FEDERAL REGISTER

VOLUME 5 NUMBER 153

Washington, Wednesday, August 7, 1940

The President

EXECUTIVE ORDER

REGULATIONS GOVERNING THE GRADES AND RATINGS OF ENLISTED MEN OF THE REGULAR ARMY FOR THE FISCAL YEAR 1941

By virtue of and pursuant to the authority vested in me by the act of June 20, 1936, 49 Stat. 1554, it is ordered that during the fiscal year 1941 the grades and ratings of the enlisted men of the Regular Army shall be as set forth herein, and that the number of enlisted men in the several grades and ratings shall not exceed the number specified herein.

1. The several grades and the maximum number of enlisted men therein shall be as follows:

	Number
1st Grade—Master Sergeants	3,336
2nd Grade—1st Sergeants and Technical Sergeants	8,373
3rd Grade—Staff Sergeants	17,334
4th Grade—Sergeants	32,861
5th Grade—Corporals	35,410
6th Grade—Privates, 1st Class	114,590
7th Grade—Privates, the number of whom will be such that when added to the number of enlisted men above Grade Seven and to the authorized number of flying cadets the total will not exceed the enlisted pay strength of the Army appropriated for by the "Military Appropriation Act, 1941", approved June 13, 1940, and the "First Supplemental National Defense Appropriation Act", approved June 26, 1940.	

2. Specialists ratings and the maximum number of enlisted men therein shall be as follows:

	Number
1st Class	2,663
2nd Class	5,323
3rd Class	15,092
4th Class	29,264
5th Class	24,270
6th Class	50,069

FRANKLIN D ROOSEVELT

THE WHITE HOUSE,
August 3, 1940.

[No. 8502]

[F. R. Doc. 40-3238; Filed, August 5, 1940; 12:21 p. m.]

Rules, Regulations, Orders

TITLE 9—ANIMALS AND ANIMAL PRODUCTS

CHAPTER I—BUREAU OF ANIMAL INDUSTRY

Amendment 45 to Declaration No. 12[1]

COUNTIES PLACED IN MODIFIED TUBERCULOSIS-FREE ACCREDITED AREAS

1. In accordance with the provisions of § 77.3, Chapter I, Title 9, Code of Federal Regulations, (section 2, Regulation 7, B.A.I. Order 309, as amended), the following counties, having completed the necessary retests for reaccreditation, are hereby continued in the status of modified accredited areas until the date given in each paragraph:

Alabama. Chilton, St. Clair, Shelby, and Talladega, July 1, 1943.

Arizona. Greenlee, and Maricopa, July 1, 1943.

Arkansas. Mississippi, and Pike, July 1, 1943.

California. Inyo, Mono, and Tohama, July 1, 1943.

Colorado. Garfield, Hinsdale, Mesa, Moffat, and Rio Blanco, July 1, 1943.

Connecticut. Tolland, July 1, 1943.

District of Columbia, July 1, 1943.

Florida. Alachua, and Franklin, July 1, 1943.

Georgia. Bleckley, Catoosa, Crawford, Peach, Taylor, Walker, and Wilcox, July 1, 1943.

Idaho. Adams, and Cassia, July 1, 1943.

Illinois. Knox, July 1, 1946.

Indiana. Clay, Floyd, Fulton, and Hamilton, July 1, 1943.

Iowa. Howard and Monona, July 1, 1943.

Kansas. Bourbon, Chase, Elk, Johnson, and Woodson, July 1, 1943.

Kentucky. Calloway, Johnson, Knott, and Ohio, July 1, 1943.

Maryland. Carroll, Dorchester, Frederick, and Montgomery, July 1, 1943.

Minnesota. Mille Lacs, July 1, 1946.

Mississippi. Calhoun, Grenada, Monroe, and Montgomery, July 1, 1943.

[1] Amendment 44 appears at 5 F.R. 2316.

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THE PRESIDENT

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FEDERAL REGISTER

Published daily, except Sundays, Mondays, and days following legal holidays by the Division of the Federal Register, The National Archives, pursuant to the authority contained in the Federal Register Act, approved July 26, 1935 (49 Stat. 500), under regulations prescribed by the Administrative Committee, approved by the President.

The Administrative Committee consists of the Archivist or Acting Archivist, an officer of the Department of Justice designated by the Attorney General, and the Public Printer or Acting Public Printer.

The daily issue of the FEDERAL REGISTER will be furnished by mail to subscribers, free of postage, for $1.25 per month or $12.50 per year; single copies 10 cents each; payable in advance. Remit money order payable to the Superintendent of Documents directly to the Government Printing Office, Washington, D. C.

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New Jersey. Passaic, July 1, 1942.

New York. Chenango, Delaware, Lewis, and Otsege, July 1, 1943.

North Carolina. Person, Warren, Watauga, and Wilkes, July 1, 1943.

North Dakota. Dickey, Foster, Ramsey, and Sioux, July 1, 1946.

Ohio. Fayette, Lawrence, Marion, Morgan, Muskingum, and Seneca, July 1, 1943.

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Pennsylvania. Bradford, Montour, Northumberland, Philadelphia, Schuylkill, Tioga, and Warren, July 1, 1943.

South Carolina. Kershaw, and Union, July 1, 1943.

South Dakota. Brookings, Brule, Deuel, and Jerauld, July 1, 1943.

Tennessee. Davidson, Hamilton, Jefferson, Monroe, and Moore, July 1, 1943.

Texas. Andrews, Austin, Brewster, Crane, Culberson, Ector, Hamilton, Jeff Davis, Lampasas, Midland, Mills, Pecos, Reeves, Schleicher, Swisher, Terry, and Yoakum, July 1, 1943.

Vermont. Bennington, Chittenden, Franklin, and Orleans, July 1, 1943.

Virginia. Henrico, and New Kent, July 1, 1943.

Washington. Adams, Columbia, Grant, Mason, Okanogan, Walla Walla, and Whatcom, July 1, 1943.

West Virginia. Greenbrier, and Tyler, July 1, 1943.

Puerto Rico. Arroyo, Carolina, Maunabo, Trujillo Alto, and Yabucoa, July 1, 1943.

2. This order supplements and is in addition to previous designations of modified accredited areas.

Done at Washington, D. C., this 1st day of July 1940.

[SEAL] J. R. MOHLER,
Chief of Bureau.

[F. R. Doc. 40-3246; Filed, August 5, 1940; 12:47 p. m.]

CHAPTER II—AGRICULTURAL MARKETING SERVICE

NOTICE UNDER PACKERS AND STOCKYARDS ACT [1]

AUGUST 5, 1940.

To H. L. BOWMAN, *doing business as H. L. Bowman Cattle Company, Stockyard Owner,* Maquoketa, Iowa:

Notice is hereby given that after inquiry, as provided by section 302 (b) of the Packers and Stockyards Act, 1921 (7 U.S.C. Sec. 202 (b)), it has been ascertained by me that the stockyard known as the H. L. Bowman Cattle Company, at Maquoketa, State of Iowa, is subject to the provisions of said Act.

The attention of stockyard owners, market agencies, dealers, and other persons concerned is directed to sections 303 and 306 (7 U.S.C. Secs. 203 and 207) and other pertinent provisions of said Act and the rules and regulations issued thereunder by the Secretary of Agriculture.

[SEAL] GROVER B. HILL,
Assistant Secretary of Agriculture.

[F. R. Doc. 40-3244; Filed, August 5, 1940; 12:47 p. m.]

NOTICE UNDER PACKERS AND STOCKYARDS ACT [1]

AUGUST 5, 1940.

To T. R. MCKINLEY AND K. M. WINTER, *doing business as McKinley-Winter Livestock Commission Company, Stockyard owner, LaJunta, Colo.:*

Notice is hereby given that after inquiry, as provided by section 302 (b) of the Packers and Stockyards Act, 1921 (7 U.S.C. Sec. 202 (b)) it has been ascertained by me that the stockyard known as the McKinley-Winter Livestock Commission Company, at LaJunta, State of Colorado, is subject to the provisions of said Act.

The attention of stockyard owners, market agencies, dealers, and other persons concerned is directed to sections 303 and 306 (7 U.S.C. Secs. 203 and 207) and other pertinent provisions of said Act and the rules and regulations issued thereunder by the Secretary of Agriculture.

[SEAL] GROVER B. HILL,
Assistant Secretary of Agriculture.

[F. R. Doc. 40-3245; Filed, August 5, 1940; 12:47 p. m.]

[1] Modifies list posted stockyards 9 CFR 204.1.

[1] Modifies list posted stockyards 9 CFR 204.1.

TITLE 24—HOUSING CREDIT

CHAPTER IV—HOME OWNERS' LOAN CORPORATION

[Administrative Order 1024]

PART 410—PURCHASE AND SUPPLY

SALES OF NON-EXPENDABLE AND EXPENDABLE PROPERTY; COMPETITIVE BIDS

Section 410.06-1 is amended to read as follows:

§ 410.06-1 *Sales of non-expendable and expendable property.* Except as otherwise provided, no sales of non-expendable property, and no sales or other disposition of expendable property (including waste paper) may be made by any officer or employee without obtaining the prior written approval of

the General Manager, and requests for authority to sell non-expendable property or to sell or otherwise dispose of expendable property (including waste paper) shall be submitted to the Purchase and Supply Section in the Home Office on Form 741, on which the accountable Regional or State Manager shall indicate the justification for sale or other disposition.

Competitive bids shall be obtained by mailing Invitations to Bid, Form 629, to concerns and individuals, also by posting notice in a public place and by personal solicitation. Expendable property and waste paper shall be offered for sale on a lump sum basis when feasible. It shall be permissible for employees of this Corporation to bid in open competition on any sales proposal.

(Effective date August 15, 1940)

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

[SEAL] J. FRANCIS MOORE,
Secretary.

[F. R. Doc. 40-3262; Filed, August 6, 1940; 10:47 a. m.]

TITLE 26—INTERNAL REVENUE

CHAPTER I—BUREAU OF INTERNAL REVENUE

[T. D. 4995]

PART 80—ESTATE TAX UNDER THE REVENUE ACTS OF 1926 AND 1932 AS AMENDED

DEFENSE TAX FOR FIVE YEARS

In order to conform Regulations 80[1] [Part 80, Title 26, Code of Federal Regulations], as made applicable to the Internal Revenue Code (53 Stat., Part 1) by Treasury Decision 4885, approved February 11, 1939 [Part 465, Subpart B, Title 26, Code of Federal Regulations, 1939 Sup.] to the Revenue Act of 1940 (Public No. 656, 76th Cong., 3d Sess.), approved June 25, 1940, such regulations are amended as follows:

1. Insert immediately preceding § 80.1 of such Title 26 [article 1]:

SEC. 206. ESTATE TAX. (REVENUE ACT OF 1940).

Chapter 3 of the Internal Revenue Code is amended by inserting at the end thereof the following new subchapter:

"SUBCHAPTER C—DEFENSE TAX FOR FIVE YEARS

SEC. 951. DEFENSE TAX FOR FIVE YEARS.

"In the case of a decedent dying after the date of the enactment of the Revenue Act of 1940 and before the expiration of five years after such date, the total amount of tax payable under this chapter shall be 10 per centum greater than the amount of tax which would be payable if computed without regard to this section. For the purposes of this section, the tax computed without regard to this section shall be such tax after the application of the credits provided for in section 813 and section 936."

2. Section 80.1, Title 26, Code of Federal Regulations [first paragraph of article 1] is amended to read as follows:

§ 80.1 *Estate tax.* Federal estate taxation under chapter 3 of the Internal Revenue Code, as amended, consists of, *first,* the basic estate tax, *second,* the additional estate tax, and *third,* if the decedent died after June 25, 1940, and before June 26, 1945, the defense tax. The defense tax is 10 per cent of the total of the net basic estate tax and the net additional estate tax (such total being the amount computed after the application of any credits authorized for gift, estate, inheritance, legacy, or succession taxes).

3. Insert the following paragraph immediately after the first paragraph of § 80.8, Title 26, Code of Federal Regulations [article 8]:

The defense tax, applicable if the decedent died after June 25, 1940, and before June 26, 1945, is obtained by computing 10 per cent of the total net tax (the total net tax being the sum of the net basic tax and the net additional tax).

(This Treasury decision is issued under the authority contained in section 951 of the Internal Revenue Code, as added by section 206 of the Revenue Act of 1940 (Public, No. 656, 76th Cong., 3d Sess.), approved June 25, 1940, and section 3791 (a) (1) of the Internal Revenue code (53 Stat., 467).)

[SEAL] TIMOTHY C. MOONEY,
Acting Commissioner.

Approved, August 1, 1940.

JOHN L. SULLIVAN,
Acting Secretary of the Treasury.

[F. R. Doc. 40-3248; Filed, August 5, 1940; 3:54 p. m.]

[T. D. 4996]

PART 85—GIFT TAX UNDER THE REVENUE ACT OF 1932, AS AMENDED

DEFENSE TAX FOR 1940–1945

In order to conform Regulations 79 [Part 85, Title 26, Code of Federal Regulations], as made applicable to the Internal Revenue Code (53 Stat., Part 1) by Treasury Decision 4885,[1] approved February 11, 1939 [Part 465, Subpart B, Title 26, Code of Federal Regulations, 1939 Sup.], to the Revenue Act of 1940 (Public, No. 656, 76th Cong., 3d Sess.), approved June 25, 1940, such regulations are amended as follows:

1. Insert immediately preceding § 85.5 of such Title 26 [article 5]:

SEC. 207. GIFT TAX (REVENUE ACT OF 1940). Section 1001 of the Internal Revenue Code is amended by adding at the end thereof the following new subsection:

"(d) *Defense tax for 1940–1945.* Despite the provisions of subsection (a)—

"(1) The tax for each of the calendar years 1941 to 1945, both inclusive, shall be an amount equal to the excess of—

"(A) 110 per centum of a tax, computed in accordance with the Rate Schedule hereinbefore set forth, on the aggregate sum of the net gifts for such calendar year and for each of the preceding calendar years, over

"(B) 110 per centum of a tax, computed in accordance with the said Rate Schedule, on the aggregate sum of the net gifts for each of the preceding calendar years.

"(2) The tax for the calendar year 1940 shall be the sum of (A) the tax computed under subsection (a), plus (B) an amount which bears the same ratio to 10 percentum of the tax so computed as the amount of gifts made after the date of the enactment of the Revenue Act of 1940 bears to the total amount of gifts made during the year. For the purposes of this paragraph, the term "gifts" does not include gifts which, under section 1003 (b) (2), are not to be included in computing the total amount of gifts made during the calendar year 1940, or gifts which, in the case of a citizen or resident, are allowed as a deduction by section 1004 (a) (2), or gifts which, in the case of a nonresident not a citizen of the United States, are allowed as a deduction by section 1004 (b)."

2. Section 85.5 of such Title 26 [article 5] is amended by striking out the last sentence of the first paragraph and the whole of the second paragraph and substituting in lieu thereof the following:

If the return is for a calendar year prior to 1940 or subsequent to 1945, the amount remaining after such subtraction is the tax for such calendar year.

If the return is being prepared for the calendar year 1941, 1942, 1943, 1944, or 1945, the defense tax imposed by subsection (d) of section 1001 of the Internal Revenue Code, as added by section 207 of the Revenue Act of 1940, must be ascertained by computing 10 per cent of the tax determined in the manner set forth in the first paragraph of this article. For any such calendar year the total amount of tax payable is the amount determined in the manner explained in that paragraph plus the defense tax of 10 per cent thereof. In the case of a return for the calendar year 1940, the amount of the defense tax to be added is that proportion of 10 per cent of the tax computed in the manner indicated in the first paragraph of this article which the total amount of the gifts made after June 25, 1940 (determined after the allowance of any applicable exclusions authorized by section 1003 (b) (2) of the Internal Revenue Code, or deductions for charitable, etc., gifts authorized by sections 1004 (a) (2) and 1004 (b) of the Internal Revenue Code, but without the allowance of the specific exemption or any

[1] 2 F.R. 2324.

[1] 4 F.R. 879.

portion thereof) bears to the total amount of gifts made during the calendar year determined in the same manner.

In case no reportable gifts were made during the preceding calendar years, considering only gifts made after June 6, 1932, the tax for the calendar year for which the return is being prepared is the tax computed in accordance with the rate schedule in force for such year upon the amount of the net gifts for such calendar year, plus the amount of the defense tax, if applicable.

Example (1) (showing computation of defense tax for calendar year 1941): During the calendar year 1941 a resident donor makes the following gifts:

To daughter	$44,000
To son	14,000
To a charitable organization	10,000

The amount of his net gifts for preceding calendar years, subsequent to June 6, 1932, is $50,000. Only $25,000 of his specific exemption was claimed for such preceding years. The remaining $15,000 of his specific exemption is claimed for the calendar year 1941.

The amount of the net gifts for the calendar year 1941 is determined as follows:

Total gifts		$68,000.00
Less exclusions under section 1003 (a) (2) of the Internal Revenue Code		12,000.00
Total included amount of gifts for year		56,000.00
Total deductions for charitable gifts ($10,000 less exclusion of $4,000)	$6,000	
Specific exemption claimed	15,000	
Total deductions		21,000.00
Amount of net gifts for year		35,000.00

The total amount of the tax payable for the calendar year 1941 is computed as follows:

1. Amount of net gifts for year	$35,000.00
2. Total amount of net gifts for preceding years	50,000.00
3. Total net gifts	85,000.00
4. Tax computed on item 3 (in accordance with rate schedule)	5,625.00
5. Tax computed on item 2 (in accordance with rate schedule)	2,250.00
6. Tax on net gifts for year without addition of defense tax (item 4 minus item 5)	3,375.00
7. Defense tax (10% of item 6)	337.50
8. Total tax payable for year (item 6 plus item 7)	3,712.50

Example (2) (showing computation of defense tax for calendar year 1940): The facts are the same as in the preceding example except that the remaining $15,000 of his specific exemption is claimed for the calendar year 1940 and the gifts to the daughter, son, and charitable organization were made during the calendar year 1940, as follows:

To daughter before June 26, 1940	$44,000
To son after June 25, 1940	14,000
To charitable organization after June 25, 1940	10,000

The determination of the amount of the net gifts and the computation of the tax, without the addition of the defense tax, is the same as in the preceding example.

The computation of the defense tax and the total amount of the tax payable for the calendar year 1940 is shown as follows:

Total included amount of gifts for year, less amount deducted for charitable gift ($56,000 minus $6,000)	$50,000.00
Total included amount of gifts made after June 25, 1940, less amount deducted for charitable gift made after June 25, 1940 ($16,000 minus $6,000)	10,000.00
10% of $3,375, the amount of the tax without the addition of the defense tax	337.50
Defense tax for 1940 $\left(\frac{10,000}{50,000}\right.$ $\times$ $337.50)	67.50
Total amount of tax payable for calendar year 1940 ($3,375 plus $67.50)	3,442.50

(This Treasury decision is issued under the authority contained in subsection (d) of section 1001 of the Internal Revenue Code, as added by section 207 of the Revenue Act of 1940 (Public, No. 656, 76th Cong., 3d Sess.), approved June 25, 1940, and section 3791 (a) (1) of the Internal Revenue Code (53 Stat. 467).)

[SEAL] TIMOTHY C. MOONEY,
Acting Commissioner.

Approved, August 1, 1940.

JOHN L. SULLIVAN,
Acting Secretary of the Treasury.

[F. R. Doc. 40-3249; Filed, August 5, 1940; 3:54 p. m.]

[T. D. 4997]

TAXES ON TOBACCO PRODUCTS, ETC.

Regulations 8 (revised November 1934), [Part 140, Title 26, Code of Federal Regulations], but only as prescribed and made applicable to the Internal Revenue Code by Treasury Decision 4885,[1] approved February 11, 1939 [Part 465, Subpart B of such Title 26, 1939 Sup.], are amended as follows:

Section 140.194, Title 26, Code of Federal Regulations [article 194] is renumbered as § 140.200 [article 200].

Immediately following § 140.193 [article 193] the following new Chapter XV is added:

SUBPART O—FLOOR STOCKS TAX ON CIGARETTES

CHAPTER XV—FLOOR STOCKS TAX ON CIGARETTES

SEC. 212. CIGARETTES (REVENUE ACT OF 1940).

Subchapter A of chapter 15 of the Internal Revenue Code is amended by inserting at the end thereof the following new sections:

"SEC. 2004. DEFENSE TAX FOR FIVE YEARS.

"In lieu of the rates of tax specified in section 2000 (c) (2), the rates of tax for the period after June 30, 1940, and before July 1, 1945, shall be $3.25 and $7.80, respectively.

SEC. 2005. FLOOR STOCKS TAX.

"(a) *Floor stocks tax.* Upon cigarettes subject to tax under section 2000 (c) (2) which on July 1, 1940, are held by any person for sale, there shall be levied, assessed, collected, and paid a floor stocks tax at a rate equal to the increase in rate of tax made applicable to such articles by section 2004.

"(b) *Returns.* Every person required by this section to pay any floor stocks tax shall, on or before August 1, 1940, under such regulations as the Commissioner with the approval of the Secretary shall prescribe, make a return and pay such tax, except that in the case of articles held by manufacturers and importers the Commissioner may collect the tax with respect to all or part of such articles by means of stamp rather than return, and in such case may make an assessment against such manufacturer or importer having tobacco tax stamps on hand July 1, 1940, for the difference between the amount paid for such stamps and the increased rates specified in section 2004.

"(c) *Laws Applicable.* All provisions of law, including penalties, applicable in respect of the taxes imposed by section 2000 shall, insofar as applicable and not inconsistent with this section, be applicable with respect to the floor stocks tax imposed by subsection (a)."

§ 140.194 *Scope of tax.* The floor stocks tax under section 2005 of the Internal Revenue Code is imposed upon all cigarettes, whether large or small, which on the first moment of July 1, 1940, are held by any person for sale. The tax applies without regard to where the cigarettes are held. Subject to the exemptions provided for with respect to the withdrawal of tobacco products for export (see § 140.185 [article 185]), the withdrawal of tobacco products for use as sea stores (see § 140.186 [article 186]), and the withdrawal of tobacco products for use of the United States (see Part 450, Title 26, Code of Federal Regulations [Regulations 34]), the tax applies also without regard to the disposition of the cigarettes on or after July 1, 1940.

The term "small cigarettes" means cigarettes weighing NOT more than three pounds per thousand, and the term "large cigarettes" means cigarettes weighing MORE than three pounds per thousand. [Art. 194]

§ 140.195 *Rates of tax.* The rate of tax applicable to small cigarettes is 25 cents per thousand. The rate applicable to large cigarettes is 60 cents per thousand, except that cigarettes measuring more than 6½ inches in length are taxable as small cigarettes counting each 2¾ inches (or fraction thereof) of the length of each cigarette as one small cigarette. These rates are equal to the increases in the rates of tax made applicable to cigarettes by section 2004 of the Internal Revenue Code. [Art. 195]

§ 140.96 *Payment of tax.* The tax is payable on or before August 1, 1940, by

[1] 4 F.R. 879.

every person who at the first moment of July 1, 1940, held cigarettes for sale. The tax shall be paid at the time of filing the return on Form 187, or Form 188 (see § 140.197 [article 197]).

Manufacturers who held unstamped cigarettes on July 1, 1940, shall pay the tax applicable to such cigarettes by affixing, at the time of the withdrawal of such cigarettes from the factory, stamps paid for at the increased rates in effect on and after July 1, 1940. To permit the use for this purpose of unattached cigarette stamps purchased at the dates in effect on June 30, 1940, manufacturers shall, with respect to such stamps, pay as part of their floor stocks tax liability an amount equal to the difference between the amount paid for such stamps and the amount which would have been paid if they had been purchased on or after July 1, 1940. [Art. 196]

§ 140.197 *Inventory and return.* (a) *General.* Every person who held stamped cigarettes for sale on the first moment of July 1, 1940, shall make and file an inventory and return of the cigarettes so held. The inventory and return shall be made on Form 187 by persons other than manufacturers and on Form 188 by manufacturers.

Where the stamped cigarettes were held by a taxpayer at only one place of business, the inventory and return shall be filed in duplicate with the collector of the district in which such place of business is located.

Where the stamped cigarettes were held at more than one place of business, a consolidated inventory and return of the stamped cigarettes held at each place of business shall be filed in duplicate with the collector for the district in which is located the taxpayer's principal place of business. In addition thereto, a separate inventory shall be prepared in triplicate on Form 187 or Form 188 (whichever is applicable) with respect to the stamped cigarettes held at each place of business; one copy of which shall be retained at the particular premises where the cigarettes were held, one copy shall be filed with the collector for the district in which the particular premises are located, and one copy shall be forwarded to and be retained at the principal place of business of the taxpayer for use in preparing and verifying the consolidated inventory and return. The copy of each separate inventory forwarded to the collector of internal revenue shall show the taxpayer's name, the location of the particular premises for which the inventory is made, and the name and address of the principal office from which the consolidated return and inventory will be filed.

Stamped cigarettes in transit at the first moment of July 1, 1940, shall be included in the inventory of the person having title thereto at that time.

The inventory and return shall be filed on or before August 1, 1940. Failure to file the inventory and return and pay the tax due thereon within the time specified will subject the taxpayer to the penalties set forth in § 140.199 (article 199).

The oath required on Form 187 may be administered by any officer authorized to administer oaths for general purposes, or by a deputy collector or internal revenue agent. If the total amount of tax shown to be due by the return is $10 or less, the return may be acknowledged before two subscribing witnesses in lieu of an oath.

(b) *Manufacturers.* In addition to the requirements set forth in subsection (a) of this article, manufacturers shall, for the purpose of the additional payment specified in § 140.196 (article 196), include in their inventory and return an inventory of all unattached cigarette stamps held at the first moment of July 1, 1940, and of all cigarette stamps ordered and paid for at the rates in effect on June 30, 1940, but not received until after the first moment of July 1, 1940.

(c) *Records.* Every person required by this article to file an inventory and return shall keep, at the premises where the cigarettes inventoried were located, accurate records showing the details of the inventory, and how and by whom the inventory was taken. Such records shall at all times be open for inspection by internal revenue officers, and shall be retained for a period of at least four years from August 1, 1940. [Art. 197]

§ 140.198 *Refunds.* A claim for refund may be filed by any person who has paid a floor stocks tax on cigarettes (including unattached cigarette stamps) and who claims that he made an overpayment of such tax. Such claim must be made under oath on Form 843, contain the information required by the form, and be supported by a statement of the facts and evidence upon which the claim is based. The claim shall be filed with the collector of internal revenue to whom the tax was paid. [Art. 198]

§ 140.199 *Penalties and interest.* The penalty under section 3612 (d) (1) and (e) of the Internal Revenue Code for delinquency in filing an inventory and return is 5 per cent of the amount of the tax if the failure is for not more than 30 days, with an additional 5 per cent for each additional 30 days or fraction thereof during which failure continues, not to exceed 25 per cent in the aggregate. The penalty does not apply where the return is later filed and 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.

Where an assessment of the floor stocks tax is made, and payment is not made within 10 days after the issuance of the first notice and demand (Form 17), there will accrue, under section 3655 of the Internal Revenue Code, a 5 per cent penalty and interest at the rate of 6 per cent per annum computed upon the entire assessment from the date of issuance of Form 17 until date of payment.

In case a false or fraudulent inventory and return is willfully made, the penalty under section 3612 (d) (2) and (e) of the Internal Revenue Code is 50 per cent of the total tax due.

The several criminal penalties set out in § 140.113 (article 113), are also applicable to the floor stocks tax. [Art. 199]

(This Treasury decision is issued under authority of sections 2004 and 2005 of the Internal Revenue Code as added by section 212 of the Revenue Act of 1940 (Public, No. 656, 76th Cong., 3d Sess.) and section 3791 of such Code (53 Stat. 467).)

[SEAL] TIMOTHY C. MOONEY,
Acting Commissioner.

Approved, August 1, 1940.

JOHN L. SULLIVAN,
Acting Secretary of the Treasury.

[F. R. Doc. 40-3250; Filed, August 5, 1940; 3:54 p. m.]

[T.D. 4998]

PART 316—MANUFACTURERS' EXCISE TAXES

In order to conform Regulations 46[1] (Part 316, Title 26, Code of Federal Regulations, 1939 Sup.), relating to excise taxes on sales by the manufacturer under the Internal Revenue Code, to sections 209, 210 and 216 of the Revenue Act of 1940 (Public, No. 656, Seventy-sixth Congress, Third Session), such regulations are amended as follows:

PARAGRAPH 1. Immediately preceding § 316.2, there are inserted a heading and a quotation of section 209 of the Revenue Act of 1940, as follows:

SEC. 209. CONTINUATION OF EXCISE TAXES (REVENUE ACT OF 1940).

Sections * * * 3403 (f) (1), 3452 * * * of the Internal Revenue Code are amended by striking out "1941" wherever appearing therein and inserting in lieu thereof "1945".

PAR. 2. The second paragraph of § 316.2 is amended to read as follows:

No such sale, lease, or use after June 30, 1945 (or after July 31, 1945, in the case of articles taxable under sections 3400 and 3403 of the Internal Revenue Code, relating to the tax on tires and inner tubes and automobiles, etc.), is taxable under the title except that with respect to firearms, shells, and cartridges taxable under section 3407 of the Internal Revenue Code, the limitation does not apply.

PAR. 3. Immediately preceding § 316.8, there are inserted a heading and a quotation of section 210 of the Revenue Act of 1940, as follows:

SEC. 210. MISCELLANEOUS EXCISES (REVENUE ACT OF 1940).

The Internal Revenue Code is amended by inserting at the end of chapter 9 the following new chapter:

"CHAPTER 9A—DEFENSE TAX FOR FIVE YEARS

"SEC. 1650. DEFENSE TAX FOR FIVE YEARS.

* * * * *

"(b) In the application of section 3441 (c) to the articles with respect to which

[1] 4 F.R. 142.

the rate of tax is increased by this section, where the lease, contract of sale, or conditional sale, and delivery thereunder, was made before July 1, 1940, the total tax referred to in such section shall be the tax at the rate in force on June 30, 1940, and not at the increased rate."

PAR. 4. Section 316.9 is amended by inserting between the first and second sentences of paragraph 2 thereof a new sentence to read as follows:

If the lease, contract of sale, or conditional sale, and delivery thereunder, was made prior to July 1, 1940, the tax is due at the rate in force on June 30, 1940, and not at the increased rate provided for in section 1650 of the Internal Revenue Code, as added by section 210 of the Revenue Act of 1940.

PAR. 5. Immediately preceding § 316.30, there are inserted a heading and a quotation of section 210 of the Revenue Act of 1940, as follows:

SEC. 210. MISCELLANEOUS EXCISES (REVENUE ACT OF 1940).

The Internal Revenue Code is amended by inserting at the end of chapter 9 the following new chapter:

"CHAPTER 9A—DEFENSE TAX FOR FIVE YEARS

"SEC. 1650. DEFENSE TAX FOR FIVE YEARS.

"(a) In lieu of the rates of tax specified in such of the sections of this title as are set forth in the following table, the rate applicable with respect to the period after June 30, 1940, and before July 1, 1945, shall be the rates set forth under the heading "Defense-Tax Rate":

Section	Description of tax	Old rate	Defense-tax rate
*	* * *	*	*
3400 (1)	Tires	2¼ cents	2½ cents.
3400 (2)	Tubes	4 cents	4½ cents.
*	* * *	*	*

* * * * * * *

PAR. 6. The first paragraph of § 316.32 is amended to read as follows:

§ 316.32 *Rate and computation of tax.* The tax is payable by the manufacturer at the following rates: (a) Tires, 2¼ cents prior to July 1, 1940, and for the month of July 1945, and 2½ cents for the period July 1, 1940, to June 30, 1945, inclusive, a pound on total weight (exclusive of metal rims or rim bases); and (b) inner tubes (for tires) 4 cents prior to July 1, 1940, and for the month of July 1945, and 4½ cents for the period July 1, 1940, to June 30, 1945, inclusive, a pound on total weight.

PAR. 7. Immediately preceding § 316.40, there are inserted a heading and a quotation of section 210 of the Revenue Act of 1940, as follows:

SEC. 210. MISCELLANEOUS EXCISES (REVENUE ACT OF 1940).

The Internal Revenue Code is amended by inserting at the end of chapter 9 the following new chapter:

"CHAPTER 9A—DEFENSE TAX FOR FIVE YEARS.

"SEC. 1650. DEFENSE TAX FOR FIVE YEARS.

"(a) In lieu of the rates of tax specified in such of the sections of this title as are set forth in the following table, the rates applicable with respect to the period after June 30, 1940, and before July 1, 1945, shall be the rates set forth under the heading "Defense-Tax Rate":

Section	Description of tax	Old rate	Defense-tax rate
*	* * *	*	*
3401	Toilet preparations	10 percent	11 percent.
*	* * *	*	*

* * * * * * *

PAR. 8. Section 316.41 is amended by inserting "(11 per cent for the period July 1, 1940, to June 30, 1945, inclusive)" after "10 per cent" wherever appearing therein.

PAR. 9. Immediately preceding § 316.50, there are inserted a heading and a quotation of section 210 of the Revenue Act of 1940, as follows:

SEC. 210. MISCELLANEOUS EXCISES (REVENUE ACT OF 1940).

The Internal Revenue Code is amended by inserting at the end of chapter 9 the following new chapter:

"CHAPTER 9A—DEFENSE TAX FOR FIVE YEARS

"SEC. 1650. DEFENSE TAX FOR FIVE YEARS.

"(a) In lieu of the rates of tax specified in such of the sections of this title as are set forth in the following table, the rates applicable with respect to the period after June 30, 1940, and before July 1, 1945, shall be the rates set forth under the heading "Defense-Tax Rate":

Section	Description of tax	Old rate	Defense-tax rate
*	* * *	*	*
3403(a)	Automobile truck chassis, etc.	2 percent	2½ percent.
3403(b)	Automobiles, etc	3 percent	3½ percent.
*	* * *	*	*

* * * * * * *

PAR. 10. Section 316.51 is amended by inserting "(2½ per cent for the period July 1, 1940, to June 30, 1945, inclusive)" after "2 per cent"; and inserting "(3½ per cent for the period July 1, 1940 to June 30, 1945, inclusive)" after "3 per cent".

PAR. 11. Section 316.52 is amended by inserting "(2½ per cent and 3½ per cent for the period July 1, 1940, to June 30, 1945, inclusive)" after "3 per cent" in the first sentence; and inserting "(3½ per cent and 2½ per cent for the period July 1, 1940, to June 30, 1945, inclusive)" after "2 per cent" in the second sentence.

PAR. 12. Immediately preceding § 316.54, there are inserted a heading and a quotation of section 216 of the Revenue Act of 1940, as follows:

SEC. 216. CREDITS ON TAX ON AUTOMOBILES, ETC. (REVENUE ACT OF 1940).

Section 3403 (e) of the Internal Revenue Code is amended by adding at the end thereof the following new sentence: "With respect to the period after June 30, 1940, and before July 1, 1945, the rates of the credits above provided shall, in lieu of 2 per centum and 3 per centum, be 2½ per centum and 3½ per centum, respectively."

PAR. 13. Section 316.54 is amended as follows:

(A) The last sentence of the first paragraph is amended to read as follows:

For example, if the sale price of an automobile is $1,000, the tax payable thereon $35, and the cost to the automobile manufacturer of the tires sold on or in connection therewith $40, the manufacturer will be permitted to take a credit against the tax payable on the selling price of the automobile, prior to July 1, 1940, and for the month of July 1945, in an amount equal to 3 per cent of $40, namely, $1.20, and for the period July 1, 1940, to June 30, 1945, inclusive, in an amount equal to 3½ per cent of $40, or $1.40.

(B) The first sentence of the second paragraph is amended by inserting "(3½ per cent for the period July 1, 1940, to June 30, 1945, inclusive)" after "3 per cent"; and inserting "(2½ cents and 4½ cents per pound for the period July 1, 1940, to June 30, 1945, inclusive)" after "4 cents per pound".

PAR. 14. Immediately preceding § 316.55, there are inserted a heading and a quotation of section 210 of the Revenue Act of 1940, as follows:

SEC. 210. MISCELLANEOUS EXCISES. (REVENUE ACT OF 1940).

The Internal Revenue Code is amended by inserting at the end of chapter 9 the following new chapter:

"CHAPTER 9A—DEFENSE TAX FOR FIVE YEARS

"SEC. 1650. DEFENSE TAX FOR FIVE YEARS.

"(a) In lieu of the rates of tax specified in such of the sections of this title as are set forth in the following table, the rates applicable with respect to the period after June 30, 1940, and before July 1, 1945, shall be the rates set forth under the heading "Defense-Tax Rate":

Section	Description of tax	Old rate	Defense-tax rate
*	* * *	*	*
3403 (c)	Parts	2 percent	2½ percent.
*	* * *	*	*

* * * * * * *

PAR. 15. Section 316.56 is amended by inserting "(2½ per cent for the period July 1, 1940, to June 30, 1945, inclusive)" after "2 per cent".

PAR. 16. Immediately preceding § 316.60, there are inserted a heading and a quotation of section 210 of the Revenue Act of 1940, as follows:

SEC. 210. MISCELLANEOUS EXCISES (REVENUE ACT OF 1940).

The Internal Revenue Code is amended by inserting at the end of chapter 9 the following new chapter:

"CHAPTER 9A—DEFENSE TAX FOR FIVE YEARS

"SEC. 1650. DEFENSE TAX FOR FIVE YEARS.

"(a) In lieu of the rates of tax specified in such of the sections of this title as are set forth in the following table, the rates applicable with respect to the period after June 30, 1940, and before July 1, 1945, shall be the rates set forth under the heading "Defense-Tax Rate":

Section	Description of tax	Old rate	Defense-tax rate
*	* * *	*	*
3404	Radios	5 percent	5½ percent.
*	* * *	*	*

* * * * *

PAR. 17. The first sentence of the fifth paragraph of § 316.60 is amended by inserting "(2½ per cent for the period July 1, 1940, to June 30, 1945, inclusive)" after "2 per cent".

PAR. 18. Section 316.62 is amended by inserting "(5½ per cent for the period July 1, 1940, to June 30, 1945, inclusive)" after "5 per cent".

PAR. 19. Immediately preceding § 316.70, there are inserted a heading and a quotation of section 210 of the Revenue Act of 1940, as follows:

SEC. 210. MISCELLANEOUS EXCISES (REVENUE ACT OF 1940).

The Internal Revenue Code is amended by inserting at the end of chapter 9 the following new chapter:

"CHAPTER 9A—DEFENSE TAX FOR FIVE YEARS

"SEC. 1650. DEFENSE TAX FOR FIVE YEARS.

"(a) In lieu of the rates of tax specified in such of the sections of this title as are set forth in the following table, the rates applicable with respect to the period after June 30, 1940, and before July 1, 1945, shall be the rates set forth under the heading "Defense-Tax Rate":

Section	Description of tax	Old rate	Defense-tax rate
*	* * *	*	*
3405	Mechanical refrigerators.	5 percent	5½ percent.
*	* * *	*	*

* * * * *

PAR. 20. Section 316.73 is amended by inserting "(5½ per cent for the period July 1, 1940, to June 30, 1945, inclusive)" after "5 per cent".

PAR. 21. Immediately preceding § 316.80, there are inserted a heading and a quotation of section 210 of the Revenue Act of 1940, as follows:

SEC. 210. MISCELLANEOUS EXCISES (REVENUE ACT OF 1940).

The Internal Revenue Code is amended by inserting at the end of chapter 9 the following new chapter:

"CHAPTER 9A—DEFENSE TAX FOR FIVE YEARS

"SEC. 1650. DEFENSE TAX FOR FIVE YEARS.

"(a) In lieu of the rates of tax specified in such of the sections of this title as are set forth in the following table, the rates applicable with respect to the period after June 30, 1940, and before July 1, 1945, shall be the rates set forth under the heading "Defense-Tax Rate":

Section	Description of tax	Old rate	Defense-tax rate
*	* * *	*	*
3407	Firearms	10 percent	11 percent.
*	* * *	*	*

* * * * *

PAR. 22. Section 316.82 is amended by inserting "(11 per cent for the period July 1, 1940, to June 30, 1945, inclusive)" after "10 per cent".

(This Treasury decision is issued under the authority of sections 3403 (f) (1), and 3452 of the Internal Revenue Code (53 Stat. 411, 420), as amended by section 209 of the Revenue Act of 1940 (Public, No. 656, Seventy-sixth Congress, Third Session); section 3403 (e) of such Code (53 Stat. 410), as amended by section 216 of such Revenue Act; section 3400, 3401, 3403 (a), (b), (c), 3404, 3405, and 3407 of such Code (53 Stat. 409, 410, 411, 412), as modified by section 210 of such Revenue Act; and section 3450 of such Code (53 Stat. 419).)

[SEAL] TIMOTHY C. MOONEY,
Acting Commissioner.

Approved, August 1, 1940.

JOHN L. SULLIVAN,
Acting Secretary of the Treasury.

[F. R. Doc. 40-3251; Filed, August 5, 1940; 3:55 p. m.]

[T.D. 4999]

PART 21—EXCESS-PROFITS TAX

In order to make the provisions of Treasury Decision 4927,[1] approved August 23, 1939 [Part 21, Title 26, Code of Federal Regulations, 1939 Sup.], relative to the excess-profits tax, conform to the provisions of sections 204 and 205 of the Revenue Act of 1940, such Treasury decision is amended as follows:

PARAGRAPH 1. That part of § 21.0 preceding the quotation of section 1200 of the Internal Revenue Code is amended to read as follows:

§ 21.0 *Introductory.* (a) Chapter 6 (Capital Stock Tax) of the Internal Revenue Code (53 Stat. Part 1), as amended by section 301 of the Revenue Act of 1939 (53 Stat. 882) and by section 205 of the Revenue Act of 1940 (Public, No. 656, 76th Cong., 3d Sess.), approved June 25, 1940, provides in part:

PAR. 2. Section 21.0 is amended by inserting after the quotation of section 1200 (b) of the Internal Revenue Code, the following:

SEC. 205. CAPITAL STOCK TAX. (REVENUE ACT OF 1940).

Section 1200 of the Internal Revenue Code is amended by inserting at the end thereof the following new subsection:

"(c) *Defense tax for five years.*—For the year ending June 30, 1940, and for the four succeeding years ending June 30, the rates provided in subsections (a) and (b) shall be $1.10 in lieu of $1."

PAR. 3. Section 21.0 is amended by inserting after the quotation of section 600 of the Internal Revenue Code the following:

SEC. 204. EXCESS-PROFITS TAX. (REVENUE ACT OF 1940.)

Section 600 of the Internal Revenue Code is amended by inserting "(a) *General rule.*—" before the first paragraph and by inserting at the end of such section the following new subsection:

"(b) *Defense tax for five years.*—In the case of any taxpayer, the amount of tax payable under this section for any income-tax taxable year ending after June 30, 1940, and before July 1, 1945, shall be 10 per centum greater than the amount of tax which would be payable if computed without regard to this subsection."

PAR. 4. Section 21.1 (a) is amended to read as follows:

(a) "*Adjusted declared value*" means in the case of a domestic corporation the adjusted declared value of its capital stock as determined under section 1202 of the Internal Revenue Code and the regulations issued respecting the capital stock tax imposed by section 1200 of such Code, and in the case of a foreign corporation the adjusted declared value of capital employed in the transaction of its business in the United States as determined under such section 1202 and the regulations issued in reference thereto.

PAR. 5. Section 21.3 is amended by substituting a comma in lieu of the period at the end of paragraph (a) and by adding the following:

plus (3) for any income-tax taxable year ending after June 30, 1940, and before July 1, 1945, 10 percent of the sum of (1) and (2).

PAR. 6. Section 21.4 is amended by adding after the "*Example*" the following:

For any income-tax taxable year ending after June 30, 1940, and before July 1, 1945, the excess-profits tax shall be computed in the manner set forth in the above example. To the result thus obtained shall be added 10 percent thereof as defense tax. Thus, if the income of the M Corporation for the calendar year 1940 is the same as that for the year 1939, its total excess-profits tax would be $1,089 ($990 plus $99).

(This Treasury decision is issued pursuant to sections 204 and 205 of the Revenue Act of 1940 (Public, No. 656, 76th Cong., 3d Sess.) and section 62 of the Internal Revenue Code (53 Stat. 32).)

[SEAL] TIMOTHY C. MOONEY,
Acting Commissioner of Internal Revenue.

Approved, August 1, 1940.

JOHN L. SULLIVAN,
Acting Secretary of the Treasury.

[F. R. Doc. 40-3263; Filed, August 6, 1940; 10:55 a. m.]

[1] 4 F.R. 3727.

Notices

DEPARTMENT OF AGRICULTURE.

Farm Security Administration.

DESIGNATION OF COUNTIES FOR TENANT PURCHASE LOANS

HAWAII

AUGUST 5, 1940.

Pursuant to the provisions of Title I of the Bankhead-Jones Farm Tenant

Act, and Section II 3 of Administration Order 230 of the Farm Security Administration, issued thereunder, and upon the basis of the recommendation of the Territorial Farm Security Advisory Committee, the following counties are hereby designated as those in which loans, pursuant to said Title, may be made under the provisions of said Order for the fiscal year ending June 30, 1941:

All counties in Hawaii.

[SEAL] CLAUDE R. WICKARD,
Acting Secretary.

[F. R. Doc. 40-3239; Filed, August 5, 1940; 12:46 p. m.]

DESIGNATION OF COUNTIES FOR TENANT PURCHASE LOANS

UTAH

AUGUST 5, 1940.

Pursuant to the provisions of Title I of the Bankhead-Jones Farm Tenant Act, and Section II 3 of Administration Order 230 of the Farm Security Administration, issued thereunder, and upon the basis of the recommendation of the Utah State Farm Security Advisory Committee, the following counties are hereby designated as those in which loans, pursuant to said Title, may be made under the provisions of said Order for the fiscal year ending June 30, 1941: (1) those counties which were designated for the making of loans for the fiscal year ending June 30, 1940.

[SEAL] CLAUDE R. WICKARD,
Acting Secretary.

[F. R. Doc. 40-3240; Filed, August 5, 1940; 12:46 p. m.]

Rural Electrification Administration.

[Administrative Order No. 488]

AMENDMENTS TO ALLOCATIONS OF FUNDS FOR LOANS

JULY 25, 1940.

I hereby rescind Administrative Order No. 461, dated May 18, 1940.

I hereby amend:

(a) Administrative Order No. 426, dated January 5, 1940, and Administrative Order No. 457, dated May 10, 1940, by rescinding the allocation of $25,000 therein made for "Georgia O-8035R1 Walton";

(b) Administrative Order No. 456, dated May 6, 1940, by deleting subparagraphs (1) and (2) of paragraph (f) thereof; and

(c) Administrative Order No. 279, dated August 18, 1938, by changing the allocation of $688,000 therein made for "Michigan R9038B1 Cass" to read:

Michigan R9045C1 Cass	$543,000
Michigan R9045G2 Cass	145,000

[SEAL] HARRY SLATTERY,
Administrator.

[F. R. Doc. 40-3241; Filed, August 5, 1940; 12:46 p. m.]

[Administrative Order No. 489]

ALLOCATION OF FUNDS FOR LOANS

JULY 25, 1940.

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

Project designation:	*Amount*
Arkansas 1023B1 Mississippi	$97,000
Colorado 1029B1 Phillips	155,000
Illinois 1018E1 Pike	56,000
Illinois 1029C1 Shelby	189,000
Indiana 1037D1 Jay	74,000
Iowa 1002B1 Sioux	83,000
Kansas 1019B1 Butler	254,000
Minnesota 1001C2 Kanabec	127,000
Minnesota 1010C1 Carlton	122,000
Minnesota 1037C2 Jackson	86,000
Minnesota 1057C2 Ottertail	137,000
Mississippi 1034D1 Leflore	140,000
Ohio 1084C1 Carroll	261,000
Oklahoma 1012D1 Alfalfa	107,000
South Carolina 1023B1 Williamsburg	340,000

[SEAL] HARRY SLATTERY,
Administrator.

[F. R. Doc. 40-3242: Filed, August 5, 1940; 12:46 p. m.]

[Administrative Order No. 490]

ALLOCATION OF FUNDS FOR LOANS

JULY 25, 1940.

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

Projection designation:	*Amount*
Alabama 1009D1 Clarke-Washington	$94,000
Georgia 1008C1 Wilkes	375,000
Georgia 1045C1 Sumter	72,000
Georgia 1065C1 Irwin	154,000
Idaho 1010D1 Nez Perce	192,000
Iowa 1031C1 Grundy	120,000
Iowa 1061C1 Cherokee	59,000
Iowa 1071B1 Buchanan	120,000
Mississippi 1036C1 Marion	139,000
Montana 1021A1 Big Horn	188,000
Ohio 1029D1 Pike	146,000
Oregon 1028A1 Oakland	177,000
Pennsylvania 1024B1 Bedford	118,000
Texas 1007E1 Bell	56,000
Washington 1039A1 Nespelem	106,000

[SEAL] HARRY SLATTERY,
Administrator.

[F. R. Doc. 40-3243; Filed, August 5, 1940; 12:46 p. m.]

Surplus Marketing Administration.

DESIGNATION OF AREAS UNDER SURPLUS FOOD STAMP PROGRAM

Pursuant to the applicable regulations and conditions prescribed by Henry A. Wallace, Secretary of Agriculture of the United States of America, the following areas are hereby designated as areas in which food order stamps may be used:

The area within the city limits of Haverhill, Massachusetts, and the immediate environs thereof as defined by the local representative of the Surplus Marketing Administration. The posting of the definition of "the immediate environs" in the office of the local representative of the Surplus Marketing Administration shall constitute due notice thereof.

The area within the county limits of Nassau County, New York, and such area adjacent thereto as may seem desirable to effectuate the program.

The area within the county limits of Island County, Washington, and such area adjacent thereto as may seem desirable to effectuate the program.

The area within the county limits of Kitsap County, Washington, and such area adjacent thereto as may seem desirable to effectuate the program.

The area within the county limits of San Juan County, Washington, and such area adjacent thereto as may seem desirable to effectuate the program.

The area within the county limits of Skagit County, Washington, and such area adjacent thereto as may seem desirable to effectuate the program.

The area within the county limits of Snohomish County, Washington, and such area adjacent thereto as may seem desirable to effectuate the program.

The area within the county limits of Whatcom County, Washington, and such area adjacent thereto as may seem desirable to effectuate the program.

The area within the county limits of Hillsborough County, Florida, and such area adjacent thereto as may seem desirable to effectuate the program.

The posting of the definition of "and such area adjacent thereto" in the office of the local representative of the Surplus Marketing Administration shall constitute due notice thereof.

The effective dates for the above-mentioned areas shall be announced by the local representative of the Surplus Marketing Administration for the respective areas in local newspapers of general circulation

[SEAL] PHILIP F. MAGUIRE,
Assistant Administrator.

AUGUST 3, 1940.

[F. R. Doc. 40-3247; Filed, August 5, 1940; 12:48 p. m.]

NOTICE OF MEETING RELATIVE TO OBTAINING INFORMATION PERTINENT TO DETERMINATION OF SALABLE QUANTITY OF 1940 CROP HOPS PURSUANT TO MARKETING AGREEMENT AND ORDER REGULATING THE HANDLING OF HOPS GROWN IN THE STATES OF OREGON, CALIFORNIA, AND WASHINGTON

Whereas it is provided in section 5 (b) of the marketing agreement [1] regulating the handling of hops grown in the States of Oregon, California, and Washington (hereinafter referred to as the "marketing agreement"), effective on and after August 5, 1940, and in § 949.5 (b) of the order regulating the handling of hops grown in the States of Oregon, Califor-

[1] 5 F.R. 2729

nia, and Washington (hereinafter referred to as the "order"), effective on and after August 5, 1940, that, for the purpose of obtaining information pertinent to the determination of the maximum quantity of hops produced in 1940 in the States of Oregon, California, and Washington which should be marketed or transported to market in the current of interstate or foreign commerce, or so as directly to burden, obstruct, or affect such commerce in hops in order to effectuate the declared policy of Public Act No. 10, 73d Congress, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended (hereinafter referred to as the "act"), the Secretary of Agriculture of the United States (hereinafter referred to as the "Secretary") shall hold a meeting or meetings, within said States of Oregon, California, and Washington, after such notice as the Secretary shall deem proper:

Now, therefore, notice is hereby given that the aforesaid meeting shall be held in the Commercial Hotel, Yakima, Washington, at 9 a. m., P. s. t., on August 7, 1940; in the Marion Hotel, Salem, Oregon, at 9 a. m., P. s. t., on August 9, 1940; and in the Occidental Hotel, Santa Rosa, California, at 9 a. m., P. s. t., on August 12, 1940. Such meeting is for the purpose of obtaining information relative to the maximum quantity of hops produced in 1940 in said States of Oregon, California, and Washington which should be marketed or transported to market in the current of interstate or foreign commerce, or so as directly to burden, obstruct, or affect such commerce in hops in order to effectuate the declared policy of the act.

This notice shall be published in the FEDERAL REGISTER, and a press release shall be issued regarding the aforesaid meeting.

Done at Washington, D. C., this 5th day of August 1940. Witness my hand and the seal of the United States Department of Agriculture.

[SEAL] CLAUDE R. WICKARD,
Acting Secretary of Agriculture.

[F. R. Doc. 40-3252; Filed, August 6, 1940; 9:11 a. m.]

[Surplus Commodities Bulletin No. 9]

SURPLUS FOODS DESIGNATED

During the period beginning 12:01 A. M., E. S. T., August 12, 1940, and ending midnight E. S. T., September 1, 1940, the agricultural commodities and products hereafter listed are hereby designated as surplus foods.

Subject to the applicable regulations and conditions the following surplus foods may be exchanged for blue surplus food order stamps in any eligible retail food store participating in the food stamp program in all designated stamp plan areas:

Butter	Hominy Grits
Raisins	Dry Edible Beans
Rice	Wheat Flour and Whole Wheat (Graham) Flour
Pork Lard	
Pork*	
Corn Meal	Fresh Oranges
Shell Eggs	Fresh Apples
Dried Prunes	Fresh Pears

*Pork shall include all cuts, fresh, including chilled or frozen, pickled, salted, cured or smoked, but not cooked or packed in metal or glass containers.

In addition to the above and subject to the applicable regulations and conditions and in accordance with the geographical restrictions indicated, the following surplus foods may be exchanged for blue surplus food order stamps in any eligible retail food store participating in the food stamp program:

Fresh Snap Beans, Fresh Beets, Fresh Carrots, Fresh Corn, Fresh Tomatoes, Fresh Celery, Fresh Lettuce, Fresh Cabbage, Fresh Peaches in all designated stamp plan areas in the States of Colorado, New Mexico and Utah.

Fresh Snap Beans, Fresh Beets, Fresh Carrots, Fresh Corn, Fresh Tomatoes, Fresh Celery, Fresh Lettuce, Fresh Peaches in all designated stamp plan areas in the States of Arizona, California, Idaho, Montana, Nevada, Oregon, Washington and Wyoming.

Fresh Snap Beans, Fresh Beets, Fresh Cabbage, Fresh Celery, Fresh Corn, Fresh Tomatoes, Fresh Peaches in all designated stamp plan areas in the States of Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota and Wisconsin.

Fresh Snap Beans, Fresh Beets, Fresh Cabbage, Fresh Celery, Fresh Corn, Fresh Tomatoes in all designated stamp plan areas in the State of Kentucky.

Fresh Snap Beans, Fresh Lima Beans, Fresh Beets, Fresh Cabbage, Fresh Celery, Fresh Corn, Fresh Lettuce, Fresh Tomatoes, Fresh Peaches in all designated stamp plan areas in the States of Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia, and in the District of Columbia.

Fresh Snap Beans, Fresh Lima Beans, Fresh Beets, Fresh Cabbage, Fresh Corn, Fresh Tomatoes in all designated stamp plan areas in the States of Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, and Texas.

[SEAL] SURPLUS MARKETING ADMINISTRATION,
By MILO PERKINS,
Administrator.

August 3, 1940.

Approved:

H. A. WALLACE,
Secretary of Agriculture.

[F. R. Doc. 40-3260; Filed, August 6, 1940; 9:54 a. m.]

DEPARTMENT OF COMMERCE.

Civil Aeronautics Board.

[Docket No. 321]

IN THE MATTER OF THE CERTIFICATION BY THE POSTMASTER GENERAL PURSUANT TO SECTION 401 (n) OF THE CIVIL AERONAUTICS ACT OF 1938 WITH RESPECT TO THE TRANSPORTATION OF MAIL BY AIRCRAFT TO AND FROM THE INTERMEDIATE POINT OF PHILADELPHIA, PA.

NOTICE OF HEARING

The above-entitled proceeding, being the certification of the Postmaster General, pursuant to section 401 (n) of the Civil Aeronautics Act of 1938, with respect to the transportation of mail by aircraft to and from the intermediate point of Philadelphia, Pa., is hereby assigned for public hearing on September 5, 1940, 10 o'clock a. m., (Eastern Standard Time) at the Carlton Hotel, 923 16th Street NW., Washington, D. C., before an Examiner of the Board.

Dated Washington, D. C., August 3, 1940.

By the Board:

[SEAL] THOMAS G. EARLY,
Acting Secretary.

[F. R. Doc. 40-3257; Filed, August 6, 1940; 9:25 a. m.]

[Docket No. 323]

IN THE MATTER OF THE APPLICATION OF UNITED AIR LINES TRANSPORT CORPORATION FOR AN AMENDMENT TO ITS CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY UNDER SECTION 401 (h) OF THE CIVIL AERONAUTICS ACT OF 1938

NOTICE OF HEARING

The above-entitled proceeding, being the application of United Air Lines Transport Corporation for an amendment to its existing certificate of public convenience and necessity for route No. 1 to authorize the transportation of mail by aircraft to and from the intermediate point of Philadelphia, Pa., is hereby assigned for public hearing on September 5, 1940, 10 o'clock a. m. (Eastern Standard Time) at the Carlton Hotel, 923 16th Street NW., Washington, D. C., before an Examiner of the Board.

Dated Washington, D. C., August 3, 1940.

By the Board:

[SEAL] THOMAS G. EARLY,
Acting Secretary.

[F. R. Doc. 40-3253; Filed, August 6, 1940; 9:25 a. m.]

[Docket No. 324]

IN THE MATTER OF THE APPLICATION OF AMERICAN AIRLINES, INC., FOR AN AMENDMENT TO ITS CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY UNDER SECTION 401 OF THE CIVIL AERONAUTICS ACT OF 1938

NOTICE OF HEARING

The above-entitled proceeding, being the application of American Airlines, Inc., for an amendment to its certificate of public convenience and necessity for route No. 18, authorizing Bridgeport, Conn., as an intermediate point, is hereby assigned for public hearing on September 9, 1940, 10 o'clock a. m. (Eastern Standard Time) at the Willard Hotel, 14th St. and Pennsylvania Ave. NW., Washington, D. C. before an Examiner of the Board.

Dated Washington, D. C., August 3, 1940.

By the Board:

[SEAL] THOMAS G. EARLY,
Acting Secretary.

[F. R. Doc. 40-3254; Filed, August 6, 1940; 9:25 a. m.]

[Docket No. 380]

IN THE MATTER OF THE APPLICATION OF TRANSCONTINENTAL & WESTERN AIR, INC., FOR AN AMENDMENT TO ITS CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY UNDER SECTION 401 (h) OF THE CIVIL AERONAUTICS ACT OF 1938

NOTICE OF HEARING

The above-entitled proceeding, being the application of Transcontinental & Western Air, Inc., for an amendment to its certificate of public convenience and necessity authorizing Reading, Pa., as an intermediate point on route No. 2, is hereby assigned for public hearing on September 16, 1940, 10 o'clock a. m. (Eastern Standard Time) at the Carlton Hotel, 923 16th St. NW., Washington, D. C., before an Examiner of the Board.

Dated Washington, D. C., August 3, 1940.

By the Board:

[SEAL] THOMAS G. EARLY,
Acting Secretary.

[F. R. Doc. 40-3255; Filed, August 6, 1940; 9:25 a. m.]

[Docket No. 438]

IN THE MATTER OF THE APPLICATION OF INLAND AIR LINES, INC., FOR AN AMENDMENT TO ITS CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY, UNDER SECTION 401 (h) OF THE CIVIL AERONAUTICS ACT OF 1938

NOTICE OF HEARING

The above-entitled proceeding, being the application of Inland Air Lines, Inc., for an amendment of its certificate of public convenience and necessity for route No. 35 to include Alliance, Nebr., as an intermediate point, is hereby assigned for public hearing on September 11, 1940, 10 o'clock a. m. (Eastern Standard Time) at the Raleigh Hotel, 12th Street and Pennsylvania Ave., N. W., Washington, D. C., before an Examiner of the Board.

Dated Washington, D. C., August 3, 1940

By the Board.

[SEAL] THOMAS G. EARLY,
Acting Secretary.

[F. R. Doc. 40-3256; Filed, August 6, 1940; 9:25 a. m.]

[Docket No. SA-16]

IN THE MATTER OF INVESTIGATION OF ACCIDENT INVOLVING AIRCRAFTS OF UNITED STATES REGISTRY NC 21303 AND NC 26047, WHICH OCCURRED NEAR DETROIT, MICHIGAN, ON JULY 30, 1940

NOTICE OF HEARING

Notice is hereby given that a public hearing in connection with the above entitled matter will be held in Room 921 of the Post Office Building, Detroit, Michigan, at 9:30 a. m., (E. S. T.) Wednesday, August 7, 1940, before the undersigned Examiner.

Dated, Washington, D. C., August 5, 1940.

[SEAL] FRED M. GLASS,
Examiner.

[F. R. Doc. 40-3258; Filed, August 6, 1940; 9:26 a. m.]

[Docket No. SA-17]

IN THE MATTER OF INVESTIGATION OF ACCIDENT INVOLVING AIRCRAFTS OF UNITED STATES REGISTRY NC 782-V AND NC 15418, WHICH OCCURRED IN SEATTLE, WASHINGTON, ON AUGUST 2, 1940

NOTICE OF HEARING

Notice is hereby given that a public hearing in connection with the above entitled matter will be held in the Post Office Building, Seattle, Washington, at 9:30 a.m., (P. S. T.) Friday, August 9, 1940, before the undersigned Examiner.

Dated, Washington, D. C., August 5, 1940.

[SEAL] FRED M. GLASS,
Examiner.

[F. R. Doc. 40-3259; Filed, August 6, 1940; 9:26 a. m.]

FEDERAL COMMUNICATIONS COMMISSION.

[Docket No. 5892]

APPLICATION OF OLYMPIC RADIO COMPANY (NEW)

Dated 6/3/40; for construction permit; class of service, public coastal; class of station, coastal harbor; location, Hoquiam, Washington; operating assignment specified: Frequencies, 2738, 2550 kcs.; power, 50 watts, Emission A3; hours of operation, Unlimited time; Points of communication, small craft at sea and inland waters

[File No. P5-PC-88]

NOTICE OF HEARING

You are hereby notified that the Commission has examined the above described application and has designated the matter for hearing for the following reasons:

1. To determine the nature and extent of the service proposed.

2. To determine the need for the proposed service.

3. To determine whether or not the frequencies 2738 and 2550 kilocycles are available under the Rules and Regulations of the Commission, the Communications Act of 1934, as amended, and International Treaties or Agreements to which the United States is a party, for assignment as requested; and whether such frequencies are suitable for the proposed service.

4. To determine whether the use of the frequencies as proposed would cause interference to any other station or service.

5. To determine whether or not the granting of the application would serve public interest, convenience and necessity.

The application involved herein will not be granted by the Commission unless the issues listed above are determined in favor of the applicant on the basis of a record duly and properly made by means of a formal hearing.

The applicant is hereby given the opportunity to obtain a hearing on such issues by filing a written appearance in accordance with the provisions of § 1.382 (b) of the Commission's Rules of Practice and Procedure. Persons other than the applicant who desire to be heard must file a petition to intervene in accordance with the provisions of § 1.102 of the Commission's Rules of Practice and Procedure.

The applicant's address is as follows:

Olympic Radio Company,
West End of Fifth Street,
Hoquiam, Washington.

Dated at Washington, D. C., August 3, 1940.

By the Commission.

[SEAL] T. J. SLOWIE,
Secretary.

[F. R. Doc. 40-3271; Filed, August 6, 1940; 11:25 a. m.]

FEDERAL TRADE COMMISSION.

[Docket No. 4215]

IN THE MATTER OF H. STANLEY JONES, H. EDWIN JONES, MAURICE C. BERKELEY, CO-PARTNERS DOING BUSINESS UNDER THE FIRM NAMES AND STYLES OF HOWARD E. JONES & CO., KING FOODS COMPANY, BALTIMORE SALES SERVICE COMPANY, BALTIMORE MACARONI COMPANY, AND OCONO COMPANY

COMPLAINT

Pursuant to the provisions of an Act of Congress, approved October 15, 1914, entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", commonly known as the Clayton Act (U.S.C. Title 15, Section 13), as amended by an Act of Congress, approved June 19, 1936, commonly known as the Robinson-Patman Act, the Federal Trade Commission, having reason to believe that the parties respondent named in the caption hereof and hereinafter more particularly designated and described, since June 19, 1936, have been and are now violating the provisions of subsection (c) of Section 2 of said Act as amended, issues its complaint against said respondents and states it charges with respect thereto as follows, to wit:

PARAGRAPH 1: Respondents H. Stanley Jones, H. Edwin Jones and Maurice C. Berkeley are copartners doing business, principally under the firm name and style of Howard E. Jones & Co., but also under the firm names and styles of King Foods Company, Baltimore Sales Service Company, Baltimore Macaroni Company, and Ocono Company. The respondents have their principal office and place of business at 206 South Broadway Street, Baltimore, Maryland.

PAR. 2. Respondents are now engaged and for many years prior hereto have been engaged in the business of acting as brokers in the sale of food products, particularly canned fruits and vegetables, said business having been carried on by them, principally under the firm name and style of Howard E. Jones & Co.

Respondents are also now engaged and for many years prior hereto have been engaged in the business of buying and selling for their own account food products, particularly canned fruits and vegetables, said business having been carried on by them principally under the firm name and style of King Foods Company, but also under the firm names and styles of Howard E. Jones & Co., Baltimore Sales Service Company, Baltimore Macaroni Company, and Ocono Company.

Respondents buy, sell and distribute said food products aforementioned in commerce between and among the various states of the United States. Respondents cause the products which they purchase for their own account to be shipped and transported to them from the various places of business of those sellers from whom respondents purchase said products, many of such sellers being located and doing business in states other than the State of Maryland. Respondents cause the products which they have sold for their own account to be shipped and transported, pursuant to said sales, to their customers, many of such customers being located and doing business in states other than the State of Maryland.

PAR. 3: In the course and conduct of their business of buying food products for their own account in commerce, as aforesaid, the respondents, trading under the firm names and styles aforesaid, have been and are now receiving and accepting from numerous sellers brokerage fees, or allowances or discounts in lieu thereof, on many of said purchases for their own account.

PAR. 4: The aforesaid acts of respondents constitute a violation of subsection (c) of Section 2 of the Clayton Act, as amended by Robinson-Patman Act, approved June 19, 1936.

Wherefore, the premises considered, the Federal Trade Commission on this 2nd day of August, 1940, issues its complaint against said respondents.

NOTICE

Notice is hereby given you and each of you, the respondents named in the caption of the above complaint that the 6th day of September, A. D. 1940, at 2 o'clock in the afternoon, is hereby fixed as the time, and the offices of the Federal Trade Commission in the City of Washington, D. C., as the place, when and where a hearing will be had on the charges set forth in this complaint, at which time and place you will have the right, under said Act, to appear and show cause why an order should not be entered by said Commission requiring you to cease and desist from the violations of the law charged in the complaint.

You are notified and required, on or before the twentieth day after service upon you of this complaint, to file with the Commission an answer to the complaint. If answer is filed and if your appearance at the place and on the date above stated be not required, due notice to that effect will be given you. The Rules of Practice adopted by the Commission with respect to answers or failure to appear or answer (Rule IX) provide as follows:

In case of desire to contest the proceeding the respondent shall, within twenty (20) days from the service of the complaint, file with the Commission an answer to the complaint. Such answer shall contain a concise statement of the facts which constitute the ground of defense. Respondent shall specifically admit or deny or explain each of the facts alleged in the complaint unless respondent is without knowledge, in which case respondent shall so state.

* * * * *

Failure of the respondent to file answer within the time above provided and failure to appear at the time and place fixed for hearing shall be deemed to authorize the Commission, without further notice to respondent, to proceed in regular course on the charges set forth in the complaint.

If respondent desires to waive hearing on the allegations of fact set forth in the complaint and not to contest the facts, the answer may consist of a statement that respondent admits all the material allegations of fact charged in the complaint to be true. Respondent by such answer shall be deemed to have waived a hearing on the allegations of fact set forth in said complaint and to have authorized the Commission, without further evidence, or other intervening procedure, to find such facts to be true, and if in the judgment of the Commission such facts admitted constitute a violation of law or laws as charged in the complaint, to make and serve findings as to the facts and an order to cease and desist from such violations. Upon application in writing made contemporaneously with the filing of such answer, the respondent, in the discretion of the Commission, may be heard on brief, in oral argument, or both, solely on the question as to whether the facts so admitted constitute the violation or violations of law charged in the complaint.

In witness whereof, the Federal Trade Commission has caused this, its complaint, to be signed by its Secretary, and its official seal to be hereto affixed, at Washington, D. C., this 2nd day of August, A. D. 1940.

By the Commission.

[SEAL] OTIS B. JOHNSON,
Secretary.

[F. R. Doc. 40-3261; Filed, August 6, 1940; 10:15 a. m.]

SECURITIES AND EXCHANGE COMMISSION.

[File No. 67-17]

IN THE MATTER OF NORTHEASTERN WATER AND ELECTRIC CORPORATION

ORDER RELATIVE TO DECLARATION AND APPLICATIONS

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 2nd day of August, A. D. 1940.

Northeastern Water and Electric Corporation, a registered holding company, having filed a declaration pursuant to Rule U-12B-1 promulgated under section 12 (b) of the Public Utility Holding Company Act of 1935 concerning cash advances not to exceed the following designated amounts to the following

designated companies (all of which are wholly owned non-utility subsidiaries of declarant):

Name of Borrowing Company:	Max. Amt. of Loan
Consumers Water Company of Montrose, Pa	$3,000
Dawson Springs Water Works Company	4,000
Edwardsville Water Company	20,000
Guilford Water Company	1,000
Hampton Water Works Company	10,000
Hartland Water Company	2,000
Hazelton Water Company	50,000
Latrobe Water Company	25,000
Louise Water Company	2,500
Mars Hill & Blaine Water Company	3,000
Maryland Water Works Company	20,000
Massachusetts Water Works Company	5,000
Norway Water Company	5,000
Oxford Water Company	4,000
Penobscot County Water Company	5,000
Presque Isle Water Company	58,000
Riverton Consolidated Water Company	25,000
Skowhegan Water Company	12,000
Southwest Harbor Water Company	14,000
West Helena Water Works Company	10,000
West Penn Water Company	10,000
Total	288,500

such advances to be evidenced by promissory notes of the borrowers in the face amount of the loans and bearing interest at the rate of 5% per annum;

Northeastern Water and Electric Corporation having filed an application pursuant to section 10 (a) (1) of the Act concerning the acquisition of the above described notes which are to be demand notes except for the note to be issued by Maryland Water Works Company which is to mature eleven months from date of issuance, the notes to be issued by Dawson Springs Waterworks Company and Mars Hill & Blaine Water Company which are to mature by March 1, 1941, and the note to be issued by The Hampton Water Works Company which is to run for 120 days;

Northeastern Water and Electric Corporation having filed an application pursuant to section 10 (a) (1) of the Act concerning the acquisition by it of the following renewal promissory notes from its designated subsidiaries which notes are to bear interest at 5% per annum and to be payable on demand:

Consumers Water Company of Montrose, Pennsylvania	$3,000
Latrobe Water Company	30,000
Riverton Consolidated Water Company	12,000
West Penn Water Company	8,000
Total	53,000

A consolidated hearing on said applications and declaration having been duly held after appropriate notice; the record in this matter having been examined; and the Commission having made and filed its findings herein;

It is ordered, That the declaration pursuant to Rule U-12B-1 promulgated under the Act be and become effective forthwith;

It is further ordered, That the application pursuant to section 10 (a) (1) concerning the acquisition of the notes evidencing said proposed cash advances be and the same hereby is approved;

It is further ordered, That the application pursuant to section 10 (a) (1) concerning the acquisition of the above described renewal notes be and the same hereby is approved;

And it is further ordered, That the following terms and conditions are imposed on the above described declaration and applications;

1. That the steps involved in carrying out the transactions outlined in the declaration and applications shall be effected as set forth in and for the purposes represented by the declaration and applications as amended:

2. That within ten days after the execution of said transactions Northeastern Water and Electric Corporation shall file with this Commission a Certificate of Notification showing that the transactions have been effected as set forth in and for the purposes represented by the declaration and applications and in accordance with the terms of this order.

3. That when all expenses incurred in connection with the proposed transactions shall have been paid, Northeastern Water and Electric Corporation shall file a detailed statement of such expenses showing the names of the person or persons, entity or entities to whom paid, the amount paid, and a description of the services rendered.

4. That the Commission presently reserves jurisdiction over the loan of any money, pursuant to the instant declaration filed pursuant to Rule U-12B-1, by Northeastern Water and Electric Company to Presque Isle Water Company.

By the Commission.

[SEAL] FRANCIS P. BRASSOR, *Secretary.*

[F. R. Doc. 40-3265; Filed, August 6, 1940; 11:21 A. M.]

[File No. 70-86]

IN THE MATTER OF NORTHEASTERN WATER AND ELECTRIC CORPORATION

ORDER RELATIVE TO EFFECTIVENESS OF DECLARATION

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 2nd day of August, A. D. 1940.

Northeastern Water and Electric Corporation, a registered holding company, having filed a declaration pursuant to Rule U-12B-1 promulgated under Section 12 of the Public Utility Holding Company Act of 1935 with respect to a cash advance by it to Limestone Water and Sewer Company, and an application pursuant to Section 10 of the said Act regarding the acquisition by it of a 5% promissory note payable eleven months from date in the amount of $7,000 as evidence of such cash advance, and the acquisition by it of 97 shares of the common capital stock of Limestone Water and Sewer Company for a consideration of $219.23;

A public hearing having been held in this matter after appropriate notice;[1] the Commission having considered the record and filed its findings and opinion herein;

It is ordered, That said declaration be, and hereby is, permitted to become effective; and that the said application be and hereby is approved.

By the Commission.

[SEAL] FRANCIS P. BRASSOR, *Secretary.*

[F. R. Doc. 40-3264; Filed, August 6, 1940; 11:21 a. m.]

[File No. 1-2093]

IN THE MATTER OF THE REGISTRATION OF BELMONT OSBORN GOLD MINING COMPANY COMMON CAPITAL STOCK, 10¢ PAR VALUE, ASSESSABLE

ORDER FOR HEARING AND DESIGNATING OFFICER TO TAKE TESTIMONY

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 5th day of August, A. D. 1940.

I

It appearing to the Commission:

That Belmont Osborn Gold Mining Company, a corporation organized under the laws of the State of California, is the issuer of Common Capital Stock, 10¢ Par Value, Assessable; and

That said Belmont Osborn Gold Mining Company registered such security on the San Francisco Mining Exchange, a national securities exchange, by filing on or about August 26, 1935, an application on Form 10 with the said Exchange and with the Commission, pursuant to section 12 (b) and (c) of the Securities Exchange Act of 1934, as amended, and pursuant to Rule X-12B-1, as amended, promulgated by the Commission thereunder, which application became effective June 1, 1936, and has remained in effect to and including the date hereof; and

That Rule X-13A-1, promulgated pursuant to Section 13 of said Securities Exchange Act of 1934, as amended, did and does require that an annual report for each issuer of a security registered on a national securities exchange shall be filed on the appropriate form prescribed therefor; and

That Rule X-13A-2, promulgated pursuant to Section 13 of the Securities Exchange Act of 1934, as amended, did and does prescribe Form 10-K as the annual report form to be used for the annual reports of all corporations except those for which another form is specified, and that no other form was or is

[1] 5 F.R. 2300.

specified for use by the said Belmont Osborn Gold Mining Company; and

II

The Commission having reasonable cause to believe:

That said Belmont Osborn Gold Mining Company has failed to comply with said Section 13 and said Rules X-13A–1 and X-13A–2 in that it has failed to file its annual report on Form 10–K for the fiscal year ended December 31, 1939; and

III

It being the opinion of the Commission that the hearing herein ordered to be held is necessary and proper in the public interest and to aid in the enforcement of the provisions of the Securities Exchange Act of 1934, as amended;

It is ordered, Pursuant to section 19 (a) (2) of said Act, that a public hearing be held to determine whether Belmont Osborn Gold Mining Company has failed to comply with section 13 of the Securities Exchange Act of 1934, as amended, and the rules, regulations and forms promulgated by the Commission thereunder, in the respects set forth above; and if so, whether it is necessary or appropriate for the protection of investors to suspend for a period not exceeding twelve months or to withdraw the registration of the Common Capital Stock, 10¢ Par Value, Assessable, of said Belmont Osborn Gold Mining Company on said San Francisco Mining Exchange;

It is further ordered, Pursuant to the provisions of section 21 (b) of the Securities Exchange Act of 1934, as amended, that for the purpose of such hearing, John G. Clarkson, an officer of the Commission, is hereby designated to administer oaths and affirmations; subpoena witnesses, compel their attendance, take testimony 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;

It is further ordered, That the taking of testimony in this hearing begin on the 3rd day of September, 1940, at 10:00 A. M. at the Regional Office of the Securities and Exchange Commission, 625 Market Street, San Francisco, California, and continue thereafter at such time and place as the officer hereinbefore designated may determine.

By the Commission.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 40–3268; Filed, August 6, 1940; 11:22 a. m.]

[File Nos. 31–388, 31–466]

IN THE MATTER OF THE DETROIT EDISON COMPANY

ORDER APPROVING APPLICATIONS

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 5th day of August, A. D. 1940.

The Detroit Edison Company having applied under section 2 (a) (8) of the Public Utility Holding Company Act of 1935 for orders declaring it not to be a subsidiary of American Light & Traction Company, Gardner & Brown, The North American Company, The United Light and Power Company, or The United Light and Railways Company; a hearing and oral argument on said applications having been duly held; the record having been duly considered; and the Commission having made appropriate findings;

It is ordered, That said applications be and the same are hereby granted with respect to American Light & Traction Company, The United Light and Power Company, and The United Light and Railways Company; and

It is further ordered, As a condition to the granting of said applications, that the Detroit Edison Company shall file with the Commission annually on or before each 15th day of August a report which shall disclose whether (1) any directors or officers of The Detroit Edison Company are at the same time directors or officers of The United Light and Power Company or any of its subsidiary companies or affiliates, (2) any directors or officers of The Detroit Edison Company are representatives or designees of The United Light and Power Company or any of its subsidiary companies or affiliates, and (3) there have been transactions between The Detroit Edison Company and The United Light and Power Company or any of its subsidiary companies or affiliates.

It is further ordered, That the application with respect to The North American Company be and the same is hereby denied.

It is further ordered, That the application with respect to Gardner & Brown be and the same is hereby dismissed.

By the Commission.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 40–3267; Filed, August 6, 1940; 11:21 a. m.]

[File No. 70–124]

THE BRADFORD & GETTYSBURG ELECTRIC LIGHT AND POWER COMPANY, THE BROOKVILLE AND LEWISBURG LIGHTING COMPANY, THE BUCKEYE LIGHT & POWER COMPANY, THE EATON LIGHTING COMPANY, THE GREENVILLE ELECTRIC LIGHT AND POWER COMPANY, THE NEW MADISON LIGHTING COMPANY, WESTERN OHIO PUBLIC SERVICE COMPANY, UNITED PUBLIC UTILITIES CORPORATION

NOTICE REGARDING FILING

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 5th day of August, A. D. 1940.

Notice is hereby given that declarations and applications have been filed with this Commission pursuant to the Public Utility Holding Company Act of 1935 by the above-named parties; and

Notice is further given that any interested person may, not later than August 22, 1940 at 4:30 P. M., E. S. T., request the Commission in writing that a hearing be held on such matter, stating the reasons for such request and the nature of his interest. At any time thereafter said declarations and applications, as filed or as amended, may become effective or may be granted, as provided in Rule U-8 of the Rules and Regulations promulgated pursuant to said Act. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington, D. C.

All interested persons are referred to said declarations and applications, which are on file in the office of said Commission, for a statement of the transactions therein proposed, which are summarized below:

The principal part of the proposed transaction is the merger of The Bradford & Gettysburg Electric Light and Power Company, The Brookville and Lewisburg Lighting Company, The Buckeye Light & Power Company, The Eaton Lighting Company, The New Madison Lighting Company and Western Ohio Public Service Company into The Greenville Electric Light and Power Company whose corporate name will be changed to Western Ohio Public Service Co. Said companies are subsidiaries of United Public Utilities Corporation, a registered holding company, and all of their outstanding securities are held by said United Public Utilities Corporation and pledged with Provident Trust Company of Philadelphia, trustee under the indenture securing its Collateral Trust Bonds. All of the outstanding securities of the surviving company, which will also be a subsidiary of United Public Utilities Corporation, will be owned and pledged in the same manner.

Prior to such merger, and in connection therewith, it is proposed to recapitalize two of the merging companies. With respect to one of such companies it is proposed to restate its capital stock account for the purpose of eliminating an earned surplus deficit of $104,885. It is also proposed, at the time of the merger, to issue additional income notes of the surviving company, which will reduce the combined earned surplus of the companies to be merged by an amount of approximately $477,271 and increase the combined funded debt in the same amount.

Applicants and declarants have indicated that there may be applicable to the foregoing transactions Sections 7, 9 and 10 of the Holding Company Act, and Rules U-12B–1, U-12C–1, U-12C–2, U-12C–3, U-12D–1 and U-12–F1 promulgated thereunder.

By the Commission.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 40–3269; Filed, August 6, 1940; 11:22 a. m.]

[File No. 70-144]

IN THE MATTER OF ARKANSAS POWER & LIGHT COMPANY

ORDER PERMITTING WITHDRAWAL OF APPLICATION

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 5th day of August, A. D. 1940.

Arkansas Power & Light Company having filed July 9, 1940 an application pursuant to section 6 (b) of the Public Utility Holding Company Act for the proposed sale to the Rural Electrification Administration of $200,000 principal amount of First and Refunding Mortgage Gold Bonds, 2.73% Series due 1959, and $93,000 principal amount of First and Refunding Mortgage Gold Bonds, 2.88% Series due 1956;

The Commission having on July 12, 1940 adopted Rule U-3D-14 exempting under certain circumstances any public-utility company which is a subsidiary company of a registered holding company from the obligations, duties or liabilities imposed by the Act or any rule thereunder on such company, with respect to the issue and sale to the Rural Electrification Administration of securities of which it is the issuer; and

Arkansas Power & Light having thereafter on July 23, 1940 requested the withdrawal of such application on the ground that the exemption provided by Rule U-3D-14 is applicable:

It is ordered, That permission for the withdrawal of said application by Arkansas Power & Light Company be, and the same hereby is, granted.

By the Commission.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 40-3266; Filed, August 6, 1940; 11:21 a.m.]

[File No. 70-125]

IN THE MATTER OF THE UNITED LIGHT AND POWER COMPANY

NOTICE OF AND ORDER FOR HEARING

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 6th day of August, A. D. 1940.

An application and declaration pursuant to 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 under the applicable provisions of said Act and the rules of the Commission thereunder be held on August 22, 1940, 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 Willis E. Monty 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 a trial examiner under the Commission's Rules of Practice.

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 August 19, 1940.

The matter concerned herewith is in regard to an application pursuant to sections 10 (a) (1) and 12 (c) of the Act and the Rules thereunder by The United Light and Power Company for authority to acquire from time to time prior to January 1, 1941, by purchase in the open market and by private purchase (at prices not to exceed the market price), at an aggregate cost not to exceed $1,000,000 any or all of the following classes of securities:

United Light and Railways Company (Maine) (a predecessor company) Six Per Cent Debenture Bonds, Series A, due January 1, 1973;

The United Light and Power Company Debentures, Series of 1924, 6½% due May 1, 1974;

The United Light and Power Company Debentures, 6% Series of 1925, due November 1, 1975;

The United Light and Railways Company Debentures, 5½% Series of 1927, due August 1, 1952;

Continental Gas & Electric Corporation Debentures, 5% Series A, due February 1, 1958;

The United Light and Railways Company Prior Preferred Stock, cumulative, $100 par value

7% first series
6.36% series of 1925
6% series of 1928

Continental Gas & Electric Corporation prior preference stock, 7% cumulative, $100 par value.

The applicant states that each issue of Debentures above listed is unsecured. The United Light and Railways Company and Continental Gas & Electric Corporation, both registered holding companies, are subsidiaries of the applicant.

By the Commission.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 40-3270; Filed, August 6, 1940, 11:22 a. m.]