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Rules, Regulations, Orders

TITLE 13—BUSINESS CREDIT

CHAPTER I—RECONSTRUCTION FINANCE CORPORATION

AMENDMENT TO THE CHARTER OF DEFENSE SUPPLIES CORPORATION [1]

Reconstruction Finance Corporation hereby certifies that, pursuant to Paragraph Tenth of the Charter of Defense Supplies Corporation and upon request of the Federal Loan Administrator with the approval of the President of the United States, the Charter of Defense Supplies Corporation was, on July 9, 1941, amended:

1. By changing Paragraph Third of said Charter to read as follows:

Third, the objects, purposes and powers of the Corporation shall be:

(a) To produce, acquire, carry, sell, or otherwise deal in strategic and critical materials as defined by the President;

(b) To purchase and lease land; purchase, lease, build, and expand plants; purchase and produce equipment, facilities, machinery, materials, and supplies for the manufacture of strategic and critical materials, arms, ammunition, and implements of war, any other articles, equipment, facilities, and supplies necessary to the national defense, and such other articles, equipment, supplies, and materials as may be required in the manufacture or use of any of the foregoing or otherwise necessary in connection therewith;

(c) To lease, sell, or otherwise dispose of such land, plants, facilities, and machinery to others to engage in such manufacture;

(d) To engage in the manufacture of arms, ammunition, and implements of war;

(e) To produce, lease, purchase, or otherwise acquire railroad equipment (including rolling stock), and commercial aircraft, and parts, equipment, facilities and supplies necessary in connection with such railroad equipment and aircraft, and to lease, sell, or otherwise dispose of the same;

(f) To purchase, lease, build, expand, or otherwise acquire facilities for the training of aviators and to operate or lease, sell, or otherwise dispose of such facilities to others to engage in such training; and

(g) To take such other action as the President and the Federal Loan Administrator may deem necessary to expedite the national defense program, but the amount outstanding at any one time for carrying out this subsection (g) shall not exceed $200,000,000.

The Corporation shall have power and authority to do and perform all acts and things whatsoever which are necessary, suitable, convenient or proper in connection with or incidental to the foregoing objects, purposes, and powers, including, but without limitation, the power to lease, purchase, or otherwise acquire, and to lease, sell or otherwise dispose of, and to deal in, manage and control, transportation facilities in and between the other American countries of the Western Hemisphere and the United States and to otherwise develop such facilities and equipment incidental thereto in order to facilitate trade between those countries and the United States and for other purposes affecting the national defense, the power to borrow and hypothecate, to lend money, to adopt and use a corporate seal, to make contracts, to acquire, hold and dispose of real and personal property, and to sue and be sued in any court of competent jurisdiction.

2. By changing Paragraph Fourth of said Charter to read as follows:

Fourth, the Corporation including its franchise, its capital, reserves, surplus, and income shall be exempt from all taxation (which shall, for all purposes, be deemed to include sales, use, storage, and purchase taxes) now or hereafter imposed by the United States, or any territory, dependency or possession thereof, or by any State, County, municipality or local taxing authority, except that any real property (or buildings which are considered by the laws of any State to be

[1] 6 F.R. 2972.

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FEDERAL REGISTER

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personal property for taxation purposes) of the Corporation shall be subject to State, territorial, county, municipal or local taxation to the same extent according to its value as other real property is taxed.

[SEAL] CHARLES B. HENDERSON, *Chairman.*

Attest:

G. R. COOKSEY, *Secretary.*

[F. R. Doc. 41-4916; Filed, July 10, 1941; 10:56 a. m.]

TITLE 16—COMMERCIAL PRACTICES

CHAPTER I—FEDERAL TRADE COMMISSION

[Docket No. 4439]

PART 3—DIGEST OF CEASE AND DESIST ORDERS

IN THE MATTER OF H. W. LAY & COMPANY, INC.

§ 3.99 (b) *Using or selling lottery devices—In merchandising.* In connection with offer, etc., in commerce, of nuts or nut products, or any other merchandise, (1) selling, etc., nuts or nut products, or any other merchandise, so packed and assembled that sales thereof to the general public are to be, or may be, made by means of a game of chance, gift enterprise or lottery scheme; (2) supplying, etc., dealers or others with assortments of packages of nuts or nut products, or other merchandise, which are to be, or may be, used to conduct a lottery, game of chance, or gift enterprise in the sale or distribution thereof to the public; (3) packing or assembling in the same assortment packages of nuts or nut products, or other merchandise, for ultimate sale to the public, which individual packages of nuts or nut products, or other merchandise, are of uniform appearance, but some of which contain coupons or slips notifying the purchaser that said packages are furnished without cost; and (4) selling, etc., any merchandise by means of a lottery, game of chance 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, H. W. Lay & Company, Inc., Docket 4439, June 28, 1941]

At a regular session of the Federal Trade Commission held at its office in the City of Washington, D. C., on the 28th day of June, A. D. 1941.

This proceeding having been heard [1] by the Federal Trade Commission upon the complaint of the Commission and the answer of the respondent, in which answer respondent admits all the material allegations of fact set forth in said complaint and states that it 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 H. W. Lay & Company, Inc., a corporation, its officers, representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of nuts or nut products, 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 nuts or nut products, or any other merchandise, so packed and assembled that sales of such nuts or nut products, 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 scheme;

(2) Supplying to or placing in the hands of dealers, or others, assortments of packages of nuts or nut products, or other merchandise, which are to be used, or may be used, to conduct a lottery, game of chance, or gift enterprise in the sale or distribution of such nuts or nut products to the public;

(3) Packing or assembling in the same assortment packages of nuts or nut products, or other merchandise, for ultimate sale to the public, which individual packages of nuts or nut products, or other merchandise, are of uniform appearance, but some of which contain coupons or slips notifying the purchaser that said packages are furnished without cost;

(4) Selling or otherwise disposing of any merchandise by means of a lottery, game of chance or gift enterprise.

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

By the Commission.

[SEAL] OTIS B. JOHNSON, *Secretary.*

[F. R. Doc. 41-4892; Filed, July 9, 1941; 1:26 p. m.]

[Docket No. 4473]

PART 3—DIGEST OF CEASE AND DESIST ORDERS

IN THE MATTER OF MEADORS MANUFACTURING COMPANY

§ 3.99 (b) *Using or selling lottery devices—In merchandising.* In connection with offer, etc., in commerce, of candy, nuts or nut products or any other merchandise, (1) selling, etc., any merchandise so packed or assembled that sales thereof to the public are to be, or may be, made by means of a game of chance, gift enterprise or lottery scheme; (2) supplying, etc., others with any de-

[1] 6 F.R. 846.

vices, schemes or plans either with assortments of merchandise or separately, which said devices, schemes or plans are to be, or may be, used in selling or distributing such merchandise to the public; (3) packaging, etc., any merchandise which is ultimately to be sold to the public in such a manner that cash or other prizes or awards are distributed to the purchasers thereof by means of a game of chance, gift enterprise or lottery scheme; and (4) selling, etc., any merchandise by means of a game of chance, gift enterprise or lottery scheme; 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, Meadors Manufacturing Company, Docket 4473, June 30, 1941]

In the Matter of P. D. Meadors and M. M. Meadors, Individually and Trading as Meadors Manufacturing Company

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 30th day of June, A. D. 1941.

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission and the answer of respondents, in which answer respondents admit all the material allegations of fact set forth in said complaint, and respondents having thereafter waived the filing of brief and oral argument, 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, P. D. Meadors and M. M. Meadors, individually and trading under the name of Meadors Manufacturing Company, or trading under any other name, their representatives, agents and employees, jointly or severally, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of candy, nuts or nut products 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 any merchandise so packed or assembled that sales of such merchandise to the public are to be made, or may be made, by means of a game of chance, gift enterprise or lottery scheme;

(2) Supply to or placing in the hands of others any devices, schemes or plans either with assortments of merchandise or separately, which said devices, schemes or plans are to be used or may be used in selling or distributing such merchandise to the public;

(3) Packaging or assembling any merchandise which is ultimately to be sold to the public in such a manner that cash or other prizes or awards are distributed to the purchasers thereof by means of a game of chance, gift enterprise or lottery scheme;

(4) Selling or otherwise disposing of any merchandise by means of a game of chance, gift enterprise or lottery scheme.

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. 41-4893; Filed, July 9, 1941; 1:26 p. m.]

TITLE 25—INDIANS

CHAPTER I—OFFICE OF INDIAN AFFAIRS

PART 24—LOANS TO INDIAN CREDIT ASSOCIATIONS, OKLAHOMA

AMENDMENTS TO REGULATIONS

Sections 24.1 to 24.17 inclusive of Title 25, Chapter I, Subchapter E, Part 24, Loans to Indian Credit Associations, Oklahoma, are amended to read as follows:

§ 24.1 *Eligible borrowers.* To be eligible for a loan a credit association must be organized with capital stock under the Oklahoma Indian Welfare Act approved June 26, 1936 (49 Stat. 1967; 25 U.S.C., Sup., 501–509), and in accordance with the provisions of Title 25, Part 22, "Regulations for Organization of Indian Cooperative Associations in Oklahoma." Its name shall include the words "Indian Credit Association" and its articles of association shall provide as its purpose the following: "To carry on the business of borrowing money from the United States and relending it to its members." The bylaws of the association must be approved by the Secretary of the Interior. In order to obtain a loan, a credit association must agree to follow the rules and regulations in this part, those in Title 25, Part 25, "Loans by Indian Credit Associations, Oklahoma," and such conditions as are agreed upon and set forth in the loan agreement between the association and the United States. The association must also agree, in requesting funds to be reloaned, to accept such provisions, in addition to said regulations, as in the opinion of the Commissioner of Indian Affairs are necessary to insure fulfillment of the loan agreement between the United States and the association; and to require its borrowers to conform to applicable rules and regulations. The association may adopt such additional rules and regulations as it deems advisable, which are not inconsistent with the terms and conditions of the loan agreement with the United States.*

*§§ 24.1 to 24.17, inclusive, issued under the authority contained in Sec. 9, 49 Stat. 1968; 25 U.S.C., Sup., 509.

§ 24.2 *Purpose.* Funds may be loaned to an association to promote the economic development of said association and its members. The association may make loans to qualified members under the regulations in Title 25, Part 25, "Loans by Indian Credit Associations, Oklahoma".*

§ 24.3 *Application.* The association's application for loan shall be sumbitted to the superintendent for transmittal to the Secretary of the Interior through the credit agent, on a form approved by the Secretary of the Interior, with the information required by the same, and such additional information as may be deemed necessary in order to approve or disapprove the application.*

§ 24.4 *Security.* The association shall offer the United States all possible security up to an adequate amount. Upon approval of the application, the association must give the United States the security required by the Secretary of the Interior before any advance of funds shall be made. Securing instruments shall be filed in accordance with instructions of the Commissioner of Indian Affairs.*

§ 24.5 *Annual carrying charge.* The annual carrying charge by the United States shall be one per cent per annum from the date the money is advanced until repaid.*

§ 24.6 *Maturity.* Twenty years shall be the maximum time for which a loan may be made to an association.*

§ 24.7 *Commitment order.* Upon approval of the application for a loan by the Secretary of the Interior, a commitment order covering the terms and conditions for making the loan and advances thereunder shall be submitted to the association through the superintendent, and shall be effective when the association delivers the required copies to the superintendent with its written unconditional acceptance on the original copy. Such delivery must be made within ninety days of the approval of the Secretary of the Interior.*

§ 24.8 *Loan agreement contract.* The approved application, supporting papers, commitment order, and note or notes, constiute the loan agreement contract.*

§ 24.9 *Modification of loan agreement.* Modifications of the loan agreement shall be handled through the same channels as the original agreement.*

§ 24.10 *Depository.* All advances shall be deposited immediately upon receipt in depositories approved by the Commissioner of Indian Affairs, and must be evidenced by promissory note or notes, only the original of which shall be signed.*

§ 24.11 *Bonding of officers.* Each officer of the association authorized to handle credit funds shall furnish a bond satisfactory to the Commissioner of Indians Affairs, except that when credit

funds are handled in a manner similar to individual Indian moneys by a bonded Government disbursing officer, a bond will not be required.*

§ 24.12 *Limitations of use.* Credit funds may be used only for the purposes set forth in the association's loan agreement with the United States.*

§ 24.13 *Penalties on default.* Failure on the part of the association to use or to repay the funds loaned in keeping with the loan agreement as originally approved or as amended, or any improper use of funds loaned to the association, shall be grounds for any one or all of the following steps to be taken at the option of the Secretary of the Interior, with or without recourse to legal proceedings: (a) Declare the entire amount advanced immediately due and payable; (b) Discontinue any further advances of funds contemplated by the loan agreement; (c) Prevent further disbursements of credit funds under the control of the association; (d) Withdraw any unobligated funds from the association; (e) Take possession of any and all collateral or security; (f) Require the application of all repayments to the association's credit funds on the liquidation of its indebtedness to the United States; (g) Take possession of the assets of the association and exercise or arrange for the exercise of its powers until the association's indebtedness to the United States shall be repaid or until the Secretary of the Interior shall receive acceptable assurance of its repayment and of compliance with the loan agreement.*

§ 24.14 *Disposition of earnings from credit operations.* Earnings of the association shall be applied as set forth in its bylaws. Loans which are uncollectible shall be charged off before any earnings are distributed. Income received from fees charged for inspections, preparation of applications, clerical expenses, and maintenance of the association's records may be expended for the purposes for which they were collected, with the approval of the superintendent.*

§ 24.15 *Records.* The association must keep records, files, and accounts, and make signed reports as directed by the Commissioner of Indian Affairs.*

§ 24.16 *Restrictions on assignment, discounting, and borrowing.* While indebted to the United States, the association may not, without the consent of the Secretary of the Interior: (a) Assign any loan agreement or any interest therein to a third party; or (b) Discount paper with or borrow money for relending from any person or agency.*

§ 24.17 *Capital stock.* The association may be required to invest the proceeds of sales of its capital stock in designated securities and to deposit the same as additional security for the loan.*

W. C. MENDENHALL,
Assistant Secretary of the Interior.

JUNE 23, 1941.

[F. R. Doc. 41-4903; Filed, July 10, 1941; 10:01 a. m.]

PART 25—LOANS BY INDIAN CREDIT ASSOCIATIONS, OKLAHOMA

AMENDMENT OF REGULATIONS GOVERNING LOANS FROM THE FUND "REVOLVING FUND FOR LOANS TO INDIANS AND INDIAN CORPORATIONS"

Sections 25.1 to 25.25 inclusive of Title 25, Chapter I, Office of Indian Affairs, Department of the Interior, Subchapter E, Part 25, Loans by Indian Credit Associations, Oklahoma, are amended to read as follows, and § 25.26 is revoked.

§ 25.1 *Eligibility.* To be eligible for a loan an individual must be eligible for membership in the credit association. The applicant must own at the time the loan is made, shares in the association in an amount equal to $3 for each $100 or fraction thereof of the amount of the loan.*

*§§ 25.1 to 25.25, inclusive, issued under the authority contained in sec. 9, 49 Stat. 1968; 25 U.S.C., Sup., 509.

§ 25.2 *General loan policies.* Funds may be loaned to individuals to promote their economic development. Preference shall be given to agricultural enterprises and to enterprises lying in or adjacent to Indian agricultural communities. The granting or refusal of a loan shall be determined by: (a) The type of enterprise to be financed and its prospects of success; (b) The extent to which the enterprise will promote a permanent improvement in the applicant's economic condition; (c) The character and past performance of the applicant, both generally and in the particular work involved in the enterprise; (d) Prospects for repayment of the loan; (e) Amount and kind of security offered.*

§ 25.3 *Preferred applicants.* In determining which applicants shall receive loans, preference shall be given in the following order; (a) Applicants presenting evidence of their probable success in enterprises which will be productive and self-liquidating, who do not have other sources of credit available; (b) Applicants with an established reputation for industry; (c) Applicants with an established reputation for financial responsibility; (d) Applicants of a high degree of Indian blood; (e) Applicants offering adequate security.*

§ 25.4 *Applications for loans.* Applications shall be prepared on forms approved by the Commissioner of Indian Affairs and, unless otherwise authorized by the Commissioner, shall include signed agricultural, commercial, or industrial plans. The credit association shall be responsible for explaining to each borrower the nature of all instruments signed, responsibility for care of the property, and the necessity for carrying out the provisions of his loan agreement. Applications of Indians married to Indians eligible for membership must be made jointly by both parties. If either spouse is not an Indian, or is an Indian ineligible for membership, the spouse should not sign the application, but may be required to endorse securing documents.*

§ 25.5 *Approval of applications.* Applications which have been approved by the credit association shall be submitted to the superintendent. Unless otherwise authorized in writing by the Commissioner of Indian Affairs, a credit association may not make any loans until the credit agent has approved the same, with the exception of fully secured loans which will be repaid within one year, where the amount does not exceed $500, on which the credit agent may delegate final approval authority to the superintendent.*

§ 25.6 *Restrictions on approval.* Loans shall not be granted to any credit association to make loans to any applicant: (a) For the development of commercial enterprises unless such enterprises are to be conducted on a cash basis; (b) For the purpose of obtaining grazing permits or leasing of land for the grazing of livestock, where grazing facilities are available through a cooperative livestock association, unless the association, superintendent, and credit agent agree that sufficient reasons are presented in the application for not using such facilities; (c) Who is indebted to the United States for loans from "Industry Among Indians" or "Tribal Industrial Assistance Funds", or who has livestock or crops of the same class upon which a lien exists, or the title to which is affected because of existing debts or obligations from any source, unless plans of repayment acceptable to the association, superintendent, and credit agent, are presented in the application; (d) Where the maturity dates extend beyond the maturity dates of the credit association's loan from the United States; (e) For the production of crops, unless the loan will be repaid within one year, except for crops from which no income will be received the first year. Maturity dates shall be fixed at the time when the crops are to be harvested and available for sale; (f) For less than $25.00; (g) For the purchase of land, except sites necessary in the applicant's occupation.*

§ 25.7 *Applications requiring approval of Commissioner of Indian Affairs.* Applications of the following character shall require prior approval of the Commissioner of Indian Affairs: (a) Applications of Government employees; (b) Applications of Indians of less than one-quarter degree of Indian blood; (c) Applications from individuals married to and living with a person already a borrower unless their loans are consolidated; (d) Applications where the individual has funds on deposit in the agency office sufficient to finance the approved plans; (e) Applications from Indian women married to nonmembers of the association; (f) Applications from individuals who will have an aggregate indebtedness to the association exceeding $2,000; (g) Applications for loans for the purchase of livestock, machinery,

and equipment with maturities exceeding six years.*

§ 25.8 *Commitment order.* Upon approval of the application, a commitment order shall be prepared to cover the amount for which the application has been approved. It shall be executed and signed and dated by the credit association and accepted in writing by the borrower. Conditions of approval shall be inserted in the commitment order.*

§ 25.9 *Loan agreement contract.* The approved application, supporting papers, commitment order, and note, constitute the loan agreement contract.*

§ 25.10 *Advance and expenditure of association's credit funds.* Advances to borrowers shall be made only in accordance with their loan agreements with the credit association. When the association's credit funds are handled by a bank, advances may be made only in accordance with the bylaws of the association. When the association's credit funds are deposited in an individual Indian money account, advances may be made, when authorized by the association, by field journal voucher entry from the account of the association to a special individual Indian money account of the borrower. Advances shall not be made until the borrower's loan agreement is completed, and the various copies distributed, including execution of repayment guarantees. Disbursements from the borrower's individual Indian money account shall be made in accordance with the terms of his loan agreement. In the case of a borrower with inadequate security, the initial advance shall be limited, and subsequent advances made dependent upon the borrower's accomplishments.*

§ 25.11 *Title to property.* All property purchased with credit funds shall be purchased in the name of the United States in trust for the credit association, and all buildings, fences, and other permanent improvements constructed wholly or in part with credit funds shall not be considered a part of the realty until the loan with which they were purchased is repaid in full, unless otherwise specified in the borrower's loan agreement.*

§ 25.12 *Property identification.* All livestock and issue therefrom and all major articles of equipment purchased with credit funds, and trust property given as security for loans of credit funds, except as otherwise authorized by the Commissioner of Indian Affairs, shall be branded or marked with the letters "ID" to make identification permanently possible, and certificates showing accomplishment filed. In addition, such property and livestock shall be marked or branded with the brands or marks of the borrower.*

§ 25.13 *Security.* On all loans made by the association, it must obtain from its borrowers all possible security up to an adequate amount. Unless other arrangements are approved by the Commissioner of Indian Affairs, appropriate liens, mortgages, or other securing instruments in favor of the association must be taken on property purchased with credit funds which is not purchased in the name of the United States. The increase or issue of any livestock purchased with credit funds in the name of the United States, or given as security therefor, shall be security for the repayment of the loan. The association may require each borrower to agree that if he is in default, any trust funds to or accruing to his credit, or any of his personal trust property, may be applied on his indebtedness to the association. Generally, greater security shall be required on loans for nonagricultural enterprises, and full security on loans for nonagricultural enterprises which are not located in or adjacent to Indian communities. Trust and restricted real estate may not be mortgaged to the association as security for a loan. Liens on crops raised on such land, assignments of income therefrom, and other types of security not involving a transfer of title to the land may be taken. Mortgages may be taken on nontrust or unrestricted real estate.*

§ 25.14 *Inspection of security.* All property offered to the association as security for loans must be inspected before action is taken upon the loan by the association. To reduce costs, agency records or reports of inspection by Government employees, if adequate, may be used in lieu of a physical inspection by the association.*

§ 25.15 *Filing of liens, mortgages, and other guarantees.* All crop liens or mortgages, and all repayment guarantees covering nontrust property, shall be filed, registered, or recorded in the proper county office. Repayment guarantees covering trust property, other than crops, may be filed in the agency office. Expenses of filing, registering, or recording, shall be borne by the borrower. Credit funds may not be used for such purposes except when included in loans to the borrower.*

§ 25.16 *Bills of sale.* The association must obtain bills of sale on a form approved by the Commissioner of Indian Affairs for all livestock purchased with credit funds, title to which is taken in the name of the United States. This form may also be used for machinery, equipment, and other purchases, title to which is taken in the name of the United States, or receipted invoices on the vendor's stationery will be accepted in lieu thereof. Receipted invoices or appropriate bills of sale must be obtained on purchases of all items costing twenty-five dollars or more, which shall be filed in accordance with instructions of the Commissioner of Indian Affairs.*

§ 25.17 *Interest.* Borrowers shall be charged interest at a rate of not less than one percent, or more than three percent per annum, except with the approval of the Secretary of the Interior. At the time the funds are advanced from the account of the association to the account of the individual borrower, the date of such advance shall be entered on the back of the executed note of the borrower, and interest shall be figured from that date on the basis of 360 days per annum.*

§ 25.18 *Modification of borrowers' loan agreements.* Modifications of loan agreements shall be handled through the same channels as the original agreement, except that the credit agent may approve modifications where the amount involved does not exceed $1,000, on applications originally approved by the Commissioner of Indian Affairs. Loan agreements shall not be permitted to remain in default; either payment must be made, a formal extension granted in the form of a modification, or action taken under the provisions of § 25.20 in this part.*

§ 25.19 *Protection of association's interest in property of deceased borrowers.* The association shall take all steps which may be necessary to safeguard and protect the property of a deceased borrower in which it has an interest, until the obligation is liquidated or assumed by heirs of the deceased borrower or by other parties. The association may collect from the ultimate owners of such property, or deduct from the proceeds of the sale thereof, reasonable expenses for its care. The association shall also protect its interests in assignments of income from real property or other sources by promptly notifying the superintendent, or examiner of inheritance, in writing, of its interest in the estate of the decedent.*

§ 25.20 *Default by borrowers.* Failure on the part of any borrower to make repayments when due, to use credit funds in keeping with the loan agreement as originally approved or amended, to make every honest effort possible to continue operations successfully, or any improper use of the funds loaned, shall be grounds for any one or all of the following steps to be taken at the option of the association, in accordance with instructions of the Commissioner of Indian Affairs, with or without recourse to legal proceedings; (a) Declare the entire amount advanced immediately due and payable; (b) Stop any further advance of funds contemplated by the loan agreement; (c) Prevent further disbursements of credit funds under the control of the borrower; (d) Take possession of any and all collateral, security, or property purchased with credit funds.*

§ 25.21 *Disposition of property.* The association shall abide by instructions of the Commissioner of Indian Affairs regarding the sale or other disposal of any property purchased with credit funds which has not been paid for in full, or property given as security for the loan. Except as authorized under such instructions, neither the association's right to or interest in, nor the legal title to property purchased with credit funds, nor the association's interest in property given as security, shall be transferred to a borrower before the loan under which the property has been purchased has been repaid in full. When a borrower's loan agreement has been repaid in full, the association shall release its interest in property purchased with the loan of credit funds, as well as its lien on the property

given as security. The association shall release repayment guarantees of record, on forms approved by the Commissioner of Indian Affairs, when disposal of property given as security is authorized.*

§ 25.22 *Reports by borrowers.* Borrowers shall be required to furnish signed statements and reports, keep records, files, and accounts, and follow correspondence procedures as directed by the association and the Commissioner of Indian Affairs.*

§ 25.23 *Repayment to the association.* Repayments to the association shall be accepted at all reasonable times, and written receipts issued therefor. Only bonded officers or the approved depository may accept repayments. which shall be deposited immediately in the account of the association with the approved depository. If the association does not have a bonded officer, and its funds are deposited in an individual Indian money account at the agency office, repayments shall be made only to the bonded Government disbursing officer, who shall be authorized by appropriate resolution of the association's board of directors to receive and receipt for its credit funds. If the association is not delinquent in payment of principal or carrying charge to the United States, repayments may be reloaned in keeping with the approved loan agreement in effect between the United States and the association.*

§ 25.24 *Signatures by thumb mark.* Signatures made by thumb mark must be witnessed by at least two persons, one of whom shall write in the name of the person who cannot write, near the mark. Post office addresses of both witnesses must be shown, and they must actually see the mark made. Both witnesses must be disinterested parties to the loan agreement.*

§ 25.25 *Fees.* Inspection fees may be charged a borrower when a physical inspection is necessary, but in no case may the fees exceed one percent of the loan applied for, or in any event five dollars. Fees for the preparation of applications, and to assist with clerical expenses and maintenance of the association's records may be charged when authorized in the association's loan agreement with the United States, or when authorized by the Commissioner of Indian Affairs. In no case may the total fees charged exceed one percent of the total amount of the loan. Borrowers may not be required to pay directly or indirectly, any fees, interest, or charges, except as specifically provided in these regulations.*

W. C. MENDENHALL,
Acting Assistant
Secretary of the Interior.

JUNE 23, 1941.

[F. R. Doc. 41-4904; Filed, July 10, 1941; 10:01 a. m.]

PART 26—LOANS BY UNITED STATES TO INDIVIDUAL INDIANS, OKLAHOMA

AMENDMENTS TO REGULATIONS

Sections 26.1 to 26.24 inclusive of Title 25, Chapter I, Office of Indian Affairs, Department of the Interior, Subchapter E, Part 25, Loans by United States to Individual Indians, Oklahoma, are amended to read as follows, and §§ 26.25 and 26.26 are revoked:

§ 26.1 *Eligibility.* To be eligible for a loan an individual must be an Indian of not less than one-quarter degree of Indian blood, domiciled in and a resident of the State of Oklahoma, and (a) an Indian as determined by the official tribal rolls, or (b) an Indian descendant of such an enrolled member, or (c) an Indian as defined in the Indian Reorganization Act of June 18, 1934 (48 Stat. 988; 25 U.S.C. 479); (Said Act states: "The term 'Indian' as used in this Act shall include all persons of Indian descent, who are members of any recognized Indian tribe now under Federal jurisdiction, and all persons who are descendants of such members, who were, on June 1, 1934, residing within the present boundaries of any Indian reservation, and shall further include all persons of one-half or more Indian blood".): *Provided,* That in a case where the individual is not an enrolled member of a tribe, he must further be a resident of an Indian agricultural community. An applicant who is a member of an incorporated tribe, or who resides in the territory of an Indian credit association, which has received a loan from the United States and is conducting operations with revolving credit funds, must show that his application to such tribe or association has been rejected before an application hereunder will be accepted.*

*§§ 26.1 to 26.24, inclusive, issued under the authority contained in sec. 9, 49 Stat. 1968; 25 U.S.C., Sup. 509.

§ 26.2 *General loan policies.* Funds may be loaned to individuals to promote their economic development. Preference shall be given to agricultural enterprises and to enterprises lying in or adjacent to Indian agricultural communities. The granting or refusal of a loan shall be determined by: (a) The type of enterprise to be financed and its prospects of success; (b) The extent to which the enterprise will promote a permanent improvement in the applicant's economic condition; (c) The character and past performance of the applicant, both generally and in the particular work involved in the enterprise; (d) Prospects for repayment of the loan; (e) Amount and kind of security offered.*

§ 26.3 *Preferred applicants.* In determining which applicants shall receive loans, preference shall be given in the following order: (a) Applicants presenting evidence of their probable success in enterprises which will be productive and self-liquidating, who do not have other sources of credit available; (b) Applicants with an established reputation for industry; (c) Applicants with an established reputation for financial responsibility; (d) Applicants of a high degree of Indian blood; (e) Applicants offering adequate security.*

§ 26.4 *Applications for loans.* Applications shall be prepared on forms approved by the Commissioner of Indian Affairs and, unless otherwise authorized by the Commissioner, shall include signed agricultural, commercial, or industrial plans. The superintendent or his authorized representative shall be responsible for explaining to each borrower the nature of all instruments signed, responsibility for care of the property, and the necessity for carrying out the provisions of his loan agreement. Applications of Indians married to Indians eligible for loans must be made jointly by both parties. If either spouse is not an Indian, or is an Indian ineligible for a loan, the spouse should not sign the application, but may be required to endorse securing documents.*

§ 26.5 *Approval of applications.* Applications shall be submitted to the superintendent. Unless otherwise authorized in writing by the Commissioner of Indian Affairs loans may not be made until the credit agent has approved the same, with the exception of fully secured loans which will be repaid within one year, where the amount does not exceed $500, on which the credit agent may delegate final approval authority to the superintendent.*

§ 26.6 *Restrictions on approval.* Loans shall not be granted to any applicant: (a) For the development of commercial enterprises unless such enterprises are to be conducted on a cash basis; (b) For the purpose of obtaining grazing permits or leasing of land for the grazing of livestock, where grazing facilities are available through a cooperative livestock association, unless the superintendent and credit agent agree that sufficient reasons are presented in the application for not using such facilities; (c) Who is indebted to the United States for loans from "Industry Among Indians" or "Tribal Industrial Assistance Funds", or who has livestock or crops of the same class upon which a lien exists, or the title to which is affected because of existing debts or obligations from any source, unless plans of repayment acceptable to the superintendent and credit agent are presented in the application; (d) For a period longer than twenty years; (e) For the production of crops, unless the loan will be repaid within one year, except for crops from which no income will be received the first year. Maturity dates shall be fixed at the time when the crops are to be harvested and available for sale; (f) For less than $25.00; (g) For the purchase of land, except sites necessary in the applicant's occupation.*

§ 26.7 *Applications requiring approval of Commissioner of Indian Affairs.* Applications of the following character shall require prior approval of the Commissioner of Indian Affairs: (a) Applications of Government employees; (b) Applications from individuals married to and living with a person already a borrower unless their loans are consolidated; (c) Applications where the individual has funds on deposit in the agency office sufficient to finance the approved plans; (d) Applications from Indian women married to non-Indians or Indians ineligible for loans; (e) Applications from

individuals who will have an aggregate indebtedness to the credit revolving fund exceeding $2,000; (f) Applications for loans for the purchase of livestock, machinery, and equipment with maturities exceeding six years.*

§ 26.8 *Commitment order.* Upon approval of the application, a commitment order shall be prepared to cover the amount for which the application has been approved. It shall be executed and signed and dated by the approving officer and accepted in writing by the borrower. Conditions of approval shall be inserted in the commitment order.

§ 26.9 *Loan agreement contract.* The approved application, supporting papers, commitment order, and note constitute the loan agreement contract.*

§ 26.10 *Advance and expenditure of credit funds.* Advances to borrowers shall be made only in accordance with their loan agreements with the United States. Advances shall not be made until the borrower's loan agreement is completed, and the various copies distributed, including execution of repayment guarantees. Unless otherwise authorized in the borrower's loan agreement, all advances shall be deposited immediately to the borrower's credit in an individual Indian money account. Disbursements from the borrower's individual Indian money account shall be made in accordance with the terms of his loan agreement. In the case of a borrower with inadequate security, the initial advance shall be limited, and subsequent advances made dependent upon the borrower's accomplishments.*

§ 26.11 *Title to property.* All property purchased with credit funds shall be purchased in the name of the United States in trust for the borrower, and all buildings, fences, and other permanent improvements constructed wholly or in part with credit funds shall not be considered a part of the realty until the loan with which they were purchased is repaid in full, unless otherwise specified in the borrower's loan agreement.*

§ 26.12 *Property identification.* All livestock and issue therefrom and all major articles of equipment purchased with credit funds, and trust property given as security for loans of credit funds, except as otherwise authorized by the Commissioner of Indian Affairs, shall be branded or marked with the letters "ID" to make identification permanently possible, and certificates showing accomplishment filed. In addition, such property and livestock shall be marked or branded with the brands or marks of the borrower.*

§ 26.13 *Security.* All possible security up to an adequate amount shall be obtained on all loans. Unless other arrangements are approved by the Commissioner of Indian Affairs, appropriate liens, mortgages, or other securing instruments in favor of the United States must be taken on property purchased with credit funds which is not purchased in the name of the United States. The increase or issue of any livestock purchased with credit funds in the name of the United States, or given as security therefor, shall be security for the repayment of the loan. The superintendent may require each borrower to agree that if he is in default, any trust funds to or accruing to his credit, or any of his personal trust property, may be applied on his indebtedness to the United States. Generally, greater security shall be required on loans for nonagricultural enterprises, and full security on loans for nonagricultural enterprises which are not located in or adjacent to Indian communities. Trust and restricted real estate may not be mortgaged to the United States as security for a loan. Liens on crops raised on such land, assignments of income therefrom, and other types of security not involving a transfer of title to the land may be taken. Mortgages may be taken on nontrust or unrestricted real estate.*

§ 26.14 *Inspection of security.* All property offered to the United States as security for loans must be inspected before action is taken upon the loan by the approving officer. To reduce costs, agency records, if adequate, may be used in lieu of a physical inspection.*

§ 26.15 *Filing of liens, mortgages, and other guarantees.* All crop liens or mortgages, and all repayment guarantees covering nontrust property, shall be filed, registered, or recorded in the proper county office. Repayment guarantees covering trust property, other than crops, may be filed in the agency office. Expenses of filing, registering, or recording, shall be borne by the borrower. Credit funds may not be used for such purposes except when included in loans to the borrower.*

§ 26.16 *Bills of sale.* The superintendent must obtain bills of sale on a form approved by the Commissioner of Indian Affairs for all livestock purchased with credit funds, title to which is taken in the name of the United States. This form may also be used for machinery, equipment, and other purchases, title to which is taken in the name of the United States, or receipted invoices on the vendor's stationery will be accepted in lieu thereof. Receipted invoices or appropriate bills of sale must be obtained on purchases of all items costing twenty-five dollars or more, which shall be filed in accordance with instructions of the Commissioner of Indian Affairs.*

§ 26.17 *Interest.* Borrowers shall be charged interest at the rate of three percent per annum from the date the money is advanced until repaid. Interest shall be figured on the basis of 360 days per annum.*

§ 26.18 *Modification of borrowers' loan agreements.* Modifications of loan agreements shall be handled through the same channels as the original agreement, except that the credit agent may approve modifications where the amount involved does not exceed $1,000, on applications originally approved by the Commissioner of Indian Affairs. Loan agreements shall not be permitted to remain in default; either payment must be made, a formal extension granted in the form of a modification, or action taken under the provisions of § 26.20 in this part.*

§ 26.19 *Protection of interests of the United States in property of deceased borrowers.* The superintendent shall take all steps which may be necessary to safeguard and protect the property of a deceased borrower in which the United States has an interest, until the obligation is liquidated, or assumed by heirs of the deceased borrower or by other parties. The United States may collect from the ultimate owners of such property, or deduct from the proceeds of the sale thereof, reasonable expenses for its care. The superintendent shall also protect the interests of the United States in assignments of income from real property or other sources.*

§ 26.20 *Default by borrowers.* Failure on the part of any borrower to make repayments when due, to use credit funds in keeping with the loan agreement as originally approved or amended, to make every honest effort possible to continue operations successfully, or any improper use of the funds loaned, shall be grounds for any one or all of the following steps to be taken at the option of the superintendent, in accordance with instructions of the Commissioner of Indian Affairs, with or without recourse to legal proceedings: (a) Declare the entire amount advanced immediately due and payable; (b) Stop any further advance of funds contemplated by the loan agreement; (c) Prevent further disbursements of credit funds under the control of the borrower; (d) Take possession of any and all collateral, security, or property purchased with credit funds.*

§ 26.21 *Disposition of property.* The sale or other disposal of any property purchased with credit funds which has not been paid for in full, or property given as security for the loan shall be handled in accordance with instructions of the Commissioner of Indian Affairs. Except as authorized under such instructions, neither the United States' right to or interest in, nor the legal title to property purchased with credit funds, nor the interests of the United States in property given as security, shall be transferred to a borrower before the loan under which the property has been purchased has been repaid in full. When a borrower's loan agreement has been repaid in full, the superintendent may release the interests of the United States in property purchased with the loan of credit funds, as well as its lien on the property given as security. The superintendent shall also release repayment guarantees of record, on forms approved by the Commissioner of Indian Affairs, when disposal of property given as security is authorized.*

§ 26.22 *Reports by borrowers.* Borrowers shall be required to furnish signed statements and reports, keep records, files, and accounts, and follow correspondence procedures as directed by the

superintendent and the Commissioner of Indian Affairs.*

§ 26.23 *Repayment to the United States.* All repayments on loans shall be made to the bonded Government disbursing officer or his authorized representative. The disbursing officer shall issue an official receipt to the remitter.*

§ 26.24 *Signatures by thumb mark.* Signatures made by thumb mark must be witnessed by at least two persons, one of whom shall write in the name of the person who cannot write, near the mark. Post office addresses of both witnesses must be shown, and they must actually see the mark made. Both witnesses must be disinterested parties to the loan agreement.*

Date: June 23, 1941.

W. C. MENDENHALL,
Acting Assistant Secretary of the Interior.

[F. R. Doc. 41-4905; Filed, July 10, 1941; 10:01 a. m.]

TITLE 26—INTERNAL REVENUE

CHAPTER I—BUREAU OF INTERNAL REVENUE

[T.D. 5058]

PART 3—INCOME TAX UNDER THE REVENUE ACT OF 1936

PART 9—INCOME TAX UNDER THE REVENUE ACT OF 1938

PART 19—INCOME TAX UNDER THE INTERNAL REVENUE CODE

AMENDING § 19.291-1 OF REGULATIONS 103 AND ARTICLE 291-1 OF REGULATIONS 101 AND 94, RELATING TO ADDITION TO THE TAX IN CASE OF FAILURE TO FILE RETURN

To Collectors of Internal Revenue and others Concerned:

Section 19.291-1 of Regulations 103[1] [Part 19, Title 26, Code of Federal Regulations, 1940 Sup.], article 291-1 of Regulations 101[2] [§ 9.291-1, Title 26, Code of Federal Regulations, 1939 Sup.], and article 292-1 of Regulations 94[3] [§ 3.291-1, Title 26, Code of Federal Regulations] are amended as follows:

PARAGRAPH 1. The first sentence of § 19.291-1 of Regulations 103 is amended to read:

§ 19.291-1 *Addition to the tax in case of failure to file return.* In case of failure to make and file a return required by chapter 1 within the prescribed time, a certain percent of the amount of the tax is added to the tax unless failure to file the return within the prescribed time is shown to the satisfaction of the Commissioner to be due to reasonable cause and not to willful neglect. * * *

[1] 5 F.R. 535.
[2] 4 F.R. 785.
[3] 1 F.R. 1940.

PAR. 2. The first sentence of article 291-1 of Regulations 101 and 94 is amended to read:

§ 19.291-1 *Addition to the tax in case of failure to file return.* In case of failure to make and file a return required by Title I within the prescribed time, a certain percent of the amount of the tax is added to the tax unless failure to file the return within the prescribed time is shown to the satisfaction of the Commissioner to be due to reasonable cause and not to willful neglect. * * *

PAR. 3. The third sentence of § 19.291-1 of Regulations 103 and article 291-1 of Regulations 101 and 94 is stricken out.

PAR. 4. The fourth and fifth sentences of § 19.291-1 of Regulations 103 and article 291-1 of Regulations 101 and 94 are stricken out and there is substituted therefor the following:

§ 19.291-1 *Addition to the tax in case of failure to file return.* * * * a taxpayer who wishes to avoid the addition to the tax for delinquency must make an affirmative showing of all facts alleged as a reasonable cause for failure to file the return on time in the form of an affidavit which should be filed with the collector, who, unless otherwise directed by the Commissioner, will forward the affidavit to the Commissioner, and, if the Commissioner determines that the delinquency was due to a reasonable cause, and not to willful neglect, the addition to the tax will not be assessed.

(This Treasury decision is issued under the authority contained in sections 62 and 291 of the Internal Revenue Code (53 Stat. 32, 88, 26 U.S.C., Sup. V, 62, 291) and sections 62 and 291 of the Revenue Acts of 1938 and 1936 (52 Stat. 480, 540, 26 U.S.C., Sup. V, 62, 291; 49 Stat. 1673, 1727, 26 U.S.C., Sup. II, 62, 291).)

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

Approved: July 8, 1941.

HERBERT E. GASTON,
Acting Secretary of the Treasury.

[F. R. Doc. 41-4898; Filed, July 9, 1941; 4:23 p. m.]

[T.D. 5059]

PART 19—INCOME TAX UNDER THE INTERNAL REVENUE CODE

PART 30—REGULATIONS UNDER THE EXCESS PROFITS TAX ACT OF 1940

AMENDING § 19.115-3 OF REGULATIONS 103 RELATING TO EARNINGS OR PROFITS AND §§ 30.718-1 AND 30.718-2 OF REGULATIONS 109 RELATING TO DETERMINATION OF DAILY EQUITY INVESTED CAPITAL

To Collectors of Internal Revenue and others Concerned:

PARAGRAPH 1. Regulations 103 [Part 19, Title 26, Code of Federal Regulations, 1940 Sup.] are amended by striking out the first sentence following the heading of § 19.115-3[1] as amended by Treasury Decision 5024,[2] approved December 19, 1940, and inserting in lieu thereof a new paragraph as follows:

§ 19.115-3 *Earnings or profits.* In determining the amount of earnings or profits (whether of the taxable year, or accumulated since February 28, 1913, or accumulated prior to March 1, 1913) due consideration must be given to the facts, and, while mere bookkeeping entries increasing or decreasing surplus will not be conclusive, the amount of the earnings or profits in any case will be dependent upon the method of accounting properly employed in computing net income. For instance, a corporation keeping its books and filing its income tax returns under sections 41, 42, and 43 on the cash receipts and disbursements basis may not use the accrual basis in determining earnings and profits; a corporation computing income on the installment basis as provided in section 44 shall, with respect to the installment transactions, compute earnings and profits on such basis; and an insurance company subject to taxation under section 204 shall exclude from earnings and profits that portion of any premium which is unearned under the provisions of section 204 (b) (5) and which is segregated accordingly in the unearned premium reserve.

PAR. 2. Regulations 109 [Part 30, Title 26, Code of Federal Regulations, 1941 Sup.] are amended as follows:

(A) Section 30.718-1[3] is amended by inserting after the second sentence in the first paragraph a new sentence as follows:

§ 30.718-1 *Determination of daily equity invested capital; money and property paid in.* * * * The terms "money paid in" and "property paid in" do not include amounts received as premiums by an insurance company subject to taxation under section 204.

(B) Section 30.718-2[4] is amended by inserting after the third sentence in paragraph (a) a new sentence as follows:

§ 30.718-2 *Determination of daily equity invested capital; accumulated earnings and profits*—(a) *In general.*

* * * * *

See, for instance, § 19.115-3 of Regulations 103, as amended, relating to the computation of earnings and profits in the case of a corporation computing net income on the cash, accrual, or installment basis, or in the case of an insurance company taxable under section 204.

(This Treasury decision is issued under the authority contained in section 62 of the Internal Revenue Code (53 Stat. 32, 26 U.S.C., Sup. V, 62) as made applicable by section 729 of such Code, added by section 201 of the Second Revenue Act

[1] 5 F.R. 467.
[2] 5 F.R. 5234.
[3] 6 F.R. 865.
[4] 6 F.R. 866.

of 1940 (Public, No. 801, 76th Cong., 3d sess.); section 115 of such Code, 26 U.S.C., Sup. V, 115; and section 718 of such Code as added by the Second Revenue Act of 1940.)

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

Approved: July 8, 1941.

HERBERT E. GASTON,
Acting Secretary of the Treasury.

[F. R. Doc. 41-4899; Filed, July 9, 1941; 4:23 p. m.]

TITLE 31—MONEY AND FINANCE: TREASURY

CHAPTER I—MONETARY OFFICES

PART 130—REGULATIONS RELATING TO TRANSACTIONS IN FOREIGN EXCHANGE, TRANSFERS OF CREDIT, PAYMENTS, AND THE EXPORT AND WITHDRAWAL OF COIN, BULLION AND CURRENCY; AND TO REPORTS OF FOREIGN PROPERTY INTERESTS IN THE UNITED STATES

PUBLIC CIRCULAR NO. 1, UNDER EXECUTIVE ORDER NO. 8389, APRIL 10, 1940, AS AMENDED, AND REGULATIONS ISSUED PURSUANT THERETO, RELATING TO TRANSACTIONS IN FOREIGN EXCHANGE, ETC.

JULY 9, 1941.

Reference is made to § 130.4[1] of the Regulations providing that reports on Form TFR-300 shall be filed on or before July 14, 1941.

The time within which such reports on Form TFR-300 shall be filed is hereby extended from July 14, 1941, to August 30, 1941.

[SEAL] E. H. FOLEY, Jr.,
Acting Secretary of the Treasury.

[F. R. Doc. 41-4900; Filed, July 9, 1941; 4:24 p. m.]

CHAPTER II—BUREAU OF ACCOUNTS

[1941—Twelfth Supplement to Department Circular No. 176]

PART 202—DEPOSIT OF PUBLIC MONEYS AND PAYMENT OF GOVERNMENT CHECKS AND WARRANTS

JULY 10, 1941.

Treasury Department Circular No. 176, dated September 2, 1930, as amended, is hereby further amended by deleting the sixth and seventh sentences of paragraph No. 11 (Indorsement and transmission of checks for collection), appearing also as the sixth and seventh sentences of § 202.11, Title 31, Part 202 of the Code of Federal Regulations of the United States of America, which sentences read:

§ 202.11 *Indorsement and transmission of checks for collection.* The checks must in all cases be forwarded by registered mail. Inasmuch as the indorsement is specific it is not necessary that checks be insured.

By deleting paragraphs No. 12 (Uncollected and lost checks) and No. 23 (Uncollected and lost checks), appearing also as §§ 202.12 and 202.23, respectively, Title 31, Part 202 of the Code of Federal Regulations of the United States of America, and inserting in lieu thereof the following:

§ 202.12 *Uncollected and lost checks.* Except as otherwise authorized by the Secretary of the Treasury in specific cases, the following procedure shall apply in the event any check is not paid for any reason by the bank on which it is drawn (irrespective of whether advice of such nonpayment is received prior or subsequent to the date the applicable certificate of deposit is executed):

(a) The Federal Reserve Bank or branch or general depositary, all hereinafter referred to as the "depositary," will immediately execute a debit voucher, Form 5504 (Revised), and deliver or forward to the depositor the triplicate and quadruplicate copies thereof together with each unpaid check included in such voucher. The charge for such uncollectible checks will not be entered in the Treasurer's account, however, prior to the credit of the deposits in which the uncollectible checks are included. In case an unpaid check is not recovered by the depositary a notification to the depositor to that effect citing the reason the check was not returned should accompany the copies of the voucher.

(b) The depositor should immediately review the data recorded on the reverse of the copies of the Form 5504 (Revised) and if such data are correct the quadruplicate copy should be signed in the space provided on the reverse of the form and immediately returned to the depositary.

(c) If any correction of the information recorded on the executed debit voucher is necessary the depositor should make such correction on the copies of the form in his possession, over initial, before returning the depositary's copy; the depositary will advise the Treasurer of the United States by letter of the corrections to be made on the debit voucher.

(d) At the request of the depositary and upon receipt therefrom of the unpaid check or checks or in case an unpaid check is not recovered by the depositary a notification to that effect, citing the reason therefor, the depositor shall complete (except affixing his signature) the reverse side of a full set of the debit voucher, Form 5504 (Revised), and transmit at once the full set of the form to the depositary for execution and for return to the depositor of the triplicate and quadruplicate copies thereof. Thereafter, the procedure will be the same as set forth under (b) and (c).

(e) Two or more uncollectible checks, if included in the same deposit, should be recorded on the same debit voucher. Checks of the same class of receipt should be consolidated and recorded on the debit voucher by class of receipt and certificate of deposit. Space permitting, data pertaining to more than one certificate of deposit submitted by the same depositor may be recorded on a single debit voucher provided the certificates of deposit are of the same form number; however, separate debit vouchers must be prepared for uncollectible checks included in deposits for credit in disbursing officers' checking accounts bearing different symbol numbers or in other cases subsequent to appropriate instructions.

(f) In the case of failure for any reason to collect checks deposited by the Treasurer of the United States, the procedure and forms set forth in paragraph No. 23 will be followed and used.

(g) If an unpaid check is returned by the depositary, the depositor will adjust his accounts and proceed at once to collect the amount involved as though no check had been received.

(h) If a check is lost, whether before or after deposit, the depositor will adjust his accounts and immediately request that the drawer stop payment on the check and forward a duplicate thereof. If a duplicate check or other payment is not received in due course, the depositor will proceed to make collection as if no check has been received.

(i) When a new payment is received under either (g) or (h) hereof, the depositor will treat such payment as new business and deposit the check accordingly.

§ 202.23 *Federal Reserve Banks; uncollected and lost checks.* Except as otherwise specified by the Secretary of the Treasury the following procedure shall apply in the event any check is not paid for any reason by the bank on which it is drawn (irrespective of whether advice of such non-payment is received prior or subsequent to the date the applicable certificate of deposit is executed):

(a) The Federal Reserve Bank or branch, or the general depositary (subject to provisions of paragraph No. 26), all hereinafter referred to as the "depositary", shall retain a record of the drawer, drawee and amount of each unpaid check returned to the depositor as uncollectible.

(b) The depositary, except as provided under paragraph (e) hereof, will complete the data required on the face and reverse of the form and charge the Treasurer's account with the total amount of the uncollectible checks recorded on Form 5504 (Revised); such charge, however, shall not be entered in the Treas-

[1] 6 F.R. 2906.

urer's account prior to the credit of the deposit in which the uncollectible checks are included.

(c) The original of the executed Form 5504 (Revised) should be transmitted to the Treasurer of the United States with the transcript of the Treasurer's account, Form 17, on the date the charge is made in such account. All other copies in the set will be distributed in accordance with instructions printed on the face thereof.

(d) Each unpaid check included in a voucher shall accompany the copies of Form 5504 which are returned to the depositor. In case an unpaid check is not recovered by the depositary a notification to the depositor to that effect citing the reason the check was not returned should accompany the copies of the voucher.

(e) If the depositary is not in a position to provide accurately the data required on the reverse of the debit voucher Form 5504 (Revised), the depositary should return each uncollectible check, or furnish appropriate advice if the uncollectible check cannot be returned, and request the depositor to complete (except affixing his signature) the reverse side of a full set of the voucher Form 5504 (Revised), and transmit such set of the voucher to the depositary for execution.

(f) Upon receipt of the requested debit voucher the depositary will verify the information furnished to determine that it is complete and accurate with respect to the certificates of deposit described thereon and proceed as provided in (b) and (c) hereof.

(g) The depositary will see that the quadruplicate copy of each executed form is returned properly signed by the depositor. The copy should be examined and, if the depositor has indicated that correction of the data recorded on the form is necessary, the depositary shall transmit a letter to the Treasurer of the United States, Accounting Division, Washington, D. C., fully describing the debit voucher, together with a statement of the corrections to be made thereon. The depositary will maintain a permanent file of the signed quadruplicate copy of each Form 5504 (Revised) executed by it.

(h) Two or more uncollectible checks, if included in the same deposit, should be recorded on the same debit voucher. Checks of the same class of receipt should be consolidated and recorded on the debit voucher by class of receipt and certificate of deposit. Space permitting, data pertaining to more than one certificate of deposit submitted by the same depositor may be recorded on a single debit voucher provided the certificates of deposit are of the same form number; however, separate debit vouchers must be prepared for uncollectible checks included in deposits for credit in disbursing officers' checking accounts bearing different symbol numbers or in other cases subsequent to appropriate instructions.

(i) Federal Reserve Banks and branches, in the case of checks forwarded for collection by the Treasurer of the United States, which are not paid for any reason by the drawee bank, should return the check or checks, if recovered, to the Cashier, Office of the Treasurer of the United States, with duplicate debit voucher, Form 5315, and the original Form 5315 should be transmitted with the transcript to support the charge; such charge, however, shall not be entered in the Treasurer's account prior to the credit of the deposit in which the uncollectible checks are included. In case the unpaid item or items are nor recovered by the Federal Reserve Bank, a notation of the circumstances should be made on the reverse of Form 5315.

A check is not considered paid within the meaning of this circular until the proceeds thereof have been received in actually and finally collected funds. In case an exchange draft is tendered by the bank on which a check is drawn and the draft is not paid in actually and finally collected funds because of insolvency of the bank on which the check is drawn, the draft should be retained by the Federal Reserve Bank as the basis for a claim, and the Federal Reserve Bank will be expected in ordinary course to file a claim thereon for account of the Treasurer, though dividends on claims so filed should be accepted only upon specific authority from the Secretary of the Treasury. Immediately upon filing claim the Federal Reserve Bank should notify the Secretary of the Treasury, Division of Deposits, giving a full description of the items included in the claim.

By deleting the last sentence of paragraph No. 26 (General provisions—for attention of member bank depositaries), appearing also as the last sentence of § 202.26, Title 31, Part 202 of the Code of Federal Regulations of the United States of America, and inserting in lieu thereof the following two sentences:

§ 202.26 *Member bank depositaries; general provisions.* * * *

General depositaries may accept deposits of checks or drafts for credit to the account of the Treasurer of the United States, when specifically authorized by the Secretary of the Treasury, otherwise, deposits of cash and postal or express money orders only may be accepted in accordance with paragraph No. 4 hereof. The procedure set forth in paragraph No. 23 hereof shall apply in the event chceks, drafts or other items included in such deposits are uncollectible or lost.

[SEAL] D. W. BELL,
Acting Secretary of the Treasury.

[F. R. Doc. 41-4901; Filed, July 9, 1941; 4:24 p. m.]

TITLE 32—NATIONAL DEFENSE

CHAPTER IX—OFFICE OF PRODUCTION MANAGEMENT

SUBCHAPTER A—GENERAL PROVISIONS

[Regulation No. 6-A]

AMENDING REGULATION NO. 6 [1] DATED MAY 6, 1941 "ESTABLISHING A PLANT SITE BOARD IN THE OFFICE OF PRODUCTION MANAGEMENT AND DEFINING PROCEDURE FOR CLEARANCE OF THE PROPOSED LOCATION OF NEW OR ADDITIONAL PLANTS AND FACILITIES REQUIRED FOR THE NATIONAL DEFENSE"

JULY 2, 1941.

The following paragraph should be inserted after Paragraph (4) of Regulation No. 6:

(4A) If any division, bureau, office or officer of the Office of Production Management proposes to make any recommendation to the War Department, the Navy Department, or any other Department, corporation, or agency of the government with respect to the construction or installation of any substantial plant or facility or the expansion in a substantial measure of any plant or facility required for the national defense, written notice of such proposed recommendation shall be given by such division, bureau, office or officer to the Plant Site Board, and also to the Director of Purchases if such construction, installation or expansion involves a recommended estimated expenditure of $500,000 or more; and original evidence of the approval and clearance of such project by the Board, together with the data submitted to and considered by the Board, and original evidence of the approval and clearance of the proposal by the Director of Purchases in appropriate cases, shall accompany the recommendation to the War Department, Navy Department, or any other department, corporation, or agency of the government.

WILLIAM S. KNUDSEN,
Director General.
SIDNEY HILLMAN,
Associate Director General.
HENRY L. STIMSON,
Secretary of War.
FRANK KNOX,
Secretary of the Navy.

Approved:
JOHN LORD O'BRIAN,
General Counsel.

Attest:
HERBERT EMMERICH,
Secretary.

[F. R. Doc. 41-4906; Filed, July 10, 1941; 10:02 a. m.]

[1] 6 F.R. 2715.

[Amendment to General Preference Order No. M-9]

SUBCHAPTER B—PRIORITIES DIVISION

PART 933—COPPER

Section 933.1 (General Preference Order No. M-9[1]) as heretofore Amended, is hereby amended to read as follows:

Whereas on May 29, 1941, General Preference Order No. M-9 was issued by the Director of Priorities to conserve the supply and direct the distribution of Copper, and

Whereas it is found that the shortage in Copper existing at that time has increased and will continue, and

Whereas it is expected that a method of complete control of the distribution of Copper will be necessary in the near future; that the machinery to administer such complete control cannot be set up immediately, but that in the meantime it is necessary and desirable to extend the present Order to include deliveries of Copper Base Alloys and of fabricated products made from Copper and from Copper Base Alloys and to make certain other changes in the existing Order.

Now, therefore, it is hereby ordered:

§ 933.1 *General preference order.* (a) Deliveries of Copper, Copper Base Alloys, and Copper Products (all as hereinafter defined) shall be made only in accordance with the following directions:

(1) Preference ratings, in order of precedence, are: AA, A-1-a, A-1-b, etc., * * * A-1-j; A-2, A-3, etc., * * * A-10, AA being the highest rating, and A-10 the lowest presently assigned.

(2) Deliveries under all Defense Orders included in subparagraphs (i) and (ii) of paragraph (j) (6) which do not bear a higher preference rating are hereby assigned a preference rating of A-10.

(3) Every delivery to which a preference rating has been assigned shall be made upon the date or dates required by the Preference Rating Certificate issued to apply to such delivery, or, if a Preference Rating has been assigned but no Certificate has been issued, then upon the date or dates specified in the contract or order therefor. The sequence of deliveries bearing the same preference rating shall be governed by the delivery dates specified in the contracts or orders therefor. Deliveries bearing no preference rating or a lower preference rating shall be deferred to the extent necessary to assure those deliveries bearing a higher preference rating, even though such deferment may cause a default under an existing contract or order. Each Person making deliveries must so schedule his production and deliveries that deliveries bearing a preference rating will be made on the dates required, giving precedence in case of unavoidable delay to deliveries bearing the higher preference ratings. Nothing herein contained shall prevent a Person from accepting a contract or order bearing a rating higher than other contracts or orders previously accepted, although such acceptance may necessitate deferment of deliveries under contracts or orders previously accepted.

(4) The prohibitions and restrictions affecting deliveries contained in this Order shall apply not only to deliveries to other persons including affiliates and subsidiaries but also to deliveries from one branch, division or section of a single business enterprise to another branch, division or section of the same or any other business enterprise owned or controlled by the same Person.

(b) (1) During July and each calendar month thereafter, each Refiner shall set aside from his production of Copper for that month a quantity equal to 20 percent of his production of Duty Free Copper during April 1941, (such production in each case to include Copper refined for his account under toll agreement, but to exclude Copper refined by him under toll agreement for the account of others) to be delivered only upon express direction of the Director of Priorities. The quantity of Copper to be set aside may be varied from time to time hereafter by Order of the Director of Priorities. Each Refiner shall ship the balance of his production in accordance with provisions of paragraph (a) hereof. After having made provision for all orders bearing Preference Ratings each Refiner may ship the balance of his production to his regular customers, filling Defense Orders, direct or indirect, ahead of other orders.

(2) All Copper owned by the Metals Reserve Company will be allocated by the Director of Priorities.

(3) The Copper owned by the Metals Reserve Company and the Copper set aside by Refiners as provided in paragraph (b) (1) shall be held by the Metals Reserve Company and by Refiners respectively to assure the satisfaction of all defense requirements, direct or indirect, and the Director of Priorities will, in his discretion, make allocations of such Copper to the satisfaction of such requirements. After the satisfaction of all such requirements, any residual supply of such Copper shall be allocated by the Director of Priorities in accordance with such Civilian Allocation Program as may be determined by the Office of Price Administration and Civilian Supply; otherwise such residual supply shall be released by the Director of Priorities, to be sold by the Metals Reserve Company, or to be used by the Refiner.

(4) Any Person desiring to obtain an allocation of Copper must make application to the Director of Priorities on such forms and give such information as the Director of Priorities shall prescribe. It is intended that Fabricators shall use their available Copper to the extent necessary for fulfillment of Defense Orders and for the acceptance of new Defense Orders and that they shall only make application to the Director of Priorities for an allocation of Copper under this paragraph where all applicant's available Copper is already committed to the satisfaction of Defense Orders.

(5) All Refiners who are parties to toll agreements for the refining of Copper (who have not already filed the information with the Director of Priorities) must file with the Director of Priorities a statement setting forth the names of the parties to such agreements, the material involved, whether blister, scrap or in other form, the estimated tonnage involved, the estimated rate of delivery, and the duration of the contract. A like statement must be filed with reference to any new agreement or amendment to existing or new agreements within ten days after the effective date of such new agreement or amendment respectively.

(c) Each Fabricator shall ship his production in accordance with the provisions of paragraph (a) hereof and after having made provision for all orders bearing Preference Ratings he may ship the balance of his production to his regular customers, filling Defense Orders, direct or indirect, ahead of others.

(d) No Person in accepting orders shall discriminate against Defense Orders or orders to which a preference rating has been assigned.

(e) When deliveries of Copper, Copper Base Alloys or Copper Products under Defense Orders have been unreasonably or improperly deferred, or when orders therefor have been rejected, the person aggrieved may file with the Division of Priorities a verified report in a form to be prescribed, setting forth the facts in connection with such deferment or rejection.

Where the facts set forth justify such action the Director of Priorities will thereupon direct the Person against whom complaint is made to submit a sworn statement, setting forth in detail the circumstances concerning the alleged deferment of deliveries or rejection of the orders. Thereafter such action will be taken by the Director of Priorities as he deems appropriate.

(f) The prohibitions and restrictions contained in this Order shall apply to all deliveries made after its effective date, including deliveries under contracts or orders entered into either prior or subsequent to said date. No Person shall be held liable for damages or penalties for any default under any contract or order which results directly or indirectly from his compliance with this General Order.

(g) In addition to the foregoing limitations and restrictions, no Person shall hereafter knowingly deliver Copper, Copper Base Alloys or Copper Products and no Person shall accept delivery thereof in an amount which will increase for any current month the inventory of the Person accepting delivery, in the same or other forms, in excess of the amount necessary to meet required deliveries of the products of the Person accepting delivery, on the basis of his current method and rate of operation. This provision shall not prohibit or restrict:

(i) deliveries for direct export out of the United States, provided that such

[1] 6 F.R. 2680.

exports shall have been licensed by the Administrator of Export Control;

(ii) deliveries of imported material to any Person importing the same, either directly or through an agent.

(h) All Persons affected by this Order shall keep and preserve for a period of not less than two years, accurate and complete records of their inventories of the material covered by this Order, and of the details of all transactions in any way regulated or affected hereby, including all transactions in the material covered by this Order. Such records shall include the dates of all contracts or orders accepted, the delivery dates specified in such contracts or orders, and in any Preference Rating Certificates accompanying them, the dates of actual deliveries thereunder, description of the material covered by such contracts or orders, description of deliveries by classes, types, quantities, weights and values, the parties involved in each transaction, the preference ratings, if any, assigned to such contracts or orders or to deliveries thereunder, and other pertinent information. All records specified in this paragraph shall, upon request, be submitted to audit and inspection by duly authorized representatives of the Division of Priorities. All Persons affected by this Order shall execute and file with the Division of Priorities such reports and questionnaires as said Division shall from time to time request. No reports or questionnaires are to be filed by any Person until forms therefor are prescribed by the Division of Priorities.

(i) *False statements.* Any Person who wilfully falsifies the records referred to in paragraph (h) above, or any other records which he is required to keep by the Director of Priorities, or who otherwise wilfully furnished false information to the Director of Priorities or to the Division of Priorities, and any Person who obtains a delivery or a preference rating for a delivery by means of a material and wilful misstatement, may be prohibited by the Director of Priorities from making or obtaining further deliveries of Copper, Copper Base Alloys, or Copper Products. The Director of Priorities may also take any other action deemed appropriate, including the making of a recommendation for prosecution under section 35 of the Criminal Code (18 U.S.C.A. § 80).

(j) for the purposes of this section:

(1) "Copper" means Copper metal produced from ores or scrap which has been refined by any process of electrolysis, or produced from ores by any process of fire refining, to a grade, and in a form (cathodes, wire bars, ingot bars, ingots, cakes, billets, wedge bars or other refined shapes), suitable for fabrication. It shall also include any Copper metal in the production of which Copper scrap has been mixed with electrolytic or fire-refined Copper produced from ores.

(2) "Duty free copper" means Copper as defined above produced from domestic materials or from imported materials not now subject to duty.

(3) "Copper base alloy" means any alloy in the composition of which the percentage of Copper metal by weight equals or exceeds the percentage of all other metals.

(4) "Copper products" means fabricated products made of Copper or Copper Base Alloys.

(5) "Person" means and includes any individual, partnership, association, corporation or other form of business enterprise.

(6) "Defense orders" means contracts or orders for material, unfinished, semi-finished, or finished, which at any stage of production enters into, or is used for, the manufacture, processing or fabrication of products to be delivered to or for the account of:

(i) The Army or Navy of the United States, the United States Maritime Commission, the Panama Canal, the Coast and Geodetic Survey, Coast Guard, Civil Aeronautics Authority, National Advisory Committee for Aeronautics, the National Defense Research Council;

(ii) The Government of Great Britain, and the Government of any other country whose defense the President deems vital to the defense of the United States under the Act of March 11, 1941, entitled "An Act to Promote the Defense of the United States;"

(iii) Any other Government Agency or any Person, when the Director of Priorities determines that such contracts or orders cover defense requirements, direct or indirect, of the United States, and shall have assigned a preference rating of A–10, or higher, thereto.

(7) "Fabricator" means one who rolls, draws, forms or otherwise processes products of Copper or of Copper Base Alloys.

(k) This Order shall take effect on the 9th day of July 1941, and unless sooner terminated shall expire on the 30th day of December, 1941. (O.P.M. Reg. 3, Mar. 7, 1941, 6 F.R. 1596; E.O. 8629, Jan. 7, 1941, 6 F.R. 191; sec. 2 (a), Public, No. 671, 76th Congress; sec. 9, Public 783, 76th Congress)

Issued this 9th day of July 1941.

E. R. STETTINIUS, Jr.,
Director of Priorities.

[F. R. Doc. 41–4894; Filed, July 9, 1941; 1:39 p. m.]

[Amendment to General Preference Order No. M–9 [1]]

PART 933—COPPER

Section 933.1 (General Preference Order No. M–9) as amended this 9th day of July 1941,[2] is further amended as follows:

[1] 6 F.R. 2680.
[2] *Supra.*

§ 933.1 *General preference order.*

* * * * *

(j) For the purposes of this section:

* * * * *

(7) "Refiner" means any person who produces Copper, as hereinbefore defined, from ores or scrap by any process of electrolysis or fire refining in grade suitable for fabrication; for the purposes of this Order "Refiner" also includes any person who has such Copper produced for him under toll agreement.

(8) "Fabricator" means one who rolls, draws, forms or otherwise processes products of Copper or of Copper Base Alloys.

(k) This Order shall take effect on the 9th day of July, 1941, and unless sooner terminated shall expire on the 30th day of December, 1941. (O.P.M. Reg. 3, Mar. 7, 1941, 6 F.R. 1596; E.O. 8629, Jan. 7, 1941, 6 F.R. 191; Sec. 2 (a), Public No. 671, 76th Congress; Sec. 9, Public 783, 76th Congress)

Issued this 9th day of July 1941.

E. R. STETTINIUS, Jr.
Director of Priorities.

[F. R. Doc. 41–4922; Filed, July 10, 1941; 12:04 p. m.]

[Preference Rating Order No. P–17]

PART 953—CANNING MACHINERY AND EQUIPMENT

In the interest of National Defense, and pursuant to authority vested in the Director of Priorities, *it is hereby ordered:*

§ 953.1 *Preference rating order.* (a) (1) "Producer" means the person to whom this Order is specifically addressed, provided he has accepted the same as required by paragraph (c) below.

(2) "Person" means and includes any individual, partnership, association, corporation, or other form of enterprise.

(3) "Material" means materials, equipment, accessories, parts, assemblies, products and commodities which are from time to time listed on the Priorities Critical List.

(4) "Canning Machinery and Equipment" means machinery and equipment for the preparation and processing of fruits and vegetables, and for the filling, labeling, closing and packaging of the containers therefor.

(5) The term "purchase order", when applied to canning machinery and equipment, may include an order for the repair of canning machinery and equipment.

(b) Subject to all the terms, conditions and requirements of this Order, Preference Rating A–2 is hereby assigned:

(1) To deliveries to the Producer by his suppliers of Material (listed on the Priorities Critical List) to be used by the Producer for the construction or repair of canning machinery or equipment, a purchase order for which, requiring

completion and delivery on or before August 1, 1941, was accepted by the Producer on or before June 25, 1941, and which the Producer reasonably expects he will be able to complete and ship not later than August 31, 1941.

(2) To deliveries to any supplier or sub-supplier (to whom this Order has been extended or re-extended as provided in paragraph (c)) of those quantities of Material (listed on the Priorities Critical List), which such supplier or sub-supplier requires to make possible his rated deliveries to the Producer or the supplier or the sub-supplier who has extended or re-extended this Order to him; *Provided, however*, That such rating shall not apply to deliveries of machinery or equipment used for the manufacture or processing of such Material by such supplier or sub-supplier.

(c) Before this Order shall become effective in favor of the Producer, or any supplier or sub-supplier, so that he may apply the Preference Rating assigned herein to deliveries to him, he must:

(1) Execute a copy of this Order (as provided at the end hereof) and deliver such copy to the Division of Priorities.

(2) Execute and deliver an additional copy of this Order to each supplier or sub-supplier to whose ratable deliveries such Preference Rating is to apply.

One copy furnished to any one supplier or sub-supplier shall cover all such subsequent ratable deliveries to the Producer or a supplier or sub-supplier, whether such deliveries are pursuant to one or more purchase orders placed at one time or from time to time and for one or more kinds of Material.

(d) After executing and delivering a copy of this Order in the manner set forth above, the Producer or any supplier or sub-supplier, shall thereafter, in applying his Preference Rating to deliveries of Material for the construction or repair of canning machinery or equipment, indicate in each of his purchase orders for such Material:

(1) This Order and its copy number.

(2) The expiration date of this Order.

(3) The kinds and quantities of the Material included in such purchase order to the deliveries of which the Preference Rating applies.

(e) If any delivery of Material rated by this Order is assigned for the same purpose a higher Preference Rating by an individual Preference Rating Certificate or by any other Order issued by the Director of Priorities, the Producer may use the higher rating instead of the Rating assigned by this Order. Such higher Preference Rating and the rating assigned by this Order shall not both be applied to deliveries of the same Material to fill the same production requirement.

(f) The Producer shall not apply the Preference Rating assigned hereby in order to increase his inventory of Material in excess of the amount necessary to construct or repair the canning machinery or equipment specified in (b) above, on the basis of his usual method and rate of operation, and no supplier or sub-supplier shall apply such rating to increase his inventory of Material in excess of the amount necessary to make possible his rated deliveries to the Producer, or the supplier or the sub-supplier who has extended or re-extended this Order to him.

(g) The Producer, and any supplier or sub-supplier by whom this Order has been extended, shall deliver to the Division of Priorities on the 15th days of August and September, 1941, an affidavit stating:

(1) All of his applications of the Preference Rating assigned by this Order to his suppliers or sub-suppliers prior to the date of such affidavit, which were not set forth in a prior affidavit, including the name and address of each such supplier or sub-supplier, and the kinds, values and quantities of Material covered by each such application and the dates of delivery hereof.

The affidavit of the Producer shall state in addition:

(2) That all such Material referred to in such affidavit was for use in the construction or repair of canning machinery or equipment, a purchase order for which, requiring completion and delivery on or before August 1, 1941, was accepted by the Producer on or before June 25, 1941, and that the Producer expects to be able to complete and ship such machinery or equipment not later than August 31, 1941, or that he did complete and ship the same on a specified date.

(3) That the Producer did not have on hand a sufficient quantity of the Material referred to in the affidavit, either in the Producer's own possession or in the possession of any division or subsidiary of the Producer, which the Producer might have used, to complete and ship such machinery or equipment on or before August 31, 1941.

(h) So long as this Order is in effect, the Producer, and any supplier or sub-supplier by whom the same has been extended, shall:

(1) Maintain complete and accurate records of all of his applications of the Preference Rating assigned by this Order, and all of his extensions of this Order, to his suppliers or sub-suppliers, including the name and address of each such supplier or sub-supplier; the kinds, values and quantities of Material covered by each such application and the dates of delivery thereof; and of all inventories and stocks of Material on hand, and all purchase orders on his books in connection with Material rated by this Order. Such records, and all supporting information, affidavits and documents shall be preserved for at least one year after the revocation or expiration of this Order or amendments thereof.

(2) Furnish information respecting matters covered by (h) (1) and any other pertinent matters to the Division of Priorities from time to time as required.

(3) Submit from time to time to an audit and inspection by representatives of the Division of Priorities respecting matters covered by (h) (1) above and any matters pertinent to and in connection with any report or affidavit filed with the Division of Priorities pursuant to this Order.

(i) Any person who wilfully falsifies any record which he is required to keep by (h) above, or who wilfully furnishes false information to the Director of Priorities, or who obtains a preference rating by means of a material or wilful misstatement may be subject to revocation of any Order issued to him and may be prohibited by the Director of Priorities from obtaining further deliveries of any material subject to allocation, and the Director of Priorities may also take any other action deemed appropriate, including a recommendation for prosecution under section 35 of the Criminal Code (18 U.S.C.A. section 80).

(j) This Order, or any extension thereof, may be revoked, modified or amended by the Director of Priorities at any time, as to the Producer, or as to any supplier or sub-supplier to whom it has been extended. In the event of any such revocation, or upon expiration of this Order by its terms, any deliveries of Material already rated pursuant to this Order shall be completed in accordance with said rating, unless said rating has been specifically revoked with respect thereto. No additional applications of said rating shall be made to any other deliveries by the Producer or by any supplier or sub-supplier affected by such revocation or after such expiration. Further, in the event of revocation of this Order, the Producer and each supplier and sub-supplier affected thereby shall each return to the Division of Priorities the copy of this Order issued or extended to him within three days of such revocation; and the Director of Priorities may notify all affected suppliers and sub-suppliers of such revocation. No action taken pursuant to this paragraph, however, shall affect any specific Preference Rating Certificate or any rating issued or extended under any other Order to the Producer or any supplier or sub-supplier.

(k) Any application of said Rating by the Producer or any supplier or sub-supplier hereunder may likewise be revoked by the Director of Priorities at any time, or the Director may modify the same by assigning a lower rating to a specific delivery of Material which has been rated pursuant to this Order.

(l) This Order and the assignment of the Preference Rating herein provided shall take effect on the 9th day of July 1941, and unless sooner revoked, shall expire on the 31st day of August 1941. (O.P.M. Reg. 3, Mar. 7, 1941, 6 F.R. 1596; E.O. 8629, Jan. 7, 1941, 6 F.R. 191; sec. 2 (a), Public, No. 671, 76th Congress)

Issued this 9th day of July 1941.

E. R. STETTINIUS, Jr.,
Director of Priorities.

FORM OF ACCEPTANCE FOR EXECUTION BY THE PRODUCER OR ANY SUPPLIER OR SUB-SUPPLIER EXTENDING OR RE-EXTENDING THE RATING UNDER THIS ORDER

INSTRUCTIONS

1. Execute one copy of the Acceptance and send it, together with the copy of the Order to which it is attached, to the Division of Priorities; and execute additional copies and send one, together with the copy of the Order, to each supplier or sub-supplier to whose deliveries a rating is to be applied. Such additional copies of the Order are to be signed only by the one extending or re-extending the Rating.

2. Additional copies of the Order may be obtained from the Division of Priorities, Office of Production Management, Washington, D. C., Attention: A. D. Whiteside.

3. Before executing, read Sections (c) and (d) of the Order.

ACCEPTANCE

The undersigned acknowledges receipt of the above Order; accepts the same; agrees to all its terms, conditions and requirements; promises to perform the requirements of and to submit to the audits and investigations as provided in Section (h) of said Order; agrees that material, the deliveries of which are rated under said Order, will not be diverted by him to purposes other than those for which they are so rated; and agrees he will not apply both the rating assigned by said Order and any other preference rating to deliveries of the same materials to fill the same production requirement.

Executed this _____ day of _____, 1941.

_____
(Name of producer, supplier or sub-supplier)

By: _____
(Authorized officer, partner, or individual)

[F. R. Doc. 41-4895; Filed, July 9, 1941; 1:39 p. m.]

TITLE 36—PARKS AND FORESTS

CHAPTER II—FOREST SERVICE

[Amendment of Regulation T-7½]

PART 261—TRESPASS

GEORGE WASHINGTON AND JEFFERSON NATIONAL FORESTS, ETC.

By virtue of the authority vested in the Secretary of Agriculture by the Act of June 4, 1897 (30 Stat. 35; 16 U.S.C. 551), and the Act of February 1, 1905 (33 Stat. 628; 16 U.S.C. 472) Regulation T-7½ of the rules and regulations governing the occupancy, use, protection and administration of the National Forests, which constitutes § 261.7a, Part 261, Chapter II, Title 36, Code of Federal Regulations, is amended to read as follows:

§ 261.7a *George Washington and Jefferson National Forests; Sylamore Ranger District, Ozark National Forest; Dogs.* The following acts are prohibited on lands of the United States within the boundaries of the George Washington and Jefferson National Forests, Virginia, and the Sylamore Ranger District, Ozark National Forest, Arkansas:

Permitting dogs to run at large, or having in possession dogs not in leash or confined.

In testimony whereof, I have hereunto set my hand and caused the official seal of the Department of Agriculture to be affixed, in the City of Washington, this 10th day of July 1941.

[SEAL] PAUL H. APPLEBY,
Acting Secretary of Agriculture.

[F. R. Doc. 41-4919; Filed, July 10, 1941; 11:33 a. m.]

TITLE 47—TELECOMMUNICATION

CHAPTER I—FEDERAL COMMUNICATIONS COMMISSION

PART 12—RULES GOVERNING AMATEUR RADIO: STATIONS AND OPERATORS

The Commission on July 9, 1941, effective immediately, amended the following sections to read:

§ 12.63 *Location of station.* An amateur radio station, and the control point thereof, when remote control is authorized, shall not be located on premises controlled by an alien. Authority to operate by remote control will be granted only upon the filing of a proper application, and supported by showing of the applicant's legal control of the control point, the means employed to control emissions, the equipment and method for monitoring, and the precautions adopted to prevent access to the premises by unauthorized persons. (Sec. 4(i), 48 Stat. 1068; 47 U.S.C. 154 (i))

§ 12.83 *Transmissions of call signals.* An operator of an amateur station shall transmit the call letters of the station called or being worked and the call letters assigned the station which he is operating at the beginning and end of each transmission and at least once every 10 minutes during every transmission of more than 10 minutes' duration. In the case of stations conducting an exchange of several transmissions in sequence, each transmission of which is of less than 3 minutes' duration, the call letters of the communicating stations need be transmitted only once every 10 minutes of operation in addition to transmitting the call letters, as above, at the beginning and at the termination of the correspondence. In addition, an operator of an amateur portable or portable-mobile radiotelegraph station shall transmit immediately after the call of the station the fraction-bar character (DN) followed by the number of the amateur call area in which the portable or portable-mobile amateur station is then operating, as for example:

Example 1. Portable or portable-mobile amateur station operating in the third amateur call area calls a fixed amateur station: W1ABC W1ABC W1ABC DE W2DEF DN 3 W2DEF DN 3 W2DEF DN 3 AR.

Example 2. Fixed amateur station answers the portable or portable-mobile amateur station: W2DEF W2DEF W2DEF DE W1ABC W1ABC W1ABC K.

Example 3. Portable or portable-mobile amateur station calls a portable or portable-mobile amateur station: W3GHI W3GHI W3GHI DE W4JKL DN 4 W4JKL DN 4 W4JKL DN 4 AR.

If telephony is used, the called sign of the station shall be followed by an announcement of the amateur call area in which the portable or portable-mobile station is operating. (Sec. 4 (i), 48 Stat. 1068; 47 U.S.C. 154 (i))

§ 12.115 *Additional bands for types of emission using amplitude modulation.* The following bands of frequencies are allocated for use by amateur stations using additional types of emission as shown:

1,750	to	2,050	---	---	A-4	---
1,800	to	2,050	---	A-3	---	---
28,100	to	30,000	---	A-3	---	---
56,000	to	60,000	A-2	A-3	A-4	---
112,000	to	116,000	A-2	A-3	A-4	A-5
224,000	to	230,000	A-2	A-3	A-4	A-5
400,000	to	401,000	A-2	A-3	A-4	A-5

(Sec. 4 (1), 48 Stat. 1068; 47 U.S.C. 154 (i)) (Sec. 303 (c), 48 Stat. 1082; 47 U.S.C. 303 (c))

§ 12.117 *Frequency modulation.* The following bands of frequencies are allocated for use by amateur stations for radiotelephone frequency modulation transmissions:[3]

29,250	to	30,000	kilocycles
58,500	to	60,000	kilocycles
112,000	to	116,000	kilocycles
224,000	to	230,000	kilocycles
400,000	to	401,000	kilocycles

(Sec. 4 (i), 48 Stat. 1068; 47 U.S.C. 154 (i)) (Sec. 303 (c), 48 Stat. 1082; 47 U.S.C. 303 (c))

By the Commission.

[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 41-4917; Filed, July 10, 1941; 11:25 a. m.]

TITLE 49—TRANSPORTATION AND RAILROADS

CHAPTER I—INTERSTATE COMMERCE COMMISSION

RULES AND REGULATIONS GOVERNING TRANSFERS OF RIGHTS TO OPERATE AS A MOTOR CARRIER IN INTERSTATE OR FOREIGN COMMERCE

At a session of the Interstate Commerce Commission, Division 5, held at its office in Washington, D. C., on the 23d day of April, A. D. 1941.

The matter of amending Rule 3 of our rules and regulations governing transfers under sections 206, 209 and 212 (b) of Part II of the Interstate Commerce Act of rights to operate as a motor carrier, in interstate or foreign commerce, prescribed by our order entered July 1, 1938, being under consideration; and good cause appearing therefor;

It is ordered, That from and after September 1, 1941, Rule 3 of said rules and

[3] When using frequency modulation no simultaneous amplitude is permitted.

regulations prescribed by said order of July 1, 1938, be, and it is hereby amended to read as follows:

RULE 3—TRANSFERS TO FIDUCIARIES

(a) The temporary continuance of motor carrier operations without prior compliance with the provisions of rule 2 hereof will be recognized as justified by the public interest in cases in which administrators or executors of deceased carriers, guardians of incapacitated carriers, a surviving partner or the surviving partners collectively of dissolved partnerships, or trustees, receivers, conservators, assignees or other such persons who are authorized by law to collect and preserve property of financially disabled or deceased carriers, or any person having proper temporary custody of the business of a deceased, bankrupt or insolvent carrier until the appointment and qualification of such carrier's legal representative, desire to continue the operations of the carriers whom they succeed in interest.

(b) Immediately upon any such succession, and in any event not more than thirty (30) days thereafter, the successor shall give notice of the succession by a letter, properly enclosed in a stamped envelope, addressed to the Secretary of the Interstate Commerce Commission, Washington, D. C., stating the names of the motor carrier and of the successor, the date of succession, the circumstances causing the succession, whether there has been any discontinuance of operations, and, if so, for what period, and, if the representative capacity of the successor involves appointment by a judicial proceeding, a certified copy of such appointment.

(c) Successors under this rule may exercise the operating rights of the motor carrier whom they succeed so long as they act in a temporary and representative capacity or until the Commission shall otherwise order. All transfers by such successors to other persons shall be subject to all of the provisions of rule 2 of these rules and regulations.

(d) Successors as described by this rule shall operate in the name of the prior holder of the certificate, permit, or other operating right, followed also by the name of the successor and a designation of his capacity. The use of such name on all papers filed in accordance with Part II of the Interstate Commerce Act, or the rules and regulations prescribed thereunder, shall be sufficient compliance with any requirement, rule, or regulation that such papers be filed in the name of a holder of a certificate or permit.

By the Commission, division 5.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 41-4896; Filed, July 9, 1941; 3:05 p. m.]

[Ex Parte No. MC 5]

IN THE MATTER OF SECURITY FOR THE PROTECTION OF THE PUBLIC AS PROVIDED IN PART II OF THE INTERSTATE COMMERCE ACT, AND OF RULES AND REGULATIONS GOVERNING THE FILING AND APPROVAL OF SURETY BONDS, POLICIES OF INSURANCE, QUALIFICATIONS AS A SELF-INSURER OR OTHER SECURITIES AND AGREEMENTS BY MOTOR CARRIERS AND BROKERS SUBJECT TO PART II OF THE INTERSTATE COMMERCE ACT

At a session of the Interstate Commerce Commission, Division 5, held at its office in Washington, D. C., on the 23d day of April, A. D. 1941.

Rules and regulations governing the filing and approval of surety bonds, policies of insurance, qualifications as a self-insurer, or other securities and agreements prescribed by our order entered August 3, 1936, as amended, and relating to the matter of security for the protection of the public, being under consideration; and good cause appearing therefor;

It is ordered, That said order of August 3, 1936, be, and it is hereby, further amended by adding the following rule, which rule is hereby, approved and prescribed, and shall be effective on and after September 1, 1941.

RULE X

(a) The terms "insured" and "principal" as used in policies of insurance (or certificates of insurance in lieu thereof), surety bonds, notices of cancellation, rescinders of notices of cancellation, and notices reinstating policies of insurance and surety bonds, issued in connection therewith and filed by or on behalf of motor carriers under these rules, and the endorsements prescribed hereunder attached to any such policy of insurance, shall be construed to include not only the motor carrier named in the policy, certificate, bond, endorsement, rescinder or notice, but also (upon compliance with the conditions as to notice hereinafter stated in sub-section (b) hereof) the fiduciary of such motor carrier as defined in Rule 3 of the Rules and Regulations Governing Transfers of Rights to Operate as a Motor Carrier in Interstate or Foreign Commerce.

(b) The coverage of fiduciaries herein provided for shall attach at the moment of succession if written notice of the succession be given to each insurer or surety of such motor carrier within thirty (30) days from the date upon which such fiduciary shall have succeeded to the operating rights of such motor carrier. It shall be the duty of such fiduciary to give the notice above described but such notice shall be fully effective if it be given by the Interstate Commerce Commission or by any person having an interest in the coverage of such fiduciary.

(c) The coverage furnished under the provisions of this rule on behalf of fiduciaries shall not apply subsequent to the effective date of other insurance, or other security, filed with and approved by the Commission in behalf of such fiduciaries. After the coverage provided in this rule shall have been in effect thirty (30) days, it may be cancelled or withdrawn within the succeeding period of thirty (30) days by the insurer, the insured, the surety, or the principal upon ten (10) days' notice in writing to the Commission at its office in Washington, D. C., which period of ten (10) days shall commence to run from the date such notice is actually received by the Commission. After such coverage has been in effect for a total of sixty (60) days, it may be cancelled or withdrawn only in accordance with Rule VII of these Rules and Regulations.

(d) This rule shall become effective on September 1, 1941, and shall apply to all policies of insurance (or certificates of insurance in lieu thereof), surety bonds, notices of cancellation, rescinders of notices of cancellation, and notices reinstating policies of insurance and surety bonds issued in connection therewith, then on file or which may thereafter be filed with the Commission under these rules and regulations.

By the Commission, division 5.

[SEAL] W. P. BARTEL, *Secretary*

[F. R. Doc. 41-4897; Filed, July 9, 1941; 3:05 p. m.]

Notices

TREASURY DEPARTMENT.

Bureau of the Public Debt.

[1941 Department Circular No. 665]

COMMODITY CREDIT CORPORATION 1⅛ PERCENT NOTES OF SERIES G, DUE FEBRUARY 15, 1945

WASHINGTON, *July 10, 1941.*

I. OFFERING OF NOTES AND INVITATION FOR TENDERS

1. The Secretary of the Treasury, on behalf of the Commodity Credit Corporation, invites subscriptions, at par and accrued interest, from the people of the United States for notes of the Commodity Credit Corporation, designated 1⅛ percent notes of Series G. The amount of the offering is $400,000,000, or thereabouts.

2. The Secretary of the Treasury, on behalf of the Commodity Credit Corporation, offers to purchase on July 21, 1941, at par and accrued interest, the outstanding notes of the Corporation designated Series D, maturing August 1, 1941, to the extent to which the holders thereof subscribe to the issue of Series G notes hereunder. Tenders of Series D notes for that purpose are invited.

II. DESCRIPTION OF NOTES

1. The notes will be dated July 21, 1941, and will bear interest from that date at the rate of 1⅛ percent per annum, payable on a semiannual basis on February 15 and August 15 in each year until the principal amount becomes payable, the first coupon being dated February 15, 1942. They will mature February 15, 1945, and will not be subject to call for redemption prior to maturity.

2. The notes will be issued under authority of the act approved March 8, 1938 (52 Stat. 107), as amended. The income derived from the notes shall be subject to all Federal taxes, now or hereafter imposed. The notes shall be subject to surtaxes, estate, inheritance, gift or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, municipality, or local taxing authority. These notes shall be lawful investments and may be accepted as security for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer or officers thereof.

3. The authorizing act provides that in the event the Commodity Credit Corporation shall be unable to pay upon demand, when due, the principal of, or interest on, notes issued by it, the Secretary of the Treasury shall pay to the holder the amount thereof which is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, and thereupon to the extent of the amount so paid the Secretary of the Treasury shall succeed to all the rights of the holders of such notes.

4. Bearer notes with interest coupons attached will be issued in denominations of $1,000, $5,000, $10,000 and $100,000. The notes will not be issued in registered form.

III. SUBSCRIPTION AND ALLOTMENT

1. Subscriptions will be received at the Federal Reserve Banks and Branches and at the Treasury Department, Washington. Subscribers must agree not to sell or otherwise dispose of their subscriptions, or the securities which may be allotted thereon, prior to the closing of the subscription books. Banking institutions generally may submit subscriptions for account of customers, but only the Federal Reserve Banks and the Treasury Department are authorized to act as official agencies. Others than banking institutions will not be permitted to enter subscriptions except for their own account. Subscriptions from holders of Series D notes tendered for purchase should be accompanied by such notes to a par amount equal to the par amount of notes of Series G subscribed for. Other subscriptions from banks and trust companies for their own account will be received without deposit but will be restricted in each case to an amount not exceeding one-half of the combined capital and surplus of the subscribing bank or trust company. Other subscriptions from all others must be accompanied by payment of 10 percent of the amount of notes applied for.

2. The Secretary of the Treasury reserves the right to reject any subscription, in whole or in part, to allot less than the amount of notes applied for, and to close the books as to any or all subscriptions at any time without notice; and any action he may take in these respects shall be final. Subject to these reservations, subscriptions from holders of Series D notes who tender them for purchase hereunder will be allotted in full. Allotment notices will be sent out promptly upon allotment, and the basis of the allotment will be publicly announced.

IV. PAYMENT

1. Payment at par and accrued interest, if any, for notes allotted hereunder must be made or completed on or before July 21, 1941, or on later allotment. In every case where payment is not so completed, the payment with application up to 10 percent of the amount of notes applied for shall, upon declaration made by the Secretary of the Treasury in his discretion, be forfeited to the United States. Notes of Series D tendered for purchase must have coupons dated August 1, 1941, attached, and payment will be made at par and accrued interest to July 21, 1941. The principal proceeds of the Series D notes will be applied in payment of the Series G notes, and accrued interest from February 1, 1941 to July 21, 1941 on Series D notes ($2.93508 per $1,000) will be paid following acceptance of the notes.

V. GENERAL PROVISIONS

1. As fiscal agents of the United States, Federal Reserve Banks are authorized and requested to receive subscriptions, to make allotments on the basis and up to the amounts indicated by the Secretary of the Treasury to the Federal Reserve Banks of the respective districts, to issue allotment notices, to receive payment for notes allotted, to make delivery of notes on full-paid subscriptions allotted, and they may issue interim receipts pending delivery of the definitive notes.

2. The Secretary of the Treasury may at any time, or from time to time, prescribe supplemental or amendatory rules and regulations governing the offering, which will be communicated promptly to the Federal Reserve Banks.

[SEAL] HENRY MORGENTHAU, Jr.,
Secretary of the Treasury.

[F. R. Doc. 41-4920; Filed, July 10, 1941; 11:34 a. m.]

WAR DEPARTMENT.

[Change Order No. C—Date May 7, 1941]

SUMMARY OF CHANGE ORDER TO COST-PLUS-A-FIXED-FEE CONTRACT NO. W 6942 QM-3,[1] DATED DECEMBER 30, 1940 BETWEEN THE UNITED STATES OF AMERICA AND BENHAM ENGINEERING COMPANY, OKLAHOMA CITY, OKLAHOMA FOR ARCHITECTURAL-ENGINEERING SERVICES IN CONNECTION WITH THE CONSTRUCTION OF A CANTONMENT CAMP AT CAMP POLK, LEESVILLE, LA.[2]

Pursuant to the authority vested in the Contracting Officer under Article XII of the contract above described, you, as architect-engineer, are hereby directed to perform the work and services indicated below.

Provide the necessary architect-engineer services incident to the following changes in the work:

1. Add * * * to the description now set forth in Article I of the principal contract as modified and amended.

The above will result in a net increase in the estimated construction cost and the Architect-Engineer's Fixed-Fee as follows:

Increase the estimated construction cost by	$1,423,693
Total estimated cost including this Change Order	8,416,147
Total fixed-fee including this Change Order	48,470
Increase in architect-engineer's fixed-fee	8,435

Funds are available under Procurement Authority No. QM 8174 P1-3211 A 0540.068-N.

FRANK W. BULLOCK,
Major, Signal Corps,
Assistant to the Director
of Purchases and Contracts.

[F. R. Doc. 41-4907; Filed, July 10, 1941; 10:02 a. m.]

[Change Order No. C—Date May 6, 1941]

SUMMARY OF CHANGE ORDER TO COST-PLUS-A-FIXED-FEE CONTRACT NO. W 6942 QM-4,[3] DATED JANUARY 8, 1941, BETWEEN THE UNITED STATES OF AMERICA AND W. HORACE WILLIAMS COMPANY, NEW ORLEANS, LOUISIANA, FOR THE CONSTRUCTION OF A CANTONMENT CAMP AT CAMP POLK, LEESVILLE, LOUISIANA[4]

Pursuant to the authority vested in the Contracting Officer under Article I of the contract above described, you, as contractor, are hereby directed to perform the work and services indicated below.

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[1] 6 F.R. 840.
[2] Approved by the Under Secretary of War June 25, 1941.
[3] 6 F.R. 841.
[4] Approved by the Under Secretary of War, June 2, 1941.

Add * * * to the description of the work now set forth in Article I of the principal contract as modified and amended.

The above will result in a net increase in the estimated construction cost and contractor's fixed-fee as follows:

Increase the estimated construction cost by	$1,379,269
Total estimated cost including this Change Order	8,163,046
Total fixed-fee including this Change Order	253,101
Increase in construction contractor's fixed-fee	34,481

Funds are available under Procurement Authority No. QM 8175 P1-3211 A 0540.068-N.

FRANK W. BULLOCK,
Major, Signal Corps,
Assistant to the Director
of Purchase and Contracts.

[F. R. Doc. 41-4908; Filed, July 10, 1941; 10:02 a. m.]

DEPARTMENT OF COMMERCE.

Civil Aeronautics Authority.

[Docket No. 383]

IN THE MATTER OF THE APPLICATION OF AEROVIAS NACIONALES PUERTO RICO, INC., FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY UNDER SECTION 401 OF THE CIVIL AERONAUTICS ACT OF 1938, AS AMENDED

NOTICE OF CHANGE OF DATE FOR HEARING [1]

The above-entitled proceeding, being the application of Aerovias Nacionales Puerto Rico, Inc., for a certificate of public convenience and necessity authorizing air transportation between San Juan and Ponce, P. R., San Juan and Mayaguez, P. R., and San Juan, P. R., to Vieques Island, St. Thomas, St. Croix, and return, now assigned for public hearing on July 14, 1941, at 10 o'clock a. m. (Eastern Standard Time) is hereby changed to July 11, 1941, 10 o'clock a. m. (Eastern Standard Time) at the Mayflower Hotel, Connecticut Avenue and DeSales Street NW., Washington, D. C.

Dated Washington, D. C., July 9, 1941.

[SEAL] BERDON M. BELL,
Examiner.

[F. R. Doc. 41-4902; Filed, July 10, 1941; 9:43 a. m.]

DEPARTMENT OF LABOR.

Wage and Hour Division.

[Administrative Order No. 116]

APPOINTMENT OF INDUSTRY COMMITTEE NO. 31 FOR THE MISCELLANEOUS APPAREL INDUSTRY (MEN'S NECKWEAR, ROBES, GARTERS, SUSPENDERS, ARM BANDS, COVERED BUTTONS AND BUCKLES, ARTIFICIAL FLOWERS AND FEATHERS)

1. By virtue of and pursuant to the authority vested in me by the Fair Labor Standards Act of 1938, I, Philip B. Fleming, Administrator of the Wage and Hour Division, U. S. Department of Labor, do hereby appoint and convene for the miscellaneous apparel industry (as such industry is defined in paragraph 2) an industry committee composed of the following representatives:

For the public. Max Meyer, Chairman, New York, New York; Teresa M. Crowley, New York, New York; G. Allan Dash, Jr., Philadelphia, Pennsylvania; Mary Barnett Gilson, Chicago, Illinois; Marian D. Irish, Tallahassee, Florida; David A. McCabe, Princeton, New Jersey.

For the employees. Dorothy J. Bellanca, New York, New York; Alex Cohen, New York, New York; Louis Fuchs, New York, New York; Harry Greenberg, New York, New York; Joseph Tuvim, New York, New York; Frederick F. Umhey, New York, New York.

For the employers. Tillman Cahn, Philadelphia, Pennsylvania; Herman Cohen, Rochester, New York; Norman Gerstenzang, New York, New York; Jack Roth, New York, New York; Leo C. Safir, New York, New York; Jacob M. Wise, New York, New York.

Such representatives having been appointed with due regard to the geographical regions in which such industry is carried on.

2. For the purpose of this order the term "miscellaneous apparel industry" means:

The manufacture of men's and boys' neckties, scarfs and mufflers from any woven materials or from purchased knitted materials; the manufacture of robes from any woven materials or from purchased knitted materials, including without limitation men's, women's and children's bath, lounging and beach robes and dressing gowns; the manufacture of garters, suspenders, arm bands, other elastic woven products, and similar products (except orthopedic and athletic products) from webbing, leather, or other material; the manufacturing process of covering buttons and buckles with cloth, leather or similar materials; the manufacture and processing, for use on apparel, of artificial flowers, buds, foliage, fruits, plants, and feathers, or parts thereof from any material; and the preservation and processing, for use on apparel, of natural flowers and feathers.

3. The definition of the miscellaneous apparel industry covers all occupations in the industry which are necessary to the production of the articles specified in the definition including clerical, maintenance, shipping, and selling occupations: *Provided, however,* That such clerical, maintenance, shipping, and selling occupations when carried on in a wholesaling or selling department physically segregated from other departments of a manufacturing establishment, the greater part of the sales of which wholesaling or selling department are sales of articles which have been purchased for resale, shall not be deemed to be covered by this definition: *And provided further,* That where an employee covered by this definition is employed during the same workweek at two or more different minimum rates of pay, he shall be paid the highest of such rates for such workweek unless records concerning his employment are kept by his employer in accordance with applicable regulations of the Wage and Hour Division.

4. The industry committee herein created shall meet on August 28, 1941, at 10 a. m., in Conference Room 3229, U. S. Department of Labor Building, Washington, D. C., and, in accordance with the provisions of the Fair Labor Standards Act of 1938 and rules and regulations promulgated thereunder, shall proceed to investigate conditions in the industry and recommend to the Administrator minimum wage rates for all employees thereof who within the meaning of said Act are "engaged in commerce or in the production of goods for commerce," excepting employees exempted by virtue of the provisions of section 13 (a) and employees coming under the provisions of section 14.

Signed at Washington, D. C., this 8th day of July 1941.

PHILIP B. FLEMING,
Administrator.

[F. R. Doc. 41-4921; Filed, July 10, 1941; 11:52 a. m.]

SECURITIES AND EXCHANGE COMMISSION.

[File No. 54-24]

IN THE MATTER OF STANDARD GAS AND ELECTRIC COMPANY, AND SAN DIEGO GAS & ELECTRIC COMPANY

FINDINGS AND ORDER OF THE COMMISSION

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 8th day of July, A. D. 1941.

The Commission having made findings and entered an order herein on June 20, 1941 approving a plan filed by Standard Gas and Electric Company for disposition of the 590,527 shares of common stock of San Diego Gas & Electric Company owned by it, except that no findings were made in regard to the sale price of said shares or the spread and distribution thereof, and the Commission having reserved jurisdiction in said order in regard thereto;

An amendment to the application for approval of said plan having been filed as provided in Rule U-50 (c), specifying the proposals which had been received for purchase of said shares of stock, pursuant to the invitation of competitive bids therefor, and stating that Standard Gas and Electric Company had accepted a bid from a group of 28 underwriters including Blyth & Co., Inc., of $7,929,006.03 for said shares of stock, or $13.427 per share, said shares to be resold to the public at $14.375 per share;

[1] Issued by the Civil Aeronautics Board.

The Commission having examined the record and finding that the plan for the sale of said shares at such prices and with such spread is necessary to effectuate the provisions of section 11 (b) of the Public Utility Holding Company Act of 1935 and is fair and equitable to the persons affected thereby, and making no adverse findings under said Act;

It is ordered, That the said plan, as amended, be and it is hereby approved, subject, however, to the terms and conditions prescribed in Rule U-24 and to the second numbered condition set forth in said order of June 20, 1941.

By the Commission. (Chairman Eicher and Commissioners Henderson, Pike and Purcell), Commissioner Healy being absent and not participating.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 41-4918; Filed, July 10, 1941; 11:28 a. m.]