

leased unit or units shall be determined by the Expediter at the time such order is issued. Upon the termination of any such lease or leases a supplementary adjustment in the amount or amounts so determined shall be granted after the filing by the landlord of a supplementary petition for adjustment.

(Sec. 204 (d), 61 Stat. 197, as amended by 62 Stat. 37 and by 62 Stat. 94; 50 U. S. C. App. 1894 (d). Applies sec. 204 (b), 61 Stat. 197, as amended by 62 Stat. 37 and by 62 Stat. 94; 50 U. S. C. App. 1894 (b).)

This amendment shall become effective January 4, 1949.

Issued this 30th day of December 1948.

TIGHE E. WOODS,
Housing Expediter.

[F. R. Doc. 49-15; Filed, Jan. 3, 1949;
8:48 a. m.]

[Controlled Housing Rent Reg., Miami
Defense-Rental Area, Amdt. 10]

PART 825—RENT REGULATIONS UNDER THE
HOUSING AND RENT ACT OF 1947, AS
AMENDED

CONTROLLED HOUSING RENT REGULATION FOR
MIAMI DEFENSE-RENTAL AREA

The Controlled Housing Rent Regulation for Miami Defense-Rental Area (§§ 825.41 to 825.52) is amended in the following respects:

1. The period at the end of § 825.45 (a) (12) (iv) shall be changed to a comma, and the following shall be added immediately after said comma: "but this requirement shall not apply to the adjustments mentioned in the second unnumbered paragraph following § 825.45 (a) (12) (ix)."

Section 825.45 (a) (12) (iv), as hereby amended, shall read as follows:

(iv) "Current year" means: (a) The most recent calendar or fiscal year used by the landlord; or (b) any 12 consecutive months ending not more than 90 days prior to the date of the filing of the petition: *Provided, however*, That where a previous adjustment was granted under § 825.45 (a) (12) the current year must begin after the end of the current year used in obtaining the most recent of such previous adjustments, but this requirement shall not apply to the adjustments mentioned in the second unnumbered paragraph following § 825.45 (a) (12) (ix).

2. The following new paragraph shall be added immediately after § 825.45 (a) (12) (viii):

(ix) "Statutory lease" means a lease as described in section 204 (b) (2) or 204 (b) (3) of the Housing and Rent Act of 1947, as amended.

3. The first unnumbered paragraph immediately after § 825.45 (a) (12) (ix)

shall be amended, and a new unnumbered paragraph shall be added immediately thereafter, both paragraphs to read as follows:

In making adjustments under this § 825.45 (a) (12), the Expediter shall take into consideration any adjustments in maximum rents ordered after the date the petition is filed as well as any increases in the legal monthly rent resulting from statutory leases, whether terminated or still effective.

If prior to January 4, 1949 an adjustment was ordered under this § 825.45 (a) (12) but part of the hardship was charged to one or more dwelling units in the property which were covered by statutory leases, and if any such lease or leases have since terminated, the first adjustment ordered on or after January 4, 1949 under this § 825.45 (a) (12) may be based on a current year determined without regard to the proviso clause in § 825.45 (a) (12) (iv). In any case in which an adjustment based on a petition (other than a supplementary petition) under § 825.45 (a) (12) is ordered on or after January 4, 1949 while statutory leases are still in effect for one or more dwelling units in the property, the amount of hardship chargeable to such leased unit or units shall be determined by the Expediter at the time such order is issued. Upon the termination of any such lease or leases a supplementary adjustment in the amount or amounts so determined shall be granted after the filing by the landlord of a supplementary petition for adjustment.

(Sec. 204 (d), 61 Stat. 197, as amended by 62 Stat. 37 and by 62 Stat. 94; 50 U. S. C. App. 1894 (d). Applies sec. 204 (b), 61 Stat. 197, as amended by 62 Stat. 37 and by 62 Stat. 94; 50 U. S. C. App. 1894 (b).)

This amendment shall become effective January 4, 1949.

Issued this 30th day of December 1948.

TIGHE E. WOODS,
Housing Expediter.

[F. R. Doc. 49-16; Filed, Jan. 3, 1949;
8:49 a. m.]

[Controlled Rooms in Rooming Houses and
Other Establishments in Miami Defense-
Rental Area, Rent Reg., Amdt. 9]

PART 825—RENT REGULATIONS UNDER THE
HOUSING AND RENT ACT OF 1947, AS
AMENDED

RENT REGULATION FOR CONTROLLED ROOMS
IN ROOMING HOUSES AND OTHER ESTAB-
LISHMENTS IN MIAMI DEFENSE-RENTAL
AREA

The Rent Regulation for Controlled Rooms in Rooming Houses and Other Establishments in Miami Defense-Rental Area (§§ 825.121 to 825.132) is amended in the following respects:

1. The period at the end of § 825.125 (a) (9) (v) shall be changed to a comma, and the following shall be added immediately after said comma: "but this requirement shall not apply to the adjustments mentioned in the second unnumbered paragraph following § 825.125 (a) (9) (vii)."

Section 825.125 (a) (9) (v), as hereby amended, shall read as follows:

(v) "Current year" means (a) the most recent full calendar or fiscal year used by the landlord, or (b) any twelve-month period ending not more than 90 days prior to the filing of the petition: *Provided, however*, That the current year in all cases shall begin on or after the maximum rent date: *And provided further*, That where a previous adjustment was granted under § 825.125 (a) (9) the current year must begin after the end of the current year used in obtaining the most recent of such previous adjustments, but this requirement shall not apply to the adjustments mentioned in the second unnumbered paragraph following § 825.125 (a) (9) (vii).

2. The following new paragraph shall be added immediately after § 825.125 (a) (9) (vi):

(vii) "Statutory lease" means a lease as described in section 204 (b) (2) or 204 (b) (3) of the Housing and Rent Act of 1947, as amended.

3. The following paragraphs shall be added immediately after § 825.125 (a) (9) (vii):

In making adjustments under this § 825.125 (a) (9), the Expediter shall take into consideration any adjustments in maximum rents ordered after the date the petition is filed as well as any increases in the legal monthly rent resulting from statutory leases, whether terminated or still effective.

If prior to January 4, 1949 an adjustment was ordered under this § 825.125 (a) (9) but part of the hardship was charged to one or more dwelling units in the property which were covered by statutory leases, and if any such lease or leases have since terminated, the first adjustment ordered on or after January 4, 1949 under this § 825.125 (a) (9) may be based on a current year determined without regard to the second proviso clause in § 825.125 (a) (9) (v). In any case in which an adjustment based on a petition (other than a supplementary petition) under § 825.125 (a) (9) is ordered on or after January 4, 1949 while statutory leases are still in effect for one or more dwelling units in the property, the amount of hardship chargeable to such leased unit or units shall be determined by the Expediter at the time such order is issued. Upon the termination of any such lease or leases a supplementary adjustment in the amount or amounts so determined shall be granted after the filing by the landlord of a supplementary petition for adjustment.

¹ 13 F. R. 5735, 6246, 8389.

² 13 F. R. 5777, 8392.

(Sec. 204 (d), 61 Stat. 197, as amended by 62 Stat. 37 and by 62 Stat. 94; 50 U. S. C. App. 1894 (d). Applies sec. 204 (b), 61 Stat. 197, as amended by 62 Stat. 37 and by 62 Stat. 94; 50 U. S. C. App. 1894 (b))

This amendment shall become effective January 4, 1949.

Issued this 30th day of December 1948.

TIGHE E. WOODS,
Housing Expediter.

[F. R. Doc. 49-17; Filed, Jan. 3, 1949; 8:49 a. m.]

TITLE 14—CIVIL AVIATION
Chapter II—Civil Aeronautics Administration

[Amdt. 5]

PART 550—FEDERAL AID TO PUBLIC AGENCIES FOR DEVELOPMENT OF PUBLIC AIRPORTS

MISCELLANEOUS AMENDMENTS

Acting pursuant to the authority vested in me by the Federal Airport Act (60 Stat. 170; Pub. Law 377, 79th Cong.), I hereby amend Part 550 of the regula-

tions of the Administrator of Civil Aeronautics as follows:

1. Section 550.1 (d) is hereby amended to read as follows:

§ 550.1 *Definitions.* * * *

(d) "Class 4 or larger airport" means an airport which, in the opinion of the Administrator, upon completion of the project proposed would meet generally the standards for a Class 4 or larger airport as set forth in the following Table of the Civil Aeronautics Administration Bulletin, "Airport Design", dated April 1, 1944:

AIRPORT SIZE PLANNING STANDARDS

Recommended minimum standards	Class I	Class II	Class III	Class IV	Class V
Length of landing strips ¹	1,800 to 2,700 feet.....	2,700 to 3,700 feet.....	3,700 to 4,700 feet.....	4,700 to 5,700 feet.....	5,700 feet and over.....
Width of usable landing strips.....	300 feet.....	500 feet.....	500 feet.....	500 feet.....	500 feet.....
Length of runways.....	None.....	2,500 to 3,500 feet.....	3,500 to 4,500 feet.....	4,500 to 5,500 feet.....	5,500 feet and over.....
Width of runways.....	None.....	150 feet (night operations), 100 feet (day operations only).....	200 feet (instrument).....	200 feet (instrument).....	200 feet (instrument).....
Number of landing strips and runways ² determined by percentage of winds including calms ³ covered by landing strip and runway alignment.....	70 percent.....	75 percent.....	80 percent.....	90 percent.....	90 percent.....
Facilities.....	Drainage; fencing; marking; wind direction indicator; hangar; basic lighting (optional).....	Include class I facilities and lighting; hangar and shop; fueling; weather information; office space; parking.....	Include class II facilities and Weather Bureau 2-way radio; visual traffic control; instrument approach system (when required); administration building, taxiways and aprons.....	Same as class III.....	Same as class IV.....

¹ All of the above landing strip and runway lengths are based on sea-level conditions; for higher altitudes increases are necessary. One surfaced runway of dimensions shown above is recommended for each landing strip for airports in classes II, III, IV, and V.
² Landing strips and runways should be sufficient in number to permit take-offs and

landings to be made within 22½° of the true direction for the percentage shown above of winds 4 miles per hour and over, based on at least a 10-year Weather Bureau wind record where possible.
³ Calms: Negligible wind conditions of 3 miles per hour and under.

2. The following sections of this part are hereby amended by deleting therefrom the indicated respective parenthetical references to appendices and inserting in lieu thereof the indicated respective parenthetical references to sections:

Section	Delete	Insert
550.2 (b).....	"(Appendix C)".....	"(§ 550.11 (b))".....
550.5 (a).....	"(Appendix D)".....	"(§ 550.11 (a))".....
550.5 (c).....	"(Appendix C)".....	"(§ 550.11 (b))".....
550.5 (e) (3).....	"(Appendix C)".....	"(§ 550.11 (b))".....
550.5 (d).....	"(Appendix E)".....	"(§ 550.11 (c))".....
550.7 (b) (4).....	"(Appendix F)".....	"(§ 550.11 (d))".....
550.7 (c).....	"(Appendix G)".....	"(§ 550.11 (e))".....
550.7 (e).....	"(Appendix H)".....	"(§ 550.11 (f))".....
550.7 (f).....	"(Appendix I)".....	"(§ 550.11 (g))".....
550.7 (d) (4).....	"(Appendix J)".....	No insert.....
550.7 (g).....	"(Appendix K)".....	"(§ 550.11 (h))".....
550.7 (h) (4).....	"(Appendix G)".....	"(§ 550.11 (e))".....
550.7 (b) (4).....	"(Appendix K)".....	"(§ 550.11 (b))".....
550.9 (f).....	"(Appendix L)".....	"(§ 550.11 (i))".....
550.9 (i).....	"(Appendix M)".....	"(§ 550.11 (j))".....
550.9 (f).....	"(Appendix N)".....	"(§ 550.11 (k))".....
550.9 (f).....	"(Appendix K)".....	"(§ 550.11 (h))".....

3. There is hereby added to this part a new section to be numbered § 550.11, reading as follows:

§ 550.11 *Forms.* The purpose of this section is to describe the various forms referred to in the foregoing sections of this part. Copies of such forms and assistance in the completion and execution thereof may be obtained by a sponsor from the District Airport Engineer of the CAA district in which the project is located.

(a) *Request for Federal Aid, Form ACA-1623 (4-48).* This form consists of a statement requesting Federal aid in carrying out a project under the Act, to-

gether with appropriate spaces for insertion of information relating to: the location of the airport or airport site; the amount and source of funds to be used by the sponsor in payment of that part of the project costs which are not to be paid with United States funds; a general description of the proposed work; and the estimated cost of the proposed work. It is to be executed by an appropriate official of the prospective project sponsor.

(b) *Project Application, Form ACA-1624 (3-48).* This form, which is also to be executed by an appropriate official of the project sponsor, consists of four parts, as follows:

(1) *Part I: Project Information.* This part contains the sponsor's application for a grant of Federal funds to aid in financing a particular project. Appropriate spaces are provided for insertion of the name of the sponsor, the name and location of the airport to be developed, the description of the proposed airport development, and an estimate of the costs of the project.

(2) *Part II: Representations.* This part contains seven representations and certifications of the sponsor of the project, reading as follows:

1. *Legal authority.* The sponsor has the legal power and authority: (1) To do all things necessary in order to undertake and carry out the Project in conformity with the Act and the Regulations; (2) to accept, receive, and disburse grants of funds from the United States in aid of the Project, on the terms and conditions stated in the Act and the Regulations; and (3) to carry out all of the provisions of Parts III and IV of this Project Application.

2. *Funds.* The Sponsor now has on deposit, or is in a position to secure, \$----- for use in defraying the costs of the Project. The present status of these funds is as follows: [Space is provided here in which the sponsor is to insert sufficiently detailed and documented information to permit it to be determined that "sufficient funds are available for that portion of the project costs which is not to be paid by the United States", as required by section 9 (d) of the act. This information should include the amount of money available for the project which is then on deposit to the credit of the sponsor, the amount available from any other source but not then in the possession or control of the sponsor (together with the nature of any assurances received by the sponsor that such funds will be furnished), and the amount which remains to be raised by the sponsor by the sale of bonds or any other method (indicating the steps thus far taken to raise such funds). In addition, this information should include an itemization of all contributions or donations of land, materials, equipment, labor, or other assets to be made to the project and claimed by the sponsor as project costs, showing the estimated value or cost of each such contributed or donated item.]

3. *Land.* The Sponsor holds the following property interests in the following tracts of land which are to be developed or used as part of or in connection with the Airport, all of which lands are identified on the survey map which is attached hereto as Exhibit "A": [Space is provided here in which the sponsor is to list all airport lands which have been acquired by it prior to the submission of the project application, describing them or identifying them by parcel numbers as shown on the attached survey map and indicating, with respect to each such parcel, the interest held by the sponsor therein. In the case of each parcel in which the sponsor holds title in fee, such interest should be described as "title in fee, free and clear of all liens, easements, leases, and

other encumbrances and adverse interests", or if there are any such encumbrances or adverse interests, they should be specified and the title described as title in fee subject only to such named encumbrances or adverse interests. Similarly, where the sponsor holds some lesser property interest, such interest should be specified, indicating if it is less than title, the authority under which such interest is held. If the interest is a leasehold estate granted by some other public agency, a certified copy of the instrument creating such interest should be attached.]

4. *Approvals of other agencies.* The Project has been approved by all non-Federal agencies whose approval is required, namely: [Space is provided here in which the sponsor is to list all non-Federal agencies whose approval of the project is required.]

5. *Defaults.* The sponsor is not in default on any obligation to the United States or any agency of the United States Government relative to the development, operation, or maintenance of any airport, except as stated herewith: [Space is provided here in which the sponsor is to describe any existing obligations of the nature indicated, on which it is in default.]

6. *Possible disabilities.* There are no facts or circumstances (including the existence of effective or proposed leases, use agreements, or other legal instruments affecting use of the Airport or the existence of pending litigation of other legal proceedings) which: (a) Are known or by due diligence might be known; (b) in reasonable probability might make it impossible for the sponsor to carry out and complete the Project or carry out the provisions of Parts III and IV of the Project Application, either by limiting its legal or financial ability or otherwise; and (c) have not been brought to the attention of an authorized representative of the Administrator.

7. *Future development.* The sponsor intends ultimately to develop the Airport as proposed in the current Master Plan Layout for the Airport, which plan has been mutually agreed upon by the sponsor and the Administrator; and intends to proceed with such further development when it is necessary and feasible. The sponsor further represents that pending such further development and to the extent of its ability to do so, it intends to acquire the lands and interests therein necessary for such development or to take such other action as will protect such proposed lands or interests from any development thereof inconsistent with the intended airport use.

(3) *Part III: Sponsor's Assurances.* This part contains the following assurances and covenants on the part of the sponsor, all of which are to become effective upon acceptance by the sponsor of a grant offer for the project and remain in force and effect throughout the useful life of the facilities developed under the project but in any event not to exceed 20 years from the date of such acceptance:

2. The Sponsor will operate the Airport as such for the use and benefit of the public. In furtherance of this covenant (but without limiting its general applicability and effect), the Sponsor specifically agrees that it will keep the Airport open to all types, kinds and classes of aeronautical use without discrimination between such types, kinds and classes: *Provided*, That the Sponsor may establish such fair, equal and non-discriminatory conditions to be met by all users of the Airport as may be necessary for the safe and efficient operation of the Airport: *And provided further*, That the Sponsor may prohibit any given type, kind or class of aeronautical use of the Airport if such action will best serve the aeronautical needs of the area served by the Airport.

3. The Sponsor will not exercise, grant or permit any exclusive right for the use of the Airport forbidden by section 303 of the Civil Aeronautics Act of 1938, as amended. In furtherance of this covenant (but without limiting its general applicability and effect), the Sponsor specifically agrees that it will not either directly or indirectly exercise, or grant to any person, firm or corporation, or permit any persons, firm, or corporation to exercise, any exclusive right for the use of the airport for commercial flight operations, including air carrier transportation, rental of aircraft, conduct of charter flights, operation of flight schools or the carrying on of any other service or operation requiring the use of aircraft.

4. The Sponsor agrees that it will operate the Airport for the use and benefit of the public, on fair and reasonable terms and without unjust discrimination. In furtherance of this covenant (but without limiting its general applicability and effect), the Sponsor specifically covenants and agrees:

(a) That in any agreement, contract, lease or other arrangement under which a right or privilege at the Airport is granted to any person, firm, or corporation to render any service or furnish any parts, materials or supplies (including the sale thereof) essential to the operation of aircraft at the Airport, the Sponsor will insert and enforce provisions requiring the contractor:

(1) To furnish good, prompt and efficient service¹ adequate to meet all the demands for its service¹ at the Airport.

(2) To furnish said service¹ on a fair, equal and nondiscriminatory basis to all users thereof, and

(3) To charge fair, reasonable and non-discriminatory prices for each unit of sale or service:¹ *Provided*, That the contractor may be allowed to make reasonable and non-discriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

(b) That it will not exercise or grant any right or privilege which would operate to prevent any person, firm, or corporation operating aircraft on the Airport from:

(1) Performing any services on its own aircraft with its own employees (including, but not limited to, maintenance and repair) that it may choose to perform.

(2) Purchasing off the Airport and having delivered on the Airport without entrance fee, delivery fee or other surcharge for delivery any parts, materials or supplies necessary for the servicing, repair or operation of its aircraft: *Provided*, That the Sponsor may make reasonable charges for the cost of any service (including charges for maintenance, operation and depreciation of facilities and rights-of-way) furnished by the Sponsor in connection with the delivery of any parts, materials or supplies: *And provided further*, That in the case of aviation gasoline and oil purchased off the Airport and delivered to the Airport, the Sponsor may require the aviation gasoline and oil to be stored in specified places, limiting the amount delivered to the amount of storage space available, and if necessary for the safe and efficient operation of the Airport, require persons furnishing their own aviation gasoline and oil to utilize such storage, dispensing and delivery system as the Sponsor may designate.

(c) That if it exercises any of the rights or privileges set forth in subsection (a) of this paragraph it will be bound by and adhere to the condition specified for contractors set forth in said subsection.

5. Nothing contained herein shall be construed to prohibit the granting or exercise of an exclusive right for the furnishing of non-aviation products and supplies or any service of a non-aeronautical nature.

¹As used in these subsections the word "service" shall include furnishing of parts, materials, and supplies (including sale thereof) as well as furnishing of service.

6. The Sponsor will suitably operate and maintain the Airport and all facilities thereon or connected therewith which are necessary for airport purposes other than facilities owned or controlled by the United States, and will not permit any activity thereon which would interfere with its use for aeronautical purposes: *Provided*, That nothing contained herein shall be construed to require that the Airport be operated and maintained for aeronautical uses during temporary periods when snow, flood, or other climatic conditions interfere substantially with such operation and maintenance. Essential facilities, including night lighting systems, when installed, will be operated in such a manner as to assure their availability to all users of the Airport.

7. To the extent of its financial ability, the Sponsor will replace and repair all buildings, structures, and facilities developed under the Project which are destroyed or damaged, replacing or restoring them to a condition comparable to that preceding the destruction or damage, if such buildings, structures, and facilities are determined by the Administrator to be necessary for the normal operation of the Airport.

8. Insofar as is within its powers and reasonably possible, the Sponsor will prevent the use of any land either within or outside the boundaries of the Airport in any manner (including the construction, erection, alteration, or growth of any structure or other object thereon) which would create a hazard to the landing, taking-off or maneuvering of aircraft at the Airport, or otherwise limit the usefulness of the Airport. This objective will be accomplished either by the adoption and enforcement of a zoning ordinance and regulations or by the acquisition of easements or other interests in lands or airspace, or by both such methods. With respect to land outside the boundaries of the airport, the Sponsor will also remove or cause to be removed any growth, structure, or other object thereon which would be a hazard to the landing, taking-off, or maneuvering of aircraft at the Airport, or if such removal is not feasible, will mark or light such growth, structure, or other object as an airport obstruction or cause it to be so marked or lighted. The airport approach standards to be followed in performing the covenants contained in this paragraph shall be those established by the Administrator in Office of Airports Drawing No. 672 dated September 1, 1946, unless otherwise authorized by the Administrator.

9. All facilities of the Airport developed with Federal aid and all those usable for the landing and taking-off of aircraft will be available to the United States at all times, without charge, for use by military and naval aircraft in common with other aircraft, except that if the use by military and naval aircraft is substantial, a reasonable share, proportional to such use, of the cost of operating and maintaining facilities so used, may be charged. The amount of use to be considered "substantial" and the charges to be made therefore shall be determined by the Sponsor and the using agency.

10. The Sponsor will furnish to any civil agency of the United States, without charge (except for light, heat, janitor service, and similar facilities and services at the reasonable cost thereof), such space in airport buildings as may be reasonably adequate for use in connection with any airport air traffic control activities, weather-reporting activities, and communications activities related to airport air traffic control, which are necessary to the safe and efficient operation of the Airport and which such agency may deem it necessary to establish and maintain at the Airport for such purpose.

11. After completion of the Project and during the term of these covenants, the Sponsor will maintain a current system of Airport accounts and records, using a system of its own choice, sufficient to provide annual

statements of income and expense. It will furnish the Administrator with such annual or special Airport financial and operational reports as he may reasonably request. Such reports may be submitted to the Administrator on forms furnished by him, or may be submitted in such other manner as the Sponsor elects, provided the essential data are furnished. The Airport and all airport records and documents affecting the Airport, including deeds, leases, operation and use agreements, regulations, and other instruments, will be available for inspection by any duly authorized representative of the Administrator upon reasonable request. The Sponsor will furnish to the Administrator, upon request a true copy of any such document.

12. The Sponsor will not enter into any transaction which would operate to deprive it of any of the rights and powers necessary to perform any or all of the covenants made herein, unless by such transaction the obligation to perform all such covenants is assumed by another public agency eligible under the Act and the Regulations to assume such obligations and having the power, authority and financial resources to carry out all such obligations. If an arrangement is made for management or operation of the Airport by any agency or person other than the Sponsor or an employee of the Sponsor, the Sponsor will reserve sufficient powers and authority to insure that the Airport will be operated and maintained in accordance with the Act, the Regulations, and these covenants.

13. The Sponsor will maintain a master plan of the Airport having the current approval of the Administrator. Such plan shall show building areas, approach areas, and landing areas, indicating present and future proposed development. The Sponsor will conform to such master plan in making any future improvements or changes at the Airport which, if made contrary to the master plan, might adversely affect the safety, utility, or efficiency of the Airport.

14. (a) The Sponsor will acquire within a reasonable time but in any event prior to the start of any construction work under the Project, the following property interests in the following tracts of land on which such construction work is to be performed, all of which lands are identified on the survey map which is attached hereto and identified as Exhibit "A": [Space is provided here in which the sponsor is to state the exact property interests which the sponsor will acquire, prior to the start of any construction work under the project, in all tracts of land on which any such construction work is to be performed, describing such parcels or identifying them by parcel numbers as shown on the attached survey map. Where the property interest to be acquired is title in fee, such title should be described as "title in fee, free and clear of all liens, easements, leases, and other encumbrances and adverse interests," or if it is expected that there will be such encumbrances or adverse interests, they should be specified and the title described as title in fee, subject only to such named encumbrances or adverse interests. Similarly where the sponsor is to acquire some lesser property interest, such interest should be specified.]

(b) The Sponsor will acquire within a reasonable time and if feasible prior to the completion of all construction work under the Project, the following property interests in the following tracts of land which are to be developed or used as part of or in connection with the Airport as it will be upon completion of the Project, all of which lands are identified on the survey map which is attached hereto and identified as Exhibit "A": [Space is provided here in which the sponsor is to state the exact property interests that the sponsor will acquire in all tracts of land needed for airport purposes other than those covered in paragraph 14 (a)

and in paragraph 3 of Part II. Such interests should be described with the same particularity as those described in paragraph 14 (a).]

(4) *Part IV: Project Agreement.* This part contains an agreement on the part of the Sponsor, conditional upon execution of a Grant Agreement for the project, to accomplish the project in accordance with the act, the regulations, the plans and specifications, as approved by the Administrator, and the Grant Agreement.

Printed on the last page of the form is a form of certification to be executed by the Sponsor's attorney, stating that all statements of law made in the Project Application and all legal conclusions upon which the representations and covenants are based, in his opinion, are true and correct.

(c) *Grant Agreement, Form ACA-1632 (Rev. 3-48).* This form consists of two parts, as follows:

(1) *Part I: Offer.* This part sets forth an offer and agreement on the part of the United States, to be executed by the Regional Administrator on behalf of the Administrator, to pay a certain stated percentage of the allowable project costs of an approved project, not to exceed a specified maximum amount, on the following terms and conditions together with such other special terms and conditions as may be determined by the Administrator to be necessary with respect to the particular project, to insure compliance with the act and the regulations:

2. The Sponsor shall:

(a) Begin accomplishment of the Project within a reasonable time after acceptance of this Offer, and

(b) Carry out and complete the Project in accordance with the terms of this Offer, and the Federal Airport Act and the Regulations promulgated thereunder by the Administrator in effect on the date of this Offer, which Act and Regulations are incorporated herein and made a part hereof, and

(c) Carry out and complete the Project in accordance with the plans and specifications incorporated herein as they may be revised or modified with the approval of the Administrator or his duly authorized representatives.

3. The Sponsor shall operate and maintain the Airport as provided in the Project Application incorporated herein.

4. Any misrepresentation or omission of a material fact by the Sponsor concerning the Project or the Sponsor's authority or ability to carry out the obligations assumed by the Sponsor in accepting this Offer shall terminate the obligation of the United States, and it is understood and agreed by the Sponsor in accepting this Offer that if a material fact has been misrepresented or omitted by the Sponsor, the Administrator on behalf of the United States may recover all grant payments made.

5. The Administrator reserves the right to amend or withdraw this Offer at any time prior to its acceptance by the Sponsor.

6. This Offer shall expire and the United States shall not be obligated to pay any of the allowable costs of the Project unless this Offer has been accepted by the Sponsor within 60 days from the above date of Offer or such longer time as may be prescribed by the Administrator in writing.

This offer also provides that it is to constitute a Grant Agreement upon its acceptance by the sponsor and that such Grant Agreement shall remain in effect

throughout the useful life of the facilities developed under the project but in any event not to exceed twenty years from the date of acceptance.

(2) *Part II: Acceptance.* This part, which is to be executed by an appropriate officer of the sponsor, contains an acceptance of the offer by the sponsor.

Printed on the last page of the form is a form of certification to be executed by the sponsor's attorney, stating that the acceptance of the offer by the sponsor was due and proper and in accordance with State and local law and that of Grant Agreement constitutes a legal and binding obligation of the sponsor.

(d) *Abstract of Bids and Recommendation for Award, Form ACA-1631 (Rev. 3-48).* This form contains spaces for listing the names of all bidders for project construction contracts, the amounts of the respective bids, the names of the sureties, and the sponsor's recommendation for award.

(e) *Detailed Estimate of Cost, Form ACA-1628 (5-48).* Although normally to be prepared by the contractor, this form is to be executed only by an appropriate representative of the sponsor and by the District Airport Engineer, the former's signature evidencing its submission as the sponsor's estimate and later his approval of such estimate. Spaces are provided for indicating the nature of each item of construction work, its quantity, unit of measurement, unit price, and total estimated cost.

Instructions for the preparation of this form are appended thereto and a Continuation Sheet (Form ACA-1628a) is provided for use where additional space is needed.

(f) *Performance Bond (Construction), Form ACA-1638A (4-48).* The provisions of this bond are similar to those of the performance bonds usually used in the construction industry; however, it has been drafted to comply with the foregoing regulations regarding the number and qualifications of sureties. Instructions for the preparation of the form are appended thereto.

(g) *Payment Bond (Construction), Form ACA-1638B (4-48).* The provisions of this bond are similar to those of the payment bonds usually used in the construction industry; however, it has been drafted to comply with the foregoing regulations regarding the number and qualifications of sureties. Instructions for the preparation of the form are appended thereto.

(h) *Periodic Cost Estimate, Form ACA-1629 (5-48).* This form contains three certifications, as follows:

(1) A certification to be executed by the contractor (or the sponsor with respect to force account work) that "the work performed and the materials supplied to date, as shown on this Periodic Cost Estimate, represent the actual value of accomplishment under the terms of this contract in conformity with approved plans and specifications, and that the quantities shown were properly determined and are correct."

(2) An "acknowledgment and concurrence" of the sponsor's engineer, concurring in the contractor's certification (to be omitted in the case of force account work); and

(3) A certification of the District Airport Engineer that he is "satisfied that the work has been accomplished in accordance with the plans and specifications and provisions of the contract" and concurs in the certification of the contractor (or sponsor's engineer).

These certifications are preceded by spaces for inserting information regarding the progress of construction work, including the dates when notice to proceed with the work was given, when the work was commenced, and when completion of the work is anticipated, the percentage of physical completion of the contract work, the latest revised estimate of the quantity and cost of each item of the work to be accomplished, and a statement of the quantities and value of all construction work actually accomplished as of the end of the period for which the report is prepared.

Instructions for the preparation of this form are appended thereto and a Continuation Sheet (Form ACA-1629a) is provided for use where additional space is needed.

(i) *Public Voucher for Purchases and Services Other Than Personal, Standard Form No. 1034 (Rev. 8-15-41)*. This is the standard form of voucher used in requesting payments of Government obligations. This form is adapted for use by sponsors in requesting grant payments under the act by inserting in the appropriate spaces the sponsor's name and address, the project number, the date of acceptance of the Grant Agreement, and

the amount representing the United States' share of allowable project costs for which the sponsor is requesting payment. Except for those spaces and the spaces provided for execution by an appropriate representative of the sponsor, all other spaces provided on this form are to be left blank, the supporting information usually furnished on this form being covered by Forms ACA-1625, ACA-1630, and ACA-1629.

(j) *Application for Grant Payment, Form ACA-1625 (5-48)*. This form contains a formal statement of application for grant payment in a specified amount, the sponsor indicating whether such payment is for land acquisition or a partial, semi-final, or final grant payment. This form also contains appropriate spaces for inserting a summary of the total costs incurred as of a certain specified date, the estimated United States' share of total costs, the total amount of previous applications for grant payments, and the amount of the current application for grant payment broken down into the following four classifications of costs: (1) Land (including cost of acquiring land and administrative costs incident thereto); (2) construction (value of work performed to date); (3) engineering; and (4) administrative. There is also a form of certification on the part of the sponsor that the statements made in the application are true and correct and that the work has been performed in accordance with the approved plans and specifications for the project, together with a

certification of the District Airport Engineer reading as follows: "The value of construction work performed as claimed above is supported in detail by Periodic Cost Estimates previously approved by this office. Other claimed project costs appear to be reasonable and, subject to actual verification of all stated costs by CAA audit prior to the payment of final grant, payment of this application for grant funds is recommended." Appended to this form are instructions for its preparation.

(k) *Summary of Project Costs, Form ACA-1630 (5-48)*. This form contains spaces in which the sponsor is to insert the latest revised estimate of total project costs, the total costs incurred to date, and the percentage that the latter bears to the former, all of these figures to be broken down into five main cost classifications: (1) Land costs (including cost of acquiring land and administrative costs incident thereto), (2) construction, (3) engineering, (4) administrative, and (5) contingencies. Instructions for the preparation of this form are appended thereto.

This amendment shall become effective upon publication in the FEDERAL REGISTER.

(60 Stat. 170; 49 U. S. C. 1101 et seq.)

[SEAL] D. W. RENTZEL,
Administrator of Civil Aeronautics.

[F. R. Doc. 49-33; Filed, Jan. 3, 1949;
8:51 a. m.]

NOTICES

CIVIL AERONAUTICS BOARD

[Docket No. 3336]

SERVICOS AEREOS CRUZEIRO DO SUL, LTDA.

NOTICE OF ORAL ARGUMENT

In the matter of the application of Servicos Aereos Cruzeiro Do Sul, Ltda., under section 402 of the Civil Aeronautics Act of 1938, as amended, for a foreign air carrier permit authorizing the foreign air transportation of persons, property, and mail between the United States and Brazil.

Notice is hereby given, pursuant to the Civil Aeronautics Act of 1938, as amended, particularly sections 402 and 1001 of said act, that oral argument in the above-entitled proceeding is assigned to be held on January 17, 1949, at 10:00 a. m. (eastern standard time), in Room 5042, Commerce Building, 14th Street and Constitution Avenue NW., Washington, D. C., before the Board.

Dated at Washington, D. C., December 30, 1948.

By the Civil Aeronautics Board.

[SEAL] M. C. MULLIGAN,
Secretary.

[F. R. Doc. 49-19; Filed, Jan. 3, 1949;
8:49 a. m.]

[Docket No. 3305]

J. C. HERBERT BRYANT AND CAPITAL AIRLINES, INC.; INTERLOCKING RELATIONSHIPS

NOTICE OF HEARING

In the matter of the joint application of J. C. Herbert Bryant and Capital Airlines, Inc., for approval, under section 409 (a) of the Civil Aeronautics Act of 1938, as amended, of certain interlocking relationships.

Notice is hereby given, pursuant to the Civil Aeronautics Act of 1938, as amended, particularly section 1001 of said act, that a hearing in the above-entitled proceeding is assigned to be held on January 18, 1949, at 10:00 a. m. (eastern standard time), in room 1011, Temporary Building No. 5, south of Constitution Avenue between 16th and 17th Streets NW., Washington, D. C., before Examiner R. Vernon Radcliffe.

Without limiting the scope of the issues presented by said application, particular attention will be directed to the following matters and questions:

(1) Whether the public interest will be adversely affected by the simultaneous holding of the positions of director and chairman of the board of Aircraft Components Corporation and the position of director of Capital Airlines, Inc., by J. C. Herbert Bryant, within the meaning of section 409 (a) of the act.

(2) Whether the public interest requires that the Board attach any terms and conditions to the approval of the interlocking relationships proposed.

Notice is further given that any person, other than parties of record, desiring to controvert in fact or law any of the issues raised in this proceeding must file with the Board on or before January 18, 1949, a statement of said issues.

Dated at Washington, D. C., December 28, 1948.

By the Civil Aeronautics Board.

[SEAL] M. C. MULLIGAN,
Secretary.

[F. R. Doc. 49-20; Filed, Jan. 3, 1949;
8:49 a. m.]

FEDERAL POWER COMMISSION

[Docket No. IT-6026]

MAINE PUBLIC SERVICE CO. AND FRASER PAPER, LTD.

NOTICE OF ORDER APPROVING EXTENSION OF TIME FOR MAINTENANCE AND USE OF PERMANENT CONNECTION FOR EMERGENCY PURPOSES ONLY

DECEMBER 29, 1948.

Notice is hereby given that, on December 28, 1948, the Federal Power Commission issued its order entered December 27, 1948, in the above-designated matter,

approving extension of time for maintenance and use of permanent connection for emergency purposes only until December 31, 1949.

[SEAL]

J. H. GUTRIDE,
Acting Secretary.

[F. R. Doc. 49-1; Filed, Jan. 3, 1949;
8:45 a. m.]

[Docket No. IT-6028]

MAINE PUBLIC SERVICE CO.

NOTICE OF ORDER EXTENDING AUTHORIZATION FOR TRANSMISSION OF ELECTRIC ENERGY TO CANADA

DECEMBER 29, 1948.

Notice is hereby given that, on December 28, 1948, the Federal Power Commission issued its order entered December 27, 1948, in the above-designated matter, extending authorization for transmission of electric energy to Canada until December 31, 1949.

[SEAL]

J. H. GUTRIDE,
Acting Secretary.

[F. R. Doc. 49-2; Filed, Jan. 3, 1949;
8:45 a. m.]

[Docket No. E-6182]

GULF STATES UTILITIES CO.

NOTICE OF ORDER AUTHORIZING ISSUANCE OF SECURITIES

DECEMBER 29, 1948.

Notice is hereby given that, on December 29, 1948, the Federal Power Commission issued its order entered December 28, 1948, authorizing issuance of securities in the above-designated matter.

[SEAL]

J. H. GUTRIDE,
Acting Secretary.

[F. R. Doc. 49-3; Filed, Jan. 3, 1949;
8:45 a. m.]

INTERSTATE COMMERCE COMMISSION

[Sec. 5a Application 4]

AMERICAN VANLINES, INC.

INDEPENDENT MOVERS' & WAREHOUSEMEN'S ASSOCIATION, INC.; AGREEMENT

DECEMBER 30, 1948.

The Commission is in receipt of the above-entitled and numbered application for approval of an agreement under the provisions of section 5a of the Interstate Commerce Act.

Filed by: American Vanlines, Inc., 20th Avenue & 57th Street, Brooklyn, N. Y.

Agreement involved: Application for approval of an agreement between and among motor common carriers, members of the Independent Movers' & Warehousemen's Association, Inc., relating to procedures for the joint consideration, initiation or establishment of rates, rules, regulations and practices applicable to the transportation of household goods in interstate or foreign commerce within the limits of the United States.

No. 2—2

The complete application may be inspected at the office of the Commission in Washington, D. C.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 20 days from the date of this notice. As provided by the general rules of practice of the Commission, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing.

By the Commission, Division 2.

[SEAL]

W. P. BARTEL,
Secretary.

[F. R. Doc. 49-18; Filed, Jan. 3, 1949;
8:49 a. m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 70-1633]

PHILADELPHIA CO. ET AL.

ORDER RELEASING JURISDICTION OVER CERTAIN LEGAL FEES AND EXPENSES

At a regular session of the Securities and Exchange Commission held at its office in the city of Washington, D. C., on the 28th day of December A. D. 1948.

In the matter of Philadelphia Company, Pittsburgh and West Virginia Gas Company, Equitable Gas Company, Finleyville Oil and Gas Company, File No. 70-1633.

The Commission by order dated June 30, 1948, having granted and permitted to become effective a joint application-declaration, as amended, filed by Philadelphia Company, a registered public utility holding company and a subsidiary of Standard Gas and Electric Company and Standard Power and Light Corporation, both registered holding companies, and certain of the subsidiaries of Philadelphia Company, to wit, Pittsburgh and West Virginia Gas Company ("Pittsburgh and West Virginia"), Equitable Gas Company ("Equitable"), and Finleyville Oil and Gas Company ("Finleyville"), pursuant to the applicable provisions of the Public Utility Holding Company Act of 1935, regarding the reorganization of the Pennsylvania gas properties in the Philadelphia Company holding company system, the recapitalization of and issuance of securities by Equitable, the dissolution of Finleyville, and the retirement of certain senior securities by Philadelphia Company, and having in said order reserved jurisdiction over all fees and expenses in connection therewith; and

Further information having been filed concerning the nature and extent of the services rendered, and the fees and expenses proposed to be paid therefor; and

It appearing to the Commission that the fee of Haskins & Sells, Pittsburgh, Pa., accountants for applicants-declarants, in the amount of \$14,128.15 and expenses in the amount of \$157.31, which

are to be paid by applicants-declarants, and the fee of Cahill, Gordon, Zachry & Reindel, New York, N. Y., independent counsel, in the amount of \$12,500.00, which is to be paid by the successful bidder for the bonds issued by Equitable, are not unreasonable and that jurisdiction over such matters may appropriately be released, and it appearing further that the record is not complete with respect to the allocation of charges for fees and expenses as among Philadelphia Company, Pittsburgh and West Virginia, Equitable, and Finleyville; and it further appearing that the record is not complete with respect to the nature and extent of the services rendered and the reasonableness of the fees claimed by Reed, Smith, Shaw & McClay, Pittsburgh, Pa., counsel for applicants-declarants, Flynn, Clerkin & Hansen, Chicago, Ill., co-counsel for applicants-declarants, Dillon, Read & Co., financial advisers, and Public Utility Engineering and Service Company, a former service company subsidiary of Standard Gas and Electric Company, and its successor, Pioneer Service & Engineering Company:

It is ordered, That the jurisdiction heretofore reserved over all fees and expenses in connection with the proposed transactions be, and the same hereby is, released, except as to the fees and expenses of Reed, Smith, Shaw & McClay; Flynn, Clerkin & Hansen; Dillon, Read & Co.; Public Utility Engineering and Service Company; and Pioneer Service & Engineering Company, jurisdiction over which is hereby specifically continued.

It is further ordered, That jurisdiction is hereby continued with respect to the allocation of charges for all fees and expenses in connection with the proposed transactions as among Philadelphia Company, Pittsburgh and West Virginia, Equitable, and Finleyville; and that the jurisdiction as to all other matters heretofore reserved in our order of June 30, 1948 herein, be, and hereby, is continued in effect.

By the Commission.

[SEAL]

ORVAL L. DuBOIS,
Secretary.

[F. R. Doc. 49-4; Filed, Jan. 3, 1949;
8:45 a. m.]

[File Nos. 54-50, 54-82, 59-10, 59-39]

NORTH AMERICAN CO. ET AL.

MEMORANDUM OPINION AND ORDER DENYING MOTION

At a regular session of the Securities and Exchange Commission, held at its office in the city of Washington, D. C., on the 28th day of December A. D. 1948.

In the matter of the North American Company and its subsidiary companies, File No. 59-10; the North American Company, File No. 54-82; North American Light & Power Company, Holding-Company System, and the North American Company, File No. 59-39; North American Light & Power Company, File No. 54-50.

Appearances. Stoddard M. Stevens, of Sullivan & Cromwell, New York, New York, for the North American Company.

Clayton E. Kline, Topeka, Kansas, for North American Light & Power Company.
Percival E. Jackson, New York, New York, for Pope Yeatman, Jr. et al., common stockholders of North American Light & Power Company.

Robert W. Meserve, Boston, Massachusetts, for Preston Moss Fund, Inc. et al., common stockholders of North American Light & Power Company.

Morris L. Forer, of Wolf, Block, Schorr and Solis-Cohen, Philadelphia, Pennsylvania, for Gerstley, Sunstein & Co., a common stockholder of North American Light & Power Company.

George Rosier, New York, New York, for Carl J. Austrian and Robert G. Butcher, trustees of Central States Electric Corporation, debtor, American Cities Power and Light Corporation and Blue Ridge Corporation, common stockholders of the North American Company.

Joseph Auerbach, for the Division of Public Utilities of the Commission.

We have for consideration a motion filed on behalf of Pope Yeatman, Jr., et al., common stockholders of North American Light & Power Company ("Light & Power"), a registered holding company and a subsidiary of the North American Company ("North American"), also a registered holding company, in connection with a plan ("Amended Plan I") for the liquidation and dissolution of Light & Power. The objectives of the motion and the facts relevant to its consideration are as follows:

On June 25, 1947, we approved a plan (known as "Plan I") filed by North American for the liquidation and dissolution of Light & Power, subject to certain amendments being made in the plan.¹ Amended Plan I was filed on June 27, 1947, embodying the changes which we deemed necessary in order to make Plan I fair and equitable. Amended Plan I provides, in so far as relevant here, that the publicly held common stock of Light & Power be retired by distribution of $\frac{3}{10}$ of one share of common stock of Illinois Power Company for each share of Light & Power common stock.² It also provides that for a period of twenty-one days from the date when the Illinois Power common stock is made available for distribution to the Light & Power public common stockholders, North American will stand ready to repurchase for cash from the persons receiving the stock any or all shares so distributed on the basis of \$7.50 for each $\frac{3}{10}$ of one share of Illinois Power common stock, irrespective of the then market price of such stock.

We stated in our findings and opinion that we would afford a period of five days during which the participants in the proceedings would be given an opportunity to request reargument or leave to present additional evidence. No such re-

quest having been received, we instituted proceedings at the instance of North American and Light & Power for the enforcement of Amended Plan I in the United States District Court for the District of Delaware. The District Court approved the plan (74 F. Supp. 317) and on November 6, 1947, entered an order for its enforcement. An appeal was taken by certain public common stockholders of Light & Power to the United States Court of Appeals for the Third Circuit which affirmed the order of the District Court on November 5, 1948 (—F. 2d. —). While the portions of the plan which related to the retirement of the publicly held preferred stock of Light & Power have been consummated, the plan has not, as yet, been consummated as to the publicly held common stock of Light & Power.

As our findings and opinion anticipated, starting shortly after our approval of the plan in June 1947, Illinois Power began to pay regular quarterly dividends on its outstanding common stock, and has paid six quarterly dividends of 50¢ during the period which has elapsed. In terms of the proposed distribution of $\frac{3}{10}$ of one share of Illinois Power common stock for each publicly held share of Light & Power common stock, the dividends which have been received by Light & Power aggregate 90¢ per share of publicly held Light & Power common stock for the full period since we approved the plan and aggregate 60¢ for the period which has elapsed since the District Court entered its order for enforcement of the plan.

By his motion, Yeatman seeks to secure a determination from us that Light & Power is required to distribute the dividends which it has received on the Illinois Power common stock together with a distribution of the stock under Amended Plan I. We heard oral argument on the motion, at which other public common stockholders of Light & Power supported Yeatman's position. North American and Light & Power, on the other hand, contended that Amended Plan I contains no provision which would require that such dividends accompany any distribution of the Illinois Power common stock, and stated that any such provision would require a further amendment to the plan which they are unwilling to make.

In his moving papers, Yeatman requested that we enter "an order amending the plan herein to provide that when and as distribution * * * is made * * * the same shall be accompanied by any dividends received by Light & Power from Illinois Power on such stock so distributed from and after June 25, 1947." However, at the argument, Yeatman indicated that he was not requesting an amendment to the plan, but was seeking an opinion from us construing the District Court's enforcement order as requiring a distribution of the dividends together with the stock. His argument appears to be that the Court's enforcement order created, in effect, a trust of which the Illinois Power common stock proposed to be distributed is the res, to which the applicable dividends attached when declared. He argued that the taking of an appeal by other common stock-

holders could not suffice as a reason for failure to consummate Amended Plan I, pointing out that no stay of consummation had ever been sought by the appellants. Yeatman conceded that under his construction of the Court's order he would be entitled to dividends of only 60¢ per each $\frac{3}{10}$ of a share of Illinois Power common stock rather than the 90¢ accrued since we approved Amended Plan I. The other public common stockholders who participated in the argument urged substantially the same grounds as Yeatman and in common with him also argued that the motion be granted on the basis of general equitable principles.

It is clear—and no one apparently contends to the contrary—that by its terms, Amended Plan I does not include any provision that dividends received by Light & Power on the Illinois Power common stock which is to be distributed under the plan are to accompany such stock. In so far as our findings, opinion and order approving the plan are concerned, it was argued in essence that, while we made no express provision for the payment of the dividends, the implication of our discussion of the plan was that we contemplated a distribution of the dividends together with the stock if consummation of the plan were delayed. We think it proper to say that our findings and opinion were written without any contemplation of the question of the dividends and that we did not have the question then in mind. Nor did any of the participants in the proceedings before us, including some of the public common stockholders who now seek such a determination, bring the question to our attention during the five-day period which we provided for requests for reargument and presentation of additional evidence prior to the institution of enforcement proceedings.

However, notwithstanding the foregoing, we believe it is appropriate now to consider whether the arguments founded on general equitable principles require that a distribution of the dividends be made in order to avoid an alleged unjustified windfall to North American. We have considered these arguments, first on the basis of what we would have done if they had been specifically brought to our attention at the time that we considered the plan, and secondly, what we should do in the light of present circumstances, including the time which has elapsed since we approved the plan. As to the first consideration, it was our view when we approved the plan in June 1947 that the plan was fair and equitable, and we are satisfied from a reexamination of our findings and opinion that if the dividend question had been brought to our attention at that time it would not have caused us to find that the plan was unfair. Of course, as indicated above, we have a second and more important consideration: whether the failure to provide for a distribution of the dividends makes the plan unfair at this time. In considering the second question we must point out that we cannot accept, within the narrow limits prescribed by its proponents, the argument that if the dividends are not distributed there will have been an unfair windfall

¹ "North American Light & Power Company, et al." — S. E. C. —, Holding Company Act Release No. 7514.

² Illinois Power Company is a subsidiary of Light & Power and the stock proposed to be distributed by Light & Power is held in the latter's portfolio. There are 960,992 shares of common stock of Light & Power which are publicly held, thus requiring a distribution by Light & Power of 288,298 shares of Illinois Power common stock.

to North American, which is to receive all of Light & Power's assets after the publicly held common stock of Light & Power has been retired pursuant to the plan. We believe that a resolution of the equities must necessarily encompass consideration of the broader question of whether non-distribution of the dividends would cause the plan to be unfair at the present time. This consideration involves the question whether the passage of time and the concurrent receipt of the dividends by Light & Power instead of by the public common stockholders of Light & Power who might otherwise have received them if the plan had been consummated at an earlier time, represent such a change in circumstances since the date when we approved the plan that we should now on our own motion, since none of the public stockholders has requested that we do so, ask the District Court to remand the plan to us so that we may redetermine its fairness and equity. After careful examination, we find nothing in the arguments presented at this time, the facts alleged and the record heretofore made before us which would cause us to find that a non-distribution of the dividends would make the plan presently unfair. That is not to say, however, that if the Court should, upon application made to it, determine that the dividends should be distributed, we would then regard the plan as having become unfair. Obviously, in matters of this nature, as we have pointed out on many occasions, it is impossible to achieve mathematical precision or certainty, and we are satisfied that the plan need not be disturbed, whether or not these dividends presently sought are required to be distributed.

Turning to the argument that the Court's order is to be construed as requiring a distribution of the dividends,* we think it proper to point out, as in the instance of our own findings, opinion and order, that our counsel presented for settlement the from of the Court's order and that the question of the dividends was not contemplated by us at that time. As is customary, the order was presented to the Court upon notice to all participants in the proceedings before the Court, including some of the public common stockholders who are now before us, and no one at that time raised the question of the dividends although other questions, not relevant here, were the subject of controversy in open court. However, while setting forth our state of mind in presentment of the order, we cannot undertake to conclude what may have been the intent of the Court in entering the November 6, 1947 order, or the subsequent order in February, 1948 when the plan was severed and consummated as to the public preferred stockholders of Light & Power, or the legal ef-

* In addition to the Court's order of November 6, 1947, to which Yeatman has reference, there is a subsequent order of the Court dealing with the severance of and consummation of the provisions in the plan relating to publicly held preferred stock of Light & Power. The effect of the second order, which was entered after an appeal had been taken by public common stockholders has apparently not been considered by Yeatman.

fect of these orders in the context of this controversy. Whether or not the Court determines that a distribution of the dividends is required, it is our view that the plan, in either contingency, would remain in the realm of fairness, and accordingly need not be remanded to us for further consideration.

Accordingly, for the reasons stated, we conclude that in so far as the motion and the arguments of other public common stockholders raise a question of construction of the Court's order, the question should be addressed to the District Court. To the extent that the motion and the arguments of other public common stockholders in support of the objectives of the motion raise questions which we may properly determine, the motion is denied.

It is so ordered.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.
[F. R. Doc. 49-5; Filed, Jan. 3, 1949;
8:45 a. m.]

[File Nos. 54-25, 59-11, 59-17]

UNITED LIGHT AND RAILWAYS CO. ET AL.
ORDER GRANTING APPLICATION AND PERMITTING DECLARATION TO BECOME EFFECTIVE

At a regular session of the Securities and Exchange Commission held at its office in the city of Washington, D. C., on the 28th day of December A. D. 1948.

In the matter of the United Light and Railways Company, Continental Gas & Electric Corporation, et al. File Nos. 59-11, 59-17 and 54-25.

The United Light and Railways Company ("Railways"), a registered holding company and Continental Gas & Electric Corporation ("Continental"), a registered holding company subsidiary of Railways, having filed a joint application-declaration and amendments thereto, pursuant to the Public Utility Holding Company Act of 1935 ("act"), proposing an accounting reorganization for Railways and the making of certain accounting entries on the books of Continental with respect to charges to earned surplus heretofore restricted by order of this Commission, all in connection with the following transactions:

On December 30, 1947, the Commission approved a plan filed by Railways and its subsidiary holding company, American Light & Traction Company ("American Light"), pursuant to section 11 (e) of the act, which plan provided, among other things, for (1) the disposition by Railways during the year 1948, through sales and dividend distributions, of all of its holdings of the common stock of American Light; (2) the sale by Railways of shares of capital stock of the Detroit Edison Company received as dividend distributions from American Light; and (3) the redemption by Railways of its outstanding prior preferred stocks. The

* It has been called to our attention that on December 27, 1948, certain public common stockholders of Light & Power filed a petition in the District Court raising this question, among others. The District Court has set a hearing for January 7, 1949.

Commission in said order of December 30, 1947 reserved jurisdiction, among other things, with respect to all accounting entries in connection with the plan, the consummation thereof and the transactions incident thereto. Consummation of such transactions will require substantial charges to earned surplus account resulting in an earned surplus deficit.

In order to make provision for such charges, Railways proposes to establish reserves as at January 2, 1948, by charges to earned surplus, in an aggregate amount sufficient to provide for all charges required to be made in connection with the plan, including a provision for contingencies. The proposed reserves will aggregate \$50,551,818 and will be for the following purposes and in the following amounts:

Dividends declared on common stock during 1948.....	\$4,664,871
Dividends declared on preferred stock during 1948.....	1,195,860
Estimated losses on offerings and distributions of common stock of American Light & Traction Co.....	43,177,139
Estimated loss on sale of 78,270 shares of capital stock of the Detroit Edison Co.....	212,822
Call premiums on prior preferred stocks.....	551,126
Contingencies, including fees and expenses in connection with the consummation of the plan.....	750,000
Total	\$50,551,818

As a part of the accounting reorganization, Railways also proposes to create, by a charge to earned surplus as of January 2, 1948, a reserve, in the amount of \$2,004,909, equal to the net difference between the carrying value of its investments in subsidiaries and the underlying book value of such investments as at January 2, 1948. It is also proposed that this reserve shall be subject to adjustment from time to time by charges or credits to paid-in surplus to reflect adjustments in the underlying book value of investments in subsidiaries resulting from adjustments in the accounts of such subsidiaries for items which were inherent therein at January 2, 1948. American Light has agreed to give the Commission fifteen days prior written notice of any such adjustments.

The establishment of the above reserves will exhaust the entire earned surplus of Railways existing as at December 31, 1947 in the amount of \$16,661,514 and will result in an earned surplus deficit of \$35,895,213 which Railways proposes to eliminate by transfer to paid-in surplus account. Paid-in surplus in the amount of \$54,252,970 will be reduced to \$18,357,757 as at January 2, 1948, upon completion of all transactions contemplated by the plan, any balances in the reserves for transactions contemplated by the plan will be transferred to paid-in surplus account. It is also proposed that the earned surplus of the subsidiaries of Railways at January 2, 1948 be transferred to the paid-in surplus account in consolidated statements.

Continental requests authority to create a reserve in the amount of \$5,858,383 by a charge to earned surplus account as of January 2, 1948 equal to the net difference between the carrying value of its

NOTICES

investments in subsidiaries and the underlying book value of such investments as at January 2, 1948. In this connection Continental has requested that the jurisdiction heretofore reserved by the Commission in its order of May 9, 1946, with respect to the disposition of \$19,115,316 of earned surplus arising from the sale of Continental's investment in Columbus and Southern Ohio Electric Company, be released to the extent necessary to create the proposed reserve. Earned surplus amounted to \$22,137,621 in the aggregate as at January 2, 1948. It is proposed that this reserve shall be subject to adjustment from time to time by charges or credits to earned surplus account to reflect adjustments in the underlying book value of investments in subsidiaries resulting from adjustments in the accounts of such subsidiaries for items which were inherent therein at January 2, 1948. Continental has agreed to give the Commission fifteen days prior written notice of any such adjustments.

Said joint application-declaration having been filed on December 9, 1948, and an amendment thereto having been filed on December 20, 1948 and notice of said application-declaration having been given in the manner prescribed in Rule U-23 and the Commission not having received a request for hearing with respect to said application-declaration, as amended, within the period specified, or otherwise, and not having ordered a hearing thereon; and

The Commission finding with respect to the application-declaration, as amended, that the accounting entries proposed to be made in connection with the accounting reorganization of Railways and the entries proposed to be made on the books of Continental conform to sound accounting practices and to the requirements of the Uniform System of Accounts for Public Utility Holding Companies promulgated under the act and that the requirements of the applicable provisions of the act and rules promulgated thereunder are satisfied, and observing no basis for making adverse findings thereunder, and deeming it appropriate in the public interest and in the interest of investors and consumers that said application-declaration, as amended, be granted and permitted to become effective and further deeming it appropriate to release jurisdiction over the earned surplus account of Continental to the extent of the proposed charge to such surplus, and further deeming it appropriate to grant the request for the entry and acceleration of the effective date of the Commission's order:

It is hereby ordered, Subject to the terms and conditions prescribed in Rule U-24 and pursuant to the provisions of Rule U-23 and the applicable provisions of the act, that the application-declaration, as amended, be, and the same hereby is, approved and permitted to become effective forthwith.

It is further ordered, That the jurisdiction reserved in our order of December 30, 1947, over accounting entries in connection with the section 11 (e) plan of Railways be, and the same hereby is, continued.

It is further ordered, That the jurisdiction reserved in our order of May 9, 1946 over the disposition of \$19,115,316 of Continental's earned surplus be released to the extent of \$5,858,383 to permit Continental to charge said amount to such restricted earned surplus for the purpose of creating a reserve against its investments and that jurisdiction over the disposition of the balance of such earned surplus be, and the same hereby is, continued.

By the Commission.

[SEAL] ORVAL L. DUBOIS,
Secretary.

[F. R. Doc. 49-6; Filed, Jan. 3, 1949;
8:46 a. m.]

[File No. 70-2022]

MIDDLE WEST CORP. AND KENTUCKY
UTILITIES CO.

NOTICE OF FILING

At a regular session of the Securities and Exchange Commission held at its office in the city of Washington, D. C., on the 29th day of December A. D. 1948.

Notice is hereby given that a joint application-declaration has been filed with this Commission, pursuant to the Public Utility Holding Company Act of 1935, by the Middle West Corporation ("Middle West"), a registered holding company, and its subsidiary, Kentucky Utilities Company ("Kentucky"). Applicants-declarants have designated sections 6 (a), 7, 9 (a), 10, 11 (b) and 12 (f) of the act and Rules U-42 and U-43 promulgated thereunder as applicable to the proposed transactions.

Notice is further given that any interested person may, not later than January 11, 1949, at 5:30 p. m., e. s. t., 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, if any, of fact or law raised by said application-declaration which he desires to controvert or 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, 425 Second Street NW, Washington 25, D. C. At any time after January 11, 1949, said application-declaration, as filed or as amended, may be granted and permitted to become effective as provided in Rule U-23 of the rules and regulations promulgated under the act, or the Commission may exempt such transactions as provided in Rules U-20 (a) and U-100 thereof.

All interested persons are referred to said application-declaration which is on file in the offices of this Commission for a statement of the transactions therein proposed, which are summarized as follows:

Middle West, the owner of all the outstanding common stock of Kentucky, consisting of 1,655,000 shares of \$10 par value, proposes to distribute on January 27, 1949 to its stockholders of record on December 28, 1948, one share of Kentucky's common stock for each two shares of Middle West common stock

held. No fractional shares of common stock of Kentucky will be distributed. In lieu thereof, Middle West proposes to distribute to its stockholders non-dividend bearing and non-voting scrip certificates of Kentucky. These certificates, which will be in bearer form, will be issued by Kentucky to Middle West in exchange for full shares of Kentucky common stock. By their terms, the scrip certificates will become void after December 31, 1953, but on or before said date such certificates, when combined with other scrip certificates in amounts equal in the aggregate to one or more full shares of common stock, may be surrendered to Kentucky in exchange for full shares of common stock. It is estimated that scrip certificates representing 5,300 shares of common stock of Kentucky will be issued. Said shares of common stock, to the extent not delivered against the surrender of scrip certificates, will be cancelled upon the expiration of such scrip certificates.

Middle West further proposes to reserve 6,542 shares of common stock of Kentucky for distribution in respect of 13,083.55 shares of Middle West stock reserved under the plan of reorganization of Middle West Utilities Company, predecessor of Middle West.

In respect of the distribution of full shares of common stock of Kentucky, Middle West reserves the right to fix a reasonable period of time upon the expiration of which all rights of stockholders of Middle West who can not be located in such period and on behalf of whom no valid claim is made during such period, shall cease and determine, subject, however, to the approval of this Commission with respect to such period of time, the conditions to be complied with and the steps to be taken to make operative the rights so reserved.

Middle West further proposes, after the distribution of the common stock of Kentucky, to sell at the market price the remaining shares of common stock of Kentucky not required or reserved for distribution (estimated to be 1,349 shares).

Expenses in connection with the proposed transactions, exclusive of legal fees, are estimated at \$10,600 for Middle West and \$12,200 for Kentucky. It is stated that the legal fees will be nominal.

Middle West represents that the disposition of the common stock of Kentucky will effectuate a partial liquidation of the company as authorized by its stockholders and will tend to effectuate the provisions of section 11 (b) of the act.

Middle West and Kentucky request that the Commission enter an appropriate order approving and permitting to become effective the application-declaration and that said order conform to the requirements of sections 371, 372, 373, and 1808 (f) of the Internal Revenue Code as amended.

Applicants-declarants represent that no Federal Commission, other than this Commission, and no State Commission has jurisdiction over the transactions proposed herein.

Middle West and Kentucky request that the Commission's order granting and permitting to become effective the