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Washington, Wednesday, September 20, 1939

The President

EXECUTIVE ORDER

AUTHORIZING INCREASES IN THE PERSONNEL AND FACILITIES OF THE UNITED STATES COAST GUARD, TREASURY DEPARTMENT

WHEREAS a proclamation issued by me on September 8, 1939,¹ proclaimed that a national emergency exists in connection with and to the extent necessary for the proper observance, safeguarding, and enforcing of the neutrality of the United States and the strengthening of our national defense within the limits of peace-time authorizations; and

WHEREAS the United States Coast Guard, Treasury Department, will be charged with additional and important duties in connection with such national emergency, requiring an increase in its personnel and facilities:

NOW, THEREFORE, by virtue of the authority vested in me by the Constitution and by Revised Statutes, section 3679, as amended (U.S.C., title 31, sec. 665), it is hereby ordered as follows:

1. The present enlisted strength of the active list of the Regular Coast Guard shall be increased as rapidly as possible through voluntary enlistments by not to exceed 2,000 men, exclusive of enlistments authorized by section 4 of the act of August 5, 1939 (Public No. 291, 76th Cong.), of certain former Lighthouse Service personnel.

2. Within the limits of available appropriations, the present facilities of the Coast Guard shall be increased, repaired, modernized, enlarged, and equipped to the extent determined by the Secretary of the Treasury to be necessary to perform such additional duties and to accommodate such increased enlisted strength.

3. To the extent made necessary by this order, the Director of the Bureau of the Budget is hereby authorized to waive or modify the monthly or other appor-

¹4 F.R. 3851 DI.

tionments of the appropriations for the Coast Guard for the fiscal year ending June 30, 1940.

FRANKLIN D ROOSEVELT

THE WHITE HOUSE,
September 18, 1939.

[No. 8254]

[F. R. Doc. 39-3436; Filed, September 19, 1939; 10:13 a. m.]

EXECUTIVE ORDER

TRANSFER OF CONTROL AND JURISDICTION OVER CERTAIN LANDS FROM THE SECRETARY OF AGRICULTURE TO THE SECRETARY OF THE INTERIOR

NEW MEXICO

WHEREAS certain lands within the hereinafter-described area have been acquired under the authority of Title II of the National Industrial Recovery Act, approved June 16, 1933 (48 Stat. 200), in connection with the Tewa Basin Land Utilization Project in New Mexico; and

WHEREAS by Executive Order No. 7908, dated June 9, 1938,¹ all the right, title, and interest of the United States in such lands was transferred to the Secretary of Agriculture for use, administration, and disposition in accordance with the provisions of Title III of the Bankhead-Jones Farm Tenant Act, approved July 22, 1937 (50 Stat. 522, 525), and the related provisions of Title IV thereof; and

WHEREAS it appears that the transfer of control and jurisdiction over such lands from the Secretary of Agriculture to the Secretary of the Interior for administrative purposes would be in the public interest:

NOW, THEREFORE, by virtue of and pursuant to the authority vested in me by section 32 of Title III of the said Bankhead-Jones Farm Tenant Act, it is ordered that control and jurisdiction over all lands of the United States within the following-described area, together with

¹3 F.R. 1389 DI.

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any improvements thereon, be, and they are hereby, transferred from the Secretary of Agriculture to the Secretary of the Interior; and the Secretary of the Interior is hereby authorized to administer such lands, through the Commissioner of Indian Affairs, for the benefit of such Indians as he may designate, under such conditions of use and administration as will best carry out the purposes of the land-conservation and land-utilization program for which such lands were acquired:

SANDOVAL COUNTY, NEW MEXICO

New Mexico Principal Meridian

Beginning at a point on the 5 mile corner of the N. boundary of the Ramon Vigil Grant, which is S. 89°43' W., 49.43 chains from the common corner to sections 25 and 26, T. 19 N., R. 6 E.; thence S. 19°00' W., 1.82 chains; thence S. 70°30' E., 9.45 chains; thence S. 61°45' E., 21.44 chains; thence S. 78°00' E., 7.29 chains (1 mile corner); thence S. 79°00' E., 18.46 chains; thence N. 29°00' E., 4.83 chains; thence S. 31°30' E., 16.71 chains; thence S. 4°00' W., 4.98 chains; thence S. 34°45' E., 11.83 chains; thence S. 65°15' E., 7.84 chains; thence S. 78°15' E., 15.35 chains; thence S. 39°30' E., 8.66 chains; thence S. 65°00' E., 30.67 chains; thence S. 45°00' W., .67 chains (2 mile corner); thence S. 45°00' W., 10.62 chains; thence S. 47°30' E., 20.21 chains; thence N. 19°15' E., 6.24 chains; thence S. 44°30' E., 2.93 chains (½ mile corner); thence S. 27°45' E., 8.83 chains; thence S. 51°45' E., 31.17 chains (3 mile corner); thence S. 76°50' E., 57.62 chains; thence S. 31°15' E., 22.38 chains (4 mile corner); thence S. 87°00' E., 56.95 chains; thence N. 68°45' E., 19.73 chains; thence S. 53°45' E., 3.32 chains (5 mile corner); thence S. 53°45' E., 1.43 chains; thence S. 16°15' E., 1.14 chains; thence N. 75°00' E., 31.56 chains; thence N. 89°15' E., 27.07 chains; thence S. 56°00' E., 12.93 chains (6 mile corner); thence S. 88°00' E., 33.96 chains; thence S. 6°45' W., 6.04 chains; thence S. 33°15' E., 8.59 chains; thence N. 82°45' E., 31.41 chains; thence N. 17°15' E., 4.25 chains; thence S. 86°50' E., 16.67 chains (S. E. corner); thence N. 48°45' E., 22.70 chains; thence N. 4°30' E., 15.90 chains; thence N. 47°30' E., 26.50 chains; thence N. 70°00' E., 18.50 chains; thence N. 10°00' W., 8.60 chains; thence N. 20°30' W., 19.20 chains; thence N. 30°30' E., 41.40 chains; thence N. 3°15' E., 2.40 chains; thence N. 15°30' W., 4.70 chains; thence N. 38°45' W., 12.20 chains; thence

N. 7°45' W., 10.50 chains; thence N. 20°45' E., 9.45 chains (N. E. corner); thence W. 35.95 chains to the S. W. corner of the San Ildefonso Pueblo Grant; thence N. 89°49' W., 14.39 chains (12 mile corner) thence N. 89°59' W., 73.96 chains (11 mile corner); thence N. 89°58' W., 69.07 chains (10 mile corner); thence N. 89°56' W., 69.21 chains (9 mile corner); thence W. 64.14 chains to 8 mile corner; thence N. 89°55' W., 69.22 chains (7 mile corner); thence W. 8.40 chains to the corner on the S. line of T. 19 N. common to ranges 6 and 7 E., thence W. 60.70 chains to 6 mile corner; thence W. 19.78 chains to the common corner between sections 25 and 26 of T. 19 N., R. 6 E.; thence S. 89°43' W., 49.43 chains to the point of beginning; containing in all 5,913.66 acres.

FRANKLIN D ROOSEVELT

THE WHITE HOUSE,
September 18, 1939.

[No. 8255]

[F. R. Doc. 39-3435; Filed, September 19, 1939; 10:12 a. m.]

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TITLE 7—AGRICULTURE

BUREAU OF ENTOMOLOGY AND PLANT QUARANTINE

TERMINATION DATE ON FRUIT AND VEGETABLE RESTRICTIONS UNDER JAPANESE BEETLE QUARANTINE (QUARANTINE NO. 48) ADVANCED TO SEPTEMBER 20 FOR THE YEAR 1939

It has been determined that the active period of the Japanese beetle in its relation to fruits and vegetables has already ceased for the present season and that it is, therefore, safe to permit the unrestricted movement of the fruits and vegetables listed in regulation 5 (Sec. 301.48-5) of the rules and regulations (17th revision) supplemental to Notice of Quarantine No. 48¹ (Sec. 301.48) from the entire regulated area as defined in regulation 3 of said rules and regulations; therefore it is ordered that all restrictions on the interstate movement of the articles referred to above are hereby removed on and after September 20, 1939. This order advances the termination of the restrictions as to fruits and vegetables provided for in regulation 5 from October 16 to September 20, 1939, and applies to this season only.

Done at the city of Washington this 19th day of September 1939.

Witness my hand and the seal of the United States Department of Agriculture.

[SEAL]

H. A. WALLACE,
Secretary of Agriculture.

[F. R. Doc. 39-3441; Filed, September 19, 1939; 12:13 p. m.]

¹ 4 F.R. 2476 DI.

AGRICULTURAL ADJUSTMENT
ADMINISTRATION

PART 721—DETERMINATIONS RELATING TO
CORN MARKETING QUOTAS FOR 1939

Whereas the Agricultural Adjustment Act of 1938, as amended, provides:

SEC. 322. (a) Whenever in any calendar year the Secretary determines from available statistics of the Department, including the August production estimate officially published by the Division of Crop and Livestock Estimates of the Bureau of Agricultural Economics of the Department, that the total supply of corn as of October 1 will exceed the normal supply thereof by more than 10 per centum, marketing quotas shall be in effect in the commercial corn-producing area for the crop of corn grown in such area in such calendar year, and shall remain in effect until terminated in accordance with the provisions of this title.

(b) The Secretary shall determine, on the basis of the estimated average yield of corn in such area for such crop, the acreage in such area which the Secretary determines would make available for the marketing year beginning October 1 a supply of corn (together with the estimated production of corn in the United States outside such area) equal to the normal supply. The percentage which the number of acres so determined is of the total number of acres of the acreage allotment under section 328 shall be proclaimed by the Secretary. Such percentage is referred to herein as the "marketing percentage."

(c) The Secretary shall proclaim his determinations of facts under subsection (a) and his determination of the marketing percentage under subsection (b) not later than August 15.

(52 Stat. 49, 7 U.S.C. 1322); and

Whereas Public Resolution No. 34 (H. J. Res. 342, 76th Congress, First Session), approved July 26, 1939, provides:

* * * that notwithstanding the provisions of section 322 of the Agricultural Adjustment Act of 1938, as amended, the determinations under subsection (c) may be proclaimed at any time prior to September 15, * * *

(53 Stat. 1125); and

Whereas the Agricultural Adjustment Act of 1938, as amended, contains in section 301 (b) thereof, the following definitions of terms here pertinent:

"Marketing year" means, in the case of the following commodities, the period beginning on the first and ending with the second date specified below:

Corn, October 1-September 30.

"Total supply" of corn * * * for any marketing year shall be the carry-over of the commodity for such marketing year plus the estimated production of the commodity in the United States during the calendar year in which such marketing year begins.

"Normal supply", in the case of corn * * * shall be a normal year's domestic consumption and exports of the commodity, plus 7 per centum in the case of corn, * * * of a normal year's domestic consumption and exports, as an allowance for a normal carry-over.

"Reserve supply level", in the case of corn, shall be a normal year's domestic consumption and exports of corn, plus 10 per centum of a normal year's domestic consumption and exports, to insure a supply adequate to meet domestic consumption and export needs in years of drought, flood, or other adverse conditions, as well as in years of plenty.

(52 Stat. 38, 7 U.S.C. 1301); and

Whereas, said act further provides:

Sec. 304. The powers conferred under this Act shall not be used to discourage the production of supplies of foods and fibers sufficient to maintain normal domestic human consumption as determined by the Secretary from the records of domestic human consumption in the years 1920 to 1929, inclusive, taking into consideration increased population, quantities of any commodity that were forced into domestic consumption by decline in exports during such period, current trends in domestic consumption and exports of particular commodities, and the quantities of substitutes available for domestic consumption within any general class of food commodities. In carrying out the purposes of this Act it shall be the duty of the Secretary to give due regard to the maintenance of a continuous and stable supply of agricultural commodities from domestic production adequate to meet consumer demand at prices fair to both producers and consumers.

(52 Stat. 45, 7 U.S.C. 1304); and

Whereas said act provides in section 301 (c), that the latest available statistics of the Federal Government shall be used by the Secretary of Agriculture in making the determinations required to be made by the Secretary under said act (52 Stat. 38, 7 U.S.C. 1301); and

Whereas, by proclamation, dated December 30, 1938, issued by H. A. Wallace, Secretary of Agriculture, pursuant to section 327 of said act, the commercial corn-producing area for the calendar year 1939 was ascertained and proclaimed; and

Whereas, by proclamation, dated December 30, 1938, issued by H. A. Wallace, Secretary of Agriculture, pursuant to section 328 of said act, the acreage allotment of corn for the commercial corn-producing area for the calendar year 1939 was ascertained and proclaimed to be 41,256,000 acres.

Now, therefore, be it known that I, H. A. Wallace, Secretary of Agriculture of the United States of America, acting under and pursuant to, and by virtue of, the authority vested in me by the Act of Congress, known as the Agricultural Adjustment Act of 1938, as amended, upon the basis of the latest available statistics of the Federal Government, do hereby determine and proclaim, under section 322 of said act, as amended by said Public Resolution No. 34, approved July 26, 1939:

§ 721.103 *Determinations relating to corn marketing quotas for 1939.* 1. That the total supply of corn for the marketing year commencing October 1, 1939, is 2,993,000,000 bushels.

2. That the normal supply of corn for the marketing year commencing October 1, 1939, is 2,755,000,000 bushels.

3. That the reserve supply level of corn for the marketing year commencing October 1, 1939, is 2,832,000,000 bushels.

4. That the total supply of corn, as of October 1, 1939, will not exceed the normal supply thereof by more than 10 per centum.

¹ 4 F.R. 45 DL.

Done at Washington, D. C., this 14th day of September 1939. Witness my hand and the seal of the Department of Agriculture.

[SEAL] H. A. WALLACE,
Secretary of Agriculture.

[F. R. Doc. 39-3444; Filed, September 19, 1939; 12:16 p. m.]

TITLE 9—ANIMALS AND ANIMAL
PRODUCTS
AGRICULTURAL MARKETING
SERVICE

NOTICE UNDER PACKERS AND STOCKYARDS
ACT¹

SEPTEMBER 16, 1939.

To MARION LIVESTOCK SALES COMPANY,
Marion, Ohio.

Whereas, the Marion Livestock Sales Company, Marion, Ohio, was posted on May 17, 1935, as a stockyard subject to the provisions of the Packers and Stockyards Act, 1921; and

Whereas, it now appears that the Marion Livestock Sales Company is not being operated as a stockyard within the meaning of that term as defined in said Act:

Now, therefore, notice is hereby given that the Marion Livestock Sales Company, at Marion, Ohio, no longer comes within the foregoing definition and the provisions of Title III of said Act.

[SEAL] HARRY L. BROWN,
Assistant Secretary of Agriculture.

[F. R. Doc. 39-3430; Filed, September 18, 1939; 3:42 p. m.]

TITLE 16—COMMERCIAL PRACTICES
FEDERAL TRADE COMMISSION

[Docket No. 2961]

IN THE MATTER OF PEANUT NOVELTY
COMPANY

§ 3.99 (b) *Using or selling lottery devices—In merchandising.* Selling, etc., in connection with offer, etc., in commerce, of peanuts or other merchandise, peanuts or any other merchandise so packed and assembled that sales of said peanuts or other merchandise to the general public are to be, or may be, made by means of a game of chance, gift enterprise or lottery, prohibited. (Sec. 5, 38 Stat. 719, as amended by Sec. 3, 52 Stat. 112; 15 U.S.C., Supp. IV, sec. 45b) [Cease and desist order, Peanut Novelty Company, Docket 2961, September 7, 1939]

§ 3.99 (b) *Using or selling lottery devices—In merchandising.* Supplying, etc., in connection with offer, etc., in commerce, of peanuts or other merchandise, others with assortments of pea-

¹ Modifies list posted stockyards 9 CFR 204.1.

nuts or any other merchandise, which said assortments are to be, or may be, used, without alteration or rearrangement of the contents thereof, to conduct a game of chance, gift enterprise or lottery in the sale or distribution of said peanuts or other merchandise contained in said assortments to the general public, prohibited. (Sec. 5, 38 Stat. 719, as amended by Sec. 3, 52 Stat. 112; 15 U.S.C., Supp. IV, sec. 45b) [Cease and desist order, Peanut Novelty Company, Docket 2961, September 7, 1939]

§ 3.99 (b) *Using or selling lottery devices—In merchandising.* Selling, etc., in connection with offer, etc., in commerce, of peanuts or other merchandise, individual packages of peanuts or any other merchandise containing coins or other United States money, which said individual packages of said peanuts or other merchandise are packed and assembled in assortments with other individual packages of said peanuts or other merchandise, of similar size, shape and appearance, not containing coins or other United States money, for resale to the general public by means of a sales plan which constitutes a game of chance, gift enterprise or lottery, prohibited. (Sec. 5, 38 Stat. 719, as amended by Sec. 3, 52 Stat. 112; 15 U.S.C., Supp. IV, sec. 45b) [Cease and desist order, Peanut Novelty Company, Docket 2961, September 7, 1939]

§ 3.99 (b) *Using or selling lottery devices—In merchandising.* Furnishing to dealers, in connection with offer, etc., in commerce, of peanuts or other merchandise, a display card or other printed matter, either with packages or assortments of peanuts or any other merchandise, or separately, which said display card or other printed matter bears a legend or legends or statements informing the purchasers of said peanuts or other merchandise that the same is being sold to the general public by lot or chance or in accordance with a sales plan which constitutes a lottery, gaming device or gift enterprise, prohibited. (Sec. 5, 38 Stat. 719, as amended by Sec. 3, 52 Stat. 112; 15 U.S.C., Supp. IV, sec. 45b) [Cease and desist order, Peanut Novelty Company, Docket 2961, September 7, 1939]

§ 3.99 (b) *Using or selling lottery devices—In merchandising.* Selling, etc., in connection with offer, etc., in commerce, of peanuts or other merchandise, any merchandise by means of a lottery, gaming device or gift enterprise, prohibited. (Sec. 5, 38 Stat. 719, as amended by Sec. 3, 52 Stat. 112; 15 U.S.C., Supp. IV, sec. 45b) [Cease and desist order, Peanut Novelty Company, Docket 2961, September 7, 1939]

*United States of America—Before
Federal Trade Commission*

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 7th day of September, A. D. 1939.

Commissioners: Robert E. Freer, Chairman; Garland S. Ferguson, Charles H. March, Ewin L. Davis, William A. Ayres.

IN THE MATTER OF WILLIAM P. BENNETT AND CHARLES C. BENNETT, CO-PARTNERS, DOING BUSINESS UNDER THE TRADE NAME PEANUT NOVELTY COMPANY

ORDER TO CEASE AND DESIST

This proceeding having been heard¹ by the Commission upon the complaint and the amended and supplemental complaint of the Commission, the answer of respondents to the amended and supplemental complaint, testimony and other evidence taken before Miles J. Furnas, W. W. Sheppard, and Arthur F. Thomas, examiners of the Commission theretofore duly designated by it, in support of the allegations of the complaint and the said amended and supplemental complaint and in opposition thereto, brief of counsel for the Commission (counsel for respondents having filed no brief and oral argument not having been requested) and the Commission having made its findings as to the facts and its conclusion that said respondents have violated the provisions of the Federal Trade Commission Act;

It is ordered, That the respondents, William P. Bennett and Charles C. Bennett, co-partners, doing business under the trade name of Peanut Novelty Company, or under any other trade name, their representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale or distribution of peanuts or any other merchandise in commerce, as commerce is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Selling or distributing peanuts or any other merchandise so packed and assembled that sales of said peanuts or other merchandise to the general public are to be made, or may be made, by means of a game of chance, gift enterprise or lottery;

2. Supplying to, or placing in the hands of, others assortments of peanuts or any other merchandise which said assortments are to be used, or may be used, without alteration or rearrangement of the contents thereof to conduct a game of chance, gift enterprise or lottery in the sale or distribution of said peanuts or other merchandise contained in said assortments to the general public;

3. Selling or distributing individual packages of peanuts or any other merchandise containing coins or other United States money which said individual packages of said peanuts or other merchandise are packed and assembled in assortments with other individual packages of said peanuts or other merchandise of similar size, shape and ap-

pearance not containing coins or other United States money, for resale to the general public by means of a sales plan which constitutes a game of chance, gift enterprise or lottery;

4. Furnishing to dealers a display card or other printed matter either with packages or assortments of peanuts or any other merchandise, or separately, which said display card or other printed matter bears a legend or legends or statements informing the purchasers of said peanuts or other merchandise that the same is being sold to the general public by lot or chance or in accordance with a sales plan which constitutes a lottery, gaming device or gift enterprise;

5. Selling or otherwise disposing of any merchandise by means of a lottery, gaming device or gift enterprise.

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

By the Commission.

[SEAL]

OTIS B. JOHNSON,
Secretary.

[F. R. Doc. 39-3424; Filed, September 18, 1939; 1:42 p. m.]

[Docket No. 3474]

IN THE MATTER OF GREAT BRITAIN SPIRITUALIST CHURCH ET AL.

§ 3.6 (n) (2) *Advertising falsely or misleadingly—Nature—Product:* § 3.6

(t) *Advertising falsely or misleadingly—Qualities or properties of product:* § 3.6

(cc) (4) *Advertising falsely or misleadingly—Source or origin—Place—Domestic product as imported.* Representing, directly or by inference, in connection with offer, etc., in commerce, of respondents' various items of merchandise, including so-called holy oils, books, tracts, talismans, charms, soap, perfumes, and other similar products, that respondents' products or the substances from which they are made or compounded are imported from Africa or India when such is not the fact; or that said products possess any mystic or secret power of nature to cure sickness or induce health, wealth, happiness or love, or possess any mystic influence or power due to their source of origin; prohibited. (Sec. 5, 38 Stat. 719, as amended by Sec. 3, 52 Stat. 112; 15 U.S.C., Supp. IV, sec. 45b) [Cease and desist order, Great Britain Spiritualist Church et al., Docket 3474, September 7, 1939]

§ 3.6 (n) (2) *Advertising falsely or misleadingly—Nature—Product:* § 3.6 (t)

Advertising falsely or misleadingly—Qualities or properties of product: § 3.6

(x) *Advertising falsely or misleadingly—Results:* § 3.6 (cc) (3) *Advertising falsely or misleadingly—Source or origin—*

¹ 2 F. R. 952.

Maker: § 3.6 (c) (4) Advertising falsely or misleadingly—Source or origin—Place—Domestic product as imported. Representing, in connection with offer, etc., in commerce, of respondents' various items of merchandise, including so-called holy oils, books, tracts, talismans, charms, soap, perfumes, and other similar products, (a) that "Grendeline Holy Oil" or "Fox Fire Powder" are products of the Sibber Tribe of India, or that "Fox Fire Powder" is made from a secret process or possesses mystic power; (b) that "Mintolean Mojou Lucky Oil" is a product of African tribes or will have a lucky effect on dice soaked in it; or (c) that "Jungles Floor Wash" is a product of the jungles of Africa or will ward off evil spirits; prohibited. (Sec. 5, 38 Stat. 719, as amended by Sec. 3, 52 Stat. 112; 15 U.S.C., Supp. IV, sec. 45b) [Cease and desist order, Great Britain Spiritualist Church et al., Docket 3474, September 7, 1939]

§ 3.6 (a) (22) *Advertising falsely or misleadingly—Business status, advantages or connections of advertiser—Producer status of dealer—Distiller: Manufacturer: Rectifier.* Representing, in any manner, in connection with offer, etc., in commerce, of respondents' various items of merchandise, including so-called holy oils, books, tracts, talismans, charms, soap, perfumes, and other similar products, that respondents manufacture, make, compound, distill or rectify any product sold and shipped by them in commerce, unless and until their own and operate, or directly and absolutely control, the factory or plant wherein such articles are made, manufactured, compounded, distilled, or rectified by them, prohibited. (Sec. 5, 38 Stat. 719, as amended by Sec. 3, 52 Stat. 112; 15 U.S.C., Supp. IV, sec. 45b) [Cease and desist order, Great Britain Spiritualist Church et al., Docket 3474, September 7, 1939]

United States of America—Before Federal Trade Commission

At a regular session of the Federal Trade Commission held at its office in the City of Washington, D. C., on the 7th day of September, A. D. 1939.

Commissioners: Robert E. Freer, Chairman; Garland S. Ferguson, Charles H. March, Ewin L. Davis, William A. Ayres.

IN THE MATTER OF GREAT BRITAIN SPIRITUALIST CHURCH, A CORPORATION, AND MRS. CHARLES P. COLBERT, VIRGIL L. ECKRIDGE, MARY HOPKINS, DELMAR WILLIAM WHITE, INDIVIDUALLY AND AS OFFICERS, DIRECTORS AND AGENTS OF SAID CORPORATION, AND FANNIE H. ECKRIDGE, AN INDIVIDUAL

ORDER TO CEASE AND DESIST

This proceeding having been heard¹ by the Federal Trade Commission upon the

¹ 4 F.R. 56 DI.

complaint of the Commission, the answer of respondents, testimony and other evidence taken before Arthur F. Thomas, an examiner of the Commission theretofore duly designated by it, in support of the allegations of said complaint and in opposition thereto, brief of counsel for the Commission in support of the complaint, respondents having waived oral argument and not having filed brief, and the Commission having made its findings as to the facts and its conclusion that said respondents have violated the provisions of the Federal Trade Commission Act;

It is ordered, That the respondent Great Britain Spiritualist Church, a corporation, and respondents Mrs. Charles P. Colbert, Virgil L. Eckridge, Mary Hopkins, and Delmar William White, individually and as officers, directors and agents of said corporation, their representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of their various items of merchandise in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

(1) Representing, directly or by inference, that their products or the substances from which they are made or compounded are imported from Africa or India when such is not the fact; or that said products possess any mystic or secret power of nature to cure sickness or induce health, wealth, happiness or love, or possess any mystic influence or power due to their source of origin;

2. Representing (a) that "Grendeline Holy Oil" or "Fox Fire Powder" are products of the Sibber Tribe of India, or that "Fox Fire Powder" is made from a secret process or possesses mystic power; (b) That "Mintolean Mojou Lucky Oil" is a product of African tribes or will have a lucky effect on dice soaked in it; (c) that "Jungles Floor Wash" is a product of the jungles of Africa or will ward off evil spirits;

3. Representing in any manner that respondents manufacture, make, compound, distill or rectify any product sold and shipped by them in commerce unless and until their own and operate or directly and absolutely control the factory or plant wherein such articles are made, manufactured, compounded, distilled, or rectified by them.

It is further ordered, That the respondents shall, within sixty days after service upon them of this order, file with the Commission a report in writing, setting forth in detail the manner and form in which they have complied with this order.

By the Commission.

[SEAL] OTIS B. JOHNSON,
Secretary.

[F. R. Doc. 39-3425; Filed, September 18, 1939; 1:43 p. m.]

[Docket No. 3767]

IN THE MATTER OF WELLS SALES COMPANY

§ 3.99 (b) *Using or selling lottery devices—In merchandising.* Supplying, etc., in connection with offer, etc., in commerce, of radios, waffle irons, griddles, tableware, automatic pencils, or other articles of merchandise, others with push or pull cards, punch boards, or other lottery devices, so as to enable such persons to dispose of or sell any merchandise by the use thereof, prohibited. (Sec. 5, 38 Stat. 719, as amended by Sec. 3, 52 Stat. 112; 15 U.S.C., Supp. IV, sec. 45b) [Cease and desist order, Wells Sales Company, Docket 3767, September 8, 1939]

§ 3.99 (b) *Using or selling lottery devices—In merchandising.* Mailing, etc., in connection with offer, etc., in commerce, of radios, waffle irons, griddles, tableware, automatic pencils, or other articles of merchandise, to respondent's agents or to distributors or to members of the public, push or pull cards, punch boards, or other lottery devices so prepared or printed as to enable said persons to sell or distribute any merchandise by the use thereof, prohibited. (Sec. 5, 38 Stat. 719, as amended by Sec. 3, 52 Stat. 112; 15 U.S.C., Supp. IV, sec. 45b) [Cease and desist order, Wells Sales Company, Docket 3767, September 8, 1939]

§ 3.99 (b) *Using or selling lottery devices—In merchandising.* Selling, etc., in connection with offer, etc., in commerce, of radios, waffle irons, griddles, tableware, automatic pencils, or other articles of merchandise, any merchandise by the use of push or pull cards, punch boards, or other lottery devices, prohibited. (Sec. 5, 38 Stat. 719, as amended by Sec. 3, 52 Stat. 112; 15 U.S.C., Supp. IV, sec. 45b) [Cease and desist order, Wells Sales Company, Docket 3767, September 8, 1939]

United States of America—Before Federal Trade Commission

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 8th day of September, A. D. 1939.

Commissioners: Robert E. Freer, Chairman; Garland S. Ferguson, Charles H. March, Ewin L. Davis, William A. Ayres.

IN THE MATTER OF JEAN LAWRENCE, INDIVIDUALLY AND TRADING AS WELLS SALES COMPANY

ORDER TO CEASE AND DESIST

This proceeding having been heard¹ by the Federal Trade Commission upon the complaint of the Commission and the answer of respondent, in which answer respondent admits all the material allegations of fact set forth in said complaint, and states that he waives all in-

¹ 4 F.R. 2893 DI.

intervening procedure and further hearing as to said facts, and the Commission having made its findings as to the facts and conclusion that said respondent has violated the provisions of the Federal Trade Commission Act;

It is ordered. That the respondent, Jean Lawrence, individually and trading as Wells Sales Company, or trading under any other name or names, his representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of radios, waffle irons, griddles, tableware, automatic pencils, or any other articles of merchandise in commerce, as commerce is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

(1) Supplying to or placing in the hands of others push or pull cards, punch boards, or other lottery devices, so as to enable such persons to dispose of or sell any merchandise by the use thereof;

(2) Mailing, shipping or transporting to his agents or to distributors or to members of the public push or pull cards, punch boards, or other lottery devices so prepared or printed as to enable said persons to sell or distribute any merchandise by the use thereof;

(3) Selling or otherwise disposing of any merchandise by the use of push or pull cards, punch boards, or other lottery devices.

It is further ordered. That within sixty (60) days from the date of the service of this order upon the said respondent, he shall file with the Commission a report in writing, setting forth in detail the manner and form in which he has complied with this order.

By the Commission.

[SEAL] OTIS B. JOHNSON,
Secretary.

[F. R. Doc. 39-3426; Filed, September 18, 1939; 1:43 p. m.]

[Docket No. 3806]

IN THE MATTER OF WRIGHT PRODUCTS COMPANY

§ 3.99 (b) *Using or selling lottery devices—In merchandising.* Supplying, etc., in connection with offer, etc., in commerce, of hosiery, clocks, pen and pencil sets, manicure sets or other articles of merchandise, others with push or pull cards, punch boards, or other lottery devices, so as to enable such persons to dispose of or sell any merchandise by the use thereof, prohibited. (Sec. 5, 38 Stat. 719, as amended by Sec. 3, 52 Stat. 112; 15 U.S.C., Supp. IV, sec. 45b) [Cease and desist order, Wright Products Company, Docket 3806, September 7, 1939]

§ 3.99 (b) *Using or selling lottery devices—In merchandising.* Mailing, etc., in connection with offer, etc., in commerce, of hosiery, clocks, pen and pencil sets, manicure sets or other articles of merchandise, to respondent's agents or

to distributors or to members of the public, push or pull cards, punch boards, or other lottery devices so prepared or printed as to enable said persons to sell or distribute any merchandise by the use thereof, prohibited. (Sec. 5, 38 Stat. 719, as amended by Sec. 3, 52 Stat. 112; 15 U.S.C., Supp. IV, sec. 45b) [Cease and desist order, Wright Products Company, Docket 3806, September 7, 1939]

§ 3.99 (b) *Using or selling lottery devices—In merchandising.* Selling etc., in connection with offer, etc., in commerce, of hosiery, clocks, pen and pencil sets, manicure sets or other articles of merchandise, any merchandise by the use of push or pull cards, punch boards, or other lottery devices, prohibited. (Sec. 5, 38 Stat. 719, as amended by Sec. 3, 52 Stat. 112; 15 U.S.C., Supp. IV, sec. 45b) [Cease and desist order, Wright Products Company, Docket 3806, September 7, 1939]

United States of America—Before
Federal Trade Commission

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 7th day of September, A. D. 1939.

Commissioners: Robert E. Freer, Chairman; Garland S. Ferguson, Charles H. March, Ewin L. Davis, William A. Ayres.

IN THE MATTER OF ISAAC S. FRIEDMAN, AN
INDIVIDUAL TRADING AS WRIGHT PRODUCTS COMPANY

ORDER TO CEASE AND DESIST

This proceeding having been heard¹ by the Federal Trade Commission upon the complaint of the Commission and the answer of respondent, in which answer respondent admits all the material allegations of fact set forth in said complaint, and states that he waives all intervening procedure and further hearing as to said facts and the Commission having made its findings as to the facts and conclusion that said respondent has violated the provisions of the Federal Trade Commission Act;

It is ordered. That the respondent, Isaac S. Friedman, an individual trading as Wright Products Company, or trading under any other name or names, his representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of hosiery, clocks, pen and pencil sets, manicure sets, or any other articles of merchandise in commerce, as commerce is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

(1) Supplying to or placing in the hands of others push or pull cards, punch boards, or other lottery devices, so as to enable such persons to dispose of or sell any merchandise by the use thereof;

(2) Mailing, shipping or transporting to his agents or to distributors or to members of the public push or pull cards, punch boards, or other lottery devices so prepared or printed as to enable said persons to sell or distribute any merchandise by the use thereof;

(3) Selling or otherwise disposing of any merchandise by the use of push or pull cards, punch boards, or other lottery devices.

It is further ordered. That within sixty (60) days from the date of the service of this order upon the said respondent, he shall file with the Commission a report in writing, setting forth in detail the manner and form in which he has complied with this order.

By the Commission.

[SEAL] OTIS B. JOHNSON,
Secretary.

[F. R. Doc. 39-3427; Filed, September 18, 1939; 1:44 p. m.]

[Docket No. 3843]

IN THE MATTER OF AMERICAN OIL COMPANY ET AL.

§ 3.45 (c) (5) *Discriminating in price—Direct discrimination—Charges and prices—“Off-scale” selling.* Discriminating in price, in connection with offer, etc., in interstate commerce and in District of Columbia, of respondent's gasoline and petroleum products, through (a) the price discriminations found in Paragraphs Seven and Eight of the findings as to the facts and conclusion [i. e., as there set forth, granting to respondent General Finance, Inc., in the District of Columbia, special concessions from its regular dealer price scale, on the condition, not observed by said company, that such sales at such lower prices were for purchaser's own consumption and not resale, with effect that such discrimination had been, and might be substantially to lessen competition in the line of commerce in which said respondent General Finance, Inc., and other retail gasoline dealers in the District of Columbia were engaged; and to injure, destroy and prevent competition with respondent American Oil Company and with respondent General Finance, Inc., which received the benefit of such discrimination, and with result that said last concern thereby obtained from respondent American Oil Company an unlawful price discrimination in its favor and to its benefit, and to injury of other retail gasoline dealers in competition with said General Finance, Inc., who were thus required to, and did, pay said American Oil Company and other suppliers higher, full posted retail dealer tank wagon prices applicable on date of delivery at point of delivery], and through (b) in any other manner, directly or indirectly, discriminating in price between respondent General Finance, Inc., and other purchasers competitively engaged with respondent General Finance, Inc., in the resale of its products of like grade and quality, where

¹ 4 F.R. 2894 DL.

the effect may be substantially to lessen competition or tend to create a monopoly in the line of commerce in which said respondent, or any of its customers, are engaged, or to injure, destroy, or prevent competition with respondent or its customers, except where such price differences make only due allowance for differences in the cost of sale or delivery resulting from differing methods or quantities in which said gasoline or petroleum products are to such purchasers sold or delivered, prohibited. (Sec. 2 (a), 49 Stat. 1526; 15 U.S.C., Supp. IV, sec. 13 (a)) [Cease and desist order, American Oil Company et al., Docket 3843, September 9, 1939]

§ 3.45 (c) (5) *Discriminating in price—Direct discrimination—Charges and prices—“Off-scale” selling.* Inducing or receiving (a) price discriminations found in Paragraphs Seven, Eight and Nine of the findings as to the facts and conclusions [i. e., as there set forth, knowingly inducing and knowingly receiving, on the part of respondent General Finance, Inc., from respondent American Oil Company, in connection with purchase of gasoline and petroleum products from it in the District of Columbia, special concessions from said company's regular dealer price scale, on the condition, not observed by said purchaser General Finance, Inc., that such sales at such lower prices were for purchaser's own consumption and not resale, with effect that such discrimination had been, and might be substantially to lessen competition in the line of commerce in which said respondent General Finance, Inc., and other retail gasoline dealers in the District of Columbia were engaged; and to injure, destroy and prevent competition with respondent American Oil Company and with respondent General Finance, Inc., which received the benefit of such discrimination, and with result that said last concern thereby obtained from respondent American Oil Company an unlawful price discrimination in its favor and to its benefit, and to injure of other retail gasoline dealers in competition with said General Finance, Inc., who were thus required to, and did, pay said American Oil Company and other suppliers higher, full posted retail dealer tank wagon prices applicable on date of delivery at point of delivery], and (b) in any other manner, knowingly purchasing gasoline and petroleum products at prices which discriminate between respondent General Finance, Inc., and other purchasers of such products of like grade and quality, where the effect may be substantially to lessen competition or tend to create a monopoly in the line of commerce in which said respondent is engaged, or to injure, destroy, or prevent competition with respondent or its customers, except where such price differences make only due allowance for differences in the cost of sale or delivery resulting from differing methods or quantities in which said gasoline or petroleum products are to it

or such other purchasers sold or delivered, prohibited. (Sec. 2 (f), 49 Stat. 1527; 15 U.S.C., Supp. IV, sec. 13 (f)) [Cease and desist order, American Oil Company et al., Docket 3843, September 9, 1939]

*United States of America—Before
Federal Trade Commission*

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 9th day of September, A. D. 1939.

Commissioners: Robert E. Freer, Chairman; Garland S. Ferguson, Charles H. March, Ewin L. Davis, William A. Ayres.

**IN THE MATTER OF AMERICAN OIL COMPANY
AND GENERAL FINANCE, INC.**

ORDER TO CEASE AND DESIST

This proceeding having been heard¹ by the Federal Trade Commission upon the complaint of the Commission and the answers filed thereto by the respondents, American Oil Company and General Finance, Inc., admitting the material allegations of fact in the complaint to be true, and waiving all intervening procedure and further hearing as to the said facts, and the Commission having made its findings as to the facts and its conclusions, which findings and conclusions are hereby made a part hereof, that said respondents have violated the provisions of an Act of Congress entitled "An Act to supplement existing laws against unlawful restraints and for other purposes", approved October 15, 1914, as amended by the Robinson-Patman Act approved June 19, 1936 (Title 15, Sec. 13);

It is ordered, That respondent, American Oil Company, a corporation, its officers, directors, representatives, agents and employees, in connection with the offering for sale, sale and distribution and delivery of its gasoline and petroleum products in interstate commerce and in the District of Columbia, do forthwith cease and desist (a) from the price discriminations found in Paragraphs Seven and Eight of the aforesaid findings as to the facts and conclusion; and (b) from in any other manner, directly or indirectly, discriminating in price between respondent General Finance, Inc., and other purchasers competitively engaged with respondent General Finance, Inc., in the resale of its products of like grade and quality where the effect may be substantially to lessen competition or tend to create a monopoly in the line of commerce in which said respondent, or any of its customers, are engaged, or to injure, destroy, or prevent competition with respondent or its customers, except where such price differences make only due allowance for differences in the cost of sale or delivery resulting from differing methods or quantities in which said gasoline or

petroleum products are to such purchasers sold or delivered.

It is further ordered, That the respondent General Finance, Inc., its officers, directors, representatives, agents, and employees do forthwith cease and desist (a) from inducing or receiving the price discriminations found in Paragraphs Seven, Eight, and Nine of the aforesaid findings as to the facts and conclusion; and (b) from in any other manner knowingly purchasing gasoline and petroleum products at prices which discriminate between it and other purchasers of such products of like grade and quality where the effect may be substantially to lessen competition or tend to create a monopoly in the line of commerce in which said respondent is engaged, or to injure, destroy, or prevent competition with respondent or its customers except where such price differences make only due allowance for differences in the cost of sale or delivery resulting from differing methods or quantities in which said gasoline or petroleum products are to it or such other purchasers sold or delivered.

It is further ordered, That the said respondents, American Oil Company and General Finance, Inc., shall, within sixty (60) days after service upon them of this order, file with the Commission their separate reports in writing setting forth in detail the manner and form in which they have complied with this order.

By direction of the Commission.

[SEAL] OTIS B. JOHNSON,
Secretary.

[F. R. Doc. 39-3428; Filed, September 18, 1939; 1:44 p. m.]

TITLE 24—HOUSING CREDIT

**HOME OWNERS' LOAN
CORPORATION**

[Administrative Order No. 2-207]

PART 402—LOAN SERVICE

**MISCELLANEOUS CREDITS—PAYMENT OF
TAXES, ETC.**

Amending Part 402 of Chapter IV, Title 24 of the Code of Federal Regulations.

Section 402.15-1 is amended to read as follows:

§ 402.15-1 The Regional Manager, with the advice of Regional Counsel, may permit the payment of taxes, assessments, other levies and charges and ground rents, attorneys' fees, surveys, appraisal fees, cost of reconditioning and charges or expenses necessary in connection with the consummation of the particular transaction before directing the application of any part of the funds referred to in the foregoing Section.

In cases where the consideration (whether land, interests therein, enhancement in the value thereof, or funds) exceeds the amount by which the value of the Corporation's security is reduced or diminished and the home owner has requested that such excess be re-

tained by him or be turned over to him for his own use, the Regional Manager may grant the request if in his opinion the interests of the Corporation would not be adversely affected. In cases where such excess does not exist or where it is less than the amount the home owner has requested be turned over to him and the Regional Manager recommends that the request of the home owner be allowed, he shall forward the file, together with a summary of the case and his recommendation, to the General Manager for direction. (Effective September 15, 1939)

(Above procedure promulgated by General Manager and General Counsel pursuant to authority vested in them by the Federal Home Loan Bank Board acting pursuant to Secs. 4 (a), 4 (k) of Home Owners' Loan Act of 1933, 48 Stat. 129, 132, as amended by Section 13 of the Act of April 27, 1934, 48 Stat. 647; 12 U.S.C. 1463 (a), (k))

Promulgated by General Manager and General Counsel of Home Owners' Loan Corporation.

[SEAL]

H. CAULSEN,
Assistant Secretary.

[F. R. Doc. 39-3445; Filed, September 19, 1939; 12:33 p. m.]

TITLE 26—INTERNAL REVENUE

BUREAU OF INTERNAL REVENUE

[T. D. 4939]

INCOME TAX

REGULATIONS RELATING TO THE RECOGNITION OF GAIN OR LOSS AND THE BASIS OF PROPERTY ACQUIRED IN CERTAIN EXCHANGES INVOLVING THE ASSUMPTION OF LIABILITIES OR THE ACQUISITION OF PROPERTY SUBJECT TO A LIABILITY*†

To Collectors of Internal Revenue and Others Concerned:

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Sec.

- 20A.0 Introductory.
20A.1 General.
20A.2 Purpose and scope of special treatment accorded assumption of liabilities in certain cases.
20A.3 Assumption of liability not to be taken into account for purposes of recognizing gain or loss.

* Section 20A.0 to section 20A.7 are issued under the authority contained in section 62 of the Internal Revenue Code (53 Stat. Part 1), section 62 of the Revenue Act of 1938 (52 Stat. 480, 26 U.S.C. Sup. IV, 62), section 62 of the Revenue Act of 1936 (49 Stat. 1673, 26 U.S.C. Sup. IV, 62), section 62 of the Revenue Act of 1934 (48 Stat. 700, 26 U.S.C. 62), section 62 of the Revenue Act of 1932 (47 Stat. 191), section 62 of the Revenue Act of 1928 (45 Stat. 810), section 1101 of the Revenue Act of 1926 (44 Stat. 111, 26 U.S.C. 1691), section 1001 of the Revenue Act of 1924 (43 Stat. 339) and other provisions of the income tax laws, and interpret section 213 of the Revenue Act of 1939 (Public, No. 155, Seventy-sixth Congress, first session).

† The source of sections 20A.0 to 20A.7 is Treasury Decision 4939, approved Sept. 16, 1939.

Sec.

- 20A.4 Assumption of liabilities to be disregarded in determining whether transaction is a reorganization under clause requiring acquisition of properties of a corporation solely for transferee's voting stock.
20A.5 Effect of assumption of liabilities on computation of proportionate interests required by section 112 (b) (5).
20A.6 Effect of assumption of liabilities on basis of property acquired by person whose liabilities are assumed.
20A.7 Modification of prior regulations.

§ 20A.0 *Introductory.* (a) Section 213 of the Revenue Act of 1939, approved June 29, 1939, (Public, No. 155, Seventy-sixth Congress, first session) provides:

SEC. 213. ASSUMPTION OF INDEBTEDNESS.

(a) ASSUMPTION OF LIABILITY NOT RECOGNIZED. Section 112 of the Internal Revenue Code (relating to recognition of gain or loss) is amended by adding at the end thereof the following new subsection:

"(k) ASSUMPTION OF LIABILITY NOT RECOGNIZED. Where upon an exchange the taxpayer receives as part of the consideration property which would be permitted by subsection (b) (4) or (5) of this section to be received without the recognition of gain if it were the sole consideration, and as part of the consideration another party to the exchange assumes a liability of the taxpayer or acquires from the taxpayer property subject to a liability, such assumption or acquisition shall not be considered as "other property or money" received by the taxpayer within the meaning of subsection (c), (d), or (e) of this section and shall not prevent the exchange from being within the provisions of subsection (b) (4) or (5); except that if, taking into consideration the nature of the liability and the circumstances in the light of which the arrangement for the assumption or acquisition was made, it appears that the principal purpose of the taxpayer with respect to the assumption or acquisition was a purpose to avoid Federal income tax on the exchange, or, if not such purpose, was not a bona fide business purpose, such assumption or acquisition (in the amount of the liability) shall, for the purposes of this section, be considered as money received by the taxpayer upon the exchange. In any suit or proceeding where the burden is on the taxpayer to prove that such assumption or acquisition is not to be considered as money received by the taxpayer, such burden shall not be considered as sustained unless the taxpayer sustains such burden by the clear preponderance of the evidence."

(b) AMENDMENT TO DEFINITION OF REORGANIZATION. Section 112 (g) (1) of the Internal Revenue Code (relating to definition of reorganization) is amended to read as follows:

"(1) The term 'reorganization' means (A) a statutory merger or consolidation, or (B) the acquisition by one corporation, in exchange solely for all or a part of its voting stock, of at least 80 per centum of the voting stock and at least 80 per centum of the total number of shares of all other classes of stock of another corporation, or (C) the acquisition by one corporation, in exchange solely for all or a part of its voting stock, of substantially all the properties of another corporation, but in determining whether the exchange is solely for voting stock the assumption by the acquiring corporation of a liability of the other, or the fact that property acquired is subject to a liability, shall be disregarded, or (D) a transfer by a corporation of all or a part of its assets to another corporation if immediately after the transfer the transferor or its shareholders or both are in control of the corporation to which the assets are transferred, or (E) a recapitalization, or (F) a mere change in identity, form, or place of organization, however effected."

(c) REQUIREMENT OF SUBSTANTIALLY PROPORTIONATE INTERESTS. Section 112 (b) (5)

of the Internal Revenue Code (relating to requirement of substantially proportionate interests) is amended by adding at the end thereof the following new sentence: "Where the transferee assumes a liability of a transferor, or where the property of a transferor is transferred subject to a liability, then for the purpose only of determining whether the amount of stock or securities received by each of the transferors is in the proportion required by this paragraph, the amount of such liability (if under subsection (k) it is not to be considered as 'other property or money') shall be considered as stock or securities received by such transferor."

(d) BASIS OF PROPERTY. Section 113 (a) (6) of the Internal Revenue Code (relating to basis of property) is amended by inserting before the last sentence thereof the following: "Where as part of the consideration to the taxpayer another party to the exchange assumed a liability of the taxpayer or acquired from the taxpayer property subject to a liability, such assumption or acquisition (in the amount of the liability) shall, for the purposes of this paragraph, be considered as money received by the taxpayer upon the exchange."

(e) TAXABLE YEARS TO WHICH APPLICABLE. The amendments made by subsections (a), (b), (c), and (d) shall be applicable to taxable years beginning after December 31, 1938.

(f) ASSUMPTION OF LIABILITY NOT RECOGNIZED UNDER PRIOR ACTS.

(1) Where upon an exchange occurring in a taxable year ending after December 31, 1923, and beginning before January 1, 1939, the taxpayer received as part of the consideration property which would be permitted by subsection (b), (4) or (5) of section 112 of the Revenue Act of 1933, or the corresponding provisions of the Revenue Act of 1924 or subsequent revenue Acts, to be received without the recognition of gain if it were the sole consideration, and as part of the consideration another party to the exchange assumed a liability of the taxpayer or acquired from the taxpayer property subject to a liability, such assumption or acquisition shall not be considered as "other property or money" received by the taxpayer within the meaning of subsection (c), (4), or (e) of section 112 of the Revenue Act of 1933, or the corresponding provisions of the Revenue Act of 1924 or subsequent revenue Acts and shall not prevent the exchange from being within the provisions of subsection (b) (4) or (5) of section 112 of the Revenue Act of 1933, or the corresponding provisions of the Revenue Act of 1924 or subsequent revenue Acts; except that if, in the determination of the tax liability of such taxpayer for the taxable year in which the exchange occurred, by a decision of the Board of Tax Appeals or of a court which became final before the ninetieth day after the date of enactment of the Revenue Act of 1939, or by a closing agreement, gain was recognized to such taxpayer by reason of such assumption or acquisition of property, then for the purposes of section 112 of the Revenue Act of 1933, and corresponding provisions of the Revenue Act of 1924 or subsequent revenue Acts, such assumption or acquisition (in the amount of the liability considered in computing the gain) shall be considered as money received by the taxpayer upon the exchange.

(2) Paragraph (1) shall be effective with respect to the Revenue Act of 1924 and subsequent revenue Acts as of the date of enactment of each such Act.

(g) DEFINITION OF REORGANIZATION UNDER PRIOR ACTS.

(1) Section 112 (g) (1) of the Revenue Acts of 1938, 1936, and 1934 are amended to read as follows:

"(1) The term 'reorganization' means (A) a statutory merger or consolidation, or (B) the acquisition by one corporation, in exchange solely for all or a part of its voting stock, of substantially all the properties of another corporation, but in determining whether the exchange is solely for voting

stock the assumption by the acquiring corporation of a liability of the other, or the fact that property acquired is subject to a liability, shall be disregarded; or the acquisition by one corporation in exchange solely for all or a part of its voting stock of at least 80 per centum of the voting stock and at least 80 per centum of the total number of shares of all other classes of stock of another corporation, or (C) a transfer by a corporation of all or a part of its assets to another corporation if immediately after the transfer the transferor or its shareholders or both are in control of the corporation to which the assets are transferred, or (D) a recapitalization, or (E) a mere change in identity, form, or place of organization, however effected."

(2) The amendments made by paragraph (1) to the respective Acts amended shall be effective as to each of such Acts as of the date of enactment of such Act.

(h) SUBSTANTIALLY PROPORTIONATE INTERESTS UNDER PRIOR ACTS.

(1) Section 112 (b) (5) of the Revenue Acts of 1938, 1936, 1934, 1932, and 1928, and section 203 (b) (4) of the Revenue Acts of 1926 and 1924 are amended by inserting at the end thereof the following: "Where the transferee assumes a liability of a transferor, or where the property of a transferor is transferred subject to a liability, then for the purpose only of determining whether the amount of stock or securities received by each of the transferors is in the proportion required by this paragraph, the amount of such liability (if under section 213 of the Revenue Act of 1939 it is not considered as 'other property or money') shall be considered as stock or securities received by such transferor. If, as the result of a determination of the tax liability of the taxpayer for the taxable year in which the exchange occurred, by a decision of the Board of Tax Appeals or of a court which became final before the ninetieth day after the date of the enactment of the Revenue Act of 1939, or by a closing agreement, the treatment of the amount of such liability was different from the treatment which would result from the application of the preceding sentence, such sentence shall not apply and the result of such determination shall be deemed proper."

(2) The amendments made by paragraph (1) to the respective Acts amended shall be effective as to each of such Acts as of the date of enactment of such Act.

(i) BASIS UNDER PRIOR ACTS.

(1) Section 113 (a) (6) of the Revenue Acts of 1938, 1936, 1934, 1932, and 1928, and section 204 (a) (6) of the Revenue Acts of 1926 and 1924 are amended by inserting before the last sentence thereof the following: "Where as part of the consideration to the taxpayer another party to the exchange assumed a liability of the taxpayer or acquired from the taxpayer property subject to a liability, such assumption or acquisition (in the amount of the liability) shall, for the purposes of this paragraph, be considered as money received by the taxpayer upon the exchange."

(2) The amendments made by paragraph (1) to the respective Acts amended shall be effective as to each of such Acts as of the date of enactment of such Act.

(b) Section 910 of the Social Security Act Amendments of 1939, approved August 10, 1939 (Public, No. 379, Seventy-sixth Congress, first session) provides:

Sec. 910. (a) The provisions of section 213 (f) of the Revenue Act of 1939 shall apply without regard to the exception therein provided, if (1) the taxpayer in the determination referred to in such exception is a corporation, (2) such determination is by a decision of the Board of Tax Appeals or of a court, (3) under the law applicable to the taxable year in which the exchange occurred, the basis of the property, acquired upon the exchange from the taxpayer by the party assuming a liability of the taxpayer or acquiring the property subject to a liability, is the

cost to such party of the property acquired upon the exchange, and (4) the taxpayer in pursuance of the plan of reorganization effected a complete liquidation immediately subsequent to the exchange.

(b) No overpayment determined to have been made for any taxable year by reason of the provisions of paragraph (a) of this section shall be refunded or credited unless a claim for refund is filed within the period of limitations otherwise provided by law for filing a claim for refund for such taxable year, or within one year from the date of enactment of the Revenue Act of 1939, whichever of such periods expires the later. No interest shall be allowed or paid on the amount of any overpayment refunded or credited by reason of the provisions of this section.

Pursuant to section 213 of the Revenue Act of 1939 and other provisions of the internal revenue laws, the following regulations are hereby prescribed: *†

§ 20A.1 *General*—(a) *Use of term "assumption of liabilities."* When used in these regulations, the terms "assumption of liabilities," "liabilities assumed," or similar expressions include, in addition to cases where personal liabilities of the taxpayer are assumed by another party to the exchange, cases (1) where property of the taxpayer is acquired by another party to the exchange subject to a liability, whether or not the taxpayer was himself personally liable, and (2) where, though the property transferred was held by the taxpayer merely subject to a liability, the liability is assumed by another party to the exchange.

(b) *References to sections of law.* Unless otherwise specified, all references to sections of law in these regulations are to sections of the Internal Revenue Code and the corresponding provisions, if any, of revenue acts prior thereto to and including the Revenue Act of 1924.

(c) *References to the "Act."* References to the "Act" in these regulations are to the Revenue Act of 1939.

(d) *Date Board or court decision becomes final.* The date upon which a decision by the Board of Tax Appeals becomes final is prescribed in section 1140 of the Internal Revenue Code.

The date upon which a judgment of a court becomes final must be determined upon the basis of the facts in the particular case. Ordinarily, a judgment of a United States district court becomes final upon the expiration of the time allowed for taking an appeal, if no such appeal is duly taken within such time; and a judgment of the United States Court of Claims becomes final upon the expiration of the time allowed for filing a petition for certiorari if no such petition is duly filed within such time.*†

§ 20A.2 *Purpose and scope of special treatment accorded assumption of liabilities in certain cases.* Section 213 of the Act makes specific provision relative to the proper treatment of assumptions of liabilities in connection with the definition of the term "reorganization" and certain types of reorganization exchanges and transfers to controlled corporations. The transactions directly affected by sec-

tion 213 of the Act are those described in section 112 (b) (4) and (5), including those described in section 112 (c), (d), and (e) which would have been within section 112 (b) (4) or (5) if it had not been for the receipt of "other property or money." Though section 213 of the Act does not extend to the transactions described in section 112 (b) (1), (2), or (3) or so much of section 112 (c) and (e) as refers to section 112 (b) (1), (2), or (3), it does, because of the amendment to section 112 (g) (1) relative to the definition of the term "reorganization," make section 112 (b) (3), (c), and (e) applicable to exchanges which might otherwise be outside the scope of such provisions. In addition to the exceptions and limitations contained in the specific provisions of section 213 of the Act, transactions involving assumptions of liabilities are subject to all the exceptions and limitations generally applicable in the determination of whether an exchange is within the nonrecognition provisions of section 112, including satisfaction of the underlying purposes and assumptions of the reorganization provisions. See articles 112 (a)-1 and 112 (g)-1 of Regulations 101¹ (sections 9.112 (a)-1 and 9.112 (g)-1 of Title 26 of the Code of Federal Regulations). The effect of section 213 of the Act is to prevent certain types of assumptions of liabilities from resulting in a denial of nonrecognition of gain or loss in whole or in part in cases where, but for such assumption of liabilities, gain or loss would have been unrecognized in whole or in part under the sections affected. It does not add to the exceptions now contained in section 112. It merely implements them.

By retroactively providing that an assumption of liabilities does not prevent a transaction from constituting a reorganization, if otherwise qualified, by similarly providing that an assumption of liabilities in connection with certain reorganization exchanges and transfers to controlled corporations does not prevent a transaction from being within section 112 (b) (4) or (5) and does not constitute a measure of the amount of gain to be recognized, and by amending section 113 (a) (6), section 213 of the Act in general confirms the Bureau practice with respect to the recognition of gain or loss and the determination of basis of property acquired in the cases covered thereby.*†

§ 20A.3 *Assumption of liability not to be taken into account for purpose of recognizing gain or loss*—(a) *General rule.* Section 213 of the Act does not affect the rule that liabilities assumed are to be taken into account for the purpose of computing the amount of gain or loss realized upon an exchange. Such section provides, however, that liabilities assumed are not to be treated as "other property or money" under section 112 (e) or for the purpose of determining the amount of the realized gain which is

¹ 4 F.R. 707, 713 DL.

to be recognized under section 112 (c) or (d), if the transactions involved would, but for the receipt of "other property or money," have been exchanges of the type described in section 112 (b) (4) or (5). The section also provides that if the only type of consideration received by the transferor in addition to that permitted to be received by section 112 (b) (4) or (5) consists of an assumption of liabilities, the transaction, if otherwise qualified, shall be deemed to be within the provisions of section 112 (b) (4) or (5). The above rules are applicable to all transactions of the character described occurring at any time in the past or the future in a taxable year ending after December 31, 1923, of the transferor whose liabilities are assumed, with the exceptions and limitations specified in paragraphs (b) and (c) of this section of the regulations.

The application of this paragraph may be illustrated by the following example:

Example. A, an individual, transfers to a controlled corporation property with an adjusted basis of \$10,000 in exchange for stock of the corporation with a fair market value of \$8,000, cash in the amount of \$3,000, and the assumption by the corporation of indebtedness of A amounting to \$4,000. A's gain is \$5,000, computed as follows:

Stock received.....	\$8,000
Cash received.....	3,000
Liabilities assumed by transferee.....	4,000
<hr/>	
Total consideration received.....	15,000
Less: Adjusted basis of property transferred.....	10,000
<hr/>	
Gain realized.....	5,000

Assuming that the transaction falls within section 112 (c) as a transaction which would have been within section 112 (b) (5) but for the receipt of "other property or money," only so much of such \$5,000 gain will be recognized as does not exceed the "other property or money" received. Since section 213 of the Act provides that an assumption of liabilities shall not constitute "other property or money" for this purpose, the only "other property or money" received is the \$3,000 cash, and the \$5,000 realized gain will be recognized only to that extent.

(b) *Exceptions and limitations relative to transactions taking place in a taxable year beginning after December 31, 1938.* The benefits of section 112 (k), added to the Internal Revenue Code by section 213 (a) of the Act, do not extend to any exchange involving an assumption of liabilities where it appears that the principal purpose of the taxpayer with respect to such assumption was a purpose to avoid Federal income tax on the exchange, or, if not such purpose, was not a bona fide business purpose. In such cases, the amount of the liabilities assumed shall, for the purpose of determining the amount of gain to be recognized upon the exchange in which the liabilities are assumed, be treated as money received by the taxpayer upon the ex-

change. In any suit or proceeding where the burden is on the taxpayer to prove that an assumption of liabilities is not to be considered as "other property or money" under section 112 (k), which is the case if the Commissioner determines that the taxpayer's purpose with respect to the assumption was a purpose to avoid Federal income tax on the exchange or was not a bona fide business purpose and the taxpayer contests such determination by litigation, the taxpayer must sustain such burden by the clear preponderance of the evidence. Thus, the taxpayer must prove his case by such a clear preponderance of all the evidence that the absence of a purpose to avoid Federal income tax on the exchange, or the presence of a bona fide business purpose, is unmistakable.

(c) *Exceptions and limitations relative to transactions taking place in a taxable year beginning prior to January 1, 1939.* Except as provided in section 910 of the Social Security Act Amendments of 1939 (quoted in section 20A.0 (b) of these regulations), there are excepted from the rule provided by section 213 (f) of the Act cases involving taxpayers in the determination of whose tax liability for the taxable year in which the exchange occurred, by a decision of the Board of Tax Appeals or of a court which became final on or before September 26, 1939, or by a closing agreement under section 3760, gain was recognized to such taxpayer by reason of the assumption of liabilities in question. It is provided that under the applicable provision of the law such an assumption of liabilities shall be treated as money received by the taxpayer upon the exchange to the extent such assumption of liabilities was considered in computing the amount of gain to be recognized.*†

§ 20A.4 *Assumption of liabilities to be disregarded in determining whether transaction is a reorganization under clause requiring acquisition of properties of a corporation solely for transferee's voting stock.* The nonrecognition of gain or loss accorded by section 112 (b) (3) and (4), and so much of section 112 (c), (d), and (e) as refers to section 112 (b) (3) and (4), applies only to exchanges made in connection with a reorganization. Among the types of transactions defined as a reorganization by section 112 (g) (1) of the Internal Revenue Code and the Revenue Acts of 1934, 1936, and 1938 is the acquisition by one corporation, in exchange solely for all or part of its voting stock, of substantially all the properties of another corporation. Section 213 (b) and (g) of the Act amends such section 112 (g) (1) to provide that in determining whether an exchange is solely for voting stock for the purposes of such definition any assumption by the acquiring corporation of the liabilities of the other shall be disregarded. The effect of such provision may be illustrated in the operation of section 112 (b) (3) and (4) by the following examples:

Example (1). The only assets of the X Corporation consist of property with an adjusted basis of \$1,000,000. The X Corporation also has indebtedness outstanding of \$50,000. On July 1, 1939, pursuant to a plan of reorganization, the X Corporation transfers all its property to the Y Corporation in exchange for voting stock of the Y Corporation with a fair market value of \$900,000 and an assumption by the Y Corporation of the X Corporation's indebtedness. The transaction being a reorganization pursuant to the terms of section 112 (g) (1) as amended by section 213 of the Act, the exchange is governed by section 112 (b) (4) and though the X Corporation realized a loss of \$50,000 on the exchange, such loss will not be recognized.

Example (2). Assume the same facts as in example (1), plus the fact that, pursuant to the plan of reorganization, the X Corporation immediately distributes the Y Corporation's stock to its shareholders in complete liquidation. A, one of the shareholders of the X Corporation, receives stock of the Y Corporation with a fair market value of \$5,000 in exchange for stock of the X Corporation with an adjusted basis in his hands of \$4,000. The transaction between the X Corporation and the Y Corporation being a reorganization pursuant to the terms of section 112 (g) (1) as amended by section 213 of the Act, the exchange by A of his X Corporation stock for Y Corporation stock is governed by the provisions of section 112 (b) (3) and the \$1,000 gain realized by A in such exchange will not be recognized. If in connection with such exchange indebtedness of A had been assumed, the amount of the liabilities so assumed would have been treated as "other property or money" for the purposes of section 112 (c), since the provisions of section 213 (a) and (f) of the Act do not extend to section 112 (b) (3), and so much of A's gain would have been recognized as did not exceed such "other property or money."

Though an assumption of liabilities does not prevent an exchange from being solely for voting stock for the purposes of the definition of a reorganization, an assumption of liabilities in some cases may so alter the character of the transaction as to place it outside the underlying purposes and assumptions of the reorganization provisions. The amendments made by section 213 (b) and (g) of the Act do not prevent consideration of the effect of an assumption of liabilities on the general character of the transaction, but merely provide that the requirement that the exchange be solely for voting stock is satisfied if the only additional consideration is an assumption of liabilities.*†

§ 20A.5 *Effect of assumption of liabilities on computation of proportionate interests required by section 112 (b) (5)—(a) General rule.* Subject to the limitations and exceptions specified in paragraph (b) of this section of the regulations, in any case where an assumption

of liabilities is not to be treated as "other property or money" under section 213 (f) of the Act or section 112 (k), added to the Internal Revenue Code by section 213 (a) of the Act, the amount of the liabilities so assumed is to be treated as stock or securities received by the transferor whose indebtedness is assumed, for the purpose of determining whether the stock or securities received by the transferors are substantially in proportion to their interests in the properties transferred, as required by section 112 (b) (5). The application of this paragraph may be illustrated by the following example:

Example: A and B, individuals, each own property with a fair market value of \$100,000 on July 1, 1939. There is a purchase money mortgage on A's property of \$50,000. On July 1, 1939, A and B organize the X Corporation, to which they transfer the property above described for the entire capital stock of the X Corporation and the assumption by the X Corporation of A's purchase money mortgage. The X Corporation's capital stock is divided as follows: \$50,000 to A and \$100,000 to B. Nevertheless, for the purposes of determining whether the transferors received stock or securities substantially in proportion to their interests in the properties transferred, as required by section 112 (b) (5), A is deemed to have received stock or securities to the extent of \$100,000, since his \$50,000 purchase money mortgage, assumed by the X Corporation, is also to be treated as stock or securities received by him. Accordingly, under the facts as stated, the proportions required by section 112 (b) (5) exist.

(b) *Exceptions and limitations in the case of transactions taking place in a taxable year beginning prior to January 1, 1939.* Paragraph (a) of this section of the regulations shall not apply if the exchange took place in a taxable year beginning prior to January 1, 1939, and, as the result of a determination of the tax liability of the taxpayer for such taxable year, by a decision of the Board of Tax Appeals or of a court which became final on or before September 26, 1939, or by a closing agreement under section 3760, the treatment of the amount of such liability was different from the treatment which would result from the application of paragraph (a) of this section of the regulations. In such case the result of such determination shall be deemed proper.*†

§ 20A.6 *Effect of assumption of liabilities on basis of property acquired by person whose liabilities are assumed.* Section 113 (a) (6) provides that the basis of property acquired upon certain tax-free exchanges shall be the same as the adjusted basis of the property transferred, decreased in the amount of any money received by the taxpayer and increased in the amount of gain or decreased in the amount of loss to the taxpayer that was recognized upon the exchange under the law applicable to the year in which the exchange was made.

For the purpose of this provision, the amount of any liabilities of the taxpayer assumed by the other party to the exchange is to be treated as money received by the taxpayer upon the exchange, whether or not the assumption of liabilities resulted in a recognition of gain or loss to the taxpayer. Such treatment of an assumption of liabilities may be illustrated by the following examples:

Example (1). A, an individual, owns property having an adjusted basis of \$100,000 and on which there is a purchase money mortgage of \$25,000. On September 1, 1939, A organizes the X Corporation to which he transfers the property above described in exchange for all the capital stock of the X Corporation and the assumption of the \$25,000 mortgage. The capital stock of the X Corporation has a fair market value of \$150,000. Under section 112 (b) (5), no gain is recognized. The basis of such stock in A's hands is \$75,000, computed as follows:

Adjusted basis of property transferred	\$100,000
Less: Amount of money received (amount of liabilities assumed by X Corporation)	25,000
Basis of stock of the X Corporation in A's hands	75,000

Example (2). B, an individual, owns an apartment house which has an adjusted basis in his hands of \$500,000, but which is subject to a mortgage of \$150,000. On September 1, 1939, he transfers such apartment house to C, receiving in exchange therefor \$50,000 in cash and another apartment house with a fair market value on that date of \$600,000. The transfer to C is made subject to the \$150,000 mortgage, but C does not assume such mortgage. B realizes a gain of \$300,000 on the exchange, computed as follows:

Value of property received	\$600,000
Cash	50,000
Liabilities subject to which old property was transferred	150,000
Total consideration received	800,000
Adjusted basis of property transferred	500,000
Gain realized	300,000

Since section 213 of the Act does not apply to section 112 (b) (1) or so much of section 112 (c) as relates to section 112 (b) (1), \$200,000 of such \$300,000 gain is recognized. The basis of the apartment house acquired by B upon the exchange is \$500,000, computed as follows:

Adjusted basis of property transferred	\$500,000
Less: Amount of money received:	
Cash	\$50,000
Amount of liabilities subject to which property was transferred	150,000
	200,000
Difference	300,000
Plus: Amount of gain recognized upon the exchange	200,000
Basis of property acquired upon the exchange	500,000

*†

§ 20A.7 *Modification of prior regulations.* Prior Treasury regulations are hereby modified to the extent that they may be inconsistent with these regulations.*†

[SEAL] GUY T. HELVERING,
Commissioner of Internal Revenue.

Approved, September 16, 1939.

JOHN W. HANES,
Acting Secretary of the Treasury.

[F. R. Doc. 39-3440; Filed, September 19, 1939; 11:29 a. m.]

TITLE 31—MONEY AND FINANCE:
TREASURY

PUBLIC DEBT SERVICE

[1939—Amendment to Dept. Circ. 530,
2d Rev.]

REGULATIONS GOVERNING UNITED STATES
SAVINGS BONDS

SEPTEMBER 14, 1939.

To Owners of United States Savings Bonds, and Others Concerned:

1. Section VI-3 (c) of Department Circular No. 530, Second Revision, dated December 15, 1938,¹ is hereby amended to read as follows:

United States officials. Judges, clerks, and deputy clerks of United States courts, including United States courts for the organized Territories, insular possessions, and the Canal Zone; United States attorneys; United States collectors of customs and their deputies; United States collectors of internal revenue and their deputies; commanding officers of the United States Army, Navy, Marine Corps, and Coast Guard, but only for members of their respective commands; the officer in charge of any home, hospital, or other facility of the Veterans' Administration, but only for patients and members of such facilities.

2. Section VI-3 (d) (4) of Department Circular No. 530, Second Revision, dated December 15, 1938, is hereby amended to read as follows:

Commonwealth of the Philippines: the United States High Commissioner, his Administrative Assistant, and the Chief Clerk in his office; Treasurer of the Commonwealth and the city treasurers of Manila and Baguio; judges and clerks of courts of record whose signatures and official positions are certified by the Secretary of Justice.

3. These amendments shall be effective September 15, 1939, and the Secretary of the Treasury may at any time, or from time to time, withdraw or amend any or all of the provisions thereof.

[SEAL] JOHN W. HANES,
Acting Secretary of the Treasury.

[F. R. Doc. 39-3431; Filed, September 18, 1939; 4:01 p. m.]

¹ 3 FR. 3128 DL.

TITLE 36—PARKS AND FORESTS

FOREST SERVICE

OCCUPANCY, USE, ETC., OF NATIONAL FORESTS

RULES AMENDED

By virtue of the authority vested in the Secretary of Agriculture by the act of Congress of February 1, 1905 (33 Stat. 628), amendatory of the act of June 4, 1897 (30 Stat. 11, 35), I, H. A. Wallace, Secretary of Agriculture, do hereby amend Regulation T-9 (Sec. 251.11) of the rules and regulations governing the occupancy, use, protection and administration of the national forests by modifying paragraph (G) to read as follows:

"(G) Occupying a public camp ground upon national forest lands for a period of time in excess of that established by the forest supervisor under the provisions of Regulation U-5, Sec. 251.24, Title 36, Chap. II."

and adding a paragraph to read as follows:

"(J) Occupancy or use of land in violation of conditions authorized by Regulation U-6, Sec. 251.25, Title 36, Chap. II."

In testimony whereof, I have hereunto set my hand and official seal at the city of Washington this 19th day of September 1939.

[SEAL]

H. A. WALLACE,
Secretary of Agriculture.

[F. R. Doc. 39-3442; Filed, September 19, 1939; 12:14 p. m.]

PART 251—LAND USES

By virtue of the authority vested in the Secretary of Agriculture by the act of Congress of February 1, 1905 (33 Stat. 628), amendatory of the act of June 4, 1897 (30 Stat. 11, 35), I, H. A. Wallace, Secretary of Agriculture, do make and publish the following regulations for the occupancy, use, protection and administration of the national forests and to constitute a part of the National Forest Manual:

§ 251.20 (Reg. U-1) *Wilderness areas.* Upon recommendation of the Chief, Forest Service, national forest lands in single tracts of not less than 100,000 acres may be designated by the Secretary as "wilderness areas," within which there shall be no roads or other provision for motorized transportation, no commercial timber cutting, and no occupancy under special use permit for hotels, stores, resorts, summer homes, organization camps, hunting and fishing lodges, or similar uses: *Provided, however,* That where roads are necessary for ingress or egress to private property these may be allowed under appropriate conditions determined by the forest supervisor, and the boundary of the wilderness area shall thereupon be modified to exclude the portion affected by the road.

Grazing of domestic livestock, development of water storage projects which do not involve road construction, and improvements necessary for fire protection may be permitted subject to such restrictions as the Chief deems desirable. Within such designated wildernesses, the landing of airplanes on national forest land or water and the use of motor boats on national forest waters are prohibited, except where such use has already become well established or for administrative needs and emergencies.

Wilderness areas will not be modified or eliminated except by order of the Secretary. Notice of every proposed establishment, modification, or elimination will be published or publicly posted by the Forest Service for a period of at least 90 days prior to the approval of the contemplated order and if there is any demand for a public hearing, the regional forester shall hold such hearing and make full report thereon to the Chief of the Forest Service, who will submit it with his recommendations to the Secretary.

§ 251.21 (Reg. U-2) *Wild areas.* Suitable areas of national forest land in single tracts of less than 100,000 acres but not less than 5,000 acres may be designated by the Chief, Forest Service, as "wild areas," which shall be administered in the same manner as wilderness areas, with the same restrictions upon their use. The procedure for establishment, modification, or elimination of wild areas shall be as for wilderness areas, except that final action in each case will be by the Chief.

§ 251.22 (Reg. U-3) *Recreation areas.* Suitable areas of national forest land other than wilderness or wild areas which should be managed principally for recreation use but on which certain other uses are permitted may be given special classification. Areas in excess of 100,000 acres will be approved by the Secretary of Agriculture; areas of less than 100,000 acres may be approved by the Chief, or by such officers as he may designate.

§ 251.23 (Reg. U-4) *Experimental and natural areas.* The Chief of the Forest Service shall determine, define, and permanently record a series of areas of national forest land to be known as experimental forests sufficient in number and extent adequately to provide for the experimental work necessary as a basis for forest production or forest and range production in each forest region, these areas to be dedicated to and used for research; also where necessary a supplemental series of areas for range investigations to be known as experimental ranges; and a series to be known as natural areas sufficient in number and extent adequately to illustrate or typify virgin conditions of forest or range growth in each forest or range region, to be retained in a virgin or unmodified condition for the purposes of science, research, and education. Within areas so designated occupancy thereof under a special use permit shall not be allowed,

or the construction of permanent improvements permitted thereon, except improvements required in connection with their experimental use, unless authorized by the Chief of the Forest Service or the Secretary.

Regulation L-20 is hereby revoked.

§ 251.24 (Reg. U-5) *Public camp grounds* established upon national forest lands which are improved by the Forest Service, either from public funds or in cooperation with other public or private agencies, are for transient use by the public and shall not be occupied for extended periods or used for forms of occupancy which, in the opinion of the forest supervisor, are contrary to general public interest.

The forest supervisor may, in his discretion, prohibit the occupancy of designated camp grounds by house trailers, the erection or use of unsightly and inappropriate structures or appurtenances, and may fix a maximum limit upon the number of consecutive days during which any person or group of persons may occupy a designated camp ground.

Notice of such prohibition or restrictions shall be given by a sign posted within said camp ground, and occupancy or use of the ground in violation of such prohibitions or restrictions is prohibited.

Regulation L-19, sec. 251.13, is hereby revoked.

§ 251.25 (Reg. U-6) *Occupancy and use of national forest land* shall be permitted only upon compliance with reasonable conditions looking to the promotion of public health, welfare, safety, or convenience. Public notices shall be posted by the forest supervisor, setting forth such conditions with respect to any areas on which special restrictions should be imposed.

In testimony whereof, I have hereunto set by hand and official seal at the city of Washington this 19th day of September 1939.

[SEAL]

H. A. WALLACE,
Secretary of Agriculture.

[F. R. Doc. 39-3443; Filed, September 19, 1939; 12:15 p. m.]

TITLE 38—PENSIONS, BONUSES AND VETERANS' RELIEF

VETERANS' ADMINISTRATION

REVISION OF REGULATIONS

VETERANS' CLAIMS

Service Requirements

§ 2.1000 *World War.* The beginning and termination dates of the World War are April 6, 1917, and November 11, 1918, but as to service in Russia, the ending date is April 1, 1920. Except as to emergency officers retirement pay, reenlistment in the military or naval service on or after November 12, 1918, and before July 2, 1921, where there was prior service between April 6, 1917, and November 11, 1918, shall be considered as world war

service under the laws providing compensation or pension for world war veterans and their dependents. The claims for disability compensation or pension filed by veterans based upon service between April 6, 1917, and July 2, 1921, unless otherwise temporarily or permanently vested in the claims division, veterans claims service, central office, will be adjudicated in regional offices and facilities having regional office activities. (September 22, 1939.) (48 Stat. 9; 50 Stat. 661; 38 U.S.C. 424; 704)

[SEAL]

FRANK T. HINES,
Administrator.[F. R. Doc. 39-3429; Filed, September 18,
1939; 3:25 p. m.]

TITLE 46—SHIPPING

UNITED STATES MARITIME
COMMISSIONUNITED STATES MARITIME SERVICE
REGULATIONS

Effective September 1, 1939

By virtue of the authority vested in the United States Maritime Commission by section 216 of the Act entitled, "An Act to further the development and maintenance of an adequate and well-balanced American merchant marine, to promote the commerce of the United States, to aid in the national defense, to repeal certain former legislation, and for other purposes," (49 Stat. 1935, ch. 858, approved June 29, 1936, as amended by Public No. 705, 75th Cong., 3d sess., approved June 23, 1938), and as further amended by Public No. 259, Chapter 14, 1st Session, 76th Congress, approved August 4, 1939, and in order to provide for the government of the United States Maritime Service authorized by said section, the following regulations are hereby prescribed:

ARTICLE I—AUTHORITY

SECTION 1. *The statute.* The government of the United States Maritime Service shall be in conformity with the statutory authority for its creation, as contained in section 216 of the Merchant Marine Act, 1936, as amended by Public No. 259—76th Congress (Chapter 417—1st Session), which reads as follows:

SEC. 216. (a) The Commission is hereby authorized and directed, under such rules and regulations as it may prescribe, to establish and maintain the United States Maritime Service as a voluntary organization for the training of citizens of the United States to serve as licensed and unlicensed personnel on American merchant vessels. The Commission is authorized to determine the number of persons to be enrolled in the said Service, to fix the rates of pay of such persons, and to prescribe such courses and periods of training as, in its discretion, is necessary to maintain a trained and efficient merchant marine personnel. The ranks, grades, and ratings for the personnel of the said Service shall be the same as are now or shall hereafter be prescribed for the personnel of the Coast Guard. The Commission is further authorized to employ as instructors in said Service, on a contract or

fee basis (without regard to the provisions of section 3709 of the Revised Statutes), such qualified persons, including licensed and unlicensed personnel of the merchant marine, as the Commission may deem necessary to effectuate the purposes of this section.

(b) The Commission is hereby authorized to train American citizens to become licensed officers of the merchant marine of the United States in a status of cadets and cadet officers on Government-owned and subsidized vessels and, in cooperation with other governmental and private agencies, on other vessels and, for instructional purposes only, in shipyards, plants, and industrial and educational organizations, under rules and regulations prescribed by the Commission and upon such terms as the Commission may arrange, and expenditures incident to such training are hereby authorized.

(c) The Commission is hereby authorized to prescribe, conduct, and supervise such extension and correspondence courses as it may deem necessary to supplement other training facilities, and to make such courses available, under such rules and regulations and upon such terms as it may prescribe, to the licensed and unlicensed personnel of the merchant marine, and to cadets and cadet officers, who shall make application therefor. The Commission is further authorized to print, publish, and purchase suitable textbooks, equipment, and supplies required for such courses, and to employ persons, firms, and corporations on a contract or fee basis (without regard to the provisions of section 3709 of the Revised Statutes), for the performance of special services deemed necessary by the Commission in the preparation and editing of such textbooks and other aids to instruction, and in the supervision and administration of such courses.

(d) The Commission, with the consent of any executive department, independent establishment, or other agency of the Government, including any field service thereof, may avail itself of the use of information, services, facilities, officers, and employees thereof in carrying out the provisions of this section, as amended.

SEC. 2. *General Order No. 25.* The government and administration of the United States Maritime Service shall be in conformity with the Commission's General Order No. 25, establishing the Service, adopted on July 14, 1938 and amended on September 1, 1939. General Order No. 25, as amended, reads as follows:

There is hereby established, pursuant to the authority vested in the Commission by section 216 of the Merchant Marine Act, 1936, as amended, a voluntary organization to be known as the United States Maritime Service which shall consist of such American citizens as may be enrolled under the provisions of said section, this order, and such rules and regulations as may be prescribed by the Commission for the government of said Service.

The number of persons to be enrolled in said Service, the rates of pay of such persons, and the courses and periods of training shall be determined, fixed, and prescribed by the Commission in such manner and form as may appear to it to be necessary to maintain a trained and efficient merchant-marine personnel. The ranks, grades, and ratings for the personnel of the said Service shall be the same as are now or shall hereafter be prescribed for the personnel of the Coast Guard.

In the administration and conduct of the said Service the Commission shall, subject to the consent and approval of the Secretary of the Treasury, avail itself of the use of such information, services, facilities, officers, and employees of the Coast Guard, the Public Health Service and the Civilian Conservation Corps, with the approval of their respective Executive Heads, as may be necessary for the operation of said Service, such use to be at the expense of the Commission.

Enrollment and training in the United States Maritime Service shall be voluntary and shall be open to all licensed and unlicensed personnel of the United States merchant marine who comply with the requirements prescribed by the Commission as well as to young American citizens between the ages of 18 and 23 years who desire to train for service in the American Merchant Marine and who qualify for such training under regulations prescribed by the Commission. In the selection of applicants for enrollment no discrimination shall be practiced because of the applicant's race or creed, or because of membership or non-membership in any organization. Eligibility for enrollment shall be determined by the Commandant of the Coast Guard in accordance with rules and regulations prescribed by the Commission.

Nothing in this Order shall be construed to affect the cadet system established by the Commission's General Order No. 23, as amended.¹

This amended order shall become effective as of September 1, 1939.

ARTICLE II—ORGANIZATION AND
ADMINISTRATION

SECTION 1. *Definitions.* When used in these regulations—

(a) "Commission", or "Maritime Commission" means the United States Maritime Commission.

(b) "Service" or "Maritime Service" means the United States Maritime Service.

(c) "Commandant" means Commandant of the Coast Guard.

(d) "Coast Guard personnel" includes commissioned, warrant, or enlisted personnel of the Coast Guard and other employees thereof.

(e) "Maritime Service personnel" includes all persons employed in the Maritime Service.

(f) "Enrollees" means persons enrolled in the Maritime Service.

(g) "Merchant vessels of the United States" means ocean-going or Great Lakes vessels of 500 gross tons or over documented under the laws of the United States and engaged in the foreign or domestic commerce of the United States.

SEC. 2. *Maintenance of the service.* The Maritime Service shall be maintained at the expense of the Maritime Commission, which shall exercise such supervision over it, through the Com-

mandant, as may be necessary to comply with law and the rules and regulations prescribed by the Commission.

SEC. 3. Administration. The Maritime Service shall be administered by the Commandant of the Coast Guard, who shall have full control over the administration of the functions delegated to him by the rules and regulations prescribed by the Commission. All policies affecting the Maritime Service shall be determined by the Commission, after consultation with the Commandant.

SEC. 4. Ranks, grades, and ratings. The ranks, grades, and ratings for the personnel of the Maritime Service shall be the same as are now or shall hereafter be prescribed for the personnel of the Coast Guard.

SEC. 5. Forms. The Commandant shall prescribe, subject to the approval of the Commission, forms for application for enrollment, enrollment, disenrollment (voluntary and involuntary), release from active duty, assignments of ranks, grades, and ratings, pay and supply of personnel, maintenance and supply of stations and vessels, requests and authorizations for travel, fiscal management and accounts, and all other necessary forms for the administration of the Maritime Service.

SEC. 6. Authority of commandant. Subject to the regulations prescribed by the Commission, the Commandant is authorized:

(a) To direct and control the employees and enrollees of the Maritime Service, and to prescribe instructions regulating annual and sick leave.

(b) To employ, for the Maritime Service, on the account of the Maritime Commission, such civil employees as may be necessary for the conduct and maintenance of the Service.

(c) To enroll, disenroll, assign to active or inactive duty, and release from active duty the enrollees of the Service.

(d) To regulate the ranks, grades, and ratings of enrollees of the Service.

(e) To direct and conduct the prescribed courses of training.

(f) To provide for the maintenance of discipline and order.

(g) To conduct the fiscal management and keep the accounts of the Service.

(h) To direct the use and preservation of training stations, training ships, clothing, equipment, and supplies of the Service.

(i) To authorize the procurement of provisions, clothing, materials, equipment, and services for the operation of the Service.

(j) To dispose, by survey, for the account of the Commission, of such materials, clothing, equipment, and supplies as shall be found to be no longer serviceable. Such disposal shall be in accordance with existing Coast Guard regulations.

(k) To authorize and direct necessary travel in behalf of and on the account of the Maritime Service.

(l) To delegate such authority as is necessary to subordinate personnel of the Coast Guard or of the Maritime Service.

SEC. 7. Instructions of commandant. The Commandant is authorized to issue directions, instructions, and memoranda, consistent with the regulations prescribed by the Commission, for the proper administration of the Maritime Service.

SEC. 8. Allotments and expenditures. (a) Expenditures and obligations for the Maritime Service shall be limited to the allotment of funds by the Commission to the Service.

(b) Expenditure of funds may be authorized by the Commandant as required for the proper administration of the Maritime Service, including pay of personnel, purchases of equipment, provisions, and supplies, expenses of medical examination, medical treatment and hospitalization, communication and travel expense, and such other expenses of an administrative or ministerial nature as may be necessary for the efficient maintenance of the Service.

(c) The Commandant shall report to the Commission concerning all accounts and other financial matters of the Service in such manner and form as the Commission shall prescribe.

(d) The pay and allowances of the Chief Warrant and Warrant Officers and enlisted men of the Coast Guard detailed to duty with the Maritime Service shall be charged to the allotment of funds for the Maritime Service, and all travel expense including transportation of dependents and personal effects of all personnel of the Coast Guard detailed to such duty shall be charged to such fund, provided that expense in connection with relief and detail to Coast Guard duty of such personnel shall be borne by the Coast Guard.

SEC. 9. Investigations. (a) The Commandant is authorized to convene boards consisting of Coast Guard, Maritime Service, and Public Health Service personnel to investigate accidents to Maritime Service property, and any other matters or incidents which in his opinion require investigation.

(b) The Commandant is authorized to promulgate instructions, consistent with law, for the confinement of Maritime Service personnel where such confinement is necessary for safe keeping.

(c) Enrollees charged with violating criminal statutes shall be delivered to the appropriate civil (Federal, state, or municipal) authorities.

SEC. 10. Medical treatment. Medical treatment, including all necessary examinations, of the Maritime Service personnel shall be obtained from the Public Health Service in so far as possible. When the Public Health Service facilities are not available, hospitalization and treatment of Maritime Service personnel in civilian hospitals or by civilian physi-

cians are authorized and shall be provided at the expense of the Commission.

ARTICLE III—ENROLLMENT AND DUTY

SECTION 1. Voluntary enrollment—Numbers. (a) Enrollment in the Maritime Service shall be voluntary, and shall be open to American citizens in such numbers and grades as the Maritime Commission shall from time to time prescribe.

SEC. 2. Qualifications. No applicant shall be eligible for enrollment in the Maritime Service unless he is a citizen of the United States, not less than 18 years of age if enrolled as an apprentice seaman and not less than 19 years of age if enrolled in ratings other than apprentice seaman, and shall not have any physical, mental, or moral defect rendering him unfit for service at sea. An apprentice seaman may not be more than 23 years of age when enrolled.

SEC. 3. Enrollment—Original and regular. (a) All original enrollments except as apprentice seaman shall be deemed probationary for a period not to exceed three months. The enrollment period for apprentice seamen shall be prescribed from time to time by the Commission.

(b) The original enrollment of licensed personnel shall be in a rank not above ensign.

(c) The original enrollment of unlicensed personnel shall be in a rating not above seaman, second class.

(d) Any enrollee may be advanced in rank or rating during his probationary enrollment, and such advancement may be made effective as of such date as may be determined.

(e) Regular enrollees may be advanced in rank or rating at any time.

(f) After the probationary period of enrollment an enrollee whose conduct and qualifications are deemed satisfactory shall be eligible for regular enrollment.

(g) Every enrollee shall, upon enrollment, take an appropriate oath or affirmation.

SEC. 4. Duty—Active and inactive. (a) Duty status in the Maritime Service may be active or inactive.

(b) Every original enrollee shall be deemed to be on active duty immediately upon enrollment, and shall remain on active duty until released therefrom by proper authority.

(c) Regular enrollees may be assigned to inactive duty status subject to voluntary return to active duty at such intervals and for such periods as may be prescribed.

(d) Regular enrollees may be maintained on voluntary active duty for such periods as may be necessary for the proper administration of the Service.

(e) Enrollees on active duty may be assigned as instructors or as under instruction, or to perform administrative or other duties.

SEC. 5. Disenrollment—Voluntary and involuntary. (a) Any enrollee in the

Maritime Service shall be disenrolled upon request, the disenrollment to be effective on the date of action on such request.

(b) Any enrollee may be disenrolled from the Service for cause, as follows:

(1) During the probationary period of original enrollment, or while on active duty thereafter, for conduct or qualifications deemed unsatisfactory to the Service.

(2) For failure to serve 24 months in any period of 36 consecutive months on merchant vessels of the United States, provided that an enrollee shall be disenrolled for failure to serve 15 months in any such period of 36 months on merchant vessels of the United States.

(3) For failure in such period of 36 consecutive months to serve the required period or periods on active duty in the Service.

(4) For physical or mental disability.

(5) For conduct such as to bring discredit upon the Service.

(c) Any person disenrolled for cause may, upon removal of the disability or upon other correction of the cause of disenrollment, be re-enrolled in the Service.

ARTICLE IV—PAY AND SUPPLY

SECTION 1. *Rates of pay.* Licensed and unlicensed personnel of the Maritime Service shall receive the following monthly rates of pay while on active duty:

Captain.....	\$333.33
Commander.....	291.67
Lieutenant Commander.....	250.00
Lieutenant.....	200.00
Lieutenant (J. G.).....	166.67
Ensign.....	125.00
Cadet.....	65.00
Chief Warrant Officer.....	200.00
Warrant Officer.....	153.00
1st Pay Grade.....	126.00
1st Pay Grade Acting Appointment.....	99.00
2nd Pay Grade.....	84.00
3rd Pay Grade.....	72.00
4th Pay Grade.....	60.00
5th Pay Grade.....	54.00
6th Pay Grade.....	36.00
7th Pay Grade.....	21.00

SEC. 2. *Computation of pay.* Pay shall be computed on the basis of 30 days per month. An enrollee shall be credited in the computation of his pay, or allowances, for each day, or fraction thereof, on which active duty is performed.

SEC. 3. *Allowances and increases.* In addition to the rates of pay prescribed for them, enrollees of the fifth, sixth and seventh pay grades, not in the Steward's department, shall, when detailed as messmen, be entitled to additional pay at the rate of \$6 per month.

SEC. 4. *Active duty.* The term "active duty" shall include all service while in training or performing duty under authorization of the Maritime Service, but shall not include absence from duty on leave, without leave or while under arrest nor while sick or in a hospital unless resultant from causes arising while on active duty and so certified by the medical officer and the superintendent, in

which event an enrollee may receive his regular compensation less any sums paid by the United States Compensation Service; provided, however, that periods of absence on account of annual or sick leave granted with pay to regular enrollees detailed as instructors or for military duty shall be regarded for pay computation as active duty.

SEC. 5. *Pay periods.* (a) Enrollees shall be entitled to the pay of their respective ranks or ratings while on active duty exclusive of time absent from duty as provided in the preceding section.

(b) Each regular enrollee who has served a minimum of eight months within any 12 month period (or 16 months in any period of 24 months, or 24 months in any period of 36 months) of his regular enrollment on merchant vessels of the United States and whose service on active duty in the Maritime Service complies with prescribed standards shall be entitled to one month's pay of his rank or rating in the Maritime Service for each such 12 month period, such retainer pay to be in addition to his pay for active duty, and to become payable only upon the submission to the Commandant of satisfactory proof of the minimum service hereinabove required.

SEC. 6. *Transportation and travel.* (a) Except as otherwise provided, enrollees and employees of the Maritime Service shall, when performing travel under competent authority, be entitled to the travel allowances prescribed for civilian employees by the Standardized Government Travel Regulations.

(b) Enrollees upon original enrollment shall, in lieu of any other travel allowance, be entitled to transportation, including sleeping car or stateroom accommodations from place of enrollment to a training station or training vessel.

(c) A probationary enrollee disenrolled before the completion of his probationary period, except at his request or for reasons within his control, may be furnished transportation including Pullman or sleeping-car accommodations from the place of disenrollment to the place of enrollment. An enrollee disenrolled at his own request or for reasons within his control before the completion of his probationary period shall not be entitled to a travel allowance or to transportation in kind.

(d) Upon release from active duty a regular enrollee shall be entitled, in lieu of any other travel expense, to a travel allowance of 5 cents per mile from place of release from active duty to place of latest acceptance for active duty.

(e) A regular enrollee disenrolled after release from active duty, but prior to recall to active duty, shall not upon disenrollment be entitled to any travel allowance.

(f) A probationary enrollee disenrolled upon completion of the probationary period shall be entitled to a travel allowance of 5 cents per mile from the place of disenrollment to the place of enrollment.

SEC. 7. *Clothing and equipment.* Enrollees of the Maritime Service shall be supplied, without charge, with such clothing and equipment as may be necessary for the training course prescribed, and other government property may be loaned to such personnel. Enrollees on active duty may be permitted to purchase articles of uniform clothing, the cost thereof to be deducted from their pay.

SEC. 8. *Subsistence.* (a) Subsistence at government expense shall be supplied to all members of the Maritime Service while on active duty. General messes shall be established at training stations and on board training vessels as may be necessary. Such general messes shall be conducted in the same manner as provided in Coast Guard Pay and Supply Instructions for general messes of Coast Guard.

(b) In lieu of subsistence in kind, an allowance of \$1 per day is authorized for each enrollee not in travel status for whom government mess facilities are not available.

(c) An allowance to be prescribed by the Commandant, not to exceed \$2 per day, is authorized for an enrollee not in travel status for whom government quarters are not provided.

SEC. 9. *Loss or damage.* There may be deducted from the pay of any member of the Maritime Service sums sufficient to cover the value of any Government property lost or wilfully damaged by such person.

SEC. 10. *Death of enrollees.* The Commandant is authorized to incur expenses in connection with the transportation and burial of the remains of enrollees who die while on active duty.

ARTICLE V—TRAINING STATIONS AND SHIPS

SECTION 1. *Assignments.* Enrollees in the Maritime Service on active duty may be assigned to a vessel or station maintained by the Service or to a vessel or station of the Coast Guard or to such ship yards, plants, and industrial and educational organizations as the Commission may designate and under rules and regulations prescribed by the Commission.

SEC. 2. *Stations and ships.* Only such training stations and training ships shall be maintained by and for the Maritime Service as are authorized by the Commission.

SEC. 3. *Maintenance and supply.* The maintenance and supply of authorized training stations and training ships shall be in accordance with existing Coast Guard Regulations.

SEC. 4. *Canteens.* Canteens for the sale of tobacco, candy, toilet articles and similar merchandise may be established and maintained at training stations and on training ships.

ARTICLE VI—PERIODS AND COURSES OF TRAINING

SECTION 1. *Original enrollment.* Each original enrollment in a grade above apprentice seaman shall be for a period of

three months on active duty. The original enrollment period for apprentice seamen shall be as prescribed from time to time by the Commission.

SEC. 2. Regular enrollment. Every regular enrollee shall, within 36 months after his release from active duty under his original enrollment, return to active duty for a total of two months in periods of not less than one month's duration, and shall likewise return for three months' aggregate active duty during each period of 36 months thereafter.

SEC. 3. Courses of training. The courses of training at stations and on ships shall be appropriate to the duties performed aboard merchant vessels by enrollees under their licenses or certificates and shall include the following subjects: lifeboat instruction, including rowing; emergency drills, including fire and abandon ship; maritime law pertaining to seamen; hygiene and first aid; navigation; seamanship; signals; marine engineering; engine room and fire room routine; shop work and overhaul of machinery; care of staterooms, quarters and supplies; procurement, handling, and cooking of food; serving of food and care of tableware (mess gear); and instruction in special ratings, such as radio operators, electricians, and clerical workers.

These regulations shall become effective as of September 1, 1939.

Regulations promulgated as of September 1, 1938 and Amendment No. 1 thereto, promulgated as of May 23, 1939, are hereby superseded.

By order of the United States Maritime Commission.

[SEAL] **W. C. PEET, Jr.,**
Secretary.

[F. R. Doc. 39-3437; Filed, September 19, 1939; 10:44 a. m.]

Notices

DEPARTMENT OF THE INTERIOR.

Bituminous Coal Division.

[Docket No. 898-FD]

IN THE MATTER OF CHANGES IN THE TERRITORIAL BOUNDARIES OR LIMITS OF CERTAIN DISTRICTS AND MINIMUM PRICE AREAS AS SET FORTH IN THE BITUMINOUS COAL ACT OF 1937

NOTICE OF POSTPONEMENT OF HEARING AND ADDITIONAL TENTATIVE PROPOSALS

Notice is hereby given that the hearing in the above-entitled matter, originally noticed for September 25, 1939, is hereby postponed to the 16th day of October, 1939, in a hearing room of the Bituminous Coal Division, 734 15th Street NW., Washington, D. C.

In addition to the tentative proposals set forth in the notice dated August 30, 1939, the attention of interested parties

is directed to the following tentative proposals:

To extend the boundary lines of District No. 2 to embrace Warren County, Pennsylvania;

To extend the boundary lines of District No. 19 to embrace Lincoln County, Idaho;

To extend the boundary lines of District No. 7 to embrace Roanoke County, Virginia;

To extend the boundary lines of District No. 8 to embrace Gaston County, North Carolina, and the counties of Franklin, Fayette, Garrard, Estill, Montgomery, Bath, Cumberland, Lewis, Rowan, and Powell, in the State of Kentucky, and the counties of Knox and Davidson in the State of Tennessee;

To extend the boundary lines of District No. 9 to embrace Washington and Calloway counties in the State of Kentucky;

To change the boundary lines of Districts No. 17 and No. 18 so that all counties in New Mexico, except Colfax, be included within District No. 18.

Dated, September 18, 1939.

H. A. GRAY,
Director.

[F. R. Doc. 39-3434; Filed, September 19, 1939; 9:55 a. m.]

DEPARTMENT OF AGRICULTURE.

Rural Electrification Administration.

[Administrative Order No. 388]

ALLOCATION OF FUNDS FOR LOANS

SEPTEMBER 8, 1939.

By virtue of the authority vested in me by the provisions of Section 4 of the Rural Electrification Act of 1936, as amended, I hereby allocate, from the sums authorized by said Act, funds for loans for the projects and in the amounts as set forth in the following schedule:

Project Designation	Amount
Arkansas 0009B2 Craighead.....	\$150,000
Georgia 0022E1 Colquitt.....	362,000
Georgia 0035D1 Walton.....	124,000
Georgia 0068D1 Grady.....	68,000
Georgia 0070D1 Mitchell.....	264,000
Georgia 0074C1 Jefferson.....	306,000
Idaho 0004D1 Bonner.....	46,000
Idaho 0004G1 Bonner.....	150,000
Illinois 0008B1 Coles.....	220,000
Indiana 0011B1 Warren.....	160,000
Indiana 0024C1 Carroll.....	30,000
Indiana 0027B1 Decatur.....	64,000
Indiana 0032A2 Hancock.....	22,000
Indiana 0053B1 Steuben.....	59,000
Indiana 0100A1 Newton.....	250,000
Iowa 0015B1 Harrison.....	117,000
Iowa 0016B1 Monona.....	160,000
Iowa 0026C1 Shelby.....	135,000
Iowa 0027C1 Buena Vista.....	114,000
Iowa 0036C1 Wright.....	145,000
Iowa 0051B1 Winnebago.....	110,000
Iowa 0060B1 Emmet-Dickinson.....	60,000
Kansas 0013D1 Brown.....	78,000
Kansas 0024B1 Clay.....	77,000
Kentucky 0027E1 Boyle.....	71,000
Kentucky 0034C1 Barren.....	157,000
Kentucky 0037D1 Owen.....	267,000
Louisiana 0009D1 Lafayette.....	98,000
Michigan 0041B1 Oceana.....	112,000
Minnesota 0039B1 Chippewa.....	110,000

Project Designation	Amount
Minnesota 0079B1 Big Stone.....	136,000
Minnesota 0080A1 Lincoln.....	239,000
Minnesota 0082A1 Becker.....	150,000
Mississippi 0021E1 Coahoma.....	142,000
Mississippi 0031C1 Washington.....	60,000
Nebraska 0003B1 Morrill.....	25,000
Nebraska 0065B1 Wayne.....	174,500
North Carolina 0021D1 Sampson.....	88,000
North Carolina 0033B1 Martin.....	107,000
North Carolina 0037B1 Davie.....	125,000
North Carolina 0040B1 Brunswick.....	95,000
North Carolina 0043A1 Jones.....	284,000
North Dakota 0017A1 McHenry.....	90,000
Ohio 0039C1 Paulding.....	166,000
Ohio 0042C1 Darke.....	94,000
Ohio 0060D1 Seneca.....	86,000
Ohio 0065D1 Fairfield.....	95,000
Ohio 0071B1 Logan.....	139,000
Ohio 0074B1 Butler.....	80,000
Ohio 0085B1 Hardin.....	133,000
Pennsylvania 0019A1 Warren.....	187,000
Pennsylvania 0021A2 Somerset.....	200,000
South Carolina 0023B1 Dorchester.....	49,000
Texas 0052C1 Fannin.....	129,000
Texas 0098A1 Young.....	131,000
Vermont 0008A1 Washington.....	68,000
Wisconsin 0025D1 Monroe.....	161,000
Wisconsin 0029B1 Clark.....	99,000
Wisconsin 0053B1 Eau Claire.....	100,000
Wisconsin 0055B1 Adams.....	146,000

[SEAL] **ROBERT B. CRAIG,**
Acting Administrator.

[F. R. Doc. 39-3432; Filed, September 19, 1939; 9:21 a. m.]

[Administrative Order No. 389]

ALLOCATION OF FUNDS FOR LOANS

SEPTEMBER 11, 1939.

By virtue of the authority vested in me by the provisions of Section 5 of the Rural Electrification Act of 1936, as amended, I hereby allocate, from the sums authorized by said Act, funds for loans for the projects and in the amounts as set forth in the following schedule:

Project Designation	Amount
Arkansas 0021W1 Lincoln.....	\$7,500
Georgia 0034W2 Carroll.....	5,000
Idaho 0010W1 Nez Perce.....	10,000
Illinois 0012W1 Bureau.....	5,000
Illinois 0043W1 Pulaski.....	5,000
Indiana 0029W1 Fulton.....	5,000
Iowa 0021W1 Guthrie.....	2,500
Kansas 0027W1 Norris.....	5,000
Minnesota 0009W1 Goodhue.....	5,000
Mississippi 0028W2 Hancock.....	6,000
Montana 0009W1 Yellowstone.....	10,000
Montana 0011W1 Sanders.....	5,000
Nebraska 0069W1 Dawson.....	10,000
North Dakota 0008W2 Benson.....	15,000
South Dakota 0008W1 Brookings.....	10,000
Texas 0030W3 Upshur.....	10,000
Texas 0038W1 Hill.....	5,000
Wisconsin 0049W2 Dunn.....	10,000

[SEAL] **ROBERT B. CRAIG,**
Acting Administrator.

[F. R. Doc. 39-3433; Filed, September 19, 1939; 9:21 a. m.]

SECURITIES AND EXCHANGE COMMISSION.

United States of America—Before the Securities and Exchange Commission

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 15th day of September, A. D. 1939

¹4 F.R. 3797 DL.

[File No. 43-240]

IN THE MATTER OF LONE STAR GAS CORPORATION

ORDER MAKING DECLARATION EFFECTIVE

Lone Star Gas Corporation, a registered holding company, having filed with this Commission a declaration and amendments thereto pursuant to Section 7 of the Public Utility Holding Company Act of 1935 regarding the reduction to 2 $\frac{3}{8}$ % in the interest rate on its 2 $\frac{7}{8}$ % bank loan notes now outstanding in the principal amount of \$8,750,000, dated August 22, 1938; public hearing thereon having been duly held after appropriate notice; the record in this matter having been duly considered; and the Commission having filed its findings therein;

It is ordered, That such declaration be and become effective forthwith.

By the Commission.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 39-3439; Filed, September 19, 1939; 11:20 a. m.]

No. 181—3

United States of America—Before the Securities and Exchange Commission

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 18th day of September, A. D. 1939.

[File No. 1-305-1]

IN THE MATTER OF UNITED STATES DISTRIBUTING CORPORATION COMMON STOCK, NO PAR VALUE

ORDER GRANTING APPLICATION FOR STRIKING SECURITIES FROM LISTING AND REGISTRATION

The New York Stock Exchange having, pursuant to Section 12 (d) of the Securities Exchange Act of 1934 and Rule X-12D2-1 thereunder, made an application to the Commission to strike from listing and registration on said Exchange the common stock, no par value, of the United States Distributing Corporation; and

The Commission having ordered a hearing with respect to said application, which hearing after appropriate notice¹ was held on July 20, 1939; and

The Commission having considered the application, together with the evidence introduced at the hearing, and the report of the trial examiner thereon, and the brief and exceptions with respect thereto, and having due regard for the public interest and the protection of investors, and having filed its findings and opinion herein;

It is ordered, That said application be and the same hereby is granted, effective at the close of the trading session on October 18, 1939.

By the Commission.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 39-3438; Filed, September 19, 1939; 11:19 a. m.]

¹ 4 F.R. 2505 DI.

