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## TITLE 17—COMMODITY AND SECURITIES EXCHANGES

### Chapter II—Securities and Exchange Commission

#### PART 240—GENERAL RULES AND REGULATIONS UNDER THE SECURITIES EXCHANGE ACT OF 1934

#### SUSPENSION AND EXPULSION OF EXCHANGE MEMBERS

The following correction should be made in the document published September 20, 1955, issue of the FEDERAL REGISTER (20 F. R. 7036) by the addition of a headnote reading "Suspension and Expulsion of Exchange Members" preceding the text of § 240.19a3-1 (Rule X-19A3-1)

By the Commission.

[SEAL] ORVAL L. DuBOIS,  
Secretary.

NOVEMBER 7, 1955.

[F. R. Doc. 55-9148; Filed, Nov. 14, 1955; 8:47 a. m.]

## TITLE 14—CIVIL AVIATION

### Chapter I—Civil Aeronautics Board

[Reg. SR-400A]

#### PART 40—SCHEDULED INTERSTATE AIR CARRIER CERTIFICATION AND OPERATION RULES

#### PART 61—SCHEDULED AIR CARRIER RULES SPECIAL CIVIL AIR REGULATION; ISSUANCE OF AIR CARRIER OPERATING CERTIFICATES FOR HELICOPTER OPERATIONS

Adopted by the Civil Aeronautics Board at its office in Washington, D. C., on the 8th day of November 1955.

Special Civil Air Regulation No. SR-400, adopted January 25, 1954, effective January 25, 1954, and due to terminate on January 25, 1956, continued and enlarged in scope the authority contained in SR-369 which established an interim regulatory basis for helicopter operations until such time as the Board could complete its preparation of rules governing air carrier helicopter operations. SR-400 gave authority to the Administrator to issue air carrier operating certificates permitting deviations from Parts 40 and 61, as in effect on December 31, 1953, for scheduled air carrier helicopter operations.

The Board in formulating rules governing helicopter operations circulated to the public, for comment, proposed Part 46 entitled "Scheduled Air Carrier Helicopter Certification and Operation Rules." In consideration of the many replies received from interested persons on the proposed part, the Board has revised its proposal to include certain of the suggestions and recommendations received and proposes to recirculate proposed Part 46, for additional comment, by interested persons, in the immediate future. Since the Board contemplates a 60-day period for return comment on proposed Part 46, it is not possible to complete rule making in this matter before the termination date of SR-400. Therefore, it is necessary to extend the authority of the Administrator as provided in SR-400 until air carrier helicopter regulations are adopted by the Board.

While section-4 (a) of the Administrative Procedure Act ordinarily requires general notice of proposed rule-making, the Board believes that in this case good cause exists making it unnecessary to give public notice of the adoption of this Special Civil Air Regulation since interested persons have already had opportunity to comment on both SR-369 and SR-400 before being adopted by the Board and because the public has recently had opportunity to comment on proposed Part 46, and soon will have opportunity to comment on it again.

Therefore, the Board finds that good cause exists to adopt Special Civil Air Regulation No. SR-400A without notice of proposed rule making and that the interests of the public will not be adversely affected thereby, and that economy of time and expense will be achieved, all in the interest of the public.

In consideration of the foregoing, the Civil Aeronautics Board hereby makes and promulgates the following Special Civil Air Regulation, effective January 25, 1956:

An air carrier operating certificate, or amendments thereto, may be issued by the Administrator to an air carrier for the purpose of engaging in helicopter operations in accordance with the certification requirements of Part 40 of the Civil Air Regulations. Such helicopter operations shall be conducted in accordance with the operation requirements of Part 61 of the Civil Air Regulations. If the Administrator finds that

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| any of the requirements of Parts 40 and 61 can be omitted or modified without adversely affecting safety, the Administrator may approve such omissions or modifications and they shall be listed in the air carrier operations specifications. The Administrator shall promptly notify the Board of the omissions or modifications approved by him and the reasons therefor.  |                               |
| All references herein to Parts 40 and 61 are to those parts as in effect on December 31, 1953.  |                               |
| This Special Civil Air Regulation supersedes Special Civil Air Regulation No. SR-400 and shall terminate upon promulgation by the Board of Part 46 to the Civil Air Regulations entitled "Scheduled Air Carrier Helicopter Certification and Operation Rules," unless sooner superseded or rescinded by the Board.  |                               |
| (Sec. 205, 52 Stat. 984; 49 U. S. C. 425a. Interpret or apply secs. 601, 604, 605, 52 Stat. 1007 as amended, 1010, as amended; 49 U. S. C. 551, 554, 555)   |                               |
| By the Civil Aeronautics Board.   |                               |
| [SEAL]  | M. C. MULLIGAN,<br>Secretary. |
| [F R. Doc. 55-9159; Filed, Nov. 14, 1955; 8:40 a. m.]   |                               |
| <b>Chapter II—Civil Aeronautics Administration, Department of Commerce</b>  |                               |
| [Amdt. 141]   |                               |
| PART 608—RESTRICTED AREAS   |                               |
| ALTERATIONS   |                               |
| The restricted area alterations appearing hereinafter have been coordinated with the civil operators involved, the Army, the Navy, and the Air Force, through the Air Coordinating Committee, Airspace Panel, and are adopted to become effective when indicated in order to promote safety of the flying public. Since a military function of the United States is involved, compliance with the notice, procedure, and effective date, provisions of section 4 of the Administrative Procedure Act is not required. |                               |
| Part 608 is amended as follows:   |                               |
| 1. In § 608.19, the Camp Gordon, Georgia, area (R-124, formerly D-124), amended on October 31, 1951, in 16 F R. 11066, is further amended by changing the "Designated Altitudes" column to read: "Surface to 5500 feet MSL."  |                               |
| 2. In § 608.62, a Waikane, Oahu, Territory of Hawaii, area (R-496) is added to read.  |                               |

| Name and location (chart)         | Description by geographical coordinates  | Designated altitudes       | Time of designation         | Controlling agency  |
|-----------------------------------|--|----------------------------|-----------------------------|---|
| WAIKANE (R-496) (Honolulu Local). | Latitude 21°29'49" N, longitude 157°51'49" W; latitude 21°30'35" N, longitude 157°52'03" W; latitude 21°30'53" N, longitude 157°52'41" W; latitude 21°31'07" N, longitude 157°53'23" W; latitude 21°30'39" N, longitude 157°53'27" W; latitude 21°29'43" N, longitude 157°53'03" W; latitude 21°29'35" N, longitude 157°52'41" W; to point of beginning. | 5,000 feet mean sea level. | Continuous, daylight hours. | Commanding General, Fleet Marine Force Pacific N. S., Pearl Harbor, T. H. |

In § 608.14, the Camp Beale, California, area (R-65 formerly D-265) amended on October 9, 1954 in 19 F. R. 6513, is redesignated as follows: Beginning at latitude 39°15'00", longitude 121°09'00"; thence to latitude 39°00'00", longitude 121°09'00"; thence to latitude 39°00'00" longitude 121°15'00"; thence to latitude 39°01'20", longitude 121°20'00"; thence to latitude 39°09'00", longitude 121°20'00"; thence to latitude 39°09'00" longitude 121°29'10"; thence to latitude 39°15'00" longitude 121°30'00", thence to point of beginning.

(Sec. 205, 52 Stat. 984, as amended; 49 U. S. C. 425. Interprets or applies sec. 601, 52 Stat. 1007, as amended; 49 U. S. C. 551)

This amendment shall become effective December 1, 1955.

[SEAL] F. B. LEE,  
Administrator of Civil Aeronautics.

[F. R. Doc. 55-9138; Filed, Nov. 14, 1955; 8:45 a. m.]

**TITLE 50—WILDLIFE**

**Chapter I—Fish and Wildlife Service, Department of the Interior**

**PART 17—LIST OF AREAS**

**NATIONAL WILDLIFE REFUGES**

**EDITORIAL NOTE:** For order affecting the tabulation in § 17.3, see Public Land Order 1249 in the Appendix to Title 43, Chapter I, *supra*, reserving public lands as Lenore Game Range and revoking Executive Order No. 7510 which established Lenore Lake Migratory Bird Refuge.

**TITLE 43—PUBLIC LANDS: INTERIOR**  
**Chapter I—Bureau of Land Management, Department of the Interior**

**Appendix C—Public Land Orders**

[Public Land Order 1249]

[Misc. 1600359]

**WASHINGTON**

**RESERVING PUBLIC LANDS AS LENORE GAME RANGE; REVOKING EXECUTIVE ORDER NO. 7510 OF DECEMBER 11, 1936, WHICH ESTABLISHED LENORE LAKE MIGRATORY BIRD REFUGE**

By virtue of the authority vested in the President and pursuant to Executive Order No. 10355 of May 26, 1952, and the act of March 10, 1934, as amended by the act of August 14, 1946 (48 Stat. 401, 60 Stat. 1080; 16 U. S. C. 661-666c), it is ordered as follows:

Subject to valid existing rights, the following-described public lands in Washington are hereby withdrawn from all forms of appropriation under the public-land laws, including the mining but not the mineral-leasing laws, and reserved under the jurisdiction of the Department of the Interior for use of the Department of Game of the State of Washington as the Lenore Game Range, under such conditions as may be prescribed by the Secretary of the Interior:

**WILLAMETTE MERIDIAN**

- T. 22 N., R. 26 E., Sec. 2, lot 1, SE¼NE¼.
- T. 23 N., R. 26 E., Sec. 1; Sec. 2, lots 1 and 5, SE¼NE¼, N¼SE¼,

- SW¼SE¼.
- Sec. 11, lots 1 to 4, inclusive, S¼NW¼, NE¼SW¼, SW¼SW¼.
- Sec. 12, lots 1 to 4, inclusive, NE¼NE¼, S¼NE¼, SE¼SW¼, N¼SE¼, SW¼SE¼.
- Sec. 13, lot 1, NE¼NW¼, S¼NW¼, N¼SW¼, SW¼SW¼.
- Sec. 14, lots 1 to 5, inclusive, lot 7, NW¼NW¼, NW¼SW¼.
- Sec. 22, NE¼NE¼.
- Sec. 23, lots 2, 3, 6 and 7;
- Sec. 24, NW¼NW¼, S¼NW¼, N¼SW¼.
- Sec. 25, E¼W¼.
- Sec. 26, lots 2, 3, 6 and 7;
- Sec. 27, SE¼NE¼, NE¼SE¼.
- T. 23 N., R. 27 E., Sec. 6, lots 1 to 6, inclusive, SW¼NE¼, SE¼NW¼, E¼SW¼, SE¼.
- T. 24 N., R. 27 E., Sec. 2, SE¼SE¼.
- Sec. 10, lots 2 and 3, NE¼, NE¼NW¼, NE¼SW¼, SW¼SW¼.
- Sec. 11, N¼N¼.
- Sec. 14;
- Sec. 15, lots 3, 4 and 5, NW¼NW¼, SE¼SW¼, S¼SE¼.
- Sec. 17, SE¼SE¼.
- Sec. 20, lots 1 to 4, inclusive, NW¼NE¼, NE¼NW¼, NE¼SW¼.
- Sec. 21, lots 1 and 2, NE¼NE¼SW¼, S¼NE¼SW¼, S¼SW¼, SE¼.
- Sec. 22, lot 1, E¼NW¼, NE¼SW¼.
- Sec. 28, NE¼, E¼NW¼, SW¼.
- Sec. 29, lots 2 and 3;
- Sec. 30, lot 4, SE¼SW¼, NE¼SE¼, SW¼SE¼.
- Sec. 31, lot 1, SE¼SE¼.
- Sec. 32, S¼SW¼, SW¼SE¼.
- Sec. 33, SW¼NE¼, E¼NW¼.

The areas described aggregate 6,200.70 acres.

Executive Order No. 7510 of December 11, 1936, establishing the Lenore Lake Migratory Bird Refuge in Washington, the name of which was changed to Lenore Lake National Wildlife Refuge by Proclamation No. 2416 of July 25, 1940, is hereby revoked.

This order shall take precedence over but not otherwise affect existing withdrawals for reclamation purposes so far as they affect any of the lands.

WESLEY A. D'EWART,

Assistant Secretary of the Interior.

NOVEMBER 7, 1955.

[F. R. Doc. 55-9140; Filed, Nov. 14, 1955; 8:45 a. m.]

**PROPOSED RULE MAKING**

**DEPARTMENT OF THE TREASURY**

**Internal Revenue Service**

**[ 26 CFR (1954) Part 1 ]**

**INCOME TAX; TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1953**

**CAPITAL GAINS AND LOSSES**

Notice is hereby given, pursuant to the Administrative Procedure Act, approved June 11, 1946, that 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 section 7805 of the Internal Revenue Code of 1954 (68A Stat. 917; 26 U. S. C. 7805)

[SEAL]

O. GORDON DELLS,  
Acting Commissioner  
of Internal Revenue.

The following regulations relating to capital gains and losses are hereby prescribed under parts I, II, and III of sub-

chapter P of chapter 1 of the Internal Revenue Code of 1954, and are effective for the taxable years beginning after December 31, 1953, and ending after August 16, 1954.

**CAPITAL GAINS AND LOSSES**

**TREATMENT OF CAPITAL GAINS**

**§ 1.1201 Statutory provisions; alternative tax.**

Sec. 1201. *Alternative tax—(a) Corporations.* If for any taxable year the net long-term capital gain of any corporation exceeds the net short-term capital loss, then, in lieu of the tax imposed by sections 11, 511, 821 (a) (1) or (b), and 831 (a), there is hereby imposed a tax (if such tax is less than the

tax imposed by such sections) which shall consist of the sum of—

(1) A partial tax computed on the taxable income reduced by the amount of such excess, at the rates and in the manner as if this subsection had not been enacted, and

(2) An amount equal to 25 percent of such excess, or, in the case of a taxable year beginning before April 1, 1954, an amount equal to 26 percent of such excess.

In the case of a taxable year beginning before April 1, 1954, the amount under paragraph (2) shall be determined without regard to section 21 (relating to effect of change of tax rates).

(b) *Other taxpayers.* If for any taxable year the net long-term capital gain of any taxpayer (other than a corporation) exceeds the net short-term capital loss, then, in lieu of the tax imposed by sections 1 and 511, there is hereby imposed a tax (if such tax is less than the tax imposed by such sections) which shall consist of the sum of—

(1) A partial tax computed on the taxable income reduced by an amount equal to 50 percent of such excess, at the rate and in the manner as if this subsection had not been enacted, and

(2) An amount equal to 25 percent of the excess of the net long-term capital gain over the net short-term capital loss.

§ 1.1201-1 *Alternative tax*—(a) *Corporations.* In case the net long-term capital gain of any corporation exceeds the net short-term capital loss, section 1201 (a) imposes an alternative tax in lieu of the tax imposed by sections 11, 511, 821 (a) (1) or (b) and 831 (a) if and only if such alternative tax is less than the tax imposed by such sections. The alternative tax is not in lieu of the personal holding company tax imposed by section 541, or of any other tax not specifically set forth in section 1201 (a). The alternative tax is the sum of (1) a partial tax computed at the rates provided by sections 11, 511, 821 (a) (1) or (b) and 831 (a) on the taxable income of the taxpayer decreased by the amount of the excess of the net long-term capital gain over the net short-term capital loss, and (2) an amount equal to 25 percent of such excess or, in the case of a taxable year beginning before April 1, 1954, an amount equal to 26 percent of such excess. In the computation of the partial tax the special deductions provided for in sections 243, 244, 245, 247, 922, and 941 shall be determined with reference to the taxable income, which for the purpose of computing the tax due without regard to section 1201, is determined under sections 246, 247, 922, and 941, reduced by the excess of net long-term capital gain over net short-term capital loss.

(b) *Other taxpayers.* In case the net long-term capital gain of a taxpayer (other than a corporation) exceeds the net short-term capital loss, section 1201 (b) imposes an alternative tax in lieu of the tax imposed by sections 1 and 511, if and only if such alternative tax is less than the tax imposed by sections 1 and 511. The alternative tax is not in lieu of any other tax not specifically set forth in section 1201 (b). The alternative tax is the sum of—

(1) A partial tax, computed at the rates provided by sections 1 and 511 on the taxable income reduced by an amount equal to 50 percent of the excess of the net long-term capital gain over the net short-term capital loss, plus

(2) 25 percent of the excess of the net long-term capital gain over the net short-term capital loss.

See § 1.1-3 for rule relating to the computation of the limitation on tax under section 1 (c) in cases where the alternative tax is imposed. See § 1.34-2 (a) for rule relating to the computation of the dividend received credit under section 34 and § 1.35-1 (a) for rule relating to the computation of credit for partially tax-exempt interest under section 35 in cases where the alternative tax is imposed.

(c) *Tax-exempt trusts and organizations.* In applying section 1201 in the case of tax-exempt trusts or organizations subject to the tax imposed by section 511, the only amount which is taken into account as capital gain or loss is that which is taken into account in computing unrelated business taxable income under section 512. Under section 512, the only amount taken into account as capital gain or loss is that resulting from the application of section 631 (a) relating to the election to treat the cutting of timber as a sale or exchange.

(d) *Joint returns.* In the case of a joint return, the excess of any net long-term capital gain over any net short-term capital loss is to be determined by combining the long-term capital gains and losses and the short-term capital gains and losses of the spouses.

(e) *Application of section.* The following example illustrates the application of the provisions of section 1201 and of this section in the case of an individual taxpayer.

*Example.* A, a single individual, has for the calendar year 1954 taxable income (exclusive of net capital gain) of \$99,400. He realizes in 1954 a gain of \$50,000 on the sale of a capital asset held for 19 months and sustains a loss of \$20,000 on the sale of a capital asset held for five months. Since the alternative tax is less than the tax otherwise computed under section 1, the tax payable is the alternative tax, that is \$74,298. The tax is computed as follows:

| <i>Tax Under Section 1</i>   |           |
|--|-----------|
| Taxable income exclusive of net capital gain.....  | \$99,400  |
| Net long-term capital gain (100 percent of \$50,000) -   | \$50,000  |
| Net short-term capital loss (100 percent of \$20,000) -  | 20,000    |
| Excess of net long-term capital gain over the net short-term capital loss.....   | 30,000    |
|  | 129,400   |
| Deduction of 50 percent of excess of net long-term capital gain over the net short-term capital loss (section 1202)..... | 15,000    |
|  | 114,400   |
| <i>Taxable Income</i>  |           |
| Tax under section 1.....   | \$80,136  |
| <i>Alternative Tax Under Section 1201 (b)</i>  |           |
| Taxable income.....  | \$114,400 |
| Less 50 percent of excess of net long-term capital gain over net short-term capital loss (section 1201 (b) (1)).....     | 15,000    |

|   |          |
|---|----------|
| Taxable income less net capital gain.....   | \$99,400 |
| Partial tax (tax on \$99,400).....          | 69,798   |
| Plus 25 percent of \$30,000.....            | 7,500    |
|   | 77,298   |
| Alternative tax under section 1201 (b)..... | 74,298   |

§ 1.1202 *Statutory provisions; deduction for capital gains.*

Sec. 1202. *Deduction for capital gains.* In the case of a taxpayer other than a corporation, if for any taxable year the net long-term capital gain exceeds the net short-term capital loss, 50 percent of the amount of such excess shall be a deduction from gross income. In the case of an estate or trust, the deduction shall be computed by excluding the portion (if any), of the gains from the taxable year from sales or exchanges of capital assets, which, under sections 652 and 662 (relating to inclusions of amounts in gross income of beneficiaries of trusts); is includible by the income beneficiaries as gain derived from the sale or exchange of capital assets.

§ 1.1202-1 *Deduction for capital gains.*

(a) In computing gross income, adjusted gross income, taxable income, net capital gain, and net capital loss, 100 percent of any gain or loss (computed under section 1001, recognized under section 1002, and taken into account without regard to sections 1201-1241, inclusive,) upon the sale or exchange of a capital asset shall be taken into account regardless of the period for which the capital asset has been held. Nevertheless, the net short-term capital gain or loss and the net long-term capital gain or loss must be separately computed. In computing the adjusted gross income or the taxable income of a taxpayer other than a corporation, if for any taxable year the net long-term capital gain exceeds the net short-term capital loss, 50 percent of the amount of the excess is allowable as a deduction from gross income under section 1202.

(b) For the purpose of computing the deduction allowable under section 1202 in the case of an estate or trust, any long-term or short-term capital gains which, under sections 652 and 662, are includible in the gross income of its income beneficiaries as gains derived from the sale or exchange of capital assets must be excluded in determining whether, for the taxable year of the estate or trust, its net long-term capital gain exceeds its net short-term capital loss. To determine the extent to which such gains are includible in the gross income of a beneficiary, see the regulations under sections 652 and 662. For example, during 1954 a trust realized a gain of \$1,000 upon the sale of stock held for 10 months. Under the terms of the trust instrument all of such gain must be distributed during the taxable year to A, the sole income beneficiary. Assuming that under section 652 or 662 A must include all of such gain in his gross income, the trust is not entitled to any deduction with respect to such gain under section 1202. Assuming A had no other capital gains or losses for 1954, he would be entitled to a deduction of \$500 under section 1202. For purposes of this section, an income beneficiary shall be any beneficiary to whom an amount is required

to be distributed, or is paid or credited, which is includible in his gross income.

(c) The provisions of this section may be illustrated by the following example:

*Example.* A, an individual, had the following transactions in 1954:

|  |         |         |
|--|---------|---------|
| Long-term capital gain.....  | \$6,000 |         |
| Long-term capital loss.....  | 4,000   |         |
| Net long-term capital gain.....  |         | \$2,000 |
| Short-term capital loss.....   | 1,800   |         |
| Short-term capital gain.....   | 300     |         |
| Net short-term capital loss.....   |         | 1,500   |
| Excess of net long-term capital gain over net short-term capital loss..... |         | 500     |

Since the net long-term capital gain exceeds the net short-term capital loss by \$500, 50 percent of the excess, or \$250, is allowable as a deduction under section 1202.

**TREATMENT OF CAPITAL LOSSES**

**§ 1.1211 Statutory provisions; limitation on capital losses.**

**Sec. 1211. Limitation on capital losses—**  
(a) *Corporations.* In the case of a corporation, losses from sales or exchanges of capital assets shall be allowed only to the extent of gains from such sales or exchanges.

(b) *Other taxpayers.* In the case of a taxpayer other than a corporation, losses from sales or exchanges of capital assets shall be allowed only to the extent of the gains from such sales or exchanges, plus the taxable income of the taxpayer or \$1,000, whichever is smaller. For purposes of this subsection, taxable income shall be computed without regard to gains or losses from sales or exchanges of capital assets and without regard to the deductions provided in section 151 (relating to personal exemptions) or any deduction in lieu thereof. If the taxpayer elects to pay the optional tax imposed by section 3, "taxable income" as used in this subsection shall be read as "adjusted gross income".

**§ 1.1211-1 Limitation on capital losses.** (a) Section 1211 (a) provides that, in the case of a corporation, losses from sales or exchanges of capital assets shall be allowed as deductions only to the extent of the gains from such sales or exchanges, and section 1211 (b) provides that, in the case of a taxpayer other than a corporation, losses from sales or exchanges of capital assets shall be allowed as a deduction only to the extent of the gains from such sales or exchanges, plus the taxable income of the taxpayer or \$1,000, whichever is smaller. For purposes of section 1211 (b) taxable income is to be computed without regard to gains or losses from sales or exchanges of capital assets and without regard to the deductions provided in section 151 (relating to personal exemptions) or any deduction in lieu thereof. For example, the deductions available to estates and trusts under section 642 (b) are in lieu of the deductions allowed under section 151, and, in the case of estates and trusts, are to be added back to taxable income for the purposes of section 1211 (b).

(b) The provisions of section 1211 (b) may be illustrated by the following examples:

*Example (1).* A, an individual with one exemption allowable as a deduction under section 151, has the following transactions in 1954:

|   |         |
|---|---------|
| Taxable income exclusive of capital gains and losses..... | \$4,400 |
| Deductions provided in section 151.....                   | 600     |
| Taxable income for purposes of section 1211 (b).....      | 5,000   |

|   |         |
|---|---------|
| Long-term capital gain.....                   | \$1,000 |
| Long-term capital loss.....                   | 5,300   |
| Net long-term capital loss.....               | 4,300   |
| Amount deductible under section 1211 (b)..... | 1,000   |

*Example (2).* B, an individual with one exemption allowable as a deduction under section 151, has the following transactions in 1954:

|   |       |
|---|-------|
| Taxable income exclusive of capital gains and losses..... | \$300 |
| Deductions provided in section 151.....                   | 600   |

|  |         |
|--|---------|
| Taxable income for purposes of section 1211 (b)..... | \$300   |
| Long-term capital gain.....                          | \$1,000 |
| Long-term capital loss.....                          | 5,200   |

|   |       |
|---|-------|
| Net long-term capital loss.....               | 4,200 |
| Amount deductible under section 1211 (b)..... | 690   |

In example (1), the net long-term capital loss of \$4,300 is allowable in 1954 only to the extent of \$1,000 since the latter amount is smaller than the taxable income of \$5,000. The remaining \$3,300 of the net long-term capital loss becomes a net capital loss to be carried over to succeeding years. In example (2), since taxable income for purposes of section 1211 (b) is \$690 and since that amount is smaller than the \$4,200 net long-term capital loss and is less than \$1,000, only \$690 of the net long-term capital loss of \$4,200 is allowable in 1954, leaving a net capital loss of \$3,510 to be carried over. For carryover of a net capital loss, see § 1.1212-1.

(c) See section 582 (c) for modification of the limitation under section 1211 (a) in the case of a bank, as defined in section 581.

(d) In the case of a joint return, the limitation under section 1211 (b), relating to the allowance of losses from sales or exchanges of capital assets, is to be computed and the net capital loss determined with respect to the combined taxable income and the combined gains and losses of the spouses.

(e) In case the tax is computed under section 3 (relating to optional tax if adjusted gross income is less than \$5,000) the term "taxable income" as used in section 1211 (b) shall be read as "adjusted gross income"

**§ 1.1212 Statutory provisions; capital loss carryover**

**Sec. 1212. Capital loss carryover.** If for any taxable year the taxpayer has a net capital loss, the amount thereof shall be a short-term capital loss in each of the 5 succeeding taxable years to the extent that such amount exceeds the total of any net capital

gains of any taxable years intervening between the taxable year in which the net capital loss arose and such succeeding taxable year. For purposes of this section, a net capital gain shall be computed without regard to such net capital loss or to any net capital losses arising in any such intervening taxable years, and a net capital loss for a taxable year beginning before October 20, 1951, shall be determined under the applicable law relating to the computation of capital gains and losses in effect before such date.

**§ 1.1212-1 Net capital loss carryover.**

(a) Any taxpayer sustaining a net capital loss may, under section 1212, carry over such loss to each of the five succeeding taxable years and treat it in each of such five succeeding taxable years as a short-term capital loss to the extent not allowed as a deduction against any net capital gains of any taxable years intervening between the taxable year in which the net capital loss was sustained and the taxable year to which carried. The carryover is thus applied in each succeeding taxable year to offset any net capital gain in such succeeding taxable year. The amount of the net capital loss carryover may not be included in computing a new net capital loss of a taxable year which can be carried forward to the next five succeeding taxable years. Under section 1212, a net capital loss for a taxable year beginning before October 20, 1951, is to be determined under the applicable law relating to the computation of capital gains and losses in effect before such date. Thus, where the applicable law for a taxable year beginning before October 20, 1951, provided that only certain percentages of the gain or loss recognized upon the sale or exchange of a capital asset should be taken into account in computing net capital loss, such percentages are to be taken into account in computing net capital loss for any such taxable year under section 1212. In the case of non-resident alien individuals not engaged in trade or business within the United States, see section 871 and the regulations thereunder for special rules on capital loss carryovers.

(b) The practical operation of the provisions of section 1212 may be illustrated by the following example:

*Example.* (1) For the taxable years 1952 to 1956, inclusive, an individual with one exemption allowable under section 151 (or corresponding provision of prior law) is assumed to have a net short-term capital loss, net short-term capital gain, net long-term capital loss, net long-term capital gain, and taxable income (net income for 1952 and 1953) as follows:

|  | 1952       | 1953       | 1954       | 1955       | 1956       |
|--|------------|------------|------------|------------|------------|
| Carryover from prior years:  |            |            |            |            |            |
| From 1952.....   |            | (\$20,000) | (\$29,500) | (\$29,500) |            |
| From 1954.....   |            |            |            | (19,500)   | (\$13,000) |
| Net short-term loss (computed without regard to the carryovers).....   | (\$20,000) | (5,000)    | (10,000)   |            |            |
| Net short-term gain (computed without regard to the carryovers).....   |            |            |            | 40,000     |            |
| Net long-term loss.....  | (20,500)   |            | (10,000)   | (5,000)    |            |
| Net long-term gain.....  |            | 25,000     |            |            | 15,000     |
| Net income or taxable income, computed without regard to capital gains and losses, and, after 1953, without regard to the deduction provided by section 151..... | 500        | 500        | 500        | 1,000      | 500        |
| Net capital gain (computed without regard to the carryovers).....  |            | 20,500     | (19,500)   | 25,000     |            |
| Net capital loss.....  | (20,000)   |            |            |            |            |
| Deduction allowable under section 1202.....  |            |            | None       | None       | 1,000      |
| Taxable income (after deductions allowable under sections 151 and 1202).....   |            |            | None       | None       | 500        |

(2) *Net capital loss of 1952.* The net capital loss is \$50,000. This figure is the excess of the losses from sales or exchanges of capital assets over the sum of (i) gains (in this case, none) from such sales or such exchanges, and (ii) net income (computed without regard to capital gains and losses) of \$500. This amount may be carried forward in full as a short-term loss to 1953. However, in 1953 there was a net capital gain of \$20,500, as defined by section 117 (a) (10) (B) of the Internal Revenue Code of 1939, and limited by section 117 (e) (1) of the 1939 Code, against which this net capital loss of \$50,000 is allowed in part. The remaining portion—\$29,500—may be carried forward to 1954 and 1955 since there was no net capital gain in 1954. In 1955 this \$29,500 is allowed in full against net capital gain of \$36,000, as defined by section 1222 (9) (B) and limited by section 1212.

(3) *Net capital loss of 1954.* The net capital loss is \$19,500. This figure is the excess of the losses from sales or exchanges of capital assets over the sum of (i) gains (in this case, none) from such sales or exchanges and (ii) taxable income (computed without regard to capital gains and losses and the deductions provided in section 151) of \$500. This amount may be carried forward in full as a short-term loss to 1955. The net capital gain in 1955, before deduction of any carryovers, is \$36,000. The \$29,500 balance of the 1953 loss is first applied against the \$36,000, leaving a balance of \$6,500. Against this amount the \$19,500 loss arising in 1954 is applied, leaving a loss of \$13,000, which may be carried forward to 1956. Since this amount is treated as a short-term capital loss in 1956 under section 1212, the excess of the net-long-term capital gain over the net short-term capital loss is \$2,000 (\$15,000 minus \$13,000). Half of this excess is allowable as a deduction under section 1202. Thus, after also deducting the exemption allowed as a deduction under section 151 (\$600) the taxpayer has a taxable income of \$900 for 1956.

(c) The following rules shall be applied in computing net capital loss carryovers by husband and wife: If a husband and wife making a joint return for any taxable year made separate returns for the preceding year, any net capital loss carryover of each spouse from such preceding taxable year may be carried forward to the taxable year as a short-term capital loss to the extent provided by section 1212. If a joint return was made for the preceding taxable year, any net capital loss carryover from such preceding taxable year may be carried forward to the taxable year as a short-term capital loss to the extent provided by section 1212. If a husband and wife making separate returns for any taxable year made a joint return for the preceding taxable year, any net capital loss carryover from such preceding taxable year shall be allocated to the spouses on the basis of their individual net capital losses which gave rise to such net capital loss carryover, and the net capital loss carryover so allocated to each spouse may be carried forward by such spouse to the taxable year as a short-term capital loss to the extent provided in section 1212. If, however, separate returns were also made for the preceding taxable year, any net capital loss carryover of each spouse from such preceding taxable year may be carried forward by such spouse to the taxable year as a short-term capital loss to the extent provided in section 1212. Thus, if H and W husband and wife, make a joint return for 1955, hav-

ing made separate returns for 1954 in which H had a net capital loss of \$3,000 and W had a net capital loss of \$2,000, in their joint return for 1955 they would have a short-term capital loss of \$5,000 (the sum of their separate net capital loss carryovers from 1954), allowable to the extent provided by section 1212. If, on the other hand, they make separate returns in 1955 following a joint return in 1954 in which their net capital loss was \$5,000 allocable \$3,000 to H and \$2,000 to W the carryover of H as a short-term capital loss for the purpose of his 1955 separate return would be \$3,000 and that of W for her separate return would be \$2,000, each allowable to the extent provided by section 1212.

#### GENERAL RULES FOR DETERMINING CAPITAL GAINS AND LOSSES

##### § 1.1221 *Statutory provisions; capital asset defined.*

SEC. 1221. *Capital asset defined.* For purposes of this subtitle, the term "capital asset" means property held by the taxpayer (whether or not connected with his trade or business), but does not include—

(1) Stock in trade of the taxpayer or other property of a kind which would properly be included in the inventory of the taxpayer if on hand at the close of the taxable year, or property held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business;

(2) Property, used in his trade or business, of a character which is subject to the allowance for depreciation provided in section 167, or real property used in his trade or business;

(3) A copyright, a literary, musical, or artistic composition, or similar property, held by—

(A) A taxpayer whose personal efforts created such property, or

(B) A taxpayer in whose hands the basis of such property is determined, for the purpose of determining gain from a sale or exchange, in whole or in part by reference to the basis of such property in the hands of the person whose personal efforts created such property;

(4) Accounts or notes receivable acquired in the ordinary course of trade or business for services rendered or from the sale of property described in paragraph (1); or

(5) An obligation of the United States or any of its possessions, or of a State or Territory, or any political subdivision thereof, or of the District of Columbia, issued on or after March 1, 1941, on a discount basis and payable without interest at a fixed maturity date not exceeding one year from the date of issue.

§ 1.1221-1 *Meaning of terms.* (a) The term "capital assets" includes all classes of property not specifically excluded by section 1221. In determining whether property is a "capital asset" the period for which held is immaterial.

(b) The exclusion from the term "capital assets" of property used in the trade or business of a taxpayer of a character which is subject to the allowance for depreciation provided in section 167 and of real property used in the trade or business of a taxpayer is limited to such property used by the taxpayer in the trade or business at the time of the sale, exchange, or involuntary conversion. Gains and losses from the sale or exchange of such property are not treated as gains and losses from the sale or exchange of capital assets, except to

the extent provided in section 1231. See § 1.1231-1. Property held for the production of income, but not used in a trade or business of the taxpayer, is not excluded from the term "capital assets" even though depreciation may have been allowed with respect to such property under section 23 (1) of the Internal Revenue Code of 1939 before its amendment by section 121 (c) of the Revenue Act of 1942. However, gain or loss upon the sale or exchange of land held by a taxpayer primarily for sale to customers in the ordinary course of his business, as in the case of a dealer in real estate, is not subject to the provisions of sections 1201-1241, inclusive.

(c) A copyright, a literary, musical, or artistic composition, and similar property are excluded from the term "capital assets" if held by a taxpayer whose personal efforts created such property, or if held by a taxpayer in whose hands the basis of such property is determined, for the purpose of determining gain from a sale or exchange, in whole or in part by reference to the basis of such property in the hands of the person whose personal efforts created such property. As to the application of section 1231 to the sale or exchange of such property held by such a taxpayer, see § 1.1231-1. For purposes of section 1221 (3) the phrase "similar property" includes, for example, such property as a theatrical production, a radio program, a newspaper cartoon strip, or any other property eligible for copyright protection (whether under statute or common law), but does not include a patent or an invention, or a design which may be protected only under the patent law and not under the copyright law.

(d) Section 1221 (4) excludes from the definition of "capital asset" accounts or notes receivable acquired in the ordinary course of trade or business for services rendered or from the sale of stock in trade or inventory or property held for sale to customers in the ordinary course of trade or business. Thus, if a taxpayer acquires a note receivable for services rendered, reports the fair market value of the note as income, and later sells the note for less than the amount previously reported, the loss is an ordinary loss. On the other hand, if the taxpayer later sells the note for more than the amount originally reported, the excess is treated as ordinary income.

(e) Obligations of the United States or any of its possessions, or of a State or Territory, or any political subdivision thereof, or of the District of Columbia, issued on or after March 1, 1941, on a discount basis and payable without interest at a fixed maturity date not exceeding one year from the date of issue, are excluded from the term "capital assets." An obligation may be issued on a discount basis even though the price paid exceeds the face amount. Thus, although the Second Liberty Bond Act (31 U. S. C. 754) provides that United States Treasury bills shall be issued on a discount basis, the issuing price paid for a particular bill may, by reason of competitive bidding, actually exceed the face amount of the bill. Since the obligations of the type described in this paragraph

are excluded from the term "capital assets" gains or losses from the sale or exchange of such obligations are not subject to the limitations provided in sections 1201-1241, inclusive. It is, therefore, not necessary for a taxpayer, other than a life insurance company subject to taxation only on interest, dividends, and rents, to segregate the original discount accrued (see section 454 (b)) and the gain or loss realized upon the sale or other disposition of any such obligation.

*Example (1).* A (not a life insurance company) buys a \$100,000, 90-day Treasury bill upon issuance for \$99,998. As of the close of the forty-fifth day of the life of such bill, he sells it to B (not a life insurance company) for \$99,999.50. The entire net gain to A of \$1.50 may be taken into account as a single item of income, without allocating \$1 to interest and \$0.50 to gain. If B holds the bill until maturity his net gain of \$0.50 may similarly be taken into account as a single item of income, without allocating \$1 to interest and \$0.50 to loss.

*Example (2).* The facts in this example are the same as in example (1) except that the selling price to B is \$99,998.50. The net gain to A of \$0.50 may be taken into account without allocating \$1 to interest and \$0.50 to loss, and, similarly, if B holds the bill until maturity his entire net gain of \$1.50 may be taken into account as a single item of income without allocating \$1 to interest and \$0.50 to gain.

#### § 1.1222 Statutory provisions; other terms relating to capital gains and losses.

Sec. 1222. Other terms relating to capital gains and losses. For purposes of this subtitle—

(1) *Short-term capital gain.* The term "short-term capital gain" means gain from the sale or exchange of a capital asset held for not more than 6 months, if and to the extent such gain is taken into account in computing gross income.

(2) *Short-term capital loss.* The term "short-term capital loss" means loss from the sale or exchange of a capital asset held for not more than 6 months, if and to the extent that such loss is taken into account in computing taxable income.

(3) *Long-term capital gain.* The term "long-term capital gain" means gain from the sale or exchange of a capital asset held for more than 6 months, if and to the extent such gain is taken into account in computing gross income.

(4) *Long-term capital loss.* The term "long-term capital loss" means loss from the sale or exchange of a capital asset held for more than 6 months, if and to the extent that such loss is taken into account in computing taxable income.

(5) *Net short-term capital gain.* The term "net short-term capital gain" means the excess of short-term capital gains for the taxable year over the short-term capital losses for such year.

(6) *Net short-term capital loss.* The term "net short-term capital loss" means the excess of short-term capital losses for the taxable year over the short-term capital gains for such year.

(7) *Net long-term capital gain.* The term "net long-term capital gain" means the excess of long-term capital gains for the taxable year over the long-term capital losses for such year.

(8) *Net long-term capital loss.* The term "net long-term capital loss" means the excess of long-term capital losses for the taxable year over the long-term capital gains for such year.

(9) *Net capital gain—(A) Corporations.* In the case of a corporation, the term "net

capital gain" means the excess of the gains from sales or exchanges of capital assets over the losses from such sales or exchanges.

(B) *Other taxpayers.* In the case of a taxpayer other than a corporation, the term "net capital gain" means the excess of—

(1) The sum of the gains from sales or exchanges of capital assets, plus taxable income (computed without regard to the deductions provided by section 151, relating to personal exemptions or any deduction in lieu thereof) of the taxpayer or \$1,000, whichever is smaller over

(2) The losses from such sales or exchanges.

For purposes of this subparagraph, taxable income shall be computed without regard to gains or losses from sales or exchanges of capital assets. If the taxpayer elects to pay the optional tax under section 3, the term "taxable income" as used in this subparagraph shall be read as "adjusted gross income."

(10) *Net capital loss.* The term "net capital loss" means the excess of the losses from sales or exchanges of capital assets over the sum allowed under section 1211. For the purpose of determining losses under this paragraph, amounts which are short-term capital losses under section 1212 shall be excluded.

§ 1.1222-1 Other terms relating to capital gains and losses. (a) The phrase "short-term" applies to the category of gains and losses arising from the sale or exchange of capital assets held for six months or less; the phrase "long-term" to the category of gains and losses arising from the sale or exchange of capital assets held for more than six months. The fact that some part of a loss from the sale or exchange of a capital asset may be finally disallowed because of the operation of section 1211 does not mean that such loss is not "taken into account in computing taxable income" within the meaning of that phrase as used in sections 1222 (2) and 1222 (4)

(b) In the definition of "net short-term capital gain", as provided in section 1222 (5) the amounts brought forward to the taxable year under section 1212 are short-term capital losses for such taxable year.

(c) Gains and losses from the sale or exchange of capital assets held for not more than six months (described as short-term capital gains and short-term capital losses) shall be segregated from gains and losses arising from the sale or exchange of such assets held for more than six months (described as long-term capital gains and long-term capital losses)

(d) In the case of a corporation, the term "net capital gain" means the excess of the gains from sales or exchanges of capital assets over the losses from such sales or exchanges, which losses include any amounts brought forward pursuant to section 1212. In the case of a taxpayer other than a corporation, the term "net capital gain" means the excess of (1) the sum of the gains from sales or exchanges of capital assets, plus taxable income (computed without regard to gains and losses from sales or exchanges of capital assets and without regard to the deductions provided by section 151, relating to personal exemptions, or any deductions in lieu thereof) of the taxpayer or \$1,000, whichever is smaller, over (2) the losses from such sales or

exchanges, which losses include amounts brought forward under section 1212. Thus, in the case of estates and trusts, taxable income for the purposes of section 1222 (9) (B) (1) shall be computed without regard to gains and losses from sales or exchanges of capital assets and without regard to the deductions allowed by section 642 (b) to estates and trusts in lieu of personal exemptions. In the case of a taxpayer whose tax liability is computed under section 3, the term "taxable income" for purposes of this paragraph, shall be read as "adjusted gross income." For application of the term "net capital gain," in computing the capital loss carryover under section 1212, see § 1.1212-1 (b)

(e) The term "net capital loss" means the excess of the losses from sales or exchanges of capital assets over the sum allowed under section 1211. However, amounts which are short-term capital losses under section 1212 are excluded in determining such "net capital loss"

(f) See section 165 (g) and section 166 (e), under which losses from worthless stocks, bonds, and other securities (if they constitute capital assets) are required to be treated as losses under sections 1201-1241 from the sale or exchange of capital assets, even though such securities are not actually sold or exchanged. See also section 1231 and § 1.1231-1 for the determination of whether or not gains and losses from the involuntary conversion of capital assets and from the sale, exchange, or involuntary conversion of certain property used in the trade or business shall be treated as gains and losses from the sale or exchange of capital assets. See also section 1236 and § 1.1236-1 for the determination of whether or not gains from the sale or exchange of securities by a dealer in securities shall be treated as capital gains, or whether losses from such sales or exchanges shall be treated as ordinary losses.

(g) In the case of nonresident alien individuals not engaged in trade or business within the United States, see section 871 and the regulations thereunder for the determination of the net amount of capital gains subject to tax.

#### § 1.1223 Statutory provisions; holding period of property.

Sec. 1223. Holding period of property. For purposes of this subtitle—

(1) In determining the period for which the taxpayer has held property received in an exchange, there shall be included the period for which he held the property exchanged if, under this chapter, the property has, for the purpose of determining gain or loss from a sale or exchange, the same basis in whole or in part in his hands as the property exchanged, and, in the case of such exchanges after March 1, 1954, the property exchanged at the time of such exchange was a capital asset as defined in section 1221 or property described in section 1231. For purposes of this paragraph—

(A) An involuntary conversion described in section 1033 shall be considered an exchange of the property converted for the property acquired, and

(B) A distribution to which section 355 (or so much of section 355 as relates to section 355) applies shall be treated as an exchange.

(2) In determining the period for which the taxpayer has held property however ac-

quired there shall be included the period for which such property was held by any other person, if under this chapter such property has, for the purpose of determining gain or loss from a sale or exchange, the same basis in whole or in part in his hands as it would have in the hands of such other person.

(3) In determining the period for which the taxpayer has held stock or securities received upon a distribution where no gain was recognized to the distributee under section 1081 (c) (or under section 112 (g) of the Revenue Act of 1928, 45 Stat. 818, or the Revenue Act of 1932, 48 Stat. 705), there shall be included the period for which he held the stock or securities in the distributing corporation before the receipt of the stock or securities on such distribution.

(4) In determining the period for which the taxpayer has held stock or securities the acquisition of which (or the contract or option to acquire which) resulted in the non-deductibility (under section 1091 relating to wash sales) of the loss from the sale or other disposition of substantially identical stock or securities, there shall be included the period for which he held the stock or securities the loss from the sale or other disposition of which was not deductible.

(5) In determining the period for which the taxpayer has held stock or rights to acquire stock received on a distribution, if the basis of such stock or rights is determined under section 307 (or under so much of section 1052 (c) as refers to section 113 (a) (23) of the Internal Revenue Code of 1939), there shall (under regulations prescribed by the Secretary or his delegate) be included the period for which he held the stock in the distributing corporation before the receipt of such stock or rights upon such distribution.

(6) In determining the period for which the taxpayer has held stock or securities acquired from a corporation by the exercise of rights to acquire such stock or securities, there shall be included only the period beginning with the date on which the right to acquire was exercised.

(7) In determining the period for which the taxpayer has held a residence, the acquisition of which resulted under section 1034 in the nonrecognition of any part of the gain realized on the sale or exchange of another residence, there shall be included the period for which such other residence had been held as of the date of such sale or exchange. For purposes of this paragraph, the term "sale or exchange" includes an involuntary conversion occurring after December 31, 1950, and before January 1, 1954.

(8) In determining the period for which the taxpayer has held a commodity acquired in satisfaction of a commodity futures contract there shall be included the period for which he held the commodity futures contract if such commodity futures contract was a capital asset in his hands.

(9) Any reference in this section to a provision of this title shall, where applicable, be deemed a reference to the corresponding provision of the Internal Revenue Code of 1939, or prior internal revenue laws.

(10) *Cross reference.* For special holding period provision relating to certain partnership distributions, see section 735 (b).

§ 1.1223-1 *Determination of period for which capital assets are held.* (a) The holding period of property received in an exchange by a taxpayer includes the period for which the property which he exchanged was held by him, if the property received has the same basis in whole or in part for determining gain or loss in the hands of the taxpayer as the property exchanged. However, this rule shall apply, in the case of exchanges after March 1, 1954, only if the

property exchanged was at the time of the exchange a capital asset in the hands of the taxpayer or property used in his trade or business as defined in section 1231 (b). For the purposes of this paragraph the term "exchange" includes the following transactions: (1) An involuntary conversion described in section 1033, and (2) a distribution to which section 355 (or so much of section 356 as relates to section 355) applies. Thus, if property acquired as the result of a compulsory or involuntary conversion of other property of the taxpayer has under section 1033 (c) the same basis in whole or in part in the hands of the taxpayer as the property so converted, its acquisition is treated as an exchange and the holding period of the newly acquired property shall include the period during which the converted property was held by the taxpayer. Thus, also, where stock of a controlled corporation is received by a taxpayer pursuant to a distribution to which section 355 (or so much of section 356 as relates to section 355) applies, the distribution is treated as an exchange and the period for which the taxpayer has held the stock of the controlled corporation shall include the period for which he held the stock of the distributing corporation with respect to which such distribution was made.

(b) The holding period of property in the hands of a taxpayer shall include the period during which the property was held by any other person, if such property has the same basis in whole or in part in the hands of the taxpayer for determining gain or loss from a sale or exchange as it would have in the hands of such other person. For example, the period for which property acquired by gift after December 31, 1920, was held by the donor must be included in determining the period for which the property was held by the taxpayer if, under the provisions of section 1015, such property has, for the purpose of determining gain or loss from the sale or exchange, the same basis in the hands of the taxpayer as it would have in the hands of the donor.

(c) In determining the period for which the taxpayer has held stock or securities received upon a distribution where no gain was recognized to the distributee under section 1081 (c) (or under section 112 (g) of the Revenue Act of 1928, 45 Stat. 818, or the Revenue Act of 1932, 48 Stat. 705) there shall be included the period for which he held the stock or securities in the distributing corporation before the receipt of the stock or securities on such distribution.

(d) If the acquisition of stock or securities resulted in the non-deductibility (under section 1091, relating to wash sales) of the loss from the sale or other disposition of substantially identical stock or securities, the holding period of the newly acquired securities shall include the period for which the taxpayer held the securities with respect to which the loss was not allowable.

(e) The period for which the taxpayer has held stock, or stock subscription rights, received on a distribution shall be determined as though the stock dividend, or stock right, as the case may be, were the stock in respect of which the

dividend was issued if the basis for determining gain or loss upon the sale or other disposition of such stock dividend or stock right is determined under section 307. If the basis of stock received by a taxpayer pursuant to a spin-off is determined under so much of section 1052 (c) as refers to section 113 (a) (23) of the Internal Revenue Code of 1939, and such stock is sold or otherwise disposed of in a taxable year which is subject to the Internal Revenue Code of 1954, the period for which the taxpayer has held the stock received in such spin-off shall include the period for which he held the stock of the distributing corporation with respect to which such distribution was made.

(f) The period for which the taxpayer has held stock or securities issued to him by a corporation pursuant to the exercise by him of rights to acquire such stock or securities from the corporation will, in every case and whether or not the receipt of taxable gain was recognized in connection with the distribution of the rights, begin with and include the day upon which the rights to acquire such stock or securities were exercised. A taxpayer will be deemed to have exercised rights received from a corporation to acquire stock or securities therein where there is an expression of assent to the terms of such rights made by the taxpayer in the manner requested or authorized by the corporation.

(g) The period for which the taxpayer has held a residence, the acquisition of which resulted under the provisions of section 1034 in the nonrecognition of any part of the gain realized on the sale or exchange of another residence, shall include the period for which such other residence had been held as of the date of such sale or exchange. See § 1.1034-1. For purposes of this paragraph, the term "sale or exchange" includes an involuntary conversion occurring after December 31, 1950, and before January 1, 1954.

(h) If a taxpayer accepts delivery of a commodity in satisfaction of a commodity futures contract, the holding period of the commodity shall include the period for which the taxpayer held the commodity futures contract, if such futures contract was a capital asset in his hands.

(i) If shares of stock in a corporation are sold from lots purchased at different dates or at different prices and the identity of the lots cannot be determined, the stock sold shall be charged against the earliest purchases of such stock for the purpose of determining the holding period of the stock.

(j) Any reference in section 1223 or this section to another provision of the Internal Revenue Code of 1954 is, where applicable, to be deemed a reference to the corresponding provision of the Internal Revenue Code of 1939, or prior internal revenue laws. The provisions of prior internal revenue laws here intended are the sections referred to in the sections of the 1939 Code which correspond to the sections of the 1954 Code referred to in section 1223. Thus, the sections corresponding to section 1081 (c) are section 371 (c) of the Revenue Act of 1938 and section 371 (c) of the 1939 Code. The sections corresponding

to section 1091 are section 118 of each of the following: The Revenue Acts of 1928, 1932, 1934, 1936, and 1938, and the 1939 Code.

[F. R. Doc. 55-9156; Filed, Nov. 14, 1955; 8:49 a. m.]

**DEPARTMENT OF AGRICULTURE**

**Agricultural Marketing Service**

**[ 7 CFR Part 53 ]**

**OFFICIAL UNITED STATES STANDARDS FOR GRADES OF CARCASS BEEF (STEER, HEIFER AND COW)**

**NOTICE OF PROPOSED RULE MAKING**

Notice is hereby given in accordance with Section 4 of the Administrative Procedure Act (5 U. S. C. 1003) that the Department of Agriculture, under the provisions of Sections 203 and 205 of the Agricultural Marketing Act of 1946 (7 U. S. C. 1622 and 1624) and the general language in the item for the Agricultural Marketing Service contained in the Department of Agriculture and Farm Credit Administration Appropriation Act, 1956 (69 Stat. 56-57), is considering amending the official United States standards for grades of carcass beef (steer, heifer and cow) (7 CFR 53.103, 53.104 (d)) by dividing the Commercial grade into two new grades designated as Standard and Commercial grades.

1. Section 53.103 would be amended to read as follows:

§ 53.103 *Standard grades for carcass beef.* There are eight grades for beef from steers and heifers, seven grades for beef from cows, and six grades of beef from bulls and stags. These are listed in the following schedule of grades.

**SCHEDULE—STANDARD MARKET CLASSES AND GRADES FOR DRESSED BEEF**

| Class                                | Grade   | Class          | Grade  |
|--------------------------------------|---|----------------|--|
| Steer, heifer, and cow. <sup>1</sup> | Prime, Choice, Good, Standard, Commercial, Utility, Cutter, Canner. | Bull and stag. | Choice, Good, Commercial, Utility, Cutter, Canner. |

<sup>1</sup> Cow beef is not eligible for Prime grade.

2. In § 53.104, paragraphs (d), (e), (f) and (g) would be redesignated (e), (f), (g), and (h), respectively.

3. A new paragraph (d) would be inserted in § 53.104 and redesignated paragraph (e) of § 53.104 would be amended, as follows:

(d) *Standard.* (1) Standard grade beef carcasses and wholesale cuts are rangy, angular and slightly thin fleshed throughout. Loins and ribs tend to be flat and are slightly thin fleshed. The rounds are moderately flat and tapering. Chucks are slightly flat and thinly fleshed. The fat covering of beef within this grade will vary slightly depending on the evidences of maturity of the cattle from which it was produced. Carcasses whose chine bones are soft and red and which terminate in soft pearly white cartilages have only a thin covering of ex-

ternal fat over the loins and ribs, practically no protrusion of fat between the chine bones, and very scanty quantities of overflow fat and feathering. Carcasses whose chine bones are tinged with white and which terminate in cartilages in which some ossification is evident will have a slightly thin covering of fat over the loins and ribs which partially covers the outsides of the rounds and chucks. In such beef there is a very slight protrusion of fat between the chine bones and a small amount of overflow fat and feathering. The fat is moderately soft. Characteristics of the cut surface of the rib eye muscle will also vary depending on the evidences of maturity attained by the animal from which it was produced. In carcasses whose chine bones are soft and red and which terminate in soft, pearly white cartilages, the rib eye muscle is somewhat soft and watery but fine in texture and will be practically devoid of marbling. In carcasses whose chine bones are tinged with white and which terminate in cartilages in which some ossification is evident, the rib eye muscle is moderately soft and moderately fine in texture and has a slight amount of marbling. The lean will usually vary from a light red to a slightly dark red in color but may be slightly two-toned or shady.

(2) Carcasses showing evidence of maximum maturity permitted in the Standard grade may have chine bones tinged with white and the cartilages on the end of the chine bones may be moderately ossified. Carcasses must also be at least moderately symmetrical and uniform in contour and the rib eye muscle must be at least moderately fine in texture.

(3) Young, red-boned, light weight, carcasses with conformation equivalent to at least the midpoint of the grade as defined above may be devoid of marbling and qualify for the Standard grade. However, carcasses which show similar evidences of maturity but which have conformation equivalent to the upper third of the Utility grade are practically devoid of marbling. Carcasses near the maximum limit for maturity with conformation equivalent to at least the midpoint of the grade as defined above may qualify for the Standard grade with traces of marbling; however, carcasses with similar evidences of maturity but which have conformation equivalent to the upper third of the Utility grade are required to have a slight amount of marbling.

(e) *Commercial.* (1) Commercial grade beef carcasses and wholesale cuts are restricted to those with evidences of more advanced maturity than permitted in the Good and Standard grades. Such carcasses are slightly thick fleshed but rather rough and irregular in contour. Rounds are slightly flat and tapering. Loins are moderately wide but slightly sunken and the hips are rather prominent. Ribs tend to be slightly thick and full. Chucks are slightly thin and plates and briskets are wide and "spready." The necks and shanks are slightly long and thin. The fatness of beef within this grade will be variable depending on the evidences of maturity attained by

the animal from which it was produced. Carcasses which only slightly exceed the minimum maturity permitted will have a slightly thick covering of external fat, a small amount of fat protrusion between the chine bones and a moderate amount of overflow fat and feathering. Carcasses that have hard, white chine bones which terminate in nearly completely ossified cartilages will have a moderately thick exterior fat covering, a moderate protrusion of fat between the chine bones and moderately abundant overflow fat and feathering. In beef of this grade, particularly those more advanced in maturity, the external fat covering will be considerably thicker over the loins and ribs than over the rounds and chucks and may frequently be patchy or wasty. The fat is firm. In carcasses which only slightly exceed the minimum maturity permitted the cut surface of the rib eye muscle will be moderately firm and slightly coarse in texture and will have a moderate amount of marbling. In carcasses that have hard, white chine bones that terminate in nearly completely ossified cartilages the rib eye muscle will be firm but coarse in texture and the marbling will be moderately abundant but also rather coarse and prominent. The lean will usually vary from slightly dark red to dark red in color but may be two-toned or shady.

(2) Regardless of the extent to which other grade factors may exceed the minimum requirements for the grade, carcasses which only slightly exceed the minimum maturity permitted are required to have a small amount of marbling and carcasses whose chine bones are hard and white and which terminate in nearly completely ossified cartilages are required to have at least a moderate amount of marbling. Carcasses which only slightly exceed the minimum maturity permitted and which are slightly thin fleshed and rather rangy and angular may meet the minimum requirements for the grade provided they have a modest amount of marbling and carcasses with similar conformation which have hard, white chine bones that terminate in nearly completely ossified cartilages may meet the minimum requirements for the grade provided they have slightly abundant marbling.

(3) Carcasses whose conformation and evidences of quality only slightly exceed the minimum requirements for the grade are not eligible for the Commercial grade if they are excessively patchy or uneven in distribution of external fat.

Any person who wishes to submit written data, views, or arguments concerning the proposed amendment may do so by filing them with the Director of the Livestock Division, Agricultural Marketing Service, U. S. Department of Agriculture, Washington 25, D. C., within 60 days after publication of this notice in the FEDERAL REGISTER.

Done at Washington, D. C., this 8th day of November 1955.

[SEAL] FRANK E. BLOOD,  
Acting Deputy Administrator  
Agricultural Marketing Service.

[F. R. Doc. 55-9154; Filed, Nov. 14, 1955; 8:48 a. m.]

## NOTICES

## POST OFFICE DEPARTMENT

## Bureau of Transportation

## DISTRICT TRANSPORTATION MANAGERS

## DELEGATION OF AUTHORITY

The following is the text of Order No. 00609 of the Assistant Postmaster General, Bureau of Transportation, dated October 26, 1955:

Pursuant to authority of section 1 (b) of Reorganization Plan No. 3 of 1949 (63 Stat. 1066) and Order of the Postmaster General No. 55778 dated November 24, 1954 (19 F. R. 8226) the authority vested in the Assistant Postmaster General, Bureau of Transportation, by Order No. 55064 dated March 5, 1953 (18 F. R. 8458), is redelegated to District Transportation Managers, to authorize the performance of such additional trips as may be necessary on star routes in the United States during the period from December 1 to 31, each year, contractors to be paid pro rata accordingly, in order to expedite the handling of Christmas mails.

(R. S. 161, 396; secs. 304, 309, 42 Stat. 24, 25, sec. 1 (b), 63 Stat. 1066; 5 U. S. C. 22, 133z-15, 369)

[SEAL] LEO G. KNOLL,  
Acting Solicitor

[F. R. Doc. 55-9147; Filed, Nov. 14, 1955;  
8:47 a. m.]

## DEPARTMENT OF JUSTICE

## Office of Alien Property

## ASSUNTA DABOVE CARVO AND PAULO CARVO

## NOTICE OF INTENTION TO RETURN VESTED PROPERTY

Pursuant to section 32 (f) of the Trading With the Enemy Act, as amended, notice is hereby given of intention to return, on or after 30 days from the date of publication hereof, the following property, subject to any increase or decrease resulting from the administration thereof prior to return, and after adequate provision for taxes and conservatory expenses:

## Claimant, Claim No., Property, and Location

Assunta Dabove Carvo, aka Assunta Caterina Dabove Corvo, Savona, Italy, Claim No. 42296; and Paulo Carvo, aka Paulo Corvo, Savona, Italy, Claim No. 42297; Vesting Order No. 2207.

The following property to the claimants: \$3,224.32 in the Treasury of the United States.

Two and thirty-five one-hundredths (2-35/100) shares Pacific Coast Aggregates, Inc., common stock, par value \$5.00, evidenced by Certificates No. 2592 for 10/100 share; 2593, for 25/100 share; and 644 for 2 shares, presently in the custody of the Safekeeping Department of the Federal Reserve Bank of New York, New York, N. Y.

Passbook No. 725, Mercantile Building-Loan Association, 7 percent cumulative 7 percent certificate showing balance of \$25.23, presently in the possession of the Office of Alien Property, Department of Justice, 101 Indiana Avenue NW., Washington 25, D. C.

Twelve (12) shares of Durant Motors, Inc., capital stock, no par value, evidenced by

Certificates No. 0223153 for 4 shares and 0219895 for 8 shares, presently in the possession of the Office of Alien Property, Department of Justice, 101 Indiana Avenue NW., Washington 25, D. C.

Five (5) units Pickwick Airways, Inc., evidenced by Certificate No. 912, presently in the possession of the Office of Alien Property, Department of Justice, 101 Indiana Avenue NW., Washington 25, D. C.

1 man's yellow metal watch.  
1 man's white metal watch with yellow metal chain attached.

1 man's white metal ring with white stone.  
1 man's white metal watch.

1 broken white metal ring with small white stone.

1 yellow metal ring with initial.

1 man's white metal ring.

1 man's yellow metal ring.

Miscellaneous jewelry.

All of the above-mentioned pieces of jewelry are presently in the possession of the Office of Alien Property, Department of Justice, 101 Indiana Avenue NW., Washington 25, D. C.

Executed at Washington, D. C., on November 8, 1955.

For the Attorney General.

[SEAL] PAUL V MYRON,  
Deputy Director  
Office of Alien Property.

[F. R. Doc. 55-9157; Filed, Nov. 14, 1955;  
8:49 a. m.]

## DEPARTMENT OF THE INTERIOR

## Bureau of Land Management

## MONTANA

## NOTICE OF PROPOSED WITHDRAWAL AND RESERVATION OF LANDS

NOVEMBER 4, 1955.

The United States Forest Service, Department of Agriculture, has filed an application, Serial No. Montana 012788, for the withdrawal of the lands described below, from location under the general mining laws.

The applicant desires the land for administrative sites, public service sites, recreation areas, or for other public purposes as set forth specifically with regard to each area or description.

For a period of thirty days from the date of publication of this notice, persons having cause may present their objections in writing to the undersigned official of the Bureau of Land Management, Department of the Interior, 1245 North 29th Street, Billings, Montana.

If circumstances warrant it, a public hearing will be held at a convenient time and place, which will be announced.

The determination of the Secretary on the application will be published in the FEDERAL REGISTER. A separate notice will be sent to each interested party of record.

The lands involved in the application are:

## MONTANA PRINCIPAL MERIDIAN

## BEAVERHEAD NATIONAL FOREST

## Vigilante Experimental Range:

T. 9 S., R. 2 W.,

Unsurveyed Sec. 31. E $\frac{1}{2}$ ,

Unsurveyed Sec. 32: All;

Unsurveyed Sec. 33: S $\frac{1}{2}$ NW $\frac{1}{4}$ , SW $\frac{1}{4}$ ,

W $\frac{1}{2}$ SE $\frac{1}{4}$ .

The area described contains 1,280 acres.

T. 9 S., R. 3 W.,

Sec. 34: E $\frac{1}{2}$ SW $\frac{1}{4}$ , W $\frac{1}{2}$ SE $\frac{1}{4}$ , SE $\frac{1}{4}$ SE $\frac{1}{4}$ ,

Sec. 35: E $\frac{1}{2}$ SW $\frac{1}{4}$ , SW $\frac{1}{4}$ SW $\frac{1}{4}$ , SE $\frac{1}{4}$ ,

Sec. 36: W $\frac{1}{2}$ SW $\frac{1}{4}$ , SE $\frac{1}{4}$ SW $\frac{1}{4}$ .

The area described contains 600 acres.

T. 10 S., R. 2 W.,

Unsurveyed Sec. 4: SW $\frac{1}{4}$ NE $\frac{1}{4}$ , W $\frac{1}{2}$ ,

Unsurveyed Sec. 5: All;

Unsurveyed Sec. 6: All;

Unsurveyed Sec. 7: All;

Unsurveyed Sec. 8: N $\frac{1}{2}$ , SW $\frac{1}{4}$ , N $\frac{1}{2}$ SE $\frac{1}{4}$ ;

Unsurveyed Sec. 9: NW $\frac{1}{4}$ , NW $\frac{1}{4}$ SW $\frac{1}{4}$ .

The area described contains 3,040 acres.

T. 10 S., R. 3 W.,

Sec. 1: All;

Sec. 2: All;

Sec. 3: All;

Sec. 9: E $\frac{1}{2}$ E $\frac{1}{2}$ ,

Sec. 10, 11, 12: All.

The area described contains 2,080 acres.

## Cliff Lake Natural Area:

T. 12 S., R. 1 E.,

Sec. 26: All;

Sec. 27: E $\frac{1}{2}$ , E $\frac{1}{2}$ W $\frac{1}{2}$ ,

Sec. 23: All;

Sec. 24: All that portion lying west of

Cliff Lake;

Sec. 25: All that portion lying west of

Cliff Lake;

Sec. 34: N $\frac{1}{2}$ NE $\frac{1}{4}$ , NE $\frac{1}{4}$ NW $\frac{1}{4}$ ,

Sec. 35: N $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ , N $\frac{1}{2}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ ,

SW $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ , N $\frac{1}{2}$ SW $\frac{1}{4}$ ,

Sec. 36: All that portion which lies

northwest of Cliff Lake.

The area described contains 2,230.59 acres.

## BITTERROOT NATIONAL FOREST

## Piquett Creek Experimental Forest:

T. 1 N., R. 21 W.,

Sec. 1: NW $\frac{1}{4}$ , W $\frac{1}{2}$ SW $\frac{1}{4}$ ,

Sec. 2: All;

Sec. 3: E $\frac{1}{2}$ ,

Sec. 9: E $\frac{1}{2}$ ,

Sec. 10: All;

Sec. 11: All;

Sec. 12: NW $\frac{1}{4}$ ,

Sec. 13: NW $\frac{1}{4}$ NW $\frac{1}{4}$ , SW $\frac{1}{4}$ ,

Sec. 14: All;

Sec. 15: All;

Sec. 16: NE $\frac{1}{4}$ , SE $\frac{1}{4}$ SE $\frac{1}{4}$ ,

Sec. 22: NW $\frac{1}{4}$ NW $\frac{1}{4}$ ,

Sec. 23: NE $\frac{1}{4}$ NW $\frac{1}{4}$ , NE $\frac{1}{4}$ ,

Sec. 24: NW $\frac{1}{4}$ , NW $\frac{1}{4}$ NE $\frac{1}{4}$ .

The area described contains 5,080 acres.

## CUSTER NATIONAL FOREST

## Meyers Creek Administrative Site:

T. 4 S., R. 15 E.,

Sec. 7: SE $\frac{1}{4}$ SW $\frac{1}{4}$ , S $\frac{1}{2}$ SE $\frac{1}{4}$ ,

Sec. 18: NW $\frac{1}{4}$ NE $\frac{1}{4}$ , E $\frac{1}{2}$ NE $\frac{1}{4}$ , NE $\frac{1}{4}$ NW $\frac{1}{4}$ .

The area described contains 280 acres.

## Breakneck Administrative Site:

T. 5 S., R. 13 E.,

Unsurveyed Sec. 34: W $\frac{1}{2}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ , E $\frac{1}{2}$

NE $\frac{1}{4}$ NW $\frac{1}{4}$ .

The area described contains 40 acres.

## Woodbine Administrative Site:

T. 5 S., R. 15 E.,

Sec. 32: SW $\frac{1}{4}$ NE $\frac{1}{4}$ , N $\frac{1}{2}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ .

The area described contains 60 acres.

## Wounded Man Administrative Site:

T. 6 S., R. 13 E.,

Unsurveyed Sec. 35: NW $\frac{1}{4}$ SE $\frac{1}{4}$ .

The area described contains 40 acres.

## Rock Creek Administrative Site:

T. 8 S., R. 20 E.,

Sec. 6: E $\frac{1}{2}$ .

The area described contains 320 acres.

## Red Lodge Creek Administrative Site:

T. 7 S., R. 18 E.,

Unsurveyed Sec. 1: NE $\frac{1}{4}$ , E $\frac{1}{2}$ NW $\frac{1}{4}$ .

The area described contains 240 acres.

## Whitetail Administrative Site:

T. 2 S., R. 47 E.,

Sec. 19: SE $\frac{1}{4}$ SW $\frac{1}{4}$ , SE $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ ,

SW $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ , W $\frac{1}{2}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ .

The area described contains 80 acres.

Liscom Creek Administrative Site:

T. 1 S., R. 46 E.,  
Sec. 3: NW $\frac{1}{4}$ SE $\frac{1}{4}$ .  
The area described contains 40 acres.  
Three Mile Administrative Site:  
T. 4 S., R. 47 E.,  
Sec. 8: SW $\frac{1}{4}$ NE $\frac{1}{4}$ .  
The area described contains 40 acres.

Fort Howes Administrative Site:

T. 6 S., R. 46 E.,  
Sec. 19: Lots 1, 2, 3, 4.  
T. 6 S., R. 45 E.,  
Sec. 24: Lots 1, 4, 5, 6, 7, 8.  
The area described contains 269.42 acres.

Tooley Creek Administrative Site:

T. 7 S., R. 45 E.,  
Sec. 20: N $\frac{1}{2}$ S $\frac{1}{2}$ .  
The area described contains 160 acres.

Cub Creek Administrative Site:

T. 7 S., R. 45 E.,  
Sec. 14: NW $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ , SE $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ .  
The area described contains 20 acres.

Needmore Administrative Site:

T. 1 N., R. 58 E.,  
Sec. 23: SE $\frac{1}{4}$ NE $\frac{1}{4}$ , NE $\frac{1}{4}$ SE $\frac{1}{4}$ ,  
Sec. 24: E $\frac{1}{2}$ SW $\frac{1}{4}$ , NW $\frac{1}{4}$ SW $\frac{1}{4}$ , SW $\frac{1}{4}$ SW $\frac{1}{4}$ .  
The area described contains 240 acres.

PUBLIC USE AREAS (CAMP AND PICNIC)

Woodbine Camp:

T. 5 S., R. 15 E.,  
Sec. 32: E $\frac{1}{2}$ SW $\frac{1}{4}$ , SW $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ ,  
NW $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ .  
The area described contains 100 acres.

Sfoux Charley Camp:

T. 6 S., R. 14 E.,  
Sec. 12: SW $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ , NW $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ .  
The area described contains 20 acres.

Wickham Gulch Camp:

T. 3 S., R. 62 E.,  
Sec. 16: N $\frac{1}{2}$ NE $\frac{1}{4}$ .  
The area described contains 80 acres.

Lantis Spring Camp:

T. 2 S., R. 61 E.,  
Sec. 27: N $\frac{1}{2}$ SE $\frac{1}{4}$ .  
The area described contains 80 acres.

ORGANIZATION SITES

American Legion of Ekalaka (Organization Camp)

T. 1 N., R. 58 E.,  
Sec. 24: SW $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ , NW $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ .  
The area described contains 20 acres.

Lions Club Youth Camp (Organization Site)

T. 8 S., R. 19 E.,  
Sec. 33: SW $\frac{1}{4}$ SE $\frac{1}{4}$ .  
The area described contains 40 acres.

DEERLODGE NATIONAL FOREST

Bernice Experimental Forest:

T. 6 N., R. 7 W.,  
Sec. 26: S $\frac{1}{2}$  except M. S. 10186 in NE $\frac{1}{4}$ SE $\frac{1}{4}$ , and M. S. 165 (Placer) in E $\frac{1}{2}$ E $\frac{1}{2}$ .  
Sec. 27: S $\frac{1}{2}$ ,  
Sec. 28: S $\frac{1}{2}$ ,  
Sec. 33: All,  
Sec. 34: All,  
Sec. 35: All except M. S. 165 (Placer) in E $\frac{1}{2}$ .  
The area described contains approximately 2,880 acres.

Pipestone Ski Area:

T. 1 N., R. 7 W.,  
Sec. 11: NW $\frac{1}{4}$ , N $\frac{1}{2}$ SW $\frac{1}{4}$ , W $\frac{1}{2}$ NE $\frac{1}{4}$ .  
The area described contains 320 acres.

Racetrack Administrative Site and Public Service Site:

T. 6 N., R. 11 W.,  
Sec. 11: S $\frac{1}{2}$ SE $\frac{1}{4}$ ,  
Sec. 14: N $\frac{1}{2}$ NE $\frac{1}{4}$ .  
The area described contains 160 acres less a fraction of about 1 acre of H. E. S. 199.

Lowlands Campground:

T. 7 N., R. 7 W.,  
Sec. 32: NW $\frac{1}{4}$ SE $\frac{1}{4}$ , NE $\frac{1}{4}$ SW $\frac{1}{4}$ .  
The area described contains 80 acres.

Elk Park Campground:

T. 5 N., R. 6 W.,  
Sec. 21: SE $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ , NE $\frac{1}{4}$ NE $\frac{1}{4}$ SE $\frac{1}{4}$ ,  
Sec. 22: SW $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ , NW $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ .  
The area described contains 80 acres.

Lime Kihl Campground:

T. 1 N., R. 7 W.,  
Sec. 16: N $\frac{1}{2}$ SE $\frac{1}{4}$ .  
The area described contains 80 acres.

Kaiser Lake Recreation Area:

T. 4 N., R. 15 W.,  
Sec. 18: W $\frac{1}{2}$ .  
The area described contains 320 acres.

Moose Lake Recreation Area:

T. 4 N., R. 16 W.,  
Sec. 36: Balance of section not now encumbered.

The area described contains 340 acres.

Flume Creek Campground:

T. 5 N., R. 17 W.,  
Sec. 2: SW $\frac{1}{4}$ .  
The area described contains 160 acres.

Stony Lake Campground:

T. 6 N., R. 17 W.,  
Sec. 32: NE $\frac{1}{4}$  (unsurveyed).  
The area described contains 160 acres.

Copper Creek Campground:

T. 4 N., R. 16 W.,  
Sec. 25: SW $\frac{1}{4}$ .  
The area described contains 160 acres.

Squaw Rock Campground and Administrative Site:

T. 4 N., R. 16 W.,  
Sec. 21: Unencumbered portion of S $\frac{1}{2}$ .  
The area described contains 270 acres.

Boulder Administrative Site (Depot Factory)

T. 6 N., R. 4 W.,  
Sec. 29: Lots 2, 4, 5, NE $\frac{1}{4}$ NW $\frac{1}{4}$ .  
The area described contains 103 acres.

Sunnyside Administrative Site:

T. 6 N., R. 5 W.,  
Sec. 19: E $\frac{1}{2}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$ , SE $\frac{1}{4}$ NW $\frac{1}{4}$ , W $\frac{1}{2}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ , W $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ , E $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ , NE $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ , E $\frac{1}{2}$ SW $\frac{1}{4}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ , N $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ , N $\frac{1}{2}$ S $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ , NW $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$ , N $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ , NE $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ ,  
Sec. 20: W $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ , NW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ .  
The area described contains 210 acres.

Bison Creek Campground and Shamrock Picnic Area:

T. 5 N., R. 6 W.,  
Sec. 3: SW $\frac{1}{4}$ SW $\frac{1}{4}$ ,  
Sec. 4: E $\frac{1}{2}$ ,  
Sec. 9: NE $\frac{1}{4}$ NE $\frac{1}{4}$ ,  
Sec. 10: NW $\frac{1}{4}$ .  
The area described contains 560 acres.

Mormon Gulch Campground:

T. 5 N., R. 6 W.,  
Sec. 21: S $\frac{1}{2}$ NW $\frac{1}{4}$ .  
The area described contains 80 acres.

Whitehouse Camp:

T. 6 N., R. 7 W.,  
Sec. 21: NE $\frac{1}{4}$ .  
The area described contains 160 acres.

Winter Sports Area and Two Campgrounds:

T. 5 N., R. 13 W.,  
Sec. 12: NW $\frac{1}{4}$ E $\frac{1}{2}$ .  
The area described contains 460 acres.

Spring Hill Camp and Picnic Areas:

T. 5 N., R. 13 W.,  
Sec. 24: S $\frac{1}{2}$ .  
The area described contains 320 acres.

Foster Creek Campground:

T. 5 N., R. 12 W.,  
Sec. 17: SW $\frac{1}{4}$ .  
The area described contains 160 acres.

Cable Mountain Camp and Picnic Area:

T. 5 N., R. 13 W.,  
Sec. 5: Lot 1.  
The area described contains 39 acres.

Echo Lake Picnic Area:

T. 6 N., R. 13 W.,  
Sec. 31: NE $\frac{1}{4}$ .  
The area described contains 160 acres.

East Fork Camp:

T. 4 N., R. 14 W.,  
Sec. 6: NE $\frac{1}{4}$ .  
The area described contains 160 acres.

FLATHEAD NATIONAL FOREST

Coram Experimental Forest:

T. 31 N., R. 18 W.,  
Unsurveyed Sec. 30: SW $\frac{1}{4}$ NW $\frac{1}{4}$ , W $\frac{1}{2}$ SW $\frac{1}{4}$ , S $\frac{1}{2}$ SW $\frac{1}{4}$ , SW $\frac{1}{4}$ SE $\frac{1}{4}$ ,  
Unsurveyed Sec. 31: NW $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ , W $\frac{1}{2}$ , W $\frac{1}{2}$ SE $\frac{1}{4}$ .  
The area described contains 490 acres.

T. 31 N., R. 19 W.,

Sec. 23: SE $\frac{1}{4}$ SW $\frac{1}{4}$ , S $\frac{1}{2}$ SE $\frac{1}{4}$ ,  
Unsurveyed Sec. 24: S $\frac{1}{2}$ SW $\frac{1}{4}$ , SW $\frac{1}{4}$ SE $\frac{1}{4}$ ,  
Unsurveyed Sec. 25: All;  
Sec. 26: E $\frac{1}{2}$ , E $\frac{1}{2}$ W $\frac{1}{2}$ , SW $\frac{1}{4}$ NW $\frac{1}{4}$ , NW $\frac{1}{4}$ SW $\frac{1}{4}$ ,  
Sec. 27: SE $\frac{1}{4}$ NE $\frac{1}{4}$ ,  
Sec. 32: N $\frac{1}{2}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$ NE $\frac{1}{4}$ , E $\frac{1}{2}$ SE $\frac{1}{4}$ ,  
Sec. 33: All;  
Unsurveyed Sec. 36: All.

The area described contains 2,960 acres.

T. 30 N., R. 18 W.,

Unsurveyed Sec. 6: W $\frac{1}{2}$ ,  
Unsurveyed Sec. 7: NW $\frac{1}{4}$ NW $\frac{1}{4}$ , W $\frac{1}{2}$ SW $\frac{1}{4}$ ,  
Unsurveyed Sec. 18: W $\frac{1}{2}$ W $\frac{1}{2}$ ,  
Unsurveyed Sec. 19: N $\frac{1}{2}$ NW $\frac{1}{4}$ , SE $\frac{1}{4}$ NW $\frac{1}{4}$ .

The area described contains 720 acres.

T. 30 N., R. 19 W.,  
Unsurveyed Sec. 1: All;  
Unsurveyed Sec. 2: All;  
Unsurveyed Sec. 3: E $\frac{1}{2}$ E $\frac{1}{2}$ ,  
Unsurveyed Sec. 10: Lot 1;  
Unsurveyed Sec. 11: All, except HES 817;  
Unsurveyed Sec. 12: All;  
Unsurveyed Sec. 13: All;  
Unsurveyed Sec. 14: All.

The area described contains 4,092.74 acres.

R. D. NELSON,  
State Supervisor.

[F. R. Doc. 55-9053; Filed, Nov. 14, 1955; 8:45 a. m.]

[Misc. 1655904]

ALASKA

WITHDRAWING PUBLIC LANDS FOR USE OF THE WAR DEPARTMENT AS AN AERIAL BOMBING AND GUNNERY RANGE; CORRECTION

NOVEMBER 8, 1955.

The fifth and sixth courses in the land description of Federal Register Document 41-5369 appearing on page 4070 of the issue for August 15, 1941, should read as follows:

Thence westerly, down stream along the left bank of Tanana River, at mean high water, to the confluence with Wood River; Thence easterly, up stream along the right bank of Wood River, at mean high water, to latitude 64°20' N.,

DEPUE FALCK,  
Acting Director

[F. R. Doc. 55-9141; Filed, Nov. 14, 1955; 8:46 a. m.]

Bureau of Reclamation

COLORADO RIVER STORAGE PROJECT, UTAH  
FIRST FORM RECLAMATION WITHDRAWAL

OCTOBER 16, 1953.

Pursuant to the authority delegated by Departmental Order No. 2515 of April 7, 1949, I hereby withdraw the following

described lands from public entry, under the first form of withdrawal, as provided by Section 3 of the Act of June 17, 1902 (32 Stat. 388)

SALT LAKE BASE AND MERIDIAN, UTAH

T. 2 N., R. 22 E.,  
Sec. 17, SE $\frac{1}{4}$ NW $\frac{1}{4}$ .

The above area contains 40 acres.

H. F. MCPHAIL,  
*Acting Commissioner*

[65649]

NOVEMBER 8, 1955.

I concur. The records of the Bureau of Land Management will be noted accordingly.

DEPUE FALCK,  
*Acting Director,*

*Bureau of Land Management.*

[F. R. Doc. 55-9142; Filed, Nov. 14, 1955;  
8:46 a. m.]

## CIVIL AERONAUTICS BOARD

[Docket No. 6998]

COLONIAL AIRLINES, INC. AND EASTERN AIR  
LINES, INC., ACQUISITION CASE

NOTICE OF ORAL ARGUMENT

In the matter of the application of Colonial Airlines, Inc., and Eastern Air Lines, Inc., under sections 408 and 412 of the Civil Aeronautics Act of 1938, as amended, for approval of an agreement of the acquisition of the assets of Colonial Airlines, Inc., by Eastern Air Lines, Inc.

Notice is hereby given, pursuant to the provisions of the Civil Aeronautics Act of 1938, as amended, that oral argument in the above-entitled proceeding is assigned to be held on November 28, 1955, 10:00 a. m., e. s. t., in Room 5042, Commerce Building, Constitution Avenue, between Fourteenth and Fifteenth Streets NW., Washington, D. C. before the Board.

Dated at Washington, D. C., November 8, 1955.

[SEAL] FRANCIS W BROWN,  
*Chief Examiner*

[F. R. Doc. 55-9160; Filed, Nov. 14, 1955;  
8:50 a. m.]

## FEDERAL POWER COMMISSION

[Docket No. G-2460]

NORTHERN NATURAL GAS CO.

NOTICE OF SUPPLEMENTAL APPLICATION AND  
DATE OF FURTHER HEARING

NOVEMBER 4, 1955.

On September 12, 1955, Northern Natural Gas Company (Applicant) filed a supplement in Docket No. G-2460 to its application for an amended order filed on May 2, 1955, of which notice has heretofore been given and such notice was published in the FEDERAL REGISTER on May 21, 1955 (20 F. R. 3572) and on which a hearing was convened on July 13, 1955, and then recessed.

Applicant now requests a certificate of public convenience and necessity to construct certain facilities for the operation of the gas storage reservoir near

Redfield, Iowa, at a cost of \$2,438,500. The operation contemplates a storage project capable of delivering a maximum of 50,000 Mcf of gas per day with a maximum of 6,000,000 Mcf available for withdrawal, for meeting the needs of its existing customers and for service to new markets, all as more fully represented in the application which is on file with the Commission and open for public inspection.

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 November 28, 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., concerning the matters involved in and the issues presented by the aforesaid application filed September 12, 1955.

Further 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 the 25th day of November 1955.

[SEAL]

J. H. GUTRIDE,  
*Acting Secretary.*

[F. R. Doc. 55-9143; Filed, Nov. 14, 1955;  
8:46 a. m.]

[Docket No. G-4417, etc.]

FRANK W MICHAUX ET AL.

NOTICE OF SEVERANCE OF PROCEEDINGS AND  
DATE OF HEARING

NOVEMBER 4, 1955.

In the matters of Frank W Michaux, Morris Cannan and Creslenn Oil Company, Docket No. G-4417; Sam Sklar, Docket No. G-4422; Sam Sklar, Trustee, S. H. Killingsworth and N. E. Loomis, Docket No. G-4599; Sam Sklar, Douglas Whitaker and Durbin Bond, Docket No. G-4644; Sam Sklar, Trustee, Docket No. G-4645, Amerada Petroleum Corporation, Docket Nos. G-4780 to G-4785, inclusive; The North Central Texas Oil Company, Inc., Docket No. G-5148; Continental Oil Company, Docket Nos. G-6348 to G-6352, inclusive, G-6354 and G-6356; Pioneer Petroleum Company Docket No. G-8297; Anderson-Frithard Oil Corporation, Docket Nos. G-8298 and G-8328; National Oil and Gas Company, Docket No. G-8301, Murphy Farm Gas Company, Docket No. G-8302; Southray Oil Company, Docket No. G-8318; Goal Drilling Company, Docket No. G-8322; Texola Drilling Co., Inc., Docket No. G-8325, Fred Scandola, Docket Nos. G-8335 and G-8336; Basin Natural Gas Corporation, Docket No. G-8337; M. Ascher, Individually and as Trustee, Docket No. G-8344; M. Ascher, Individually and as Trustee, Gertrude Skelly, George F Bauerdorf, Leach Bros. Inc., and F. A. Clark, Trustee, Docket No. G-8369; Liberty Oil & Gas Company, et al., Docket No. G-8372; M. P. O'Meara, et al., Docket No. G-8374; Fred Kyle, Docket No. G-8388.

Continental Oil Company (Continental) on October 31, 1955, filed a motion to deconsolidate the proceedings upon its applications for certificates of public convenience and necessity in Docket Nos. G-6349, G-6350, G-6351, and G-6352 from the above-captioned consolidated proceedings.

By notice issued October 19, 1955, the above-captioned proceedings were consolidated and set down for hearing in Washington, D. C., on November 15, 1955.

In its motion, Continental shows that in Docket Nos. G-6349, G-6350, G-6351, and G-6352 it filed petitions for declaratory orders that the transactions which are the subject matters of such dockets are not subject to the jurisdiction of the Commission. Continental avers that it wants an opportunity to submit evidence on the question of jurisdiction.

It appears appropriate to sever Docket Nos. G-6349, G-6350, G-6351, and G-6352 from the above-captioned proceedings and to set the proceedings in the four dockets for hearing at a later date, and to that end:

Take notice that the proceedings in Docket Nos. G-6349, G-6350, G-6351, and G-6352 are severed from the proceedings consolidated by notice issued October 19, 1955, in the above-captioned proceedings.

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 December 6, 1955, at 10:00 a. m., e. s. t., in a hearing room of the Federal Power Commission, 441 G Street NW., Washington 25, D. C., concerning the matters involved in and issues presented by the applications for certificates of public convenience and necessity filed by Continental Oil Company in Docket Nos. G-6349, G-6350, G-6351, and G-6352, and the petitions for declaratory orders filed simultaneously therein.

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 November 21, 1955.

[SEAL]

J. H. GUTRIDE,  
*Acting Secretary.*

[F. R. Doc. 55-9144; Filed, Nov. 14, 1955;  
8:46 a. m.]

[Project No. 2150]

PUGET SOUND POWER & LIGHT CO.

NOTICE OF APPLICATION FOR LICENSE

NOVEMBER 4, 1955.

Public notice is hereby given that Puget Sound Power & Light Company, of Seattle, Washington, has filed application under the Federal Power Act (16 U. S. C. 791a-829r) for license for proposed water-power Project No. 2150, to be known as the Upper Baker River Project and located on the Baker River in Whatcom County, Washington, with transmission line also in Skagit County, Washington, and to consist of a concrete

**HOUSING AND HOME FINANCE AGENCY**  
**Public Housing Administration**

**SURETY COMPANIES**

**SEALED PROPOSALS FOR POSITION SCHEDULE SURETY BOND**

The Public Housing Administration will receive sealed proposals for a position schedule surety bond covering certain federal employee positions in various locations throughout the Continental United States. Bidding will be limited to corporate surety companies holding certificates of authority from the Secretary of the Treasury under the act of July 30, 1947 (6 U. S. C. 1-15), as acceptable sureties on Federal bonds. Approximately two hundred (200) positions are to be bonded in penalty amounts ranging from \$3,700 to \$10,000, about half of which fall into the latter category. The bond will be conditioned upon the faithful performance of the duties of the individuals occupying the positions bonded and will run solely in favor of the United States. The effective date of the bond will be January 1, 1956, and the term will be one year.

gravity dam located a short distance above the head of Lake Shannon reservoir, having a gated spillway section and a 12-foot roadway atop the dam, creating a reservoir about 9 miles long with highwater surface at about elevation 724 feet above sea level; an earth and rock-fill dike; powerhouse at the downstream toe of the dam containing two turbines each rated at about 60,000 horsepower at a net head of 275 feet and driving a 42,500-kilowatt generator; two penstocks; a transformer; a 110-kilovolt transmission line connecting the transformer with the applicant's existing Sedro Woolley Switching Station; and appurtenant facilities. 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 last date upon which protests or petitions may be filed is December 13, 1955. The application is on file with the Commission for public inspection.

[SEAL] J. H. GUTRIDE,  
*Acting Secretary.*

[F. R. Doc. 55-9145; Filed, Nov. 14, 1955; 8:46 a. m.]

[Docket No. E-6640]

**NIAGARA MOHAWK POWER CORP.**

**NOTICE OF APPLICATION FOR AUTHORIZATION TO EXPORT ELECTRIC ENERGY**

NOVEMBER 4, 1955.

Notice is hereby given that the Niagara Mohawk Power Corporation (Applicant) with its principal place of business in Syracuse, New York, filed an application on October 12, 1955, requesting authorization pursuant to the provisions of section 202 (e) of the Federal Power Act to export electric energy from the United States to Canada in the maximum annual amount of 400,000 kwh at a maximum transmission rate of 50 kw.

The application indicates that the energy to be exported will be sold to the Shawinigan Water and Power Company of Montreal, Canada, for resale in Canada. Applicant will export the energy by means of facilities to be constructed by it on the international border between the United States and Canada near the hamlet of Chapman, Town of Ft. Covington, Franklin County, New York. By the subject application the applicant currently seeks authorization to construct, operate, maintain, and connect those facilities; all as more fully appears in the application on file with the Commission.

Any person desiring to be heard or to make any protest with reference to the application should on or before November 21, 1955, file with the Federal Power Commission, Washington 25, D. C., a petition or protest in accordance with the Commission's general rules and regulations. The application is on file with the Commission for public inspection.

[SEAL] J. H. GUTRIDE,  
*Acting Secretary.*

[F. R. Doc. 55-9146; Filed, Nov. 14, 1955; 8:47 a. m.]

Requests for Invitation to Bid and Specifications should be directed to the Insurance Section, Public Housing Administration, Longfellow Building, Washington 25, D. C. Bids will be opened at 2 o'clock, p. m., e. s. t., on December 15, 1955, in Room 1012, Longfellow Building, Washington, D. C.

Date approved: November 10, 1955.

[SEAL] CHARLES E. SLUSSEK,  
*Commissioner.*

[F. R. Doc. 55-9207; Filed, Nov. 14, 1955; 8:54 a. m.]

**DEPARTMENT OF AGRICULTURE**

**Commodity Credit Corporation**

**SALES OF CERTAIN COMMODITIES**

**NOVEMBER 1955 MONTHLY SALES LIST**

Pursuant to the policy of Commodity Credit Corporation issued October 12, 1954 (19 F. R. 6669), and subject to the conditions stated herein, the following commodities are available for sale in the quantities stated and on the price basis set forth:

**NOVEMBER 1955 MONTHLY SALES LIST**

| Commodity and approximate quantity available (subject to prior sale)  | Sales price or method of sale   |
|---|---|
| Dairy products.....   | Domestic prices apply "in store" at location of stocks. Export prices apply f. a. s. U. S. port of export, or in store at location of stocks at f. a. s. price less export freight rate to agreed port of export. Available through Classification and Federal C&S Commodity Offices for domestic sale, and through the Livestock and Dairy Division, CSS, USDA, Washington 25, D. C., for export sale.   |
| Nonfat dry milk solids (in cartons only). Spray, 10,000,000 pounds; roller, as available.                               | Domestic—unrestricted use: Spray process, U. S. Extra Grade, in barrels and drums 17 cents per pound; in bags, 16.15 cents per pound. Roller process, U. S. Extra Grade, in barrels and drums, 15.25 cents per pound; in bags, 14.49 cents per pound.   |
| Salted creamery butter (in cartons only), 100,000,000 pounds.   | Domestic—restricted use (animal and poultry feed): 11 1/2 cents per pound delivered under the terms and conditions of Announcement LD-14 and Supplements. Export—unrestricted use: Spray process, U. S. Extra Grade, in barrels and drums 11.75 cents per pound; in bags 10.99 cents per pound. Roller process, U. S. Extra Grade, in barrels and drums 10 cents per pound, in bags 9.15 cents per pound.                                       |
| Cheddar cheese, cheddars, flats, tyms and rindless blocks (standard moisture basis in cartons only) 250,000,000 pounds. | Special Export: Competitive bid on 10,000,000 pounds, spray process and under the terms and conditions of Announcement LD-5. Offers to be considered daily until this quantity is sold or program is terminated.  |
| Wool—shorn and pulled, grease (including small quantities of soiled) 149,000,000 pounds.                                | Domestic, unrestricted use: U. S. Grade A and higher, 61.25 cents per pound, New York, New Jersey, Pennsylvania, New England and other States bordering the Atlantic Ocean and Gulf of Mexico. All other States 60.5 cents per pound. U. S. Grade B: 2 cents per pound, less than Grade A prices.   |
| Cotton, upland and extra long staple.   | Domestic, restricted use: Competitive bid and under the terms and conditions of Announcement DA-111 and supplements for use as an extender for cocoa butter in the manufacture of chocolate. Export, unrestricted use: U. S. Grade A: 41 cents per pound; U. S. Grade B: 39 cents per pound.  |
|   | Export, restricted use: Competitive bid (1) under the terms and conditions of Announcement DA-111 and supplements for use (a) in recombining with U. S. reduced moisture dry milk solids into liquid milk and evaporated milk, and (b) in making butter oil or cream (2) under the terms and conditions of Announcement LD-19 and supplements for industrial uses.  |
|   | Special Export: Competitive bid on 7 million pounds butter and under the terms and conditions of Announcement LD-7. Offers to be considered daily until this quantity is sold or program is terminated.   |
|   | Domestic: U. S. Grade A and higher, 57 1/4 cents per pound, for New York, New Jersey, Pennsylvania, New England and other States bordering the Atlantic and Pacific Ocean and Gulf of Mexico. All other States 57 1/4 cents per pound. U. S. Grade B: 1 cent per pound, less than Grade A prices.   |
|   | Export: U. S. Grade A: 55.5 cents per pound, less port of export; U. S. Grade B: 54.5 cents per pound, less port of export.   |
|   | Cheese prices are subject to usual adjustments for moisture content.  |
|   | Domestic export: Limited quantities (about 6,000,000 pounds) on competitive bid under terms and conditions to be announced. Remainder at prices based on warehouse where stored as determined by the Boston C&S Commodity Office, reflecting not less than 103 percent of the 1954 schedule of farm rates per pound plus allowance for sales commission, Boston basis, adjusted for net freight on wool stored outside the Boston storage area. |
|   | Domestic or export: Competitive bid and under the terms and conditions of Announcements NO-C-6 and NO-C-7, but not less than the higher of (1) 105 percent of the current support price plus reasonable carrying charges, or (2) the domestic market price as determined by CCO. A similar advance quantity, quality, and location may be obtained for a nominal fee from the New Orleans C&S Commodity Office.                                 |

See footnotes at end of table.



NOVEMBER 1955 MONTHLY SALES LIST—Continued

| Commodity and approximate quantity available (subject to prior sale)                 | Sales price or method of sale   |
|--|---|
| Dry edible beans (bagged)-----   | Prices for domestic sale are for U. S. No. 1, f. o. b., indicated points of production. Amount of paid-in freight to be added as applicable. For other grades of all beans, adjust by market differentials.   |
| Pinto beans, 1954 crop, 500,000 hundredweight.                                       | Domestic: Market price but not less than \$9.60 per 100 pounds, points of production, Denver rate area. For other areas adjust by the 1953 support price differentials. Available Minneapolis, Kansas City, Dallas, and Portland CSS Commodity Offices. Export: Competitive bid as announced by the Kansas City CSS Commodity Office.   |
| Pink beans, 1954 crop, 250,000 hundredweight.  | Domestic: Market price but not less than \$7.37 per 100 pounds, California points of production. Available Portland CSS Commodity Office. Export: Competitive bid as announced by the Portland CSS Commodity Office.  |
| Small red beans, 1954 crop, 270,000 hundredweight.                                   | Domestic: Market price but not less than \$7.47 per 100 pounds, Washington-Idaho points. Available Portland CSS Commodity Office. Export: Competitive bid as announced by the Portland CSS Commodity Office.  |
| Large lima beans, 1954 crop, 150,000 hundredweight.                                  | Domestic or export: Market price but not less than \$10.43 per 100 pounds, California points of production. Available Portland CSS Commodity Office.  |
| Hay, pasture and cover crop seeds (bagged).  | F. o. b. point of production plus any paid-in freight as applicable basis current freight rate at time of sale. Premiums and discounts may be obtained from the commodity offices for quantities above or below basic specification. Offers will not be accepted for less than warehouse receipt lot or minimum weight carlot as prescribed by railroad carrier's regulation at point of storage. |
| Birdfoot trefoil seed, 1,000 hundredweight.  | Domestic: \$85 per 100 pounds. Available Portland CSS Commodity Office.   |
| Alfalfa seed, Northern, 49,000 hundredweight.  | Domestic: \$35 per 100 pounds. Available Minneapolis and Portland CSS Commodity Offices. <sup>4</sup> Export: Competitive bid as announced by Portland CSS Commodity Office.  |
| Alfalfa seed (certified): Ladak, 2,500 hundredweight; Buffalo, 22,000 hundredweight. | Domestic: \$40 per 100 pounds. Ladak available Portland and Kansas City, and Buffalo available Portland CSS Commodity Offices. <sup>4</sup> Export: Competitive bid as announced. Ladak by Kansas City, and Buffalo by Portland CSS Commodity Offices.  |
| Tall fescue seed (common), 20,000 hundredweight.                                     | Domestic: \$18 per 100 pounds. Available Portland, Dallas, Chicago CSS Commodity Offices. <sup>4</sup> Export: Competitive bid as announced by Chicago CSS Commodity Office.  |
| Tall fescue seed (certified), 84,000 hundredweight.                                  | Domestic: \$20 per 100 pounds. Available Portland, Dallas, and Chicago CSS Commodity Offices. <sup>4</sup> Export: Competitive bid as announced by Portland CSS Commodity Office.   |
| Gum rosin (in galvanized metal drums averaging 517 pounds net).                      | Domestic or export: Offer and acceptance, "as is" in the stated quantities at the designated storage yards, subject to the prices, terms, and conditions of Announcement TB-21 and Supplements issued not more often than weekly by the American Turpentine Farmers' Association Cooperative, Valdosta, Ga.   |
| Gum turpentine (bulk in tanks)---  | Domestic or export: Offer and acceptance, "as is" in the stated quantities in the designated storage tanks, subject to the prices, terms, and conditions of Announcement TB-21 and Supplements issued not more often than weekly by the American Turpentine Farmers' Association Cooperative, Valdosta, Ga.   |

<sup>1</sup> At the processor's plant or warehouse but with any prepaid storage and out-handling charges for the benefit of the buyer.

<sup>2</sup> Sales of grains made under Title I, Public Law 480, may be made on terms and conditions of GR-301 revised and GR-302. Other commodities under the announcement indicated.

<sup>3</sup> In those counties in which grain is stored in CCC bin sites, delivery will be made f. o. b. buyer's conveyance at bin site without additional cost; sales will also be made in store approved warehouses in such county and adjacent counties at the same price, provided the buyer makes arrangements with the warehousemen for storage documents.

<sup>4</sup> Prices for basic specifications will not be reduced through the period ending June 30, 1956.

(Sec. 4, 62 Stat. 1070, as amended; 15 U. S. C. 714b. Interpret or apply sec. 407, 63 Stat. 1055; 7 U. S. C. 1427, sec. 208, 63 Stat. 901)

Issued: November 8, 1955.

[SEAL] EARL M. HUGHES,  
Executive Vice-President,  
Commodity Credit Corporation.

[F. R. Doc. 55-9162; Filed, Nov. 14, 1955; 8:50 a. m.]

Rural Electrification Administration

[Administrative Order 5177]

COLORADO

AMENDMENTS TO ADMINISTRATIVE ORDERS

OCTOBER 21, 1955.

Inasmuch as (1) Monument Electric Company has transferred all of its prop-

erties and assets to San Isabel Electric Association, Inc., and San Isabel Electric Association, Inc., has assumed all of the indebtedness of Monument Electric Company to United States of America arising out of loans made by United States of America pursuant to the Rural Electrification Act of 1936, as amended, and (2) Monument Electric Company with the consent of United States of America; has assigned to San Isabel Electric Association, Inc., and San Isabel Electric Association, Inc. has accepted the assignment of certain rights and obligations of Monument Electric Company arising out of loans contracted to be made by United States of America pursuant to the Rural Electrification Act of 1936, as amended, I hereby amend:

(a) Administrative Order No. 328, dated March 22, 1939, as amended by Administrative Order No. 1185, dated December 4, 1946, by changing the project designation appearing therein as "Colorado 43A M. E." in the amount of \$39,000 to read "Colorado 25TP1 Pueblo (Colorado 43A M. E. (Colorado R3021A1 S. E.))";

(b) Administrative Order No. 936, dated July 23, 1945, as amended by Administrative Order No. 1185, dated December 4, 1946, by changing the project designation appearing therein as "Colorado 43B M. E." in the amount of \$64,741 to read "Colorado 25TP1 Pueblo (Colorado 43B M. E. (Colorado 46021B1 S. E.))";

(c) Administrative Order No. 2667, dated May 12, 1950, by changing the project designation appearing therein as "Colorado 43C M. E." in the amount of \$25,000 to read "Colorado 25TP1 Pueblo (Colorado 43C M. E.)"; and

(d) Administrative Order No. 4681, dated July 27, 1954, by changing the project designation appearing therein as "Colorado 43D M. E." in the amount of \$113,000 to read "Colorado 25TP1 Pueblo (Colorado 43D M. E.)" in the amount of \$23,211.35 and "Colorado 25TA1 Pueblo (Colorado 43D M. E.)" in the amount of \$89,788.65.

[SEAL] FRED H. STRONG,  
Acting Administrator

[F. R. Doc. 55-9176; Filed, Nov. 14, 1955; 8:53 a. m.]

[Administrative Order 5164]

MICHIGAN

LOAN ANNOUNCEMENT

OCTOBER 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: Michigan 40X Allegan..... Amount \$275,000

[SEAL] ANCHER NELSEN,  
Administrator

[F. R. Doc. 55-9163; Filed, Nov. 14, 1955; 8:51 a. m.]

[Administrative Order 5163]

LOUISIANA

LOAN ANNOUNCEMENT

OCTOBER 10, 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: Louisiana 19 "N" Jefferson Davis... Amount \$330,000

[SEAL] FRED H. STRONG,  
Acting Administrator.

[F. R. Doc. 55-9164; Filed, Nov. 14, 1955; 8:51 a. m.]

[Administrative Order 5163]

GEORGIA

LOAN ANNOUNCEMENT

OCTOBER 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:

## NOTICES

Loan designation: *Amount*  
Georgia 34T Carroll----- \$885,000

[SEAL] R. G. ZOOK,  
*Acting Administrator.*

[F. R. Doc. 55-9165; Filed, Nov. 14, 1955;  
8:51 a. m.]

[Administrative Order 5167]

KENTUCKY

LOAN ANNOUNCEMENT

OCTOBER 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*  
Kentucky 45N Anderson----- \$235,000

[SEAL] R. G. ZOOK,  
*Acting Administrator*

[F. R. Doc. 55-9166; Filed, Nov. 14, 1955;  
8:51 a. m.]

[Administrative Order 5168]

INDIANA

LOAN ANNOUNCEMENT

OCTOBER 12, 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*  
Indiana 60T Morgan----- \$300,000

[SEAL] ANCHER NELSEN,  
*Administrator*

[F. R. Doc. 55-9167; Filed, Nov. 14, 1955;  
8:51 a. m.]

[Administrative Order 5169]

TEXAS

LOAN ANNOUNCEMENT

OCTOBER 12, 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*  
Texas 123P Baylor----- \$445,000

[SEAL] ANCHER NELSEN,  
*Administrator*

[F. R. Doc. 55-9168; Filed, Nov. 14, 1955;  
8:51 a. m.]

[Administrative Order 5170]

PENNSYLVANIA

LOAN ANNOUNCEMENT

OCTOBER 12, 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*  
Pennsylvania 19P Warren----- \$265,000

[SEAL] ANCHER NELSEN,  
*Administrator*

[F. R. Doc. 55-9169; Filed, Nov. 14, 1955;  
8:51 a. m.]

[Administrative Order 5171]

OHIO

LOAN ANNOUNCEMENT

OCTOBER 14, 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*  
Ohio 59L Lorain----- \$305,000

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

[F. R. Doc. 55-9170; Filed, Nov. 14, 1955;  
8:52 a. m.]

[Administrative Order 5172]

WASHINGTON

LOAN ANNOUNCEMENT

OCTOBER 17, 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*  
Washington 36L Adams----- \$745,000

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

[F. R. Doc. 55-9171; Filed, Nov. 14, 1955;  
8:52 a. m.]

[Administrative Order 5173]

SOUTH CAROLINA

LOAN ANNOUNCEMENT

OCTOBER 17, 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*  
South Carolina 41M York----- \$165,000

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

[F. R. Doc. 55-9172; Filed, Nov. 14, 1955;  
8:52 a. m.]

[Administrative Order 5174]

COLORADO

LOAN ANNOUNCEMENT

OCTOBER 17, 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*  
Colorado 15 P Morgan----- \$1,897,000

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

[F. R. Doc. 55-9173; Filed, Nov. 14, 1955;  
8:52 a. m.]

[Administrative Order 5175]

TEXAS

LOAN ANNOUNCEMENT

OCTOBER 18, 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*  
Texas 52P Fannin----- \$136,000

[SEAL] ANCHER NELSEN,  
*Administrator*

[F. R. Doc. 55-9174; Filed, Nov. 14, 1955;  
8:52 a. m.]

[Administrative Order 5176]

MINNESOTA

LOAN ANNOUNCEMENT

OCTOBER 18, 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*  
Minnesota 87L Marshall----- \$50,000

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

[F. R. Doc. 55-9175; Filed, Nov. 14, 1955;  
8:52 a. m.]

[Administrative Order 5178]

FLORIDA

LOAN ANNOUNCEMENT

OCTOBER 21, 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*  
 Florida 25P Lee..... \$600,000  
 [SEAL] FRED H. STRONG,  
*Acting Administrator.*  
 [F. R. Doc. 55-9177; Filed, Nov. 14, 1955;  
 8:53 a. m.]

[Administrative Order 5179]

SOUTH CAROLINA

LOAN ANNOUNCEMENT

OCTOBER 21, 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*  
 South Carolina 23R Dorchester... \$340,000  
 [SEAL] FRED H. STRONG,  
*Acting Administrator*  
 [F. R. Doc. 55-9178; Filed, Nov. 14, 1955;  
 8:53 a. m.]

[Administrative Order 5180]

NORTH DAKOTA

LOAN ANNOUNCEMENT

OCTOBER 21, 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*  
 North Dakota 26H LaMoure..... \$50,000  
 [SEAL] FRED H. STRONG,  
*Acting Administrator.*  
 [F. R. Doc. 55-9179; Filed, Nov. 14, 1955;  
 8:53 a. m.]

[Administrative Order 5181]

ARKANSAS

LOAN ANNOUNCEMENT

OCTOBER 21, 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*  
 Arkansas 27 P Ouachita..... \$490,000  
 [SEAL] FRED H. STRONG,  
*Acting Administrator*  
 [F. R. Doc. 55-9180; Filed, Nov. 14, 1955;  
 8:53 a. m.]

[Administrative Order 5182]

MISSOURI

AMENDMENTS TO ADMINISTRATIVE ORDERS

OCTOBER 26, 1955.

Inasmuch as Black River Electric Cooperative has transferred certain of its

properties and assets to M & A Electric Power Cooperative, and M & A Electric Power Cooperative has assumed a part of the indebtedness to United States of America, of Black River Electric Cooperative, arising out of loans made by United States of America pursuant to the Rural Electrification Act of 1936, as amended, I hereby amend:

(a) Administrative Order No. 1841, dated February 11, 1949, by changing the project designation appearing therein as "Missouri 38K, L, M Reynolds" in the amount of \$825,000 to read "Missouri 38K, L, M Reynolds" in the amount of \$685,355.83 and "Missouri 60TP2 Ripley (Missouri 38K, L, M Reynolds)" in the amount of \$139,644.17; and

(b) Administrative Order No. 3141, dated January 25, 1951, by changing the project designation appearing therein as "Missouri 38T Reynolds" in the amount of \$970,000 to read "Missouri 38T Reynolds" in the amount of \$719,741.19 and "Missouri 60TP2 Ripley (Missouri 38T Reynolds)" in the amount of \$250,258.31.

[SEAL] ANCHER NELSEN,  
*Administrator*

[F. R. Doc. 55-9181; Filed, Nov. 14, 1955;  
 8:53 a. m.]

[Administrative Order 5183]

ARKANSAS

LOAN ANNOUNCEMENT

OCTOBER 26, 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*  
 Arkansas 21 AG Lincoln..... \$970,000  
 [SEAL] FRED H. STRONG,  
*Acting Administrator.*

[F. R. Doc. 55-9182; Filed, Nov. 14, 1955;  
 8:54 a. m.]

[Administrative Order 5184]

OKLAHOMA

LOAN ANNOUNCEMENT

OCTOBER 26, 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*  
 Oklahoma 31 V Woodward..... \$570,000  
 [SEAL] FRED H. STRONG,  
*Acting Administrator.*

[F. R. Doc. 55-9183; Filed, Nov. 14, 1955;  
 8:54 a. m.]

[Administrative Order 5185]

KENTUCKY

LOAN ANNOUNCEMENT

OCTOBER 26, 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*  
 Kentucky 26V Todd..... \$2,020,000

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

[F. R. Doc. 55-9184; Filed, Nov. 14, 1955;  
 8:54 a. m.]

[Administrative Order 5186]

IOWA

LOAN ANNOUNCEMENT

OCTOBER 26, 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*  
 Iowa 83B Cherokee..... \$1,355,000

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

[F. R. Doc. 55-9185; Filed, Nov. 14, 1955;  
 8:54 a. m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 70-3424]

AMERICAN GAS AND ELECTRIC CO.

NOTICE OF FILING IN RESPECT OF PROPOSED COMMON STOCK DIVIDEND

NOVEMBER 8, 1955.

Notice is hereby given that American Gas and Electric Company ("American Gas"), a registered holding company, has made a filing with this Commission designating sections 6 and 7 of the Public Utility Holding Company Act of 1935 ("act") as applicable to the proposed transactions, which are summarized as follows:

On October 26, 1955, the Board of Directors of American Gas, in addition to declaring a regular quarterly cash dividend of 50 cents per share to the holders of its \$5 par value common stock, also declared a stock dividend at the rate of one share for each fifty shares of \$5 par value common stock outstanding. This stock dividend is to be payable on January 10, 1956, to holders of record on December 9, 1955 (except upon shares held by nominees of American Gas for the exchange of Scrip Certificates representing fractional shares)

No fractional shares of common stock of American Gas are to be issued in connection with the stock dividend. American Gas proposes in lieu thereof to mail,

on January 10, 1956, to each stockholder of record on December 9, 1955, who would otherwise be entitled to a fractional share, a letter advising such holder that arrangements have been made with Guaranty Trust Company of New York, Agent, pursuant to which such holder will be entitled during a period of 24 days, to instruct the Agent to take either of the following courses of action with respect to the fractional interest to which such holder would otherwise be entitled: (1) To consolidate such fractional interest into one full share of common stock upon payment by such holder to the Agent of the cost of the additional fractional interest required to effect such consolidation, or (2) to sell such fractional interest on behalf of such holder. The communication so mailed will further advise that if the Agent shall not have received instructions from such holder prior to the expiration of such period the fractional interest to which such holder would otherwise be entitled will be sold for the account of such holder. The Agent will be authorized to execute consolidation and sale requests received from time to time by matching the same upon the basis of the currently prevailing market price of shares of common stock of American Gas, as determined by the Agent in its discretion.

In the event that, at the expiration of the period, the Agent shall have received requests for consolidation calling for an aggregate number of shares of common stock of American Gas which is greater than the aggregate number of shares of common stock represented by all fractional interests, the Agent will acquire the necessary additional shares of common stock by purchases on the New York Stock Exchange or otherwise. In the event that, at the expiration of the period, after giving effect to all requests for consolidation and sale of fractional interests, there shall remain any of the aggregate number of shares of common stock represented by all fractional interests, the Agent will sell the balance upon the New York Stock Exchange or otherwise. Cash proceeds received by the Agent in respect of fractional interests which are sold will be remitted to the holders of shares of common stock of American Gas entitled thereto.

Interest in a fractional share will not entitle a stockholder to dividends or any other rights of a stockholder of American Gas with respect to such fractional interest.

The services of the Agent will be rendered without charge to stockholders effecting consolidations and dispositions of fractional interests.

The proposed common stock dividend will result in the issuance of an estimated 257,050 shares of \$5 par value common stock. American Gas proposes to record the issuance by debiting its earned surplus with an assigned value of \$45 per share, or an aggregate of \$11,567,250, and by crediting its common stock capital account with the par value of \$5 per share, or a total of \$1,285,250, and its Capital Surplus-Premium on Common Stock account with \$40 per share, or a total of \$10,282,000. At Sep-

tember 30, 1955, the earned surplus of American Gas amounted to \$84,459,899.

It is represented in the filing that no regulatory authority other than this Commission has jurisdiction over the proposed transaction.

Notice is further given that any interested person may, not later than November 25, 1955, at 5:30 p. m., request the Commission in writing that a hearing be held on this matter, stating the nature of his interest, the reason for such request, and the issues of fact or law, if any, raised by such filing which he proposes to controvert, or he may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary Securities and Exchange Commission, Washington 25, D. C. At any time after said date the declaration, as filed or as it may hereafter be amended, may be permitted to become effective as provided in Rule U-23 of the rules and regulations promulgated under the act, or the Commission may grant exemption from its rules as provided in Rules U-20 (a) and U-100 or take such other action as it may deem appropriate.

By the Commission.

[SEAL]

ORVAL L. DuBOIS,  
Secretary.

[F. R. Doc. 55-9149; Filed, Nov. 14, 1955;  
8:47 a. m.]

[File No. 70-3410]

GENERAL PUBLIC UTILITIES CORP ET AL.

NOTICE OF FILING REGARDING AGREEMENT  
PROVIDING FOR ALLOCATION OF CONSOLIDATED FEDERAL INCOME TAX LIABILITY

NOVEMBER 8, 1955.

In the matter of General Public Utilities Corporation, Jersey Central Power & Light Company, Metropolitan Edison Company, New Jersey Power & Light Company, Northern Pennsylvania Power Company, The Waverly Electric Light and Power Company, Pennsylvania Electric Company, Blair Fuel Company, Nineveh Water Company, Brockway Light, Heat and Power Company, Employees Welfare Association, Incorporated, Employees Welfare Association, Inc., Associated Electric Company.

Notice is hereby given that General Public Utilities Corporation, a registered holding company, and its subsidiary companies, Jersey Central Power & Light Company, Metropolitan Edison Company, New Jersey Power & Light Company, Northern Pennsylvania Power Company, The Waverly Electric Light and Power Company, Pennsylvania Electric Company, Blair Fuel Company, Nineveh Water Company, Brockway Light, Heat and Power Company, Employees Welfare Association, Incorporated, Employees Welfare Association, Inc., and Associated Electric Company, have filed a declaration with the Commission pursuant to the Public Utility Holding Company Act of 1935 ("act") and have designated section 12 (b) of said act and Rule U-45 (a) promulgated thereunder as applicable to the proposed

transaction, which is summarized as follows:

Declarants propose to enter into an agreement governing the allocation among said companies of the consolidated Federal income tax liability of such group of companies. It is stated that the proposed agreement does not comply with the exemptive provisions of Rule U-45 (b) (6) in that it provides that (i) commencing with the tax return for 1954 and thereafter, a company which elects to claim a deduction for accelerated amortization of emergency facilities, as distinct from normal depreciation deductions, shall have allocated to it the entire tax benefits, and bear the entire tax burdens, attributable to such deduction, and (ii) commencing with the year 1955 and thereafter, a company which elects to claim a foreign tax credit shall have allocated to it the entire tax benefits attributable to such credit.

The declaration states that no State or Federal regulatory body, other than this Commission, has jurisdiction with respect to the proposed transaction.

Notice is further given that any interested person may, not later than November 29, 1955 at 5:30 p. m., request the Commission in writing that a hearing be held on such matter, stating the nature of his interest, the reasons for such request, and the issues, if any, of fact or law proposed to be controverted; or he may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington 25, D. C. At any time after said date said declaration, as filed or as amended, may be permitted to become effective as provided in Rule U-23 of the rules and regulations promulgated under the act, or the Commission may grant exemption from its rules as provided in Rules U-20 (a) and U-100 or take such other action as it may deem appropriate.

By the Commission.

[SEAL]

ORVAL L. DuBOIS,  
Secretary.

[F. R. Doc. 55-9150; Filed, Nov. 14, 1955;  
8:47 a. m.]

[File No. 70-3423]

NORTH SHORE GAS CO. AND NEW ENGLAND  
ELECTRIC SYSTEM

NOTICE OF PROPOSED ISSUANCE AND SALE BY  
SUBSIDIARY OF ADDITIONAL COMMON  
SHARES PURSUANT TO RIGHTS OFFERING,  
AND PROPOSED EXERCISE BY PARENT COM-  
PANY OF ITS SUBSCRIPTION RIGHTS AND  
PURCHASE OF ALL UNSUBSCRIBED SHARES;  
PROPOSED ISSUANCE AND SALE BY SUB-  
SIDIARY OF PRINCIPAL AMOUNT OF BONDS  
PURSUANT TO COMPETITIVE BIDDING

NOVEMBER 8, 1955.

Notice is hereby given that North Shore Gas Company ("North Shore"), a public-utility subsidiary of New England Electric System ("NEES"), a registered holding company, and NEES have filed a joint application pursuant to the

Public Utility Holding Company Act of 1935 ("act") designating sections 6 (b) 9 (a) and 10 of the act and Rule U-50 thereunder as applicable to the proposed transactions, which are summarized as follows:

**Proposed common stock issuance.** North Shore, which presently has outstanding 198,975 shares of common capital stock (par value \$10 per share), proposes to issue and sell for cash 39,795 additional shares, which will be offered to its stockholders at the price of \$14 a share on the basis of one new share for each five shares held. Rights to subscribe will be evidenced by full and fractional share warrants, exercisable during a subscription period of 21 days.

NEES, which now owns 192,446 shares (96.719 percent) of North Shore's capital stock, proposes to exercise all its subscription rights (for 38,489 full shares of the additional stock) and also to purchase from North Shore all unsubscribed shares at the subscription price of \$14 a share. NEES also states that it will offer during the subscription period to purchase from minority stockholders (numbering 125 and owning 6,529 shares) their present holdings together with their rights to subscribe for additional shares, on the basis of \$16.50 a share.

The application states that the price of \$14 per share for the additional stock to be issued by North Shore and the price of \$16.50 per share to be offered by NEES for present minority holdings were determined after consideration of the earnings and book value of the North Shore stock and other comparable utility company stocks.

**Proposed bond issuance.** North Shore also proposes to issue and sell, pursuant to the competitive bidding requirements of Rule U-50, \$2,500,000 principal amount of Series B bonds, to be dated as of December 1, 1955, and to mature December 1, 1975. The interest rate (to be a multiple of  $\frac{1}{8}$  of 1 percent, not in excess of  $4\frac{1}{4}$  percent) and the price (to be not less than 100 percent nor more than 102 $\frac{3}{4}$  percent of the principal amount, excluding accrued interest) will be determined by competitive bidding.

The Series B bonds will be issued under a First Mortgage Indenture and Deed of Trust dated as of October 1, 1950, of Salem Gas Light Company, a predecessor of North Shore, as heretofore supplemented and as to be further supplemented by a Second Supplemental Indenture from North Shore to The Merchants National Bank of Boston, Trustee, dated as of December 1, 1955.

The proceeds from the sale of the additional common stock and bonds, together with treasury funds, will be applied by North Shore to the payment of all short-term debt to banks (which amounted to \$2,200,000 at August 31, 1955) and the balance, estimated at \$860,000, to short-term indebtedness payable to NEES (which amounted to \$1,225,000 at the same date)

North Shore and NEES desire to summarize the proposed transactions in order to finance permanently capitalizable additions to North Shore's properties. NEES also desires to invest funds not otherwise required in its business in

acquiring the minority interest in its subsidiary North Shore.

Total expenses in connection with the proposed issue of common stock are estimated at \$3,200 for North Shore and \$500 for NEES. North Shore estimates its expenses in connection with the proposed issue of bonds at \$30,000, including services of New England Power Service Company (mutual service company), \$13,000; printing and engraving, \$9,500; accounting fees, \$2,500; engineering fees, \$2,500; trustee's fees, \$3,500; registration and recording fees, stamp tax, "blue sky" fees, and miscellaneous expenses, \$7,000. The legal fee and expenses of independent counsel to the underwriters of the bonds, to be paid by the successful bidder, are estimated at \$3,500 and \$300, respectively.

North Shore has made application to the Massachusetts Department of Public Utilities for approval of its issue and sale of the additional common stock and bonds as proposed. It is stated that no other commission except this Commission has jurisdiction over the proposed transactions.

It is requested that the order of this Commission be made effective upon issuance.

Notice is further given that any interested person may, not later than November 22, 1955 at 5:30 p. m., request the Commission in writing that a hearing be held on such matter, stating the nature of his interest, the reasons for such request, and the issues of fact or law, if any, raised by said application which he desires to controvert, or he may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington 25, D. C. At any time after said date said application, as filed or as amended, may be granted as provided in Rule U-23 of the rules and regulations promulgated under the act, or the Commission may grant exemption from its rules as provided in Rules U-20 (a) and U-100, or take such other action as it may deem appropriate.

By the Commission.

[SEAL] ORVAL L. DuBOIS,  
Secretary.

[F. R. Doc. 55-9151; Filed, Nov. 14, 1955; 8:48 a. m.]

[File No. 70-3423]

STANDARD POWER AND LIGHT CORP.

NOTICE OF FILING DECLARATION REGARDING PROPOSED SALE OF COMMON STOCK OF PUBLIC-UTILITY SUBSIDIARY AND PROPOSED CASH DISTRIBUTION OUT OF CAPITAL SURPLUS

NOVEMBER 8, 1955.

Notice is hereby given that a declaration has been filed with this Commission by Standard Power and Light Corporation ("Standard Power") a registered holding company, pursuant to section 12 of the Public Utility Holding Company Act of 1935 ("act") and Rules U-44 and U-46 promulgated thereunder regarding a proposal by Standard Power (a) to sell

not more than 10,000 shares of common stock of Duquesne Light Company, a public-utility subsidiary of Standard Power, either (i) on the New York Stock Exchange by means of ordinary brokers' transactions at prevailing market prices on the date or dates of sale or (ii) by negotiated sale, after inquiry among a limited number of prospective buyers, with a buyer or buyers who will agree to purchase for investment and not for resale to the public and at prevailing market prices on the New York Stock Exchange on the date or dates of sale, less a discount of not more than \$0.50 per share; and (b) to make a cash distribution of \$0.40 per share, in part out of earned surplus to the full extent thereof, which at September 30, 1955, amounted to \$311,715.43, and the balance out of capital surplus which as of the same date amounted to \$110,982,551.45, to each holder of record on December 5, 1955, of its outstanding 1,320,000 shares of common stock and 110,000 shares of common stock, Series B.

Standard Power presently has pending before the Commission an application for the modification of an outstanding order of this Commission under section 11 (b) (2) of the act which directs Standard Power to liquidate and dissolve and an application for the approval of a plan under section 11 (e) of the act proposing the transformation of Standard Power into an investment company. Standard Power has outstanding a bank loan in the amount of \$1,500,000 which matures on July 29, 1956, which is its only obligation senior to its common stock. It is stated in the declaration that this loan will not be adversely affected by the proposed cash distribution since Standard Power has sufficient marketable securities to enable it to raise any balance of cash required to pay the loan when it becomes due.

The declaration further states that no State commission or Federal commission, other than this Commission, has jurisdiction over the proposed cash distribution. It is further stated that in connection with the proposed transactions Standard Power will incur only the normal and usual brokerage commissions in the event that the securities are sold through a broker or brokers, and the normal distribution charges by the bank making the distribution. Counsel fees are estimated by Standard Power not to exceed \$500.

Notice is further given that any interested person may, not later than November 24, 1955, at 5:30 p. m., request the Commission in writing that a hearing be held on such matters, stating the nature of his interest, the reasons for such request, and the issues of fact or law raised by said declaration which he desires to controvert, or may request that he be notified if the Commission orders a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, Washington 25, D. C. At any time after said date, said declaration, as filed or as amended, may be permitted to become effective as provided in Rule U-23 of the rules and regulations promulgated under the act or the Commission may grant exemption from

its rules as provided in Rules U-20 (a) and U-100 or take such other action as it may deem appropriate.

By the Commission.

[SEAL] ORVAL L. DuBois,  
Secretary.

[F. R. Doc. 55-9152; Filed, Nov. 14, 1955;  
8:48 a. m.]

## INTERSTATE COMMERCE COMMISSION

### FOURTH SECTION APPLICATIONS FOR RELIEF

NOVEMBER 9, 1955.

Protests to the granting of an application must be prepared in accordance with Rule 40 of the General Rules of Practice (49 CFR 1.40) and filed within 15 days from the date of publication of this notice in the FEDERAL REGISTER.

#### LONG-AND-SHORT HAUL

FSA No. 31284. *Sugar—B. & O. Stations to Official Territory.* Filed by C. W. Boin, Agent, for interested rail carriers. Rates on sugar, beet or cane, in bulk, in carloads from B. & O. Railroad stations to points in official territory.

Grounds for relief: Revised commodity description.

Tariffs: Supplement 379 to Agent Boin's I. C. C. A-848; Supplement 41 to Agent Boin's I. C. C. A-874, Supplement 9 to B. & O. R. R. I. C. C. 20478.

FSA No. 31285. *Commodity rates from and to Ford Park, Ohio.* Filed by H. R.

Hinsch, Agent, for interested rail carriers. Rates on various commodities, in carloads and less-than-carloads from and to Ford Park, Ohio, on one hand, and points in the U. S. and Canada, on the other.

Grounds for relief: New station, grouping and circuitry.

Tariff: Detroit, Toledo and Ironton Railroad Company I. C. C. No. 764.

FSA No. 31286: *Cottonseed oil cake or meal—North Carolina to Virginia.* Filed by R. E. Boyle, Jr., Agent, for interested rail carriers. Rates on cottonseed oil cake or meal, etc., in carloads from Laurinburg, Raleigh, Fayetteville, and Wilson, N. C., to Lynchburg, Newport News, and Richmond, Va.

Grounds for relief: Rail competition and circuitry.

Tariff: Supplement 35 to Agent Spaninger's I. C. C. 1411.

FSA No. 31287: *Fibreboard boxes from Austin, Minn.* Filed by W. J. Prueter, Agent, for interested rail carriers. Rates on boxes, fibreboard, pulpboard or strawboard, in carloads from Austin, Minn., to points in Illinois, Iowa, Michigan, Minnesota, Missouri, and Wisconsin.

Grounds for relief: Market competition, rail competition and circuitry.

Tariff: Supplement 16 to Agent Prueter's I. C. C. A-4082.

FSA No. 31288: *Grain and grain products from Nebraska and Iowa to Illinois.* Filed by W. J. Prueter, Agent, for interested rail carriers. Rates on grain and grain products, in carloads from Omaha, South Omaha, Nebr., and

Council Bluffs, Iowa to Decatur, Gibson City, and Nonegger, Ill.

Grounds for relief: Rail competition and circuitry.

Tariff: Supplement 82 to Agent Prueter's I. C. C. No. A-3866.

FSA No. 31289: *Grain and grain products—Chicago, Ill., to St. Joseph, Mo.* Filed by W. J. Prueter, Agent, for interested rail carriers. Rates on grain and grain products, in carloads from Chicago, Ill., to St. Joseph, Mo.

Grounds for relief: Rail competition and circuitry.

Tariff: Supplement 82 to Agent Prueter's I. C. C. A-3866.

FSA No. 31290: *Motor carrier rates—Substituted service by the Pennsylvania Railroad Company.* Filed by Household Goods Carriers' Bureau, Agent, for and on behalf of Allied Van Lines, Inc., and The Pennsylvania Railroad Company. Rates on household goods, in trailers on flat cars between Chicago and East St. Louis, Ill., and Pittsburgh, Pa., on one hand, and Kearny, N. J., Philadelphia and Pittsburgh, Pa., on the other.

Grounds for relief: Competition with motor carriers.

Tariff: Supplement 14 to Household Goods Carriers' Bureau, MF-I. C. C. No. 58.

By the Commission.

[SEAL] HAROLD D. McCox,  
Secretary.

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