

and improvements to existing farm buildings; provided the buildings, repairs, or improvements for which the loan is made are normally considered a part of the cost of operating the farm and will enable the applicant to establish or reorganize an approved farming enterprise.

(c) *Land improvement.* Subject to the limitations prescribed in § 1831.10(e), Operating loans may be made for the establishment and improvement of pastures, hay crops, coffee, pineapple, banana, and similar perennial-type crops and for the construction of terraces, water ways, and farm ponds, the clearing, levelling, and drainage of land, and the payment for other Soil and Water Conservation and improvement measures.

(d) *Operating loans to tenants.* When Operating loans are made to tenants for real estate improvements authorized in § 1831.9(p) (1) and (2), and as supplemented by paragraphs (a), (b), and (c) of this section, the following additional requirement must be met:

(1) The lease must provide for an assignment of the lease to the Government or to someone designated by the Government.

Dated: January 8, 1971.

JOSEPH HASPRAY,
Acting Administrator,
Farmers Home Administration.

[FR Doc.71-999 Filed 1-22-71; 8:50 am]

Title 9—ANIMALS AND ANIMAL PRODUCTS

Chapter I—Agricultural Research Service, Department of Agriculture

SUBCHAPTER A—LABORATORY ANIMAL WELFARE

PART 2—REGULATIONS

Inspection for Missing Animals

Pursuant to the provisions of the Act of August 24, 1966 (Public Law 89-544), as amended by the Animal Welfare Act of 1970 (Public Law 91-579), § 2.128 of Part 2 of Subchapter A, Chapter I, Title 9, Code of Federal Regulations, is hereby amended to read as follows:

§ 2.128 Inspection for missing animals.

(a) Each dealer, exhibitor, research facility, and each operator of an auction sale shall, upon request, during ordinary business hours, permit, under the following conditions, police or law officers of legally constituted law enforcement agencies with general law enforcement authority (not those agencies whose duties are limited to enforcement of local animal regulations) to enter the place of business of such dealer, exhibitor, research facility, or operator of an auction sale to inspect their animals and records for the purpose of seeking any animal that is missing:

(1) The police or law officer shall furnish to the dealer, exhibitor, research

facility, or operator of an auction sale a written description of the missing animal and the name and address of its owner; and

(2) The police or law officer shall abide by all security measures required by the dealer, exhibitor, research facility, or operator of an auction sale to prevent the spread of disease, including the use of sterile clothing, footwear, and masks where required.

(b) (1) Such inspection shall not extend to animals that are undergoing actual research or experimentation as determined by such research facility.

(2) For the purposes of this section, an "operator of an auction sale" means "any person engaged in operating an auction at which animals, as defined in the Animal Welfare Act of 1970, are purchased or sold, affecting commerce"; and the terms "affecting commerce", "research facility", "dealer", "animal", and "exhibitor" shall be construed to have the same meaning as is given to those terms in section 3 of the Animal Welfare Act of 1970.

(Secs. 17, 21, 80 Stat. 352, 353, 7 U.S.C. 2147, 2151; Sec. 18, 84 Stat. 1564)

The purpose of the foregoing amendment is to require exhibitors and operators of auction sales, as well as dealers and research facilities, to permit inspection of their animals and records at reasonable hours upon request by legally constituted law enforcement agencies in search of lost animals, in accordance with the provisions of the Animal Welfare Act of 1970.

Insofar as the amendment imposes certain requirements necessary to prevent the sale or use of animals which have been stolen, it should be made effective promptly in order to effectuate the purposes of the Act. Therefore, under the administrative procedure provisions of 5 U.S.C. 553, good cause is found for making the amendment effective less than 30 days after publication in the FEDERAL REGISTER.

The foregoing amendment shall be come effective January 23, 1971.

Done at Washington, D.C., this 20th day of January 1971.

F. J. MULHERN,
Acting Administrator,
Agricultural Research Service.

[FR Doc.71-1000 Filed 1-22-71; 8:50 am]

Chapter II—Packers and Stockyards Administration, Department of Agriculture

PART 201—REGULATIONS UNDER THE PACKERS AND STOCKYARDS ACT

Poultry Packers and Live Poultry Dealers and Handlers

On July 21, 1970, a notice of proposed rule making was published in the FEDERAL REGISTER (35 F.R. 11634) regarding proposed amendments to the regulations under the Packers and Stockyards Act, 1921, as amended (7 U.S.C. 181 et seq.),

relating to business dealings with poultry growers and sellers by packers and live poultry dealers and handlers. All interested parties were afforded an opportunity to submit written data, views, or arguments concerning the proposed amendments by no later than September 19, 1970. Upon request of interested parties the time for filing such comments and views was extended to and including November 18, 1970. Notice of such action was published in the FEDERAL REGISTER on September 16, 1970 (35 F.R. 14511).

Statement of Considerations. The marketing system for poultry has changed dramatically within the last 20 years. One important structural change has been vertical integration, resulting from a firm acquiring or controlling successive stages involved in the production of poultry. At present, nearly all broilers and half or more of all turkeys are produced by farmers under contracts with integrated firms. An estimated 40,000 farmers now produce poultry under various contractual arrangements with integrators.

The poultry farmer is entitled to full and complete disclosure, in writing, of all terms and conditions affecting his payment for the production or marketing of poultry.

Nearly all live poultry produced under contract or otherwise entering the marketing channel must be weighed for the purpose of arriving at the proceeds due the farmer or seller. A complete record of accurate weighing should be entered on the scale ticket. The packer or live poultry dealer or handler should furnish a copy to the farmer or seller of the live poultry.

Consideration has been given to all data, views, and arguments filed pursuant to the notices of rulemaking and to all other relevant information in the Department. As would be expected, sharply opposed views and arguments were presented.

The need for the regulations was emphasized in many of the comments. No showing has been made that would indicate an undue or unreasonable burden on the regulated segment of the industry by complying with the regulations. Even comments presented in opposition emphasized that many integrators are presently supplying growers with substantially the same information required by the regulations.

We do not agree with the jurisdictional arguments presented by opponents of the regulations. It is our view that "live poultry dealers and handlers" are subject to sections 202 and 401-407 of the Packers and Stockyards Act (7 U.S.C. 192, 221-228), and sections 6, 8, 9, and 10 of the Federal Trade Commission Act (15 U.S.C. 46, 48, 49, and 50), which are incorporated in the Packers and Stockyards Act by virtue of section 402 of the latter Act (7 U.S.C. 222). See *United States v. Tyson's Poultry, Inc.*, 216 F. Supp. 53, 59-60 (W.D. Ark.), appeal dismissed, 319 F.2d 860 (C.A. 8); *United States v. Marshall Durbin and Co. of Haleyville, Inc.*, 363 F.2d 1 (C.A. 5); *Arkansas Valley Industries, Inc. v. Freeman* 415 F.2d