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Washington, Friday, July 19, 1940

The President

EXECUTIVE ORDER

MODIFICATION OF EXECUTIVE ORDER NO. 7515 OF DECEMBER 16, 1936, WITHDRAWING PUBLIC LAND FOR USE OF THE WAR DEPARTMENT

ARIZONA

By virtue of the authority vested in me by the act of June 25, 1910, c. 421, 36 Stat. 847, as amended by the act of August 24, 1912, c. 369, 37 Stat. 497, it is ordered that Executive Order No. 7515 of December 16, 1936,[1] temporarily withdrawing and reserving certain land in the State of Arizona for use of the War Department as an enlargement of a target range used by the Arizona National Guard, be, and it is hereby, modified to the extent necessary to enable the Secretary of the Interior to withdraw the following-described tracts of public land for use by the Civil Aeronautics Authority in the establishment and maintenance of air-navigation facilities under and pursuant to the provisions of section 4 of the act of May 24, 1928, 45 Stat. 728, 729:

Gila and Salt River Meridian

T. 1 N., R. 3 W., sec. 7, W½NE¼, E½NW¼, containing 160 acres.

FRANKLIN D ROOSEVELT

THE WHITE HOUSE,
July 16, 1940.

[No. 8486]

[F. R. Doc. 40-2968; Filed, July 17, 1940; 3:39 p. m.]

Rules, Regulations, Orders

TITLE 6—AGRICULTURAL CREDIT

CHAPTER I—FARM CREDIT ADMINISTRATION

[FCA 190]

THE FEDERAL LAND BANK OF SPRINGFIELD

REAMORTIZATION FEES

Section 21.5 of Title 6, Code of Federal Regulations, is amended to read as follows:

[1] 1 F.R. 2160.

§ 21.5 *Reamortization fees.* An applicant for the reamortization of a Federal land bank loan shall be required to pay a fee of $5.00. An applicant for the reamortization of a Commissioner loan shall be required to pay such out-of-pocket costs as abstract charges, recording fees, and other incidental items. (Sec. 13 "Thirteenth," as added by sec. 4, 47 Stat. 1548, secs. 1, 2, 48 Stat. 344, 345; 12 U.S.C. 781 "Thirteenth," 1020, 1020a, and Sup.; 6 CFR 19.4043, 4 FR 4942) [Res. Ex. Com., July 3, 1940]

[SEAL] THE FEDERAL LAND BANK OF SPRINGFIELD,
By H. P. PERKINS, *Secretary.*

[F. R. Doc. 40-2985; Filed, July 18, 1940; 11:40 a. m.]

TITLE 7—AGRICULTURE

CHAPTER I—AGRICULTURAL MARKETING SERVICE

PART 29—TOBACCO INSPECTION

ORDER DESIGNATING TOBACCO MARKET AT SHELBYVILLE, KENTUCKY, UNDER THE TOBACCO INSPECTION ACT

§ 29.301 (p) Pursuant to authority conferred upon the Secretary of Agriculture by The Tobacco Inspection Act (49 Stat. 731; 7 U.S.C., Supp. V, secs. 511-511q), the tobacco market at Shelbyville, Kentucky is designated as a market at which transactions in tobacco are subject to the provisions of The Tobacco Inspection Act.

Effective thirty days from this date, no tobacco shall be offered for sale at auction on said market until such tobacco shall have been inspected and certified by an authorized representative of the United States Department of Agriculture according to standards established under The Tobacco Inspection Act: *Provided, however,* That the requirement of inspection and certification may be suspended at any time when it is found impracticable to provide inspection or when the quantity of tobacco available for inspection is not sufficient to justify the cost of such service. No fee or charge shall be imposed or col-

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THE PRESIDENT

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FEDERAL REGISTER

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NOTICES

lected for the inspection and certification of tobacco sold or offered for sale at auction on the market designated herein.

Done at Washington, D. C., this 17th day of July 1940. Witness my hand and the seal of the Department of Agriculture.

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

[F. R. Doc. 40–2975; Filed, July 18, 1940; 10:12 a. m.]

CHAPTER III—BUREAU OF ENTOMOLOGY AND PLANT QUARANTINE

[B.E.P.Q. 510]

ADMINISTRATIVE INSTRUCTIONS AMENDING AUTHORIZATION OF THE SHIPMENT OF FRUITS AND VEGETABLES FROM HAWAII TO THE MAINLAND SUBJECT TO FUMIGATION WITH METHYL BROMIDE UNDER SUPERVISION

Pursuant to the authority contained in the first proviso of § 301.13–2, Chapter III, Title 7, Code of Federal Regulations [regulation 2 of the rules and regulations supplemental to Notice of Quarantine No. 13, on account of the Mediterranean fruitfly and melonfly in Hawaii] provision is hereby made, effective August 1, 1940, for the certification of guavas, papayas, bell peppers, bitter melon, cucumbers, summer squash, string beans, and tomatoes for movement from the Territory of Hawaii into or through any State, Territory, or District of the United States, when the prescribed fumigation with methyl bromide is applied in Hawaii at plants designated for this purpose by the United States Department of Agriculture and under the supervision of the inspectors of the Bureau of Entomology and Plant Quarantine. Any fruits or vegetables treated and shipped under the provisions of these instructions are so handled at the risk of the shipper, and no liability shall attach to the United States Department of Agriculture or to any officer or representative of that Department in the event of injury resulting to the fruits and vegetables named.

Required fumigation equipment. Fumigation must be performed in a gastight fumigation chamber. This chamber shall be lined with sheet metal, with locked and soldered seams, and fitted with a tight metal-clad door which closes against gaskets so that it is gastight at ordinary atmospheric pressures. The fumigation chamber shall be equipped with a blower type fan having a capacity of at least one-third the volume of the room per minute for stirring the gas mixture in the chamber. A method for ventilating the fumigation chamber and removing the fumigant from the commodity after fumigation shall also be provided. The fumigation equipment and method of application of the fumigant shall be satisfactory to the inspector charged by the Department with the supervision of the treatment.

Method of fumigation. The commodity to be treated shall be stacked in the chamber in a manner satisfactory to the supervising inspector and fumigated for a period of 3½ hours at a dosage of 2 pounds of methyl bromide per 1,000 cubic feet, including the space occupied by the commodity. The temperature of the commodity within the fumigation chamber shall not be lower than 80° F. throughout the period of fumigation. Throughout the exposure the fan referred to above shall be operated. After the fumigation has been completed the commodity shall be ventilated by drawing fresh air over and through the load for a period of at least 20 minutes.

Caution. Methyl bromide is a gas at ordinary temperatures. It is colorless and practically odorless in concentrations used for fumigation purposes. It is a poison and the operator should, as a measure of safety, use an approved gas mask when exposed to the gas at concentrations used in fumigation and when opening the door to ventilate the fumigation chamber. The fumigation chamber should not be entered without a gas mask until it has been thoroughly aerated.

Certification. The certification of the fruits and vegetables enumerated will be contingent upon the surrounding of the products so treated with safeguards which, in the judgment of the inspector, will preclude infestation of the treated fruits and vegetables from the time they leave the fumigation chamber until loaded for dispatch to the mainland.

Done at Washington, D. C., this 15th day of July 1940.

[SEAL] LEE A. STRONG,
Chief.

[F. R. Doc. 40–2976; Filed, July 18, 1940; 10:13 a. m.]

TITLE 14—CIVIL AVIATION

CHAPTER I—CIVIL AERONAUTICS AUTHORITY

[Amendment 61, Civil Air Regulations]

SPECIAL ISSUANCE OF A MECHANIC CERTIFICATE

At a session of the Civil Aeronautics Board held at its office in Washington, D. C., on the 12th day of July 1940.

Acting pursuant to the authority vested in it by the Civil Aeronautics Act of 1938, particularly sections 205 (a) and 601 (a) of said Act, and finding that its action is desirable in the public interest and is necessary to carry out the provisions of and to exercise and perform its powers and duties under said Act, the Civil Aeronautics Board hereby amends the Civil Air Regulations as follows:

Effective July 12, 1940, Part 24, as amended, of the Civil Air Regulations, is

amended by the addition of a new section, § 24.37, reading as follows:

§ 24.37 *Special issuance of certificate or rating.* If any mechanic certificate or rating expires, a new certificate or rating may be issued on application therefor, if the applicant demonstrates to the satisfaction of an inspector that he is qualified to hold the certificate or rating sought.

By the Civil Aeronautics Board.

[SEAL] THOMAS G. EARLY,
Acting Secretary.

[F. R. Doc. 40-2966; Filed, July 17, 1940; 2:12 p. m.]

TITLE 16—COMMERCIAL PRACTICES

CHAPTER I—FEDERAL TRADE COMMISSION

[Docket No. 3455]

IN THE MATTER OF MONTICELLO DRUG COMPANY

§ 3.6 (a10) *Advertising falsely or misleadingly—Comparative data or merits:* § 3.6 (l) *Advertising falsely or misleadingly—Indorsements and testimonials:* § 3.6 (t) *Advertising falsely or misleadingly—Qualities or properties of product:* § 3.6 (x) *Advertising falsely or misleadingly—Results:* § 3.18 *Claiming indorsements or testimonials falsely.* Representing, directly or indirectly, in connection with offer, etc., in commerce, of respondent's various medicinal preparations designated and known as "666", that said preparations will check, cure or stop the common, or any other, cold, or that they constitute a complete treatment for colds, whether taken or administered singly or in conjunction with each other, or that they will cure malaria or are the speediest remedies known for colds, malaria, chills and fever, or bilious fever due to malaria, or that they are commonly prescribed by doctors, 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, Monticello Drug Company, Docket 3455, June 29, 1940]

ORDER TO CEASE AND DESIST

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 29th day of June, A. D. 1940.

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission, the answer of the respondent, testimony and other evidence taken before examiners of the Commission theretofore duly designated by it, in support of the allegations of said complaint and in opposition thereto, and a stipulation as to certain facts read into the record herein, which provides, among other things, that without further evidence or other intervening procedure the Commission may issue and serve upon the respondent herein findings as to the facts and conclusion based thereon and an order disposing of the proceeding, and the Commission having made its findings as to the facts and conclusion that said respondent has violated the provisions of the Federal Trade Commission Act;

It is ordered, That the respondent, Monticello Drug Company, a corporation, its officers, representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of its various medicinal preparations designated and known as "666", in commerce as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from representing, directly or indirectly;

1. That said preparations will check, cure or stop the common, or any other, cold;

2. That said preparations constitute a complete treatment for colds, whether taken or administered singly or in conjunction with each other;

3. That said preparations will cure malaria;

4. That said preparations are the speediest remedies known for colds, malaria, chills and fever, or bilious fever due to malaria;

5. That said preparations are commonly prescribed by doctors.

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

By the Commission.

[SEAL] OTIS B. JOHNSON,
Secretary.

[F. R. Doc. 40-2977; Filed, July 18, 1940; 11:25 a. m.]

[Docket No. 4072]

IN THE MATTER OF SOHN & COMPANY, INC., ET AL.

§ 3.69 (b) (9) *Misrepresenting oneself and goods—Goods—Old, secondhand or reconstructed as new—Old and used as unused or new.* Representing, in any manner, or by any means or device, in connection with offer, etc., in commerce, of mattresses, that mattresses which are composed in whole or in part of old, used, discarded or second-hand materials are new mattresses or are made from new or unused materials, 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, Sohn & Company, Inc., et al., Docket 4072, July 9, 1940]

§ 3.66 (e) *Misbranding or mislabeling—Old, secondhand or reconstructed as new—Old and used as unused or new:* § 3.71 (c) *Neglecting, unfairly or deceptively, to make material disclosure—Old and used as unused or new.* Failing, in connection with offer, etc., in commerce, of mattresses, to permanently affix to mattresses made in whole or in part from old, used, discarded or second-hand materials, labels or tags which clearly and conspicuously reveal that such mattresses are in fact composed of old, used, discarded and second-hand materials, and which tags or labels cannot readily be removed, obliterated, obscured, or minimized, 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, Sohn & Company, Inc., et al., Docket 4072, July 9, 1940]

IN THE MATTER OF SOHN & COMPANY, INC., AND BENJAMIN SOHN, MORRIS SOHN, AND ISADORE SOHN, INDIVIDUALLY AND AS OFFICERS AND DIRECTORS OF SOHN & COMPANY, INC.

ORDER TO CEASE AND DESIST

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 July, A. D. 1940.

This proceeding having been heard by the Federal Trade Commission upon the complaint of the Commission and the substitute answer of respondents, in which answer respondents admit all the material allegations of fact set forth in said complaint, and state that they waive all intervening procedure and further hearing as to said facts, and the Commission having made its findings as to the facts and conclusion that said respondents have violated the provisions of the Federal Trade Commission Act;

It is ordered, That the respondent, Sohn & Company, Inc., its officers, representatives, agents and employees, and the respondents, Benjamin Sohn, Morris Sohn, and Isadore Sohn, individually and as officers and directors of Sohn & Company, Inc., their representatives, agents and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of mattresses in commerce as commerce is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

(1) Representing in any manner, or by any means or device, that mattresses which are composed in whole or in part of old, used, discarded or second-hand materials are new mattresses or are made from new or unused materials.

(2) Failing to permanently affix to mattresses made in whole or in part from old, used, discarded or second-hand materials labels or tags which clearly and conspicuously reveal that such mattresses are in fact composed of old, used, discarded and second-hand materials, and which tags or labels cannot readily be removed, obliterated, obscured or minimized.

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

which they have complied with this order.

By the Commission.

[SEAL] OTIS B. JOHNSON,
Secretary.

[F. R. Doc. 40-2978; Filed, July 18, 1940; 11:25 a. m.]

TITLE 24—HOUSING CREDIT

CHAPTER IV—HOME OWNERS' LOAN CORPORATION

[Administrative Order 2-265]

PART 402—LOAN SERVICE

ADVANCES TO HOME OWNERS FOR PAYMENT OF TAXES, ASSESSMENTS, OTHER LEVIES OR CHARGES, GROUND RENTS, OR INSURANCE PREMIUMS—HOW CHARGED

Section 402.06-7 is amended by deleting the first three paragraphs, and substituting therefor the following:

§ 402.06-7 *Demand for payment of advances.* Advances to home owners for the payment of taxes, assessments, other levies or charges, ground rents, or insurance premiums, arising from deficiency in the Tax and Insurance account shall be charged to the home owner's account and billed as follows:

(a) when the amount of the advance is equal to or less than one monthly installment of the loan or sales account, on a demand basis;

(b) when the amount of the advance is in excess of one monthly installment of the loan or sales account, by increasing the installment payments of the loan or sales account in an amount sufficient to repay the advance with interest over the unexpired term of the loan or sales contract.

In cases where foreclosure is contemplated or cases involving unusual circumstances, the advance may be billed on such basis as the Regional Manager may direct.

(Effective date July 15, 1940)

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

[SEAL] H. CAULSEN,
Assistant Secretary.

[F. R. Doc. 40-2969; Filed, July 17, 1940; 3:57 p. m.]

PART 406—LEGAL

EXTENSIONS, EXPENSES INCIDENT TO CLOSING—HOW CHARGED

The penultimate paragraph of § 406.15 is amended to read as follows:

Legal or other expenses incidental to the closing of extensions advanced by the Corporation shall be charged to the home owner's account to be repaid on demand unless otherwise directed by the Regional Manager. Collections are not to be made for such items at closing except where the closing is made in an office of the Corporation.

(Effective date July 15, 1940)

(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))

Adopted by the Federal Home Loan Bank Board on July 10, 1940.

[SEAL] H. CAULSEN,
Assistant Secretary.

[F. R. Doc. 40-2970; Filed, July 17, 1940; 3:57 p. m.]

PART 409—INSURANCE

INSURANCE REQUIREMENTS

Section 409.01 is amended to read as follows:

§ 409.01 *Insurance requirements.* (a) All properties securing indebtedness to the Corporation must be insured against loss by fire, as provided herein. Windstorm or other insurance may also be required in certain localities as the General Manager may direct.

(b) The General Manager may accept insurance policies furnished by home owners when the following requirements are complied with:

(1) The insurance is written by an insurance company, association or organization licensed to do business in a particular state or territory, or specifically authorized by state law to transact business within the state or territory where the property is located, and whose policy contract and forms are acceptable to the General Manager.

(2) In cases of home owners having a Tax and Insurance Account or at the time of sale, of purchasers of Corporation-owned property, the insurance is written for a term of not less than three years, accompanied by a receipt for payment of premium in full. Exceptions may be made and policies for a term of less than three years may be accepted in the following instances: (1) Where the period required for payment of the indebtedness to the Corporation is less than three years; (2) If insurance on the property cannot be obtained for a term of three years; or (3) Where policies written for not less than three years, when accompanied by a receipt for the first year premium, provide for annual endorsement renewal at reduced premium cost to the home owner.

(3) The minimum amount of the fire insurance is as follows, if not prohibited by the mortgage covenant:

(i) If the amount of the present indebtedness is more than the depreciated replacement value, full insurance to the depreciated replacement value shall be required on all buildings valued at $200.00 and over.

(ii) If the amount of the present indebtedness is more than the depreciated replacement value of the main dwelling, but less than the depreciated replacement value of all improvements, insurance in the amount of 100% shall be required on the main dwelling and 50% on the depreciated replacement value of the remaining buildings, or more, up to the amount of the present indebtedness, distributed on the other buildings as recommended by the Regional Insurance Supervisor.

(iii) If the amount of the present indebtedness is equal to or less than the depreciated replacement value of the main dwelling, fire insurance shall be required on the main dwelling in an amount equal to the present indebtedness, and, in addition, an amount equal to 50% of the depreciated replacement value on other buildings or improvements valued at $200.00 and over. If the other building or improvements produce a reasonable portion or all of the borrower's income, upon the recommendation of the Regional Insurance Supervisor, the Regional Manager may, in his discretion, require insurance in excess of that provided for herein.

(4) The amount of windstorm or other insurance is not less than the Corporation's requirements as determined by the General Manager.

(5) Co-insurance or similar clauses, when applicable, are complied with and the amount of insurance necessary to avoid penalty is furnished.

(6) If "extended coverage" or "supplemental coverage" is submitted by the home owner, all insurance coverage is made concurrent.

(c) If the closing of a sale is authorized by the General Manager, notwithstanding the purchaser fails to provide insurance as required, or if the home owner fails to, or does not otherwise provide required renewal or other insurance, or, if for any reason the policy is cancelled and the home owner fails to provide an acceptable insurance contract in lieu thereof, the General Manager shall direct that insurance be ordered by the Corporation through carrier under contract, as follows:

(1) In cases of home owners who have not established a Tax and Insurance account, the Corporation's requirements shall be those indicated in paragraphs 3 and 4 above.

(2) In cases of home owners having a Tax and Insurance account in which accruals for insurance have been established and not suspended, the requirements shall be those indicated in paragraphs 3 and 4 above, except that the amount of indebtedness shall be considered to be the loan balance at the time accruals were established for the purchase of insurance. No funds accumulated in the Tax and Insurance account shall be used to pay any agent for

policies ordered by the home owner direct.

(3) In cases of home owners who have established a Tax and Insurance account but who have not accumulated any funds for the purchase of insurance due to suspension of accruals for insurance, the requirements shall be those indicated in paragraphs 3 and 4 above. The amount of indebtedness shall be considered to be the loan balance at the time the insurance is ordered by the Corporation. In these cases the Tax and Insurance Accrual for insurance shall be reestablished.

(4) All insurance ordered by the Corporation shall be for a term of 3 years except in cases where no savings in premium cost would result from payment in advance for a term of three years or unless otherwise directed by the General Manager.

(d) Exceptions may be made to any of the provisions of this section by the General Manager in any case or class of cases when he determines that the circumstances warrant and that such exception is in the best interest of the Corporation. The authority vested in the General Manager by this section may also be exercised by the Regional Manager with the advice of the Regional Counsel, under procedure and limitations prescribed by the General Manager with the approval of the General Counsel.

(Effective date July 15, 1940)
(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))

Adopted by the Federal Home Loan Bank Board on July 2, 1940.

[SEAL] H. CAULSEN,
Assistant Secretary.

[F. R. Doc. 40-2971; Filed, July 17, 1940; 3:57 p. m.]

[Administrative Order 940]

PART 409—INSURANCE

INSURANCE REQUIRED, WINDSTORM AND OTHER REQUIREMENTS; EXTENDED COVERAGE SALES CASES; DISCRETION IN ESTABLISHING REQUIREMENT, CONSENT OF BORROWER; ACCEPTABLE INSURANCE; MORTGAGE CLAUSE; RENEWALS; DIRECT COVERAGE IN TAX AND INSURANCE CASES; RECEIVERS

Sections 409.01-1, 409.01-2, 409.01-3, 409.01-5, 409.01-6, 409.01-7, 409.01-8, and 409.01-9 are amended, and as amended renumbered, as follows:

§ 409.01-1 *Insurance required.* The Regional Manager is authorized to accept direct insurance coverage from home owners and, when necessary, to order the required amount of insurance coverage through the carrier under contract in accordance with the provisions of § 409.01.

Windstorm and other requirements

Windstorm or other necessary insurance coverage shall be required in the certain states and territories as follows:

Group 1

Windstorm insurance is required on the main buildings and on other buildings and improvements in an amount equal to the fire insurance required to be carried on such buildings by the provision of the manual in the following States:

3—Arkansas.
11—Illinois (exception Cook County Solid Masonry Construction—50% of fire requirement).
12—Indiana.
13—Iowa.
14—Kansas.
23—Missouri.
25—Nebraska.
32—North Dakota.
34—Oklahoma.
39—South Dakota.

Group 2

ONE-HALF REPLACEMENT VALUE

Windstorm insurance is required up to one-half of the replacement value of the main dwelling and one-half the replacement value of other buildings and improvements valued at $200.00 and over.

1—Alabama.
7—Delaware.
8—Florida.
9—Georgia.
15—Kentucky.
16—Louisiana.
21—Minnesota.
22—Mississippi.
31—North Carolina.
38—South Carolina.
40—Tennessee.
41—Texas.
46—West Virginia.
49—District of Columbia.
51—Puerto Rico.

CO-INSURANCE QUALIFICATION

In States where the windstorm insurance to be carried on any one building is required to be "at least one-half the amount of the replacement value", the insurance submitted is acceptable if the amount is at least equal to the loan, even though it is not equal to one-half the amount of the replacement value, but if windstorm insurance is written with a co-insurance or a similar clause applicable, the necessary amount of insurance to meet this agreement shall be carried so that there will be no penalty in event of loss.

EXTENDED COVERAGE QUALIFICATION

Likewise windstorm insurance need not be carried in an amount equal to one-half of the replacement value if extended coverage is included under the fire policy and such coverage complies with the apportionment clause.

Group 3

Windstorm insurance is required up to one-third of the replacement value of the main dwelling and insurance of one-third of the replacement value of outbuildings valued at $600.00 and over:

LIMITATION IN MICHIGAN

20—Michigan (in the following counties, but none required in the remainder of the State).
Allegan.
Barry.
Berrien.
Branch.
Calhoun.
Cass.
Clinton.
Eaton.
Genessee.
Hillsdale.
Ingham.
Ioania.
Jackson.
Kalamazoo.
Kent.
Livingston.
Lapeer.
Lenawee.
McComb.
Monroe.
Muskegon.
Oakland.
Ottawa.
St. Clair.
St. Joseph.
Shiawassee.
Van Buren.
Washtenaw.

Group 4

NO WINDSTORM REQUIRED

Windstorm insurance is not required on improvements in the following States:

2—Arizona.
4—California.
5—Colorado.
6—Connecticut.
10—Idaho.
17—Maine.
18—Maryland.
19—Massachusetts.
24—Montana.
26—Nevada.
27—New Hampshire.
28—New Jersey.
29—New Mexico.
30—New York.
35—Oregon.
36—Pennsylvania.
37—Rhode Island.
42—Utah.
43—Vermont.
44—Virginia.
45—Washington.
48—Wyoming.
50—Hawaii.
52—Alaska.

Group 5

EXPLOSION

Inherent Explosion insurance shall be carried on the main dwellings in the following State:

46—West Virginia.

Group 6

WAIVER OF FALLEN BUILDING CLAUSE

The Waiver of Fallen Building Clause shall be included in all policies on the dwellings in the following States:

4—California.
10—Idaho.
26—Nevada.
42—Utah.

Group 7

HAIL INSURANCE

Hail insurance is required in the same amount as windstorm insurance in the following States:

11—Illinois.
13—Iowa.
14—Kansas.
15—Kentucky.
25—Nebraska.
34—Oklahoma.
40—Tennessee.
41—Texas.
47—Wisconsin.

Group 8

EXTENDED COVERAGE

"Extended Coverage" or "supplemental coverage" shall be attached to all fire insurance policies in the following State: (Effective on expiration of policies already accepted.)

24—Montana.

Group 9

WINDSTORM IN OHIO AND WISCONSIN

Windstorm insurance is required on the main building in an amount equal to one-half of the current loan balance or to the value of the main building, whichever is the smaller, in the following States:

33—Ohio.
47—Wisconsin.

When the minimum premium, imposed by insurance regulations, will purchase more insurance than that equalling one-half of the loan, insurance will be procured in an amount sufficient to absorb the minimum premium provided the value of the improvement so warrants.

In cases where the home owner submits renewal or other coverage which is less than the minimum requirement, except the submission of insurance by a purchaser at the time of a sale or the submission of a renewal policy by a home owner having a Tax and Insurance Account Agreement for insurance, the same shall be accepted and the home owner shall be requested to provide additional coverage necessary to meet the requirement. If he refuses or fails so to provide, the additional required coverage shall be ordered through the carrier under contract.

§ 409.01–2 *Extended coverage sales cases.* If properties that have been acquired by the Corporation are disposed of on terms other than cash, the amount of insurance required shall be the same as that required for properties in home owner status as outlined herein. Where title is retained by the Corporation in properties sold under installment contract, extended coverage in an amount equal to the fire requirement shall be included under the fire policy in the following States:

Iowa, Kansas, Nebraska, North Dakota, and South Dakota.

SALES CASES

Upon receipt of sales file from the Control Supervisor, the Regional Insurance Supervisor shall immediately remove all insurance policies from the file along with pertinent insurance data inserting therein a receipt therefor, and forward the file to the treasurer without delay. The Insurance Section shall review insurance for sufficiency and make proper notation of necessary information on the policy jacket. If such insurance does not meet all the requirements as stated herein, the purchaser will be so advised and if he fails or refuses to submit acceptable coverage, all policies will be returned to the purchaser as unacceptable and the required amount of coverage shall be ordered through the carrier under contract. Upon receipt of the sales file, in cases where the Regional Manager authorized the closing of the sale without the purchaser providing the required Insurance, the Regional Insurance Supervisor shall order the required amount through the carrier under contract to be effective as of the date of sale.

FORM 12–A

In all cases where a property is sold under contract of sale Corporation Form 12–A shall be attached to all policies covering the affected property. If the agent or insurance company refuses to execute said Form 12–A, the policy will not be acceptable.

§ 409.01–3 *Discretion in establishing requirement.* If, in any case, in the opinion of the Regional Insurance Supervisor and the Regional Manager, the strict application of Manual requirements as to other buildings and improvements brings about an inequitable result, the Regional Manager may, in his discretion, upon recommendation of the Regional Insurance Supervisor, require less insurance or waive all insurance on buildings other than the dwelling. However, a memorandum of facts and justification for such action shall be filed with insurance policies.

CONSENT OF BORROWER

In any case where it is necessary to order insurance coverage to fulfill the Corporation's requirements as stated, and the premium covering any insurance in addition to the amount originally furnished by the borrower cannot be charged to the borrower's account, for the reason that the mortgage contains a covenant which specifically states the amount of insurance to be furnished and which has not been modified by a subsequent agreement, or for some other reason, the consent of the borrower shall be obtained authorizing the Corporation to secure such additional insurance and charge the premium to his account. In any such case the Regional Manager, within his discretion, may direct the taking of additional instruments in legal form approved by the Regional Counsel to secure the advance.

§ 409.01–4 *Acceptable insurance.* The Corporation will accept insurance written by an insurance company, association or organization licensed to do business in a particular state or territory, or specifically authorized by state law to transact business within the state or territory where the property is located, provided an acceptable mortgage clause is attached and such insurance does not include any limiting clauses that would prevent the Corporation or borrower from collecting insurance in accordance with the Corporation's requirements. Provided, further that the policies issued by any carrier shall not be accepted where, by the terms of the carrier's by-laws, the contract or the local laws, contributions or assessments may be made against this Corporation as mortgagee or owner or where contributions or assessments against the mortgagor or owner would become a lien on the property superior to the lien of the Corporation and further where, by the terms of the carrier's by-laws or policy or other conditions, loss payments are contingent upon action by the Board of Directors or the policy holders or members.

If a home owner submits an insurance contract having a three-fourths value clause or any other restrictive clause limiting the amount of collectible insurance to less than the Corporation requirements, such clause must be eliminated or modified.

If such limiting clause cannot be modified or eliminated so as to afford required protection, such policy is not acceptable.

§ 409.01–5 *Mortgage clause.* It is required that the Corporation form of mortgage clause, Form 12, or "contract of sale endorsement", Form 12–A, be attached to all policies securing its mortgages or other security instruments, making the insurance payable to the Corporation, as its interest may appear. If for legal or other reasons such mortgage clause cannot be attached, then the New York, New Jersey or Pennsylvania standard mortgage clause (without contribution) is desired, and if this clause cannot be secured, then the best

form of mortgage clause or loss payable clause obtainable in the territory where the insurance is to be written shall be secured. Where required, the mortgage clause or loss payable clause shall be as "Trustee for the Home Owners' Loan Corporation". No trustee or Corporation employee shall be designated as mortgagee personally, but always as "Trustee for the Home Owners' Loan Corporation", and only in States where this is the practice. In cases where another mortgage exists, it is permissible that such other mortgagee also be named in the mortgage clause, as an inferior mortgagee.

§ 409.01–6 *Renewals.* All home owners who have not established a Tax and Insurance Account or have established a Tax and Insurance Account but who have not accumulated any funds for the purchase of insurance due to suspension of accruals for insurance are expected to renew their insurance on or before expiration and to furnish the original insurance policy to the Corporation with Corporation Form 12 attached except as provided in § 409.01–6, or with Corporation Form 12–A attached, depending upon the type of instrument executed by the home owner. Where home owners have a Tax and Insurance Account in which accruals for insurance have been established and not suspended, the Corporation will secure the required amount of renewal or other insurance through its carrier under contract unless the home owner provides such insurance as required herein. Renewal policies should be forwarded direct to the Insurance Section of the Regional Office and if the home owner secures insurance in excess of the Corporation's requirement, all such policies should be made concurrent with existing coverage and likewise forwarded to the Insurance Section.

In cases of home owners having a Tax and Insurance Account or, at the time of sale, of purchasers of Corporation owned property, no insurance policy provided by a home owner will be accepted unless the premium has been paid by the home owner or the policy is accompanied by statements of the carrier, its agent or broker, that satisfactory arrangements have been made for the payment of the premiums under the provisions of § 409.01.

§ 409.01–7 *Direct coverage in tax and insurance cases.* When the home owner elects to provide the required renewal insurance, the Regional Insurance Supervisor shall review the same to determine its acceptability and if such insurance does not meet all the requirements as stated herein, the home owner will be so advised and if he fails or refuses to submit acceptable coverage, all policies submitted by the home owner for the particular expiration shall be returned as unacceptable and the required amount of coverage shall be ordered through the insurer under contract. In those instances where the Corporation places less than the expiring insurance, the borrower shall be immediately notified.

Section 409.01–8 is to contain all of the provisions of the former § 409.01–7.1 entitled *"Financed premium on direct policies"*.

§ 409.01–9 *Receivers.* When the property is in the process of foreclosure and a receiver is appointed, such receiver may have acceptable policies that are in force transferred or endorsed to him; or where desirable and possible may secure the required amount and kinds of insurance through Corporation facilities. Notice of the expiration of policies shall be furnished in such form and manner as approved by the Regional Counsel.

Section 409.01–10 is amended by deleting the paragraph thereof entitled "Sales cases."

(Effective date July 15, 1940)
(Above procedure promulgated by General Manager and General Counsel pursuant to authority vested in them by the Federal Home Loan Bank Board acting pursuant to Secs. 4 (a), 4 (k) of Home Owners' Loan Act of 1933, 48 Stat. 129, 132 as amended by Section 13 of the Act of April 27, 1934, 48 Stat. 647: 12 U.S.C. 1463 (a), (k))

[SEAL] H. CAULSEN,
Assistant Secretary.

[F. R. Doc. 40–2973; Filed, July 17, 1940; 3:58 p. m.]

[Administrative Order 941]

PART 409—INSURANCE

INSURANCE PLACED BY CORPORATION, LIMITATION AS TO FORECLOSURE CASES, RECEIPT OF POLICY AFTER PLACING OF ORDER, ROUTING OF INVOICE

Section 409.02–1 is amended to read as follows:

§ 409.02–1 *Insurance placed by Corporation.* Immediately upon the expiration, cancelation, or voidance of any insurance policy protecting a loan or property owned on which insurance is required, all contracts protecting such loan or property shall be reviewed. If the remaining effective coverage necessary to fulfill the requirements of the Corporation is insufficient, and acceptable new or renewal insurance policies have not been submitted within thirty (30) days subsequent to the actual lapsing coverage, an order for the proper coverage shall be issued by the Corporation upon special forms furnished by its insurer under contract and shall be effective as of the termination of the insurance to be replaced. This order shall remain in force for 45 days from the termination date of the former insurance contract, which date shall be reflected thereon, except in foreclosure cases which shall be handled as provided in the next paragraph below. The order shall be subject to cancelation by the Corporation at any time during this period of 45 days without charge, in the event adequate and acceptable new or renewal insurance contracts are submitted, or a loss has not occurred.

Limitation as to Foreclosure Cases

If subsequent to the time an order for insurance has been issued for which a certificate has not been received, foreclosure proceedings are instituted, the insurer shall be requested to issue the certificate immediately and to provide a receipted bill for the premium on the coverage in those instances where the Regional Counsel advises a receipted bill is necessary.

The third paragraph of § 409.02–1, entitled "Tax and insurance account cases", is deleted.

Section 409.02–2 is amended to read as follows:

§ 409.02–2 *Receipt of policy after placing of order.* Wherever a home owner submits an acceptable new or renewal insurance policy, subsequent to the issuance of the order to the insurer, but prior to the expiration of the 45 day period, the order for coverage shall be canceled forthwith. No new or renewal policy shall be accepted from a borrower after the expiration of the 45 day period, unless in the opinion of the Regional Insurance Supervisor special circumstances justify the acceptance of the policy and the borrower agrees to pay the earned premium, if any, incurred in the cancelation of the insurance procured from the insurer.

On or before the 45th day, the insurer under contract will issue a certificate or policy of insurance under the order, effective from the inception date thereof, and identical with the termination date of the former policy.

Routing of invoice

The original certificate, accompanied by three copies of the invoice for the premium thereon shall be sent to the Regional Office.

Section 409.02–3 is deleted.

(Effective date July 15, 1940)
(Above procedure promulgated by General Manager and General Counsel pursuant to authority vested in them by the Federal Home Loan Bank Board acting pursuant to Secs. 4 (a), 4 (k) of Home Owners' Loan Act of 1933, 48 Stat. 129, 132, as amended by Section 13 of the Act of April 27, 1934, 48 Stat. 647: 12 U.S.C. 1463 (a), (k))

[SEAL] H. CAULSEN,
Assistant Secretary.

[F. R. Doc. 40–2972; Filed, July 17, 1940; 3:58 p. m.]

TITLE 26—INTERNAL REVENUE

CHAPTER I—BUREAU OF INTERNAL REVENUE

[T. D. 4983]

CAPITAL STOCK TAX

REGULATIONS AMENDED

To Collectors of Internal Revenue and Others Concerned:

Section 205 of the Revenue Act of 1940 (Public, No. 656, Seventy-sixth Congress, third session), provides that:

SEC. 205. CAPITAL STOCK TAX.

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

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

In order to conform Regulations 64,[1] approved February 4, 1939 (Part 137, Subpart B, Title 26, Code of Federal Regulations, 1939 Sup.), as made applicable to the Internal Revenue Code (53 Stat., Part 1) by Treasury Decision 4885,[2] approved February 11, 1939, (Part 465, Subpart B, of such Title 26, 1939 Sup.) and as amended by Treasury Decision 4912,[3] approved July 24, 1939, to the above-quoted amendment to the Internal Revenue Code, such regulations are amended as follows:

1. The fourth sentence of article 41 (§ 137.41 of such Title), as made applicable to the Internal Revenue Code, is amended to read as follows:

The tax is imposed at the rate of $1 for each full $1,000 of the adjusted declared value of the capital stock, except that for the taxable years ending June 30, 1940, to June 30, 1944, inclusive, the rate of tax is $1.10.

2. The second sentence of article 61 (§ 137.61 of such Title), as made applicable to the Internal Revenue Code, is amended to read as follows:

The tax is imposed at the rate of $1 for each full $1,000 of the adjusted declared value of capital employed by a foreign corporation in the transaction of business in the United States, except that for the taxable years ending June 30, 1940, to June 30, 1944, inclusive, the rate of tax is $1.10.

(This Treasury Decision is prescribed pursuant to section 1200 (c) as added to the Internal Revenue Code by section 205 of the Revenue Act of 1940 (Public, No. 656, Seventy-sixth Congress, third session) and section 3791 of the Internal Revenue Code (53 Stat., 467).)

[SEAL] T. MOONEY,
Acting Commissioner.

Approved July 16, 1940.

JOHN L. SULLIVAN,
Acting Secretary of the Treasury.

[F. R. Doc. 40-2989; Filed, July 18, 1940; 11:51 a. m.]

[1] 4 F.R. 523.
[2] 4 F.R. 879.
[3] 4 F.R. 3432.

Notices

DEPARTMENT OF AGRICULTURE.

Farm Security Administration.

DESIGNATION OF COUNTIES FOR TENANT PURCHASE LOANS

CALIFORNIA

JULY 17, 1940.

Pursuant to the provisions of Title I of the Bankhead-Jones Farm Tenant Act, and Section II 3 of Administration Order 230 of the Farm Security Administration, issued thereunder, and upon the basis of the recommendation of the California State Farm Security Advisory Committee, the following counties are hereby designated as those in which loans, pursuant to said Title, may be made under the provisions of said Order for the fiscal year ending June 30, 1941: (1) those counties which were designated for the making of loans for the fiscal year ending June 30, 1940; and (2) the following additional counties:

Tehama
Kern
Imperial

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

[F. R. Doc. 40-2964; Filed, July 17, 1940; 1:56 p. m.]

DESIGNATION OF COUNTIES FOR TENANT PURCHASE LOANS

NEW MEXICO

JULY 17, 1940.

Pursuant to the provisions of Title I of the Bankhead-Jones Farm Tenant Act, and Section II 3 of Administration Order 230 of the Farm Security Administration, issued thereunder, and upon the basis of the recommendation of the New Mexico State Farm Security Advisory Committee, the following counties are hereby designated as those in which loans, pursuant to said Title, may be made under the provisions of said Order for the fiscal year ending June 30, 1941: (1) those counties which were designated for the making of loans for the fiscal year ending June 30, 1940; and (2) the following additional counties:

Colfax
San Miguel

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

[F. R. Doc. 40-2965; Filed, July 17, 1940; 1:56 p. m.]

Surplus Marketing Administration.

SURPLUS COMMODITIES BULLETIN No. 8

Effective: July 22 to August 11, 1940, Inclusive

During the period beginning 12:01 A. M., E. S. T., July 22, 1940, and ending midnight E. S. T., August 11, 1940, the agricultural commodities and products hereafter listed are hereby designated as surplus foods.

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

Butter.
Raisins.
Rice.
Pork Lard.
Pork.[1]
Corn Meal.
Shell Eggs.
Dried Prunes.
Hominy Grits.
Fresh Oranges.
Wheat Flour and Whole Wheat (Graham) Flour.
Dry Edible Beans.

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

Fresh Cabbage, Fresh Lettuce, Fresh Beets, Fresh Carrots, Fresh Tomatoes and *Fresh Snap Beans* in all designated stamp plan areas in the States of Arizona, California, Nevada and New Mexico.

Fresh Cabbage, Fresh Lettuce, Fresh Peas, Fresh Tomatoes, Fresh Spinach, Fresh Beets, Fresh Carrots and *Fresh Snap Beans* in all designated stamp plan areas in the States of Colorado, Idaho, Montana, Oregon, Utah, Wyoming and Washington.

Fresh Cabbage, Fresh Beets, Fresh Tomatoes, Fresh Corn and *Fresh Snap Beans* in all designated stamp plan areas in the States of Illinois, Indiana, Iowa, Kansas, Missouri, Nebraska, Ohio and Kentucky.

Fresh Cabbage, Fresh Beets, Fresh Tomatoes, Fresh Peas and *Fresh Snap Beans* in all designated stamp plan areas in the States of Michigan, Minnesota, North Dakota, South Dakota and Wisconsin.

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

Fresh Cabbage, Fresh Beets, Fresh Carrots, Fresh Corn, Fresh Tomatoes, Fresh Lima Beans and *Fresh Snap Beans* in all designated stamp plan areas in the States of Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, North

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

Carolina, Oklahoma, South Carolina, Tennessee and Texas.

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

JULY 13, 1940.

Approved

H. A. WALLACE,
Secretary of Agriculture.

[F. R. Doc. 40-2967; Filed, July 17, 1940; 3:14 p. m.]

[Docket No. A-137 O-137]

NOTICE OF HEARING WITH RESPECT TO A PROPOSAL TO AMEND THE TENTATIVELY APPROVED MARKETING AGREEMENT, AS AMENDED, AND ORDER NO. 3, AS AMENDED, REGULATING THE HANDLING OF MILK IN THE ST. LOUIS, MISSOURI, MARKETING AREA

Whereas, pursuant to the authority conferred upon the Secretary of Agriculture under Public Act No. 10, 73d Congress, as amended, the Secretary issued an order regulating the handling of milk in the St. Louis, Missouri, marketing area, effective February 1, 1936, which order was amended effective April 17, 1936, April 1, 1937, April 5, 1939, and February 1, 1940; [1] and

Whereas, the Secretary tentatively approved a marketing agreement regulating the handling of milk in the said area on December 10, 1935, amendments to which tentatively approved marketing agreement were tentatively approved on March 30, 1936, March 16, 1937, March 10, 1939, and December 21, 1939; [2] and

Whereas, the Sanitary Milk Producers, certain handlers, and the market administrator have proposed certain amendments to said order, as amended, and to said tentatively approved marketing agreement, as amended; and

Whereas, the Secretary has reason to believe that an amendment of said order, as amended, and of said tentatively approved marketing agreement, as amended, will tend to effectuate the declared policy of Public Act No. 10, 73d Congress, as amended and as reenacted and amended by the Agricultural Marketing Agreement Act of 1937; and

Whereas, under the aforesaid act notice of hearing is required in connection with a proposal to amend an order, and the General Regulations, Series A, No. 1, as amended, of the Agricultural Adjustment Administration, United States Department of Agriculture, provide for notice of and opportunity for hearing upon amendments to marketing agreements and orders:

Now, therefore, pursuant to said act and general regulations, notice is hereby given of a hearing to be held on said proposals to amend the order, as amended, and the tentatively approved marketing agreement, as amended, regulating the handling of milk in the St. Louis, Missouri, marketing area, at the Coronado Hotel, St. Louis, Missouri, at 10:00 a. m., c. s. t., July 25, 1940.

This public hearing is for the purpose of receiving evidence as to the necessity for (1) revising the class prices for milk, (2) revising the automatic price adjustment which becomes effective when production exceeds 29,000,000 pounds for the delivery period, (3) revising the Class I price for milk sold outside the marketing area, (4) revising the butterfat differential, (5) adding to the paragraph covering verification of reports a provision authorizing the market administrator to show the amount of audit adjustments separate from the revised blend price computed for each delivery period, (6) adding to the section covering unfair methods of competition a provision covering the procurement of milk from producers currently delivering to other handlers (7) clarifying the provision relating to the sale of milk between handlers, or by a handler to a non-handler who is engaged in selling milk or in manufacturing milk products, (8) clarifying the provision relating to the pricing of milk used for evaporated milk, and (9) deleting the new producer provision.

Copies of the proposed amendments prepared as a basis for the public hearing may be procured from the Hearing Clerk, Office of the Solicitor, United States Department of Agriculture, in Room 0310, South Building, Washington, D. C., or may be there inspected.

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

Dated: July 17, 1940.

[F. R. Doc. 40-2974; Filed, July 18, 1940; 10:12 a. m.]

DEPARTMENT OF LABOR.

Wage and Hour Division.

NOTICE OF ISSUANCE OF A SPECIAL CERTIFICATE FOR THE EMPLOYMENT OF LEARNERS

Notice is hereby given that a Special Certificate authorizing the employment of learners at hourly wages lower than the minimum rate applicable under Section 6 of the Fair Labor Standards Act of 1938 is issued pursuant to section 14 of the said Act and § 522.5 (b) of Regulations Part 522 (4 F.R. 2088), as amended (4 F.R. 4226), to the employer listed below effective July 19, 1940. This Certificate is issued upon his representations that experienced workers for the learner occupations are not available and that he is actually in need of learners at subminimum rates in order to prevent curtailment of opportunities for employment. This Certificate may be canceled in the manner provided for in § 522.5 (b) of the Regulations and as indicated on the Certificate. Any person aggrieved by the issuance of this Certificate may seek a review of the action taken in accordance with the provisions of § 522.5 (b). The employment of learners under this Certificate is limited to the terms and conditions as designated opposite the employer's name.

NAME AND ADDRESS OF FIRM, PRODUCT, NUMBER OF LEARNERS, LEARNING PERIOD, LEARNER WAGE, LEARNER OCCUPATIONS, EXPIRATION DATE

Central States Paper & Bag Co., Inc., 2600 North Broadway, Saint Louis, Missouri; Boxes & Cartons; 6 learners; 4 weeks for any one learner; 25¢ per hour; Paper Bag Maker and Plastic Box Maker; November 22, 1940.

Signed at Washington, D. C., this 18th day of July 1940.

GUSTAV PECK,
Authorized Representative of the Administrator.

[F. R. Doc. 40-2979; Filed, July 18, 1940; 11:30 a. m.]

NOTICE OF ISSUANCE OF SPECIAL CERTIFICATES FOR THE EMPLOYMENT OF LEARNERS

Notice is hereby given that Special Certificates authorizing the employment of learners at hourly wages lower than the minimum wage rate applicable under Section 6 of the Fair Labor Standards Act of 1938 are issued under section 14 of the said Act and § 522.5 of Regulations Part 522, as amended, to the employers listed below effective July 19, 1940. These Certificates may be canceled in the manner provided for in the Regulations and as indicated in the Certificate. Any person aggrieved by the issuance of any of these Certificates may seek a review of the action taken in accordance with the provisions of §§ 522.13 or 522.5 (b), whichever is applicable of the aforementioned Regulations.

The employment of learners under these Certificates is limited to the occupations, learning periods, and minimum wage rates specified in the Determination or Order for the Industry designated below opposite the employer's name and published in the FEDERAL REGISTER as here stated:

Regulations, Part 522, May 23, 1939 (4 F.R. 2088), and as amended October 12, 1939 (4 F.R. 4226).

Hosiery Order, August 22, 1939 (4 F.R. 3711).

Apparel Order, October 12, 1939 (4 F.R. 4225).

Knitted Wear Order, October 24, 1939 (4 F.R. 4351).

Textile Order, November 8, 1939 (4 F.R. 4531), as amended, April 27, 1940 (5 F.R. 1586).

Glove Order, February 20, 1940 (5 F.R. 714).

[1] 5 F.R. 185.
[2] 5 F.R. 188.

NAME AND ADDRESS OF FIRM, INDUSTRY, PRODUCT, NUMBER OF LEARNERS, AND EXPIRATION DATE

Athens College, Athens, Alabama; Hosiery; Full Fashioned; 98 learners; September 18, 1940.

J. F. Carter Company, 58 Rantoul Street, Beverly, Massachusetts; Apparel; Oiled Clothing, Hats & Aprons; 5 learners (75% of the applicable hourly minimum wage); October 24, 1940.

Knickerbocker Clothing Co., 1308 Washington Avenue, Saint Louis, Missouri; Apparel; Coats & Vests; 5 learners (75% of the applicable hourly minimum wage); October 24, 1940.

Nazareth Pants Company, Nazareth, Pennsylvania; Apparel; Jodphurs, Breeches, and working pants; 25 learners (75% of the applicable hourly minimum wage); October 24, 1940.

Portland Overall Company, 127-9 Middle Street, Portland, Maine; Apparel; Work Pants; 5 learners (75% of the applicable hourly minimum wage); October 24, 1940.

South Boston Weaving Corporation, South Boston, Virginia; Textile; Cotton, Silk and Rayon; 12 learners; October 18, 1940.

Tennessee Tufting Company, 2404 Hedman Street, Nashville, Tennessee; Textile; Bedspreads; 30 learners; October 24, 1940.

Winona Bedspread Company, Winona, Mississippi; Textile; Bedspreads; 20 learners; October 24, 1940.

Winona Bedspread Company, Winona, Mississippi; Textile; Bedspreads; 5 learners; October 24, 1940.

Seattle Glove Company, Seattle, Washington; Glove; Work Gloves; 5 learners; October 24, 1940.

Signed at Washington, D. C., this 18th day of July 1940.

GUSTAV PECK,
Authorized Representative of the Administrator.

[F. R. Doc. 40-2980; Filed, July 18, 1940; 11:31 a. m.]

IN THE MATTER OF PARTIAL EXEMPTION OF LANDSCAPE CONTRACTING FROM THE MAXIMUM HOURS PROVISIONS OF THE FAIR LABOR STANDARDS ACT OF 1938 AS AN INDUSTRY OF A SEASONAL NATURE

Whereas applications were filed by Edwin M. Tate, Landscape Contractor, Caldwell, New Jersey, and sundry other parties for the exemption of landscape contracting from the maximum hours provisions of the Fair Labor Standards Act of 1938, as a branch of an industry of a seasonal nature within the meaning of section 7 (b) (3) of the Act and Part 526, as amended, of the Regulations issued thereunder, and

Whereas it appeared from the said application and upon further investigation that:

1. In a general sense (more particularly defined below) landscape contracting consists of the planting or transplanting of trees, shrubs, and other plants for ornamentation, including the making of lawns and gardens, together with other subsidiary and related operations for the same purpose; and

2. The basic operations of planting and transplanting are necessarily limited by natural factors to those times of the year when the plants will withstand the transplanting operations, because of the conditions of the plants, the soil and other climatic factors; and therefore, in a practical sense the plants are available for landscape contracting only during such times of the year; and

3. In general, transplanting takes place in the spring and fall or during the late fall, winter and early spring, the periods aggregating about five months and not in excess of six months, except in the states of Washington, Oregon, and California where, under special climatic conditions therein prevailing, the operating season can and does extend from 8 to 12 months; and

4. Except during the operating seasons described above, landscape contracting ceases during the remainder of the year, apart from work such as maintenance, repair, clerical and sales work, because the trees, shrubs and other materials used in such operations are unavailable in the form in which they can be used practically, due to unfavorable climate; and

Whereas on June 20, 1940, the Administrator caused to be published in the FEDERAL REGISTER (5 F.R. 2310) a notice which stated that upon consideration of the facts stated in the said application and upon further investigation the Administrator determined, pursuant to § 526.5 (c), as amended, of the Regulations, that a prima facie case had been shown for the granting of an exemption pursuant to section 7 (b) (3) of the Fair Labor Standards Act of 1938 and Part 526, as amended, of the Regulations issued thereunder to landscape contracting, except in the Pacific States of California, Oregon, and Washington, and which notice stated further that if no objection and request for hearing was received within fifteen days thereafter, the Administrator would make a finding upon the prima facie case shown upon the application.

In the above:

The term "landscape contracting" includes the planting or transplanting of trees, shrubs and other plants, including the making of lawns and gardens and the necessary coincidental building, on the site, of garden retaining walls, rock gardens, etc. It does not include routine lawn or garden maintenance except as an incident to the above during the planting season or seasons; and

Whereas no objection and request for hearing was received within fifteen days thereafter:

Now, therefore, pursuant to § 526.5 (b) (ii) of the Regulations, as amended, the Administrator hereby finds on the prima facie case shown in the said application that landscape contracting, except in the Pacific States of California, Oregon, and Washington, is a seasonal industry within the meaning of section 7 (b) (3) of the Fair Labor Standards Act of 1938 and Regulations issued thereunder, and, therefore, it is entitled to the exemption provided in section 7 (b) (3) of the said Act.

Signed at Washington, D. C., this 18th day of July 1940.

PHILIP B. FLEMING,
Administrator.

[F. R. Doc. 40-2986; Filed, July 18, 1940; 11:44 a. m.]

NOTICE OF DETERMINATION AND ORDER ON REVIEW OF THAT SIGNED JANUARY 2, 1940, DENYING THE APPLICATIONS FOR THE EMPLOYMENT OF LEARNERS IN THE CIGAR MANUFACTURING INDUSTRY AT WAGES LOWER THAN THE MINIMUM WAGE APPLICABLE UNDER SECTION 6 OF THE FAIR LABOR STANDARDS ACT

Whereas, the Cigar Manufacturers Association of America, Inc. and sundry other parties applied pursuant to Title 29, Code of Federal Regulations, Chapter V, Part 522, for permission to employ learners in the cigar industry at wages lower than the minimum wage rate of 30 cents an hour specified in Section 6 of the Fair Labor Standards Act; and

Whereas, a public hearing on the applications was held at Washington, D. C., on November 1 and 2, 1939,[1] before Merle D. Vincent as Presiding Officer, who was duly authorized to hear the evidence and decide what, if any, occupations in said industry require a learning period, the factors bearing upon curtailment of opportunities for employment therein and under what limitations Special Certificates may be issued to employees therein for whatever occupations are found to require a learning period; and

Whereas the said Merle D. Vincent on January 2nd, 1940 determined and ordered that:

"(1) The occupations of packer and cigar machine operator in the machine branch and packer and hand cigar maker in the hand branch of the cigar industry require a learning period,

"(2) The learning period for packers and for cigar machine operators is eight weeks and for hand cigar makers is six months.

"(3) It is not necessary in order to prevent curtailment of opportunities for employment to issue Special Certificates authorizing the employment of learners in the cigar industry at subminimum rates.

"The applications are denied."; and

Whereas the Administrator thereafter granted petitions for review of said Determination and Order, filed by certain cigar manufacturers and organizations of employees of cigar manufacturers, and designated and authorized Henry T. Hunt, Principal Hearings Examiner, to review

[1] 4 F.R. 4267.

the same and to take final action thereon; and

Whereas the said Henry T. Hunt has reviewed and considered the entire record in the said matter and has made and filed in Room 5144, U. S. Department of Labor Building, a Determination and Order on Review signed at Washington, D. C., July 12, 1940;

Now therefore notice is hereby given that the said Henry T. Hunt made the following determination:

"Paragraphs (1) and (2) of the Determination and Order signed January 2, 1940, and reading as follows are disapproved:

"'(1) The occupations of packer and cigar machine operator in the machine branch and packer and hand cigar maker in the hand branch of the cigar industry require a learning period.

"'(2) The learning period for packers and for cigar machine operators is eight weeks and for hand cigar makers is six months.'

"The final paragraph of the said Determination and Order reading as follows is approved:

"'It is not necessary in order to prevent curtailment of opportunities for employment to issue Special Certicates authorizing the employment of learners in the cigar industry at subminimum rates.

"'The applications are denied.'"

Signed at Washington, D. C., this 18th day of July, 1940.

PHILIP B. FLEMING,
Administrator.

[F. R. Doc. 40-2987; Filed, July 18, 1940; 11:44 a. m.]

[Administrative Order No. 57]

APPOINTMENT OF INDUSTRY COMMITTEE No. 15 FOR THE EMBROIDERIES INDUSTRY

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

For the Public:

Max Meyer, Chairman, New York, New York.

Clyde E. Dankert, Hanover, New Hampshire.

Elizabeth S. Magee, Cleveland, Ohio.

Kenneth L. M. Pray, Philadelphia, Pennsylvania.

For the Employees:

Frank Colaiuti, New York, New York.

Z. L. Freedman, New York, New York.

Abraham Plotkin, Chicago, Illinois.

Frederick F. Umhey, New York, New York.

For the Employers:

Abraham Friedensohn, New York, New York.

Louis Knee, New York, New York.

Ernest Mosmann, North Bergen, New Jersey.

Martin Somers, Chicago, Illinois.

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

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

The production of all kinds of hand and machine-made embroideries and ornamental stitchings, including, but not by way of limitation, tucking, shirring, smocking, hemstitching, hand rolling, fagoting, bonnaz embroidery, appliqué, crochet beading, hand drawing, machine drawing, rhinestone trimming, sequin trimming, spangle trimming, eyelets, passementerie, pleating, the application of rhinestones and nailheads, Schiffli embroidery and laces, burnt-out laces and velvets, Swiss hand loom machine embroidery, thread splitting, embroidery thread cutting, scallop cutting, lace cutting, lace making-up, making-up of embroidered yard goods, straight cutting of embroidery and cutting out of embroidery, embroidery trimmings, bindings, pipings and emblems; *provided, however*, that (1) the foregoing, when produced or performed by a manufacturer of a garment, fabric or other article for use on such garment, fabric or other article, and (2) the manufacture of covered buttons and buckles, shall not be included.

3. The definition of the embroideries industry covers all occupations in the industry which are necessary to the production of the articles specified in the definition, including clerical, maintenance, shipping and selling occupations.

4. The industry committee herein created, in accordance with the provisions of the Fair Labor Standards Act of 1938 and rules and regulations promulgated thereunder, shall meet at the call of its chairman and shall proceed to investigate conditions in the industry and recommend to the Administrator minimum wage rates for all employees thereof who within the meaning of said Act are "engaged in commerce or in the production of goods for commerce," excepting employees exempted by virtue of the provisions of Section 13 (a) and employees coming under the provisions of Section 14.

Signed at Washington, D. C., this 17th day of July, 1940.

BAIRD SNYDER,
Acting Administrator.

[F. R. Doc. 40-2988; Filed, July 18, 1940; 11:44 a. m.]

INTERSTATE COMMERCE COMMISSION.

ORGANIZATION SCHEDULE AND ASSIGNMENT OF WORK AND FUNCTIONS OF THE COMMISSION

At a General Session of the Interstate Commerce Commission, held at its office in Washington, D. C., on the 17th day of July, A. D. 1940.

Section 17 of the Interstate Commerce Act, as amended (U.S.C. title 49, sec. 17) and other provisions of law being under consideration, the following order was duly adopted:

Ordered, Effective forthwith, the organization schedule and assignment of work and functions adopted by order of the Commission of May 8, 1939 (4 F.R. 2385) as amended by order of July 8, 1939 (4 F.R. 3357), be and it is hereby amended by adding the following under the heading "Assignment of Duties to Divisions" under the subheading "Division Four":

Matters arising under section 22 (b) (9) of the Internal Revenue Code (relating to exclusions from gross income) as amended by the Act approved June 29, 1939, 53 Stat. c. 247, Sec. 215 (a), p. 875.

By the Commission.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 40-2981; Filed, July 18, 1940; 11:33 a. m.]

SECURITIES AND EXCHANGE COMMISSION.

[File No. 1-2655]

IN THE MATTER OF SAN GABRIEL RIVER IMPROVEMENT COMPANY $10 PAR VALUE COMMON STOCK

ORDER GRANTING APPLICATION TO WITHDRAW FROM LISTING AND REGISTRATION

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 17th day of July, A. D. 1940.

The San Gabriel River Improvement Company, pursuant to Section 12 (d) of the Securities Exchange Act of 1934, as amended, and Rule X-12D2-1 (b) promulgated thereunder, having made application to withdraw its $10 Par Value Common Stock from listing and registration on the Los Angeles Stock Exchange; and

After appropriate notice, a hearing[1] having been held in this matter; and

The Commission having considered said application together with the evidence introduced at said hearing, and having due regard for the public interest and the protection of investors;

It is ordered, That said application be and the same is hereby granted, effective at the close of the trading session on August 1, 1940.

By the Commission.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 40-2984; Filed, July 18, 1940; 11:35 a. m.]

[1] 5 F.R. 1723.

[File No. 70-107]

IN THE MATTER OF WASHINGTON GAS AND ELECTRIC COMPANY

NOTICE OF AND ORDER FOR HEARING

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 17th day of July, A. D. 1940.

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

It is ordered, That a hearing on such matter under the applicable provisions of said Act and the rules of the Commission thereunder be held on August 2, 1940, at 10:00 o'clock in the forenoon of that day, at the Securities and Exchange Building, 1778 Pennsylvania Avenue, NW., Washington, D. C. On such day the hearing-room clerk in room 1102 will advise as to the room where such hearing will be held. At such hearing, if in respect of any declaration, cause shall be shown why such declaration shall become effective.

It is further ordered, That Charles S. Lobingier or any other officer or officers of the Commission designated by it for that purpose shall preside at the hearings in such matter. The officer so designated to preside at any such hearing is hereby authorized to exercise all powers granted to the Commission under section 18 (c) of said Act and to a trial examiner under the Commission's Rules of Practice.

Notice of such hearing is hereby given to such declarant or applicant and to any other person whose participation in such proceeding may be in the public interest or for the protection of investors or consumers. It is requested that any person desiring to be heard or to be admitted as a party to such proceeding shall file a notice to that effect with the Commission on or before July 29, 1940.

The matter concerned herewith is in regard to the use of the sum of $100,000 for open market purchases through December 31, 1940 of the following bond issues of applicant: First Mortgage Gold Bonds, 5½% Series of 1947, 5½% Series of 1953, and 5% Series of 1955; First Lien and General Mortgage Gold Bonds, 6% Series of 1960.

Applicant has designated Sections 9 (a), 12 (c) and Rule U-12C-1 as applicable.

By the Commission.

[SEAL] FRANCIS P. BRASSOR,
Secretary.

[F. R. Doc. 40-2982; Filed, July 18, 1940; 11:35 a. m.]

[File No. 70-108]

IN THE MATTER OF NORTH CONTINENT UTILITIES CORPORATION

ORDER PERMITTING DECLARATION TO BECOME EFFECTIVE

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 17th day of July, A. D. 1940.

North Continent Utilities Corporation, a registered holding company, having filed on June 29, 1940, a declaration pursuant to Rule U-12B-1 promulgated under the Public Utility Holding Company Act of 1935 with respect to a capital donation of $40,000 by North Continent Utilities Corporation to its subsidiary, Great Northern Utilities Company, to enable the latter to finance the cost of installing a new 1000 KW Turbo generator with surface condenser, and certain incidental work in connection therewith; and

Due notice of the filing of such declaration having been given and no one having requested a hearing thereon; and

North Continent Utilities Corporation having filed an amendment to said declaration on July 15, 1940 and having requested that such amended declaration be permitted to become effective on the day on which the declaration would have become effective had no amendment been filed, and the Commission having duly considered said amended declaration and request;

It is ordered, That said amended declaration be, and it hereby is, permitted to became effective on July 19, 1940.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Recording Secretary.

[F. R. Doc. 40-2983; Filed, July 18, 1940; 11:35 a. m.]