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# FEDERAL REGISTER

VOLUME 4 NUMBER 154

*Washington, Friday, August 11, 1939*


## *Rules, Regulations, Orders*

### TITLE 7—AGRICULTURE

### FEDERAL SURPLUS COMMODITIES CORPORATION

[Surplus Commodities Bulletin No. 2]

DESIGNATION OF SURPLUS FOODS UNDER SURPLUS FOOD STAMP PROGRAM

Subject to the applicable regulations and conditions prescribed by Henry A. Wallace, Secretary of Agriculture of the United States of America, the following agricultural commodities are hereby designated as surplus food *effective 12:01 A. M. E. S. T., July 16, 1939:*

Butter.
Rice.
Corn Meal.
Cabbage.
Shell Eggs.
Dried Prunes.
Fresh Peaches.
Fresh Tomatoes.
Fresh Green Peas.
Onions (Except Green Onions).
Dry Edible Beans.
Wheat Flour & Whole Wheat (Graham) Flour.

The following additional agricultural commodity is hereby designated as surplus food *effective 12:01 A. M. E. S. T., August 1, 1939:*

Fresh Pears

Blue surplus food order stamps may be used in accordance with the regulations and conditions referred to above for any of such surplus foods in any retail food store, as defined by the Secretary of Agriculture, which participates in the Food Order Stamp Program. The Federal Surplus Commodities Corporation shall designate the areas in which the food order stamps may be used.

Surplus Commodities Bulletin No. 1, dated May 11, 1939, is hereby cancelled effective midnight, July 15, 1939.

FEDERAL SURPLUS COMMODITIES CORPORATION,
By E. W. GAUMINTZ,
*Vice President.*

Date: June 29, 1939.

Approved: June 30, 1939.

[SEAL] H. A. WALLACE,
*Secretary of Agriculture of the United States of America.*

[F. R. Doc. 39-2938; Filed, August 10, 1939; 11:36 a. m.]

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DESIGNATION OF AREAS UNDER SURPLUS FOOD STAMP PROGRAM

July 14, 1939.

Pursuant to the applicable regulations and conditions prescribed by Henry A. Wallace, Secretary of Agriculture of the United States of America, the agricultural commodities designated as surplus food in Surplus Commodities Bulletin No. 2, approved by the Secretary of Agriculture, June 30, 1939, are hereby declared surplus foods in the following areas on the effective dates for such foods set forth in such Bulletin:

The city limits of Rochester, New York.

The city limits of Dayton, Ohio and the immediate environs as defined by the local representative of the Federal Surplus Commodities Corporation.

The city limits of Seattle, Washington and the immediate environs as defined by the local representative of the Federal Surplus Commodities Corporation.

[SEAL] FEDERAL SURPLUS COMMODITIES CORPORATION.
MILO PERKINS, *President.*

[F. R. Doc. 39-2939; Filed, August 10, 1939; 11:36 a. m.]

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DESIGNATION OF AREA UNDER SURPLUS FOOD STAMP PROGRAM

July 25, 1939.

Pursuant to the applicable regulations and conditions prescribed by Henry A. Wallace, Secretary of Agriculture of the United States of America, effective 12:01 A. M. E. S. T., August 1, 1939, the area within the city limits of Birmingham, Alabama, and the immediate environs as

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FEDERAL REGISTER

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defined by the local representative of the Federal Surplus Commodities Corporation is hereby designated as an area in which the agricultural commodities listed in Surplus Commodities Bulletin No. 2, approved by the Secretary of Agriculture June 30, 1939, shall be considered surplus foods. The posting of the definition of "the immediate environs" in the office of the local representative of the Federal Surplus Commodities Corporation shall constitute due notice thereof.

[SEAL] FEDERAL SURPLUS COMMODITIES CORPORATION,
MILO PERKINS, *President*.

[F. R. Doc. 39-2937; Filed, August 10, 1939; 11:36 a. m.]

## TITLE 16—COMMERCIAL PRACTICES

### FEDERAL TRADE COMMISSION

[Docket No. 3428]

IN THE MATTER OF UNITED EDUCATORS, INC., ET AL.

§ 3.69 (b) (4) *Misrepresenting oneself and goods—Goods—Free goods:* § 3.72 (e) *Offering deceptive inducements to purchase—Free goods.* Advertising or representing, in any manner, in connection with offer, etc., in commerce, of any books, set of books, or publications, (1) to purchasers or prospective purchasers that any books or set of books offered for sale and sold by respondents will be given free of cost to said purchasers or prospective purchasers, when such is not the fact, or (2) that purchasers or prospective purchasers of respondents' publications are only buying or paying for loose-leaf supplements intended to keep the set of books up to date for a period of years, when such is not the fact, prohibited. (Sec. 5, 38 Stat. 719, as amended by Sec. 3, 52 Stat. 112; 15 U.S.C., Supp. IV, sec. 45b) [Cease and desist order, United Educators, Inc., et al., Docket 3428, August 5, 1939]

§ 3.69 (c) (5) *Misrepresenting oneself and goods—Prices—Usual as reduced.* Advertising or representing, in any manner, in connection with offer, etc., in commerce, of any books, set of books, or publications, to purchasers or prospective purchasers, that any books or set of books are offered at an especially low price, unless and until the price at which the books or set of books are offered is less than the price for which said books or set of books are usually or customarily offered for sale and sold, prohibited. (Sec. 5, 38 Stat. 719, as amended by Sec. 3, 52 Stat. 112; 15 U.S.C., Supp. IV, sec. 45b) [Cease and desist order, United Educators, Inc., et al., Docket 3428, August 5, 1939]

§ 3.81 *Securing signature wrongfully.* Representing, in connection with offer, etc., in commerce, of any books, set of books, or publications, that any instrument presented to prospective customers for signature in connection with the sale of any books or set of books is a mere receipt or order blank, when such instrument is an agreement to pay a specified sum or sums on a date or dates certain, or that any instrument thus presented is not a promissory note, when such instrument contains an agreement by the signer to pay a specified sum or sums on a date or dates certain, prohibited. (Sec. 5, 38 Stat. 719, as amended by Sec. 3, 52 Stat. 112; 15 U.S.C., Supp. IV, sec. 45b) [Cease and desist order, United Educators, Inc., et al., Docket 3428, August 5, 1939]

§ 3.51 *Enforcing payments wrongfully.* Representing, in connection with offer, etc., in commerce, of any books, set of books, or publications, that the holder of any instrument acquired in connection with the sale of any books or set of books is a bona fide purchaser for value before maturity, when such is not the fact, prohibited. (Sec. 5, 38 Stat. 719, as amended by Sec. 3, 52 Stat. 112; 15 U.S.C., Supp. IV, sec. 45b) [Cease and desist order, United Educators, Inc., et al., Docket 3428, August 5, 1939]

§ 3.69 (a) (11b) *Misrepresenting oneself and goods—Business status, advantages or connections—Private business as foundation:* § 3.96 (b) (4) *Using misleading name—Vendor—Non-profit character.* Representing, in connection with offer, etc., in commerce, of any books, set of books, or publications, as a "foundation" any organization other than one in whole or in part supported by disinterested or eleemosynary funds, prohibited. (Sec. 5, 38 Stat. 719, as amended by Sec. 3, 52 Stat. 112; 15 U.S.C., Supp. IV, sec. 45b) [Cease and desist order, United Educators, Inc., et al., Docket 3428, August 5, 1939]

§ 3.69 (b) (16b) *Misrepresenting oneself and goods—Goods—Terms and conditions:* § 3.72 (nl) *Offering deceptive inducements to purchase—Terms and conditions.* Advertising or representing in any manner, in connection with offer, etc., in commerce, of any books, set of books, or publications, (1) as the purchase price of any books or set of books, together with any loose-leaf extension service therefor, or any other service or article, any sum other than the entire ultimate cost of such books or set of books and service and article to the purchaser, or (2) that any specific sum is, or includes, the price or the full price of any books or set of books together with any right or option to purchase other books, services or articles, unless all the terms and conditions in connection with the exercise of such right or option are clearly and conspicuously stated in immediate connection therewith, prohibited. (Sec. 5, 38 Stat. 719, as amended by Sec. 3, 52 Stat. 112; 15 U.S.C., Supp. IV, sec. 45b) [Cease and desist order, United Educators, Inc., et al., Docket 3428, August 5, 1939]

*United States of America—Before Federal Trade Commission*

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 5th day of August, A. D. 1939.

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

IN THE MATTER OF UNITED EDUCATORS, INC., GENERAL RESEARCH FOUNDATION, INC., PUBLISHERS FINANCE COMPANY, INC., WARREN T. DAVIS, JOSEPH J. RINK, AND ELMER C. WOLFORD

ORDER TO CEASE AND DESIST

This proceeding having been heard [1] by the Federal Trade Commission upon the

[1] 3 F.R. 1920 DI.

complaint of the Commission, the answer of respondents, testimony and other evidence taken before John W. Addison, an examiner of the Commission theretofore duly designated by it, in support of the allegations of said complaint and in opposition thereto, and briefs filed herein, and the Commission having made its findings as to the facts and its conclusion that said respondents have violated the provisions of the Federal Trade Commission Act;

*It is ordered*, That the respondents, United Educators, Inc., General Research Foundation, Inc., Publishers Finance Company, Inc., Warren T. Davis, Joseph J. Rink, and Elmer C. Wolford, and each of them, their officers, representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of any books, set of books, or publications, in commerce, as commerce is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

(1) Advertising or representing, in any manner, to purchasers or prospective purchasers that any books or set of books offered for sale and sold by them will be given free of cost to said purchasers or prospective purchasers, when such is not the fact;

(2) Advertising or representing, in any manner, that purchasers or prospective purchasers of respondents' publications are only buying or paying for loose-leaf supplements intended to keep the set of books up to date for a period of years, when such is not the fact;

(3) Advertising or representing, in any manner, to purchasers or prospective purchasers that any books or set of books are offered at an especially low price, unless and until the price at which the books or set of books are offered is less than the price for which said books or set of books are usually or customarily offered for sale and sold;

(4) Representing that any instrument presented to prospective customers for signature in connection with the sale of any books or set of books is a mere receipt or order blank, when such instrument is an agreement to pay a specified sum or sums on a date or dates certain;

(5) Representing that any instrument presented to prospective customers for signature in connection with the sale of any books or set of books is not a promissory note, when such instrument contains an agreement by the signer to pay a specified sum or sums on a date or dates certain;

(6) Representing that the holder of any instrument acquired in connection with the sale of any books or set of books is a bona fide purchaser for value before maturity, when such is not the fact;

(7) Representing as a "foundation" any organization other than one in whole or in part supported by disinterested or eleemosynary funds;

(8) Advertising or representing, in any manner, as the purchase price of any books or set of books, together with any loose-leaf extension service therefor, or any other service or article, any sum other than the entire ultimate cost of such books or set of books and service and article to the purchaser;

(9) Advertising or representing, in any manner, that any specific sum is, or includes, the price or the full price of any books or set of books together with any right or option to purchase other books, services or articles, unless all the terms and conditions in connection with the exercise of such right or option are clearly and conspicuously stated in immediate connection therewith.

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

By the Commission.

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

[F. R. Doc. 39-2941; Filed, August 10, 1939; 11:54 a. m.]

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[Docket No. 3782]

IN THE MATTER OF FEDERAL ORGANIZATION, INC., ET AL.

§ 3.6 (t) *Advertising falsely or misleadingly—Qualities or properties of product:* § 3.6 (x) *Advertising falsely or misleadingly—Results:* § 3.6 (y) *Advertising falsely or misleadingly—Safety.* Disseminating, etc., advertisements by means of the United States mails, or in commerce, or by any means, to induce, etc., directly or indirectly, purchase of "Vibro Appliance", "Brace-O Appliance", "Giant Developer", "Prosto Massager", or other similar devices, or "Stamina Kel-Pep", "Spanish Passion Extract", "Double Strength Spanish Passion Extract", "African Jungle Tree", "Nerv-Tonik", "Kidney Herb Tea", "K-9 Herb Tabs", "Z. K. Herb Pearls", "Flora Laxaid", or other similar medicinal preparations, which advertisements (1) represent, directly or through implication, (a) that respondent's said devices "Vibro Appliance", "Brace-O Appliance", "Giant Developer" or "Prosto Massager" will aid in the development of the male sexual organ, restore sexual power or cure or relieve disorders of the prostate gland; (b) that his said preparation "Stamina Kel-Pep" will increase the appetite, assist digestion, overcome constipation or build up energy, endurance, the blood or tissues; (c) that his "Spanish Passion Extract" or "Double Strength Spanish Passion Extract" are healthful stimulants or tonics for the sexual organs, or constitute effective remedies or beneficial treatments for prostate disorders, cystitis, kidney disorders, inflammation of the urinary organs, kidney stones or gravel; (d) that his "African Jungle Tree" is a harmless sexual stimulant or will restore sexual vigor; (e) that his "Nerv-Tonik" is a tonic or will build up the body, give new blood, increase the weight, aid the digestive system, improve the appetite, stimulate the glands or increase vigor; (f) that his "Kidney Herb Tea" is a competent treatment for genito-urinary diseases, or will dissolve pus, gravel or stones in the kidneys or relieve bladder irritation; (g) that his "Z. K. Herb Pearls" will reduce high blood pressure; (h) that his "K-9 Herb Tabs" has antiseptic properties; (i) that his "Flora Laxaid" is a cure or remedy for constipation; (2) or which advertisements concerning the preparations designated "Stamina Kel-Pep", "Spanish Passion Extract", "Double Strength Spanish Extract", "African Jungle Tree", fail to reveal that these preparations are not wholly safe to be used by the lay public in self medication; prohibited. (Sec. 5, 38 Stat. 719, as amended by Sec. 3, 52 Stat. 112; 15 U.S.C., Supp. IV, sec. 45b) [Cease and desist order, Federal Organization, Inc., et al., Docket 3782, August 2, 1939]

§ 3.6 (a) (22) *Advertising falsely or misleadingly—Business status, advantages or connections of advertiser—Producer status of dealer—Laboratory:* § 3.6 (j) (4) *Advertising falsely or misleadingly—Government approval or connection—Tests:* § 3.96 (b) (5) *Using misleading name — Vendor — Producer or laboratory status of dealer.* Representing, through the use of the word "Federal" on seals or otherwise, that respondent's products, i. e., certain devices and medicinal preparations for the treatment of genital and urinary disorders and diseases, have been tested, inspected or approved by an agency or bureau of the United States Government; or representing, through the use of the phrases "Laboratories" or "Research Laboratories" as part of his trade name, or in any other manner, that he maintains a laboratory for making scientific tests on products sold by him; prohibited. (Sec. 5, 38 Stat. 719, as amended by Sec. 3, 52 Stat. 112; 15 U.S.C., Supp. IV, sec. 45b) [Cease and desist order, Federal Organization, Inc., et al., Docket 3782, August 2, 1939]

*United States of America—Before Federal Trade Commission*

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 2nd day of August, A. D. 1939.

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

IN THE MATTER OF FEDERAL ORGANIZATION, INC., A CORPORATION, AND SAMUEL L. PRESNER, AN INDIVIDUAL, AND PRESIDENT OF FEDERAL ORGANIZATION, INC.

ORDER TO CEASE AND DESIST

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

complaint of the Commission and the answer of respondent, Samuel L. Presner, in which answer respondent admits all the material allegations of the complaint to be true, and states that he waives hearing on the charges set forth in said complaint and that, without further evidence or other intervening procedure, the case might proceed to final hearing upon the record; it appearing that the respondent Federal Organization, Inc. is no longer in existence, and the Commission having made its findings as to the facts and conclusion that said respondent Samuel L. Presner has violated the provisions of the Federal Trade Commission Act;

*It is ordered* That the respondent, Samuel L. Presner, an individual, his representatives, agents and employees, directly or through any corporate or other device, do forthwith cease and desist from:

Disseminating or causing to be disseminated any advertisements by means of the United States mails or in commerce, as commerce is defined in the Federal Trade Commission Act, by any means, for the purpose of inducing or which is likely to induce, directly or indirectly, the purchase of devices now designated by the names of "Vibro Appliance", "Brace-O Appliance", "Giant Developer", "Prosto Massager", or any other similar devices, whether sold under the same names or any other name or names, or medicinal preparations containing drugs now designated "Stamina Kel-Pep", "Spanish Passion Extract", "Double Strength Spanish Passion Extract", "African Jungle Tree", "Nerv-Tonik", "Kidney Herb Tea", "K–9 Herb Tabs", "Z. K. Herb Pearls", "Flora Laxaid", or any other medicinal preparations composed of substantially similar properties, whether sold under the same names or under any other name or names; or disseminating or causing to be disseminated any advertisement by any means for the purpose of inducing, or which is likely to induce, directly or indirectly, the purchase in commerce, as commerce is defined in the Federal Trade Commission Act, of said devices or medicinal preparations, which advertisements (1) represent, directly or through implication, (a) that his said devices "Vibro Appliance", "Brace-O Appliance", "Giant Developer" or "Prosto Massager" will aid in the development of the male sexual organ, restore sexual power or cure or relieve disorders of the prostate gland; (b) that his said preparation "Stamina Kel-Pep" will increase the appetite, assist digestion, overcome constipation or build up energy, endurance, the blood or tissues; (c) that said preparations "Spanish Passion Extract" or "Double Strength Spanish Passion Extract" are healthful stimulants or tonics for the sexual organs; or constitute effective remedies or beneficial treatments for prostate disorders, cystitis, kidney disorders, inflammation of the urinary organs, kidney stones or gravel; (d) that said preparation "African Jungle Tree" is a harmless sexual stimulant or will restore sexual vigor; (e) that said preparation "Nerv-Tonik" is a tonic or will build up the body, give new blood, increase the weight, aid the digestive system, improve the appetite, stimulate the glands or increase vigor; (f) that said preparation "Kidney Herb Tea" is a competent treatment for genito-urinary diseases, or will dissolve pus, gravel or stones in the kidneys or relieve bladder irritation; (g) that said preparation "Z. K. Herb Pearls" will reduce high blood pressure; (h) that said preparation "K–9 Herb Tabs" has antiseptic properties; (i) that said preparation "Flora Laxaid" is a cure or remedy for constipation; (2) or which advertisements concerning the preparations designated "Stamina Kel-Pep", "Spanish Passion Extract", "Double Strength Spanish Passion Extract", "African Jungle Tree", fail to reveal that these preparations are not wholly safe to be used by the lay public in self medication.

*It is further ordered,* That respondent do cease and desist from representing, through the use of the word "Federal" on seals or otherwise, that his products have been tested, inspected or approved by an agency or bureau of the United States Government; or representing through the use of the phrases "Laboratories" or "Research Laboratories" as part of his trade name, or in any other manner, that he maintains a laboratory for making scientific tests on products sold by him.

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

*It is further ordered,* That this proceeding be, and the same hereby is, closed as to the respondent, Federal Organization, Inc., without prejudice to the right of the Commission to reopen the same and resume prosecution thereof in accordance with the Commission's regular procedure, should future facts so warrant.

By the Commission.

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

[F. R. Doc. 39–2942; Filed, August 10, 1939; 11:54 a. m.]

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[Docket No. 3788]

IN THE MATTER OF STRAUSS TAILORING COMPANY, ETC.

§ 3.6 (c) *Advertising falsely or misleadingly—Composition of goods.* Representing, in connection with offer, etc., in commerce, of men's clothing, that respondent's products are composed of fibers or materials other than those of which they are actually composed, or representing, in any manner, that the fabrics or products manufactured or sold by respondent contain wool in greater quantity, percentage, or degree than is actually the case, prohibited. (Sec. 5, 38 Stat. 719, as amended by Sec. 3, 52 Stat. 112; 15 U.S.C., Supp. IV, sec. 45b) [Cease and desist order, Strauss Tailoring Company, etc., Docket 3788, August 2, 1939]

§ 3.6 (c) *Advertising falsely or misleadingly—Composition of goods.* Using, in connection with offer, etc., in commerce, of men's clothing, the words "wool", "woolens" or "worsted", or any other word or words of similar import or meaning, to designate or describe any fabric or other products which are not composed wholly of wool, prohibited; subject to the provision, in the case of a fabric or product composed in part of wool and in part of a material or materials other than wool, such words may be used as descriptive of the wool content, if there is used in immediate connection therewith, in letters of equal size and conspicuousness, a word or words accurately describing and designating each constituent fabric or material thereof in the order of its predominance by weight, beginning with the largest single constituent. (Sec. 5, 38 Stat. 719, as amended by Sec. 3, 52 Stat. 112; 15 U.S.C., Supp. IV, sec. 45b) [Cease and desist order, Strauss Tailoring Company, etc., Docket 3788, August 2, 1939]

§ 3.6 (c) *Advertising falsely or misleadingly—Composition of product.* Using, in connection with offer, etc., in commerce, of men's clothing, the unqualified word "silk" or any other word or words of similar import or meaning to designate or describe any fabric or other product which is not composed wholly of unweighted silk, the product of the cocoon of the silk worm, prohibited. (Sec. 5, 38 Stat. 719, as amended by Sec. 3, 52 Stat. 112; 15 U.S.C., Supp. IV, sec. 45b) [Cease and desist order, Strauss Tailoring Company, etc., Docket 3788, August 2, 1939]

§ 3.6 (c) *Advertising falsely or misleadingly—Composition of product.* Advertising, offering for sale, or selling, in connection with offer, etc., in commerce, of men's clothing, fabrics or any other products composed in whole or in part of rayon without clearly disclosing the fact that such fabrics or products are composed of rayon, and, when such fabrics or products are composed in part of rayon and in part of other fibers or materials, without naming such fibers or materials, including the rayon, in the order of their predominance by weight, beginning with the largest single constituent, prohibited. (Sec. 5, 38 Stat. 719, as amended by Sec. 3, 52 Stat. 112; 15 U.S.C., Supp. IV, sec. 45b) [Cease and desist order, Strauss Tailoring Company, etc., Docket 3788, August 2, 1939]

*United States of America—Before Federal Trade Commission*

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 2nd day of August, A. D. 1939.

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

IN THE MATTER OF JULIUS M. FIRK, AN INDIVIDUAL TRADING AS STRAUSS TAILORING COMPANY, FEDERAL TAILORING COMPANY, BELL TAILORING COMPANY, AND ARLIN TAILORING COMPANY

ORDER TO CEASE AND DESIST

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

*It is ordered,* That the respondent, Julius M. Firk, an individual, trading as Strauss Tailoring Company, Federal Tailoring Company, Bell Tailoring Company, and Arlin Tailoring Company, or trading under any other name or names, his representatives, agents, and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of men's clothing in commerce, as "commerce" is defined by the Federal Trade Commission Act, do forthwith cease and desist from:

(1) Representing that respondent's products are composed of fibers or materials other than those of which they are actually composed; or representing, in any manner, that the fabrics or products manufactured or sold by respondent contain wool in greater quantity, percentage, or degree than is actually the case;

(2) Using the words "wool", "woolens", or "worsted", or any other word or words of similar import or meaning, to designate or describe any fabric or other products which are not composed wholly of wool, provided that in the case of a fabric or product composed in part of wool and in part of a material or materials other than wool, such words may be used as descriptive of the wool content, if there is used in immediate connection therewith, in letters of equal size and conspicuousness, a word or words accurately describing and designating each constituent fabric or material thereof in the order of its predominance by weight, beginning with the largest single constituent;

(3) Using the unqualified word "silk" or any other word or words of similar import or meaning to designate or describe any fabric or other product which is not composed wholly of unweighted silk, the product of the cocoon of the silk worm;

(4) Advertising, offering for sale, or selling, fabrics or any other products composed in whole or in part of rayon without clearly disclosing the fact that such fabrics or products are composed of rayon, and when such fabrics or products are composed in part of rayon and in part of other fibers or materials, such fibers or materials, including the rayon, shall be named in the order of their predominance by weight, beginning with the largest single constituent.

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

By the Commission.

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

[F. R. Doc. 39-2943; Filed, August 10, 1939; 11:55 a. m.]

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## TITLE 24—HOUSING CREDIT

### HOME OWNERS' LOAN CORPORATION

[Administrative Order No. 200.1]

PART 402—LOAN SERVICE

OPENING OF ACCOUNT

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

Section 402.14–2 shall continue to read as follows:

"Upon receipt of the executed original form, the Regional Accountant will open a special deposits account for the home owner and each month forward to him a notice of the monthly deposit due."

(Effective September 1, 1938)

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

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

[SEAL] R. L. NAGLE, *Secretary.*

[F. R. Doc. 39-2944; Filed, August 10, 1939; 12 m.]

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[ADMINISTRATIVE ORDER NO. 340]

PART 403—PROPERTY MANAGEMENT

LEASING AND RENTING OF PROPERTIES OWNED BY THE CORPORATION: APPROVED FORMS TO BE USED; WHEN RENTAL AGREEMENT TO BE OBTAINED; UNPAID MISCELLANEOUS BALANCES

Amending Part 403 of Chapter IV, Title 24 of the Code of Federal Regulations.

Sections 403.11–33 and 403.11–45, respectively, are amended to read as follows:

§ 403.11–33 All leases, rental contracts and such other instruments as are necessary in the leasing and renting of properties shall be on duly authorized Corporation forms.

The Regional Manager may, however, with the advice of the Regional Counsel, authorize the use of other forms in particular cases where he determines that it will be to the best interest of the Corporation.

The Corporation requires that a written rental agreement be obtained from the occupant of property under the jurisdiction of the Property Management Division if the Corporation desires to enter into the relationship of landlord and tenant with such occupant and has the legal right to do so. Once a rental agreement has been entered into between the Corporation and such tenant, no new rental agreement shall be required, unless there is a subsequent change in the rental agreement, such as a change in the rental rate or in the expiration date of the rental agreement. Unless the Regional or State Counsel otherwise directs, no new rental agreement is required solely for the purpose of evidencing the amortization of rental delinquencies. Where a new agreement is required under the ruling of the Regional or State Counsel, the rental rate shall not be increased by reason of such amortization and any payments to be made on account of rental delinquencies shall be shown separately in such new rental agreement.

§ 403.11–45 When advice is received that a property has become owned by the Corporation and there is an occupant in the property at that time, the broker shall consider the desirability of retaining or qualifying such occupant as a tenant. If the occupant had executed a rental agreement with the Corporation prior to acquisition no new rental agreement will be required unless there is a change in the terms of such agreement. If such occupant had not previously entered into a rental agreement with the Corporation he shall be required to execute such an agreement. Rental arrangements shall be made only with occupants whose credit standing is satisfactory. If upon receipt of notice of acquisition of title the property is occupied by an interim tenant owing arrears which have accrued prior to "legal title vested date", efforts shall be made to obtain payment of such delinquencies in cash at that time or no later than the fifteenth of the month following the calendar month in which such notice is received. If upon receipt of such notice there are arrears which have accrued subsequent to "legal title vested date", such arrears shall likewise be paid in cash, and if such cash liquidation is not feasible, then arrangements shall be made with such occupant for the amortization of such delinquencies over a reasonable period.

Such amortization arrangement shall preserve to the Corporation the right to recover from the tenant the full unpaid balance of such delinquency in the event of the tenant's subsequent default. In the event arrears accruing prior to or subsequent to "legal title vested date" are not paid in cash, or satisfactory arrangements are not made for their liquidation as provided above, or the occupant is not acceptable as a tenant, prompt steps shall be taken to obtain possession of the property at the earliest possible date. A property shall be deemed to be Not Owned until notice of acquisition is received from the Legal Department. The "legal title vested date" shall be the date of acquisition of absolute title as reported by the Legal Department in its notice irrespective of the date of such notice.

(Effective August 15, 1939)

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

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

[SEAL] R. L. NAGLE,
*Secretary.*

[F. R. Doc. 39-2948; Filed, August 10, 1939; 12:02 p. m.]

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[Administrative Order No. 337]

PART 403—PROPERTY MANAGEMENT

REMITTANCES BY CONTRACT MANAGEMENT BROKERS

Amending Part 403 of Chapter IV, Title 24 of the Code of Federal Regulations. (Effective August 15, 1939)

Sec. 403.11-36 is amended by adding the following paragraph at the end thereof:

The Regional Manager may furthermore waive the use of a bank account by any Broker whose monthly collections on behalf of the Corporation normally do not exceed $100 during any monthly accounting period, or if the facilities of a bank acceptable to the Regional Manager are not available. Any such Broker shall remit to the Corporation by money order or check, the cost of which shall be borne by him. The Regional Manager or the Assistant Regional Manager in Charge of Property Management is authorized to amend Forms PM 432 or 432-A so as to reflect any deviations from the provisions thereof authorized by the Regional Manager pursuant to the provisions of this Article. In any such cases the appropriate surety company shall be advised of such changes if the Broker is bonded.

The first paragraph of Sec. 403.11-37 is amended to read as follows:

After the 15th day of each month and not later than the 17th day thereof, the Contract Management Broker shall remit direct to the Regional Treasurer all unexpended income derived from properties referred to him by the Corporation for management. In case the broker, prior to the 15th day of the month, has collected all rentals due during the month, he may make his remittance and submit his monthly operating report prior to that date. The broker may make remittances prior to the submission of his monthly operating report in which event he shall show on said report, when forwarded to the Regional and State Offices, the amounts and dates of previous remittances and the amount of the remittance accompanying such report. If the income received by the broker during the monthly accounting period from any particular property is insufficient to pay the charges regularly incurred by him with reference to that property during that period, such charges may be paid by the broker from any income received by him from any Corporation property under his management or by voucher under the regular procedure provided therefor.

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

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

[SEAL] R. L. NAGLE,
*Secretary.*

[F. R. Doc. 39-2946; Filed, August 10, 1939; 12:01 p. m.]

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[Administrative Order No. 322]

PART 403—PROPERTY MANAGEMENT

CONTRACT MANAGEMENT BROKERS' REPORTING PROCEDURE

Amending Part 403 of Chapter IV, Title 24 of the Code of Federal Regulations.

Section 403.11-44 is revoked and Sections 403.11-37, 403.11-38, 403.11-39, 403.11-41, 403.11-42 and 403.11-45 are amended to read as follows: (Effective October 24, 1938)

§ 403.11-37 After the 15th day of each month and not later than the 17th day thereof, the Contract Management Broker shall remit direct to the Regional Treasurer all unexpended income derived from properties referred to him by the Corporation for management. In case the broker, prior to the 15th day of the month, has collected all rentals due during the month, he may make his remittance and submit his monthly operating report prior to that date. If the income received by the broker during the monthly accounting period from any particular property is insufficient to pay the charges regularly incurred by him with reference to that property during that period, such charges may be paid by the broker from any income received by him from any Corporation property under his management or by voucher under the regular procedure provided therefor.

The remittance shall be accompanied by the original of a Monthly Operating Report by Contract Management Broker on an approved form supplied by the Corporation, together with the original receipted bills for authorized disbursements made by the broker and the original signed copy of each new lease or rental agreement entered into during the period covered by the report. The Monthly Operating Report by Contract Management Broker shall be prepared by the broker in triplicate as of the close of business not later than the fifteenth of each month. The Regional Treasurer will detach the remittance and acknowledge on the original copy on the Contract Management Broker's report the receipt of funds constituting the remittance by showing the reported date and amount of the deposit by the Regional Treasurer of such funds, and will deliver the original report, together with the receipted bills and any leases or rental agreements to the Regional Accountant for verification as to mathematical correctness of the computation, with respect to receipts, deductions and remittances, for presence of a lease or rental agreement covering each new tenancy reported thereon, for determination that each disbursement is covered by a receipted bill, and for use as posting media to the books of the Corporation. The Accounting Section will promptly advise the Property Management Division of any missing lease or rental agreement and of any missing necessary receipted bill.

§ 403.11-38 At the same time that the original Monthly Operating Report of Contract Management Broker is mailed to the Regional Treasurer, the broker shall send to the State Office a duplicate copy of the report accompanied by a duplicate set of bills and copies of new leases or rental agreements. Such extra copies of bills are not required to be receipted and may, if necessary, be prepared by the broker.

§ 403.11-39 The Supervisor of Management in the Regional Office shall make such spot check of broker operations from reports received and otherwise as may be necessary to insure efficient broker operation.

§ 403.11-41 If the Contract Management Broker has made any disbursements for which he has not obtained the receipted bill of the contractor or vendor in time for transmittal with his monthly operating report, he shall transmit in lieu thereof his signed certification, preferably on the bill or letterhead of the

broker, to the effect that such disbursement has been made and that the customary receipt was not obtained, but will be obtained and submitted within thirty days. The original certification shall be forwarded with the broker's Monthly Operating Report to the Regional Treasurer and duplicate copy to the State Office. In every such case the original receipted bill of the contractor or vendor shall be obtained by the Contract Management Broker as soon as possible and shall be forwarded by him together with a duplicate copy thereof to the State Office not later than thirty days from the date of the disbursement. The original shall thereafter be forwarded to the Regional Accountant.

In cases where it is impracticable for the broker to obtain a receipted bill, the Official in Charge of Management in the State Office is authorized to waive the necessity of obtaining such receipted bill upon certification by the broker, preferably on the bill or letterhead of the broker, that it was impracticable to obtain a receipted bill and stating the reasons therefor, and upon satisfactory evidence that payment has, in fact, been made.

§ 403.11–42 The Official in Charge of Management in the State Office shall cause to be reviewed all delinquencies, as disclosed by the Monthly Operating Report by Contract Management Brokers, Appropriate action shall be taken promptly upon a default in the payment of rent so that the tenant will in no case remain in possession of the property when the delinquency is forty-five days old, except upon the approval of the State Manager.

§ 403.11–45 Where the account of any occupant of a property or unit is on an Interim Tenant's Account prior to the date of acquisition and a rental arrangement is thereafter contemplated wherein such occupant will continue to occupy the property or unit as a tenant subsequent to the date when the property or unit shall have become owned by the Corporation, such tenancy rental arrangement shall not become effective until any unpaid miscellaneous balances existing prior to "legal title vested date" have been paid and until any unpaid balance resulting from accruals subsequent to "legal title vested date" have been paid in cash by such occupant or amortized over a reasonable period; and such amortization arrangement shall be made a part of any rental agreement entered into with the tenant. Arrears which are included in such new rental arrangement shall not be included in delinquencies but will be accrued currently in agreement with the method of amortization. In the event a satisfactory plan for the liquidation of arrears incurred after the "legal title vested date" cannot be arranged or in case the delinquent tenant does not pay in full all arrears that have accrued prior to acquisition, prompt steps shall be taken to obtain possession of the property. Rental arrangements shall be made only with occupants whose credit standing is satisfactory. A property shall be deemed to be not owned until notice of acquisition is received from the Regional Counsel. The "legal title vested date" shall be the date of acquisition of absolute title as reported by the Regional Counsel in his notice, irrespective of the date of such notice.

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

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

[SEAL] R. L. NAGLE,
*Secretary.*

[F. R. Doc. 39–2947; Filed, August 10, 1939; 12:01 p. m.]

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[Administrative Order No. 519]

PART 405—RECONDITIONING

INSURANCE LOSS RESTORATIONS: GENERAL; IMMEDIATE PROTECTION

Amending Part 405 of Chapter IV, Title 24 of the Code of Federal Regulations.

Sub-paragraph (c) of Section 405.01–50 is amended to read as follows:

(c) Preliminary inspection, and handling in accordance with Reconditioning procedure in all cases of loss to properties under the jurisdiction of the Property Management Division, other than those in which the broker may effect maintenance or emergency repairs within the limitations of his authority to incur expenses, as provided in Section 403.14.

Section 405.01–53 is amended to read as follows:

§ 405.01–53 In unusual cases, where the mortgagor cannot arrange to protect the property immediately and adequately, the State Manager may authorize such repairs to be made not to exceed $500.00, against which due credit shall be taken from the insurance loss settlement when paid.

(Effective August 15, 1939)

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

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

[SEAL] R. L. NAGLE,
*Secretary.*

[F. R. Doc. 39–2945; Filed, August 10, 1939; 12 m.]

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## TITLE 25—INDIANS

### OFFICE OF INDIAN AFFAIRS

FLATHEAD INDIAN RESERVATION, MONTANA

ORDER OF RESTORATION AMENDED

Pursuant to authority contained in Sections 3 and 7 of the Act of June 18, 1934 (48 Stat. 984), Departmental Order of December 11, 1937, published in FEDERAL REGISTER January 4, 1938, pages 5–7, inclusive (DI), restoring certain undisposed-of vacant townsite and villa site lots on the Flathead Reservation to tribal ownership, is hereby amended by eliminating therefrom Lot No. 1, Block 28, Camas Townsite and by adding thereto the following described lots:

| | Block | Lot |
|---|---|---|
| Camas Townsite | 28 | 10. |
| Festou Villa Site | 7 | 2–6, inclusive. |
| Festou Villa Site | 8 | 2 and 4. |
| Grouse Villa Site | 3 | 1–7, inclusive. |
| Grouse Villa Site | 5 | 5–7, inclusive. |
| Grouse Villa Site | 10 | 1–10, inclusive. |
| Grouse Villa Site | 11 | 1, 2, 3, 4, 5, and 7. |

OSCAR L. CHAPMAN,
*Assistant Secretary of the Interior.*

July 28, 1939.

[F. R. Doc. 39–2932; Filed, August 10, 1939; 9:15 a. m.]

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## TITLE 26—INTERNAL REVENUE

### BUREAU OF INTERNAL REVENUE

[T. D. 4917]

INCOME TAX

REGULATIONS RELATING TO RETURNS OF INFORMATION WITH RESPECT TO FOREIGN CORPORATIONS *†

*To Collectors of Internal Revenue and Others Concerned:*

§ 20D.0 *Introductory.* (a) Section 3604 of the Internal Revenue Code (53 Stat., Part 1), approved February 10, 1939, provides:

§ 3604 *Returns as to formation, etc., of foreign corporations*—(a) *Requirement.* Under regulations prescribed by the Commis-

*Section 20D.0 to Section 20D.6 issued under the authority contained in section 3604 of the Internal Revenue Code, as amended by section 404 of the Revenue Act of 1939 (Public No. 155, Seventy-sixth Congress, first session), and in section 3791 of the Internal Revenue Code (53 Stat., Part 1)

†The source of section 20D.0 to section 20D.6 is Treasury Decision 4917, approved August 7, 1939.

sioner with the approval of the Secretary, any attorney, accountant, fiduciary, bank, trust company, financial institution, or other person, who aids, assists, counsels, or advises in, or with respect to, the formation, organization, or reorganization of any foreign corporation, shall, within 30 days thereafter, file with the Commissioner a return.

(b) *Form and contents of return.* Such return shall be in such form, and shall set forth, under oath, in respect of each such corporation, to the full extent of the information within the possession or knowledge or under the control of the person required to file the return, such information as the Commissioner with the approval of the Secretary prescribes by regulations as necessary for carrying out the provisions of the income tax laws. Nothing in this section shall be construed to require the divulging of privileged communications between attorney and client.

(c) *Penalty.* Any person required under subsection (a) to file a return, or to supply any information, who willfully fails to file such return, or supply such information, at the time or times required by law or regulations, shall, in lieu of other penalties provided by law for such offense, be guilty of a misdemeanor and, upon conviction thereof, be fined not more than $2,000, or imprisoned for not more than one year, or both.

(b) Section 404 of the Revenue Act of 1939 (Public No. 155, Seventy-sixth Congress, first session), provides:

SEC. 404. RETURNS BY ATTORNEYS AS TO FOREIGN CORPORATIONS. Effective as of the date of the enactment of the Internal Revenue Code, section 3604 of such Code is amended by striking out "Nothing in this section shall be construed to require the divulging of privileged communications between attorney and client." and inserting in lieu thereof "Nothing in this section shall be construed to require the filing by an attorney-at-law of a return with respect to any advice given or information obtained through the relationship of attorney and client."

(c) Section 3632 of the Internal Revenue Code provides:

§ 3632. *Authority to administer oaths, take testimony, and certify*—(a) *Internal revenue personnel*—(1) *Persons in charge of administration of Internal Revenue laws generally.* Every collector, deputy collector, internal revenue agent, and internal revenue officer assigned to duty under an internal revenue agent, is authorized to administer oaths and to take evidence touching any part of the administration of the internal revenue laws with which he is charged, or where such oaths and evidence are authorized by law or regulation authorized by law to be taken.

(2) *Persons in charge of exports and drawbacks.* Every collector of internal revenue and every superintendent of ports and drawbacks is authorized to administer such oaths and to certify to such papers as may be necessary under any regulation prescribed under the authority of the internal revenue laws.

(b) *Others.* Any oath or affirmation required or authorized by any internal revenue law or by any regulations made under authority thereof may be administered by any person authorized to administer oaths for general purposes by the law of the United States, or of any State, Territory, or possession of the United States, or of the District of Columbia, wherein such oath or affirmation is administered, or by any consular officer of the United States. This subsection shall not be construed as an exclusive enumeration of the persons who may administer such oaths or affirmations.

(d) Section 3797 of the Internal Revenue Code provides in part:

§ 3797 *Definitions.* (a) When used in this title, where not otherwise distinctly expressed or manifestly incompatible with the intent thereof—

(1) Person. The term "person" shall be construed to mean and include an individual, a trust, estate, partnership, company, or corporation.

* * * * *

(4) Domestic. The term "domestic" when applied to a corporation or a partnership means created or organized in the United States or under the law of the United States or of any State or Territory.

(5) Foreign. The term "foreign" when applied to a corporation or partnership means a corporation or partnership which is not domestic.

(6) Fiduciary. The term "fiduciary" means a guardian, trustee, executor, administrator, receiver, conservator, or any person acting in any fiduciary capacity for any person.

* * * * *

(11) Secretary. The term "Secretary" means the Secretary of the Treasury.

(12) Commissioner. The term "Commissioner" means the Commissioner of Internal Revenue.

(e) Section 3791 of the Internal Revenue Code provides in part as follows:

§ 3791 *Rules and regulations*—(a) *Authorization.* (1) In general. * * * the Commissioner, with the approval of the Secretary, shall prescribe and publish all needful rules and regulations for the enforcement of this title.

(2) *In case of change in law.* The Commissioner may make all such regulations, not otherwise provided for, as may have become necessary by reason of any alteration of law in relation to internal revenue.

(b) *Retroactivity of regulations or rulings.* The Secretary, or the Commissioner with the approval of the Secretary, may prescribe the extent, if any, to which any ruling, regulation, or Treasury Decision, relating to the internal revenue laws, shall be applied without retroactive effect.

Pursuant to the authority contained in the above-quoted provisions of law, the following regulations are prescribed with respect to returns of information to be filed by attorneys, accountants, fiduciaries, banks, trust companies, financial institutions, or other persons as to the formation, organization, or reorganization of foreign corporations, all references to sections being to sections of the Internal Revenue Code, or such Code as amended, except as otherwise indicated:*†

§ 20D.1 *Information returns*—(a) *General.* Any attorney (except as hereinafter provided in (b) (4) of this section), accountant, fiduciary, bank, trust company, financial institution, or other person, who aids, assists, counsels, or advises in, or with respect to, the formation, organization, or reorganization of any foreign corporation shall file with the Commissioner, within 30 days after giving such aid, assistance, counsel, or advice, an information return as provided in section 3604 (a) and these regulations. The return must be filed in every such case (1) regardless of the nature of the counsel or advice given, whether for or against the formation, organization, or reorganization of the foreign corporation, or the nature of the aid or assistance rendered and (2) regardless of the action taken upon the advice or counsel, that is, whether the foreign corporation is actually formed, organized, or reorganized.

If, in a particular case, the aid, assistance, counsel or advice given by any person extends over a period of more than one day and not for more than 30 days, such person, to avoid the multiple filing of returns, may file a single return for the entire period. In such case, the return shall be filed within 30 days from the first day of such period. If, in a particular case, the aid, assistance, counsel, or advice given by any person extends over a period of more than 30 days, such person may file a return at the end of each 30 days included within such period and at the end of the fractional part of a 30 day period, if any, extending beyond the last full 30 days. In each such case, the return must disclose all the required information which was not reported on a prior return.

(b) *Special provisions*—(1) *Employers.* In the case of aid, assistance, counsel, or advice in, or with respect to, the formation, organization, or reorganization of a foreign corporation given by a person in whole or in part through the medium of subordinates or employees (including in the case of a corporation the officers thereof), the return of the employer must set forth to the full extent all information prescribed by these regulations, including that which, as an incident to such employment, is within the possession or knowledge or under the control of such subordinates or employees.

(2) *Employees.* The obligation of a subordinate or employee (including in the case of a corporation the officers thereof) to file a return with respect to any aid, assistance, counsel, or advice in, or with respect to, the formation, organization, or reorganization of a foreign corporation, given as an incident to his employment, will be satisfied if a complete and accurate return as prescribed by these regulations is duly filed by the employer setting forth all of the information within the possession or knowledge or under the control of such subordinate or employee.

Clerks, stenographers, and other subordinates or employees, rendering aid or assistance solely of a clerical or mechanical character in, or with respect to, the formation, organization, or reorganization of a foreign corporation are not required to file returns by reason of such services.

(3) *Partners.* In the case of aid, assistance, counsel, or advice in, or with respect to, the formation, organization, or reorganization of a foreign corporation given by one or more members of a partnership in the course of its business, the obligation of each such individual member to file a return will be satisfied if a complete and accurate return, as prescribed by these regulations, is duly filed by the partnership, executed by all the members of the firm who gave any

such aid, assistance, counsel, or advice. If, however, the partnership has been dissolved at the time the return is due, individual returns must be filed by each member of the former partnership who gave any such aid, assistance, counsel, or advice.

(4) *Attorneys-at-law.* An attorney-at-law is not required to file a return with respect to any advice given or information obtained through the relationship of attorney and client.

(5) *Returns jointly made.* If two or more persons aid, assist, counsel, or advise in, or with respect to, the formation, organization, or reorganization of a particular foreign corporation, any two or more of such persons may, in lieu of filing several returns, jointly execute and file on return.

(c) *Penalties.* For criminal penalties for failure to file the returns required by section 3604 (a) and these regulations, see section 3604 (c) quoted in section 20D.0 of these regulations.*†

§ 20D.2 *Form of return.* The returns under section 20D.1 of these regulations shall be made on Form 959. Such forms may, upon request, be procured from any collector. Each person should carefully prepare his return so as to set forth fully and clearly the information called for therein. Returns which have not been so prepared will not be accepted as meeting the requirements of the Code.*†

§ 20D.3 *Contents of returns.* The return shall, in accordance with the provisions of these regulations and the instructions on the form, set forth the following information to the full extent such information is within the knowledge or possession or under the control of the person required to file the return:

(1) The name and the address of the person (or persons) to whom and the person (or persons) for whom or on whose behalf the aid, assistance, counsel, or advice was given;

(2) A complete statement of the aid, assistance, counsel, or advice given;

(3) Name and address of the foreign corporation and the country under the laws of which it was formed, organized, or reorganized;

(4) The month and year when the foreign corporation was formed, organized, or reorganized;

(5) A statement of how the formation, organization, or reorganization of the foreign corporation was effected;

(6) A complete statement of the reasons for, and the purposes sought to be accomplished by, the formation, organization, or reorganization of the foreign corporation;

(7) A statement showing the classes and kinds of assets transferred to the foreign corporation in connection with its formation, organization, or reorganization, including a detailed list of any stock or securities included in such assets, and a statement showing the names and addresses of the persons who were the owners of such assets immediately prior to the transfer;

(8) The names and addresses of the shareholders of the foreign corporation at the time of the completion of its formation, organization, or reorganization, showing the classes of stock and number of shares held by each;

(9) The name and address of the person (or persons) having custody of the books of account and records of the foreign corporation; and

(10) Such other information as may be required by the return form.

If a person aids, assists, counsels, or advises in, or with respect to, the formation, organization, or reorganization of more than one foreign corporation, a separate return must be filed with respect to each foreign corporation.*†

§ 20D.4 *Verification of return.* All returns required by section 3604 (a) and these regulations shall be verified under oath or affirmation. The oath or affirmation may be administered by a person authorized to administer oaths for general purposes by the law of the United States, or of any State, Territory, or possession of the United States, or of the District of Columbia, wherein such oath or affirmation is administered, or by a consular officer of the United States. Such returns executed abroad may be attested free of charge before United States consular officers. If a foreign notary or other official having no seal shall act as attesting officer, the authority of such attesting officer shall be certified to by some judicial official or other proper officer having knowledge of the appointment and official character of the attesting officer.*†

§ 20D.5 *Place of filing returns.* Returns required by section 3604 (a) and these regulations shall be filed with the Commissioner of Internal Revenue, Washington, D. C., attention of the Income Tax Unit, Records Division.*†

§ 20D.6 *Effective date.* These regulations, with the exception of paragraph (4) of section 20D.1 (b) of these regulations relating to returns of attorneys-at-law, shall take effect upon the date approved; paragraph (4) of section 20D.1 (b) of these regulations shall take effect as of February 10, 1939. These regulations supersede the provisions of Treasury Decision 4816, approved June 20, 1938 (Part 10, Title 26, Code of Federal Regulations), as made applicable to the Internal Revenue Code by Treasury Decision 4885 approved February 11, 1939 (Part 465, Subpart B, Title 26, Code of Federal Regulations).*†

[SEAL] HAROLD N. GRAVES,
*Acting Commissioner of Internal Revenue.*

Approved: August 7, 1939.

JOHN W. HANES,
*Acting Secretary of the Treasury.*

[F. R. Doc. 39-2930; Filed, August 9, 1939; 2:44 p. m.]

[T. D. 4918]

INCOME TAX

REGULATIONS RELATIVE TO ELECTION BY TAXPAYERS TO INCLUDE IN GROSS INCOME FOR THE TAXABLE YEAR IN WHICH RECEIVED AMOUNTS RECEIVED AS LOANS FROM THE COMMODITY CREDIT CORPORATION*†

*To Collectors of Internal Revenue and Others Concerned:*

§ 20C.0 *Introductory.* Section 223 of Title II (Income Tax Amendments) of the Revenue Act of 1939, enacted June 29, 1939 (Public, No. 155, Seventy-sixth Congress, first session), provides:

SEC. 223. COMMODITY CREDIT LOANS. (a) The Internal Revenue Code is amended by inserting after section 121 the following new section:

"SEC. 123. COMMODITY CREDIT LOANS. (a) Amounts received as loans from the Commodity Credit Corporation shall, at the election of the taxpayer, be considered as income and shall be included in gross income for the taxable year in which received.

"(b) If a taxpayer exercises the election provided for in subsection (a) for any taxable year beginning after December 31, 1938, then the method of computing income so adopted shall be adhered to with respect to all subsequent taxable years unless with the aproval of the Commissioner a change to a different method is authorized."

(b) ADJUSTMENT OF BASIS. Section 113 (b) (1) of the Internal Revenue Code is amended by adding at the end thereof a new subparagraph reading as follows:

"(G) in the case of property pledged to the Commodity Credit Corporation, to the extent of the amount received as a loan from the Commodity Credit Corporation and treated by the taxpayer as income for the year in which received pursuant to section 123 of this chapter, and to the extent of any deficiency on such loan with respect to which the taxpayer has been relieved from liability."

(c) The amendments made by subsections (a) and (b) shall be applicable to taxable years beginning after December 31, 1938.

(d) RETROACTIVE APPLICATION. The provisions of subsection (a) shall be retroactively applied in computing income for any taxable year subject to the provisions of the Revenue Act of 1934, the Revenue Act of 1936, or the Revenue Act of 1938, or any of such Acts as amended, if—

(1) The taxpayer elects in writing (in accordance with regulations prescribed by the Commissioner with the approval of the Secretary) within one year from the date of the enactment of this Act to treat such loans as income for such year, and

(2) The records of the taxpayer are sufficient to permit an accurate computation of income for such year, and

(3) The taxpayer consents in writing to the assessment, within such period as may be agreed upon, of any deficiency for such year, even though the statutory period for the assessment of any such deficiency had expired prior to the filing of such consent.

Any tax overpaid for any such year shall be credited or refunded, subject to the statu-

*Sections 20C.0 to 20C.3 issued under the authority contained in section 62 of the Internal Revenue Code (53 Stat. Part 1) and interpret section 123 of the Internal Revenue Code, as added by section 223 of the Revenue Act of 1939 (Public, No. 155, Seventy-sixth Congress, first session).

†The source of sections 20C.0 to 20C.3 is Treasury Decision 4918, approved August 7, 1939.

tory period of limitation properly applicable thereto.

(e) Adjustment of Basis for Prior Years.—In computing income for any taxable year subject to the provisions of the Revenue Act of 1934, the Revenue Act of 1936, or the Revenue Act of 1938, or any of such Acts as amended, the basis, for determining gain or loss from the sale or other disposition of any property, pledged to the Commodity Credit Corporation as security on a loan obtained therefrom, shall be adjusted for the amount of such loan to the extent it was considered as income and included in gross income for the year in which received, and for the amount of any deficiency on such loan with respect to which the taxpayer was relieved from liability.

Section 62 of the Internal Revenue Code provides:

§ 62 *Rules and regulations.* The Commissioner, with the approval of the Secretary, shall prescribe and publish all needful rules and regulations for the enforcement of this chapter.

Pursuant to the above-quoted provisions and other provisions of the internal revenue laws, the following regulations are hereby prescribed with respect to the application of section 123 of the Internal Revenue Code as added by section 223 of the Revenue Act of 1939:*†

§ 20C.1 *Taxable years beginning after December 31, 1938.* A taxpayer who receives a loan from the Commodity Credit Corporation within any taxable year beginning after December 31, 1938, may, at his election, include the amount of such loan in his gross income for the taxable year in which the loan is received. If a taxpayer makes such an election, then for subsequent taxable years he shall include in his gross income all amounts received during those years as loans from the Commodity Credit Corporation, unless he secures the approval of the Commissioner to change to a different method of accounting. Application for permission to change such method of accounting and the basis upon which the return is made shall be filed within 90 days after the beginning of the taxable year to be covered by the return.*†

§ 20C.2 *Taxable years beginning after December 31, 1933, and before January 1, 1939.* A taxpayer who has received a loan from the Commodity Credit Corporation within any taxable year beginning after December 31, 1933, and before January 1, 1939, may include the amount of such loan in his gross income for the taxable year in which the loan was received if he complies with the following conditions:

(1) Elects to include such loan in gross income by filing an amended return on or before June 29, 1940, including therein such item as a part of gross income;

(2) Has kept sufficient records so as to permit an accurate computation of income for such year; and

(3) Files with the amended return Form 872 consenting therein to the assessment, within such period as may be agreed upon, of any deficiency for such year.*†

§ 20C.3 *Effect of election on adjustments for other taxable years.* If a taxpayer elects under section 20C.1 or 20C.2 of these regulations to include in his gross income the amount of a loan from the Commodity Credit Corporation for the taxable year in which it is received, then—

(1) no part of the amount realized by the Commodity Credit Corporation upon the sale or other disposition of the commodity pledged for such loan shall be recognized as income to the taxpayer, unless the taxpayer receives an amount in addition to that advanced to him as the loan, in which event such additional amount shall be included in the gross income of the taxpayer for the year in which received; and

(2) no deductible loss to the taxpayer shall be recognized on account of any deficiency realized by the Commodity Credit Corporation on such loan if the taxpayer was relieved from liability for such deficiency.

*Example.* A, a taxpayer who elected for his taxable years 1937, 1938, and 1939 to include in gross income amounts received during those years as loans from the Commodity Credit Corporation, received as loans $500 in 1938, $700 in 1938, and $900 in 1939. In 1940 all the pledged commodity was sold by the Commodity Credit Corporation for an amount $100 and $200 less than the loans with respect to the commodity pledged in 1937 and 1938, respectively, and for an amount $150 greater than the loan with respect to the commodity pledged in 1939. A, in making his return for 1940, shall include in gross income the sum of $150 if it is received during that year, but will not be allowed a deduction for the deficiencies of $100 and $200 unless he is required to satisfy such deficiencies and does satisfy them during that year.*†

[SEAL] HAROLD N. GRAVES,
*Acting Commissioner of Internal Revenue.*

Approved: August 7, 1939.

JOHN W. HANES,
*Acting Secretary of the Treasury.*

[F. R. Doc. 39-2931; Filed, August 9, 1939; 2:44 p. m.]

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## TITLE 46—SHIPPING

## UNITED STATES MARITIME COMMISSION

[General Order No. 15—Supplement No. 3d]

### MINIMUM MANNING SCALES FOR THE M. S. "DONALD MCKAY," M. S. "MORMACHAWK," M. S. "MORMACWREN," M. S. "MORMACDOVE," M. S. "MORMACGULF" AND M. S. "MORMACLARK," SUBSIDIZED VESSELS OF MOORE-MCCORMACK LINES, INC., AMERICAN SCANTIC LINE SERVICE

At a regular session of the United States Maritime Commission held at its offices in Washington, D. C., on the 8th day of August 1939.

The Commission having adopted, pursuant to Section 301 (a) of the Merchant Marine Act, 1936, General Order No. 15[1] providing for minimum wage scales, minimum manning scales, and reasonable working conditions for all subsidized vessels, and now desiring to complete the minimum manning scales for the M. S. *Donald McKay*, M. S. *Mormachawk*, M. S. *Mormacwren*, M. S. *Mormacdove*, M. S. *Mormacgulf* and M. S. *Mormaclark*, subsidized vessels of the Moore-McCormack Lines, Inc., American Scantic Line Service (referred to herein as Operator); and

The Commission finding that the minimum scales hereinafter adopted for the above named subsidized vessels of the Operator are reasonable, proper and lawful, such finding being based upon investigations referred to in General Order No. 15 and investigations of the Commission made thereafter; it is, therefore

*Ordered*, That the minimum manning scales attached hereto for the M. S. *Donald McKay*, M. S. *Mormachawk*, M. S. *Mormacwren*, M. S. *Mormacdove*, M. S. *Mormacgulf* and M. S. *Mormaclark*, subsidized vessels of the Operator, be and the same hereby are adopted: *Provided*, That under extraordinary circumstances such as casualty or desertion, where it is impossible to procure sufficient officers or unlicensed seamen of any required grade or rating to permit the sailing of any of said vessels without undue delay, the said scales shall be inoperative to the extent required by such emergency, and the Operator shall forthwith report to the Commission any departure from said scales, stating in such report the extent of the departure and showing to the satisfaction of the Commission that sufficient reasons for such departure existed; and it is further

*Ordered*, That the minimum manning scales hereby adopted shall not relieve said Operator from complying with the manning requirements of the Bureau of Marine Inspection and Navigation and shall be without prejudice to the carrying of seamen in addition to those required hereby; and it is further

*Ordered*, That the minimum manning scales hereby adopted shall become effective for each of said vessels upon the first signing after September 1, 1939 of shipping articles for a subsidized voyage of said vessel, unless otherwise specified in the scales, and that the Operator be immediately served by registered mail with a copy of this Order and of the minimum manning scales hereby adopted.

By order of the United States Maritime Commission.

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

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[1] 2 F.R. 2257.

*Minimum Manning Scale To Be Observed on the Vessels MS. Donald McKay, MS. Mormachawk, MS. Mormacwren, MS. Mormacdove, MS. Mormacgulf and MS. Mormaclark of the Moore-McCormack Lines, Inc., American Scantic Line Service*

| | Rating |
|---|---|
| Deck department: | |
| Master | 1 |
| Chief Mate | 1 |
| Second Mate | 1 |
| Third Mate | 1 |
| Cadet Officer or Cadet | [1] 1 |
| Radio Operator | [2] 1 |
| Boatswain | 1 |
| Able Seamen | 6 |
| Ordinary Seamen | 3 |
| Engine department: | |
| Chief Engineer | 1 |
| First Assistant Engineer | 1 |
| Second Assistant Engineer | 1 |
| Third Assistant Engineer | 1 |
| Engineer Cadet Officer or Cadet | [1] 1 |
| Deck Engineer—Electric | [3] 1 |
| Utility Engine Man | [4] 1 |
| Oilers | 3 |
| Wipers | [3] 3 |
| Steward's department: | |
| Chief Steward | 1 |
| Chief Cook | 1 |
| Second Cook and Baker | 1 |
| Messmen | 2 |
| Messboy | 1 |

[1] It shall not constitute a violation of this Manning Scale to detail any Cadet Officer or Cadet required to be carried hereby, to shore training after notice to, and approval by, the Director of the Division of Maritime Personnel of this Commission, and in such case entry shall be made in the official logbook to this effect and no replacements of such Cadet Officers or Cadets shall be required. Such cadets also may be removed from vessel's complement at any time upon notice to the operator by the Director of the Division of Maritime Personnel and such action shall not constitute a violation of this Manning Scale.

[2] With radio auto alarm.

[3] The Engineer and Wipers required by this Manning Scale are ratings covered by, and in no sense additions to, the respective ratings provided for by the Manning Scales set forth in General Order No. 15, issued October 21, 1937.

[4] Must possess at least oiler's certificate.

GENERAL NOTE: Requirements of this Manning Scale will be deemed satisfied in the event that an employee is carried whose rating in the same department is superior to the rating prescribed.

[F. R. Doc. 39-2935; Filed, August 10, 1939; 10:12 a. m.]

## *Notices*

## DEPARTMENT OF AGRICULTURE.

### Agricultural Adjustment Administration.

[SRB-301—Florida Celery, Supp. No. 1]

1939 AGRICULTURAL CONSEVATION PROGRAM FOR THE FLORIDA CELERY AREA

SOUTHERN REGION BULLETIN 301

*Supplement No. 1*

Pursuant to the authority vested in the Secretary of Agriculture under Sections 7 to 17, inclusive, of the Soil Conservation and Domestic Allotment Act, as amended, the 1939 Agricultural Conservation Program for the Florida Celery Area, Southern Region Bulletin 301,[1] is hereby amended as follows:

Item (5) of subsection (a) under the "Schedule of soil-building practices" in section IV is amended to read as follows:

(5) Application of 1,000 pounds of ground limestone or its equivalent.

Done at Washington, D. C., this 10th day of August 1939. Witness my hand and the seal of the Department of Agriculture.

[SEAL] HARRY L. BROWN,
*Acting Secretary of Agriculture.*

[F. R. Doc. 39-2940; Filed, August 10, 1939; 11:36 a. m.]

### Food and Drug Administration.

[Docket No. FDC-10]

NOTICE OF PUBLIC HEARINGS FOR PURPOSE OF RECEIVING EVIDENCE ON BASIS OF WHICH REGULATIONS MAY BE PROMULGATED FIXING AND ESTABLISHING A DEFINITION AND STANDARD OF IDENTITY FOR EACH OF THE (A) FRUIT PRESERVE (FRUIT JAM) FOODS; (B) FRUIT JELLY FOODS, AND (C) FRUIT BUTTER FOODS HEREINAFTER IDENTIFIED

Pursuant to the provisions of subsection (e) of Section 701 of the Federal Food, Drug, and Cosmetic Act [Sec. 701, 52 Stat. 1058; 21 U.S.C. 371 (e)], notice is hereby given to all interested persons that public hearings will be held in Room 1039, in the South Building of the U. S. Department of Agriculture, Independence Avenue, between 12th and 14th Streets, Southwest, Washington, D. C., on the 11th day of September, 1939, at 10 o'clock in the forenoon of that day, for the purpose of receiving evidence in respect of the proposed definitions and standards of identity subjoined to this notice and hereby made a part hereof, upon the basis of which, in pursuance of the authority vested in the Secretary of Agriculture as provided in Section 401 of the Federal Food, Drug and Cosmetic Act (Sec. 401, 52 Stat. 1046; 21 U.S.C. 341), regulations may be promulgated fixing and establishing a reasonable definition and standard of identity for each of the following foods, namely:

A. Each fruit preserve (fruit jam), as more fully identified in Sec. 29.000 of the proposals subjoined to this notice and hereby made a part hereof;

B. Each fruit jelly, as more fully identified in Sec. 29.500 of the proposals subjoined to this notice and hereby made a part hereof; and

C. Each fruit butter, as more fully identified in Sec. 30.000 of the proposals subjoined to this notice and hereby made a part hereof.

All interested persons are invited to attend these hearings and to offer relevant and material evidence either in person or through a duly authorized representative. Affidavits in quintuplicate may be offered in lieu of oral testimony either at the time of the hearings or by sendng them to M. F. Markel, Room 2317, South Building, U. S. Department of Agriculture, Independence Avenue, between 12th and 14th Streets, Southwest, Washington, D. C., in sufficient time so as to be in his office on or before the date of the hearings above stated. Such affidavits, if relevant and material, or any relevant or material portion thereof, may be received and considered as evidence in the particular hearing to which they are addressed, but the lack of an opportunity for cross-examination will be considered in determining the weight that shall be given to such affidavits, or portions thereof, as evidence.

Each of the proposed definitions and standards of identity subjoined to this notice and hereby made a part hereof, is subject to adoption, rejection, amendment or modification by the Secretary, in whole or in part, as the evidence presented at each hearing may require.

Each hearing will be conducted in accordance with the Rules of Procedure for hearings held under the Federal Food, Drug, and Cosmetic Act, as published in the FEDERAL REGISTER of Friday, January 13, 1939, at pages 223 to 225.

Mr. M. F. Markel is hereby designated as the Presiding Officer who shall conduct each of the foregoing hearings in the place and stead of the Secretary, with power to administer oaths, and to do all things necessary and appropriate to the proper conduct of such hearings.

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

Dated, August 5, 1939.

§ 29.000 *Fruit preserve, fruit jam—Identity; label statement of optional ingredients.* (a) For the purposes of this section—

(1) The term "fruit" includes the vegetables named in subsection (b).

(2) Any requirement with respect to weight of fruit means—

(i) The weight of such fruit exclusive of the weight of any sugar, water, or other substance added during any process of packing or canning, or otherwise added to such fruit;

(ii) In the case of fruit prepared by the removal, in whole or in part, of pits, seeds, skins, cores, or any combination thereof, the weight of such fruit exclusive of the weight of pits, seeds, skins and cores removed therefrom; and

(iii) In the cases of apricot, cherry, grape, nectarine, peach, and damson, greengage or other plum, irrespective of whether pits or seeds are removed wholly or in part therefrom, the weight of such fruit exclusive of the weight of its pits or seeds.

[1] 3 F.R. 2655 DI.

(3) Any requirement with respect to the weight of partly inverted sugar sirup, honey, or corn sirup means the weight of the total solids content of such sugar sirup, honey, or corn sirup.

(4) The term "soluble solids" means the soluble solids content of a preserve or jam as determined by the method prescribed in "Official and Tenative Methods of Analysis of the Association of Official Agricultural Chemists," Fourth Edition, page 320, under "Soluble Solids in Fresh and Canned Fruits, Jams, Marmalades and Preserves—Tentative," except that no correction is to be made for water-insoluble solids.

(b) A preserve or jam for which a definition and standard of identity is prescribed by this section is the food prepared from one or a mixture of two or more of the following mature and properly prepared, fresh, frozen or canned fruits:

Apple.
Apricot.
Blackberry.
Black Currant.
Black Raspberry.
Blueberry.
Boysenberry.
Cherry.
Crabapple.
Cranberry.
Currant (or Red Currant).
Damson (or Damson Plum).
Dewberry.
Elderberry.
Fig.
Gooseberry.
Grape.
Grapefruit.
Greengage (or Greengage Plum).
Guava.
Huckleberry.
Loganberry.
Nectarine.
Orange.
Peach.
Pear.
Pineapple.
Plum (other than Damson or Greengage).
Quince.
Raspberry (or Red Raspberry).
Rhubarb.
Strawberry.
Tangerine.
Tomato.
Yellow Tomato.
Youngberry.

Each fruit in any such mixture of two or more fruits is an optional ingredient. Such fruit or mixture of fruits, with or without added water, is combined and cooked with one of the following optional sweetening ingredients:

(1) Sugar;
(2) Partly inverted sugar sirup, the solids of which contain not more than 0.05 percent by weight of ash;
(3) Honey;
(4) Corn sirup (glucose);
(5) A mixture of sugar and dextrose;
(6) A mixture of sugar and honey; or
(7) A mixture of sugar and corn sirup.

To such fruit or mixture of fruits and such sweetening ingredient may be added one or more of the following optional ingredients:

(8) Spice;
(9) A vinegar, lemon juice, lime juice, citric acid, lactic acid, malic acid or tartaric acid;
(10) Pectin; and
(11) Sodium citrate or sodium potassium tartrate, or both.

Such preserve or jam, when sealed in a container, is so processed by heat, before or after sealing, as to prevent spoilage.

(c) The composition of such preserve or jam is as follows:

(1) If it is prepared from black currant, cranberry, currant, damson plum, gooseberry, or quince, or a mixture of two or more of such fruits, the finished preserve or jam contains not less than 64 percent of soluble solids.

(2) If it is prepared from one or more of the fruits named in paragraph (1) of this subsection and one or more of the other fruits named in subsection (b), the finished preserve or jam contains not less than 66 percent of soluble solids.

(3) If it is prepared from apple, apricot, fig, nectarine, peach, pear, plum (other than damson), or guava, or a mixture of two or more of such fruits, the finished preserve or jam contains not less than 66 percent of soluble solids.

(4) If it is not subject to the provisions of paragraphs (1), (2), or (3) of this subsection, the finished preserve or jam contains not less than 68 percent of soluble solids.

(5) If it is prepared from a mixture of two fruits, the weight of each such fruit is not less than two-fifths the total weight of such mixture.

(6) If it is prepared from a mixture of three fruits, the weight of each such fruit is not less than one-fourth the total weight of such mixture.

(7) If it is prepared from a mixture of four or more fruits, the weight of no such fruit is more than thrice the weight of any other such fruit.

(8) It is prepared from not less than 45 parts by weight of fruit or mixture of fruits to each 55 parts by weight of the optional sweetening ingredient.

(9) If it is prepared with optional sweetening ingredient (5), the weight of sugar is not less than one-half the weight of such ingredient.

(10) If it is prepared with optional sweetening ingredient (6), the weight of honey is not less than two-fifths the weight of such ingredient.

(11) If it is prepared with optional sweetening ingredient (7), the weight of sugar is not less than two-fifths the weight of such ingredient.

(12) If it is prepared with optional ingredient (9) or (10), such ingredient is present only in such quantity as is sufficient to compensate for deficiency of natural acid or pectin, as the case may be, in the fruit ingredient.

(13) If it is prepared with optional ingredient (11), such ingredient is present in a total quantity of not more than three ounces to each 100 pounds of sweetening ingredient.

(d) The name of each preserve or jam for which a definition and standard of identity is prescribed by this section is as follows:

(1) If it is prepared from a single fruit, the name is that whereby such fruit is designated in subsection (b), preceded or followed by the word "preserve" or "jam".

(2) If it is prepared from a mixture of two or three fruits, the name is the combination of the names whereby each such fruit is designated in subsection (b), in the order of the predominance by weight of each such fruit, preceded or followed by the word "preserve" or "jam", as, for example, "Apple, Grape and Raspberry Preserve" or "Jam Apple, Grape and Raspberry."

(3) If it is prepared from a mixture of four or more fruits, the name is "Mixed Fruit Preserve" or "Mixed Fruit Jam."

(e) If the preserve or jam is prepared from a mixture of two or more fruits, the label shall bear the name of each such fruit; such name shall be those by which such fruits are designated in subsection (b). If optional sweetening ingredient (3) or (4) is present, the label shall bear the word or words "Honey" or "Prepared With Honey", or "Corn Sirup" or "Glucose" or "Prepared With Corn Sirup" or "Prepared With Glucose", as the case may be. If optional sweetening ingredient (6) is present and the weight of honey equals or exceeds that of the sugar, the label shall bear the words "Honey and Sugar" or "Prepared With Honey and Sugar"; but if the weight of honey is less than that of the sugar, the label shall bear the words "Sugar and Honey" or "Prepared With Sugar and Honey". If optional sweetening ingredient (7) is present and the weight of corn sirup equals or exceeds that of the sugar, the label shall bear the words "Corn Sirup and Sugar" or "Prepared With Corn Sirup and Sugar" or "Glucose and Sugar" or "Prepared With Glucose and Sugar"; but if the weight of the corn sirup is less than that of the sugar, the label shall bear the words "Sugar and Corn Sirup" or "Sugar and Glucose" or "Prepared With Sugar and Corn Sirup" or "Prepared With Sugar and Glucose". If optional ingredient (8), (9), or (10) is present, the label shall bear the word or words "Spiced" or "Spice Added" or "With Added Spice", "Vinegar Added" or "With Added Vinegar", "Lemon Juice Added" or "With Added Lemon Juice", "Lime Juice Added" or "With Added Lime Juice",

"Citric Acid Added" or "With Added Citric Acid", "Lactic Acid Added" or "With Added Lactic Acid", "Malic Acid Added" or "With Added Malic Acid", "Tartaric Acid Added" or "With Added Tartaric Acid", "Pectin Added" or "With Added Pectin", as the case may be; but, if two or more of such ingredients are present, such words may be combined, as, for example, "Spice, Citric Acid and Pectin Added". In lieu of the word "Spice" in such statements, the common or usual name of the spice may be used. If optional ingredient (11) is present, the label shall bear the words "Trace of Citrate —" (or "Trace of Tartrate —" or "Trace of Citrate and Tartrate —", as the case may be) "Added to Improve Consistency". Wherever the name of the preserve or jam, as specified in subsection (d), appears on the label so conspicuously as to be easily seen under customary conditions of purchase, the words showing the optional ingredients present, as specified in this subsection, shall immediately and conspicuously precede or follow such name, without intervening written, printed, or graphic matter, except that the varietal name of the fruit or fruits may so intervene.

§ 29.500 *Fruit jelly—Identity: Label statement of optional ingredients.* (a) For the purposes of this section—

(1) The term "jelly juice" means the filtered or strained liquid contracted by the application of heat, with or without the addition of water, from one of the mature and properly prepared fresh, frozen or canned fruits listed in paragraph (2) of this subsection.

(2) Any requirement with respect to the weight of jelly juice means the weight of the soluble fruit solids contained in such jelly juice, exclusive of any added sugar or other added solids, multiplied by the factor which, in the following list, follows the name of the fruit from which such juice is extracted:

| | *Factor* |
|---|---|
| Apple | 7.0 |
| Apricot | 7.0 |
| Blackberry | 10.0 |
| Black Raspberry | 9.0 |
| Cherry | 7.0 |
| Crabapple | 6.5 |
| Cranberry | 9.5 |
| Currant (or Red Currant) | 9.5 |
| Damson (or Damson Plum) | 7.0 |
| Dewberry | 10.0 |
| Fig | 5.0 |
| Gooseberry | 12.0 |
| Grape | 7.0 |
| Grapefruit | 11.0 |
| Greengage (or Greengage Plum) | 7.0 |
| Guava | 13.0 |
| Loganberry | 9.5 |
| Orange | 8.0 |
| Peach | 8.5 |
| Pineapple | 7.0 |
| Plum (other than Damson, Greengage, and Prune) | 7.0 |
| Pomegranate | 6.0 |
| Quince | 8.0 |
| Raspberry (or Red Raspberry) | 9.5 |
| Strawberry | 12.5 |
| Youngberry | 10.0 |

(3) The term "soluble solids" means the soluble solids content as determined by the method prescribed in "Official and Tentative Methods of Analysis of the Association of Official Agricultural Chemists", Fourth Edition, page 464, under "By means of a refractometer—Official".

(4) The soluble fruit solids of a jelly juice is determined as follows:

Determine the precent of soluble solids in the jelly juice, multiply the percent found by the weight of the jelly juice, and divide by 100. The quotient, corrected by subtracting the weight of any added sugar or other added solids present, shall be considered to be the weight of soluble fruit solids.

(5) Any requirement with respect to the weight of partly inverted sugar sirup, honey, or corn sirup, means the weight of the total solids content of such sugar sirup, honey, or corn sirup.

(b) A jelly for which a definition and standard of identity is prescribed by this section is the jelled food prepared from one or a mixture of two or more jelly juices as defined in subsection (a)(1). Each jelly juice in any mixture of two or more jelly juices is an optional ingredient. Such jelly juice or mixture of jelly juices is combined and cooked with one of the following optional sweetening ingredients:

(1) Sugar;
(2) Partly inverted sugar sirup, the solids of which contain not more than 0.05 percent by weight of ash;
(3) Honey;
(4) Corn sirup (glucose);
(5) A mixture of sugar and dextrose;
(6) A mixture of sugar and honey; or
(7) A mixture of sugar and corn sirup.

To such jelly juice or mixture of jelly juices and sweetening ingredient may be added one or more of the following optional ingredients:

(8) Spice;
(9) Mint flavoring and artificial green coloring, in the cases of apple jelly juice, crabapple jelly juice, pineapple jelly juice, or any mixture of two or all of such jelly juices;
(10) Lemon juice, lime juice, citric acid, lactic acid, malic acid or tartaric acid;
(11) Pectin; and
(12) Sodium citrate or sodium potassium tartrate, or both.

so processed by heat, before or after sealing, as to prevent spoilage.

(c) The composition of such jelly is as follows:

(1) The finished jelly contains not less than 65 percent of soluble solids.

(2) If it is prepared from a mixture of the jelly juices of two fruits, the weight of each of such juices is not less than two-fifths the total weight of such mixture.

(3) If it is prepared from a mixture of the jelly juices of three fruits, the weight of each of such juices is not less than one-fourth the total weight of such mixture.

(4) If it is prepared from a mixture of the jelly juices of four or more fruits, the weight of no such juice is more than thrice the weight of any other such juice.

(5) It is prepared from not less than — parts (to be fixed within the range of 45 parts to 50 parts) by weight of jelly juice to each — parts (to be fixed within the range of 50 parts to 55 parts) by weight of sweetening ingredient.

(6) If it is prepared with optional ingredient (5), the weight of sugar is not less than one-half the total weight of such ingredient.

(7) If it is prepared with optional ingredient (6), the weight of honey is not less than two-fifths of the total weight of such ingredient.

(8) If it is prepared with optional ingredient (7), the weight of sugar is not less than two-fifths the total weight of such ingredient.

(9) If it is prepared with optional ingredient (10) or (11), such ingredient is present only in such quantity as compensates for deficiency of natural acid or pectin, as the case may be, in the jelly juice.

(10) If it is prepared with optional ingredient (12), such ingredient is present in a total quantity of not more than 3 ounces to each 100 pounds of sweetening ingredient.

(d) The name of each jelly for which a definition and standard of identity is prescribed by this section is as follows:

(1) If it is prepared from the jelly juice of a single fruit, the name is that whereby such fruit is designated in subsection (a)(2), preceded or followed by the word "jelly".

(2) If it is prepared from a mixture of the jelly juices of two or three fruits, the name is the combination of the names whereby each such fruit is designated in subsection (a)(2), in the order of the predominance by weight of each such jelly juice, preceded or followed by the word "jelly", as, for example, "Apple, Grape, and Raspberry Jelly".

(3) If it is prepared from a mixture of the jelly juices of four or more fruits, the name is "Mixed Fruit Jelly".

(e) If the jelly is prepared from a mixture of the jelly juices of two or more fruits, the label shall bear the name of each such fruit; and such names shall be those by which such fruits are designated in subsection (a)(2). If optional sweetening ingredient (3) or (4) is present, the label shall bear the word or words "Honey" or "Prepared With Honey", or "Corn Sirup" or "Glucose" or "Prepared With Corn Sirup" or "Prepared With Glucose", as the case may be. If optional sweetening ingredient (6) is present, and the weight of honey equals or exceeds that of the sugar, the label shall bear the words "Honey and Sugar" or "Prepared With Honey and Sugar"; but if the weight of honey is less than that of the sugar, the label shall bear the words "Sugar and Honey" or "Pre-

pared With Honey and Sugar". If optional sweetening ingredient (7) is present, and the weight of corn sirup equals or exceeds that of the sugar, the label shall bear the words "Corn Sirup and Sugar" or "Prepared With Corn Sirup and Sugar" or "Glucose and Sugar" or "Prepared With Glucose and Sugar"; but if the weight of the corn sirup is less than that of the sugar, the label shall bear the words "Sugar and Corn Sirup" or "Prepared With Sugar and Corn Sirup" or "Sugar and Glucose" or "Prepared With Sugar and Glucose". If optional ingredient (8), (9), or (10) is present, the label shall bear the word or words "Spiced" or "Spice Added" or "With Added Spice", "Flavoring and Artificial Coloring Added" or "With Added Flavoring and Artificial Coloring", "Lemon Juice Added" or "With Added Lemon Juice", "Lime Juice Added" or "With Added Lime Juice", "Citric Acid Added" or "With Added Citric Acid", "Lactic Acid Added" or "With Added Lactic Acid", "Malic Acid Added" or "With Added Malic Acid", "Tartaric Acid Added" or "With Added Tartaric Acid", "Pectin Added" or "With Added Pectin", as the case may be; but, if two or more of such ingredients are present, such words may be combined, as for example, "Spice, Citric Acid and Pectin Added". In lieu of the word "Spice" in such statements, the label may bear the common or usual name of the spice. If optional ingredient (11) is present, the label shall bear the words "Trace of Citrate —" (or "Trace of Tartrate —" or "Trace of Citrate and Tartrate —", as the case may be) "Added to Improve Consistency". Wherever the name of the jelly, as specified in subsection (d), appears on the label so conspicuously as to be easily seen under customary conditions of purchase, the words showing the optional ingredients present, as specified in this subsection, shall immediately and conspicuously precede or follow such name without intervening written, printed, or graphic matter, except that the varietal name of the fruit or fruits from which the jelly juice is extracted may so intervene.

§ *30.000 Fruit butter—Identity; Label statement of optional ingredients.* (a) For the purposes of this section—

(1) The term "fruit" includes, unless otherwise indicated by the context, the dried fruits named in subsection (b).

(2) Any requirement with respect to the weight of partly inverted sugar sirup, honey, or corn sirup means the total solids content of such sugar sirup, honey, or corn sirup.

(3) The term "soluble solids" means the soluble solids content as determined by the method prescribed in "Official and Tentative Methods of Analysis of the Association of Official Agricultural Chemists", Fourth Edition, page 320, under "Soluble Solids in Fresh and Canned Fruits, Jams, Marmalades and Preserves—Tentative", except that no correction is to be made for water-insoluble solids.

(4) Any requirement with respect to the weight of fruit means:

(i) The weight of such fruit exclusive of the weight of any sugar, water, or other substance added during the process of packing or canning, or otherwise added to such fruit, exclusive of the weight of any water added in accordance with the provisions of subparagraph (iii) of this subsection;

(ii) The weight of such fruit, exclusive of the weight of pits, seeds, skins, and cores; and

(iii) In the case of a dried fruit other than dried prune, the weight of such fruit with sufficient added water to adjust the moisture content of such fruit to 82 percent; and, in the case of dried prune, the weight of such fruit, after removal of the pits, with sufficient added water to adjust the moisture content to 70 percent.

(5) The weight of concentrated fruit juice is the original weight of such juice before it was concentrated.

(b) A fruit butter for which a definition and standard of identity is prescribed by this section is the food prepared from one or a mixture of two or more of the following mature and properly prepared fresh, (except in the cases of the dried fruits), frozen, or canned fruits:

Apple.
Apricot.
Dried-Apple (or Evaporated-Apple).
Dried-Apricot.
Dried-Peach.
Dried-Pear.
Dried-Prune.
Grape.
Peach.
Pear.
Plum.
Quince.

Each fruit in any such mixture of two or more fruits is an optional ingredient. Such fruit or mixture of fruits is cooked and strained, and is combined [except as provided in respect of optional ingredient (10)] with one of the following optional sweetening ingredients:

(1) Sugar;
(2) Partly inverted sugar sirup, the solids of which contain not more than 0.05 per cent by weight of ash;
(3) Brown sugar;
(4) Honey;
(5) Corn sirup (glucose);
(6) A mixture of sugar and dextrose;
(7) A mixture of sugar and brown sugar;
(8) A mixture of sugar and honey; or
(9) A mixture of sugar and corn sirup.

To such fruit or mixture of fruits and such sweetening ingredient may be added one or more of the following optional ingredients:

(10) Fruit juice or concentrated fruit juice, in addition to or in complete or partial substitution for the optional sweetening ingredient.
(11) Salt;
(12) Spice;
(13) Flavoring; and
(14) Vinegar, lemon juice, lime juice, citric acid, lactic acid, malic acid, or tartaric acid.

When sealed in a container the fruit butter is so processed by heat, before or after sealing, as to prevent spoilage.

(c) The composition of such fruit butter is as follows:

(1) The finished fruit butter contains not less than — percent (to be fixed within the range of 43 percent to 50 percent) of soluble solids.
(2) If it is prepared from a mixture of two fruits, the weight of each such fruit is not less than two-fifths of the total weight of such mixture.
(3) If it is prepared from a mixture of three fruits, the weight of each such fruit is not less than one-fourth of the total weight of such mixture.
(4) If it is prepared from a mixture of four or more fruits, the weight of no such fruit is more than thrice the weight of any other such fruit.
(5) It is prepared from not less than 50 parts by weight of fruit to each — parts (to be fixed within the range of 20 parts to 25 parts) by weight of sweetening ingredient.
(6) If it is prepared with optional ingredient (6), the weight of sugar is not less than one-half the total weight of such ingredient.
(7) If it is prepared with optional ingredient (7), the weight of brown sugar is not less than two-fifths the total weight of such ingredient.
(8) If it is prepared with optional ingredient (8), the weight of honey is not less than two-fifths the total weight of such ingredient.
(9) If it is prepared with optional ingredient (9), the weight of sugar is not less than two-fifths the total weight of such ingredient.
(10) If it is prepared with optional ingredient (10), the weight of fruit juice or concentrated fruit juice is not less than one-half the total weight of fruit used in preparing the fruit butter.
(11) If it is prepared with optional ingredient (14), such ingredient is present only in such quantity as is sufficient to compensate for deficiency of natural acid in the fruit.

(d) The name of each fruit butter for which a definition and standard of identity is prescribed by this section is as follows:

(1) If it is prepared from a single fruit, the name is that whereby such fruit is designated in subsection (b), followed by the word "butter".
(2) If it is prepared from a mixture of two or three fruits, the name is a combination of the names whereby each such fruit is designated in subsection (b), in the order of their predominance

by weight, followed by the word "butter", as, for example, "Dried-Apple, Dried-Apricot and Dried-Prune Butter".

(3) If it is prepared from a mixture of four or more fruits, none of which is a dried fruit, the name is "Mixed Fruit Butter"; or if such fruit is a dried fruit, the name is "Mixed Dried-Fruit Butter"; or if one-half or more of the weight of such mixture is a dried fruit, the name is "Dried Fruit and Fruit Butter"; or if less than one-half of such mixture is a dried fruit, the name is "Fruit and Dried-Fruit Butter".

(e) If the fruit butter is prepared from a mixture of two or more fruits, the label shall bear the name of each such fruit; such names shall be the names whereby such fruits are designated in subsection (b). If optional sweetening ingredients (4) or (5) is present, the label shall bear the word or words "Honey" or "Prepared With Honey", or "Corn Sirup" or "Glucose" or "Prepared With Corn Sirup" or "Prepared With Glucose", as the case may be. If optional sweetening ingredient (8) is present, and the weight of honey equals or exceeds that of the sugar, the label shall bear the words "Honey and Sugar" or "Prepared With Honey and Sugar"; but if the weight of honey is less than that of the sugar, the label shall bear the words "Sugar and Honey" or "Prepared With Sugar and Honey". If optional sweetening ingredient (9) is present and the weight of corn sirup equals or exceeds that of the sugar, the label shall bear the words "Corn Sirup and Sugar" or "Prepared With Corn Sirup and Sugar" or "Glucose and Sugar" or "Prepared With Glucose and Sugar"; but if the weight of corn sirup is less than that of the sugar, the label shall bear the words "Sugar and Corn Sirup" or "Prepared With Sugar and Corn Sirup" or "Sugar and Glucose" or "Prepared With Sugar and Glucose". If optional ingredient (10) is present, the label shall bear the words "Prepared With — Juice", the blank to be filled in with the name of the fruit from which such ingredient is extracted; but, in lieu of the words "Apple Juice", the label may bear the word "Cider". If optional ingredient (12), (13), or (14) is present, the label shall bear the word or words "Spiced" or "Spice Added" or "With Added Spice", "Flavoring Added" or "With Added Flavoring", "Vinegar Added" or "With Added Vinegar", "Lemon Juice Added" or "With Added Lemon Juice", "Lime Juice Added" or "With Added Lime Juice", "Citric Acid Added" or "With Added Citric Acid", "Lactic Acid Added" or "With Added Lactic Acid", "Malic Acid Added" or "With Added Malic Acid", "Tartaric Acid Added" or "With Added Tartaric Acid", as the case may be; but if two or more of such ingredients are present, such words may be combined, as, for example, "Spice and Citric Acid Added". In lieu of the words "Spice" or "Flavoring", the label may bear the common or usual name of the spice or flavoring. Wherever the name of the fruit butter, as specified in subsection (d), appears on the label so conspicuously as to be easily seen under customary conditions of purchase, the words specified in this subsection, showing the optional ingredients present, shall immediately and conspicuously precede or follow such name, without intervening written, printed, or graphic matter, except that the varietal name of the fruit or fruits may so intervene.

[F. R. Doc. 39–2933; Filed, August 10, 1939; 9:41 a. m.]

## FEDERAL TRADE COMMISSION.

*United States of America—Before Federal Trade Commission*

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

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

[Docket No. 3823]

IN THE MATTER OF ARTHUR LONGFIELD, AN INDIVIDUAL

ORDER APPOINTING EXAMINER AND FIXING TIME AND PLACE FOR TAKING TESTIMONY

This matter being at issue and ready for the taking of testimony, and pursuant to authority vested in the Federal Trade Commission, under an Act of Congress (38 Stat. 717; 15 U.S.C.A., Section 41),

*It is ordered*, That Lewis C. Russell, an examiner of this Commission, be and he hereby is designated and appointed to take testimony and receive evidence in this proceeding and to perform all other duties authorized by law;

*It is further ordered*, That the taking of testimony in this proceeding begin on Thursday, August 17, 1939, at nine o'clock in the forenoon of that day (eastern standard time) in Room 500, 45 Broadway, New York, New York.

Upon completion of testimony for the Federal Trade Commission, the examiner is directed to proceed immediately to take testimony and evidence on behalf of the respondent. The examiner will then close the case and make his report upon the evidence.

By the Commission.

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

[F. R. Doc. 39–2934; Filed, August 10, 1939; 9:52 a. m.]

## SECURITIES AND EXCHANGE COMMISSION.

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

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 2nd day of August, A. D. 1939.

[File Nos. 46–88, 32–78, 46–89, 56–47, 56–48]

IN THE MATTER OF WASHINGTON GAS LIGHT COMPANY, WASHINGTON AND SUBURBAN COMPANIES

ORDER APPROVING APPLICATIONS

Washington and Suburban Companies, a registered holding company, having filed an application, pursuant to Section 10 (a) (1) of the Public Utility Holding Company Act of 1935 (File No. 46–89) for the approval of the acquisition of 35,000 shares of the common stock of Washington Gas Light Company; said applicant having also filed an application pursuant to Rule U–12D–1, promulgated under Section 12 (d) of said Act (File No. 56–47) for the approval of the sale of substantially all of the outstanding debt and securities of Alexandria Gas Company and Washington Suburban Gas Company, and having likewise filed an application pursuant to said rule (File No. 56–48) for approval of the sale of 362,588 shares of the common stock of Washington Gas Light Company to underwriters;

Washington Gas Light Company, a subsidiary company of said Washington and Suburban Companies, having filed an application pursuant to Section 10 (a) (1) of said Act for approval of the acquisition of substantially all of the outstanding securities and debt of Alexandria Gas Company and Washington Suburban Gas Company (File No. 46–88) and an application (File No. 32–78) pursuant to the third sentence of Section 6 (b) of said Act for exemption from the provisions of Section 6 (a) thereof, of the issue and sale by it of 35,000 shares of common stock, such common stock to be the consideration for the securities and debt of Alexandria Gas Company and Washington Suburban Gas Company;

A public hearing having been held upon said applications after appropriate notice;[1] each of said applicants, prior to the entry of the Commission's findings, opinion and order herein, having waived its right to a Trial Examiner's report, submission of proposed findings of fact, the filing of briefs and oral argument;

The Commission having considered the record in these matters and having made and filed its findings herein:

*It is ordered*, That said applications be and the same hereby are approved, subject to the following terms and conditions:

1. That the acquisition of stock and debt obligations of Alexandria Gas Company and Washington Suburban Gas Company, and the issuance of 35,000 shares of common stock in consideration therefor, shall in all respects comply with the order of the Public Utilities Commis-

[1] 4 F.R. 3365, 3418 DI.

sion of the District of Columbia, dated July 26, 1939 (Formal Case No. 286, Order No. 1807).

2. All expenses incident to the registration of 362,588 shares of Washington Gas Light Company common stock in Registration Statement No. 2-4123, pursuant to the Securities Act of 1933, shall be paid by Washington and Suburban Companies, with the exception that Washington and Suburban Companies shall not be required to reimburse Washington Gas Light Company for the services of employees of that company who have received no extra compensation in that connection, and except that Washington Gas Light Company may pay the cost of listing said common stock on the New York Stock Exchange and fees and compensation payable to registrars and stock transfer agents.

3. Within ten days after the completion of the public distribution of said 362,588 shares of common stock of Washington Gas Light Company, or such lesser number of shares as may be distributed pursuant to the agreement dated August 1, 1939, between Washington and Suburban Companies and the representatives of the several underwriters, Washington and Suburban Companies and Washington Gas Light Company shall each file a certification of notification, showing the number of shares sold, the consideration received therefor by each applicant and the disposition of the proceeds of such sale.

4. That all acquisitions, issues and sales shall be performed in accordance with the terms and conditions represented by the foregoing applications as amended.

By the Commission.

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

[F. R. Doc. 39-2936; Filed, August 10, 1939; 10:49 a. m.]