

Title 12—BANKS AND BANKING**Chapter B—Federal Reserve System****SUBCHAPTER A—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM**

[Reg. Q]

PART 217—PAYMENT OF INTEREST ON DEPOSITS**Deposits of Trustees in Bankruptcy as "Savings Deposits"**

§ 217.132 Deposits of trustees in bankruptcy as "savings deposits".

(a) The opinion of the Board of Governors of the Federal Reserve System has been requested as to whether the authority under section 19 of the Federal Reserve Act to define "savings deposits" and the definition of that term, as contained in this Part, which limits savings deposits to individuals and certain types of organizations, are affected by Public Law 88-16 of May 8, 1963, which amended section 47 of the Bankruptcy Act (11 U.S.C. 75(a)(2)) so as to authorize trustees in bankruptcy to deposit all money received by them in designated depositories initially in demand deposits; and subsequently, if authorized by the court, in interest-bearing savings deposits, time certificates of deposit, or time deposits-open account."

(b) Prior to this amendment to the Bankruptcy Act, trustees in bankruptcy were required by judicial decisions to obtain creditors' consent to make other than demand deposits. There is nothing in the legislative history of this amendment to indicate that its purpose was more than to eliminate the need for creditors' consent for deposits in interest-bearing savings or time deposits. In the absence of any evidence of intent to modify section 19 of the Federal Reserve Act and the Board's authority thereunder, it is the opinion of the Board that the definition of savings deposits in Part 217 has not been affected by this amendment to the Bankruptcy Act.

(c) Under paragraph (1) (1) of § 217.1 (e), a "savings deposit" must be (1) a deposit to the credit of one or more individuals or certain types of organizations or (2) a deposit as to which the "entire beneficial interest" is held by individuals or such organizations. A trustee in bankruptcy holds the assets of the bankrupt estate for the benefit of the bankrupt's creditors. Accordingly, it is the Board's opinion that a deposit by a trustee in bankruptcy may not be classified as a savings deposit under Part 217 except in those rare instances in which all of the bankrupt's creditors are individuals or organizations of the types described in the regulatory definition of a "savings deposit."

(d) It would be permissible, of course, for funds of a trustee in bankruptcy to be classified as time deposits under Part 217. In this connection, it may be noted that, as a result of the action taken by the Board of Governors and the Federal Deposit Insurance Corporation on July 17, 1963, member and nonmember in-

sured banks could now pay interest at a rate up to 4 percent on a time deposit of a trustee in bankruptcy having a maturity of not less than 90 days.

(12 U.S.C. 248(1). Interprets or applies 12 U.S.C. 264(c)(7), 371, 371a, 371b, 461)

Dated at Washington, D.C., this 16th day of August 1963.

BOARD OF GOVERNORS
OF THE FEDERAL
RESERVE SYSTEM,

[SEAL] KENNETH A. KENYON,
Assistant Secretary.

[F.R. Doc. 63 9179; Filed, Aug. 26, 1963; 8:46 a.m.]

Title 14—AERONAUTICS AND SPACE**Chapter I—Federal Aviation Agency****SUBCHAPTER E—AIRSPACE [NEW]**

[Airspace Docket No. 63-WA-44]

PART 75—ESTABLISHMENT OF JET ROUTES [NEW]**Extension of Upper Limit of Jet Advisory Areas**

On July 11, 1963, a notice of proposed rule making was published in the FEDERAL REGISTER (28 F.R. 7101) stating that the Federal Aviation Agency (FAA) proposed to raise the ceiling of en route and terminal radar jet advisory areas and nonradar jet advisory areas from flight level 390 to and including flight level 410.

Interested persons were afforded an opportunity to participate in the rule making through submission of comments. Due consideration was given to all relevant matter presented.

Favorable comments were received from the Air Transport Association of America and the International Air Transport Association. The Air Line Pilots Association commented favorably but believed that military aircraft, "should be required to operate with navigation lights on at flight levels of 430 in order to provide the maximum level of safety and utilization of the proposed airspace extension". There is no current or pending waiver to the requirement to operate with navigation lights on. The Aerospace Industries Association of America, Inc., had no strong objection to the proposal, and would accept the action providing satisfactory operational arrangements are made at the local level, if necessary, between the Federal Aviation Agency and their various flight test activities. FAA/AIA coordination effected prior to the implementation of positive control in each ARTC center area was cited as a continuing requirement applicable to this action. The Federal Aviation Agency concurs with the provision as stated by AIA.

The substance of the proposed amendment having been published, therefore, and for the reasons stated in the notice, in § 75.15 (28 F.R. 1100) the following change is made: Wherever "flight level 390" appears it is changed to read "flight level 410".

This amendment shall become effective 0001 e.s.t., September 30, 1963.

(Sec. 307(a), 72 Stat. 749; 49 U.S.C. 1348)

Issued in Washington, D.C., on August 20, 1963.

H. B. HELSTROM,
Acting Chief,

Airspace Utilization Division.

[F.R. Doc. 63-9175; Filed, Aug. 26, 1963; 8:46 a.m.]

[Reg. Docket No. 1921; Amdt. 159-3]

PART 159—NATIONAL CAPITAL AIRPORTS [NEW]**Clarification of Delegation of Authority and Validity of Foreign Drivers' Licenses**

The purpose of this amendment is to change § 159.1(b) of Part 159 [New] of the Federal Aviation Regulations to reflect the delegations presently in force, of authority to issue orders and instructions, and post signs, at airports. The current language of the section does not properly reflect the organizational structure existing today. The change does not affect substance in any manner.

Also included in the amendment is a change to § 159.15(a) to make it clear that that paragraph does not prohibit the operation, on Airport roads at Washington National Airport and Dulles International Airport, of a motorized vehicle by a person holding an appropriate foreign operator's license but none issued in the United States. Before its recodification as § 159.15(a) of the Federal Aviation Regulations the language of § 570.23 of the regulations of the Administrator was of a nature that permitted this interpretation. However, § 159.15(a), by substituting the phrase "a political jurisdiction or any agency of the United States" for the phrase "legal political jurisdiction or governmental agency" in former § 570.23, inadvertently produced the impression that a person who holds only a foreign operator's license is now barred from operating a motor vehicle on these Airport roads.

Since this amendment of § 159.15(a) is clarifying in nature and imposes no additional burden on any person, and since the amendment of § 159.1(b) does not involve a substantive rule, notice and public procedure thereon are unnecessary, and the amendments may be made effective immediately.

In consideration of the foregoing, Part 159 [New] of the Federal Aviation Regulations is amended, effective August 27, 1963, as follows:

1. Paragraph (b) of § 159.1 is amended to read as follows:

(b) The Director and the Assistant Director for Operations of the Bureau of National Capital Airports may issue such orders and instructions as are necessary for administering this part. The Manager of each Airport described in paragraph (a) of this section may post signs at the Airport to which he is assigned which state or apply outstanding rules, regulations, orders or instructions. Each

person on the Airport shall comply with these orders, instructions, and signs.

2. Paragraph (a) of § 159.15 of the Federal Aviation Regulations is amended to read as follows:

(a) No person may operate any motor vehicle on an Airport road unless he holds a current operator's license issued by a political jurisdiction or governmental agency in the United States or a foreign country.

(Sec. 1301 of Title 7 of the District of Columbia Code, 1961 edition, sec. 2 of the Act of June 29, 1940 (54 Stat. 686), as amended, sec. 4, § of the Act of September 7, 1950 (65 Stat. 770), as amended)

Issued in Washington, D.C., on August 20, 1963.

N. E. HALABY,
Administrator.

[F.R. Doc. 63-9174; Filed, Aug. 26, 1963;
8:46 a.m.]

Title 26—INTERNAL REVENUE

Chapter I—Internal Revenue Service, Department of the Treasury

SUBCHAPTER A—INCOME TAX

[T.D. 6669]

PART 1—INCOME TAX; TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1953

Allowances of Deductions and Credits to Nonresident Alien Individuals, and Exceptions and Rules of Special Application

In order to provide that certain nonresident aliens who are residents of a contiguous country will be permitted the same number of exemptions for purposes of withholding under section 1441 as are permitted under section 873 for purposes of computing tax liability, the regulations under sections 874 and 1441 are amended as follows:

PARAGRAPH 1. Section 1.874-1 is amended by revising paragraph (b) to read as follows:

§ 1.874-1 Allowances of deductions and credits to nonresident alien individuals.

(b) *Tax on gross income.* If a return is not so filed, the tax shall be collected on the basis of gross income, determined in accordance with § 1.871-7 but without regard to any deductions otherwise allowable, and the only credits allowable against the tax so computed shall be those allowed by sections 31 and 32. This paragraph shall apply even though the tax determined in accordance with § 1.871-7 has been fully satisfied at the source. See also § 1.872-1. Notwithstanding the requirement that a nonresident alien must file a return in order to receive the benefit of the deductions and credits allowed to him with respect to the income tax, he may, for purposes of determining the amount of tax to be withheld under section 1441 from remuneration paid for labor or personal services performed by him within the United

States, receive the benefit of the deduction for personal exemptions provided in section 151, to the extent allowable under section 873(d) and paragraph (c) (3) of § 1.873-1, by filing a claim therefor with the withholding agent. The amount of the deduction for such personal exemptions and the amount of the tax to be withheld under such circumstances shall be determined in accordance with paragraph (e) (2) of § 1.1441-3.

PAR. 2. Section 1.1441-3 is amended by revising subparagraph (2) of paragraph (e) to read as follows:

§ 1.1441-3 Exceptions and rules of special application,

(e) *Personal exemption.* . . .

(2) In the determination of the tax to be withheld at the source under § 1.1441-1 from remuneration paid for labor or personal services performed within the United States by a nonresident alien, the benefit of the deduction for personal exemptions provided in section 151, to the extent allowable under section 873(d) and paragraph (c) (3) of § 1.873-1, shall be allowed, prorated upon a daily basis for the period of employment during any portion of which labor or personal services are performed within the United States by the alien. The benefit of the deduction for such personal exemptions shall also be allowed in the determination of the tax of 18 percent to be withheld at the source under § 1.1441-1 and paragraph (c) of § 1.1441-2 from amounts paid after December 31, 1961, to nonresident alien individuals who are temporarily present in the United States as nonimmigrants under subparagraph (F) or (J) of section 101(a) (15) of the Immigration and Nationality Act, as amended, and such personal exemptions shall be prorated upon a daily basis for the period during which the described nonresident alien student or scholar receives the payments. The proration is on a basis of \$1.70 per day for each exemption. Thus, if A, a married nonresident alien seaman without dependents employed by X Shipping Corporation, is paid in 1955 upon the termination of a voyage covering 100 days and A performs personal services within the United States during, or incident to, the voyage, the amount of \$170 will be allocated as the portion of the deduction to be allowed against the remuneration for personal services performed within the United States during that voyage; and withholding at 30 percent shall be applied against the balance, if any, of the remuneration. If, for example, the total remuneration paid to A for that voyage is \$2,000, of which the amount of \$800 is allocable to sources within the United States, a tax in the amount of \$189 is required to be withheld under § 1.1441-1. However, if A is a resident of Canada or Mexico, an amount of \$340 will be allocated as the portion of the deduction to be allowed against remuneration for personal services performed within the United States. Thus, of the amount of \$800 allocable to sources within the United States, a tax in the amount of \$138 is required to be with-

held under § 1.1441-1. As to what constitutes remuneration for labor or personal services performed within the United States, see section 861(a) (3) and the regulations thereunder.

Because this Treasury decision merely increases the number of personal exemptions allowable to certain nonresident aliens for withholding purposes, it is found that it is unnecessary to issue this Treasury decision with notice and public procedure thereon under section 4(a) of the Administrative Procedure Act, approved June 11, 1946, or subject to the effective date limitation of section 4(c) of said Act.

(Sec. 7805, Internal Revenue Code of 1954 (68A Stat. 917; 26 U.S.C. 7805))

[SEAL] MORTIMER M. CAPLIN,
Commissioner of Internal Revenue

Approved: August 19, 1963.

STANLEY S. SURREY,
Assistant Secretary of the
Treasury.

[F.R. Doc. 63-9198; Filed, Aug. 26, 1963;
8:49 a.m.]

Title 32—NATIONAL DEFENSE

Chapter VII—Department of the Air Force

SUBCHAPTER A—AID OF CIVIL AUTHORITIES AND PUBLIC RELATIONS

PART 813—DELIVERY OF AIR FORCE PERSONNEL TO U.S. CIVILIAN AU- THORITIES FOR TRIAL

Part 813 is revised to read as follows:

Sec.
813.1 Purpose.
813.2 Applicability.
813.3 Authority.
813.4 Policy.
813.5 Procedure for delivery.
813.6 Procedure upon refusal of request.
813.7 Release on bail or recognizance.
813.8 Cases involving special circumstances.

Authority: §§ 813.1 to 813.8 issued under sec. 8012, 70A Stat. 488; 10 U.S.C. 8012 Interpret or apply sec. 814, 70A Stat. 41; 10 U.S.C. 814.

Source: AFR 111-11, July 31, 1963.

§ 813.1 Purpose.

Sections 813.1 to 813.8 set forth the authority, policy, and procedures for delivery of Air Force personnel to United States civil authorities for trial.

§ 813.2 Applicability.

(a) Sections 813.1 to 813.8 apply to all military personnel in the Air Force.

(b) It does not apply to delivery of personnel to foreign authorities. It is not applicable where a State, having concurrent jurisdiction for the purpose of executing criminal process, proceeds by service of process to take custody of an Air Force member without making formal request for his delivery.

§ 813.3 Authority.

In accordance with Article 14, Uniform Code of Military Justice, a commander exercising general court-martial jurisdiction, or a wing or base commander when authorized by the officer