



FEDERAL REGISTER

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TITLE 3—THE PRESIDENT EXECUTIVE ORDER 10592

AMENDMENT OF EXECUTIVE ORDER NO. 10524¹ OF MARCH 31, 1954, DELEGATING CERTAIN FUNCTIONS OF THE PRESIDENT RESPECTING SCHOOL-CONSTRUCTION ASSISTANCE

By virtue of the authority vested in me by section 301 of title 3 of the United States Code, section P of Executive Order No. 10524 of March 31, 1954, delegating certain functions of the President respecting school-construction assistance, is hereby amended to read as follows:

SECTION 1. The Secretary of Health, Education, and Welfare is hereby authorized and empowered, without the approval, ratification, or other action of the President, to make the findings authorized to be made by the President under section 305 (a) (3) of the act of September 23, 1950, entitled "An Act relating to the construction of school facilities in areas affected by Federal activities, and for other purposes" as heretofore or hereafter amended (20 U. S. C. 295 (a) (3))

DWIGHT D. EISENHOWER

THE WHITE HOUSE,
January 21, 1955.

[F R. Doc. 55-723; Filed, Jan. 21, 1955;
9:59 a. m.]

TITLE 7—AGRICULTURE

Chapter VII—Commodity Stabilization Service (Farm Marketing Quotas and Acreage Allotments), Department of Agriculture

[1026 (Upland Cotton 1954)—1 Amdt. 3]

PART 722—COTTON

MARKETING QUOTA REGULATIONS PERTAINING TO 1954 CROP OF UPLAND COTTON; REPORT OF VIOLATIONS AND COURT PROCEEDINGS TO COLLECT PENALTY RECORDS AND REPORTS, ENFORCEMENT

Basin and purpose. Section 376, Title III, of the Agricultural Adjustment Act of 1938, as amended, provides that the

several district courts of the United States are vested with jurisdiction specifically to enforce the provisions of such title; and further, that if and when the Secretary shall so request, it shall be the duty of the several district attorneys in their respective districts, under the direction of the Attorney General, to institute proceedings to collect the penalties provided under such title. Sections 722.575 and 722.582 of the Marketing Quota Regulations for the 1954 Crop of Upland Cotton (19 F R. 3124) provide that, with respect to cases of failure or refusal to pay or remit penalties or of failure or refusal to make any report or keep any record, it shall be the duty of the State committee to report each such case in writing to the Director of the Cotton Division with a view to the institution of proceedings to collect the penalties due or to enforce the provisions of the act.

The purpose of the amendments contained herein is to provide that it shall be the duty of the State committee to report such cases to the Office of the Solicitor of the United States Department of Agriculture, in accordance with instructions issued by the Deputy Administrator for Production Adjustment, with a view to the institution of proceedings to collect the penalties due or to enforce the provisions of the act.

1. Section 722.575 of the Marketing Quota Regulations Pertaining to the 1954 Crop of Upland Cotton (19 F R. 3124) is hereby changed to read as follows:

§ 722.575 *Report of violations and court proceedings to collect penalty.* It shall be the duty of the county committee to report in writing to the State committee each case of failure or refusal to pay the penalty or to remit the same as provided in §§ 722.542 to 722.586 to the Secretary when collected. It shall be the duty of the State Committee to report each such case in writing to the Office of the Solicitor of the United States Department of Agriculture, in accordance with instructions issued by the Deputy Administrator for Production Adjustment, with a view to the institution of proceedings by the United States Attorney for the appropriate district, under

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¹ 19 F R. 1809.



FEDERAL REGISTER

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the direction of the Attorney General of the United States, to collect the penalties, as provided in section 376 of the act.

2. Section 722.582 of the Marketing Quota Regulations Pertaining to the 1954 Crop of Upland Cotton (19 F. R. 3124), is hereby changed to read as follows:

§ 722.582 *Enforcement.* It shall be the duty of the county committee to report in writing to the State committee forthwith each case of failure or refusal to make any report or keep any record as required by §§ 722.542 to 722.586 and to so report each case of making any false report or record. It shall be the duty of the State committee to report each such case in writing, in quintuplicate, to the Office of the Solicitor of the United States Department of Agriculture, in accordance with instructions issued by the Deputy Administrator for Production Adjustment, with a view to the institution of proceedings by the United States Attorney for the appropriate district, under the direction of the Attorney General of the United States, to enforce the provisions of the act.

(Sec. 375, 52 Stat. 66, as amended; 7 U. S. C. 1375. Interpret or apply sec. 376; 52 Stat. 38, as amended; 7 U. S. C. 1376)

Done at Washington, D. C., this 18th day of January 1955. Witness my hand and the seal of the Department of Agriculture.

[SEAL] TRUE D. MORSE,
Acting Secretary of Agriculture.

[F. R. Doc. 55-603; Filed, Jan. 21, 1955; 8:47 a. m.]

[1026 (ELS Cotton 1954)-1, Amdt. 3]

PART 722—COTTON

MARKETING QUOTA REGULATIONS PERTAINING TO 1954 CROP OF EXTRA LONG STAPLE COTTON; REPORT OF VIOLATIONS AND COURT PROCEEDINGS TO COLLECT PENALTY RECORDS AND REPORTS, ENFORCEMENT

Basis and purpose. Section 376, Title III, of the Agricultural Adjustment Act of 1938, as amended, provides that the several district courts of the United States are vested with jurisdiction specifically to enforce the provisions of such title; and further, that if and when the Secretary shall so request, it shall be the duty of the several district attorneys in their respective districts, under the direction of the Attorney General, to institute proceedings to collect the penalties provided under such title. Sections 722.1175 and 722.1182 of the Marketing Quota Regulations for the 1954 Crop of Extra Long Staple Cotton (19 F. R. 3133) provide that, with respect to cases of failure or refusal to pay or remit penalties or of failure or refusal to make any report or keep any record, it shall be the duty of the State committee to report each such case in writing to the Director of the Cotton Division with a view to the institution of proceedings to collect the penalties due or to enforce the provisions of the act.

The purpose of the amendments contained herein is to provide that it shall be the duty of the State committee to report such cases to the Office of the Solicitor of the United States Department of Agriculture, in accordance with instructions issued by the Deputy Administrator for Production Adjustment, with a view to the institution of proceedings to collect the penalties due or to enforce the provisions of the act.

1. Section 722.1175 of the Marketing Quota Regulations Pertaining to the 1954 Crop of Extra Long Staple Cotton (19 F. R. 3133) is hereby changed to read as follows:

§ 722.1175 *Report of violations and court proceedings to collect penalty.* It shall be the duty of the county committee to report in writing to the State committee each case of failure or refusal to pay the penalty or to remit the same as provided in §§ 722.1142 to 722.1187 to the Secretary when collected. It shall be the duty of the State Committee to report each such case in writing to the Office of the Solicitor of the United States Department of Agriculture, in accordance with instructions issued by the Deputy Administrator for Production Adjustment, with a view to the institution of proceedings by the United States Attorney for the appropriate district, under the direction of the Attorney General of the United States, to collect the penalties, as provided in section 376 of the act.

2. Section 722.1182 of the Marketing Quota Regulations Pertaining to the 1954 Crop of Extra Long Staple Cotton (19 F. R. 3133) is hereby changed to read as follows:

§ 722.1182 *Enforcement.* It shall be the duty of the county committee to report in writing to the State committee

forthwith each case of failure or refusal to make any report or keep any record as required by §§ 722.1142 to 722.1187 and to so report each case of making any false report or record. It shall be the duty of the State committee to report each such case in writing, in duplicate, to the Office of the Solicitor of the United States Department of Agriculture, in accordance with instructions issued by the Deputy Administrator for Production Adjustment, with a view to the institution of proceedings by the United States Attorney for the appropriate district, under the direction of the Attorney General of the United States, to enforce the provisions of the act.

(Sec. 375, 52 Stat. 66, as amended; 7 U. S. C. 1375. Interpret or apply sec. 376, 52 Stat. 38, as amended; 7 U. S. C. 1376)

Done at Washington, D. C., this 18th day of January 1955. Witness my hand and the seal of the Department of Agriculture.

[SEAL] TRUE D. MORSE,
Acting Secretary of Agriculture.

[F. R. Doc. 55-602; Filed, Jan. 21, 1955; 8:47 a. m.]

PART 730—RICE

STATE ACREAGE ALLOTMENTS FOR 1955 CROP

Sec.
730.604 *Basis and purpose.*
730.605 Apportionment of the national acreage allotment for the 1955 crop of rice among the several States.

AUTHORITY: §§ 730.604 and 730.605 issued under sec. 375, 52 Stat. 66; 7 U. S. C. 1375. Interpret or apply sec. 353, 52 Stat. 61, as amended; 7 U. S. C. 1353.

§ 730.604 *Basis and purpose.* (a) The purpose of this section and § 730.605 is to apportion among the several States the national acreage allotment for the 1955 crop of rice proclaimed on December 29, 1954 (20 F. R. 25) in accordance with the provisions of section 352 of the Agricultural Adjustment Act of 1938, as amended. Section 353 of the act provides that the 1955 national acreage allotment for rice, less a reserve of not to exceed one per centum for apportionment to farms receiving inadequate allotments, shall be apportioned among the several States on the basis of the average acreage of rice in each State during the 5 calendar years 1950 to 1954 (for 1950 acreage of rice seeded plus diverted under 1950 rice acreage allotment program) with adjustments for trends in acreage during such period.

(b) The determinations made by the Secretary in § 730.605 have been made on the basis of the latest available statistics of the Federal Government, and after due consideration within the limits permitted by the Agricultural Adjustment Act of 1938, as amended, of data, views, and recommendations received pursuant to public notice of the proposed action (19 F. R. 7271) given in accordance with the Administrative Procedure Act.

§ 730.605 *Apportionment of the national acreage allotment for the 1955 crop of rice among the several States.*

The national acreage allotment proclaimed in § 730.603 is hereby apportioned among the several States as follows:

	Acres
Arizona	47
Arkansas	435,639
California	343,362
Florida	1,075
Illinois	8
Louisiana	519,634
Mississippi	47,499
Missouri	3,905
South Carolina	2,224
Tennessee	593
Texas	486,522

Issued at Washington, D. C., this 18th day of January 1955. Witness my hand and the seal of the Department of Agriculture.

[SEAL] TRUE D. MORSE,
Acting Secretary of Agriculture.

[F. R. Doc. 55-604; Filed, Jan. 21, 1955; 8:47 a. m.]

Chapter IX—Agricultural Marketing Service (Marketing Agreements and Orders), Department of Agriculture

[Navel Orange Reg. 44]

PART 914—NAVEL ORANGES GROWN IN ARIZONA AND DESIGNATED PART OF CALIFORNIA

LIMITATION OF HANDLING

§ 914.344 *Navel Orange Regulation 44*—(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 14, as amended (7 CFR Part 914, 19 F. R. 2941) regulating the handling of navel oranges grown in Arizona and designated part of California, effective September 22, 1953, under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.) and upon the basis of the recommendation and information submitted by the Navel Orange Administrative Committee, established under the said amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of handling of such navel oranges, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule making procedure, and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (60 Stat. 237-5 U. S. C. 1001 et seq.) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for the preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. The Navel Orange Administrative Committee held an open meeting on January 20, 1955, after giving due notice thereof, to consider sup-

ply and market conditions for navel oranges and the need for regulation; interested persons were afforded an opportunity to submit information and views at this meeting; the recommendation and supporting information for regulation during the period specified herein was promptly submitted to the Department after such meeting was held; the provisions of this section, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such navel oranges; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period herein specified; and compliance with this section will not require any special preparation on the part of persons subject thereto which cannot be completed on or before the effective date hereof.

(b) *Order* (1) The quantity of navel oranges grown in Arizona and designated part of California which may be handled during the period beginning at 12:01 a. m., P. s. t., January 23, 1955, and ending at 12:01 a. m., P. s. t., January 30, 1955, is hereby fixed as follows:

- (i) District 1. 323,400 boxes;
- (ii) District 2: 184,800 boxes;
- (iii) District 3: Unlimited movement;
- (iv) District 4. Unlimited movement.

(2) Navel oranges handled pursuant to the provisions of this section shall be subject to any size restrictions applicable thereto which have heretofore been issued on the handling of such oranges and which are effective during the period specified herein.

(3) As used in this section, "handled," "boxes," "District 1," "District 2," "District 3," and "District 4" shall have the same meaning as when used in said amended marketing agreement and order.

(Sec. 5, 49 Stat. 753, as amended; 7 U. S. C. 608c)

Dated: January 21, 1955.

[SEAL] S. R. SMITH,
Director Fruit and Vegetable
Division, Agricultural Mar-
keting Service.

[F R. Doc. 55-728; Filed, Jan. 21, 1955;
11:47 a. m.]

[Tangerine Reg. 156]

PART 933—ORANGES, GRAPEFRUIT, AND
TANGERINES GROWN IN FLORIDA

LIMITATION OF SHIPMENTS

§ 933.718 *Tangerine Regulation 156*—
(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 33, as amended (7 CFR Part 933) regulating the handling of oranges, grapefruit, and tangerines grown in the State of Florida, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.) and upon the basis of the recommendations of the committees established under the aforesaid amended marketing agreement and order, and

upon other available information, it is hereby found that the limitation of shipments of tangerines, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (60 Stat. 237 5 U. S. C. 1001 et seq.) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient; a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions of this section effective not later than January 24, 1955. Shipments of tangerines, grown in the State of Florida, are presently subject to regulation by grades and sizes, pursuant to the amended marketing agreement and order, and will so continue until January 24, 1955; the recommendation and supporting information for continued regulation subsequent to January 23, 1955, was promptly submitted to the Department after an open meeting of the Growers Administrative Committee on January 18; such meeting was held to consider recommendations for regulation, after giving due notice of such meeting, and interested persons were afforded an opportunity to submit their views at this meeting; the provisions of this section, including the effective time hereof, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such tangerines; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period hereinafter set forth so as to provide for the continued regulation of the handling of tangerines; and compliance with this section will not require any special preparation on the part of persons subject thereto which cannot be completed on or before the effective time of this section.

(b) *Order* (1) During the period beginning at 12:01 a. m., e. s. t., January 24, 1955, and ending at 12:01 a. m., e. s. t., February 7, 1955, no handler shall ship:

(i) Any tangerines, grown in the State of Florida, that do not grade at least U. S. No. 2;

(ii) Any tangerines, grown in the State of Florida, which grade U. S. No. 2, that are of a size smaller than the size that will pack 176 tangerines, packed in accordance with the requirements of a standard pack, in a half-standard box (inside dimensions 9½ x 9½ x 19½ inches, capacity 1,726 cubic inches) or

(iii) Any tangerines, grown in the State of Florida, which grade U. S. No. 1 Russet, U. S. No. 1 Bronze, U. S. No. 1 or U. S. Fancy that are of a size smaller than the size that will pack 210 tangerines, packed in accordance with the requirements of a standard pack, in a half-

standard box (inside dimensions 9½ x 9½ x 19½ inches, capacity 1,726 cubic inches)

(2) As used in this section, "handler," "ship," and "Growers Administrative Committee" shall have the same meaning as when used in said amended marketing agreement and order and the terms "U. S. No. 2," "U. S. No. 1 Russet," "U. S. No. 1 Bronze," "U. S. No. 1," "U. S. Fancy," and "standard pack" shall have the same meaning as when used in the revised United States Standards for Florida Tangerines (§§ 51.1810 to 51.1836 of this title)

(Sec. 5, 49 Stat. 753, as amended; 7 U. S. C. 608c)

Dated: January 19, 1955.

[SEAL] S. R. SMITH,
Director Fruit and Vegetable
Division, Agricultural Mar-
keting Service.

[F R. Doc. 55-625; Filed, Jan. 21, 1955;
8:50 a. m.]

[Orange Reg. 271]

PART 933—ORANGES, GRAPEFRUIT, AND
TANGERINES GROWN IN FLORIDA

LIMITATION OF SHIPMENTS

§ 933.719 *Orange Regulation 271*—(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 33, as amended (7 CFR Part 933) regulating the handling of oranges, grapefruit, and tangerines grown in the State of Florida, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.) and upon the basis of the recommendations of the committees established under the aforesaid amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of shipments of all Florida oranges, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (60 Stat. 237 5 U. S. C. 1001 et seq.) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient; a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions of this section effective not later than January 24, 1955. Shipments of all oranges, including Temple oranges, grown in the State of Florida, are presently subject to regulation by grades and sizes, pursuant to the amended marketing agreement and order, and will so continue until January 24, 1955, the recommendation and supporting information for continued regulation subsequent to January 23, 1955, was

promptly submitted to the Department after an open meeting of the Growers Administrative Committee on January 18; such meeting was held to consider recommendations for regulation, after giving due notice of such meeting, and interested persons were afforded an opportunity to submit their views at this meeting; the provisions of this section, including the effective time hereof, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such oranges; it is necessary in order to effectuate the declared policy of the act, to make this section effective during the period hereinafter set forth so as to provide for the continued regulation of the handling of all oranges; and compliance with this section will not require any special preparation on the part of the persons subject thereto which cannot be completed by the effective time of this section.

(b) *Order* (1) During the period beginning at 12:01 a. m., e. s. t., January 24, 1955, and ending at 12:01 a. m., e. s. t., February 7, 1955, no handler shall ship:

(i) Any oranges, including Temple oranges, grown in the State of Florida, which do not grade at least U. S. No. 1 Russet; or

(ii) Any oranges, except Temple oranges, grown in the State of Florida, which are of a size smaller than a size that will pack 252 oranges, packed in accordance with the requirements of a standard pack, in a standard nailed box.

(2) As used in this section, the terms "handler," "ship," and "Growers Administrative Committee" shall each have the same meaning as when used in said amended marketing agreement and order and the terms "U. S. No. 1 Russet," "standard pack," and "standard nailed box" shall have the same meaning as when used in the revised United States Standards for Florida Oranges (§§ 51.1140 to 51.1186 of this title)

(Sec. 5, 49 Stat. 753, as amended; 7 U. S. C. 608c)

Dated: January 19, 1955.

[SEAL] S. R. SMITH,
Director Fruit and Vegetable
Division, Agricultural Mar-
keting Service.

[F R. Doc. 55-624; Filed, Jan. 21, 1955;
8:50 a. m.]

[Grapefruit Reg. 216]

PART 933—ORANGES, GRAPEFRUIT, AND
TANGERINES GROWN IN FLORIDA

LIMITATION OF SHIPMENTS

§ 933.720 *Grapefruit Regulation 216—*
(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 33, as amended (7 CFR Part 933) regulating the handling of oranges, grapefruit, and tangerines grown in the State of Florida, effective under the applicable provisions of the Agricultural

Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.) and upon the basis of the recommendations of the committees established under the aforesaid amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of shipments of grapefruit, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule making procedure, and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (60 Stat. 237, 5 U. S. C. 1001 et seq.) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient; a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions of this section effective not later than January 24, 1955. Shipments of grapefruit, grown in the State of Florida, are presently subject to regulation by grades and sizes, pursuant to the amended marketing agreement and order and will so continue until January 24, 1955; the recommendation and supporting information for continued regulation subsequent to January 23, 1955, was promptly submitted to the Department after an open meeting of the Growers Administrative Committee on January 18; such meeting was held to consider recommendations for regulation, after giving due notice of such meeting, and interested persons were afforded an opportunity to submit their views at this meeting; the provisions of this section, including the effective time hereof, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such grapefruit; it is necessary in order to effectuate the declared policy of the act, to make this section effective during the period hereinafter set forth so as to provide for the continued regulation of the handling of grapefruit; and compliance with this section will not require any special preparation on the part of persons subject thereto which cannot be completed by the effective time of this section.

(b) *Order* (1) During the period beginning at 12:01 a. m., e. s. t., January 24, 1955, and ending at 12:01 a. m., e. s. t., February 7, 1955, no handler shall ship:

(i) Any white seeded grapefruit, grown in the State of Florida, which do not grade at least U. S. No. 1 Russet;

(ii) Any pink seeded grapefruit, grown in the State of Florida, which do not grade at least U. S. No. 2;

(iii) Any seedless grapefruit, grown in the State of Florida, which do not grade at least U. S. No. 2 Russet;

(iv) Any white seeded grapefruit, grown in the State of Florida, which are

of a size smaller than a size that will pack 70 grapefruit, packed in accordance with the requirements of a standard pack, in a standard nailed box;

(v) Any pink seeded grapefruit, grown in the State of Florida, which are of a size smaller than a size that will pack 80 grapefruit, packed in accordance with the requirements of a standard pack, in a standard nailed box; or

(vi) Any seedless grapefruit, grown in the State of Florida, which are of a size smaller than a size that will pack 96 grapefruit, packed in accordance with the requirements of a standard pack, in a standard nailed box.

(2) As used in this section, "handler," "ship," and "Growers Administrative Committee" shall have the same meaning as when used in said amended marketing agreement and order and the terms "U. S. No. 1 Russet," "U. S. No. 2 Russet," "standard pack," and "standard nailed box" shall have the same meaning as when used in the revised United States Standards for Florida Grapefruit (§§ 51.750 to 51.790 of this title)

(Sec. 5, 49 Stat. 753, as amended; 7 U. S. C. 608c)

Dated: January 19, 1955.

[SEAL] S. R. SMITH,
Director Fruit and Vegetable
Division, Agricultural Mar-
keting Service.

[F R. Doc. 55-623; Filed, Jan. 21, 1955;
8:50 a. m.]

[Lemon Reg. 573]

PART 953—LEMONS GROWN IN CALIFORNIA
AND ARIZONA

LIMITATIONS OF SHIPMENTS

§ 953.680 *Lemon Regulation 573—*(a) *Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 53, as amended (7 CFR Part 953; 19 F R. 7175) regulating the handling of lemons grown in the State of California or in the State of Arizona, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.) and upon the basis of the recommendation and information submitted by the Lemon Administrative Committee, established under the said amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of the quantity of such lemons which may be handled, as hereinafter provided, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (60 Stat. 237, 5 U. S. C. 1001 et seq.) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the

§ 464.635 1954 crop; Puerto Rican tobacco, Type 46, advance schedule.¹

[Dollars per hundred pounds, farm sales weight]

Grade	Advance rate
Price Block I:	
C1F.....	\$45
C1P.....	
C1M.....	
C2F.....	
C2P.....	
Price Block II:	
C3F.....	\$37
C3P.....	
C3M.....	
C3P'.....	
C3S.....	
Price Block III:	
X1F.....	\$25
X1P.....	
Price Block IV:	
X2F.....	\$20
X2P.....	
Price Block V:	
X2P'.....	\$16
X3F.....	
X3P.....	
X3S.....	
Price Block VI:	
X4.....	\$12
Y1.....	

(Sec. 4, 62 Stat. 1070, as amended; 15 U. S. C. 714b. Interprets or applies sec. 5, 62 Stat. 1072, secs. 101, 401, 63 Stat. 1051, as amended, 1054; 15 U. S. C. 714c, 7 U. S. C. 1441, 1421)

Issued this 18th day of January 1955.

[SEAL] WALTER C. BERGER,
Acting Executive Vice President,
Commodity Credit Corporation.

[F R. Doc. 55-601; Filed, Jan. 21, 1955;
8:46 a. m.]

TITLE 49—TRANSPORTATION

Chapter I—Interstate Commerce Commission

[Ex Parte No. MC-5]

PART 7—LIST OF FORMS, PART II, INTERSTATE COMMERCE ACT

MISCELLANEOUS AMENDMENTS

In the matter of security for the protection of the public as provided in Part II of the Interstate Commerce Act, and of rules and regulations governing filing and approval of surety bonds, policies of insurance, qualifications as a self-insurer, or other securities and agreements by motor carriers and brokers subject to Part II of the act.

At a session of the Interstate Commerce Commission, Division 5, held at its office in Washington, D. C., on the 10th day of December 1954.

The matter of insurance and surety bond forms required to be filed by or in behalf of motor carriers and brokers subject to Part II of the act, and notices rescinding cancellation of such insurance and surety bonds and reinstatement notices pertaining thereto being under consideration, and

¹The cooperative associations through which price support is made available to growers are authorized to deduct \$1.00 per hundred pounds from the advances to growers to apply against overhead and handling costs. Tobacco is eligible for advances only if consigned by the original producer. No advance is authorized for tobacco found to be in unsafe keeping order, unsound, or damaged.

It appearing, that certain of such forms should be consolidated, and that certain other such forms should be revised and simplified,

It is ordered, That the following forms which were adopted and approved pursuant to orders of the Commission, Division 5, dated May 29, 1941, and June 5, 1951, be and they are hereby revised in accordance with the specimens of such forms which are attached hereto and made a part hereof,¹ and they are hereby adopted and prescribed for appropriate use by or in behalf of motor carriers and brokers subject to Part II of the act:

§ 7.35a B. M. C. 35-A (Revised) Notice to rescind cancellation or reinstate motor carrier policy of insurance.

§ 7.36a B. M. C. 36-A (Revised) Notice to rescind cancellation or reinstate motor carrier surety bond.

§ 7.36c B. M. C. 36-C (Revised) Notice to rescind cancellation or reinstate broker's surety bond.

§ 7.82 B. M. C. 82 (Revised) Motor carrier bodily injury liability and property damage liability surety bond.

§ 7.83 B. M. C. 83 (Revised) Motor carrier cargo liability surety bond.

It is further ordered, That the orders of the Commission dated May 29, 1941, and June 5, 1951, be vacated insofar as they apply to the approval and use of the following forms, and that said forms be and they are hereby revoked:

BMC 35-B (Notice Reinstating Motor Carrier Policy of Insurance) (§ 7.35b).

BMC 85 (Notice Reinstating Motor Carrier Surety Bond) (§ 7.85).

BMC 36-D (Notice Reinstating Broker's Surety Bond) (§ 7.36d).

It is further ordered, That this order shall be effective March 31, 1955, and shall continue in effect until the further order of the Commission.

And it is further ordered, That such of the previously-approved rescinder and reinstatement forms pertaining to motor carrier policies of insurance and broker's surety bonds (Nos. BMC 35-A, 35-B, 36-C and 36-D) as may be on hand in the offices of insurance and surety companies may be used in lieu of those revised forms numbered BMC 35-A (Revised) and BMC 36-C (Revised) prescribed herein, provided that no notice to rescind cancellation or reinstate policies of insurance or surety bonds shall be accepted from and after September 30, 1955, unless it is in the form prescribed herein.

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, Washington, D. C., and by filing a copy thereof with the Director, Division of Federal Register.

(49 Stat. 546 as amended, 49 U. S. C. 304. Interpret or apply 49 Stat. 554 as amended 557, 49 U. S. C. 311, 315)

By the Commission, Division 5.

[SEAL] GEORGE W. LAIRD,
Secretary.

[F R. Doc. 55-612; Filed, Jan. 21, 1955;
8:48 a. m.]

¹Filed as part of the original document.

declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions hereof effective as hereinafter set forth. Shipments of lemons, grown in the State of California or in the State of Arizona, are currently subject to regulation pursuant to said amended marketing agreement and order the recommendation and supporting information for regulation during the period specified herein was promptly submitted to the Department after an open meeting of the Lemon Administrative Committee on January 19, 1955, such meeting was held, after giving due notice thereof to consider recommendations for regulation, and interested persons were afforded an opportunity to submit their views at this meeting; the provisions of this section, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such lemons; it is necessary in order to effectuate the declared policy of the act, to make this section effective during the period hereinafter specified; and compliance with this section will not require any special preparation on the part of persons subject thereto which cannot be completed by the effective time thereof.

(b) Order (1) The quantity of lemons grown in the State of California or in the State of Arizona which may be handled during the period beginning at 12:01 a. m., P. s. t., January 23, 1955, and ending at 12:01 a. m., P. s. t., January 30, 1955, is hereby fixed as follows:

- (i) District 1: 35 carloads;
- (ii) District 2: 240 carloads;
- (iii) District 3: Unlimited movement.

(2) As used in this section, "handled," "carloads," "District 1," "District 2," and "District 3" shall have the same meaning as when used in the said amended marketing agreement and order.

(Sec. 5, 49 Stat. 753, as amended; 7 U. S. C. 608c)

Dated: January 20, 1955.

[SEAL] S. R. SMITH,
Director Fruit and Vegetable
Division, Agricultural Marketing Service.

[F R. Doc. 55-720; Filed, Jan. 21, 1955;
8:59 a. m.]

TITLE 6—AGRICULTURAL CREDIT

Chapter IV—Commodity Stabilization Service and Commodity Credit Corporation, Department of Agriculture

PART 464—TOBACCO

SUBPART—1954 TOBACCO LOAN PROGRAM

1954 CROP' PUERTO RICAN TOBACCO, TYPE 46, ADVANCE SCHEDULE

Set forth below is the schedule of advance rates, by grades, for the 1954 crop of type 46 tobacco under the 1954 Tobacco Loan Program published June 17, 1954 (19 F R. 3542)

PROPOSED RULE MAKING

DEPARTMENT OF THE TREASURY

Internal Revenue Service

[26 CFR (1954) Part 1]

INCOME TAX; TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1953

NOTICE OF PROPOSED RULE MAKING WITH RESPECT TO REGULATIONS UNDER SECTIONS 452 AND 462 OF THE INTERNAL REVENUE CODE OF 1954

Notice is hereby given that, pursuant to the Administrative Procedure Act, approved June 11, 1946, the regulations set forth in tentative form below are proposed to be prescribed by the Commissioner of Internal Revenue with the approval of the Secretary of the Treasury. Prior to the final adoption of such regulations, consideration will be given to any data, views, or arguments pertaining thereto which are submitted in writing, in duplicate, to the Commissioner of Internal Revenue, Attention: T.P., Washington 25, D. C., within the period of 30 days from the date of publication of this notice in the FEDERAL REGISTER. The proposed regulations are to be issued under the authority contained in sections 446, 452, 462 and 7805 of the Internal Revenue Code of 1954 (68A Stat. 151, 152, 158, 917; 26 U. S. C. 446, 452, 462, 7805).

[SEAL] T. COLEMAN ANDREWS,
Commissioner of Internal Revenue.

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

The following regulations are hereby promulgated under sections 452 and 462 of the Internal Revenue Code of 1954.

§ 1.452 Statutory provisions; prepaid income.

SEC. 452. *Prepaid income*—(a) *Prepaid income to be earned over short or indefinite period*—(1) *Short period*. In the case of any prepaid income to which this section applies, if the liability described in subsection (e) (2) is (at the time the income is received) to end before the first day of the sixth taxable year after the taxable year in which such income is received, then such income shall be included in gross income for the taxable year in which received, and for each of the 5 succeeding taxable years, to the extent proper under the method of accounting used under section 446 in computing taxable income for such year. If the liability does not in fact end before the first day of such sixth taxable year, such income shall be included in gross income for the taxable years specified in the preceding sentence except that with the consent of the Secretary or his delegate it shall be included in gross income in such proportions, and for such taxable years, as are specified in such consent.

(2) *Indefinite period*. In the case of any prepaid income to which this section applies, if the liability described in subsection (e) (2) is (at the time the income is received) of indefinite duration, then such income shall be included in gross income for the taxable year in which received and for each of the 5 succeeding taxable years, consistently with the principles prescribed in paragraph (1) and subsection (b) under regulations prescribed by the Secretary or his delegate. With the consent of the Secretary or his delegate the prepaid income shall be in-

cluded in gross income in such proportions, and for such taxable years, as are specified in such consent.

(b) *Prepaid income to be earned over long period*. In the case of any prepaid income to which this section applies, if the liability described in subsection (e) (2) is (at the time the income is received) to end after the close of the fifth taxable year after the taxable year in which such income is received, then—

(1) One-sixth of the prepaid income shall be included in gross income for the taxable year in which received, and one-sixth shall be included in gross income for each of the 5 succeeding taxable years; except that

(2) With the consent of the Secretary or his delegate, the prepaid income shall be included in gross income in such proportions, and for such taxable years, as are specified in such consent.

(c) *Where taxpayer's liability ceases*. In the case of any prepaid income to which this section applies—

(1) If the liability described in subsection (e) (2) ends, then so much of such income as was not includible in gross income under subsections (a) and (b) for preceding taxable years shall be included in gross income for the taxable year in which the liability ends.

(2) If the taxpayer dies or ceases to exist, then so much of such income as was not includible in gross income under subsections (a) and (b) for preceding taxable years shall be included in gross income for the taxable year in which such death, or such cessation of existence, occurs.

(d) *Prepaid income to which this section applies*—(1) *Election of benefits*. This section shall apply to prepaid income if and only if the taxpayer makes an election under this section with respect to the trade or business in connection with which such income is received. The election shall be made in such manner as the Secretary or his delegate may by regulations prescribe. No election may be made with respect to a trade or business if in computing taxable income the cash receipts and disbursements method of accounting is used with respect to such trade or business.

(2) *Scope of election*. An election made under this section shall apply to all prepaid income received in connection with the trade or business with respect to which the taxpayer has made the election; except that the taxpayer may, to the extent permitted under regulations prescribed by the Secretary or his delegate, include in gross income for the taxable year of receipt the entire amount of any prepaid income if the liability from which it arose is to end within 12 months after the date of receipt. An election made under this section shall not apply to any prepaid income received before the first taxable year for which the election is made.

(3) *When election may be made*—(A) *Without consent*. A taxpayer may, without the consent of the Secretary or his delegate, make an election under this section for his first taxable year (i) which begins after December 31, 1953, and ends after the date on which this title is enacted, and (ii) in which he receives prepaid income in the trade or business. Such an election shall be made not later than the time prescribed by this subtitle for filing the return for such year (including extensions thereof).

(B) *With consent*. A taxpayer may, with the consent of the Secretary or his delegate, make an election under this section at any time.

(e) *Definitions*. For purposes of this section—

(1) *Prepaid income*. The term "prepaid income" means any amount (includible in

gross income) which is received in connection with, and is directly attributable to, a liability which extends beyond the close of the taxable year in which such amount is received. Such term does not include any income treated as gain from the sale or other disposition of a capital asset.

(2) *Liability to render services, etc.* The term "liability" means a liability to render services, furnish goods or other property, or allow the use of property.

(3) *Receipt of prepaid income*. Prepaid income shall be treated as received during the taxable year for which it is includible in gross income under section 451 (without regard to this section).

§ 1.452-1 *Prepaid income in general.*

(a) Prepaid income, regardless of the method of accounting used by the taxpayer, is generally includible in gross income by the taxpayer at the time of receipt if it is subject to his free and unrestricted use. However, in the case of a taxpayer who uses a method of accounting other than the cash receipts and disbursements method in computing taxable income, section 452 permits the taxpayer to elect a method of accounting for prepaid income under which portions of prepaid income received in the taxable year shall be deferred to subsequent taxable years. The general purpose of section 452 is to bring tax accounting more closely into harmony with generally accepted accounting principles; it is not intended to permit, for tax purposes, deferrals of income not properly deferred under the taxpayer's method of accounting.

(b) Section 446 provides that taxable income shall be computed under the method of accounting on the basis of which the taxpayer regularly computes his income in keeping his books. Section 452 provides a specific method of accounting and, accordingly, the books of the taxpayer must be kept in accordance with such method if taxable income is to be computed under the method so elected. No election under section 452 may be made unless the prepaid income is deferred on the regular books of account which are used in computing the taxpayer's income and on the basis of which the taxpayer prepares his financial statements (such as reports to creditors, stockholders, etc.) If a taxpayer closes such books for the taxable year without making the necessary entries thereon to record such deferral, and issues his financial statements on the basis of the books as so closed, any such entries made thereafter will not be deemed to meet the requirements of the preceding sentence with respect to such taxable year; however, this rule is not applicable in the case of a taxpayer who has closed his books and issued financial statements for the taxable year before January 24, 1955, if he makes the necessary entries before making the election under section 452 (d) (3) (A) and § 1.452-7 (b). In the case of a taxpayer (such as a regulated public utility defined in section 1503 (c)) which is required by the rules of a governmental agency to maintain its books in accordance with a method of accounting

different from that permitted by section 452, the method of accounting permitted by section 452 may be reflected in auxiliary records which shall be kept with, and reconciled with, the taxpayer's regular books. The deferral of prepaid income must be reflected on the books for a period not shorter than that prescribed for tax purposes. This is not to be construed as preventing the taxpayer from deferring prepaid income on his books, where proper, over a period longer than the period prescribed by section 452.

(c) For applicable definitions, see section 452 (e) and § 1.452-8.

§ 1.452-2 *Prepaid income to be earned over short period.* (a) If prepaid income is attributable to a liability which will end before the first day of the sixth taxable year after the taxable year in which it is received, the income is deemed for purposes of section 452 to be "short-period prepaid income." Such income shall be included in gross income, to the extent properly allocable under the taxpayer's method of accounting, in the taxable year in which received and in each of the succeeding taxable years (not exceeding five) over which the liability may extend. The amount properly allocable to each of such taxable years shall be determined in the light of all the facts and circumstances involved, including the taxpayer's experience with such liabilities.

(b) Short-period prepaid income need not be allocated equally over the period, nor must any portion necessarily be included in the taxable year of receipt. A proper allocation under this section requires that such income be included in gross income as the liability to which the income relates is discharged or as it is deemed to be discharged on the basis of the taxpayer's experience. (Where experience is the basis for allocation, the taxpayer must follow the rules provided in § 1.452-3 (b).) For example, if the rent for the fifth year under a five-year lease is paid at the beginning of the lease and the taxpayer-lessor has elected the benefits of section 452, and if the fifth year of the lease falls within two taxable years of the taxpayer, such rent shall be allocated to each of such two taxable years to the extent that the fifth year of the lease falls within each such taxable year. On the other hand, if the rent for the entire five years is received in advance, such rent shall be allocated to the taxable years covered by the lease. The preceding sentence may be illustrated by the following example:

Example. Taxpayer A, using the accrual method, whose taxable year is a calendar year, leases a building to B for a period of 48 months commencing on February 1, 1955, for a total rent of \$48,000 paid on December 1, 1954. Assuming that A has elected the benefits of section 452, rent from the lease shall be included in gross income as follows:

Taxable year:	Amount included in gross income
1954-----	0
1955-----	\$11,000
1956-----	12,000
1957-----	12,000
1958-----	12,000
1959-----	1,000
Total-----	48,000

No part of the short-period prepaid rent is includible in gross income for the year 1954 since no part of the liability was discharged in that year.

(c) The determination of the period over which the liability extends is to be made on the basis of the facts known at the time the income is received. In order to treat prepaid income as short-period prepaid income, the taxpayer must be able to ascertain at the time of receipt of such income that the liability will end before the first day of the sixth taxable year after the taxable year in which the income is received.

(d) If subsequent events extend the period of liability but it is not extended beyond the last day of the fifth taxable year following the taxable year of receipt of the prepaid income, the portion of the prepaid income not previously includible in gross income shall be allocated, in accordance with paragraphs (a) and (b) of this section, over the period remaining between the time the subsequent events become known and the expiration of the liability as changed.

(e) If subsequent events extend the period of liability beyond the close of the fifth taxable year following the taxable year of receipt of the prepaid income, the portion of the prepaid income not previously includible in gross income shall be allocated ratably over the period between the time the extended liability becomes known and the close of such fifth taxable year.

(f) If subsequent events shorten the period of liability the portion of the prepaid income not previously includible in gross income shall be included in gross income for the taxable year in which the subsequent events occur if the liability does not extend beyond that taxable year. If the liability does extend beyond that taxable year, such portion shall be included in gross income over the period remaining between the time the subsequent events become known and the expiration of the liability as changed, in accordance with paragraphs (a) and (b) of this section.

(g) In the case of a change in the period of the liability described in paragraph (e) of this section, a taxpayer may request permission from the Commissioner to allocate the amount of prepaid income not previously includible in gross income in some manner other than that provided in such paragraph. The consent of the Commissioner shall be requested in accordance with § 1.452-5. Ordinarily, permission will not be granted to reallocate amounts properly includible in gross income for taxable years prior to the taxable year in which the change in the period of the liability occurs.

(h) For the purposes of the allocation under this section, the taxpayer may consider each transaction separately or may aggregate similar transactions during the taxable year in any reasonable manner provided the method of aggregation is consistently followed.

§ 1.452-3 *Prepaid income to be earned over indefinite period.* (a) Prepaid income attributable to a liability, which on the basis of the facts known at the time such income is received extends over an indefinite period, shall be in-

cluded in gross income in accordance with the provisions of this section. An example of prepaid income of this type is an amount received by a retail store for gift certificates which may be redeemed for merchandise at any time. There is to be included in gross income for the taxable year of receipt of an item of prepaid income described in this section and in gross income for each succeeding taxable year (not more than 5 years and not necessarily ratably) that portion of such prepaid income with respect to which the experience of the taxpayer indicates the liability will be discharged during each such taxable year. The remainder of the prepaid income must be accounted for one-sixth in the taxable year of receipt and one-sixth in each of the five succeeding taxable years.

(b) The allocation of income to be earned over an indefinite period shall be based upon the taxpayer's own experience, if adequate for a reasonable allocation. Ordinarily the most recent six years of experience with this kind of prepaid income will be considered adequate for the purposes of this paragraph. However, if the taxpayer's experience is not adequate, he may use the experience of other taxpayers engaged in a similar trade or business if he establishes to the satisfaction of the Commissioner that such experience is representative of the taxpayer's business. In such case, if the taxpayer attaches to his return a complete statement of the experience relied upon, he may use such experience in computing taxable income on his return, subject to approval by the Commissioner upon subsequent examination of the return.

(c) The following example illustrates the provisions of this section.

Example:

Sale of service coupons-----	\$1,000
Experience indicates that the coupons will be presented in payment for services as follows:	
50 percent in the year of sale-----	\$500
9 percent in the 1st succeeding year-----	90
5 percent in the 2nd succeeding year-----	50
3 percent in the 3rd succeeding year-----	30
2 percent in the 4th succeeding year-----	20
1 percent in the 5th succeeding year-----	10
Total-----	700
Amount to be accounted for during the first six years on the basis of experience-----	\$700
Amount subject to pro rata allocation over the six year period-----	300
Allocated to each year, one-sixth of \$300-----	50

Thus, the amount of income from the sale of service coupons to be included in gross income for the taxable year of sale is \$500 plus \$50, or \$550, and for the first succeeding year is \$90 plus \$50, or \$140, etc. However, if any portion of the amount received represents payment for coupons which the experience of the taxpayer indicates will never be presented for redemption, such portion may not be deferred beyond the taxable year in which the amount was received and shall be included in gross income for such taxable year. For example, if sales of coupons had been \$1,100 instead of \$1,000 and experience

indicated that \$100 of such amount would never be presented for redemption, the income from the sale of service coupons to be included in gross income for the taxable year of sale would be \$500 plus \$50 plus \$100, or \$650.

(d) For the purposes of the allocation under this section, the taxpayer may consider each transaction separately or may aggregate similar transactions during the taxable year in any reasonable manner provided the method of aggregation is consistently followed. It will be necessary for the taxpayer to evaluate annually his past experience in arriving at the proper allocation of prepaid income received during that taxable year.

(e) A taxpayer may not defer prepaid income relating to a liability of indefinite duration beyond the fifth taxable year after the taxable year of receipt unless he secures the consent of the Commissioner. A request for such consent shall be submitted in accordance with the provisions of § 1.452-5.

§ 1.452-4 *Prepaid income to be earned over long period.* (a) Prepaid income attributable to a liability which, based upon the facts known at the time the income is received, will end after the close of the fifth taxable year following the taxable year in which such income is received shall be regarded as "long-period prepaid income". One-sixth of such income shall be included in gross income for the taxable year of receipt and one-sixth for each of the five succeeding taxable years unless the Commissioner consents to a different treatment. (See § 1.452-5.) For example, assume that the taxpayer, reporting taxable income on a calendar year basis, receives in the first year of a 10-year lease commencing on January 1, the first and the last year's rent. The annual rental is \$6,000; the amount received in the first year is \$12,000, of which only the \$6,000 allocable to the 10th year's rent is prepaid income. The 10th year's rent shall be allocated \$1,000 to each of the first six years of the lease, and taking into account the \$6,000 rent for each such year, there will be a total of \$7,000 included in income for each of the first six years. In each of the seventh, eighth, and ninth years only the \$6,000 rent for such year shall be taken into income. Since the tenth year's rent was included in income for the first six years, it is not to be included in income for the tenth year.

(b) One-sixth of the amount of long-period prepaid income shall be included in gross income for the taxable year of receipt. For example, if a taxpayer on the accrual method, on a calendar year basis receives a rental payment of \$60,000 on December 1, 1954, covering full payment on a six-year lease commencing on January 1, 1955, \$10,000 of such income is allocable to 1954, the taxable year of receipt, and a like amount to each of the five succeeding taxable years.

(c) Whether amounts received are short-period prepaid income or long-period prepaid income shall be determined by reference to the periods to which such amounts relate. For example, if, in connection with a ten-year lease beginning January 1, 1955, the rent for the fourth and sixth years is received

in 1954, the amount of the rent for the fourth year is short-period prepaid income and the amount of the rent for the sixth year is long-period prepaid income. However, if in such example the lease were to begin on January 1, 1957, the rent for the fourth year would also be long period prepaid income since the fourth year would fall more than five years after 1954, the year of receipt.

§ 1.452-5 *Manner of obtaining consent for different treatment of prepaid income.* A taxpayer may with the consent of the Commissioner, include prepaid income in gross income in such proportions, and for such taxable years, as are specified in the consent. The request for consent, in the case of prepaid income to which section 452 (a) (2) of 452 (b) applies, shall be made to the Commissioner not later than 30 days after the close of the taxable year in which such prepaid income is received. In the case of a request for consent described in section 452 (a) (1) the request shall be made to the Commissioner not later than 30 days after the close of the taxable year in which the change in the period of the liability became known. However, if the period prescribed above for the filing of the request expires less than 90 days after the promulgation of these regulations under section 452, the taxpayer may file the request for consent not later than 90 days after the promulgation of such regulations. The request shall contain both a detailed recital of the circumstances upon which the taxpayer bases his request for a method of allocation different from that provided in these regulations under section 452 and all the information necessary for the Commissioner to determine whether the proposed method of allocation would be proper and, if so, to what taxable years and in what amounts such allocations should be made. The request for consent should be directed to the Commissioner of Internal Revenue, Washington 25, D. C. Such permission will be granted by the Commissioner only in cases where it is shown to his satisfaction that a different method of treating prepaid income is proper.

§ 1.452-6 *Treatment of prepaid income where taxpayer's liability ceases.* If the liability of the taxpayer ends, then so much of the prepaid income as was not includible in gross income for preceding taxable years shall be included in the gross income of the taxpayer for the taxable year in which the liability ends. See section 381 (c) (7) for rules applicable to the treatment of prepaid income in the case of certain corporate acquisitions. If an individual taxpayer dies or a taxpayer other than an individual goes out of existence, the amount deferred under section 452 and not previously includible in his gross income shall, not withstanding the provisions of section 451 (b) be included in his gross income for the taxable year in which such event occurs. Similarly when a partnership terminates such amount shall be included in gross income for the year of termination of the partnership.

§ 1.452-7 *Election of benefits—(a) In general.* (1) An election under sec-

tion 452 shall be applicable to all prepaid income (of the trade or business for which the election is made) which is received in the taxable year of the election and all subsequent taxable years. Such election shall not apply to any prepaid income received before the taxable year for which the election is made, even though the amounts will not be earned until after such year. The taxpayer may elect to include in his gross income for the taxable year of receipt all prepaid income with respect to which the liability is to end within 12 months of its receipt, if he files a statement to that effect at the time he makes his election under section 452. In such a case this treatment shall be consistently followed.

(2) An election under section 452 shall be binding for the taxable year for which made and all subsequent taxable years unless the consent of the Commissioner is obtained to change such method of treating prepaid income. See section 446 and the regulations thereunder.

(3) No election shall be permitted with respect to a trade or business if the cash receipts and disbursements method of accounting is used in computing taxable income or if such method is used, under a combination of methods, in reporting items of gross income for such trade or business for income tax purposes.

(4) If the taxpayer clearly evidences a bona fide intent to comply with the provisions of section 452 and the regulations thereunder, his election under that section will not be invalidated by:

(i) His failure to take certain items of prepaid income into account in accordance with the provisions of section 452 and these regulations;

(ii) His failure correctly to allocate prepaid income in accordance with such provisions; or

(iii) His improper deferral of items to which section 452 does not apply

(b) *Manner of making election not requiring consent.* The election under section 452 may be made without the consent of the Commissioner if made for the first taxable year beginning after December 31, 1953 and ending after August 16, 1954 in which there is received prepaid income of the particular trade or business for which the election is made. The election must be made not later than the time prescribed by law for filing the return for such taxable year (including extensions thereof) The election shall be made in a statement attached to the taxpayer's return for the first taxable year to which the election is applicable. The statement shall contain the information required by paragraph (d) of this section.

(c) *Election requiring consent.* (1) If a taxpayer does not elect under paragraph (b) of this section he may elect the benefits of section 452 for his second taxable year beginning after December 31, 1953, and ending after August 16, 1954, provided that on or before June 30, 1955, he notifies the Commissioner of Internal Revenue, Washington 25, D. C., of his intention to make such election. The notification shall state that the taxpayer has not elected the benefits of section 452 for his first taxable year beginning after December 31, 1953, and ending after August 16, 1954, but desires to elect

the benefits of such section for the next succeeding taxable year. The notification shall be in triplicate, shall identify the trade or business to which the election is to apply shall show the name and address of the taxpayer and the district in which the return of the taxpayer is to be filed. In such a case the taxpayer's notification will be treated as an election to have the benefits of section 452 apply to such taxable year and to all subsequent taxable years. A copy of the notification will be stamped with the approval of the Commissioner and returned to the taxpayer. Such copy together with a statement containing the information required by paragraph (d) of this section shall be attached to the return for the first taxable year to which the election applies.

(2) In the event that a taxpayer does not make an election under paragraph (d) of this section or subparagraph (1) of this paragraph, he may at a later date, elect the benefits of the provisions of section 452 only if he obtains the consent of the Commissioner. In such a case, a written request for consent shall be made to the Commissioner not later than 90 days after the beginning of the first taxable year for which the election is applicable or 90 days after the date of promulgation of the regulations under section 452, whichever is later. Such request shall contain the information required by paragraph (d) of this section.

(d) *Information required* The statement or request filed under paragraph (b) or (c) of this section shall set forth the following:

(1) The name and description of each trade or business for which the election is to apply.

(2) A declaration that the election is intended to apply to all prepaid income of the trade or business;

(3) The method of accounting used by the taxpayer in such trade or business;

(4) A description of each type of prepaid income of such trade or business, the proposed method of allocation, and the basis therefor.

(5) Whether a previous election under the provisions of section 452 has been made for such trade or business and, if so, for what taxable years such election was in effect; and

(6) The name and description of each trade or business, if any, for which the election does not apply.

§ 1.452-3 *Definitions*—(a) *Prepaid income*. The term "prepaid income" means any amount (includible in gross income) which is received in connection with, and is directly attributable to, a liability which extends beyond the close of the taxable year in which such amount is received. However, amounts which represent receipts for goods or services or for the use of property to have been provided or furnished during or prior to the taxable year of receipt are not prepaid income. The term may include, for example, amounts received in advance for rents and warehouse fees and amounts received from the sale of tickets, car tokens, subscriptions, club dues, and service coupons and contracts. Such

term does not include any income treated as a gain from the sale or other disposition of a capital asset.

(b) *Liability*. The term "liability" means a liability to render services, furnish goods or other property or allow the use of property. For example, an appliance service contract is a liability to render services for the purposes of section 452 if the contract is a separate transaction for which a charge is made and which is entered into at the option of the purchaser. The term does not include a liability under a warranty the consideration for which is, in effect, included in the selling price of a product.

(c) *Receipt of prepaid income*. For the purposes of section 452, prepaid income shall be treated as received during the taxable year for which it would be includible in gross income under section 451 and the regulations thereunder (determined without regard to section 452)

§ 1.462 Statutory provisions; reserves for estimated expenses.

SEC. 462. *Reserves for estimated expenses, etc.*—(a) *General rule*. In computing taxable income for the taxable year, there shall be taken into account (in the discretion of the Secretary or his delegate) a reasonable addition to each reserve for estimated expenses to which this section applies.

(b) *Adjustments where reserve becomes excessive*. If it is determined that the amount of any reserve for estimated expenses to which this section applies is (as of the close of the taxable year) excessive, then (under regulations prescribed by the Secretary or his delegate) such excess shall be taken into account in computing taxable income for the taxable year.

(c) *Estimated expenses to which this section applies*—(1) *Election of benefits*. This section shall apply to estimated expenses if and only if the taxpayer makes an election under this section with respect to the trade or business to which such expenses are attributable. The election shall be made in such manner as the Secretary or his delegate may by regulations prescribe. No election may be made with respect to a trade or business if in computing taxable income the cash receipts and disbursements method of accounting is used with respect to such trade or business.

(2) *Scope of election*. An election made under this section shall apply to all estimated expenses attributable to the trade or business.

(3) *When election may be made*—(A) *Without consent*. A taxpayer may, without the consent of the Secretary or his delegate, make an election under this section for his first taxable year (1) which begins after December 31, 1953, and ends after the date on which this title is enacted, and (2) for which there are estimated expenses attributable to the trade or business. Such an election shall be made not later than the time prescribed by law for filing the return for such year (including extensions thereof).

(B) *With consent*. A taxpayer may, with the consent of the Secretary or his delegate, make an election under this section at any time.

(d) *Estimated expense defined*—(1) *General rule*. For purposes of this section, the term "estimated expense" means a deduction allowable by this subtitle—

(A) Part or all of which would (but for this section) be required to be taken into account for a subsequent taxable year;

(B) Which is attributable to the income of the taxable year or prior taxable years for which an election under this section is in effect; and

(C) Which the Secretary or his delegate is satisfied can be estimated with reasonable accuracy.

(2) *Exceptions*. The term "estimated expense" does not include—

(A) Any deduction attributable to income taken into account in computing taxable income for taxable years preceding the first taxable year for which the election is made;

(B) Any deduction attributable to prepaid income to which section 452 applies by reason of an election made under such section by the taxpayer; or

(C) Any deduction allowable under section 166 (relating to bad debts).

(e) *Special rule for deductions attributable to period before election*. Any deduction attributable to income taken into account in computing taxable income for taxable years preceding the first taxable year for which the election is made shall be allowable in the same manner and to the same extent as if this section had not been enacted.

§ 1.462-1 *Reserves for estimated expenses*—(a) *In general*. (1) Ordinarily in computing taxable income expenses are not deductible for a taxable year prior to the taxable year in which paid or incurred, or paid or accrued, depending upon the taxpayer's method of accounting. However, section 462 permits a taxpayer, in the discretion of the Commissioner, to deduct a reasonable addition to a reserve for certain expenses (designated as estimated expenses), which, in the opinion of the Commissioner, can be estimated with reasonable accuracy. The general purpose of section 462 is to bring tax accounting more closely into harmony with generally accepted accounting principles; it is not intended to permit taxpayers to deduct an addition to a reserve for estimated expenses in any taxable year unless such treatment would be proper for such year under the taxpayer's method of accounting. The election under section 462 may be made with respect to any trade or business of the taxpayer provided that the cash receipts and disbursements method of accounting is not used in computing the taxable income of such trade or business, and the election shall apply to all estimated expenses of such trade or business.

(2) Section 446 provides that taxable income shall be computed under the method of accounting on the basis of which the taxpayer regularly computes his income in keeping his books. Section 462 provides a specific method of accounting and, accordingly, the books of the taxpayer must be kept in accordance with such method if taxable income is to be computed under the method so elected. In computing taxable income, no amount shall be taken into account with respect to estimated expenses under section 462 unless a reserve therefor has been established and is properly recorded on the regular books of account which are used in computing the taxpayer's income and on the basis of which the taxpayer prepares his financial statements (such as reports to creditors, stockholders, etc.) If a taxpayer closes such books for the taxable year without making the necessary entries thereon to establish and record the reserve, and issues his financial statements on the basis of the books as so closed, any such

entries made thereafter will not be deemed to meet the requirements of the preceding sentence with respect to such taxable year; however, this rule is not applicable in the case of a taxpayer who has closed his books and issued financial statements for the taxable year before January 24, 1955, if he makes the necessary entries before making the election under section 462 (e) (3) (A) and § 1.462-4 (a). In the case of a taxpayer (such as a regulated public utility defined in section 1503 (c)) which is required by the rules of a governmental agency to maintain its books in accordance with a method of accounting different from that permitted by section 462, the method of accounting permitted by section 462 may be reflected in auxiliary records which shall be kept with, and reconciled with, the taxpayer's regular books.

(3) For applicable definitions, see section 462 (d) and § 1.462-5.

(b) *Reasonable additions.* (1) Whether an addition to a reserve for estimated expenses is reasonable shall be determined in each particular case in the light of the pertinent facts known at the close of the taxable year. Among such pertinent facts to be considered is the experience of the taxpayer. However, in cases where the taxpayer has no such experience or his experience is inadequate, the experience of a taxpayer or group of taxpayers in a similar trade or business operating under similar conditions may be used if the taxpayer establishes to the satisfaction of the Commissioner that such experience is representative of the taxpayer's business. In case actual expenses prove to be more or less than those estimated in arriving at an addition to the reserve for prior years, the amount of the excess or inadequacy in the existing reserve shall be reflected in the determination of a reasonable addition for the current taxable year.

(2) A taxpayer claiming deductions on account of additions to reserves for estimated expenses shall, with respect to each reserve for estimated expenses, attach to his tax return for the taxable year a statement disclosing a summary of his experience with respect to such expenses for the taxable year and the four preceding taxable years. Ordinarily the taxpayer's experience for such a period will be an acceptable basis for computing the addition to the reserve. If, however, the taxpayer's experience does not extend over such period, the statement should disclose that fact and give a summary of the taxpayer's experience with respect to such expenses. This statement shall include the following information for the taxable year and each of such preceding taxable years: (i) A description of each expense, (ii) taxable income (loss) (iii) the amount added to the reserve, (iv) the amount charged against the reserve, (v) the balance in the reserve as of the end of the taxable year, (vi) the amount deducted from income for such expenses in taxable years in which a reserve was not maintained, and (vii) the name and amount of the item to which the experience ratio is applied in determining the

amount of the reasonable addition, such as credit sales, net sales, gross income, etc.

(3) The following example will serve to illustrate the provisions of this paragraph:

Example. A taxpayer, using an accrual method of accounting, who sells appliances subject to a warranty, elects to deduct additions to a reserve for expenses which he estimates will be necessary to fulfill his obligation under the warranty on appliances sold during 1954. The taxpayer has not, prior to the election, maintained such a reserve on his books. The statement attached to his return shows:

APPLIANCE WARRANTY EXPENSES

Taxable year	Net sales	Taxable income	Addition to reserve	Charges to reserve	Balance in the reserve	Actual expenses
1950.....	\$100,000	\$15,000	-----	-----	-----	\$900
1951.....	110,000	16,000	-----	-----	-----	1,100
1952.....	125,000	18,000	-----	-----	-----	1,450
1953.....	150,000	17,000	-----	-----	-----	1,550
1954.....	165,000	20,000	\$1,650	\$700	\$950	2,700 2,800
Totals.....	650,000	-----	-----	-----	-----	6,500

¹ Since the total of actual expenses for the most recent five years' experience amounts to 1 percent of the most recent five years' net sales, a reasonable addition to the reserve for 1954 would be 1 percent of \$165,000 or \$1,650. The amount deductible in 1954 is \$2,450, composed of the addition to the reserve of \$1,650 plus \$800 actual expense attributable to sales of years prior to 1954 (allowable without regard to this section).

² Actual expense applicable to 1954 sales.

³ Applicable to sales of years prior to 1954.

While in this example net sales have been used as a basis upon which the addition to the reserve is calculated, it should be understood that other items may be applicable under other circumstances and therefore such items should be substituted where appropriate.

(4) If the taxpayer has no experience with this type of expense, the statement shall include a complete description of the basis used in computing the addition to the reserve. In any event, the addition to the reserve is subject to the approval of the Commissioner upon subsequent examination of the return.

(5) In any case, the statement and accompanying data shall set forth for the taxable year such information as is necessary in order to establish clearly that (i) the reserve is one for which an addition is allowable under section 462 in computing taxable income, (ii) the amount of the addition is reasonable, and (iii) the amount of the reserve at the end of the taxable year is not excessive. The reserves to which section 462 applies shall be segregated from any reserves which may have been established by the taxpayer for taxable years prior to the taxable year for which the election under that section is exercised.

§ 1.462-2 *Adjustments where reserve becomes excessive.* In any case in which a reserve for estimated expenses as of the close of any taxable year is determined to be excessive, such excess shall be taken into account in computing the taxable income for the taxable year for which such determination is made. For example, if for the taxable year ending December 31, 1956, it is determined by the Commissioner that a reserve (in-

cluding a claimed addition for the year 1956) is excessive, such excess shall be taken into account in computing taxable income for the year 1956. In any case in which it is determined that a particular reserve for estimated expenses is no longer necessary, the amount of the reserve as of the close of the taxable year for which such determination is made shall be taken into account in computing the taxable income for such year. Similarly in any case in which the use of reserves for estimated expenses is discontinued, the balance of each such reserve shall be included in taxable income for the year of change.

§ 1.462-3 *Election of benefits.* (a) The election referred to in § 1.462-1 shall apply to all estimated expenses attributable to the trade or business to which the election is applicable both for the taxable year for which the election is made and for all subsequent taxable years unless a change to a different method is authorized by the Commissioner under the provisions of section 446. However, the election does not apply to any estimated expenses which are attributable to prepaid income deferred at the close of the taxable year under the provisions of section 452. If the taxpayer is engaged in more than one trade or business, he may make a separate election with respect to each such trade or business.

(b) In no event shall an election under section 462 be applicable in the computation of taxable income for any taxable year preceding the taxable year for which such election is made. Such an election cannot be made for any taxable year beginning before January 1, 1954, or ending before August 17, 1954.

(c) No election shall be permitted with respect to a trade or business if the cash receipts and disbursements method of accounting is used in computing taxable income or if, under a combination of methods, the cash receipts and disbursements method is used in reporting items other than items of gross income for income tax purposes for such trade or business.

(d) If the taxpayer clearly evidences a bona fide intent to comply with the provisions of section 462 and the regulations thereunder, his election under that section will not be invalidated by-

(i) His failure to take into account certain estimated expenses in establishing his reserve;

(ii) His failure correctly to determine the amount of any such reserve or additions thereto; or

(iii) His establishment of a reserve for an expense to which section 462 does not apply.

§ 1.462-4 *Time and manner of making election—(a) Without consent.* The election under section 462 may be made without the consent of the Commissioner if made for the first taxable year beginning after December 31, 1953, and ending after August 16, 1954, in which there are estimated expenses of the particular trade or business for which the election is made. The election must be made not later than the time prescribed by law for filing the return for such

taxable year (including extensions thereof). The election shall be made in a statement attached to the taxpayer's return for the first taxable year to which the election is applicable. Such statement shall contain the information required by paragraph (c) of this section.

(b) *With consent.* (1) If a taxpayer does not make the election under paragraph (a) he may elect the benefits of section 462 for his second taxable year beginning after December 31, 1953, and ending after August 16, 1954, provided that on or before June 30, 1955, he notifies the Commissioner of Internal Revenue, Washington 25, D. C., of his intention to make such election. The notification shall state that the taxpayer has not elected the benefits of section 462 for his first taxable year beginning after December 31, 1953, and ending after August 16, 1954, but desires to elect the benefits of such section for the next succeeding taxable year. The notification shall be in triplicate, shall identify the trade or business to which the election is to apply shall show the name and address of the taxpayer and the district in which the return of the taxpayer is to be filed. In such a case the taxpayer's notification will be treated as an election to have the benefits of section 462 apply to such taxable year and to all subsequent taxable years. A copy of the notification will be stamped with the approval of the Commissioner and returned to the taxpayer. Such copy together with a statement containing the information required by paragraph (c) of this section, shall be attached to the return for the first taxable year to which the election applies.

(2) In the event that a taxpayer does not make an election under paragraph (a) of this section or subparagraph (1) of this paragraph, he may at a later date, elect the benefits of the provisions of section 462 only if he obtains the consent of the Commissioner. In such a case, a written request for consent shall be made to the Commissioner not later than 90 days after the beginning of the first taxable year for which the election is applicable or 90 days after the date of promulgation of the regulations under section 462, whichever is later. Such request shall contain the information set forth in paragraph (c) of this section.

(c) *Information required.* The statement or request filed under paragraph (a) or (b) of this section shall set forth the following:

(1) The name and description of each trade or business to which the election is to apply.

(2) A declaration that the election is intended to apply to all estimated expenses of the trade or business;

(3) The method of accounting used by the taxpayer in such trade or business;

(4) A description of each type of estimated expenses of such trade or business;

(5) Whether a previous election under the provisions of section 462 has been made for such trade or business and, if so, for what taxable years such election was in effect; and

(6) The name and description of each trade or business, if any, to which the election does not apply.

§ 1.462-5 *Estimated expense defined*—(a) *General rule.* For purposes of section 462 (a) (which provides that there shall be taken into account in the discretion of the Secretary or his delegate a reasonable addition to each reserve for estimated expenses to which section 462 applies) the term "estimated expense" means a deduction which:

(1) Is allowable in computing taxable income;

(2) Is attributable to income of the taxable year or of prior taxable years for which an election under section 462 is in effect;

(3) In the opinion of the Commissioner can be estimated with reasonable accuracy; and

(4) Is a deduction, a part or all of which would be required, except for section 462, to be taken into account for a subsequent taxable year.

(b) *Exceptions.* The term "estimated expense" does not include any deduction which is:

(1) Attributable to income taken into account in computing taxable income for taxable years preceding the first taxable year for which the election is made;

(2) Attributable to income deferred as of the close of the taxable year under section 452; or

(3) Allowable under section 166 relating to bad debts.

(c) *Rules for application of paragraphs (a) and (b) of this section.* (1) Estimated expenses are those which are attributable to a transaction or undertaking in the taxable year or a prior taxable year under which:

(i) Income is realized which is includible in income for the taxable year or a prior taxable year; and

(ii) The taxpayer is under a liability to perform service, furnish goods, supply property, or assume obligations, which necessitate the making of expenditures by the taxpayer during a subsequent taxable year.

(2) Expenses attributable to income of future years are not expenses for which an addition to a reserve under section 462 is allowable. An expenditure to be made in a year subsequent to the taxable year is not attributable to the income of the taxable year or prior taxable years merely because it is incurred in order to restore operating or productive capacity which has been diminished by the operations of the taxable year or prior taxable years.

(3) The following examples illustrate the application of paragraphs (a) and (b) of this section. If the taxpayer, as an incentive or inducement to employment, offers vacations for faithful service, amounts to be expended for such purpose may be estimated expenses within the meaning of section 462. Likewise, if the taxpayer, in order to promote sales or to encourage prompt payment for articles sold, agrees to keep the product sold in repair for subsequent years or offers cash discounts, amounts set aside for these purposes may constitute estimated expenses. However, that term does not include expenses for maintenance and repairs unless the taxpayer is under a liability to make repairs or

incur maintenance expenses in a subsequent taxable year as a condition to the realization of income in the taxable year. For example, if, as a condition to obtaining machinery under a rental contract, the taxpayer is required to make certain periodic repairs in subsequent taxable years, an addition to a reserve to meet the costs thereof may be estimated expenses within the meaning of section 462. Further, the cost of repairs to delivery equipment used to fulfill an obligation under the taxpayer's warranty agreement to keep a product in repair or in service may be treated as an estimated expense. On the other hand, estimated costs of repairs and maintenance to the taxpayer's property may not be considered estimated expenses to which the provisions of section 462 apply unless such costs are undertaken pursuant to a liability to another person as a condition to the realization of income.

(4) Reserves created for general undetermined contingencies, for indefinite possible future losses, for expenses and losses not reasonably related to the income of the taxable year or prior taxable years, or for expenses and losses that are being contested or are in litigation, cannot ordinarily be estimated with reasonable accuracy and may not be the basis for additions to reserves for estimated expenses. With respect to items involving related reserves, only one deduction against taxable income will be allowed. Section 462 does not have the effect of converting into deductible expenses amounts which would not otherwise be deductible in computing taxable income for subsequent taxable years. The provisions of section 462 have no application with respect to the renegotiation or price redetermination of contracts.

(5) Section 462 is not applicable to any item of deduction for which the Code provides a specific method of reporting such as deductions referred to in—

(i) Section 404, relating to contributions of an employer to an employee's trust or annuity plan and compensation under a deferred payment plan,

(ii) Section 461 (c) relating to accrual of real property taxes,

(iii) Section 174, relating to research and experimental expenditures,

(iv) Section 175, relating to soil and water conservation expenditures,

(v) Section 615, relating to exploration expenditures, and

(vi) Section 616, relating to development expenditures.

(6) Examples of expenses which ordinarily meet the requirements of this section are cash discounts, product warranties, sales returns and allowances, freight allowances, quantity discounts, vacation pay and self-insurance by common carriers for liability for cargo damages. Examples of expenses which ordinarily do not meet the requirements of this section are inventory adjustments, self-insurance for losses of the taxpayer's own property franchise and other taxes levied for a period subsequent to the taxable year, and fees for professional services not yet rendered.

§ 1.462-6 *Special rule for deductions attributable to period before election.* Any deduction attributable to income

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[7 CFR Part 943]

[Docket No. AO 231-A5]

**HANDLING OF MILK IN NORTH TEXAS
MARKETING AREA**

**DECISION WITH RESPECT TO PROPOSED
AMENDMENT TO TENTATIVE MARKETING
AGREEMENT AND TO ORDER AS AMENDED**

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.) and the applicable rules of practice and procedure, as amended, governing proceedings to formulate marketing agreements and marketing orders (7 CFR Part 900) a public hearing was conducted at Forth Worth, Texas, on October 12-13, 1954, pursuant to notice thereof which was published in the FEDERAL REGISTER on October 8, 1954 (19 F R. 6503) upon a proposed amendment to the tentative marketing agreement and to the order as amended regulating the handling of milk in the North Texas marketing area.

Upon the basis of the evidence introduced at the hearing and the record thereof, the Deputy Administrator, Agricultural Marketing Service, on December 9, 1954, filed with the Hearing Clerk, United States Department of Agriculture, his recommended decision. Said decision containing notice of opportunity to file written exceptions thereto was published in the FEDERAL REGISTER on December 14, 1954, (19 F R. 8541)

Within the period reserved therefor, interested parties filed exceptions to certain of the findings, conclusions and actions recommended by the Deputy Administrator. In arriving at the findings, conclusions, and regulatory provisions of this decision, each of such exceptions was carefully and fully considered in conjunction with the record evidence pertaining thereto. To the extent that findings, conclusions and actions decided upon herein are at variance with any of the exceptions, such exceptions are overruled.

To the extent that suggested findings and conclusions proposed by interested persons are inconsistent with the findings and conclusions contained herein, the specific or implied requests to make such findings and reach such conclusions are denied on the basis of the facts found and stated in connection with the conclusions herein set forth.

Preliminary statement. By an emergency decision of the Acting Secretary of Agriculture, November 17, 1954 (19 F R. 7491) and amendment effective December 1, 1954 (19 F R. 7638) action has been taken to provide that the Class I milk price for December 1954 and January 1955 shall not be less than the November 1954 Class I milk price. Said decision reserved for later determination a change in the factors used in calculating the Class I milk price, which matter is the material issue of record on which action is recommended herein.

Findings and conclusions. The Class I milk price should be the basic formula

price for the preceding month plus \$2.00 for the months of March through June and plus \$2.20 for all other months, and such price should be automatically adjusted in response to the relationship between market supply and demand.

As now provided in the order, the amount to be added to the basic formula price in determining the Class I price is \$2.00 for the months of April through June and \$2.20 for other months. This differential is modified each month by a supply-demand adjustment factor.

The purpose of a supply-demand adjustment provision is to adjust promptly the Class I price upward or downward as the supply of producer milk changes in relation to Class I sales. A supply-demand adjustment provision in the North Texas order to reflect such changing conditions is necessary to provide proper price adjustments within the market and a proper price relationship between the North Texas market and other markets. Milk from such markets, particularly those in the major lower cost milk production regions of the United States, serves as an alternative source of supply for the North Texas area.

A supply-demand adjustment provision represents a desirable automatic adjustment factor in the pricing of Class I milk. The Agricultural Marketing Agreement Act provides that the prices to be fixed under the authority of such act shall be those which are reasonable in view of market conditions and which will assure a sufficient supply of pure and wholesome milk and be in the public interest. Supplies which are considerably less than or in excess of market needs as reflected by this supply-demand provision cannot be considered to be in the public interest. The automatic adjustment of Class I prices in response to changes in the relation between supplies and Class I sales will help to carry out the purposes of the act through stabilization of supplies at the levels required. Failure to adjust the Class I price in response to market supply and demand conditions could result in a price which would encourage an inadequate or excessive supply of milk in relation to demand.

The small individual monthly adjustments which should be made as a result of changing supply-demand conditions might not be of enough significance so as to justify hearings each month to consider revision of the Class I price. Moreover, it would not be practical to hold such frequent hearings. However, such adjustments as result from a supply-demand provision in an order in aggregate, over a period of time, will accomplish what otherwise might require one or several amendment hearings for a corresponding adjustment of the Class I price.

Prompt adjustment of the Class I price is necessary to assure an adequate, but not excessive, supply of milk for the market. The failure to promptly increase prices under unfavorable production conditions and inadequate supply in relation to demand would result in a loss to producers, the further curtailment of

taken into account in computing taxable income for taxable years preceding the first taxable year for which the election is made shall be allowable in the same manner, and to the same extent, as if section 462 had not been enacted. For example, merchandise returned in 1954, attributable to sales made in 1953 (the year prior to the election) will be taken into account in 1954 as returned sales, even though for 1954 the taxpayer has elected to deduct a reasonable addition to reserves for estimated expenses. See example in § 1.462-1 (b) (3)

§ 1.462-7 *Examples.* The following examples illustrate the provisions of the regulations under section 462:

Example (1). A taxpayer who has elected the benefits of section 462 sells air-conditioning units which he guarantees for one year. Taxpayer's experience indicates that the average cost per unit of fulfilling the guarantee is as follows:

Material and parts.....	\$8
Labor.....	12
Operating overhead.....	4
Total.....	24

For each unit sold \$24.00 shall be credited to the reserve account. As expenses are actually incurred, the reserve shall be charged with the amount of these expenses. In no event will a double deduction be permitted. At the close of each taxable year the reserve shall be adjusted to reflect changes in the actual cost experience of the taxpayer.

Example (2). A calendar year taxpayer who has elected the benefits of section 462 estimates from past experience that 1 percent of all sales will be returned for credit and that one-half of the returns applicable to any month's sales will be returned during that month and one-half during the following month. Gross sales for the month of December 1954 totaled \$1,000,000. Cost of December's sales amount to \$700,000. A reasonable addition to a reserve for sales returns as of December 31, 1954, is calculated as follows:

Gross sales for December.....	\$1,000,000
Cost of sales for December.....	700,000
Gross profit for December.....	300,000
Reasonable addition (1 percent of 1/2 of \$300,000).....	1,500

Example (3) A taxpayer, engaged in the business of transporting property for hire, has elected the benefits of section 462 for the taxable year 1954, and has established a proper reserve for claims for property damaged while in transit. The reserve for property damage claims at the beginning of the taxable year 1955 carries a credit balance of \$15,000. His experience shows that 1 percent of his gross revenues will be paid out to meet claims for property damaged while in transit. For the taxable year 1955 he has gross revenue of \$2,000,000. A reasonable addition to this reserve for the taxable year 1955 is 1 percent of \$2,000,000 or \$20,000. An analysis of the reserve for the year 1955 is as follows:

Balance in reserve at beginning of year.....	\$15,000
Claims paid during the year.....	17,000
Excess of charges over credits.....	(2,000)
Current year's addition allowed as deduction.....	20,000
Balance at end of year.....	18,000

[F R. Doc. 55-731; Filed, Jan. 21, 1955; 12:27 p. m.]

production and deprive consumers of a dependable supply of milk. The failure to promptly decrease unnecessarily high Class I prices would result in overstimulation of production. Increased production would result in surpluses of milk which might be difficult to dispose of and which would lower the blend prices to producers. Neither of these conditions will contribute to a more economical milk supply or be in the public interest.

The supply-demand adjustment provision now contained in the order does not operate so as to reflect appropriate price changes in relation to actual supply-demand conditions in the market. The basic utilization percentages now contained in the supply-demand adjustment formula were established when producer milk was inadequate on an annual basis for the Class I need of the market. It was contended at the recent hearing that these percentage factors should be based on the premise that producers regularly associated with the market will supply the Class I needs of the market throughout the year. The several proposals at the hearing would provide for supply-demand adjustment percentages predicated on the market being adequately supplied during the month of lowest production when producer deliveries as a percent of Class I sales are at their lowest point.

At the time of the hearing the order had been in effect continuously for three years. Experience during that period has provided more complete and extensive data than had heretofore been available regarding production and sales figures for the market. With the use of such data, seasonal variation and trends in production and in sales and other measures necessary to establish proper supply-demand adjustment factors may be determined more precisely than heretofore.

During the first 12 months of the order (October 1951 through September 1952) producer receipts were 104 percent of Class I sales. For the most recent 12 months for which data were available at the time of the hearing (October 1953 through September 1954) production was 123 percent of Class I sales. The trend of production since the inception of the order has indicated that with proper price incentives sufficient producer milk will be forthcoming to meet the requirements of the market throughout the year.

Substantial quantities of other source milk have been utilized by North Texas handlers for Class I purposes. Prior to 1953, producer deliveries on an annual basis were inadequate for the Class I requirements of the market and supplemental supplies of other source milk were needed in all but the several flush production months. While the quantities of other source milk utilized by North Texas handlers have been maintained at a relatively high level as producer deliveries have increased, the amounts of other source milk classified in Class I pursuant to the order have declined significantly. Of the 66,414,090 product pounds of other source milk received

during 1952 by North Texas handlers, 13,924,030 pounds were classified in Class I. During 1953, only 854,057 of the 54,592,217 product pounds in other source milk were classified in Class I. Negligible quantities of other source milk were needed for Class I from January through August 1954. However, the abnormal conditions brought on by the recent drought resulted in decreased production and as a consequence 487,339 pounds of other source milk were classified in Class I in September 1954. This is the largest quantity of other source milk classified in Class I in any month since November 1952.

Although receipts from producers were not fully adequate in 1953 for the Class I needs of the North Texas market, producer deliveries in relation to Class I sales were in reasonably good balance throughout most of the year. Producer deliveries in that year were 123 percent of Class I sales. The basic utilization percentage recommended in the attached amendment computed on an annual basis is approximately 125 percent. This rate assumes a utilization percentage of 105 percent during October—historically the month of lowest production for this market.

Evidence at the hearing indicates that 105 percent of Class I sales is the minimum production necessary to meet the needs of the market during any month. In order to obtain production in October which is 105 percent of Class I sales it can be expected that a correspondingly higher ratio of production to Class I sales will be experienced during the other months of the year. Computations have been made to establish utilization percentages for each month on the basis of October producer deliveries being 105 percent of Class I sales in that month. Such computations were made by taking the actual utilization percentage in the market, adjusted for trend, for each month during a recent representative 2-year period—July 1952 through June 1954. Analysis of the variation in production and sales indicates that this 2-year period is the most appropriate period that can be applied.

The order presently provides an 11-point range in the utilization percentages within which no supply-demand adjustment is made in the Class I price. For example, no adjustment now results in January if the utilization percentage applicable to that month is any percentage from 100 to 110, both inclusive. This wide range was justifiable and desirable under the circumstances which existed at the time the utilization percentages were originally established. Provision should be made for a narrower range than has heretofore prevailed so as to adjust the Class I price more promptly and accurately in response to changes in the supply-demand relationship.

Adjustments in the Class I price resulting from operation of the supply-demand adjustment formula should be at the rate of 3 cents for each percentage point that the utilization percentage, which would be calculated monthly deviates from the applicable basic supply-demand percentage. That is, the Class I

price would be increased 3 cents for each percentage point that the calculated utilization percentage is less than the minimum standard percentage and would be decreased 3 cents for each percentage point that the utilization is above the maximum standard utilization percentage. At present, the rate of adjustment varies seasonally however, it averages the same as is provided herein. The constant rate of 3 cents per percentage point upward and downward will best bring about an appropriate adjustment of the Class I price in conjunction with the utilization percentages proposed herein.

One proposal before the hearing would provide for computing the utilization percentage on the most recent 12-month period ending with the second preceding month. The utilization percentage now used, and as provided herein, is the percentage that receipts from producers during the second and third preceding months are of handlers' Class I sales for the same period. It was contended that use of the 12-month supply-demand percentage would result in less fluctuation from month to month in the Class I price, and that Class I price adjustments due to short term fluctuations in the supply-demand relationship because of abnormal conditions, such as droughts, should be dealt with through emergency hearing action.

The preponderance of evidence presented with regard to the period to be used for computing the supply-demand adjustment was in support of maintaining the period covered by the second and third preceding months. Use of this short term period (in contrast to the 12-month period) results in more prompt response, as reflected in the Class I price, to changes in market conditions. The supply-demand percentage for a 12-month period as a supply-demand factor for a current month, as proposed, would actually give consideration to the relationship of producer receipts to Class I sales in a month as much as 14 months prior. While the 12-month period type of adjuster may provide a desired degree of stability, its substitution for the present two-month adjuster would tend to destroy the effectiveness of the supply-demand adjustment provision for this market.

March is a month of high production for the North Texas market. Average producer receipts in March 1954 of 2,047,741 pounds daily were exceeded in that year only in April. Producer receipts as a percentage of Class I sales for March 1954 were 138 percent. In the production pattern for the North Texas market and in its relationship to the requirements of the market, March is one of the months of flush production. It is therefore appropriate that the Class I differential of \$2.00 applicable to the other months of flush production likewise be effective for March.

As previously discussed herein the annual level of producer receipts during 1953 was slightly below the minimum which is considered necessary to meet the Class I requirements of the market throughout the year. During this pe-

rod, the amount by which the Class I price exceeded the basic formula price averaged \$2.19. If the prices resulting from the attached amendment were calculated on the basis of 1953 production and utilization data for the North Texas market, the amount by which the Class I price for 1953 exceeded the basic formula price would have averaged \$2.25, a net increase of 6 cents per hundred-weight.

Production and utilization data used in calculating the Class I prices for the first 11 months of 1954 were available at the time of the hearing and are in the record. If the prices resulting from the attached amendment were calculated on the basis of these data, the amount by which the Class I price during this period exceeded the basic formula price would have averaged \$2.18. The Class I price under the order for the same period exceeded the basic formula price, on the average, by \$1.95. The 23-cent difference between the actual Class I price and that which would result from the attached amendment is due preponderantly to the large minus adjustments which were applicable under the supply-demand standard contained in the present order for the months of April through July. These adjustments for April through July (40, 50, 50 and 48 cents, respectively) represent an average reduction of 17 cents for the entire 11-month period. This abnormal diminution of the Class I price together with the precipitous drop in production in the months immediately following was the principal reason for reconsidering the supply-demand provision.

The present supply-demand formula does not appropriately adjust the Class I price in relation to actual supply-demand conditions in the market. The utilization percentages now provided in the order for determining the Class I price for the months of April through July are not predicated on the market being adequately supplied throughout the year. Furthermore, there is no other basis by which the present supply-demand standards may be justified from an economic viewpoint under current market conditions. It was indicated at the hearing that the reductions in the Class I price resulting from operation of the present supply-demand formula during the flush production months of 1954 were a significant factor in causing a decline during recent months of the number of producers supplying the market and in the total shipment of producer milk to the market. The number of producers supplying North Texas handlers in September 1954 was the lowest of any month since January 1953 and the quantity of milk supplied by these producers (98.8 percent of Class I sales) was the lowest for any month since November 1952. The change provided by the attached amendment should be helpful in halting the trend of declining producer numbers and decreased production for the market. The failure to effectuate this change would seriously jeopardize the supply of milk for the North Texas market.

It is concluded that revision of the pricing provisions as recommended here-

in is necessary in order to obtain a supply of milk for the market which will be adequate in all months of the year for the Class I requirements of the market.

Determination of representative period. The month of November 1954 is hereby determined to be the representative period for the purpose of ascertaining whether the issuance of the order amending the order, now in effect, regulating the handling of milk in the North Texas marketing area, in the manner set forth in the attached amending order is approved or favored by producers who, during such period were engaged in the production of milk for sale in the marketing area specified in such marketing order.

General findings. (a) The proposed marketing agreement and the order, as amended, and as hereby proposed to be further amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the act;

(b) The parity prices of milk as determined pursuant to section 2 of the act are not reasonable in view of the price of feeds, available supplies of feeds and other economic conditions which affect market supply of and demand for milk in the marketing area, and the minimum prices specified in the proposed marketing agreement and the order, as amended, and as hereby proposed to be further amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk and be in the public interest; and

(c) The proposed order, as amended, and as hereby proposed to be further amended, will regulate the handling of milk in the same manner as, and will be applicable only to persons in the respective classes of industrial and commercial activity specified in a marketing agreement upon which a hearing has been held.

Marketing agreement and order as amended. Annexed hereto and made a part hereof are two documents entitled respectively, "Marketing Agreement Regulating the Handling of Milk in the North Texas Marketing Area," and "Order Amending the Order as Amended Regulating the Handling of Milk in the North Texas Marketing Area," which have been decided upon as the detailed and appropriate means of effectuating the foregoing conclusions. These documents shall not become effective unless and until the requirements of § 900.14 of the rules of practice and procedure, as amended, governing proceedings to formulate marketing agreements and orders have been met.

It is hereby ordered, That all of this decision, except the attached marketing agreement, be published in the FEDERAL REGISTER. The regulatory provisions of said marketing agreement are identical with those contained in the order, as amended and proposed to be hereby further amended.

This decision filed at Washington, D. C., this 18th day of January, 1955.

[SEAL] EARL L. BUTZ,
Assistant Secretary of Agriculture.

Order¹ Amending the Order as Amended, Regulating the Handling of Milk in the North Texas Marketing Area

§ 943.0 *Findings and determinations.* The findings and determinations hereinafter set forth are supplementary and in addition to the findings and determinations previously made in connection with the issuance of the aforesaid order¹ and all of said previous findings and determinations are hereby ratified and affirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

(a) *Findings upon the basis of the hearing record.* Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.) and the applicable rules of practice and procedure, as amended, governing the formulation of marketing agreements and marketing orders (7 CFR Part 900) a public hearing was held upon certain proposed amendments to the tentative marketing agreement and to the order, as amended, regulating the handling of milk in the North Texas marketing area. Upon the basis of the evidence introduced at such hearing and the record thereof, it is found that:

(1) The said order, as amended, and as hereby further amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the act;

(2) The parity prices of milk produced for sale in the said marketing area as determined pursuant to section 2 of the act are not reasonable in view of the price of feeds, available supplies of feeds and other economic conditions which affect market supplies of and demand for such milk, and the minimum prices specified in the order, as amended, and as hereby further amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk and be in the public interest; and

(3) The said order, as amended, and as hereby further amended, regulates the handling of milk in the same manner as and is applicable only to persons in the respective classes of industrial and commercial activity specified in a marketing agreement upon which a hearing has been held.

Order relative to handling. It is therefore ordered that on and after the effective date the handling of milk in the North Texas marketing area shall be in conformity to and in compliance with the terms and conditions of the aforesaid order, as amended, and as hereby further amended as follows:

Delete § 943.51 (a) and substitute therefor the following:

(a) *Class I milk.* The basic formula price for the preceding month plus \$2.00

¹ This order shall not become effective unless and until the requirements of § 900.14 of the rules of practice and procedure, as amended, governing proceedings to formulate marketing agreements and orders have been met.

for the months of March through June and plus \$2.20 for all other months subject to a supply-demand adjustment of not more than 50 cents computed as follows:

(1) For each month calculate a utilization percentage (to the nearest whole percentage) by dividing the total pounds of milk received from all producers at approved plants during the second and third preceding months by the total pounds of Class I milk (adjusted to eliminate duplications due to interhandler transfers) disposed of from such plants during the same 2-month period; and

(2) For each percentage that the utilization percentage is less than the minimum percentage listed below for the applicable 2-month period the Class I price shall be increased 3 cents, and for each percentage that the utilization percentage is more than the maximum percentage listed below for such 2-month period the Class I price shall be decreased 3 cents:

2-month period	Percentages		Month to which adjustment applies
	Minimum	Maximum	
January-February.....	123	125	April.
February-March.....	132	134	May.
March-April.....	138	140	June.
April-May.....	142	144	July.
May-June.....	138	140	August.
June-July.....	131	133	September.
July-August.....	123	125	October.
August-September.....	115	117	November.
September-October.....	107	109	December.
October-November.....	108	110	January.
November-December.....	114	116	February.
December-January.....	118	120	March.

[F R. Doc. 55-600; Filed, Jan. 21, 1955; 8:46 a. m.]

DEPARTMENT OF LABOR

Wage and Hour Division

[29 CFR Parts 701, 711]

SPECIAL INDUSTRY COMMITTEE NO. 16A FOR ELECTRICAL, INSTRUMENT, AND RELATED MANUFACTURING INDUSTRIES IN PUERTO RICO

NOTICE OF POSTPONEMENT OF HEARING ON MINIMUM WAGE RECOMMENDATIONS

On Saturday, January 8, 1955, a notice of hearing on the minimum wage recommendations of Special Industry Committee Nos. 16-A, 16-B, and 16-C was duly published in the FEDERAL REGISTER (20 F R. 229). Therein it was stated that public hearings would be held at 10:00 a. m. on the dates and at the places specified before the Administrator of the Wage and Hour Division or a representative designated to preside in his place for the purpose of taking evidence on the question of whether the separate recommendations of Special Industry Committees Nos. 16-A, 16-B, and 16-C should be approved or disapproved. With reference to Special Industry Committee No. 16-A for the Electrical, Instrument, and Related Manufacturing Industries in

Puerto Rico the Notice stated that a hearing would be held on its recommendations on February 7, 1955, in room 5406, Department of Labor Building, Washington, D. C. at the above stated hour.

Notice is hereby given that the public hearing on the recommendations of Special Industry Committee No. 16-A for the Electrical, Instrument and Related Manufacturing Industries in Puerto Rico is postponed until February 23, 1955. The postponed hearing will be held on that date at 10:00 a. m. in room 5406, Department of Labor Building, Washington, D. C. pursuant to the terms stated in the notice of hearing heretofore published in the FEDERAL REGISTER on January 8, 1955.

Signed at Washington, D. C., this 19th day of January 1955.

WM. R. McCOMB,
Administrator Wage and Hour
and Public Contracts Divisions.

[F R. Doc. 55-621; Filed, Jan. 21, 1955; 8:50 a. m.]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Food and Drug Administration

[21 CFR Part 1]

EXEMPTION OF DRUGS FROM PRESCRIPTION DISPENSING REQUIREMENTS

NOTICE OF PROPOSED RULE MAKING

Notice is given that the Commissioner of Food and Drugs, in accordance with the Federal Food, Drug, and Cosmetic Act (secs. 503 (b) (3), 701 (a) 65 Stat. 649, 52 Stat. 1055; 21 U. S. C. 353 (b) (3) and 371 (a)) and the authority delegated to him by the Secretary of Health, Education, and Welfare by 21 CFR 1.108 (c) (19 F R. 7347) hereby offers an opportunity to all interested persons to submit their views in writing to the Hearing Clerk, Department of Health, Education, and Welfare, Room 5440, 330 Independence Avenue SW., Washington, D. C., within 30 days from the date of publication of this notice in the FEDERAL REGISTER, on the proposed regulation set forth below exempting certain drugs from prescription-dispensing requirements and transferring them to over-the-counter sale.

§ 1.108 Exemption from prescription requirements. * * *

(f) *Exemption for certain drugs limited by new-drug applications to prescription sale.* The prescription-dispensing requirements of section 503 (b) (1) (C) of the act are not necessary for the protection of the public health with respect to the following drugs subject to new-drug applications:

(1) *N-acetyl-p-aminophenol (p-hydroxy-acetanilid) preparations meeting all the following conditions:*

(i) The *N-acetyl-p-aminophenol* is prepared with or without other drugs

in tablet or other dosage form suitable for oral use in self-medication, and containing no drug limited to prescription sale under the provisions of section 503 (b) (1) of the act.

(ii) The *N-acetyl-p-aminophenol* and all other components of the preparation meet their professed standards of identity strength, quality and purity.

(iii) If the preparation is a new drug, an application pursuant to section 505 (b) of the act is effective for it.

(iv) The preparation contains not more than 0.325 gram (5 grains) of *N-acetyl-p-aminophenol* per dosage unit.

(v) The preparation is labeled with adequate directions for use in minor conditions as a simple analgesic.

(vi) The dosages of *N-acetyl-p-aminophenol* recommended or suggested in the labeling do not exceed: For adults, 0.325 gram (5 grains) per dose or 1.0 gram (15 grains) per 24-hour period; for children 6 to 12 years of age, one-half of the maximum adult dose or dosage.

(vii) The labeling bears, in juxtaposition with the dosage recommendations, a clear warning statement: "Warning: Do not give to children under 6 years of age and do not use for a prolonged period except as directed by a physician."

(2) Sodium gentsiate (sodium-2, 5-dihydroxybenzoate) preparations meeting all the following conditions:

(i) The sodium gentsiate is prepared, with or without other drugs, in tablet or other dosage form suitable for oral use in self-medication, and containing no drug limited to prescription sale under the provisions of section 503 (b) (1) of the act.

(ii) The sodium gentsiate and all other components of the preparation meet their professed standards of identity strength, quality and purity.

(iii) If the preparation is a new drug, an application pursuant to section 505 (b) of the act is effective for it.

(iv) The preparation contains not more than 0.5 gram (7.7 grains) of anhydrous sodium gentsiate per dosage unit.

(v) The preparation is labeled with adequate directions for use in minor conditions as a simple analgesic.

(vi) The dosages of sodium gentsiate recommended or suggested in the labeling do not exceed: For adults, 0.5 gram (7.7 grains) per dose or 2.0 grams (31 grains) per 24-hour period, for children 6 to 12 years of age, one-half of the maximum adult dose or dosage.

(vii) The labeling bears, in juxtaposition with the dosage recommendations, a clear warning statement: "Warning: Do not give to children under 6 years of age and do not use for a prolonged period except as directed by a physician."

Dated: January 18, 1955.

[SEAL] GEO. P. LARRICK,
Commissioner of Food and Drugs.

[F R. Doc. 55-620; Filed, Jan. 21, 1955; 8:50 a. m.]

NOTICES

DEPARTMENT OF AGRICULTURE

Rural Electrification Administration

[Administrative Order T-490]

OKLAHOMA

LOAN ANNOUNCEMENT

AUGUST 17, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation:	<i>Amount</i>
Cross Telephone Company, Oklahoma 510-A-----	\$226,000

¹ Simultaneous allocation and loan.

[SEAL] J. K. O'SHAUGHNESSY,
Acting Administrator

[F R. Doc. 55-626; Filed, Jan. 21, 1955; 8:51 a. m.]

[Administrative Order T-491]

ALLOCATION OF FUNDS FOR LOANS

AUGUST 19, 1954.

I hereby amend:

(a) Administrative Order No. T-239, dated December 5, 1952 by reducing the loan of \$588,000 therein made for "Pecos Valley Telephone Cooperative, Inc.—New Mexico 512-A" by \$90,000 so that the reduced loan shall be \$498,000.

[SEAL] J. K. O'SHAUGHNESSY,
Acting Administrator

[F R. Doc. 55-627; Filed, Jan. 21, 1955; 8:51 a. m.]

[Administrative Order T-492]

IOWA

LOAN ANNOUNCEMENT

AUGUST 20, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation:	<i>Amount</i>
Farmers Mutual Cooperative Telephone Company, Iowa 520-A-----	\$295,000

¹ Simultaneous allocation and loan.

[SEAL] J. K. O'SHAUGHNESSY,
Acting Administrator

[F R. Doc. 55-628; Filed, Jan. 21, 1955; 8:51 a. m.]

[Administrative Order T-493]

IOWA

LOAN ANNOUNCEMENT

AUGUST 20, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended,

a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation:	<i>Amount</i>
North Central Telephone Company, Iowa 522-A-----	\$407,000

¹ Simultaneous allocation and loan.

[SEAL] J. K. O'SHAUGHNESSY,
Acting Administrator

[F R. Doc. 55-629; Filed, Jan. 21, 1955; 8:51 a. m.]

[Administrative Order T-494]

ALLOCATION OF FUNDS FOR LOANS

AUGUST 24, 1954.

I hereby amend:

(a) Administrative Order No. T-183, dated August 22, 1952, by reducing the loan of \$602,000 therein made for "Rural Telephone Service Company Incorporated—Kansas 537-A" by \$86,000 so that the reduced loan shall be \$516,000.

[SEAL] J. K. O'SHAUGHNESSY,
Acting Administrator

[F R. Doc. 55-630; Filed, Jan. 21, 1955; 8:51 a. m.]

[Administrative Order T-495]

SOUTH DAKOTA

LOAN ANNOUNCEMENT

SEPTEMBER 1, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation:	<i>Amount</i>
Baltic Telephone Co., South Dakota 523-A-----	\$102,000

¹ Simultaneous allocation and loan.

[SEAL] ANCHER NELSEN,
Administrator

[F R. Doc. 55-631; Filed, Jan. 21, 1955; 8:51 a. m.]

[Administrative Order T-496]

TEXAS

LOAN ANNOUNCEMENT

SEPTEMBER 2, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation:	<i>Amount</i>
Eastex Telephone Cooperative, Inc., Texas 510-B-----	\$248,000

[SEAL] FRED H. STRONG,
Acting Administrator

[F R. Doc. 55-632; Filed, Jan. 21, 1955; 8:51 a. m.]

[Administrative Order T-497]

LOUISIANA

LOAN ANNOUNCEMENT

SEPTEMBER 14, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation:	<i>Amount</i>
Breaux Bridge Telephone Company, Incorporated, Louisiana 511-B-----	\$318,000

[SEAL] FRED H. STRONG,
Acting Administrator

[F R. Doc. 55-633; Filed, Jan. 21, 1955; 8:52 a. m.]

[Administrative Order T-498]

TEXAS

LOAN ANNOUNCEMENT

SEPTEMBER 20, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation:	<i>Amount</i>
Guadalupe Valley Telephone Cooperative, Inc., Texas 573-B	\$76,000

[SEAL] J. K. O'SHAUGHNESSY,
Acting Administrator

[F R. Doc. 55-634; Filed, Jan. 21, 1955; 8:52 a. m.]

[Administrative Order T-499]

WISCONSIN

LOAN ANNOUNCEMENT

SEPTEMBER 20, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation:	<i>Amount</i>
Cream Valley Telephone Company, Wisconsin 526-C-----	\$65,000

[SEAL] J. K. O'SHAUGHNESSY,
Acting Administrator

[F R. Doc. 55-635; Filed, Jan. 21, 1955; 8:52 a. m.]

[Administrative Order T-500]

MINNESOTA

LOAN ANNOUNCEMENT

SEPTEMBER 20, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as

amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation: *Amount*
Farmers Mutual Telephone Company, Minnesota 501-D----- \$237,000

[SEAL] J. K. O'SHAUGHNESSY,
Acting Administrator

[F R. Doc. 55-636; Filed, Jan. 21, 1955;
8:52 a. m.]

[Administrative Order T-501]

KENTUCKY

LOAN ANNOUNCEMENT

SEPTEMBER 24, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation: *Amount*
Twin County Rural Telephone Cooperative Corporation, Inc., Kentucky 527-A----- \$886,000
Simultaneous allocation and loan.

[SEAL] FRED H. STRONG,
Acting Administrator

[F R. Doc. 55-637; Filed, Jan. 21, 1955;
8:52 a. m.]

[Administrative Order T-502]

KANSAS

LOAN ANNOUNCEMENT

SEPTEMBER 24, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation: *Amount*
The S & T Telephone Cooperative Association, Kansas 547-A \$444,000
Simultaneous allocation and loan.

[SEAL] ANCHER NELSEN,
Administrator

[F R. Doc. 55-638; Filed, Jan. 21, 1955;
8:52 a. m.]

[Administrative Order T-503]

NORTH CAROLINA

LOAN ANNOUNCEMENT

SEPTEMBER 24, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting

through the Administrator of the Rural Electrification Administration:

Loan designation: *Amount*
Yadkin Valley Telephone Membership Corporation, North Carolina 509-D----- \$40,000

[SEAL] ANCHER NELSEN,
Administrator

[F R. Doc. 55-639; Filed, Jan. 21, 1955;
8:52 a. m.]

[Administrative Order T-504]

ALLOCATION OF FUNDS FOR LOANS

SEPTEMBER 27, 1954.

I hereby amend:

(a) Administrative Order No. T-347, dated October 5, 1953, by reducing the loan of \$656,000 therein made for "Sunflower Telephone Company, Inc.—Kansas 527-A" by \$19,000 so that the reduced loan shall be \$637,000.

[SEAL] J. K. O'SHAUGHNESSY,
Acting Administrator

[F R. Doc. 55-640; Filed, Jan. 21, 1955;
8:52 a. m.]

[Administrative Order T-505]

GEORGIA

LOAN ANNOUNCEMENT

SEPTEMBER 28, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation: *Amount*
Utelwico, Inc., Georgia 547-A- \$223,000
Simultaneous allocation and loan.

[SEAL] J. K. O'SHAUGHNESSY,
Acting Administrator

[F R. Doc. 55-641; Filed, Jan. 21, 1955;
8:53 a. m.]

[Administrative Order T-506]

MINNESOTA

LOAN ANNOUNCEMENT

SEPTEMBER 29, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation: *Amount*
Crow Wing Cooperative Rural Telephone Company, Minnesota 537-B----- \$595,000

[SEAL] J. K. O'SHAUGHNESSY,
Acting Administrator

[F R. Doc. 55-642; Filed, Jan. 21, 1955;
8:53 a. m.]

[Administrative Order T-507]

FLORIDA

LOAN ANNOUNCEMENT

SEPTEMBER 30, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation: *Amount*
North Florida Telephone Company, Florida 509-A----- \$3,602,000
Simultaneous allocation and loan.

[SEAL] FRED H. STRONG,
Acting Administrator

[F R. Doc. 55-643; Filed, Jan. 21, 1955;
8:53 a. m.]

[Administrative Order T-508]

WASHINGTON

LOAN ANNOUNCEMENT

OCTOBER 4, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation: *Amount*
Sound Telephone Co., Washington 523-A----- \$194,000
Simultaneous allocation and loan.

[SEAL] FRED H. STRONG,
Acting Administrator

[F R. Doc. 55-644; Filed, Jan. 21, 1955;
8:53 a. m.]

[Administrative Order T-509]

IOWA

LOAN ANNOUNCEMENT

OCTOBER 6, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation: *Amount*
Winnebago Cooperative Telephone Association, Iowa 510-C- \$261,000

[SEAL] FRED H. STRONG,
Acting Administrator

[F R. Doc. 55-645; Filed, Jan. 21, 1955;
8:53 a. m.]

[Administrative Order T-510]

MONTANA

LOAN ANNOUNCEMENT

OCTOBER 8, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the

following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation: *Amount*
Blackfoot Telephone Cooperative Association, Inc., Montana 517-A----- \$488,000

¹Simultaneous allocation and loan.
[SEAL] **FRED H. STRONG,**
Acting Administrator

[F R. Doc. 55-646; Filed, Jan. 21, 1955; 8:53 a. m.]

[Administrative Order T-511]
SOUTH DAKOTA

LOAN ANNOUNCEMENT

OCTOBER 11, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation: *Amount*
Roberts County Farmers Cooperative Telephone Company, South Dakota 519-A----- \$264,000

¹Simultaneous allocation and loan.
[SEAL] **ANCHER NELSEN,**
Administrator

[F R. Doc. 55-647; Filed, Jan. 21, 1955; 8:53 a. m.]

[Administrative Order T-512]
KANSAS

LOAN ANNOUNCEMENT

OCTOBER 15, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation: *Amount*
The Rainbow Telephone Cooperative Association, Inc., Kansas 549-A----- \$607,000

¹Simultaneous allocation and loan.
[SEAL] **ANCHER NELSEN,**
Administrator

[F R. Doc. 55-648; Filed, Jan. 21, 1955; 8:54 a. m.]

[Administrative Order T-513]
IDAHO

LOAN ANNOUNCEMENT

OCTOBER 15, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting

through the Administrator of the Rural Electrification Administration:

Loan designation: *Amount*
Gem State Utilities Corporation, Idaho 506-A----- \$124,000

¹Simultaneous allocation and loan.
[SEAL] **ANCHER NELSEN,**
Administrator

[F R. Doc. 55-649; Filed, Jan. 21, 1955; 8:54 a. m.]

[Administrative Order T-514]

ALLOCATION OF FUNDS FOR LOANS

OCTOBER 15, 1954.

I hereby amend:
(a) Administrative Order No. T-64, dated September 8, 1951, by rescinding the loan of \$225,000 therein made for "H-F-C Rural Telephone Cooperative Corporation, Inc.—Kentucky 513-A"

[SEAL] **ANCHER NELSEN,**
Administrator

[F R. Doc. 55-650; Filed, Jan. 21, 1955; 8:54 a. m.]

[Administrative Order T-515]

NORTH CAROLINA

LOAN ANNOUNCEMENT

OCTOBER 19, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation: *Amount*
Cherokee Telephone Membership Corporation, North Carolina 525-B----- \$12,000

[SEAL] **ANCHER NELSEN,**
Administrator

[F R. Doc. 55-651; Filed, Jan. 21, 1955; 8:54 a. m.]

[Administrative Order T-516]

ALLOCATION OF FUNDS FOR LOANS

OCTOBER 19, 1954.

I hereby amend:
(a) Administrative Order No. T-377 dated November 3, 1953, by increasing the loan of \$359,000 therein made for "Haxtun Telephone Company—Colorado 509-A" by \$8,000 so that the increased loan shall be \$367,000.

[SEAL] **ANCHER NELSEN,**
Administrator

[F R. Doc. 55-652; Filed, Jan. 21, 1955; 8:54 a. m.]

[Administrative Order T-517]

NORTH DAKOTA

LOAN ANNOUNCEMENT

OCTOBER 20, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as

amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation: *Amount*
Reservation Mutual Aid Telephone Corporation, North Dakota 525-D----- \$1,567,000

[SEAL] **J. K. O'SHAUGHNESSY,**
Acting Administrator

[F R. Doc. 55-653; Filed, Jan. 21, 1955; 8:54 a. m.]

[Administrative Order T-518]

WISCONSIN

LOAN ANNOUNCEMENT

OCTOBER 21, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation: *Amount*
Belmont Telephone Company, Wisconsin 510-B----- \$13,000

[SEAL] **FRED H. STRONG,**
Acting Administrator

[F R. Doc. 55-654; Filed, Jan. 21, 1955; 8:54 a. m.]

[Administrative Order T-519]

OREGON

LOAN ANNOUNCEMENT

OCTOBER 21, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation: *Amount*
Umpqua Telephone Company, Inc., Oregon 513-A----- \$170,000

[SEAL] **FRED H. STRONG,**
Acting Administrator

[F R. Doc. 55-655; Filed, Jan. 21, 1955; 8:55 a. m.]

[Administrative Order T-520]

ILLINOIS

LOAN ANNOUNCEMENT

OCTOBER 22, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

NOTICES

Loan designation: *Amount*
Wabash Telephone Cooperative,
Inc., Illinois 516-A----- ¹\$617,000

¹ Simultaneous allocation and loan.

[SEAL] FRED H. STRONG,
Acting Administrator

[F R. Doc. 55-656; Filed, Jan. 21, 1955;
8:55 a. m.]

[Administrative Order T-521]

LOUISIANA

LOAN ANNOUNCEMENT

OCTOBER 28, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation: *Amount*
Delcambre Telephone Company,
Inc., Louisiana 518-A----- ¹\$136,000

¹ Simultaneous allocation and loan.

[SEAL] FRED H. STRONG,
Acting Administrator

[F R. Doc. 55-657; Filed, Jan. 21, 1955;
8:55 a. m.]

[Administrative Order T-522]

IOWA

LOAN ANNOUNCEMENT

NOVEMBER 1, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation: *Amount*
Lehigh Valley Cooperative Tele-
phone Association, Iowa
521-A----- ¹\$192,000

¹ Simultaneous allocation and loan.

[SEAL] ANCHER NELSEN,
Administrator

[F R. Doc. 55-658; Filed, Jan. 21, 1955;
8:55 a. m.]

[Administrative Order T-523]

TEXAS

LOAN ANNOUNCEMENT

NOVEMBER 1, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation: *Amount*
Mid-State Telephone Company,
Texas 563-A----- ¹\$194,000

¹ Simultaneous allocation and loan.

[SEAL] ANCHER NELSEN,
Administrator

[F R. Doc. 55-659; Filed, Jan. 21, 1955;
8:55 a. m.]

[Administrative Order T-524]

LOUISIANA

LOAN ANNOUNCEMENT

NOVEMBER 1, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation: *Amount*
Avoyelles Telephone Company,
Inc., Louisiana 505-C----- ¹\$200,000

[SEAL] ANCHER NELSEN,
Administrator

[F R. Doc. 55-660; Filed, Jan. 21, 1955;
8:55 a. m.]

[Administrative Order T-525]

MAINE

LOAN ANNOUNCEMENT

NOVEMBER 1, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation: *Amount*
Nash Telephone Company,
Maine 508-A----- ¹\$587,000

¹ Simultaneous allocation and loan.

[SEAL] ANCHER NELSEN,
Administrator

[F R. Doc. 55-661; Filed, Jan. 21, 1955;
8:55 a. m.]

[Administrative Order T-526]

LOUISIANA

LOAN ANNOUNCEMENT

NOVEMBER 5, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation: *Amount*
Plain Dealing Telephone Com-
pany, Incorporated, Louisiana
507-A----- ¹\$290,000

[SEAL] FRED H. STRONG,
Acting Administrator

[F R. Doc. 55-662; Filed, Jan. 21, 1955;
8:55 a. m.]

[Administrative Order T-527]

TEXAS

LOAN ANNOUNCEMENT

NOVEMBER 8, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following

designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation: *Amount*
Santa Rosa Telephone Coopera-
tive, Inc., Texas 559-C----- ¹\$47,000

[SEAL] FRED H. STRONG,
Acting Administrator

[F R. Doc. 55-663; Filed, Jan. 21, 1955;
8:56 a. m.]

[Administrative Order T-528]

ILLINOIS

LOAN ANNOUNCEMENT

NOVEMBER 8, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation: *Amount*
Woodlawn Telephone Company,
Illinois 509-C----- ¹\$167,000

[SEAL] FRED H. STRONG,
Acting Administrator

[F R. Doc. 55-664; Filed, Jan. 21, 1955;
8:56 a. m.]

[Administrative Order T-529]

GEORGIA

LOAN ANNOUNCEMENT

NOVEMBER 12, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation: *Amount*
Wayne Telephone Company, Inc.,
Georgia 521-A----- ¹\$145,000

[SEAL] ANCHER NELSEN,
Administrator

[F R. Doc. 55-665; Filed, Jan. 21, 1955;
8:56 a. m.]

[Administrative Order T-530]

WASHINGTON

LOAN ANNOUNCEMENT

NOVEMBER 12, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation: *Amount*
La Center Telephone Company,
Inc., Washington 503-B----- ¹\$119,000

[SEAL] ANCHER NELSEN,
Administrator

[F R. Doc. 55-666; Filed, Jan. 21, 1955;
8:56 a. m.]

[Administrative Order T-531]

KANSAS

LOAN ANNOUNCEMENT

NOVEMBER 19, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation:	<i>Amount</i>
The Pleasanton Telephone Company, Kansas 520-A-----	\$240,000

[SEAL] **J. K. O'SHAUGHNESSY,**
Acting Administrator

[F R. Doc. 55-667; Filed, Jan. 21, 1955; 8:56 a. m.]

[Administrative Order T-532]

TENNESSEE

LOAN ANNOUNCEMENT

NOVEMBER 19, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation:	<i>Amount</i>
De Kalb Telephone Cooperative, Tennessee 521-D-----	\$461,000

[SEAL] **J. K. O'SHAUGHNESSY,**
Acting Administrator

[F R. Doc. 55-668; Filed, Jan. 21, 1955; 8:56 a. m.]

[Administrative Order T-533]

NEW MEXICO

LOAN ANNOUNCEMENT

DECEMBER 1, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation:	<i>Amount</i>
Roosevelt County Rural Telephone Cooperative, Inc., New Mexico 502-C-----	\$215,000

[SEAL] **ANCHER NELSEN,**
Administrator

[F R. Doc. 55-669; Filed, Jan. 21, 1955; 8:56 a. m.]

[Administrative Order T-534]

WASHINGTON

LOAN ANNOUNCEMENT

DECEMBER 2, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as

amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration.

Loan designation:	<i>Amount</i>
McDaniel Telephone Co., Washington 520-A-----	\$354,000

¹ Simultaneous allocation and loan.

[SEAL] **J. K. O'SHAUGHNESSY,**
Acting Administrator

[F R. Doc. 55-670; Filed, Jan. 21, 1955; 8:57 a. m.]

[Administrative Order T-535]

INDIANA

LOAN ANNOUNCEMENT

DECEMBER 2, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation:	<i>Amount</i>
Smithville Telephone Company, Indiana 503-B-----	\$237,000

[SEAL] **J. K. O'SHAUGHNESSY,**
Acting Administrator

[F R. Doc. 55-671; Filed, Jan. 21, 1955; 8:57 a. m.]

[Administrative Order T-536]

MISSOURI

LOAN ANNOUNCEMENT

DECEMBER 3, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration.

Loan designation:	<i>Amount</i>
Northeast Missouri Rural Telephone Company, Missouri 538-A-----	\$700,000

¹ Simultaneous allocation and loan.

[SEAL] **J. K. O'SHAUGHNESSY,**
Acting Administrator

[F R. Doc. 55-672; Filed, Jan. 21, 1955; 8:57 a. m.]

[Administrative Order T-537]

MINNESOTA

LOAN ANNOUNCEMENT

DECEMBER 3, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation:	<i>Amount</i>
Arvig Telephone Company, Minnesota 542-B-----	\$120,000

[SEAL] **J. K. O'SHAUGHNESSY,**
Acting Administrator

[F R. Doc. 55-673; Filed, Jan. 21, 1955; 8:57 a. m.]

[Administrative Order T-538]

KANSAS

LOAN ANNOUNCEMENT

DECEMBER 8, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation:	<i>Amount</i>
Northern Kans. Telephone Co., Kansas 554-A-----	\$1,170,000

¹ Simultaneous allocation and loan.

[SEAL] **FRED H. STRONG,**
Acting Administrator

[F R. Doc. 55-674; Filed, Jan. 21, 1955; 8:57 a. m.]

[Administrative Order T-539]

MISSOURI

LOAN ANNOUNCEMENT

DECEMBER 13, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation:	<i>Amount</i>
Verona Telephone Company, Missouri 553-A-----	\$125,000

¹ Simultaneous allocation and loan.

[SEAL] **ANCHER NELSEN,**
Administrator

[F R. Doc. 55-675; Filed, Jan. 21, 1955; 8:57 a. m.]

[Administrative Order T-540]

ILLINOIS

LOAN ANNOUNCEMENT

DECEMBER 14, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration.

Loan designation:	<i>Amount</i>
Palestine Telephone Company, Illinois 527-A-----	\$484,000

¹ Simultaneous allocation and loan.

[SEAL] **ANCHER NELSEN,**
Administrator

[F R. Doc. 55-676; Filed, Jan. 21, 1955; 8:57 a. m.]

NOTICES

[Administrative Order T-541]

KANSAS

LOAN ANNOUNCEMENT

DECEMBER 14, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation:	<i>Amount</i>
The Edna Telephone Company, Kansas 556-A-----	\$233,000

¹ Simultaneous allocation and loan.

[SEAL] ANCHER NELSEN,
Administrator

[F R. Doc. 55-667; Filed, Jan. 21, 1955;
8:57 a. m.]

[Administrative Order T-542]

ALLOCATION OF FUNDS FOR LOANS

DECEMBER 14, 1954.

I hereby amend:

(a) Administrative Order No. T-368, dated November 13, 1953, by rescinding the loan of \$499,000 therein made for "Northwest Louisiana Telephone Company Inc.—Louisiana 510-A (Revised)" by \$262,000 so that the reduced loan shall be \$237,000.

[SEAL] ANCHER NELSEN,
Administrator

[F R. Doc. 55-678; Filed, Jan. 21, 1955;
8:58 a. m.]

[Administrative Order T-543]

ALLOCATION OF FUNDS FOR LOANS

DECEMBER 15, 1954.

I hereby amend:

(a) Administrative Order No. T-185, dated August 27, 1952, by rescinding the loan of \$650,000 therein made for "Bartholomew Telephone Corporation—Indiana 520-A."

[SEAL] ANCHER NELSEN,
Administrator

[F R. Doc. 55-679; Filed, Jan. 21, 1955;
8:58 a. m.]

[Administrative Order T-544]

ALLOCATION OF FUNDS FOR LOANS

DECEMBER 17, 1954.

I hereby amend:

(a) Administrative Order No. T-231, dated November 18, 1952, by decreasing the loan of \$983,000 therein made for "Five Area Telephone Cooperative, Inc.—Texas 506-A" by \$123,000 so that the decreased loan shall be \$860,000.

[SEAL] J. K. O'SHAUGHNESSY,
Acting Administrator

[F R. Doc. 55-680; Filed, Jan. 21, 1955;
8:58 a. m.]

[Administrative Order T-545]

MINNESOTA

LOAN ANNOUNCEMENT

DECEMBER 21, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation:	<i>Amount</i>
Carlos Telephone Company, Min- nesota 528-B-----	\$37,000

[SEAL] ANCHER NELSEN,
Administrator

[F R. Doc. 55-681; Filed, Jan. 21, 1955;
8:58 a. m.]

[Administrative Order T-546]

GEORGIA

LOAN ANNOUNCEMENT

DECEMBER 22, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation:	<i>Amount</i>
Coastal Utilities, Inc., Georgia 543-A-----	\$404,000

¹ Simultaneous allocation and loan.

[SEAL] ANCHER NELSEN,
Administrator

[F R. Doc. 55-682; Filed, Jan. 21, 1955;
8:58 a. m.]

[Administrative Order T-547]

NORTH DAKOTA

LOAN ANNOUNCEMENT

DECEMBER 23, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation:	<i>Amount</i>
BEK Telephone Mutual Aid Corporation, North Dakota 529-B-----	\$1,499,000

[SEAL] ANCHER NELSEN,
Administrator

[F R. Doc. 55-683; Filed, Jan. 21, 1955;
8:58 a. m.]

[Administrative Order T-548]

INDIANA

LOAN ANNOUNCEMENT

DECEMBER 28, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended,

a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation:	<i>Amount</i>
The Eureka Telephone Company, Inc., Indiana 505-C-----	\$385,000

[SEAL] ANCHER NELSEN,
Administrator

[F R. Doc. 55-684; Filed, Jan. 21, 1955;
8:58 a. m.]

[Administrative Order T-549]

NORTH DAKOTA

LOAN ANNOUNCEMENT

DECEMBER 29, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation:	<i>Amount</i>
Dakota Central Rural Tele- phone Cooperative Associa- tion, a mutual aid corpora- tion, North Dakota 521-B---	\$1,770,000

[SEAL] ANCHER NELSEN,
Administrator

[F R. Doc. 55-685; Filed, Jan. 21, 1955;
8:59 a. m.]

[Administrative Order T-550]

TENNESSEE

LOAN ANNOUNCEMENT

DECEMBER 30, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation:	<i>Amount</i>
Adamsville Telephone Company, Inc., Tennessee 514-C-----	\$32,000

[SEAL] ANCHER NELSEN,
Administrator

[F R. Doc. 55-686; Filed, Jan. 21, 1955;
8:59 a. m.]

[Administrative Order T-551]

ARKANSAS

LOAN ANNOUNCEMENT

DECEMBER 30, 1954.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation: *Amount*
 Southwest Arkansas Telephone
 Cooperative, Inc., Arkansas
 514-B----- \$294,000
 [SEAL] ANCHER NELSEN,
Administrator

[F R. Doc. 55-687; Filed, Jan. 21, 1955;
 8:59 a. m.]

[Administrative Order T-552]

GEORGIA
 LOAN ANNOUNCEMENT

JANUARY 5, 1955.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation: *Amount*
 Trenton Telephone Company,
 Georgia 542-B----- \$74,000

[SEAL] ANCHER NELSEN,
Administrator

[F R. Doc. 55-688; Filed, Jan. 21, 1955;
 8:59 a. m.]

[Administrative Order T-553]

KANSAS
 LOAN ANNOUNCEMENT

JANUARY 6, 1955.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration.

Loan designation: *Amount*
 Haviland Telephone Company,
 Inc., Kansas 506-G----- \$277,000

[SEAL] ANCHER NELSEN,
Administrator

[F R. Doc. 55-689; Filed, Jan. 21, 1955;
 8:59 a. m.]

[Administrative Order T-554]

NORTH DAKOTA
 LOAN ANNOUNCEMENT

JANUARY 11, 1955.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation: *Amount*
 West River Mutual Aid Tele-
 phone Corporation, North Da-
 kota 528-C----- \$481,000

[SEAL] FRED H. STRONG,
Acting Administrator

[F R. Doc. 55-690; Filed, Jan. 21, 1955;
 8:59 a. m.]

[Administrative Order T-555]

MISSOURI

LOAN ANNOUNCEMENT

JANUARY 11, 1955.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation: *Amount*
 Mark Twain Rural Telephone
 Company, Missouri 545-A----- \$973,000

¹ Simultaneous allocation and loan.

[SEAL] FRED H. STRONG,
Acting Administrator

[F R. Doc. 55-691; Filed, Jan. 21, 1955;
 8:59 a. m.]

[Administrative Order T-556]

GEORGIA

LOAN ANNOUNCEMENT

JANUARY 13, 1955.

Pursuant to the provisions of the Rural Electrification Act of 1936, as amended, a loan contract bearing the following designation has been signed on behalf of the Government acting through the Administrator of the Rural Electrification Administration:

Loan designation: *Amount*
 Cherokee Telephone Company,
 Inc., Georgia 548-A----- \$497,000

¹ Simultaneous allocation and loan.

[SEAL] ANCHER NELSEN,
Administrator

[F R. Doc. 55-692; Filed, Jan. 21, 1955;
 8:59 a. m.]

CIVIL AERONAUTICS BOARD

[Docket No. 6908]

SKYCOACH ENFORCEMENT CASE

NOTICE OF POSTPONEMENT OF HEARING

Notice is hereby given that hearing in the above-entitled proceeding assigned for January 24, 1955, is postponed and will be held on January 31, 1955, at 10:00 a. m., e. s. t., in Room 5132, Commerce Building, Fourteenth Street and Constitution Avenue NW., Washington, D. C., before Examiner Merritt Ruhlen.

Dated at Washington, D. C., January 19, 1955.

[SEAL] FRANCIS W BROWN,
Chief Examiner

[F R. Doc. 55-622; Filed, Jan. 21, 1955;
 8:50 a. m.]

FEDERAL POWER COMMISSION

[Docket Nos. G-2501, G-2502, G-2573,
 G-4716]

TEXAS EASTERN TRANSMISSION CORP ET AL.

NOTICE OF APPLICATION AND CONTINUANCE
 OF HEARING

JANUARY 13, 1955.

In the matters of Texas Eastern
 Transmission Corporation, Docket No.

G-2573; City of Anna, Illinois, Docket No. G-2501, City of Jonesboro, Illinois, Docket No. G-2502; Mississippi Valley Gas Company, Docket No. G-4716.

Take notice that Mississippi Valley Gas Company (Mississippi Valley, Applicant in Docket No. G-4716) a Mississippi corporation with its principal place of business in Jackson, Mississippi, filed an application on November 8, 1954, for a certificate of public convenience and necessity to construct and operate facilities and sell natural gas as hereinafter described and as more fully described in its application on file with the Commission and open for public inspection.

Mississippi Valley proposes to construct gas distribution systems and transmission lines connecting with transmission facilities of Texas Eastern Transmission Corporation in order to deliver and sell natural gas to the Towns of Ethel and McCool, Mississippi. The peak day and annual requirements of Ethel and McCool are estimated as follows:

	Peak day requirements (14.73 p. s. i. a.)	
	First year	Third year
Ethel.....	<i>Mcf</i> 147	<i>Mcf</i> 170
McCool.....	92	102
	Annual requirements	
Ethel.....	16,420	18,739
McCool.....	10,150	11,240

The estimated total cost of the facilities is \$72,000 to be defrayed by Mississippi Valley from funds on hand.

Protests or petitions to intervene may be filed with the Federal Power Commission, 441 G Street NW., Washington 25, D. C. in accordance with §§ 1.8 or 1.10 of the Commission's rules of practice and procedure (18 CFR 1.8 or 1.10) on or before the 28th day of January 1955. The application is on file with the Commission for public inspection.

By order issued December 17, 1954, Docket No. G-4716 was consolidated with Docket No. G-2573 et al. and the matter set for hearing on January 17, 1955. The hearing on the consolidated proceedings previously scheduled for January 17, 1955, is continued to January 31, 1955 at 10:00 a. m., e. s. t., in a hearing room of the Federal Power Commission, 441 G Street, NW., Washington, D. C.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 55-592; Filed, Jan. 21, 1955;
 8:45 a. m.]

[Docket Nos. G-2512, G-2513]

CITIES OF SYLVANIA AND STATESBORO, GA.

NOTICE OF HEARING

JANUARY 14, 1955.

In the matters of City of Sylvania, Georgia, Docket No. G-2512; City of Statesboro, Georgia, Docket No. G-2513.

The City of Sylvania, Georgia (Sylvania) and the City of Statesboro, Georgia (Statesboro) filed applications

on July 30, 1954, for orders, pursuant to section 7 (a) of the Natural Gas Act, directing Southern Natural Gas Company (Southern Natural) to establish physical connection of its facilities with the facilities of Sylvania and Statesboro and to sell Natural gas to them. Due notice was given of the filing of the applications including publication in the FEDERAL REGISTER on August 14, 1954 (19 F R. 5162-5163).

On August 16, 1954, Southern Natural filed answers to the applications of Sylvania and Statesboro denying that the capacity of its transmission system was adequate to supply the requirements of Sylvania and Statesboro without placing an undue burden on Southern Natural or its facilities or impairing its ability to render adequate service to its customers. However, by letter filed on December 16, 1954, Southern Natural withdrew its opposition to rendering service to Sylvania and Statesboro and stated that it has sufficient capacity to serve them.

These related matters should be heard on a consolidated record and disposed of as promptly as possible under the applicable rules and regulations and to that end:

Take notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing will be held on February 17, 1955, at 9:30 a. m., e. s. t., in a Hearing Room of the Federal Power Commission, 441 G Street NW., Washington, D. C., concerning the matters involved in and the issues presented by such applications: *Provided, however* That the Commission may after a noncontested hearing, dispose of the proceedings pursuant to the provisions of § 1.30 (c) (1) or (2) of the Commission's rules of practice and procedure.

Failure of any party to appear at and participate in the hearing shall be construed as waiver of and concurrence in omission herein of the intermediate decision procedure in cases where a request therefor is made.

[SEAL] LEON M. FUQUAY,
Secretary.

[F R. Doc. 55-591; Filed, Jan. 21, 1955;
8:45 a. m.]

[Docket No. G-2719]

TOWN OF WOODLAND, GA.

NOTICE OF APPLICATION AND DATE OF
HEARING

JANUARY 17, 1955.

Take notice that the Town of Woodland, Georgia (Applicant) (a municipal corporation) filed on September 9, 1954, an application for an order pursuant to section 7 (a) of the Natural Gas Act, directing Southern Natural Gas Company to sell natural gas to it as hereinafter described, subject to the jurisdiction of the Commission, all as more fully represented in the application which is on file with the Commission and open for public inspection.

Applicant requests that Southern Natural be required to sell natural gas to it through existing facilities of the City of Manchester, Georgia. Manchester would transport Woodland's gas requirements from the point of interconnection of Southern Natural's facilities to the Town of Woodland.

Applicant's estimated maximum daily demand is 85 Mcf the first year, and 105 Mcf the fifth year. Annual requirements are estimated at 5,466 Mcf and 7,643 Mcf for the corresponding years.

This matter is one that should be disposed of as promptly as possible under the applicable rules and regulations, and to that end:

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure a hearing will be held on February 17, 1955, at 9:40 a. m., e. s. t., in a Hearing Room of the Federal Power Commission, 441 G Street NW Washington, D. C., concerning the matters involved in and the issues presented by such application. *Provided, however* That the Commission may after a non-contested hearing, dispose of the proceedings pursuant to the provisions of § 1.30 (c) (1) or (2) of the Commission's rules of practice and procedure.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before February 2, 1955. Failure of any party to appear at and participate in the hearing shall be construed as waiver of and concurrence in omission herein of the intermediate decision procedure in cases where a request therefor is made.

[SEAL] LEON M. FUQUAY,
Secretary.

[F R. Doc. 55-593; Filed, Jan. 21, 1955;
8:45 a. m.]

[Docket No. G-2866]

B. F. PHILLIPS

NOTICE OF APPLICATION AND DATE OF
HEARING

JANUARY 14, 1955.

Take notice that B. F. Phillips (Applicant) an individual whose address is Dallas, Texas, filed, on September 20, 1954, an application for a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act, authorizing Applicant to render service as hereinafter described, subject to the jurisdiction of the Commission, all as more fully represented in the application which is on file with the Commission and open for public inspection.

Applicant produces natural gas from the Logansport-Joaquin Field, Panola-Shelby Counties, Texas, and sells it in interstate commerce (contract dated November 30, 1948) to Southern Natural Gas Company for resale.

This matter is one that should be disposed of as promptly as possible under

the applicable rules and regulations and to that end:

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing will be held on February 25, 1955, at 9:50 a. m., e. s. t., in a Hearing Room of the Federal Power Commission, 441 G Street NW., Washington, D. C., concerning the matters involved in and the issues presented by such application. *Provided, however* That the Commission may after a non-contested hearing, dispose of the proceedings pursuant to the provisions of § 1.30 (c) (1) or (2) of the Commission's rules of practice and procedure.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before February 15, 1955. Failure of any party to appear at and participate in the hearing shall be construed as waiver of and concurrence in omission herein of the intermediate decision procedure in cases where a request therefor is made.

[SEAL] LEON M. FUQUAY,
Secretary.

[F R. Doc. 55-594; Filed, Jan. 21, 1955;
8:45 a. m.]

[Docket Nos. G-4192, G-4194, G-4195, G-4198,
G-4199]

WILLARD E. FERRELL ET AL.

NOTICE OF APPLICATIONS AND DATE OF
HEARING

JANUARY 14, 1955.

In the matters of Willard E. Ferrell, et al., Docket No. G-4192; Cody Oil & Gas Company Docket No. G-4194, Corel Poling, Docket No. G-4195, Byron D. Kuth, Docket No. G-4198; L. C. Hamilton, Jr., et al., Docket No. G-4199.

Take notice that applications for certificates of public convenience and necessity pursuant to section 7 of the Natural Gas Act, were filed by the above-mentioned Applicants for authorization to render service hereinafter described:

Applicant	Date	Docket No.
Willard E. Ferrell, et al.....	Oct. 6, 1954	G-4192
Cody Oil & Gas Co.....	do	G-4194
Corel Poling.....	do	G-4195
Byron D. Kuth.....	do	G-4198
L. C. Hamilton, Jr., et al.....	do	G-4199

Subject to the jurisdiction of the Commission, all as more fully represented in the applications which are on file with the Commission and open for public inspection.

Willard E. Ferrell, et al., at Docket No. G-4192, produce natural gas in the Murphy District, Ritchie County, West Virginia, and sell it in interstate commerce to Hope Natural Gas Company for resale (contract dated September, 1954)

Cody Oil & Gas Company at Docket No. G-4194, produces natural gas in Washington District, Calhoun County West Virginia, and sells it in interstate commerce to Hope Natural Gas Company for resale (contract dated September 9, 1954)

Corel Poling, at Docket No. G-4195, produces natural gas in the Lee District, Calhoun County, West Virginia, and sells it in interstate commerce to Hope Natural Gas Company for resale (contract dated September 11, 1954)

Byron D. Kuth, at Docket No. G-4198, produces natural gas in the Grant District, Ritchie County, West Virginia, and sells it (contract dated September 15, 1954) in interstate commerce to Hope Natural Gas Company for resale.

L. C. Hamilton, Jr., et al., at Docket No. G-4199, produce natural gas in the Lee District, Calhoun County, West Virginia, and sell it (contract dated September 20, 1954) in interstate commerce to Hope Natural Gas Company for resale.

These related matters should be heard on a consolidated record and disposed of as promptly as possible under the applicable rules and regulations and to that end:

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing will be held on February 4, 1955, at 9:30 a. m., e. s. t., in a Hearing Room of the Federal Power Commission, 441 G Street NW Washington, D. C., concerning the matters involved in and the issues presented by such applications: *Provided, however* That the Commission may after a non-contested hearing, dispose of the proceedings pursuant to the provisions of § 1.30 (c) (1) or (2) of the Commission's rules of practice and procedure.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before February 1, 1955. Failure of any party to appear at and participate in the hearing shall be construed as waiver of and concurrence in omission herein of the intermediate decision procedure in cases where a request therefor is made.

[SEAL] LEON M. FUQUAY,
Secretary.

[F R. Doc. 55-595; Filed, Jan. 21, 1955;
8:45 a. m.]

[Docket No. G-4193]

SMITH OIL & GAS CO.

NOTICE OF APPLICATION AND DATE OF
HEARING

JANUARY 14, 1955.

Take notice that Smith Oil & Gas Company (Applicant) a West Virginia corporation whose address is Beatrice, West Virginia, filed on October 6, 1954, an application for a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act, author-

izing Applicant to render service as hereinafter described, subject to the jurisdiction of the Commission, all as more fully represented in the application which is on file with the Commission and open for public inspection.

Applicant proposes to produce natural gas in the Murphy District, Ritchie County West Virginia, and sell it in interstate commerce (contract dated September 10, 1954) to Hope Natural Gas Company for resale.

This matter is one that should be disposed of as promptly as possible under the applicable rules and regulations and to that end:

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing will be held on February 4, 1955, at 9:40 a. m., e. s. t., in a Hearing Room of the Federal Power Commission, 441 G Street NW., Washington, D. C., concerning the matters involved in and the issues presented by such application: *Provided, however* That the Commission may after a non-contested hearing, dispose of the proceedings pursuant to the provisions of § 1.30 (c) (1) or (2) of the Commission's rules of practice and procedure.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before February 1, 1955. Failure of any party to appear at and participate in the hearing shall be construed as waiver of and concurrence in omission herein of the intermediate decision procedure in cases where a request therefor is made.

[SEAL] LEON M. FUQUAY,
Secretary.

[F R. Doc. 55-596; Filed, Jan. 21, 1955;
8:45 a. m.]

[Docket No. G-4264]

SOUTHERN NATURAL GAS CO.

ORDER PERMITTING FILING OF SUBSTITUTE
TARIFF SHEETS, AND AMENDING ORDER FIX-
ING DATE OF HEARING AND SPECIFYING
PROCEDURE

By order issued October 28, 1954, the Commission, pursuant to authority contained in sections 4, 15, and 16 of the Natural Gas Act, entered upon a hearing concerning the lawfulness of the rates, charges, classifications, and services contained in the FPC Gas Tariff, Second Revised Volume No. 1, filed on September 30, 1954, by Southern Natural Gas Company (Southern) setting forth therein proposed increased rates and charges subject to the Commission's jurisdiction under that act for sales by Southern in interstate commerce of natural gas for resale. Pending hearing and decision thereon, such order (as modified by further orders issued November 24 and December 20, 1954) suspended and deferred the use of the proposed increased rates and other tariff changes contained in

Southern's FPC Gas Tariff, Second Revised Volume No. 1, except to the extent that the proposed changes related to the sale of natural gas for resale for industrial use only.

By order issued December 20, 1954, the Commission provided for a public hearing to commence on January 25, 1955, and specified a special hearing procedure respecting the issues involved in this proceeding, including particularly (1) working capital to be included in the rate base, (2) rate of return, (3) Federal income tax allowance, and (4) rate zone boundaries and differentials, or bases for determining differentials, between rate zones.

On December 27, 1954, Southern filed a motion requesting:

(1) A continuance from January 25 to February 28, 1955 of the hearing date fixed by paragraph (A) of the December 20, 1954 order, and for an extension from January 18 to February 21, 1955 of the date on which Southern is required by paragraph (A) of such order to file and serve copies of its testimony and exhibits;

(2) Amendment of the December 20, 1954 order, either to eliminate paragraphs (C) through (E) thereof, or, in the alternative, to eliminate therefrom the provisions for separate presentation of evidence and separate briefing respecting working capital, rate of return, Federal income tax allowance, and zone rate issues; and

(3) Special permission, pursuant to § 154.66 (b) of the Commission's general rules and regulations (18 CFR 154.66 (b)) to file substitute tariff sheets (as annexed to the motion) reducing all rates applicable to Southern's Rate Zone 4, in lieu of the corresponding tariff sheets filed with Second Revised Volume No. 1 of Southern's FPC Gas Tariff, and that such substitute tariff sheets as are subject to suspension to be suspended only until April 1, 1955, or until such time thereafter as Southern may move to put them into effect.

Responses filed by South Carolina Natural Gas Company and South Atlantic Gas Company both Zone 4 customers of Southern, support Southern in its motion to reduce rates and interpose no objection to the request for continuance of the hearing date or elimination of the special procedure provided in the Commission's order of December 20, 1954, without prejudice to positions they may take at the hearing. Alabama Gas Corporation, a Zone 2 customer, objects to Southern's proposed reduction of rates in Zone 4, but interposes no objection to the continuance of the hearing date. The objection by Alabama Gas is concurred in by the Alabama Public Service Commission.

In the order of December 20, 1954, the Commission pointed out that the rate increase proposed by Southern for its Zone 4 is approximately 30.3 percent, as compared with increases of 16.7 percent and 17.8 percent proposed for Zones 2 and 3, respectively and a rate reduction of a small amount for Zone 1, and stated that, in the circumstances, it appeared that an early hearing would be in the public interest, and, in view of the great

disparity in the rate increases proposed by Southern for its existing rate zones, priority should be given in the hearing respecting proper zone boundaries and the proper differentials in rates between zones. Southern represents that the substitute tariff sheets proposed in its motion, and referred to above, would reflect for Zone 4 approximately the same percentage increase as proposed for Zone 3. It appears that, under the proposed substitute rates, the increase for Zone 4 would be reduced approximately \$414,000 per year, from \$1,003,000 to \$589,000 per year.

Upon consideration of the foregoing, the motion filed by Southern on December 27, 1954, the responses thereto, and data of record, it appears that, upon the basis of the condition hereinafter prescribed with respect to the proposed substitution of tariff sheets, it would be proper to grant Southern's motion. An order is entered accordingly. The change in procedure provided by this order is without prejudice to the position which any parties or Commission Staff Counsel may take or propose with respect to procedural or substantive matters in this proceeding.

The Commission finds: It is appropriate and in the public interest in carrying out the provisions of the Natural Gas Act to grant the aforesaid motion filed by Southern on December 27, 1954, all as hereinafter provided and ordered, subject to and upon the terms and conditions contained in the order.

The Commission orders:

(A) Special permission, pursuant to § 154.66 (b) of the Commission's general rules and regulations, be and the same is hereby granted to Southern to file, in conformity with the requirements of Part 154 of the Commission's general rules and regulations (18 CFR Part 154) substitute tariff sheets reducing all rates applicable to Southern's Rate Zone 4, as proposed in the aforesaid motion filed by Southern on December 27, 1954 and as reflected in the sample copies of substitute tariff sheets annexed thereto. Such substitute sheets shall be filed not later than fifteen days next following the date of the issuance of this order. *Provided, however* That if Southern is required by any final order of orders issued herein by the Commission, which are accepted or which become final in court review, or otherwise, to refund to its customers any part of any charges collected by Southern under its proposed rates involved in this proceeding, Southern shall have no recourse to offset any deficiency in revenues collected from any of its wholesale customers by reason of the substitute tariff sheets herein permitted to be filed against the refund due to any other of its wholesale customers.

(B) The hearing date fixed by paragraph (A) of the Commission's order issued herein on December 20, 1954, be and the same is hereby continued from January 25 to February 28, 1955 and, the date on which Southern is required by paragraph (F) of said order to file and serve copies of its testimony and exhibits be and the same is hereby extended from January 18 to February 21, 1955.

(C) Paragraphs (C) (D) and (E) of the Commission's order issued herein on December 20, 1954, be and the same are hereby amended to read as follows:

(C) Upon completion of the presentation of Southern as provided in paragraph (B) the other parties to the proceeding, including Commission Staff Counsel, may proceed with cross-examination respecting the matters and issues involved in this proceeding. Upon request of any party to the proceeding, including Commission Staff Counsel, the hearing shall be recessed by the Presiding Examiner for such time or times as the Examiner may find appropriate and reasonable to permit proper preparation of such cross-examination.

(D) Following the presentation by Southern, and cross-examination as provided in paragraph (C) opportunity shall then be afforded the other parties to present testimony and evidence. Any such testimony and evidence shall then be subject to cross-examination. Following such cross-examination, opportunity shall be afforded to Commission Staff Counsel (after recess, if requested) to present evidence. Such testimony and evidence as the Staff offers will then be subject to cross-examination, after which an opportunity will be afforded Southern to offer rebuttal evidence.

(E) Upon completion of the proceeding as provided for in paragraphs (B) through (D) hereof, the Presiding Examiner shall fix the dates for the filing of briefs, if not waived by the parties, including Commission Staff Counsel.

(D) This order is without prejudice to any findings or orders which have been or may hereafter be made by this Commission in any proceeding now pending or hereafter instituted.

Adopted: January 13, 1955.

Issued: January 17, 1955.

By the Commission.

[SEAL] LEON M. FUQUAY,
Secretary.

[F R. Doc. 55-607; Filed, Jan. 21, 1955;
8:47 a. m.]

[Docket No. G-4505]

BEL OIL CORP

ORDER MODIFYING ORDER SUSPENDING
PROPOSED CHANGES IN RATES

By order issued November 4, 1954, the Commission, among other things, suspended and deferred the use of Supplement No. 1 to Bel Oil Corporation's FPC Gas Rate Schedule No. 3 for a period of five (5) months beyond November 3, 1954, subject to further order of the Commission.

The Commission, upon further consideration of said order, finds: The said order issued November 4, 1954, should be modified as hereinafter provided.

The Commission orders:

(A) Paragraph (A) of the order issued herein on November 4, 1954, be and it is hereby amended to read as follows:

(A) Pursuant to the authority contained in sections 4 and 15 of the Natural

Gas Act, a public hearing be held upon a date to be fixed by further order concerning the lawfulness of said proposed changes in rates and charges; and, pending such hearing and decision thereon, the above-designated supplement be and it is hereby suspended and the use thereof deferred until February 1, 1955, and for such further time until it is made effective in the manner prescribed by the Natural Gas Act, subject to further order of the Commission.

(B) Except as herein specifically modified, said order issued November 4, 1954, shall remain and continue in full force and effect.

Adopted: January 13, 1955.

Issued: January 17, 1955.

By the Commission.

[SEAL] LEON M. FUQUAY,
Secretary.

[F R. Doc. 55-606; Filed, Jan. 21, 1955;
8:47 a. m.]

[Docket No. G-5788]

CITIES SERVICE GAS PRODUCING CO.

NOTICE OF POSTPONEMENT OF HEARING

JANUARY 14, 1955.

Upon consideration of the request of Counsel for Cities Service Gas Producing Company, filed January 14, 1955, for postponement of the hearing in Docket No. G-5788, now scheduled for January 17, 1955,

Notice is hereby given that said hearing is postponed to 10:00 a. m., e. s. t., January 27, 1955, in the Commission's Hearing Room, 441 G Street NW., Washington, D. C.

[SEAL] LEON M. FUQUAY,
Secretary.

[F R. Doc. 55-597; Filed, Jan. 21, 1955;
8:46 a. m.]

[Docket Nos. 6129-6137]

ROHRBOUGH GAS CO. ET AL.

NOTICE OF APPLICATIONS AND DATE OF
HEARING

JANUARY 17, 1955.

In the matters of: Rohrbough Gas Company and George W. Miller, et al., Docket No. G-6129; J. F. Allen Lease, Docket No. G-6130; Maple Gas Company, Docket No. G-6131; P. P. Gunn, et al., Docket No. G-6132; H. F. Simon, Docket No. G-6133; Jones Oil & Gas Company et al., Docket No. G-6134; Ten Mile Oil and Gas Company Docket No. G-6135; Hayes and Anderson, Docket Nos. G-6136 and G-6137.

Take notice that applications for certificates of public convenience and necessity have been filed by the above-named Applicants at the docket numbers indicated on December 15, 1954, seeking authorization to render service as hereinafter described, subject to the jurisdiction of the Commission, all as more fully represented in the applications which are on file with the Commission and

open for public inspection. The Applicants recite:

1. At Docket No. G-6129, E. G. Rohrbough Gas Company George W Miller, et al., will produce natural gas from the Laurel Field, De Kalb District, Gilmer County, West Virginia, and sell in interstate commerce (contract dated June 3, 1954) to Hope Natural Gas Company for resale.

2. At Docket No. G-6130 that Roy G. Hildreth, as agent for J. F. Allen Lease, will produce natural gas from the J. F. Allen Lease, Lee District, Calhoun County West Virginia, and sell in interstate commerce (contract dated September 29, 1954) to Hope Natural Gas Company for resale.

3. At Docket No. G-6131 that Maple Gas Company will produce gas from the Bond's Creek Field near Highland, Ritchie County, West Virginia, and sell in interstate commerce (contract dated October 12, 1954) to Hope Natural Gas Company for resale.

4. At Docket No. G-6132 that P. P. Gunn will produce natural gas from the Lee District, Calhoun County, West Virginia, and sell in interstate commerce (contract dated October 21, 1954) to Hope Natural Gas Company for resale.

5. At Docket No. G-6133 that H. F. Simonton will produce natural gas from the McKim District, Pleasants County West Virginia, and sell in interstate commerce (contract dated October 27, 1954) to Hope Natural Gas Company for resale.

6. At Docket No. G-6134 that Jones Oil & Gas Company, et al. will produce natural gas from the McKim District, Pleasants County, West Virginia, and sell in interstate commerce (contract dated October 27, 1954) to Hope Natural Gas Company for resale.

7. At Docket No. G-6135 that Ten Mile Oil and Gas Company will produce natural gas from the Kanawha Field, Kanawha County West Virginia, and sell in interstate commerce (contract dated October 13, 1954) to Hope Natural Gas Company for resale.

8. At Docket Nos. G-6136 and G-6137 that Hayes and Anderson will produce natural gas in the Lee District, Calhoun County West Virginia, and sell in interstate commerce under contracts dated November 18, 1954 and November 22, 1954, to Hope Natural Gas Company for resale.

These related matters should be heard on a consolidated record and disposed of as promptly as possible under the applicable rules and regulations and to that end.

Take further notice that, pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing will be held on March 1, 1955, at 9:30 a. m., e. s. t., in a Hearing Room of the Federal Power Commission, 441-G Street NW., Washington, D. C., concerning the matters involved in and the issues presented by such applications: *Provided, however* That the Commission may after a non-contested hearing, dispose of the proceedings pursuant to the provisions of

§ 1.30 (c) (1) or (2) of the Commission's rules of practice and procedure.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before February 18, 1955. Failure of any party to appear at and participate in the hearing shall be construed as waiver of and concurrence in omission herein of the intermediate decision procedure in cases where a request therefor is made.

[SEAL] LEON M. FUQUAY,
Secretary.

[F. R. Doc. 55-598; Filed, Jan. 21, 1955;
8:46 a. m.]

[Projects Nos. 1218, 1951]

GEORGIA POWER CO.

NOTICE OF APPLICATIONS FOR LICENSES

JANUARY 14, 1955.

Public notice is hereby given that applications have been filed under the Federal Power Act (16 U. S. C. 791a-825r) by Georgia Power Company of Atlanta, Georgia, licensee for Projects Nos. 1218 and 1951, the former being located on Flint River in the Counties of Dougherty and Lee, and in the vicinity of Albany Georgia, and the latter being located about 4 miles northeast of Milledgeville, in Baldwin, Hancock, Putnam, and Jones Counties, Georgia. The applications seek amendment of the licenses to change the language of the amortization reserve provision inserted in the licenses pursuant to section 10 (d) of the act to conform with that presently included by the Commission in licenses for such projects.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure of the Commission (18 CFR 1.8 or 1.10) the time within which such petitions must be filed being specified in the rules. The last day upon which protests may be filed is February 28, 1955. The application is on file with the Commission for public inspection.

[SEAL] LEON M. FUQUAY
Secretary.

[F. R. Doc. 55-599; Filed, Jan. 21, 1955;
8:46 a. m.]

INTERSTATE COMMERCE COMMISSION

[4th Sec. Application 30150]

DRIED BEANS, PEAS, AND LENTILS FROM
SOUTH PACIFIC COAST TERRITORY TO
KANSAS, OKLAHOMA, AND TEXAS

APPLICATION FOR RELIEF

JANUARY 19, 1955.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by W. J. Prueter, Agent, for carriers parties to schedule listed below.

Commodities involved: Beans, lentils and peas, dried, carloads.

From: Points in south Pacific Coast territory.

To: Points in Kansas, Oklahoma and Texas.

Grounds for relief: Rail competition, circuitry competition with motor carriers, and to maintain grouping.

Schedules filed containing proposed rates: W. J. Prueter, Agent, I. C. C. No. 1561, supp. 69.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission.

[SEAL] GEORGE W. LAIRD,
Secretary.

[F. R. Doc. 55-608; Filed, Jan. 21, 1955;
8:48 a. m.]

[4th Sec. Application 30151]

SULPHURIC ACID FROM BATON ROUGE AND
NORTH BATON ROUGE, LA., TO FOLEY,
FLA.

APPLICATION FOR RELIEF

JANUARY 19, 1955.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by R. E. Boyle, Jr., Agent, for carriers parties to schedule listed below.

Commodities involved: Sulphuric acid, in tank-car loads.

From: Baton Rouge and North Baton Rouge, La.

To: Foley Fla.

Grounds for relief: Competition with rail carriers, circuitous routes, and additional routes.

Schedules filed containing proposed rates: C. A. Spaninger, Agent, I. C. C. No. 1357, Supp. 62.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emer-

