filberts. Petitioner indicated that these variations include agricultural and handling practices as well as physical characteristics requiring establishment of a "comparable" standard. For example, they indicated that because domestic filberts are often "mucked out" of wet groves, they are dried with energy intensive dryers. On the other hand, Turkish filberts are solar dried and are subject to vagaries of Black Sea weather and humidity. Also, domestic filberts are held in energy intensive refrigerated storage, while Turkish filberts are stored at prevailing ambient temperatures. Finally, petitioner indicated that Turkish filberts are small and apparently have higher oil content than domestic filberts. Therefore, petitioner requested the Secretary to promulgate "comparable" standards having similar or identical impact on domestic and imported filberts, and proposed incorporating one of two alternate tolerances for decay in 7 CFR 982.101 and 7 CFR 999.400. Both of these alternatives are hereinafter set forth.

As a conforming change, § 999.400(b)(2) would be revised by deleting the second sentence. That sentence cites the requirements for Oregon No. 1 whole and broken grade for shelled filberts, but it is no longer needed since the proposal is to delete such references in § 982.101. Therefore, the proposals are as follows:

PART 982—FILBERTS GROWN IN OREGON AND WASHINGTON

1. Revise § 982.101 of Subpart—Grade and Size Regulation (7 CFR 982.101) to read as follows:

§ 982.101 Grade requirements for shelled filberts.

(a) Pursuant to § 982.45(a), no handler shall handle any shelled filberts unless such filberts meet the grade requirements for shelled filberts as contained in Exhibit A of this section.

(b) Pursuant to §§ 982.50(a) and 982.51(b), a handler may declare and withhold shelled filberts in lieu of merchantable filberts in satisfaction of the handler's restricted obligation. Shelled filberts so declared and withheld shall, in lieu of the standards prescribed in § 982.50(a)(3), meet the grade requirements contained in Exhibit A of this section.

Exhibit A—Grade Requirements for Shelled Filberts

Filbert kernels or portions of filbert kernels shall meet the following requirements:

(1) Well dried and clean;

(2) Free from foreign material, mold, rancidity, decay or insect injury;

(3) Free from serious damage caused by serious shriveling, or other means.

Tolerances

In order to allow for variations incident to proper grading and handling the following tolerances, by weight, are permitted as specified:

(1) For Foreign Material: 0.02 of one percent, for foreign material.

(2) For Defects: Five percent for kernels or portions of kernels which are below the requirements of this grade; including not more than one percent for mold, rancidity, decay or insect injury.

Definitions

(1) "Well dried" means that the kernels are firm and crisp, not containing more than 6 percent moisture.

(2) "Clean" means practically free from plainly visible adhering dirt or other foreign material.

(3) "Foreign material" means any substance other than the filbert kernels, or portions of kernels. (Loose skins, pellicles or corky tissue which have become separated from the kernels shall not be considered as foreign material, provided that this material does not exceed .02 of one percent by weight).

(4) "Serious damage" means any specific defect described in this section, or an equally objectionable variation of any one of these defects, or any other defects, or any combination of defects, which seriously detracts from the appearance or the edible or marketing quality of the individual portion of kernels or of the lot as a whole. The following defects shall be considered as serious damage:

(i) "Serious Shriveling" means when the kernel is seriously shrunken, wrinkled and tough.

(ii) "Mold" means that there is a visible growth of mold either on the outside or inside of the kernel.

(iii) "Rancidity" means that the kernel is noticeably rancid to the taste. An oily appearance of the flesh does not necessarily indicate a rancid condition.

(iv) "Decay" means that any portion of the kernel is decomposed.

(v) "Insect injury" means that the insect, frass or web is present, or the kernel or portion of kernel show definite evidence of insect feeding.

PART 999—SPECIALITY CROPS; IMPORT REGULATIONS

§ 999.400 [Amended]

2. Section 999.400(b)(2) is revised by removing the second sentence.

3. Exhibit A of § 999.400 is revised so that it is identical to § 982.101 Exhibit A as proposed above.

Proposals in the alternative as offered by the petitioner are as follows:

PARTS 982 AND 999

§§ 982.101, 999.400 [Amended]

1. Exhibit A of §§ 982.101 and 999.400 are revised as proposed above, except that item 2 of "Tolerances" is revised to read as follows:

Tolerances

* * * * *

(2) For defects, 5 percent for kernels or portions of kernels which are below the requirements of this grade, including not more than the following:

(a) For shelled filberts which are mechanically dried, and held in refrigerated storage, 1 percent for mold, rancidity, decay, and insect injury.

(b) For shelled filberts which are solar dried and/or held in non-refrigerated storage, 3 percent for mold, rancidity, decay, and insect injury.

2. Exhibit A of §§ 982.101 and 999.400 are revised as proposed above except that item 2 of "Tolerances" is revised to read as follows:

Tolerances

* * * * *

(2) For defects, 5 percent for kernels or portions of kernels which are below the requirements of this grade, including not more than the following:

(a) One percent for mold, rancidity, and insect injury; and

(b) Two percent for decay.

Dated: April 2, 1981.

D. S. Kuryloski,

Deputy Director, Fruit and Vegetable Division.

[FR Doc. 81-10457 Filed 4-7-81; 8:45 am]

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FEDERAL TRADE COMMISSION

16 CFR Part 461

Children's Advertising;[1] Request for Comment on Staff's Proposal to Terminate Rulemaking Proceedings

AGENCY: Federal Trade Commission.

ACTION: Proposed termination of proceeding; request for comment.

SUMMARY: The Federal Trade Commission is seeking public comment on the Staff's proposal to terminate proceedings for the promulgation of a Trade Regulation Rule on children's advertising. The proposal to terminate rulemaking was recommended in a staff report. The Commission will not receive or consider at this time additional evidence on the subject of children's advertising. The publication of this document commences a sixty (60) day period for public comment to be filed on this proposal.

DATE: Comments should be received on or before June 8, 1981.

ADDRESSES: Comments should be sent to: Secretary, Federal Trade Commission, 6th and Pennsylvania Avenue, N.W., Washington, D.C. 20580.

[1] See 43 FR 17967, April 27, 1978.

Comments should refer to TRR NO. 215–60. Agencies and organizations are requested to submit comments in triplicate.

Additional Materials Available For Review: Copies of the Final Report and Recommendation of the staff discussed in this Notice may be obtained from: Public Reference Room, Room 130, Federal Trade Commission, 6th and Pennsylvania Avenue, NW., Washington, D.C. 20580 (202–523–3598).

FOR FURTHER INFORMATION CONTACT: Wallace S. Snyder, Assistant Director, or Judith P. Wilkenfeld, Bureau of Consumer Protection, Federal Trade Commission, Washington, D.C. 20580 (Telephone 202–724–1499 and 202–724–1467 respectively).

SUPPLEMENTARY INFORMATION: On June 18, 1980 the Commission instructed the staff to prepare recommendations concerning further proceedings in the matter of a Trade Regulation Rule concerning children's advertising and notifying interested parties of an opportunity to comment. The staff was to prepare recommendations regarding

"(1) what courses of action might be undertaken by the Commission, including further rulemaking proceedings; alternatives or complements to such proceedings; and an assessment of each course of action.

"(2) the text of a proposed rule, should the Commission determine that further rulemaking proceedings are appropriate."

The Commission order requested that recommendations be submitted by October 15, 1980 and additionally the order notified the public that "(r)egardless of the nature of the recommendations, the Commission will, upon their receipt, solicit public comment regarding the recommendations themselves and, more generally, regarding the future course of this proceeding. Following receipt of public comments, the Commission will determine whether to resume this proceeding, and, if the matter is resumed, will publish the text of a proposed rule."

The staff received an extension of the October 15, 1980 deadline until February 15, 1981 to submit the requested report or a status report describing the progress of informal meetings then underway with interested parties about alternatives to a formal proceeding.

The staff's report on the status of informal meetings was submitted on February 17, 1981 and placed on the public record by the Commission on February 20, 1981. The staff recommended that informal meetings with interested parties on the subject of alternatives to formal rulemaking be discontinued. The staff additionally informed the Commission that it would complete its analysis of the rulemaking record and file its recommendations in this matter on March 31, 1981.

On March 31, 1981 staff submitted its Final Report and Recommendation to the Commission. In that Report, staff recommends that all proceedings for the promulgation of a Trade Regulation Rule for children's advertising be terminated.

Specifically, the staff concludes that the record does support the following conclusions regarding child-oriented television advertising and young children six and under: (1) young children place indiscriminate trust in televised advertising messages; (2) they do not understand the persuasive bias in television advertising; and (3) the techniques, focus and themes used in child-oriented television advertising enhance the appeal of the advertising message and the advertised product for the young child. Consequently, the young child does not possess the cognitive ability to evaluate adequately child-oriented television advertising. However, according to the staff, although these conclusions can be drawn from the evidence, the record establishes that the only effective remedy would be a ban on all advertisements oriented toward young children, and such a ban, as a practical matter, cannot be implemented. Therefore, staff recommends that rulemaking in this portion of the case be terminated. This recommendation obviates the need for the Commission to consider the serious legal and policy questions that would be raised by any proposed ban.

The staff also concludes that the rulemaking record establishes that advertising for sugared products is concentrated on children's television and that this advertising persuades children to ask for the advertised product. However, the evidence on the record is inconclusive as to whether this advertising adversely affects children's attitudes about nutrition and, therefore, staff recommends that rulemaking on this issue be terminated.

Finally, with regard to dental health, the Staff concludes that the rulemaking record establishes that dental caries is a major childhood disease, and that the consumption of sugar contributes to the formation of dental caries. Evidence on the record also establishes that there are a number of factors other than the sugar content of a food which are important contributors to the formation of dental caries. However, it became apparent during the course of the proceeding that there is no scientific methodology for determining the cariogenicity of individual food products which is sufficiently scientifically accepted to justify formulation of a government mandated rule. Since such identification would be a threshold step in the implementation of any proposed rule, the lack of a methodology makes it currently impossible to regulate child-oriented advertising for food products on the ground that such products contribute to dental caries. Thus, staff recommends that the rulemaking be terminated on this issue as well.

A detailed explanation for these findings and the staff's recommendation can be found in the staff's Final Report and Recommendation which is on file with the Commission and can be obtained by any interested party from the Public Reference Room of the Commission.

Therefore, by this Notice, the Commission seeks comments only on the staff's proposal (as contained in its Final Report and Recommendation) that proceedings for the promulgation of a Trade Regulation Rule for children's advertising be terminated. The Commission does not desire to receive and will not consider additional evidence on the subject of children's advertising.

By direction of the Commission. Commissioners Pertschuk and Pitofsky did not participate.

Carol M. Thomas,

Secretary.

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SECURITIES AND EXCHANGE COMMISSION

17 CFR Part 210

[Release Nos. 33-6306; 34-17673; File No. S7-879]

Proposed Revision of Financial Statement Requirements Applicable to Insurance Companies

AGENCY: Securities and Exchange Commission.

ACTION: Proposed rules and withdrawal of previous proposal.

SUMMARY: The Commission is publishing for comment a revision of the sections of Regulation S-X that apply to the form and content of financial statements of insurance companies. Present Articles 7 and 7A which apply to property and liability insurance companies and life insurance companies, respectively, are proposed to be combined into one new Article 7, and three schedules in Article 12 that apply specifically to insurance companies are proposed to be replaced