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<i>The President</i>	<i>Rules, Regulations, Orders</i>	CONTENTS
EXECUTIVE ORDER	TITLE 24—HOUSING CREDIT	THE PRESIDENT
<p>TERMINATING THE POWERS, RIGHTS, AND DUTIES OF THE SPECIAL MEXICAN CLAIMS COMMISSION</p> <p>WHEREAS section 6 of the act approved April 10, 1935, 49 Stat. 149, as amended by section 5 of the public resolution approved August 25, 1937, 50 Stat. 783, provides that the Special Mexican Claims Commission, created in pursuance of that act, shall complete its work within three years from the date on which it undertakes the performance of its duties; and</p> <p>WHEREAS the three-year period so fixed for the completion of the work of the said Commission will expire on August 31, 1938; and</p> <p>WHEREAS section 6 of the said act, as amended, also provides that if the President shall find that the Commission has completed its work prior to the expiration of the period so fixed, he may by Executive order terminate all powers, rights, and duties of the Commission; and</p> <p>WHEREAS the Special Mexican Claims Commission has reported to the Secretary of State the completion of its work, and I find that the Commission has completed its work prior to the expiration of the period so fixed:</p> <p>NOW, THEREFORE, by virtue of the power vested in me by section 6 of the said act of April 10, 1935, as amended, I hereby terminate as of this date all powers, rights, and duties conferred upon the said Special Mexican Claims Commission by the said act of April 10, 1935, as amended by the said resolution of August 25, 1937.</p> <p style="text-align: right;">FRANKLIN D ROOSEVELT</p> <p style="text-align: right;">THE WHITE HOUSE, June 15, 1938. [No. 7909]</p> <p style="text-align: right;">[F. R. Doc. 38-1698; Filed, June 15, 1938; 12:12 p. m.]</p>	<p>HOME OWNERS' LOAN CORPORATION</p> <p>AUTHORIZING PURCHASE OF SUPPLIES, EQUIPMENT AND SERVICES AND THE MAKING AND EXECUTION OF RECURRING CONTRACTS</p> <p>AMENDMENT TO PURCHASE AND SUPPLY CHAPTER OF THE MANUAL</p> <p><i>Be it resolved</i>, That pursuant to the authority vested in the Board by Home Owners' Loan Act of 1933 (48 Stat. 128, 129), as amended by Sections 1 and 13 of the Act of April 27, 1934 (48 Stat. 643-647) and particularly by sub-sections a and k of Section 4 of said Act as amended, Section 1007 of Chapter X of the Manual is hereby amended to read as follows:</p> <p>Sec. 1007. (a) Purchases of supplies, equipment, and services not otherwise provided for, and the making and execution of contracts for recurring services, for the use of the Corporation in the Home Office and in the Field, shall be as follows: (1) law books, law periodicals, law publications and like material for law libraries shall be purchased and paid for as provided in Section 617 of Chapter VI; (2) the Director of the Purchase and Supply Section is authorized to purchase supplies, equipment, and services not otherwise provided for and to make and execute contracts for recurring services up to and including \$500.00; (3) purchases of supplies, equipment, services not otherwise provided for, and contracts for recurring services, exceeding \$500.00 for the use of the Auditing Department and the Comptroller's and Treasurer's Divisions in the Home Office, shall be approved by the Budget Director and a Member of the Board of Directors; and (4) purchases of all other supplies, equipment, services not otherwise provided for, and contracts for recurring services, ex-</p>	<p>Executive Order: _____ Page</p> <p>Special Mexican Claims Commission, terminating powers, rights, and duties of..... 1423</p> <p>RULES, REGULATIONS, ORDERS</p> <p>TITLE 24—HOUSING CREDIT:</p> <p>Home Owners' Loan Corporation:</p> <p>Purchase of supplies, equipment and services; recurring contracts..... 1423</p> <p>TITLE 26—INTERNAL REVENUE:</p> <p>Bureau of Internal Revenue:</p> <p>Income tax, liquidation of foreign personal holding companies..... 1424</p> <p>TITLE 38—PENSIONS, BONUSES, AND VETERANS' RELIEF:</p> <p>Veterans' Administration:</p> <p>Disallowances and awards..... 1424</p> <p style="text-align: center;">NOTICES</p> <p>Federal Trade Commission:</p> <p>Tomato Paste Manufacturing Industry, proposed trade practice rules..... 1425</p> <p>Interstate Commerce Commission:</p> <p>Common and contract carriers by motor vehicle, qualifications of employees, safety of operation and equipment... 1425</p> <p>Eastern passenger fares in coaches..... 1425</p> <p>Rural Electrification Administration:</p> <p>Allocation of funds for loans... 1425</p> <p>Securities and Exchange Commission:</p> <p>Equity Corp., unlisted trading privileges, extension..... 1426</p> <p>Mountain States Power Co., hearing..... 1426</p> <p>Oklahoma Electric and Water Co., withdrawal of declaration..... 1426</p> <p>Staten Island Edison Corp., hearing..... 1425</p>



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ceeding \$500.00, for the use of the Corporation in the Home Office and in the Field, shall be approved by the General Manager and a Member of the Board of Directors.

(b) The Director of the Purchase and Supply Section is authorized to certify as to the receipt of and administratively approve vouchers for supplies, equipment, services not otherwise provided for, and services performed under contracts for recurring services; provided, that such purchases and services have been previously authorized as provided in sub-section (a) above.

The authority herein conferred upon the Director of the Purchase and Supply Section to certify as to receipt of and administratively approve vouchers for purchases and services, may be exercised also by the Regional and State Managers, under procedure and limitations prescribed by the General Manager and the General Counsel.

In the exercise of the authority conferred herein or by procedure issued pursuant hereto, to certify as to the receipt of and administratively approve vouchers for purchases and services, the usual and customary variation in quantity due to processes of manufacture may be allowed on vouchers covering supplies and forms.

Be it further resolved, That all regulations in conflict herewith are hereby repealed.

Adopted by the Federal Home Loan Bank Board on June 14, 1938.

[SEAL] R. L. NAGLE,
Secretary.

[F. R. Doc. 38-1695; Filed, June 15, 1938;
11:01 a. m.]

TITLE 26—INTERNAL REVENUE
BUREAU OF INTERNAL REVENUE
[T. D. 4810]
INCOME TAX

REGULATIONS UNDER REVENUE ACT OF 1938
RELATING TO LIQUIDATION OF FOREIGN
PERSONAL HOLDING COMPANIES

To Collectors of Internal Revenue and
Others Concerned:

PARAGRAPH A. Section 115 (c) of Title I (Income Tax) of the Revenue Act of 1938, enacted May 28, 1938 (Public, No. 554, Seventy-fifth Congress, third session), provides in part:

SEC. 115. DISTRIBUTIONS BY CORPORATIONS.

(c) *Distributions in liquidation.*— * * * If any distribution in complete liquidation (including any one of a series of distributions made by the corporation in complete cancellation or redemption of all its stock) is made by a foreign corporation which with respect to any taxable year beginning on or before, and ending after, August 26, 1937, was a foreign personal holding company, and with respect to which a United States group (as defined in section 331 (a) (2)) existed after August 26, 1937, and before January 1, 1938, then, despite the foregoing provisions of this subsection, the gain recognized resulting from such distribution shall be considered as a short-term capital gain—

(1) Unless such liquidation is completed before July 1, 1938; or

(2) Unless (if it is established to the satisfaction of the Commissioner by evidence submitted before July 1, 1938, that due to the laws of the foreign country in which such corporation is incorporated, or for other reason, it is or will be impossible to complete the liquidation of such company before such date) the liquidation is completed on or before such date as the Commissioner may find reasonable, but not later than December 31, 1938.

PAR. B. Section 331 (a) (2) of Title I of the Revenue Act of 1938 provides:

SEC. 331. DEFINITION OF FOREIGN PERSONAL HOLDING COMPANY.

(a) *General rule.*—For the purposes of this title the term "foreign personal holding company" means any foreign corporation if—

(2) *Stock ownership requirement.*—At any time during the taxable year more than 50 per centum in value of its outstanding stock is owned, directly or indirectly, by or for not more than five individuals who are citizens or residents of the United States, hereinafter called "United States group."

PAR. C. Section 62 of the Revenue Act of 1938 provides:

SEC. 62. RULES AND REGULATIONS.

The Commissioner, with the approval of the Secretary, shall prescribe and publish all needful rules and regulations for the enforcement of this title.

Pursuant to the above-quoted provisions and other provisions of the internal revenue laws, the following regulations are hereby prescribed with respect to the liquidation of foreign personal holding companies:

ARTICLE 1. *Distributions in liquidation of foreign personal holding companies.*—In any case coming within the purview of the last sentence of section 115 (c) of the Revenue Act of 1938 in which it is or

will be impossible to complete the liquidation of the corporation before July 1, 1938, and in which it is desired that the shareholders obtain the benefit of section 117 with respect to the amount of gain from the distribution in liquidation to be taken into account in computing net income and particularly the long-term capital gain provisions thereof, the corporation shall submit to the Commissioner before July 1, 1938, a complete statement of the facts, circumstances, and reasons why it is or will be impossible to complete the liquidation before July 1, 1938, and the earliest reasonable date after July 1, 1938, on which such liquidation will be completed.

For the purposes of the last sentence of section 115 (c), a liquidation may be completed prior to the actual dissolution of the liquidating corporation but no liquidation is completed until the liquidating corporation and the receiver or trustees in liquidation are finally divested of all the property (both tangible and intangible).

ART. 2. *Application of prior acts.*—For the purpose of these regulations the determination of whether a foreign corporation was a foreign personal holding company with respect to a taxable year beginning on or before, and ending after, August 26, 1937, shall be made under section 331 of the Revenue Act of 1936, added to such Act by section 201 of the Revenue Act of 1937 and articles 331-1, 331-2 and 331-3 Chapter XXXIV added to Regulations 94 by Treasury Decision 4782, approved December 7, 1937¹ (I. R. B. XVI-50, 3 (1937)).

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

Approved, June 13, 1938.

WAYNE C. TAYLOR,
Acting Secretary of the
Treasury.

[F. R. Doc. 38-1700; Filed, June 15, 1938;
12:33 p. m.]

TITLE 38—PENSIONS, BONUSES, AND
VETERANS' RELIEF

VETERANS' ADMINISTRATION

DISALLOWANCES AND AWARDS

Sec. 2.1256. *Adjustment of award of veteran in an institution.*—(A) Where a veteran without dependents is admitted to a hospital, facility, or any other institution maintained by the United States Government, or any political subdivision thereof, any running award of pension, compensation, or emergency officers retirement pay will be adjusted in accordance with the rates provided in Section 8.06, paragraph VI, effective as of the date of the veteran's admission to the institution.

¹ 2 F. R. 3213 (DI).

(B) Upon termination of the period of hospitalization, institutional or domiciliary care, the award to or in behalf of the veteran will be adjusted, in accordance with the last valid rating, if otherwise in order, effective the day the veteran leaves the facility or institution. While a veteran is on trial visit or other temporary absence from a facility or institution, no adjustment of his award by reason thereof will be made for any period of less than thirty days, inclusive of the day on which he left the institution. If the veteran is discharged without returning to the institution, the award will be adjusted in accordance with the last valid rating, if otherwise in order, effective as of the day the veteran left the facility or institution. The report of such absence will be made to the office having custody of the case file in accordance with effective procedure. (June 15, 1938.) Sec. 6, 48 Stat. 9; 38 U. S. C. 706.

[SEAL] FRANK T. HINES,
Administrator.
[F. R. Doc. 38-1696; Filed, June 15, 1938;
11:41 a. m.]

Notices

FEDERAL TRADE COMMISSION.

*United States of America—Before
Federal Trade Commission*

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 14th day of June, A. D. 1938.

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

[File No. 21-334]

IN THE MATTER OF PROPOSED TRADE PRACTICE RULES FOR THE TOMATO PASTE MANUFACTURING INDUSTRY

NOTICE OF OPPORTUNITY TO PRESENT VIEWS, SUGGESTIONS OR OBJECTIONS

This matter now being before the Federal Trade Commission under its Trade Practice Conference procedure, in pursuance of the Act of Congress approved September 26, 1914 (38 Stat. 717);

Opportunity is hereby extended by the Federal Trade Commission to any and all persons affected by or having an interest in the proposed trade practice rules for the Tomato Paste Manufacturing Industry to present to the Commission their views upon the same, including suggestions or objections, if any. For this purpose they may, upon application to the Commission, obtain copies of the proposed rules. Written communications of any such views should be filed with the Commission not later than June 29, 1938. Opportunity for oral hearing will also be afforded at 10 a. m., June 29, 1938, in Room 388 Federal Trade Commission Building, Constitution Avenue at 6th

Street, Washington, D. C., to any such persons as may desire to appear. After giving due consideration to such views, suggestions or objections as may be received concerning the proposed rules, the Commission will proceed to their final consideration.

By the Commission,
[SEAL] OTIS B. JOHNSON,
Secretary.

[F. R. Doc. 38-1697; Filed, June 15, 1938;
11:56 a. m.]

INTERSTATE COMMERCE COMMISSION.

[Ex Parte No. MC-4]

ORDER IN THE MATTER OF QUALIFICATIONS OF EMPLOYEES AND SAFETY OF OPERATION AND EQUIPMENT OF COMMON CARRIERS AND CONTRACT CARRIERS BY MOTOR VEHICLE

At a session of the Interstate Commerce Commission, Division 5, held at its office in Washington, D. C., on the 7th day of June, A. D. 1938.

Upon further consideration of the record in the above entitled case, and of the petition dated May 5, 1938, of M. & G. Convoy, Inc., Maurer & Myers Auto Convoy, John G. Reeser, et al., and good cause therefor appearing;

It is ordered, That this proceeding be, and it is hereby, reopened¹ solely for the purpose of investigating the safety of operation of motor vehicles used in the transportation of automobiles, which motor vehicles are so constructed that all or part of one of the automobiles being transported protrudes over the cab, and of prescribing reasonable rules and regulations governing the operation of such motor vehicles.

And it is further ordered, That this proceeding be, and it is hereby, assigned for hearing before Examiner R. W. Snow, at the offices of the Interstate Commerce Commission at Washington, D. C., on the sixth day of July, A. D., 1938, at ten o'clock A. M., Standard Time.

By the Commission, division 5.
[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 38-1699; Filed, June 15, 1938;
12:13 p. m.]

[Ex Parte No. 123]

**EASTERN PASSENGER FARES IN COACHES
ORDER IN THE MATTER OF INCREASES IN RATES, FARES, AND CHARGES**

At a general session of the Interstate Commerce Commission, held at its office in Washington, D. C., on the 13th day of June, A. D. 1938.

Upon consideration of the petition of the eastern carriers for reargument and reconsideration, and of the replies thereto:

¹ 2 F. R. 2793 (DI).

It is ordered, That this proceeding be, and it is hereby, reopened¹ for further hearing before Division 7 of the Commission, at the office of the Commission in Washington, D. C., on June 27, 1938, 10 o'clock a. m., Standard Time, when the applicants and any others who may wish to testify in this proceeding will be heard.

By the Commission,
[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 38-1701; Filed, June 15, 1938;
12:49 p. m.]

RURAL ELECTRIFICATION ADMINISTRATION.

[Administrative Order No. 284]

ALLOCATION OF FUNDS FOR LOANS

JUNE 13, 1938.

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

Project designation	Amount
Indiana 8092A2 Jackson.....	\$200,256.10
Mississippi 8024A3 Lafayette.....	8,000.00
Ohio 8065A3 Fairfield.....	233,000.00

JOHN M. CARMODY,
Administrator.

[F. R. Doc. 38-1694; Filed, June 15, 1938;
10:07 a. m.]

SECURITIES AND EXCHANGE COMMISSION.

*United States of America—Before the
Securities and Exchange Commission*

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 15th day of June, A. D. 1938.

[File No. 43-126]

IN THE MATTER OF STATEN ISLAND EDISON CORPORATION

NOTICE OF AND ORDER FOR HEARING

A Declaration pursuant to section 7 of the Public Utility Holding Company Act of 1935, having been duly filed with this Commission by the above-named party;

It is ordered, That a hearing on such matter be held on July 6, 1938, at 10 o'clock in the forenoon of that day, at the Securities and Exchange Building, 1778 Pennsylvania Avenue NW., Washington, D. C. On such day the hearing-room clerk in Room 1102 will advise as to the room where such hearing will be held. At such hearing, if in respect of any declaration, cause shall be shown why such declaration shall become effective.

¹ 2 F. R. 3242 (DI); 3 F. R. 141 (DI).

It is further ordered, That Edward C. Johnson or any other officer or officers of the Commission designated by it for that purpose shall preside at the hearings in such matter. The officer so designated to preside at any such hearing is hereby authorized to exercise all powers granted to the Commission under section 18 (c) of said Act and to continue or postpone said hearing from time to time or to a date thereafter to be fixed by such presiding officer.

Notice of such hearing is hereby given to such declarant or applicant and to any other person whose participation in such proceeding may be in the public interest or for the protection of investors or consumers. It is requested that any person desiring to be heard or to be admitted as a party to such proceeding shall file a notice to that effect with the Commission on or before July 1, 1938.

The matter concerned herewith is in regard to a Declaration filed by the above-named party, a subsidiary of New York State Electric and Gas Corporation, in turn a subsidiary of NY PA NJ Utilities Company, a registered holding company, concerning the issue and/or sale of Refunding and Improvement Mortgage 4% Bonds, due July 1, 1939, in the principal amount of \$2,000,000; such issue and/or sale to be under and by virtue of an extension agreement to be dated as of July 15, 1938, made by and between the declarant to Irving Trust Company as Trustee and The Chase National Bank of the City of New York and the President and Directors of The Manhattan Company, which provides for the extension of the maturity date of the declarant's outstanding \$2,000,000 principal amount of Refunding and Improvement Mortgage 4% Bonds, originally due August 15, 1937, and extended to July 15, 1938.

By the Commission.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 38-1702; Filed, June 15, 1938;
12:54 p. m.]

United States of America—Before the Securities and Exchange Commission

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 13th day of June, A. D. 1938.

[File No. 52-7]

IN THE MATTER OF MOUNTAIN STATES POWER COMPANY

NOTICE OF AND ORDER FOR HEARING

An application pursuant to section 11 (f) of the Public Utility Holding Company Act of 1935, having been duly filed with this Commission by H. S. Payson Rowe, Julian D. Anthony, W. H. Duff, T. A. Phillips, F. T. Pratt and E. B. Sherwin as a protective committee representing holders of First Mortgage Gold Bonds

(Series A, 5%, due January 1, 1938; Series B, 6%, due January 1, 1938) of Mountain States Power Company;

It is ordered, That a hearing on such matter be held on July 6, 1938, at 10:00 o'clock in the forenoon of that day, at the Securities and Exchange Building, 1778 Pennsylvania Avenue, NW., Washington, D. C. On such day the hearing-room clerk in Room 1102 will advise as to the room where such hearing will be held. At such hearing, if in respect of any declaration, cause shall be shown why such declaration shall become effective.

It is further ordered, That Richard Townsend or any other officer or officers of the Commission designated by it for that purpose shall preside at the hearings in such matter. The officer so designated to preside at any such hearing is hereby authorized to exercise all powers granted to the Commission under section 18 (c) of said Act and to continue or postpone said hearing from time to time or to a date thereafter to be fixed by such presiding officer.

Notice of such hearing is hereby given to such declarant or applicant and to any other person whose participation in such proceeding may be in the public interest or for the protection of investors or consumers. It is requested that any person desiring to be heard or to be admitted as a party to such proceeding shall file a notice to that effect with the Commission on or before July 1, 1938.

The matter concerned herewith is in regard to a plan of reorganization of said Mountain States Power Company which this application asks this Commission to approve prior to submission of such plan to the District Court of the United States for the District of Delaware in proceedings therein pending for the reorganization of said company under Section 77B of the Bankruptcy Act.

By the Commission.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 38-1703; Filed, June 15, 1938;
12:54 p. m.]

United States of America—Before the Securities and Exchange Commission

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 13th day of June 1938.

[File No. 7-237]

IN THE MATTER OF THE EQUITY CORPORATION \$3 CONVERTIBLE PREFERRED STOCK, FIRST SERIES, PAR VALUE \$1.00

ORDER SETTING HEARING ON APPLICATION TO EXTEND UNLISTED TRADING PRIVILEGES

The New York Curb Exchange, pursuant to Section 12 (f) (3) of the Securities Exchange Act of 1934, as amended, and Rule JF1 promulgated thereunder, having made application to the Commission to extend unlisted trading privileges to the \$3 Convertible Preferred Stock,

First Series, Par Value \$1.00, of The Equity Corporation; and

The Commission deeming it necessary for the protection of investors that a hearing be held in this matter at which all interested persons be given an opportunity to be heard;

It is ordered, That the matter be set down for hearing at 10 A. M. on Thursday, June 30, 1938, in Room 1102, Securities and Exchange Commission Building, 1778 Pennsylvania Avenue NW., Washington, D. C., and continue thereafter at such times and places as the Commission or its officer herein designated shall determine, and that general notice thereof be given; and

It is further ordered, That Charles S. Moore, an officer of the Commission, be and he hereby is designated to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda or other records deemed relevant or material to the inquiry, and to perform all other duties in connection therewith authorized by law.

By the Commission.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 38-1704; Filed, June 15, 1938;
12:54 p. m.]

United States of America—Before the Securities and Exchange Commission

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 14th day of June, A. D. 1938.

[File No. 43-117]

IN THE MATTER OF OKLAHOMA ELECTRIC AND WATER COMPANY

ORDER CONSENTING TO WITHDRAWAL OF DECLARATION

Oklahoma Electric and Water Company, a subsidiary of Walnut Electric & Gas Corporation, a registered holding company, having heretofore filed with this Commission a declaration pursuant to Section 7 of the Public Utility Holding Company Act of 1935 regarding the issue and sale of a promissory note bearing 6% interest in the amount of \$521,000, maturing May 1, 1942; and said Oklahoma Electric and Water Company having requested the withdrawal of said declaration:

The Commission, having due regard to the public interest and the interest of investors and consumers, upon request of the declarant, consents to the withdrawal of the above declaration and to that effect

It is so ordered.

By the Commission.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 38-1705; Filed, June 15, 1938;
12:54 p. m.]