

(3) "Douglas fir" means the botanical species of *Pseudotsuga taxifolia*.

(4) "Douglas fir peeler log" means a Douglas fir log suitable for the manufacture, by rotary cutting, of Douglas fir plywood, whether it is actually so used or not. It includes any such log, even though it is selected for the manufacture of ponton lumber, aircraft lumber, ship-decking, or other special grades of lumber.

(5) "Western red cedar" means the botanical species of *Thuya plicata*.

(6) "Western hemlock" means the botanical species of *Tsuga mertensiana* or *Tsuga heterophylla*.

(7) "Western white fir" means the botanical species of *Abies grandis*, or *Abies amabilis*, *Abies magnifica*, and *Abies lasiocarpa*.

(8) "Noble fir" means the botanical species of *Abies nobilis*.

(9) "Sitka spruce" means the botanical species of *Picea sitchensis*.

(10) The grades of Douglas fir, western red cedar, western hemlock, western white fir, noble fir, and Sitka spruce logs specified in Appendix A, § 1381.160, shall mean such grades as understood in the particular district on August 1, 1941.

(11) "District" means any one of four districts, as follows:

(i) Puget Sound district, including all counties in the State of Washington lying west of the crest of the Cascade Mountains except those named in the Willapa Bay and Grays Harbor, and Columbia River districts;

(ii) Willapa Bay and Grays Harbor district, including the counties of Grays Harbor and Pacific in the State of Washington;

(iii) Columbia River district, including the counties of Wahkiakum, Cowlitz, Clark, and Skamania in the State of Washington, and Clatsop, Columbia, Washington, Clackamas, and Hood River in the State of Oregon;

(iv) Willamette Valley district, including California and all counties in the State of Oregon lying west of the crests of the Cascade and Sierra Nevada Mountain ranges except those named in the Columbia River District.

(12) "Price" means the delivered price, including transportation charges and commissions to wholesalers, commission salesmen, or others.

(b) Unless the context otherwise requires, the definitions set forth in section 302 of the Emergency Price Control Act of 1942 shall apply to other terms used herein.

§ 1381.159 *Effective date.* This Maximum Price Regulation No. 161 (§§ 1381.151 to 1381.160, inclusive) shall become effective June 20, 1942.

§ 1381.160 *Appendix A: Maximum delivered prices for West Coast logs.* (a) The maximum delivered prices per 1,000 ft. log scale for West Coast logs delivered

in the waters of Puget Sound, Willapa Bay and Grays Harbor, and the Columbia River or, if the buyer's manufacturing plant is not located on these waters, delivered at the buyer's plant within the district named, shall be as follows:

(1) For all logs, except those cut to special long lengths pursuant to an order placed by the buyer before the timber was felled, and except blocks in lengths less than 12 feet:

(i) DOUGLAS FIR

	Puget Sound District	Willapa Bay	Grays Harbor District	Columbia River District
No. 1 sawmill log	\$31.00	\$28.00	\$28.00	
No. 2 sawmill log, shop type, old growth yellow fir	25.00	23.00	21.00	
No. 2 sawmill log, all other types, including 2nd growth	22.00	22.00	20.00	
No. 3 sawmill log, shop type, old growth yellow fir	18.00	17.00	16.00	
No. 3 sawmill log, all other types, including 2nd growth	17.00	16.00	15.00	
Pee Wee, sawmill logs	18.75	17.75	17.00	
Camp Run (ungraded)	17.00	16.00	15.00	

(ii) WESTERN RED CEDAR

No. 1 and Lumber Grade logs	\$36.00	\$33.00	\$33.00
No. 2, No. 3, and Shingle Grade logs	21.00	18.00	18.00
Camp Run (ungraded)	21.00	18.00	18.00

(iii) WESTERN HEMLOCK

Suitable for peeling	\$27.00	\$26.00	\$26.00
No. 1	21.50	20.50	20.50
No. 2	18.50	17.50	17.50
No. 3	15.50	14.50	14.50
Camp Run (ungraded)	17.50	16.50	16.50

(iv) WESTERN WHITE FIR AND NOBLE FIR

Suitable for peeling	\$26.00	\$25.00	\$25.00
No. 1	20.50	19.50	19.50
No. 2	17.50	16.50	16.50
No. 3	14.50	13.50	13.50
Camp Run (ungraded)	16.50	15.50	15.50

(v) SITKA SPRUCE

No. 1	\$45.00	\$45.00	\$45.00
No. 2	30.00	30.00	30.00
No. 3	17.00	17.00	17.00
Camp Run (ungraded)	17.00	17.00	17.00

(vi) DOUGLAS FIR PEELER LOGS

Puget Sound district:
No. 1 log suitable for peeling, minimum diameter 30" \$40.00

No. 2 log suitable for peeling, minimum diameter 30" 35.00

Core log, minimum diameter 26" 27.00

Willapa Bay and Grays Harbor district:
Peeler grade, minimum diameter 36" 41.00

No. 1 log suitable for peeling, minimum diameter 30" 33.00

No. 2 log suitable for peeling, minimum diameter 26" 25.00

Columbia River district:
No. 1 log suitable for peeling, minimum diameter 30" 37.00

No. 2 log suitable for peeling, minimum diameter 30" 31.50

Core log 24.00

(2) For logs cut to special long lengths pursuant to an order placed by the buyer before the timber was felled, add the following to the base prices per 1,000 ft. log scale set forth in subparagraph (1) of this paragraph (a):

Nominal length	No. 1 logs	No. 2 and No. 3 logs
42"-50"	\$6.00	\$4.00
52"-60"	12.00	8.00
62"-70"	18.00	12.00
Over 70"	(1)	(1)

¹ The seller must apply to the Office of Price Administration in Washington, D. C., for approval of his proposed price before quoting or charging such price.

(3) For blocks in lengths of less than 12 feet, deduct \$5.00 per 1,000 ft. log scale from the base prices set forth in subparagraph (1) of this paragraph (a).

(b) The maximum delivered prices per 1,000 ft. log scale for West Coast logs delivered at any other point than the waters named or the buyer's manufacturing plant shall be determined as follows: from the prices in paragraph (a) of this section, subtract the transportation costs which would have been applicable to the shipment had it moved from the logger's loading-out point to the waters of the particular district, then add actual transportation costs from logger's loading-out point to the actual destination specified by the purchaser: *Provided*, That regardless of the result of such computation, the prices shall in no event exceed the prices set forth in paragraph (a) of this section applicable to deliveries into the waters of Puget Sound, Willapa Bay and Grays Harbor, and the Columbia River.

(c) The maximum delivered prices per 1,000 ft. log scale for West Coast logs delivered at any point in the Willamette Valley district shall be determined as follows: from the prices set forth in paragraph (a) of this section for delivery in the Columbia River district, subtract the transportation costs which would have been applicable to the shipment had it moved from the logger's loading-out point to the Columbia River district, then add actual transportation costs from logger's loading-out point to the actual destination specified by the purchaser: *Provided*, That regardless of the result of such computation, the prices for the Willamette Valley district shall in no event exceed the prices set forth in paragraph (a) of this section for delivery in the Columbia River district.

(d) When logs are sold out of one district for delivery in another district, the maximum prices and the grades shall be those of the district in which the buyer takes delivery of the logs.

Issued this 10th day of June 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-5452; Filed, June 10, 1942;
5:15 p. m.]

PART 1499—COMMODITIES AND SERVICES
[Amendment 5 to Supplementary Regulation 1² to General Maximum Price Regulation 1¹]

WOOL SKINS

A statement of the considerations involved in the issuance of this amendment has been issued simultaneously herewith and filed with the Division of the Federal Register.

Section 1499.26 is amended by adding a new subparagraph (24) to paragraph (a) and a new subdivision (ix) to paragraph (d) (1), as set forth below:

§ 1499.26 *Exceptions for certain commodities, certain sales and deliveries.* (a) General Maximum Price Regulation shall not apply to any sale or delivery of the following commodities:

(24) Wool skins, whether domestic or foreign.

(d) *Definitions.* (1) When used in this Supplementary Regulation No. 1, the term:

(ix) "Wool skins" means the untanned skins of sheep or lambs with the wool still on.

(e) *Effective dates.* (24), (d) (1) (ix)) to Supplementary Regulation No. 1 shall become effective June 12, 1942.

(Pub. Law 421, 77th Cong.)

Issued this 10th day of June 1942.

LEON HENDERSON,
Administrator.

[F. R. Doc. 42-5453; Filed, June 10, 1942;
5:16 p. m.]

PART 1306—IRON AND STEEL

[Maximum Price Regulation 159]

FABRICATED CONCRETE REINFORCING BARS

In the fourth line of § 1306.374 (d) (2) appearing on page 4341 of the issue for Tuesday, June 9, 1942, the word "welded" is misspelled.

PART 1388—DEFENSE-RENTAL AREAS

Corrections

[Maximum Rent Regulation No. 5]

BRIDGEPORT DEFENSE-RENTAL AREA

Fairfield, Conn., appears erroneously as "Fairchild" in the first line of page 4052 of the issue for Saturday, May 30, 1942.

[Maximum Rent Regulation No. 9]

BURLINGTON DEFENSE-RENTAL AREA

In paragraph (a) of § 1388.411 appearing on page 4066, four lines should be transposed, so that the paragraph will read as follows:

¹ 7 F.R. 3153.

² 7 F.R. 3158, 3488, 3802, 4183.

§ 1388.411 *Scope of regulation.* (a) This Maximum Rent Regulation No. 9 establishes the maximum rents which may be demanded or received for use or occupancy on and after June 1, 1942 of all housing accommodations within that portion of the Burlington Defense-Rental Area designated in the Designation and Rent Declaration (§§ 1388.401 to 1388.405, inclusive) issued by the Administrator on March 2, 1942 (consisting of the Townships of Augusta, Burlington, Concordia, Danville, Flint River, Tama, and Union, in the County of Des Moines; the Townships of Baltimore, Center, Mount Pleasant, and New London, in the County of Henry; and the Townships of Denmark, Green Bay, Madison, and Washington, in the County of Lee, all in the State of Iowa—hereinafter referred to in this Maximum Rent Regulation No. 9 as the "Defense-Rental Area"), except as provided in paragraph (b) of this section.

[Maximum Rent Regulation No. 12]

SCHENECTADY DEFENSE-RENTAL AREA

In § 1388.565 (c) (1), page 4077, the reference to § 138.564 should read "§ 1388.564".

[Maximum Rent Regulation No. 18]

YOUNGSTOWN-WARREN DEFENSE-RENTAL AREA

In § 1388.864 (d) (3), page 4097, the word "substantially" should be deleted.

PART 1410—WOOL

[Amendment 5 to Revised Price Schedule 58, as Amended]

WOOL AND WOOL TOPS AND YARNS

In the third line of § 1410.64 (a) (1) (ii) appearing on page 4301 of the issue of Saturday, June 6, 1942, the word "for" should read "from." In the fourth line of the table in subparagraph (3) of the same paragraph the word "sold" should read "solid".

In the third line of § 1410.65 (c) (6), page 4303, the word "secured" should read "scoured."

TITLE 43—PUBLIC LANDS: INTERIOR

Chapter I—General Land Office

[Circular No. 1510]

PART 192—OIL AND GAS PERMITS AND LEASES
OVERRIDING ROYALTY INTERESTS IN OIL AND GAS LEASES

Section 192.42d¹ of Title 43 of the Code of Federal Regulations contained in Circular 1504 of March 9, 1942, is hereby amended by adding thereto the following:

§ 192.42d *Assignment of oil and gas lease or interest therein.* * * *

The provisions of this section prescribing a limitation as to overriding royalty

interests in oil and gas leases shall not apply to assignments or agreements creating such interests executed prior to March 9, 1942, and submitted for approval prior to July 1, 1942.

The provisions of this section prescribing a limitation as to overriding royalty interests in oil and gas leases shall not apply to those leases which provide for the payment of a flat royalty of five per cent to the United States, but no assignment or agreement involving such a lease executed on or after March 9, 1942, will be recognized as valid which, inclusive of the royalty payable to the United States, shall create in the lease royalty interests in excess of 17½ per cent. (32, 41 Stat. 450; 30 U.S.C. 189)

FRED W. JOHNSON,
Commissioner.

I concur: May 18, 1942.

W. C. MENDENHALL,
Director, Geological Survey.

Approved: May 28, 1942.

HAROLD L. ICKES,
Secretary of the Interior.

[F. R. Doc. 42-5438; Filed, June 10, 1942;
3:28 p. m.]

TITLE 45—PUBLIC WELFARE

Chapter II—Civilian Conservation Corps

PART 203—ENROLLMENT, DISCHARGE, HOSPITALIZATION, DEATH, AND BURIAL OF ENROLLEES

BURIAL EXPENSES

Section 203.12 (a) is hereby amended to read as follows:

§ 203.12 *Burial expenses.* Regulations applicable to deceased enrollees, approved by the United States Employees' Compensation Commission, are as follows:

(a) *Burial expenses proper.* Burial expenses proper are authorized for all deceased enrollees regardless of the cause and place of death, including former enrollees whose death occurs while undergoing authorized hospitalization initiated prior to discharge. Burial expenses proper will be restricted to undertakers' services, cost of casket, cost of outside box or shipping case when the remains are shipped, and hire of hearse. In addition to the burial expenses proper for which limits are prescribed below, the following may be furnished when required: Authorized, necessary transportation, either without or after temporary interment. Expenditure not to exceed \$50.00 to cover necessary expenses of interment at place of burial, such expenses to include the following: Hearse hire for remains and transportation of immediate relatives to cemetery, services of a minister, undertaker's services, cost of grave site in private cemetery and opening and closing grave, and in the event that the remains are shipped by rail from the place of death to the home, hearse hire from the railroad station to the home or undertaker's establishment will be included in the foregoing amount. Corps area commanders will issue such instruc-

¹ 7 F.R. 2246.

tions as may be necessary to insure that the parents or nearest relatives of the deceased, or other person to whom the remains are delivered, are informed of this authorization and advised as to the proper procedure to be followed in obtaining payment of obligations incurred.

Except as otherwise hereinafter specifically authorized, burial expenses proper will be limited to \$85. The limit of \$85 will not ordinarily be exceeded without the authority of the Quartermaster General. In an emergency in which it is impracticable to procure the services of a reputable undertaker within the limitation prescribed above, and the lowest bid submitted is reasonable and it is necessary that it be accepted, a bid in excess of the prescribed limit may be accepted. The limit in such cases will be \$100, which will not be exceeded without the authority of the Quartermaster General.

When it is impracticable to ship the remains at the time of death, or if it is impossible to communicate with the emergency addressee before interment, the remains may be subsequently disinterred and shipped home at Government expense at the request of the emergency addressee. In such cases the expense of disinterment and preparation of the remains for shipment will not exceed \$85, unless authorized by the Quartermaster General. If the emergency addressee states that shipment home is not desired and the remains are interred at Government expense, subsequent disinterment or shipment of the remains will not be made at Government expense.

In case of death by dangerous communicable disease; by drowning, when the remains are not recovered immediately; by aviation accident while in flight; by railway or other accidents remote from posts or camps, when local undertakers must be employed; when on leave; when traveling on a train; or when at isolated or other stations at which local undertakers must be employed for each individual case; burial expenses proper will not ordinarily exceed \$100. The limit of \$100 will not be exceeded without the authority of the Quartermaster General.

If at the time and place of death a properly approved contract was in force, the amount to be allowed as reimbursement for burial expenses proper will be limited to the sum that such contract would have allowed for a similar case. However, if no such contract was in effect at that time and place, such amount will not exceed \$85, except when approved by the Quartermaster General. (50 Stat. 319) [C.C.C. Regs., W.D., Dec. 1, 1937 as amended by C-91, May 21, 1942]

(SEAL)

J. A. ULIO,
Major General,
The Adjutant General.

(F. R. Doc. 42-5443; Filed, June 10, 1942;
3:30 p. m.)

TITLE 49—TRANSPORTATION AND RAILROADS

Chapter I—Interstate Commerce Commission

[Emergency Order No. M-1]

Subchapter B—Carriers by Motor Vehicle

PART 215—EMERGENCY OPERATING AUTHORITIES

EMERGENCY DIVERSION OF FREIGHT BY COMMON CARRIERS BY MOTOR VEHICLE TO OTHER SUCH CARRIERS

At a general session of the Interstate Commerce Commission, held at its office in Washington, D. C., on the 8th day of June, A. D. 1942.

The Commission having under consideration operating conditions of common carriers of property by motor vehicle and the subject of rerouting of traffic in connection with such carriers, and

It appearing, That there exists an urgent need to conserve the transportation facilities of the nation and to expedite the transportation and delivery of war materials and other freight for the purpose of successfully prosecuting the war,

And it further appearing, That these purposes will be materially served, and the public interest will be promoted, by the interchange of traffic between all such common carriers without regard to the routing thereof made by shippers or carriers, therefore:

It is ordered, That:

Sec.

- 215.100 Departures authorized.
- 215.101 Duty of carriers.
- 215.102 Rerouting when one-factor local or joint rate is in effect.
- 215.103 Rerouting when one-factor local or joint rate is not in effect.
- 215.104 Tariff provision to be published on one day's notice.
- 215.105 Division of revenues.

AUTHORITY: §§ 215.100 through 215.106, inclusive, issued under Pub. Law 507, 77th Cong.

§ 215.100 Departures authorized. All common carriers of property by motor vehicle when necessary to further the purposes and to comply with the requirements of §§ 501.4-501.15 of this title (General Order O.D.T. No. 3, as amended, by the Director of Defense Transportation), are directed to depart from and to disregard the routing in the bill of lading of any shipment and the routing provisions stated in the tariff of any carrier participating in the transportation; and all rules, regulations, and practices of such carriers with respect to service or routing are hereby suspended and superseded insofar as they conflict with §§ 215.100 through 215.105.

§ 215.101 Duty of carriers. When any common carrier by motor vehicle reroutes a shipment, in furtherance of and

to comply with the provisions of General Order O. D. T. No. 3 (Part 501, Subpart B of this title) to another such carrier, such other carrier shall accept and transport such shipment at the rates as provided in §§ 215.102 and 215.103.

§ 215.102 Rerouting when one-factor local or joint rate is in effect. If the bill of lading carrier has in effect a one-factor local rate or is a party to a one-factor joint rate for the transportation of the shipment from its origin to its destination, the carrier or carriers to whom the shipment has been diverted shall forward such shipment on the billing and pursuant to the tariff rate and the rules and regulations of the carrier issuing the bill of lading, which rate, rules, and regulations shall be those which would have applied if no rerouting had been made.

§ 215.103 Rerouting when one-factor local or joint rate is not in effect. If the bill of lading carrier has no one-factor local rate or is not a party to a one-factor joint rate for the transportation of the shipment from its origin to its destination, the carrier to whom the shipment has been diverted shall forward such shipment to its destination subject to the lowest combination of rates applicable over the route of movement.

§ 215.104 Tariff provision to be published on one day's notice. Each common carrier of property by motor vehicle subject to the Interstate Commerce Act shall immediately publish, in accordance with the regulations provided in Tariff Circular MF No. 3, (§§ 187.21 through 187.47 of this title) effective on one day's notice, in each of its tariffs stating rates, rules or regulations for the transportation of property, a tariff provision reading substantially as follows:

If (name of carrier) to comply with the requirements of General Order O.D.T. No. 3, as amended, by the Director of Defense Transportation, diverts to another common carrier by motor vehicle for transportation a shipment for which it has issued a bill of lading and has a one-factor local rate or is a party to a one-factor joint rate for the transportation of the shipment from its origin to its destination, such rate will apply without regard to the diversion and rate over the actual route of movement. In all other instances the lowest combination of rates and charges over the route of movement will apply.

When (name of carrier) receives from another common carrier by motor vehicle a shipment which has been diverted to it, in compliance with the requirements of General Order O. D. T. No. 3, as amended, by the Director of Defense Transportation, the established tariff provisions of the (name of carrier) will not apply and the (name of carrier) will transport such shipment under the billing and in accordance with the rate and tariff provisions of the carrier who issued the bill of lading: *Provided*, Such bill of lading carrier had, at the time the shipment was accepted by it, a one-factor local rate or is a party to a one-factor joint rate for the transportation of the shipment

from its origin to its destination. The (name of carrier) will accept as its compensation such division of the one-factor local or joint rate of the bill of lading carrier as may be agreed upon by the interested carriers or as may be prescribed by the Interstate Commerce Commission.

§ 215.105 *Division of Revenues.* Common carriers by motor vehicle participating in the transportation of shipments made in accordance with and as required by this order, shall be entitled to such division of the revenue accruing from any such shipment, as may be agreed upon between them, as and for compensation for the service performed; in the event of failure to agree, the Commission, after hearing, may determine and fix such division in accordance with pertinent authority conferred upon it by the Interstate Commerce Act.

Whenever such common carriers have not agreed upon divisions of revenue, or are unable to agree, as and for compensation for the service performed, in order to avoid numerous proceedings before the Commission for determination of divisions the revenues should be divided among such carriers on the following bases, which the Commission informally believes would be just and reasonable:

(a) When each carrier participating in the transportation performs a line-haul service, first determine the total distance from the point of origin to the point of destination over the route (highways in case of motor carriers) over which the shipment moved and then ascertain the percentage relation the distance each carrier transported the shipment bears to the total distance. The percentages so determined shall be used in dividing the revenue among such carriers, subject to the following conditions:

(1) The revenue accruing to the bill of lading carrier and the destination carrier shall not be less than 20 percent of the rate, subject to a minimum of 15 cents per shipment for each carrier.

(2) When it is necessary to invoke the minimum provisions set forth in paragraph (a) of this section as to either the bill of lading carrier or the destination carrier, or both, the balance of the revenue accruing from the rate shall be divided among any other carriers participating in the transportation in accordance with the general provisions of this section.

(b) When the bill of lading carrier performs pick-up service and no line-haul movement, the rate is to be divided in accordance with the provisions of paragraph (a) of this section, except that such bill of lading carrier shall receive 20 percent of the rate, but not more than 10 cents per hundredweight, subject to a minimum of 15 cents per shipment.

(c) When the shipper performs the pick-up service and the shipment is handled over the dock of the bill of lading carrier, and the bill of lading carrier performs no line-haul movement, the rate is to be divided in accordance with the provisions of paragraph (a) of this section, except that such bill of lading carrier shall receive 20 percent of the rate, but

not more than 10 cents per-hundred-weight, subject to a minimum of 15 cents per shipment. Any allowance to the shipper for performing the pick-up service provided for in the tariff of the bill of lading carrier, shall be paid by such bill of lading carrier.

(d) When the bill of lading carrier provides no service other than the billing of the shipment and the shipment is not handled over such carrier's dock, such carrier shall receive 5 percent of the rate, subject to a minimum of 5 cents and a maximum of \$1 per shipment.

(e) *Revenue of bill of lading carrier performing no line-haul transportation.* When a shipment moving under the lowest combination of rates over the route of movement, as provided by this order, is diverted by the bill of lading carrier and the bill of lading carrier performs no line-haul transportation service, the revenue to be received by the bill of lading carrier from the first factor of the combination rate shall be as provided by paragraphs (b), (c), and (d) of this section.

And it is further ordered. That copies of this order be served upon all common carriers of property by motor vehicle subject to the Interstate Commerce Act; and that notice of this order shall be given to the general public by depositing a copy thereof in the office of the Secretary of the Commission at Washington, D. C., and by publication in the **FEDERAL REGISTER**.

By the Commission.

[SEAL]

W. P. BARTEL,
Secretary.

[F. R. Doc. 42-5472; Filed, June 11, 1942;
11:00 a. m.]

Notices

TREASURY DEPARTMENT.

Fiscal Service: Bureau of the Public Debt.

[1942 1st Sup. to Dept. Circ. 657]

REGULATIONS GOVERNING AGENCIES FOR THE ISSUE OF WAR SAVINGS BONDS, SERIES E

SUBSTITUTION OF "WAR" FOR "DEFENSE"

JUNE 1, 1942.

Department Circular No. 657,¹ dated April 15, 1941, as amended, is hereby supplemented by adding the following new paragraph before the last paragraph of section 6 (Miscellaneous) of the circular:

Wherever the word "Defense" is used in this circular or any agreement entered into pursuant thereto, or wherever the word "Defense" is used in any form used or required to be used in connection with such circular or agreement, the word "War" shall be used in lieu of or interchangeably with the word "Defense," as the circumstances may require, on and after the date of this supplement. Issuing agents designated under the terms

¹ Affects 31 CFR 317.6, 6 F.R. 1986.

of this circular, the qualification of which has been approved and now is in full force and effect will not be required to file new formal Application-Pledge or Trust Agreements and they will be conclusively presumed to have assented to continue to act as issuing agents under the terms of such agreements and this circular, as amended and supplemented, by the receipt for sale of War Savings Bonds of Series E. Likewise, by such receipt, collateral security now or hereafter pledged under the terms of such Agreements shall be conclusively deemed to be pledged as collateral security in connection with either or both, Defense or War Savings Bonds of Series E.

[SEAL] H. MORGENTHAU, JR.,
Secretary of the Treasury.

[F. R. Doc. 42-5447; Filed, June 10, 1942;
4:46 p. m.]

[1942 Dept. Cir. 653, Revised]

WAR SAVINGS BONDS, SERIES E, AND WAR SAVINGS STAMPS FOR INSTALLMENT PAYMENTS

I. OFFERING OF BONDS OF SERIES E

JUNE 1, 1942.

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, offers for sale, to the people of the United States, through the Postal Service and other designated agencies, United States Savings Bonds of Series E, which bonds are hereby designated United States War Savings Bonds, and may hereinafter be referred to as bonds of Series E. A description of the bonds, their terms, and the conditions of their issue and redemption are hereinafter fully set forth.

2. United States Savings Bonds of Series E include bonds issued as Defense Savings Bonds under this circular as originally published, and those issued as War Savings Bonds under this circular as revised. The former bonds will be withdrawn from sale when existing stocks are exhausted, and the new bonds will then be placed on sale without further notice, and their sale will continue until terminated by the Secretary of the Treasury. As their terms and the conditions of their issue are identical, no distinction is to be made between any bonds of Series E, whether issued as Defense or as War Savings Bonds.

II. DESCRIPTION AND TERMS OF BONDS

1. The bonds of Series E will be issued only in registered form, in denominations of \$25, \$50, \$100, \$500 and \$1,000 (maturity values), at prices hereinafter set forth. Each bond will bear the facsimile signature of the Secretary of the Treasury, and will bear both an imprint (in red) and an impression of the Seal of the Treasury. At the time of issue, the issuing agent will inscribe the name and address of the owner on each bond, will

¹ United States Savings Bonds of Series F and G, issued pursuant to Department Circular No. 654, Revised, dated June 1, 1942, are also included in the designation United States War Savings Bonds.

enter the date as of which the bond is issued in the upper right corner, and will imprint his dating stamp (with current date) in the circle in the lower left corner. Bonds of Series E shall be valid only if duly inscribed and dated, as above provided, and delivered by an authorized agent following receipt of payment therefor.

2. The bonds will, in each instance, be dated as of the first day of the month in which payment of the issue price is received by an agent authorized to issue the bonds; the bonds will mature and be payable at face value 10 years from such issue date. The bonds may not be called for redemption by the Secretary of the Treasury prior to maturity, but they may be redeemed prior to maturity, after 60 days from the issue date, at the owner's option, at fixed redemption values. No interest as such will be paid on the bonds, but they will increase in redemption value at the end of the first year from issue date, and at the end of each successive half-year period thereafter until their maturity, when the face amount becomes payable. The increment in value will be payable only upon redemption of the bonds. A table of redemption values for each bond appears on its face. The purchase price of bonds of Series E has been fixed so as to afford an investment yield of about 2.9 percent per annum compounded semiannually if the bonds are held to maturity; if the owner exercises his option to redeem a bond prior to maturity the investment yield will be less. The table at the end of this circular shows: (1) How bonds of Series E, by denominations, increase in redemption value during the successive half-year periods following issue, and (2) the computed investment yields (a) on the issue price from issue date to the beginning of each half-year period, and (b) on the current redemption value from the beginning of each half-year period to maturity at the end of the 10-year period.

3. The bonds will not be transferable, and will be payable only to the owner named thereon, except in case of death or disability of the owner or as otherwise specifically provided in the regulations governing savings bonds, and in any event only in accordance with such regulations. Accordingly they may not be sold, and may not be hypothecated as collateral for a loan.

4. *Taxation.* For the purpose of determining taxes and tax exemptions, the increment in value represented by the difference between the price paid for United States Savings Bonds issued on a discount basis, and the redemption value received therefor (whether at or before maturity) shall be considered as interest, and such interest on bonds of Series E is not exempt from income or profits taxes now or hereafter imposed by the United States.² The bonds shall be sub-

ject to estate, inheritance, gift, or other excise taxes, whether Federal or State, but shall be exempt from all taxation now or hereafter imposed on the principal or interest thereof by any State, or any of the possessions of the United States, or by any local taxing authority.

III. PURCHASE OF BONDS

1. *Agencies.* Bonds of Series E may be purchased, while this offer is in effect, as follows:

(a) *Over-the-counter for cash.* (1) At United States post offices of the first, second, and third classes, and at selected post offices of the fourth class, and generally at classified stations and branches.

(2) At the Treasury Department, Washington, D. C., at Federal Reserve Banks and Branches, and at such incorporated banks, trust companies, mutual savings banks and other agencies as are duly designated and have duly qualified as sales agents pursuant to the provisions of Treasury Department Circular No. 657, dated April 15, 1941, as amended and supplemented.

(b) *On mail order.* Bonds of Series E may be purchased by mail upon application to the Treasurer of the United States, Washington, D. C., or to any Federal Reserve Bank or Branch, accompanied by a remittance to cover the issue price. Any form of exchange, including personal checks, will be accepted, subject to collection. Checks, or other forms of exchange, should be drawn to the order of the Treasurer of the United States or the Federal Reserve Bank, as the case may be.

(c) *Other agencies.* The Secretary of the Treasury, in his discretion, may designate other agencies for the sale of, or for the handling of applications for, bonds of Series E, which shall operate

under such terms and conditions as the Secretary of the Treasury may prescribe or approve.

2. *Postal Savings.* Subject to regulations prescribed by the Board of Trustees of the Postal Savings System, the withdrawal of postal savings deposits will be permitted for the purpose of acquiring savings bonds.

3. *United States War Savings Stamps for installment payments.* War Savings Stamps, in denominations of 10, 25, and 50 cents, and \$1 and \$5, may be purchased at any post office where bonds of Series E are on sale and at such other agencies as may be designated from time to time. These stamps may be used to accumulate credits for the purchase of War Savings Bonds. Albums, for affixing the stamps, will be available without charge, and such albums will be receivable, in the amount of the affixed stamps, on the purchase price of War Savings Bonds. A Treasury issue of War Savings Stamps will hereafter be made available to replace the Postal Savings issue of Defense Stamps. The latter stamps will be withdrawn from sale when existing stocks are exhausted and the new stamps will be placed on sale without further notice, and their sale will continue until terminated by the Secretary of the Treasury. Defense Postal Savings Stamps will hereafter be included in the term War Savings Stamps and no distinction is to be made between any such stamps whether issued as Defense Postal Savings Stamps or as War Savings Stamps, and the stamps of either issue may be used interchangeably to accumulate credits for the purchase of War Savings Bonds.

4. *Issue prices.* The issue prices of the various denominations of bonds of Series E follow:

Denomination (maturity value)-----	\$25.00	\$50.00	\$100.00	\$500.00	\$1,000.00
Issue (purchase) price-----	18.75	37.50	75.00	375.00	750.00

IV. LIMITATION ON HOLDINGS

1. The amount of United States Savings Bonds of Series E of any designation originally issued during any one calendar year to any one person, including those registered in the name of that person alone, and those registered in the name of that person with another named as coowner, that may be held by that person at any one time shall not exceed \$5,000 (maturity value). Any bonds acquired on original issue which create an excess must immediately be surrendered for refund of the issue price, as provided in the regulations governing savings bonds.

V. AUTHORIZED FORMS OF REGISTRATION

1. Bonds of Series E may be registered only in the names of natural persons (that is, individuals) whether adults or minors, in their own right, who are residents of the Continental United States, the Territories and Insular Possessions of the United States, the Canal Zone, the Philippine Islands, or citizens of the United States temporarily residing abroad, as follows: (a) In the name of

one person, (b) in the names of two (but not more than two) persons as coowners, and (c) in the name of one person payable on death to one (but not more than one) other designated person. Full information as to authorized forms of registration will be found in the regulations governing savings bonds (see Sec. IX, par. 1).

VI. DELIVERY AND SAFEKEEPING OF BONDS OF SERIES E

1. Postmasters and other authorized sales agents from whom bonds of Series E may be purchased are authorized to deliver such bonds duly inscribed and dated upon receipt of the issue price. Bonds issued upon mail order applications made to a Federal Reserve Bank or Branch, or to the Treasurer of the United States will be delivered within the Continental United States, the Territories and Insular Possessions of the United States, the Canal Zone and the Philippine Islands.³ No deliveries elsewhere will be made. If purchased by citizens of the United States temporarily residing abroad, bonds will be delivered in the United States, or held in safekeeping, as

² For information concerning the taxable and exempt status under Federal tax laws of the interest (increment in value) on United States Savings Bonds issued on a discount basis (including bonds of Series E), and alternate methods of reporting such interest, see Internal Revenue Mimeograph, Coll. No. 5229, R. A. No. 1177, dated December 17, 1941.

the purchaser may direct. Delivery should not be accepted by any purchaser until he has verified that the correct name and address are duly inscribed on the face of the bond, that the bond is duly dated as of the first day of the month in which payment of the issue price was received by the agent, and that the dating stamp (with current date) of the postmaster or other issuing agent is imprinted in the circle in the lower left corner of the bond.

2. A savings bond will be held in safekeeping without charge by the Secretary of the Treasury if the holder so desires, and in such connection the facilities of the Federal Reserve Banks, as fiscal agents of the United States, and those of the Treasurer of the United States, will be utilized. Arrangements may be made for such safekeeping at the time of purchase, or subsequently. Postmasters generally, and branches of Federal Reserve Banks,¹ will assist holders in arranging for safekeeping, but will not act as safekeeping agents.

VII. PAYMENT AT MATURITY OR REDEMPTION PRIOR TO MATURITY

1. *General.* Any bond of Series E will be paid in full at maturity, or, at the option of the owner, after 60 days from the issue date, will be redeemed in whole or in part at the appropriate redemption value prior to maturity, following presentation and surrender of the bond, with the request for payment properly executed, all in accordance with the regulations governing savings bonds.

2. *Execution of request for payment.* The registered owner, or other person entitled to payment under the regulations governing savings bonds, must appear before one of the officers authorized by the Secretary of the Treasury to witness and certify requests for payment, establish his identity, and in the presence of such officer sign the request for payment, adding the address to which the check is to be mailed. After the request for payment has been so signed, the witnessing officer should complete and sign the certificate provided for his use. Unless otherwise authorized in a particular case, the form of request appearing on the back of the bond must be used.

3. *Officers authorized to witness and certify requests for payment.* The officers authorized to witness and certify requests for payment of savings bonds are fully set forth in the regulations governing savings bonds, such officers including United States postmasters and certain other post office officials, and

¹If bonds are issued within the United States, deliveries thereof outside the Continental United States, at the risk and expense of the United States, may be suspended during the War emergency, but in any such case bonds will be delivered to addresses within the United States, or will be held in safekeeping as the purchaser may direct.

²Safekeeping facilities may be offered at some Branches of Federal Reserve Banks, and in such connection an inquiry may be addressed to the Branch.

the executive officers of all banks or trust companies incorporated in the United States or its organized Territories, including officers at domestic and foreign branches who are certified to the Treasury Department as executive officers.

4. *Presentation and surrender.* After the request for payment has been duly executed by the person entitled and by the certifying officer, the bond must be presented and surrendered to the Treasury Department, Washington, or to a Federal Reserve Bank or Branch, at the expense and risk of the owner. For the owner's protection, the bond should be forwarded by registered mail, if not presented in person.

5. *Disability or death.* In case of the disability of the registered owner, or the death of the registered owner not survived by a co-owner or a designated beneficiary, instructions should be obtained from the Treasury Department, Division of Loans and Currency, Washington, D. C., before the request for payment is executed.

6. *Method of payment.* The only agencies authorized to pay or redeem savings bonds are the Treasury Department and the Federal Reserve Banks, but bonds to be redeemed may be presented to Branches of Federal Reserve Banks. Postmasters are not authorized to make payment, but generally they will assist owners in securing payment, at or before maturity. Payment in all cases will be made by check drawn to the order of the registered owner or other person entitled to payment, and mailed to the address given in the request for payment.

7. *Partial redemption.* Partial redemption at current redemption value of a savings bond of Series E of a denomination higher than \$25 (maturity value) is permitted, but must accord to an authorized denomination. In case of partial redemption the remainder will be resold in authorized denominations bearing the same issue date as the bond surrendered.

VIII. SERIES DESIGNATION

1. United States Savings Bonds of Series E, issued during the calendar year 1942 (either as Defense or War Savings Bonds) will be designated Series E-1942, and those which may be issued in subsequent calendar years will be similarly designated by the series letter E followed by the year of issue.

IX. GENERAL PROVISIONS

1. All bonds of Series E, issued pursuant to this circular, shall be subject to the regulations prescribed from time to time by the Secretary of the Treasury to govern United States Savings Bonds. Such regulations may require, among other things, reasonable notice in case of presentation of bonds of Series E for redemption prior to maturity. The present regulations governing savings bonds are set forth in Treasury Department Circular No. 530, Fifth Revision, dated June 1, 1942, copies of which may be obtained on application to the Treasury

Department, or to any Federal Reserve Bank.

2. The Secretary of the Treasury reserves the right to reject any application for bonds of Series E, in whole or in part, and to refuse to issue or permit to be issued hereunder any such bonds in any case or any class or classes of cases if he deems such action to be in the public interest, and his action in any such respect shall be final.

3. Postmasters in charge of post offices where bonds of Series E are on sale, under regulations promulgated by the Postmaster General, and Federal Reserve Banks, as fiscal agents of the United States, are authorized to perform such fiscal agency services as may be requested of them by the Secretary of the Treasury in connection with the issue, delivery, safekeeping, redemption, and payment of bonds of Series E. Other sales agencies will be subject to the provisions of Treasury Department Circular No. 657, dated April 15, 1941, as amended or supplemented.

4. The Secretary of the Treasury may at any time or from time to time supplement or amend the terms of this circular, or of any amendments or supplements thereto, information as to which will be promptly furnished to the Postmaster General, the Federal Reserve Banks and other sales agencies.

5. The offering of United States Savings Bonds of Series E, pursuant to this circular, revised, is separate and distinct from the concurrent offerings of United States Savings Bonds of Series F and of Series G, pursuant to Treasury Department Circular No. 654, Revised, dated June 1, 1942. The bonds of Series E, F and G so offered and issued constitute issues of United States War Savings Bonds, and are so designated.

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

OTHER SERIES

United States Savings Bonds of Series F and of Series G are also offered for sale concurrently with bonds of Series E. The bonds of Series F will be issued on a discount basis, with a 12-year maturity, at 74 percent of their maturity value; if held to maturity the yield will approximate 2.53 percent per annum. The bonds of Series G, likewise with a 12-year maturity, will be issued at par, and will bear interest at the rate of 2½ percent per annum payable semi-annually. The bonds of both series will be redeemable before maturity, at the option of owners, at fixed redemption values, in which case the investment yields will be less than if held to maturity. These bonds are intended to provide facilities for the larger investors, and registration will not be restricted to individuals. The aggregate amount of bonds of either series, or of the two series combined, originally issued to any one person during any one calendar year that may be held by that person at any one time may not exceed \$100,000 (issue price). Full particulars regarding these bonds are set forth in Treasury Department Circular No. 654, Revised, dated June 1, 1942, copies of which may be obtained from the Treasury Department, Washington, or from any Federal Reserve Bank.

UNITED STATES SAVINGS BONDS—SERIES E

Table of Redemption Values and Investment Yields

Table showing: (1) How bonds of Series E, by denominations, increase in redemption value during successive half-year periods following issue; (2) the approximate investment yield on the purchase price from issue date to the beginning of each half-year period; and (3) the approximate investment yield on the current redemption value from the beginning of each half-year period to maturity. Yields are expressed in terms of rate percent per annum, compounded semiannually.

Maturity value.....	\$25.00	\$50.00	\$100.00	\$500.00	\$1,000.00	(2) Approximate investment yield on purchase price from issue date to beginning of each half-year period	(3) Approximate investment yield on current redemption value from beginning of each half-year period to maturity
Issue price.....	18.75	37.50	75.00	375.00	750.00		
Period after issue date						(1) Redemption values during each half-year period	
							Percent
First ½ year.....	\$18.75	\$37.50	\$75.00	\$375.00	\$750.00		12.90
½ to 1 year.....	18.75	37.50	75.00	375.00	750.00	8.00	3.05
1 to 1½ years.....	18.87	37.75	75.50	377.50	755.00	.67	3.15
1½ to 2 years.....	19.00	38.00	76.00	380.00	760.00	.88	3.25
2 to 2½ years.....	19.12	38.25	76.50	382.50	765.00	.99	3.38
2½ to 3 years.....	19.25	38.50	77.00	385.00	770.00	1.06	3.52
3 to 3½ years.....	19.50	39.00	78.00	390.00	780.00	1.31	3.68
3½ to 4 years.....	19.75	39.50	79.00	395.00	790.00	1.49	3.86
4 to 4½ years.....	20.00	40.00	80.00	400.00	800.00	1.62	3.75
4½ to 5 years.....	20.25	40.50	81.00	405.00	810.00	1.72	3.87
5 to 5½ years.....	20.50	41.00	82.00	410.00	820.00	1.79	4.01
5½ to 6 years.....	20.75	41.50	83.00	415.00	830.00	1.85	4.18
6 to 6½ years.....	21.00	42.00	84.00	420.00	840.00	1.90	4.41
6½ to 7 years.....	21.39	43.00	86.00	430.00	860.00	2.12	4.39
7 to 7½ years.....	22.00	44.00	88.00	440.00	880.00	2.30	4.31
7½ to 8 years.....	22.50	45.00	90.00	450.00	900.00	2.45	4.26
8 to 8½ years.....	23.00	46.00	92.00	460.00	920.00	2.57	4.21
8½ to 9 years.....	23.50	47.00	94.00	470.00	940.00	2.67	4.17
9 to 9½ years.....	24.00	48.00	96.00	480.00	960.00	2.76	4.12
9½ to 10 years.....	24.50	49.00	98.00	490.00	980.00	2.84	4.08
Maturity value (10 years from issue date).....	25.00	50.00	100.00	500.00	1,000.00	2.90	

¹ Approximate investment yield for entire period from issuance to maturity.

[F. R. Doc. 42-5449; Filed, June 10, 1942; 4:46 p. m.]

[1942 Dep't Circ. 654, Revised]

WAR SAVINGS BONDS, SERIES F AND SERIES G

I. OFFERING OF BONDS OF SERIES F AND SERIES G

JUNE 1, 1942.

1. The Secretary of the Treasury, pursuant to the authority of the Second Liberty Bond Act, as amended, offers for sale, to the people of the United States, through the Federal Reserve Banks, United States Savings Bonds of Series F and Series G, which bonds are hereby designated United States War Savings Bonds, and may hereinafter be referred to as bonds of Series F and Series G. Descriptions of the bonds of both series, their terms, and the conditions of their issue and redemption are hereinafter fully set forth.

2. United States Savings Bonds of Series F and G include bonds issued as bonds of Defense Series F and G under this circular as originally published and amended, and those issued as War Savings Bonds under this circular as revised. The former bonds will be withdrawn from sale when existing stocks are exhausted, and the new bonds will then be placed on sale without further notice, and their sale will continue until terminated by the Secretary of the Treas-

ury. As their terms and the conditions of their issue are identical, no distinction is to be made between any bonds of Series F or G, whether issued as bonds of Defense Series F or G or as War Savings Bonds.

II. DESCRIPTION AND TERMS OF BONDS

1. The bonds of Series F and Series G will be issued only in registered form, in denominations of \$25 (for Series F only), \$100, \$500, \$1,000, \$5,000 and \$10,000 (maturity values), at prices hereinafter set forth. Each bond will bear the facsimile signature of the Secretary of the Treasury, and will bear both an imprint in color (brown for Series F and blue for Series G) and an impression of the Seal of the Treasury. At the time of issue, the issuing agent will inscribe the name and address of the owner on each bond, will enter the date as of which the bond is issued in the upper right corner, and will imprint his dating stamp (with current date) in the circle in the lower left corner. The bonds shall be valid only if duly inscribed and dated, as above provided, and delivered by an authorized agent following receipt of payment therefor.

2. The bonds of each series will, in each instance, be dated as of the first day of the month in which payment of the issue price is received by an agent authorized to issue the bonds (see Sec. III); the bonds will mature and be payable at face value 12 years from such issue date. The bonds of either series

may not be called for redemption by the Secretary of the Treasury prior to maturity, but they may be redeemed prior to maturity, after six months from the issue date, at the owner's option, at fixed redemption values, as hereinafter provided.

3. Bonds of Series F will be issued on a discount basis at 74 percent of their maturity value. No interest as such will be paid on the bonds, but they will increase in redemption value at the end of the first year from issue date, and at the end of each successive half-year period thereafter until their maturity, when the face amount becomes payable. The increment in value will be payable only upon redemption of the bonds. A table of redemption values for each bond appears on its face. The purchase price of bonds of Series F has been fixed so as to afford an investment yield of about 2.53 percent per annum compounded semiannually if the bonds are held to maturity; if the owner exercises his option to redeem a bond prior to maturity the investment yield will be less.

4. Bonds of Series G will be issued at par, and will bear interest at the rate of 2½ percent per annum, payable semiannually from date of issue. Interest will be paid by check drawn to the order of the registered owner and mailed to his address. Interest will cease at maturity, or, in case of redemption before maturity, at the end of the interest period next preceding the date of redemption. A table of redemption values for each bond appears on its face, and the difference between the face amount of the bond and the redemption value fixed for any period represents an adjustment (or refund) of interest. Accordingly, if the owner exercises his option to redeem a bond prior to maturity, the investment yield will be less than the interest rate on the bonds. Bonds of Series G may be redeemed at par (1) upon the death of the owner, or a coowner, if a natural person, or (2), as to bonds held by a trustee or other fiduciary, upon the death of any person which results in termination of the trust, in whole or in part. If the trust is terminated only in part, redemption at par will be made only to the extent of the pro rata portion of the trust so terminated, to the next lower multiple of \$100. In any case request for redemption at par must be made within 4 months after the date of death and in accordance with the regulations governing savings bonds.

5. Tables at the end of this circular show separately for bonds of Series F and those of Series G: (1) The redemption values, by denominations, during the successive half-year periods following issue, and (2) the computed investment yields (a) on the issue price from issue date to the beginning of each half-year period, and (b) on the current redemption value from the beginning of each half-year period to maturity at the end of the 12-year period.

6. The bonds will not be transferable, and will be payable only to the owner named thereon, except in case of death or disability of the owner or as otherwise specifically provided in the regulations

¹ United States Savings Bonds of Series E, issued pursuant to Department Circular No. 653, Revised, dated June 1, 1942, are also included in the designation United States War Savings Bonds.