, of course, continue the Trade Agreements Act. This has become a fundamental part of our foreign policy. In addition, we should continue to build upon the trade-agreements program by developing machinery for the administration of the General Agreement so as to permit it to operate more continuously and effectively.

The General Agreement on Tariffs and Trade came into force provisionally on January 1, 1948. It is the first multi-nation trade agreement concluded under the Trade Agreements Act. It is a landmark in the history of international commercial relations and represents the most constructive effort ever undertaken for the simultaneous reduction of trade barriers among the nations of the free world. Thirty-two governments are at present parties to the Agreement and seven more are expected to join at the conclusion of the tariff negotiations now being conducted at Torquay, England.

The General Agreement has achieved remarkable results. There has not, however, been any administrative machinery to permit continuing consultation among the participating countries on the problems that arise in interpreting and applying the Agreement. This has been a serious handicap, since it has been difficult to handle matters of this kind solely through the semi-annual sessions of the participants themselves. It is important that this handicap be removed promptly if the Agreement is to do its full part in increasing trade among the free nations and in eliminating the commercial causes of international friction.

To meet the need for improved organization, the United States will suggest to the other governments concerned the creation of the necessary administrative machinery, including a small permanent staff. Appropriate legislative authority for this purpose will be sought in connection with renewal of the Trade Agreements program.

Before United States participation in the General Agreement can be made fully effective it will be necessary to simplify our customs laws and regulations in some respects. Certain provisions of the Agreement cannot be applied until this has been done. The Customs Simplification Bill introduced in the Congress last spring would accomplish most of the needed improvements in the customs laws. Congressional action in this field will again be requested in 1951.

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REPORT ON FIFTH SESSION OF GENERAL AGREEMENT ON TARIFFS AND TRADE: Twenty-nine countries, who are contracting parties to the General Agreement on Tariffs and Trade, ended their Fifth Session on December 16 at Torquay, England, after acting on the most important and extensive agenda that had faced any session, according to a December 18 news release by the Department of State. (The tariff negotiations which began September 28, 1950, at Torquay and which recessed for Christmas were to resume on January 2, 1951.)

The meetings of the contracting parties were held in a spirit of genuine cooperation and good will and member countries settled several troublesome trade disputes. This meeting has demonstrated again the growing vitality and strength of the General Agreement on Tariffs and Trade as an effective and practical means for dealing with problems of mutual interest in the trade field.



The members carried out consultations, required by the agreement, with a number of countries in the sterling area concerning import restrictions maintained against dollar goods and the possibility of relaxing those restrictions under present conditions. They completed the first stage of the preparatory work looking toward the establishment of a more effective machinery to administer the agreement between plenary sessions of the participating countries. Their decisions included the adoption of (1) a procedure for obtaining information needed in the detailed examination of current import and export restrictions; (2) a recommended code of standard practices for the administration of the necessary trade restrictions; and (3) procedures to enable contracting parties who are not members of the International Monetary Fund to carry out their Agreement obligations affecting the control of foreign exchange. They rejected a proposal for the amendment of the Agreement to include certain articles of the Havana Charter dealing with employment and economic activity.

They agreed, in the light of the current international situation, to extend the time during which parties may use exceptional import controls in regard to commodities in short supply and commodities of which there are large government-owned stocks. The United States now has in effect such import controls on certain fats and oils and on rice.

The fifth session of the Contracting Parties also studied the settlement of a number of disputes arising out of complaints that the benefits of the Agreement had been nullified or impaired by the action of individual countries. Brazil agreed to take the necessary steps toward the amendment of its internal tax legislation so as to eliminate certain discriminations against imported products. Australia and Chile announced the settlement of a case brought by the latter that Australia had, through discriminatory subsidy action, nullified the value of a tariff concession granted on sodium nitrate, and the United Kingdom announced that efforts were being made to find a way to eliminate discrimination against imports resulting from the British purchase tax. A Czech complaint charging that the United States violated the agreement in recently withdrawing tariff concessions on women's fur felt hats and hat bodies, under the "escape clause" (Article XIX of the Agreement) is being considered by an intersessional working party which will report to the next session.

The session was also attended by observers from the International Monetary Fund, the Organization for European Economic Cooperation, the United Nations, the seven governments now negotiating for accession to the agreement (Austria, Federal Republic of Germany, Korea, Peru, Philippines, Turkey, Uruguay) and six other countries (El Salvador, Guatemala, Mexico, Venezuela, Switzerland, Yugoslavia).

In consultation between the Contracting Parties and certain countries maintaining import restrictions against dollar goods, representatives of the International Monetary Fund, and of the United States, Belgium, Cuba, and Canada expressed the view that the dollar position of the United Kingdom, Australia, New Zealand, Ceylon, and Southern Rhodesia had reached the point where a beginning of progressive relaxation of these restrictions was possible. The representatives of these countries in the sterling area agreed that their governments would carefully consider these views and also the analysis presented by the International Monetary Fund. They also expressed the view that insufficient attention had been paid to the danger that the present improvement in their dollar situation might not be typical but was rather the result of abnormal temporary factors.

The action regarding the administration of the General Agreement followed a Canadian proposal to create a standing committee to handle problems between sessions of the Contracting Parties. This proposal was studied and the results transmitted to the respective governments of the representatives for further study.

In considering the problem of how to deal with parties to the agreement who have not joined the International Monetary Fund, the Contracting Parties found that all parties except New Zealand have either joined the Fund, signed a special exchange agreement, or are in process of doing one or the other. The special exchange agreement was worked out at the third session to ensure that Contracting Parties who are not Fund members fulfill their obligations under the commercial policy principles of General Agreement on Tariffs and Trade in any use they may make of exchange controls or other financial measures.

The session adopted an extensive questionnaire concerning import restrictions in order to enable the Contracting Parties to obtain relevant information as regards the policy, technique, and effect of import restrictions now being applied for balance-of-payments reasons. This information is to be submitted early in 1951 by signatory governments who maintain such restrictions and will be used in an over-all review of this problem at the next session. The questionnaire is also designed to obtain information for a second report on the use of balance-of-payments restrictions being used in discriminatory fashion under the special exceptions provided for during the post-war transitional period. The Contracting Parties also decided to require the submission of statements on export controls and on import restrictions being applied for other than balance-of-payments reasons.

The code of practices for the standardization and simplification of import-export and exchange control administration which the representatives recommended to their governments includes provisions designed to simplify the problems of traders arising out of import licensing, changing regulations, exchange allocation, and complex administrative formalities.

The General Agreement on Tariffs and Trade came into force provisionally on January 1, 1948. It is the first multi-nation trade agreement concluded under the Reciprocal Trade Agreements Act, and represents the most constructive effort ever undertaken for the simultaneous reduction of trade barriers among the nations of the free world. At present, the following countries are parties to the agreement: Australia, Belgium, Brazil, Burma, Canada, Ceylon, Chile, Cuba, Czechoslovakia, Denmark, the Dominican Republic, Finland, France, Greece, Haiti, India, Indonesia, Italy, Lebanon, Liberia, Luxembourg, the Netherlands, New Zealand, Nicaragua, Norway, Pakistan, Southern Rhodesia, Sweden, Syria, Union of South Africa, the United Kingdom, and the United States.

The sixth session of the Contracting Parties will be held at Geneva, Switzerland, beginning September 17, 1951.



## Eighty-first Congress (Second Session)

DECEMBER 1950

The Eighty-first Congress adjourned sine die on January 2, 1951. All bills and resolutions introduced and not passed by this Congress will have to be reintroduced in the Eighty-second Congress if they are to be considered.

Listed below are public bills and resolutions introduced and referred to committees, or passed by the Eighty-first Congress (Second Session) and signed by the President, that affect in any way the fisheries and allied industries. Public bills and resolutions are shown in this section only when introduced and, if passed, when they are signed by the President; and reports on any of the bills shown in this section from month to month are also listed.

SIGNED BY THE PRESIDENT:

P. L. 881 (H. R. 5967) - An act to amend the Interstate Commerce Act, as amended, to clarify the status of freight forwarders and their relationship with motor common carriers. Signed December 20, 1950.

P. L. 891 (H. R. 9681) - An act to authorize the waiver of the navigation and vessel-inspection laws (in the interest of national defense). Signed December 27, 1950.

CONGRESSIONAL REPORTS:

Copies of these reports available only from the committee submitting the report.

House Committee on Merchant Marine and Fisheries

House Report No. 3246, Activities of the Merchant Marine and Fisheries Committee Pursuant to House Resolution 215 During 1949 and 1950; (January 2, 1951), 11 p., printed. This is a report on the activities of the Committee in the conduct of studies, inquiries, and investigation during the Eighty-first Congress. The activities of the Committee included investigation of fisheries and wildlife conservation problems. The Committee conducted studies on fishery imports, the Mexican-American shrimp controversy, the sea lamprey problem, pollution problems in the Pacific Northwest, general fisheries matters, and Alaskan fishery problems.

