per, Jefferson Davis, Jones, Lamar, Lawrence, Leake, Lee, Lincoln, Lowndes, Marion, Monroe, Neshoba, Newton, Oktibbeha, Pearl River, Perry, Pike, Pontotoc, Prentiss, Simpson, Smith, Stone, Tallahatchie, Tippah, Tishomingo, Union, Walthall, Webster, Winston, and Yalobusha Counties;

Missouri. The entire State;

Montana. Beaverhead, Big Horn, Blaine, Broadwater, Carbon, Carter, Cascade, Chouteau, Daniels, Dawson, Deer Lodge, Fallon, Fergus, Flathead, Galletin, Garfield, Glacier, Golden Valley, Granite, Hill, Jefferson, Judith Basin, Lake, Lewis and Clark, Liberty, Lincoln, McCone, Madison, Meagher, Mineral, Missoula, Musselshell, Park, Petroleum, Phillips, Pondera, Powell, Prairie, Ravalli, Richland, Roosevelt, Rosebud, Sanders, Sheridan, Silver Bow, Stillwater, Sweet Grass, Teton, Toole, Treasure, Valley, Wheatland, Wibaux, and Yellowstone Counties;

Nebraska. Adams, Antelope, Banner, Boone, Burt, Butler, Cass, Cedar, Chase, Cheyenne, Clay, Colfax, Cuming, Dakota, Deuel, Dixon, Dodge, Douglas, Dundy, Fillmore, Franklin, Frontier, Furnas, Gage, Gosper, Greeley, Hall, Hamilton, Harlan, Hayes, Hitchcock, Howard, Jefferson, Johnson, Kearney, Kimball, Lancaster, Madison, Merrick, Nance, Nemaha, Nuckolls, Otoe, Pawnee, Perkins, Phelps, Pierce, Platte, Polk, Richardson, Saline, Sarpy, Saunders, Seward, Stanton, Thayer, Thurston, Washington, Wayne, Webster, and York Counties;

Nevada. The entire State;

New Hampshire. The entire State;

New Jersey. The entire State;

New Mexico. The entire State;

New York. The entire State;

North Carolina. The entire State;

North Dakota. Adams, Barnes, Benson, Billings, Bottineau, Bowman, Burke, Cass, Cavalier, Divide, Dunn, Eddy, Emmons, Foster, Golden Valley, Grand Forks, Grant, Griggs, Hettinger, Kidder, LaMoure, Logan, McHenry, McKenzie, McLean, Mercer, Morton, Mountrail, Nelson, Oliver, Pembina, Pierce, Ramsey, Ransom, Renville, Richland, Rolette, Sargent, Sheridan, Slope, Stark, Steele, Stutsman, Towner, Traill, Walsh, Ward, Wells, and Williams Counties;

Ohio. Allen, Athens, Auglaize, Belmont, Butler, Carroll, Champaign, Clark, Clinton, Columbiana, Coshocton, Crawford, Cuyahoga, Darke, Defiance, Delaware, Erie, Fayette, Franklin, Fulton, Gallia, Greene, Guernsey, Hamilton, Hancock, Hardin, Harrison, Henry, Highland, Hocking, Holmes, Huron, Jackson, Knox, Lake, Lawrence, Licking, Logan, Lorain, Lucas, Madison, Mahoning, Marion, Medina, Meigs, Mercer, Miami, Monroe, Montgomery, Morgan, Morrow, Muskingum, Noble, Ottawa, Paulding, Perry, Pickaway, Pike, Portage, Preble, Putnam, Ross, Sandusky, Scioto, Seneca, Shelby, Stark, Summit, Tuscarawas, Union, Van Wert, Vinton, Warren, Washington, Wayne, Williams, Wood, and Wyandot Counties;

Oklahoma. Adair, Canadian, Choctaw, Cimarron, Delaware, Grant, Haskell, Mayes, Noble, Nowata, Ottawa, Payne, and Pushmataha Counties;

Oregon. The entire State;

Pennsylvania. The entire State;

Rhode Island. The entire State;

South Carolina. The entire State;

South Dakota. Beadle, Brookings, Brown, Buffalo, Butte, Campbell, Clark, Clay, Codington, Custer, Day, Deuel, Edmunds, Faulk, Grant, Hamlin, Hand, Harding, Jerauld, Lake, Lawrence, Lincoln, McCook, McPherson, Marshall, Miner, Minnehaha, Moody, Perkins, Roberts, Sanborn, Spink, Turner, Union, Walworth, and Ziebach Counties; and Crow Creek Indian Reservation;

Tennessee. The entire State;

Texas. Andrews, Armstrong, Bailey, Bandera, Baylor, Blanco, Borden, Brewster, Briscoe, Brown, Burnet, Callahan, Cameron, Castro, Childress, Cochran, Coke, Coleman, Comal, Comanche, Concho, Cottle, Crane, Crockett, Crosby, Culberson, Dallam, Dawson, Deaf Smith, Dickens, Donley, Eastland, Ector, Edwards, El Paso, Fisher, Gaines, Garza, Gillespie, Glasscock, Hardeman, Hartley, Haskell, Hays, Hidalgo, Hockley, Howard, Hudspeth, Irion, Jeff Davis, Jones, Kendall, Kent, Kerr, Kimble, King, Kinney, Lamb, Lampasas, Lipscomb, Llano, Loving, McCulloch, Martin, Mason, Menard, Midland, Mills, Mitchell, Moore, Motley, Nolan, Ochiltree, Oldham, Parmer, Pecos, Presidio, Reagan, Real, Reeves, Runnels, San Saba, Schleicher, Scurry, Shackelford, Sherman, Stephens, Sterling, Stonewall, Sutton, Swisher, Taylor, Terrell, Terry, Throckmorton, Tom Green, Travis, Upton, Val Verde, Ward, Winkler, Yoakum, and Young Counties;

Utah. The entire State;

Vermont. The entire State;

Virginia. The entire State;

Washington. The entire State;

West Virginia. The entire State;

Wisconsin. The entire State;

Wyoming. Albany, Big Horn, Campbell, Crook, Fremont, Goshen, Hot Springs, Laramie, Niobrara, Park, Platte, Sweetwater, Teton, Uinta, Washakie, and Weston Counties; and all of Lincoln County except that portion lying east of a line beginning at the southwest corner of Sublette County and running in a westerly direction to the Bear River Divide; thence running in a southerly direction along the Bear River Divide to U.S. Highway 30; thence running easterly along U.S. Highway 30 to its intersection with U.S. Highway 189; thence running in a southerly direction along U.S. Highway 189 to the Uinta County line;

Puerto Rico. The entire area; and

Virgin Islands of the United States. The entire area.

(Secs. 4, 5, 23 Stat. 32, as amended, secs. 1, 2, 32 Stat. 791–792, as amended, sec. 3, 33 Stat. 1265, as amended, sec. 13, 65 Stat. 693; 21 U.S.C. 111–113, 114a–1, 120, 121, 125; 19 F.R. 74, as amended; 9 CFR 78.16)

Effective date. The foregoing amendment shall become effective upon publication in the FEDERAL REGISTER.

The amendment adds the following additional areas to the list of areas designated as modified certified brucellosis areas because it has been determined that such areas come within the definition of § 78.1(i): Mobile County in Alabama; Haskell County in Oklahoma; and Brown County in South Dakota.

The amendment imposes certain restrictions necessary to prevent the spread of brucellosis in cattle and it should be made effective promptly in order to accomplish its purpose in the public interest. Accordingly, under section 4 of the Administrative Procedure Act (5 U.S.C. 1003), it is found upon good cause that notice and other public procedure with respect to the amendment are impracticable and contrary to the public interest, and good cause is found for making the amendment effective less than 30 days after publication in the FEDERAL REGISTER.

Done at Washington, D.C., this 21st day of October 1963.

E. E. SAULMON,
Acting Director, Animal Disease Eradication Division, Agricultural Research Service.

[F.R. Doc. 63–11263; Filed, Oct. 23, 1963; 8:48 a.m.]

Title 16—COMMERCIAL PRACTICES

Chapter I—Federal Trade Commission

[Docket 8454 o.]

PART 13—PROHIBITED TRADE PRACTICES

Top Form Mills, Inc., Et Al.

Subpart—Advertising falsely or misleadingly: § 13.235 *Source or origin;* § 13.235–25 *Fashion designers;* § 13.235–60 *Place;* § 13.235–60(a) *Domestic products as imported.* Subpart—Furnishing means and instrumentalities of misrepresentation or deception: § 13.1055 *Furnishing means and instrumentalities of misrepresentation or deception;* § 13.1055–50 *Preticketing merchandise misleadingly.* Subpart—Misbranding or mislabeling: § 13.1325 *Source or origin;* § 13.1325–60 *Maker or seller;* § 13.1325–70 *Place;* § 13.1325–70(a) *Domestic product as imported.*

(Sec. 6, 38 Stat. 721; 15 U.S.C. 46. Interpret or apply sec. 5, 38 Stat. 719, as amended; 15 U.S.C. 45) [Cease and desist order, Top Form Mills, Inc., et al., New York, N.Y., Docket 8454, Sept. 23, 1963]

In the Matter of Top Form Mills, Inc., a Corporation, Also Trading as Lady Russel Lingerie, and Manuel Kitrosser and Eleanor Topping, Individually and as Officers of Said Corporation

Order, with opinion, requiring New York City manufacturers of ladies' lingerie and sleepwear to cease representing falsely—through such practices as use of the words "Paris", "Cannes" and "Biarritz" and the name "Jacques Heim" on labels and in advertisements and advertising mats supplied to retailers, and by instructions for washing in French and English on attached tags—that their said products were made in France and designed by a great Paris Couturier.

The order to cease and desist is as follows:

It is ordered, That respondents Top Form Mills, Inc., a corporation, also trading as Lady Russel Lingerie, and its officers and Manuel Kitrosser, individually and as an officer of such corporation, and respondents' agents, representatives and employees, directly or through any corporate or other device, in connection with the offering for sale, sale and distribution of ladies' lingerie, sleepwear or any other clothing, in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Using the words "Paris", "Cannes", "Biarritz" on labels or otherwise, whether singularly or in connection with any other word or words, to describe or refer to products made in the United States, or representing by any other means that any products made in the United States were made in France or in any other foreign country;

2. Misrepresenting in any manner the country of origin of any of their products;

3. Representing, directly or indirectly, that any of their products were manufactured, or designed, styled or created by Jacques Heim, or by any other French couturier or designer, or by any other French person, firm or corporation; and

4. Using the words "designed", "styled", or "created", or any word or words of similar import, together with the name of any person, to describe or refer to any of their products unless such products are identical as to configuration, combination of lines and patterns executed by such person and are so similar in form, size, shape, ornamentation and other detail as to give the total appearance to the purchasing public of being a precise copy thereof.

It is further ordered, That the complaint be, and it hereby is, dismissed as to Elinore Topping.

It is further ordered, That the charge in the complaint relating to use of representations as to mill or factory ownership, operation or control, be, and it hereby is, dismissed.

By "Final Order", order requiring report of compliance is as follows:

It is further ordered, That since the Commission's "Proposed Final Order" was issued under the Commission's rules dated June 1962, which provided for Proposed Final Order respondents herein shall, pursuant to Rule 5.6 of the Commission's rules dated June, 1962, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with the order to cease and desist. (The topic dealt with in Rule 5.6 is now in Rule 3.26(a) of the Commission's new rules which are now in effect.)

Issued: September 23, 1963.

By the Commission.

[SEAL] JOSEPH W. SHEA, *Secretary.*

[F.R. Doc. 63-11216; Filed, Oct. 23, 1963; 8:46 a.m.]

Title 18—CONSERVATION OF POWER

Chapter I—Federal Power Commission

[Docket No. R-227; Order No. 271]

PART 32—INTERCONNECTION OF FACILITIES; EMERGENCIES; TRANSMISSION TO FOREIGN COUNTRY

PART 35—FILING OF RATE SCHEDULES

PART 131—FORMS

Filing of Rate Schedules by Public Utilities and Licensees

OCTOBER 17, 1963.

Two paragraphs were inadvertently omitted from Order No. 271, Amending Regulations to Govern the Filing of Rate Schedules by Public Utilities and Licensees, issued September 26, 1963 (28 F.R. 10572). They are corrections of cross-references to Part 35 made in other parts of Chapter I of Title 18 of the Code of Federal Regulations. They are made necessary by the changes in the numbering of sections in Part 35.

The Commission, pursuant to the authority contained in Order No. 271, orders:

(A) Order No. 271 is hereby amended to add the following paragraphs:

(D) In § 32.38 of Part 32—Interconnection of facilities; emergencies; transmission to foreign country, Chapter I, Title 18, of the Code of Federal Regulations, change "§§ 35.1–35.12" to "§§ 35.1–35.16." As so amended, the section reads as follows:

§ 32.38 Filing rate schedules and annual reports.

Persons authorized to transmit electric energy from the United States shall file all rate schedules, supplements, notices of succession in ownership or operation, notices of cancellation, and certificates of concurrence with respect to such energy in the form and manner specified in the provisions of §§ 35.1 to 35.16, inclusive, of this chapter.

(E) In §§ 131.51, 131.52 and 131.53 of Part 131—Forms, of Subchapter D—Approved Forms, Federal Power Act, Chapter I, Title 18, of the Code of Federal Regulations, change the material in parentheses at the head of the sections from "(See §§ 35.1–35.12 of this chapter.)" to "(See §§ 35.1–35.21 of this chapter.)".

(B) Order No. 271 is further amended to make the following corrections:

In the footnote to § 35.2(b), insert after "Part 154 of" the words "this chapter, i.e.,". As corrected the footnote reads as follows:

[1] The term "tariff" means a compilation, in book form, of rate schedules of a particular public utility, effective under the Federal Power Act, and a copy of each form of service agreement. In connection herewith, attention is invited to Part 154 of this chapter, i.e., the Commission's regulations under the Natural Gas Act, as a guide to the form and composition of a tariff.

In § 35.12(b)(2)(ii), insert the words "filing and each" in the last sentence after "part of the". As corrected, the subdivision reads as follows:

(ii) A summary statement of all cost (whether fully distributed, incremental or other) computations involved in arriving at the derivation of the level of the rate, in sufficient detail to justify the rate, shall be submitted with the filing, except that if the filing includes nothing more than service to one or more added customers under an established rate of the utility for a particular class of service, such summary statement of cost computations is not required. In all cases, the Secretary is authorized to require the submission of the complete cost studies as part of the filing and each filing public utility shall submit the same upon request by the Secretary in such form as he shall direct.

In § 35.13(b)(4)(i), change "N" to "O". As corrected, the subdivision reads as follows:

(4)(i) Except as provided in subdivision (ii) of this subparagraph, if the rate schedule provides for an increased rate, then 60 days prior to the date that such changed rate is proposed to become effective the filing public utility shall submit a statement showing its cost of the service to be supplied under the new rate schedule according to supporting statements A through O as described below. Simultaneously, the public utility shall submit the material on sales and revenues described in paragraph (a) of this section and, unless the rate schedule containing the proposed increased rate is likewise simultaneously filed, a summary statement of such proposed increased rate: *Provided, however,* That the submittal of such summary statement of the rate schedule shall not be in lieu of the rate schedule as required to be filed with the Commission pursuant to the regulations in this part.

In § 35.13(b)(4)(ii), change "increase" to "increases", and insert after "incidental to" ",". As corrected, the subdivision reads as follows:

(ii) No cost of service data shall be required in cases where the application of the proposed change in rate schedule effects rate increases of less than $50,000 annually resulting from, but incidental to, changes such as a rate design, delivery points and delivery voltage. Specifically designed rate increases of less than $50,000 annually (as opposed to incidental increases), increases resulting from changes made in fuel clauses, and increases of rates comprising an integral part of coordination and interchange arrangements in the nature of power pooling transactions, shall be supported by cost data as identified in § 35.12(b)(2).

In § 35.13(b)(4)(iv), change "N" to "O". As corrected, the subdivision reads as follows:

(iv) The statement of cost of service shall include an attestation by the chief accounting officer or other authorized accounting representative of the filing public utility that the cost statements and supporting data submitted as a part of the filing which purport to reflect the books of the public utility do, in fact, set forth the results shown by such books. Following is a description of statements A through O required to be filed pursuant to this subparagraph.

By the Commission.

[SEAL] GORDON M. GRANT, *Acting Secretary.*

[F.R. Doc. 63-11213; Filed, Oct. 23, 1963; 8:46 a.m.]

Title 26—INTERNAL REVENUE

Chapter I—Internal Revenue Service, Department of the Treasury

SUBCHAPTER A—INCOME TAX

[T.D. 6685]

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

Miscellaneous Amendments

On May 28, 1963, notice of proposed rule making with respect to the amend-

ments of the Income Tax Regulations (26 CFR Part 1) under sections 615 and 381(c)(10) of the Internal Revenue Code of 1954 to conform the regulations to changes made by the Act of July 6, 1960 (Pub. Law 86-594, 74 Stat. 333) was published in the FEDERAL REGISTER (28 F.R. 5265). No objection to the rules proposed having been received during the 30-day period prescribed in the notice, the amendments of the regulations as proposed are hereby adopted.

This Treasury decision is issued under the authority contained in section 7805 of the Internal Revenue Code of 1954 (68A Stat. 917; 26 U.S.C. 7805).

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

Approved: October 18, 1963.

STANLEY S. SURREY,
Assistant Secretary of the Treasury.

PARAGRAPH 1. Paragraph (c) of § 1.615 is amended and a historical note is added. These amended provisions read as follows:

§ 1.615 Statutory provisions; exploration expenditures.

SEC. 615. *Exploration expenditures.* * * *

(c) *Limitation*—(1) *In general.* This section shall not apply to any amount paid or incurred to the extent that it would, when added to the amounts which have been deducted under subsection (a) and the amounts which have been treated as deferred expenses under subsection (b), or the corresponding provisions of prior law, exceed $400,000.

(2) *Amounts taken into account.* For purposes of paragraph (1), there shall be taken into account amounts deducted and amounts treated as deferred expenses by—

(A) The taxpayer, and

(B) Any individual or corporation who has transferred to the taxpayer any mineral property.

(3) *Application of paragraph (2)(B).* Paragraph (2)(B) shall apply with respect to all amounts deducted and all amounts treated as deferred expenses which were paid or incurred before the latest such transfer from the individual or corporation to the taxpayer. Paragraph (2)(B) shall apply only if—

(A) The taxpayer acquired any mineral property from the individual or corporation under circumstances which make paragraph (7), (8), (11), (15), (17), (20), or (22) of section 113(a) of the Internal Revenue Code of 1939 apply to such transfer;

(B) The taxpayer would be entitled under section 381(c)(10) to deduct expenses deferred under this section had the distributor or transferor corporation elected to defer such expenses; or

(C) The taxpayer acquired any mineral property from the individual or corporation under circumstances which make section 334(b), 362 (a) and (b), 372(a), 373(b)(1), 1051, or 1082 apply to such transfer.

* * * * *

[Sec. 615 as amended by sec. 1, Act of July 6, 1960 (Pub. Law 86-594, 74 Stat. 333)]

PAR. 2. Paragraph (a) of § 1.615-1 is amended to read as follows:

§ 1.615-1 Exploration expenditures.

(a) *General rule.* Section 615 prescribes rules for the treatment of expenditures for ascertaining the existence, location, extent, or quality of any deposit of ore or other mineral (other than oil or gas) paid or incurred by the taxpayer before the beginning of the development stage of the mine or other natural deposit. The development stage of the mine or other natural deposit will be deemed to begin at the time when, in consideration of all the facts and circumstances (including the actions of the taxpayer), deposits of ore or other mineral are shown to exist in sufficient quantity and quality to reasonably justify commercial exploitation by the taxpayer. Such expenditures hereinafter in the regulations under section 615 will be referred to as exploration expenditures. Under section 615(a), a taxpayer may, at his option, deduct exploration expenditures paid or incurred in an amount not to exceed $100,000 for any taxable year. Under section 615(b) and § 1.615-2 he may elect to defer any part of such amount and deduct such part on a ratable basis as the units of produced minerals benefited by such expenditures are sold. In any taxable year in which the taxpayer does not treat exploration expenditures under either of these methods, they will be charged to depletable capital account. The option to deduct under section 615(a), and the election to defer under section 615(b), however, are subject to the limitations provided in section 615(c) and § 1.615-4.

PAR. 3. Paragraph (a) of § 1.615-3 is amended to read as follows:

§ 1.615-3 Election to defer exploration expenditures.

(a) *General rule.* A taxpayer may defer any portion of the exploration expenditures made with respect to each mine or other natural deposit, subject to the limitations described in section 615(c) and § 1.615-4. The amounts so deferred shall be deducted ratably as the units of produced ores or minerals discovered or explored by reason of such expenditures are sold.

PAR. 4. Section 1.615-4 is amended to read as follows:

§ 1.615-4 Limitation of amount deductible.

(a) *Taxable years beginning before July 7, 1960.* For any taxable year beginning before July 7, 1960 (including taxable years of less than 12 months), a taxpayer may deduct or defer exploration expenditures paid or incurred in the taxable year in an amount not in excess of $100,000. However, for such taxable years, the taxpayer may not avail himself of the provisions of section 615 for more than four taxable years (including taxable years of less than 12 months and taxable years subject to the Internal Revenue Code of 1939). Such four taxable years need not be consecutive. In determining the number of years in which a taxpayer has availed himself of section 615, a year for which he makes an election to defer exploration expenditures shall count as one year. Any subsequent taxable year in which such deferred expenditures are deducted shall not be taken into account as one of the four years. For purposes of the 4-year limitation, a year in which both a deduction and an election to defer are availed of by the taxpayer shall be taken into account as only one year.

(b) *Taxable years beginning after July 6, 1960.* For any taxable year beginning after July 6, 1960 (including taxable years of less than 12 months), a taxpayer may deduct or defer exploration expenditures, to which section 615 is applicable, in the lesser of the following amounts:

(1) The amount paid or incurred in the taxable year,

(2) $100,000, or

(3) $400,000 minus all amounts deducted or deferred for taxable years ending after December 31, 1950.

For purposes of this paragraph, the number of taxable years for which the taxpayer availed himself of the provisions of section 615 or the corresponding provisions of prior law is immaterial.

(c) *Special rules for previously deferred expenditures.* In determining whether an election to defer was availed of in applying the limitations of paragraphs (a) and (b) of this section, there shall be taken into account any year with respect to which amounts were deferred but not fully deducted because of a sale or other disposition of the mineral property, even though the balance of the deferred amounts was treated as part of the basis of the mineral property in determining gain or loss from the sale.

(d) *Example of application of provisions.* The application of the provisions of subparagraphs (a) and (b) of this section may be illustrated by the following example:

Example. A taxpayer on the calendar year basis, who has never claimed the benefits of section 615, or section 23(ff) of the 1939 Code, expended $200,000 for exploration expenditures during the year 1956. For each of the years 1957, 1958, 1959, and 1960 the taxpayer had exploration costs of $80,000. The taxpayer deducted or deferred the maximum amounts allowed for each of the years 1956, 1957, 1958, and 1959. None of the $80,000 expenditures for 1960 could be deducted or deferred by the taxpayer because he had already deducted or deferred exploration expenditures for 4 prior years. In 1961 the taxpayer expended $200,000 for exploration expenditures. The maximum amount the taxpayer may deduct or defer for the taxable year 1961 is $60,000 computed as follows:

(1) Add all yearly amounts deducted or deferred for exploration expenditures by the taxpayer for prior years.

Year:	*Expenditures*	*Deducted or deferred*
1956	$200,000	$100,000
1957	80,000	80,000
1958	80,000	80,000
1959	80,000	80,000
1960	80,000	0
Total		340,000

(2) Subtract the sum of the amounts obtained in (1), $340,000, from $400,000, the maximum amount allowable to the taxpayer for deductions or deferrals of exploration expenditures.

Maximum amount allowable to taxpayer	$400,000
Sum of amounts obtained in (1)	340,000
	60,000

(e) *Transferee of mineral property.* (1) Where an individual or corporation

transfers any property to the taxpayer and the transfer is one to which any of the subdivisions of this subparagraph apply, the taxpayer shall take into account for purposes of the 4-year limitation described in paragraph (a) of this section, all years that the transferor deducted or deferred exploration expenditures, and for purposes of the $400,000 limitation described in paragraph (b) of this section, all amounts that the transferor deducted or deferred.

(i) The taxpayer acquired any mineral property in a transaction described in section 23 (ff) (3) of the Internal Revenue Code of 1939, excluding the reference therein to section 113(a)(13).

(ii) The taxpayer would be entitled under section 381(c)(10) to deduct exploration expenditures if the transferor (or distributor) corporation had elected to defer such expenditures. For example, if the taxpayer acquired any mineral property in a transaction described in section 381(a) (relating to the acquisition of assets through certain corporate liquidations and reorganizations), there shall be taken into account in applying the limitations of paragraph (a) of this section the years in which the transferor exercised the election to defer or deduct exploration expenditures, and there shall be taken into account in applying the limitations of paragraph (b) of this section any amount so deducted or deferred. See also section 381(c)(10) and the regulations thereunder.

(iii) The taxpayer acquired any mineral property under circumstances which make applicable the following sections of the Internal Revenue Code:

(*a*) Section 334(b)(1), relating to the liquidation of a subsidiary where the basis of the property in the hands of the distributee is the same as it would be in the hands of the transferor.

(*b*) Section 362 (a) and (b), relating to property acquired by a corporation as paid-in surplus or as a contribution to capital, or in connection with a transaction to which section 351 applies.

(*c*) Section 372(a), relating to reorganization in certain receiverships and bankruptcy proceedings.

(*d*) Section 373(b)(1), relating to property of a railroad corporation acquired in certain bankruptcy or receivership proceedings.

(*e*) Section 1051, relating to property acquired by a corporation that is a member of an affiliated group.

(*f*) Section 1082, relating to property acquired pursuant to a Securities Exchange Commission order.

(2) For purposes of subparagraph (1) of this paragraph, it is immaterial whether a deduction has been allowed or an election has been made by the transferor with respect to the specific mineral property transferred.

(3) Where a mineral property is acquired under any circumstance except those described in subparagraph (1) of this paragraph, the taxpayer is not required to take into account the election exercised by or deduction allowed to his transferor.

(4) For purposes of applying the limitations imposed by section 615(c): (i) the partner, and not the partnership, shall be considered as the taxpayer (see paragraph (a)(8)(iii) of § 1.702–1), and (ii) an electing small business corporation, as defined in section 1371(b), and not its shareholders, shall be considered as the taxpayer.

(5) For purposes of subparagraph (1)(iii)(*b*) of this paragraph: (i) if mineral property is acquired from a partnership, the transfer shall be considered as having been made by the individual partners, so that the number of years for which section 615 has been availed of by each partner and the amounts which each partner has deducted or deferred under section 615 shall be taken into account, or (ii) if an interest in a partnership having mineral property is transferred, the transfer shall be considered as a transfer of mineral property by the partner or partners relinquishing an interest, so that the number of years for which section 615 has been availed of by each such partner and the amounts which each such partner has deducted or deferred under section 615 shall be taken into account.

(f) *Examples.* The application of the provisions of this section may be illustrated by the following examples:

Example (1). A calendar year taxpayer who has never claimed the benefits of section 615 received in 1956 a mineral deposit from X Corporation upon a distribution in complete liquidation of the latter under conditions which would make the provisions of section 334(b)(1) applicable in determining the basis of the property in the hands of the taxpayer. During the year 1955 X Corporation expended $60,000 for exploration expenditures which it elected to treat as deferred expenses. Assume further that the taxpayer made similar expenditures of $150,000, $125,000, $100,000, $60,000, and $180,000 for the years 1956, 1957, 1958, 1959, and 1961, respectively, which the taxpayer elected to deduct for each of those years to the extent allowable. No such expenditures were made for 1960. On the basis of these facts, the taxpayer may deduct or defer $100,000 for each of the years 1956, 1957, and 1958. No deduction or deferral is allowable for 1959 since the 4-year limitation of paragraph (a) of this section applies. The taxpayer may deduct or defer a maximum of $40,000 for 1961 since the $400,000 limitation of paragraph (b) of this section applies, but the 4-year limitation of paragraph (a) does not apply.

Example (2). Assume the same facts stated in example (1) except that, prior to acquisition by the taxpayer of the deposit from X Corporation in 1956, X Corporation had acquired the deposit in 1954 in a similar distribution from Y Corporation which, in the years 1952 and 1953, deducted exploration costs paid in respect of an entirely different deposit in the amounts of $30,000 and $50,000, respectively. Under these circumstances, the taxpayer may deduct or defer exploration expenditures paid or incurred in the amount of $100,000 for 1956. No deduction or deferral is allowable to the taxpayer for expenditures made in 1957, 1958, and 1959 since the 4-year limitation of paragraph (a) applies. The taxpayer may deduct or defer a maximum of $100,000 for 1961 since the 4-year limitation of paragraph (a) of this section no longer applies. If the taxpayer deducted or deferred $100,000 for each of the years 1956 and 1961 and also made exploration expenditures in 1962, the taxpayer may deduct or defer a maximum of $60,000 for that year under the $400,000 limitation of paragraph (b) of this section.

Example (3). In 1957, A and B transfer assets to a corporation under circumstances making section 351 applicable to such a transfer. Among the assets transferred by A is a mineral lease with respect to certain coal lands. A has deducted exploration expenditures under section 615 for the years 1954 and 1956 in the amounts of $50,000 and $100,000, respectively, made with respect to other deposits not included in the transfer to the corporation. The corporation shall be required to take into account the deductions previously made by A for purposes of applying the limitations of paragraphs (a) and (b) of this section.

Example (4). In 1956, A, B, and C form a partnership for the purpose of exploring for, developing, and producing uranium. A contributes a uranium lease to the partnership. A had individually made exploration expenses in the amount of $50,000 and $100,000 with respect to other mineral properties not contributed to the partnership and which he has deducted under section 615(a) for the years 1954 and 1955, respectively. B contributes a uranium lease to the partnership on which he made exploration expenditures in the amount of $100,000 in 1955 which he elected to defer under section 615(b). This is the only year in which B has used section 615. C contributes only cash to the partnership and has not previously used section 615. Subject to the limitations of section 615, for taxable years beginning before July 7, 1960, A may deduct or defer exploration expenses for two more taxable years (either as to expenditures incurred by him individually or with respect to his distributive share of partnership exploration expenses). B may deduct or defer exploration expenditures for three more years, and C may deduct or defer exploration expenditures for four years. For taxable years beginning after July 6, 1960, subject in each case to the $100,000 limitation per year, A may deduct or defer exploration expenditures in an amount not in excess of $250,000 ($400,000 − $150,000), either as to expenditures incurred by him individually or with respect to his distributive share of partnership exploration expenditures. B may similarly deduct or defer exploration expenditures in an amount not in excess of $300,000 ($400,000 − $100,000), and C may deduct or defer exploration expenditures in an amount not in excess of $400,000.

PAR. 5. Section 1.381(c)(10)–1 is amended by revising paragraph (d) and deleting paragraph (e). The revised provisions read as follows:

§ 1.381(c)(10)–1 Deferred exploration and development expenditures.

* * * * *

(d) *Carryover of limitation requirements.* (1) If a distributor or transferor corporation transfers any mineral property to the acquiring corporation in a transaction described in section 381(a) and the acquiring corporation pays or incurs exploration expenditures in a taxable year ending after the date of the distribution or transfer, then in applying the 4-year or $400,000 limitations described in section 615(c) and paragraphs (a) and (b) of § 1.615–4, whichever is applicable, the acquiring corporation shall be deemed to have been allowed any deduction which, for any taxable year ending on or before the date of distribution or transfer, was allowed to the distributor or transferor corporation under section 615(a), or under section 23(ff)(1) of the Internal Revenue Code of 1939, or to have made any election which, for any such preceding year, was made by the distributor or transferor corporation under section 615(b), or under section 23(ff)(2) of the Internal Revenue Code of 1939. Thus, in such instance, the acquiring corpo-

ration shall taken into account the years in which the distributor or transferor corporation exercised the election to deduct or defer exploration expenditures and any amounts so deducted or deferred. For this purpose, it is immaterial whether the deduction has been allowed to, or the election has been made by, the distributor or transferor corporation with respect to the specific mineral property transferred by that corporation to the acquiring corporation.

(2) Generally, for purposes of applying the 4-year limitation described in paragraph (a) of § 1.615–4, if there are two or more distributor or transferor corporations that transfer any mineral property to the acquiring corporation, each taxable year of any such corporation ending on or before the date of distribution or transfer in which exploration expenditures were deducted or deferred shall be treated as a separate taxable year regardless of the fact that the taxable years of two or more such corporations normally end on the same date. However, if the date of distribution or transfer is the same with respect to more than one distributor or transferor corporation, then the taxable years of such corporations ending on the same date of distribution or transfer shall be considered as one taxable year for purposes of applying the 4-year limitation even though more than one such corporation deducted or deferred exploration expenditures for such taxable years.

(3) For purposes of applying the $400,000 limitation described in paragraph (b) of § 1.615–4, if there are two or more distributor or transferor corporations that transfer any mineral property to the acquiring corporation, any exploration expenditures which were deducted or treated as deferred expenses by such corporations for taxable years ending after December 31, 1950, shall be taken into account by the acquiring corporation.

(4) If a distributor or transferor corporation that transfers any mineral property to the acquiring corporation was required to take into account any taxable years or amounts of its transferor, as provided by paragraph (e) of § 1.615–4, for purposes of either the 4-year limitation described in paragraph (a) of § 1.615–4 or the $400,000 limitation described in paragraph (b) of § 1.615–4, then the acquiring corporation shall also take these taxable years and amounts into account in applying the same limitations.

(5) The provisions of this paragraph may be illustrated by the following examples:

Example (1). M and N Corporations were organized on January 1, 1956, and each corporation computes its taxable income on the basis of the calendar year. For each of its taxable years 1956 and 1957, M Corporation expended $60,000 for exploration expenditures and exercised the option to deduct such amounts under section 615(a). N Corporation made no exploration expenditures during its taxable years 1956 and 1957. On December 31, 1957, M Corporation transferred all of its assets to N Corporation in a transaction to which section 381(a) applies, no gain being recognized to the transferor corporation on the transfer. N Corporation made exploration expenditures of $120,000, $110,000, and $100,000 for the years 1958, 1959, 1960, and 1961, respectively, which expenditures it desired to deduct under section 615(a) to the extent allowable. On the basis of these facts, N Corporation may deduct up to $100,000 for each of the years 1958 and 1959. No deduction or deferral is allowable for 1960 since the benefits of section 615(c) were previously availed of for 4 taxable years. However, N Corporation may deduct $80,000 for 1961 (the 4-year limitation not applying to such year) but, if such deduction is made, N Corporation will not be allowed any further deductions or deferrals since the $400,000 limitation of paragraph (b) of § 1.615–4 will have been reached.

Example (2). R and S Corporations were organized on January 1, 1955, and each corporation computes its income on the basis of the calendar year. For the 1955 taxable year neither corporation made any exploration expenditures under section 615(a). On June 30, 1956, R Corporation transferred all its assets to S Corporation in a transaction to which section 381(a) applies, no gain being recognized to the transferor corporation on the transfer. During its short taxable year ending June 30, 1956, R Corporation made exploration expenditures of $60,000 which it elected to deduct under section 615. For its taxable year ending December 31, 1956, S Corporation may deduct or defer exploration expenditures up to $100,000 since this is a separate election for purposes of utilizing section 615 and is not affected by the $60,000 previously deducted by R Corporation. Assuming S Corporation exercises an election under section 615 for its taxable year ending December 31, 1956, S Corporation may elect to apply the benefits of section 615 to exploration expenditures for two more taxable years. However, for taxable years beginning after July 6, 1960 (the 4-year limitation not applying), S Corporation is entitled under section 615 to deduct or defer exploration expenditures made in such years to the extent that the combined deductions and deferrals by R and S Corporations in prior years did not exceed $400,000.

Example (3). O and P Corporations were organized on January 1, 1955, and each corporation computes its taxable income on the basis of the calendar year. For their taxable years 1955, 1956, and 1957, each corporation deducted exploration expenditures made in such years under section 615(a). On June 30, 1958, O Corporation transferred all its assets to P Corporation in a transaction to which section 381(a) applies, no gain being recognized to the transferor corporation on the transfer. If, during its short taxable year ending June 30, 1958, O Corporation made additional exploration expenditures, it may deduct or defer such expenditures (up to $100,000) under section 615 since O Corporation has utilized section 615 in only three previous taxable years. For its taxable years ending after June 30, 1958, and beginning before July 7, 1960, P Corporation may not deduct or defer exploration expenditures under section 615, since the benefits of that section were utilized by O and P Corporations for 4 taxable years. However, for taxable years beginning after July 6, 1960 (the 4-year limitation not applying), P is entitled under section 615 to deduct or defer exploration expenditures made in such years to the extent that the combined deductions and deferrals by O and P Corporations in prior years do not exceed $400,000. See paragraph (b) of § 1.615–4.

Example (4). X, Y, and Z Corporations were organized on January 1, 1955, and each corporation computes its taxable income on the basis of the calendar year. For their taxable years ending December 31, 1955, X and Y Corporations each deferred $100,000 for exploration expenditures made in such taxable years under section 615(b). Z Corporation made no exploration expenditures during its taxable year ending December 31, 1955. On March 31, 1956, X and Y Corporations transferred all their assets to Z Corporation in a transaction to which section 381(a) applies, no gain being recognized to the transferor corporations on the transfer. X and Y Corporations each made exploration expenditures of $75,000 during their short taxable years ending March 31, 1956, which they deducted under section 615(a). For purposes of taxable years beginning before July 7, 1960, Z Corporation must take into account the taxable years in which X and Y Corporations deducted or deferred exploration expenditures. In so doing, each taxable year in which exploration expenditures were deducted or deferred must be taken into account except that the taxable years of X and Y Corporations ending on March 31, 1956, shall be considered as one taxable year. Therefore, Z Corporation may deduct or defer exploration expenditures in accordance with section 615 for any one taxable year ending after March 31, 1956, and beginning before July 7, 1960. However, for taxable years beginning after July 6, 1960 (the 4-year limitation not applying), Z Corporation must take into account for purposes of the $400,000 limitation all of the $350,000 of exploration expenditures deducted or deferred by X, Y, and Z Corporations during taxable years ending after December 31, 1950. Therefore, Z Corporation, assuming it has not deducted or deferred any exploration expenditures, is entitled under section 615 to deduct or defer in taxable years beginning after July 6, 1960, up to $50,000 for exploration expenditures made in such years.

Example (5). For purposes of this example, assume that each taxpayer computes taxable income on the basis of the calendar year. Taxpayer A, an individual who has deducted exploration expenditures of $75,000 under section 23(ff) of the Internal Revenue Code of 1939 for each of his taxable years 1952 and 1953, transferred a mineral property to K Corporation on January 1, 1954, in a transaction in which the basis of the mineral property in the hands of K Corporation is determined under section 362(a). For its taxable year 1954 and pursuant to section 615(a), K Corporation deducted exploration expenditures of $100,000 which it made in such year. K Corporation had made no exploration expenditures in any preceding taxable year. On December 31, 1954, K Corporation transferred all its assets to L Corporation in a reorganization to which section 381(a) applies, no gain being recognized to the transferor corporation on the transfer. Assuming that L Corporation has not deducted or deferred exploration expenditures in any preceding taxable year, L Corporation may deduct or defer exploration expenditures (up to $100,000) in accordance with section 615 for any one taxable year ending after December 31, 1954, and beginning before July 7, 1960, in view of the 4-year limitation. However, if L Corporation does not deduct or defer exploration expenditures in that period, then for taxable years beginning after July 6, 1960 (the 4-year limitation not applying), L Corporation is entitled to deduct or defer up to $150,000 (but not to exceed $100,000 per year) for exploration expenditures made in such years. See paragraph (b) of § 1.615–4.

[F.R. Doc. 63–11253; Filed, Oct. 23, 1963; 8:48 a.m.]

SUBCHAPTER B—ESTATE TAX

[T.D. 6684]

PART 20—ESTATE TAX; ESTATES OF DECEDENTS DYING AFTER AUGUST 16, 1954

Miscellaneous Amendments

On June 18, 1963, a notice of proposed rule making was published in the FED-

ERAL REGISTER (28 F.R. 6228), with respect to conforming the Estate Tax Regulations (26 CFR Part 20) to section 18 of the Revenue Act of 1962, relative to the inclusion of foreign real property in the gross estate. After consideration of all such relevant matter as was presented by interested persons regarding the rules proposed, the amendments of the regulations as so proposed are hereby adopted. In addition, paragraph (a) of § 20.2105–1 is amended to include certain real property situated outside the United States in the list of types of property regarded as property outside the United States in the case of nonresident aliens. Paragraph (a) of § 20.2105–1 as so amended reads as set forth below.

This Treasury decision is issued under the authority contained in section 7805 of the Internal Revenue Code of 1954 (68A Stat. 917; 26 U.S.C. 7805).

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

Approved: October 17, 1963.

STANLEY S. SURREY,
Assistant Secretary of the Treasury.

In order to conform the Estate Tax Regulations (26 CFR Part 20) to the provisions of section 18 of the Revenue Act of 1962, such regulations are amended as follows:

PARAGRAPH 1. Paragraph (b)(2) of § 20.0–2 is amended to read as follows:

§ 20.0–2 General description of tax.

* * * * *

(b) *Method of determining tax; estate of citizen or resident.* * * *

(2) *Gross estate.* The first step in determining the tax is to ascertain the total value of the decedent's gross estate. The value of the gross estate includes the value of all property to the extent of the interest therein of the decedent at the time of his death. (For certain exceptions in the case of real property situated outside the United States, see paragraphs (a) and (c) of § 20.2031–1.) In addition, the gross estate may include property in which the decedent did not have an interest at the time of his death. A decedent's gross estate for Federal estate tax purposes may therefore be very different from the same decedent's estate for local probate purposes. Examples of items which may be included in a decedent's gross estate and not in his probate estate are the following: certain property transferred by the decedent during his lifetime without adequate consideration; property held jointly by the decedent and others; property over which the decedent had a general power of appointment; proceeds of certain policies of insurance on the decedent's life; annuities; and dower or curtesy of a surviving spouse or a statutory estate in lieu thereof. For a detailed explanation of the method of ascertaining the value of the gross estate, see sections 2031 through 2044, and the regulations thereunder.

PAR. 2. Paragraph (a) of § 20.2014–2 is amended by revising the example contained therein to read as follows:

§ 20.2014–2 "First limitation".

(a) * * *

Example. At the time of his death, the decedent, a citizen of the United States, owned stock in X Corporation (a corporation organized under the laws of Country Y) valued at $80,000. In addition he owned bonds issued by X Corporation valued at $80,000. The stock and bond certificates were in the United States. Decedent left by will $20,000 of the stock and $50,000 of the bonds in X Corporation to his surviving spouse. He left the rest of the stock and bonds to his son. Under the situs rules referred to in paragraph (a)(3) of § 20.2014–1 the stock is deemed situated in Country Y while the bonds are deemed to have their situs in the United States. There is no death tax convention in existence between the United States and Country Y. The laws of Country Y provide for inheritance taxes computed as follows:

Inheritance tax of surviving spouse:	
Value of stock	$20,000
Value of bonds	50,000
Total value	70,000
Tax (16 percent rate)	11,200
Inheritance tax of son:	
Value of stock	60,000
Value of bonds	30,000
Total value	90,000
Tax (16 percent rate)	14,400

The "first limitation" on the credit for foreign death taxes is:

$$\frac{\$20{,}000+\$60{,}000 \text{ (factor C of the ratio stated at § 20.2014–2(a))}}{\$70{,}000+\$90{,}000 \text{ (factor D of the ratio stated at § 20.2014–2(a))}} \times (\$11{,}200+\$14{,}400) \text{ (factor B of the ratio stated at § 20.2014–2(a))} = \$12{,}800.$$

PAR. 3. Section 20.2031 is amended by revising section 2031(a) and by adding a historical note to read as follows:

§ 20.2031 Statutory provisions; definition of gross estate.

SEC. 2031. *Definition of gross estate*—(a) *General.* The value of the gross estate of the decedent shall be determined by including to the extent provided for in this part, the value at the time of his death of all property, real or personal, tangible or intangible, wherever situated.

* * * * *

[Sec. 2031 as amended by sec. 18, Revenue Act 1962 (76 Stat. 1052)]

PAR. 4. Section 20.2031–1 is amended by revising so much of paragraph (a) as precedes subparagraph (1) and by adding a new paragraph (c) thereto. These revised and added paragraphs read as follows:

§ 20.2031–1 Definition of gross estate; valuation of property.

(a) *Definition of gross estate.* Except as otherwise provided in this paragraph the value of the gross estate of a decedent who was a citizen or resident of the United States at the time of his death is the total value of the interests described in sections 2033 through 2044. The gross estate of a decedent who died before October 17, 1962, does not include real property situated outside the United States (as defined in paragraph (b)(1) of § 20.0–1). Except as provided in paragraph (c) of this section (relating to the estates of decedents dying after October 16, 1962, and before July 1, 1964), in the case of a decedent dying after October 16, 1962, real property situated outside the United States which comes within the scope of sections 2033 through 2044 is included in the gross estate to the same extent as any other property coming within the scope of those sections. In arriving at the value of the gross estate the interests described in sections 2033 through 2044 are valued as described in this section, §§ 20.2031–2 through 20.2031–9 and § 20.2032–1. The contents of sections 2033 through 2044 are, in general, as follows:

* * * * *

(c) *Real property situated outside the United States; gross estate of decedent dying after October 16, 1962, and before July 1, 1964*—(1) *In general.* In the case of a decedent dying after October 16, 1962, and before July 1, 1964, the value of real property situated outside the United States (as defined in paragraph (b)(1) of § 20.0–1) is not included in the gross estate of the decedent—

(i) Under section 2033, 2034, 2035(a), 2036(a), 2037(a), or 2038(a) to the extent the real property, or the decedent's interest in it, was acquired by the decedent before February 1, 1962;

(ii) Under section 2040 to the extent such property or interest was acquired by the decedent before February 1, 1962, or was held by the decedent and the survivor in a joint tenancy or tenancy by the entirety before February 1, 1962; or

(iii) Under section 2041(a) to the extent that before February 1, 1962, such property or interest was subject to a general power of appointment (as defined in section 2041) possessed by the decedent.

(2) *Certain property treated as acquired before February 1, 1962.* For purposes of this paragraph real property situated outside the United States (including property held by the decedent and the survivor in a joint tenancy or tenancy by the entirety), or an interest in such property or a general power of appointment in respect of such property, which was acquired by the decedent after January 31, 1962, is treated as acquired by the decendent before February 1, 1962, if

(i) Such property, interest, or power was acquired by the decedent by gift within the meaning of section 2511, or from a prior decedent by devise or inheritance, or by reason of death, form of ownership, or other conditions (including the exercise or nonexercise of a power of appointment); and

(ii) Before February 1, 1962, the donor or prior decedent had acquired the property or his interest therein or had possessed a power of appointment in respect thereof.

(3) *Certain property treated as acquired after January 31, 1962.* For purposes of this paragraph that portion of capital additions or improvements made after January 31, 1962, to real property situated outside the United States is, to the extent that it materially increases the value of the property, treated as real property acquired after January 31, 1962. Accordingly, the gross estate may include the value of improvements on unimproved real property, such as office buildings, factories, houses, fences, drainage ditches, and other capital items, and the value of capital additions and improvements to existing improvements, placed on real property after January 31, 1962, whether or not the value of such real property or existing improvements is included in the gross estate.

PAR. 5. Section 20.2033 is amended and a historical note added to read as follows:

§ 20.2033 Statutory provisions; property in which the decedent had an interest.

SEC. 2033. *Property in which the decedent had an interest.* The value of the gross estate shall include the value of all property to the extent of the interest therein of the decedent at the time of his death.

[Sec. 2033 as amended by sec. 18, Revenue Act 1962 (76 Stat. 1052)]

PAR. 6. Paragraph (a) of § 20.2033–1 is amended to read as follows:

§ 20.2033–1 Property in which the decedent had an interest.

(a) *In general.* The gross estate of a decedent who was a citizen or resident of the United States at the time of his death includes under section 2033 the value of all property, whether real or personal, tangible or intangible, and wherever situated, beneficially owned by the decedent at the time of his death. (For certain exceptions in the case of real property situated outside the United States, see paragraphs (a) and (c) of § 20.2031–1.) Real property is included whether it came into the possession and control of the executor or administrator or passed directly to heirs or devisees. Various statutory provisions which exempt bonds, notes, bills, and certificates of indebtedness of the Federal Government or its agencies and the interest thereon from taxation are generally not applicable to the estate tax, since such tax is an excise tax on the transfer of property at death and is not a tax on the property transferred.

PAR. 7. Section 20.2034 is amended and a historical note added to read as follows:

§ 20.2034 Statutory provisions; dower or curtesy interests.

SEC. 2034. *Dower or curtesy interests.* The value of the gross estate shall include the value of all property to the extent of any interest therein of the surviving spouse, existing at the time of the decedent's death as dower or curtesy, or by virtue of a statute creating an estate in lieu of dower or curtesy.

[Sec. 2034 as amended by sec. 18, Revenue Act 1962 (76 Stat. 1052)]

PAR. 8. Section 20.2035 is amended by revising section 2035(a) and by adding a historical note to read as follows:

§ 20.2035 Statutory provisions; transactions in contemplation of death.

SEC. 2035. *Transactions in contemplation of death*—(a) *General rule.* The value of the gross estate shall include the value of all property to the extent of any interest therein of which the decedent has at any time made a transfer (except in case of a bona fide sale for an adequate and full consideration in money or money's worth), by trust or otherwise, in contemplation of his death.

* * * * *

[Sec. 2035 as amended by sec. 18, Revenue Act 1962 (76 Stat. 1052)]

PAR. 9. Section 20.2036 is amended by revising the material preceding paragraph (1) of section 2036(a) and by adding a historical note to read as follows:

§ 20.2036 Statutory provisions; transfers with retained life estate.

SEC. 2036. *Transfers with retained life estate*—(a) *General rule.* The value of the gross estate shall include the value of all property to the extent of any interest therein of which the decedent has at any time made a transfer (except in case of a bona fide sale for an adequate and full consideration in money or money's worth), by trust or otherwise, under which he has retained for his life or for any period not ascertainable without reference to his death or for any period which does not in fact end before his death—

* * * * *

[Sec. 2036 as amended by sec. 18, Revenue Act 1962 (76 Stat. 1052)]

PAR. 10. Section 20.2037 is amended by revising the material preceding paragraph (1) of section 2037(a) and by adding a historical note to read as follows:

§ 20.2037 Statutory provisions; transfers taking effect at death.

SEC. 2037. *Transfers taking effect at death*—(a) *General rule.* The value of the gross estate shall include the value of all property to the extent of any interest therein of which the decedent has at any time after September 7, 1916, made a transfer (except in case of a bona fide sale for an adequate and full consideration in money or money's worth), by trust or otherwise, if—

* * * * *

[Sec. 2037 as amended by sec. 18, Revenue Act 1962 (76 Stat. 1052)]

PAR. 11. Section 20.2038 is amended by revising the material preceding paragraph (1) of section 2038(a) and by adding a historical note to read as follows:

§ 20.2038 Statutory provisions; revocable transfers.

SEC. 2038. *Revocable transfers*—(a) *In general.* The value of the gross estate shall include the value of all property—

* * * * *

[Sec. 2038 as amended by Act of Aug. 7, 1959 (Public Law 86–141, 73 Stat. 288); sec. 18, Revenue Act 1962 (76 Stat. 1052)]

PAR. 12. Section 20.2040 is amended and a historical note added to read as follows:

SEC. 2040. *Joint interests.* The value of the gross estate shall include the value of all property to the extent of the interest therein held as joint tenants by the decedent and any other person, or as tenants by the entirety by the decedent and spouse, or deposited, with any person carrying on the banking business, in their joint names and payable to either or the survivor, except such part thereof as may be shown to have originally belonged to such other person and never to have been received or acquired by the latter from the decedent for less than an adequate and full consideration in money or money's worth: *Provided,* That where such property or any part thereof, or part of the consideration with which such property was acquired, is shown to have been at any time acquired by such other person from the decedent for less than an adequate and full consideration in money or money's worth, there shall be excepted only such part of the value of such property as is proportionate to the consideration furnished by such other person: *Provided further,* That where any property has been acquired by gift, bequest, devise, or inheritance, as a tenancy by the entirety by the decedent and spouse, then to the extent of one-half of the value thereof, or, where so acquired by the decedent and any other person as joint tenants and their interests are not otherwise specified or fixed by law, then to the extent of the value of a fractional part to be determined by dividing the value of the property by the number of joint tenants.

[Sec. 2040 as amended by sec. 18, Revenue Act 1962 (76 Stat. 1052)]

PAR. 13. Section 20.2041 is amended by revising the material preceding paragraph (1) of section 2041(a) and by adding a historical note to read as follows:

§ 20.2041 Statutory provisions; powers of appointment.

SEC. 2041. *Powers of appointment*—(a) *In general.* The value of the gross estate shall include the value of all property—

* * * * *

[Sec. 2041 as amended by sec. 18, Revenue Act 1962 (76 Stat. 1052)]

PAR. 14. Section 20.2053–7 is amended by revising the last sentence. Section 20.2053–7 as so amended reads as follows:

§ 20.2053–7 Deduction for unpaid mortgages.

A deduction is allowed from a decedent's gross estate of the full unpaid amount of a mortgage upon, or of any other indebtedness in respect of, any property of the gross estate, including interest which had accrued thereon to the date of death, provided the value of the property, undiminished by the amount of the mortgage or indebtedness, is included in the value of the gross estate. If the decedent's estate is liable for the amount of the mortgage or indebtedness, the full value of the property subject to the mortgage or indebtedness must be included as part of the value of the gross estate; the amount of the mortgage or indebtedness being in such case allowed as a deduction. But if the decedent's estate is not so liable, only the value of the equity of redemption (or the value of the property, less the mortgage or indebtedness) need be returned as part of the value of the gross estate. In no case may the deduction on account of the mortgage or indebtedness exceed the liability therefor contracted bona fide and for an adequate and full consideration in money or money's worth. See § 20.2043–1. Only interest accrued to the date of the decedent's death is allowable even though the alternate valuation method under section 2032 is selected. In any case where real property situated outside the United States does not form a part of the gross estate, no deduction may be taken of any mort-

gage thereon or any other indebtedness in respect thereof.

PAR. 15. Section 20.2103–1 is amended to read as follows:

§ 20.2103–1 Estates of nonresidents not citizens; "entire gross estate".

The "entire gross estate" wherever situated of a nonresident who was not a citizen of the United States at the time of his death is made up in the same way as the "gross estate" of a citizen or resident of the United States. See §§ 20.2031–1 through 20.2044–1. See paragraphs (a) and (c) of § 20.2031–1 for the circumstances under which real property situated outside the United States is excluded from the gross estate of a citizen or resident of the United States. However, in the case of a nonresident not a citizen, only that part of the entire gross estate which is situated in the United States is included in his taxable estate. In fact, property situated outside the United States need not be disclosed on the return unless certain deductions are claimed or information is specifically requested. See §§ 20.2106–1 and 20.2106–2. For a description of property considered to be situated in the United States, see § 20.2104–1. For a description of property considered to be situated outside the United States, see § 20.2105–1.

PAR. 16. Paragraph (a) of § 20.2105–1 is amended to include certain real property situated outside the United States in the list of types of property regarded as property outside the United States in the case of nonresident aliens. Paragraph (a) of § 20.2105–1 as so amended reads as follows:

§ 20.2105–1 Estates of nonresidents not citizens; property without the United States.

* * * * *

(a) (1) Real property located outside the United States, except to the extent excludible from the entire gross estate wherever situated under § 20.2103–1.

(2) Tangible personal property located outside the United States.

[F.R. Doc. 63–11252; Filed, Oct. 23, 1963; 8:48 a.m.]

SUBCHAPTER D—MISCELLANEOUS EXCISE TAXES

[T.D. 6686]

PART 48—MANUFACTURERS AND RETAILERS EXCISE TAXES

Exclusion of Local Advertising Charges From Sale Price

On April 23, 1963, notice of proposed rule making was published in the FEDERAL REGISTER (28 F.R. 3984) to conform the Manufacturers and Retailers Excise Tax Regulations (26 CFR Part 48) under section 4216 (f) of the Internal Revenue Code of 1954 to section 2 of the Act of October 9, 1962 (Public Law 87–770, 76 Stat. 768), which provides for a change in the definition of local advertising to include the media of magazines and outdoor advertising signs or posters. After consideration of all such relevant matter as was presented by interested persons regarding the rules proposed, the amendments of the regulations as proposed are hereby adopted.

This Treasury decision is issued under the authority contained in section 7805 of the Internal Revenue Code of 1954 (68A Stat. 917; 26 U.S.C. 7805).

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

Approved: October 18, 1963.

STANLEY S. SURREY,
Assistant Secretary of the Treasury.

In order to conform the Manufacturers and Retailers Excise Tax Regulations (26 CFR Part 48) under section 4216(f) of the Internal Revenue Code of 1954 to section 2 of the Act of October 9, 1962 (Public Law 87–770, 76 Stat. 768), which provides for a change in the definition of local advertising to include the media of magazines and outdoor advertising signs or posters, such regulations are amended as follows:

PARAGRAPH 1. Section 48.4216(f) is amended by revising paragraph (4) (C) of section 4216(f) and by revising the historical note. These amended provisions read as follows:

§ 48.4216(f) Statutory provisions; definition of price; exclusion of local advertising charge from sale price.

SEC. 4216. *Definition of price.* * * *

(f) *Exclusion of local advertising charge from sale price.* * * *

(4) *Local advertising defined.* * * *

(C) Is broadcast over a radio station or television station, appears in a newspaper or magazine, or is displayed by means of an outdoor advertising sign or poster.

[Sec. 4216(f) as added by sec. 1, Act of Sept. 14, 1960 (Pub. Law 86–781, 74 Stat. 1017) and as amended by sec. 2, Act of Oct. 9, 1962 (Pub. Law 87–770, 76 Stat. 768)]

PAR. 2. Section 48.4216(f)–1 is amended by revising paragraph (a), subparagraphs (1) (iii) and (4) of paragraph (b), and subparagraph (1) of paragraph (c), and by adding subparagraphs (6) and (7) to paragraph (b). These amended and added provisions read as follows:

§ 48.4216(f)–1 Exclusion of local advertising charges from sale price.

(a) *In general.* Section 4216(f) deals with the treatment to be accorded charges made by a manufacturer for, and reimbursements by a manufacturer of expenditures in connection with, the advertising of certain articles subject to excise tax under chapter 32 of the Code. Section 4216(f) provides an exclusion (which is in addition to the exclusions provided by section 4216(a) and the regulations thereunder) in respect of charges for local advertising, as defined in paragraph (b) of this section, for purposes of determining the price for which an article is sold. See paragraph (c) of this section. The exclusion provided by section 4216(f) and paragraph (c) of this section has application only if—

(1) In the case of articles sold during the period January 1, 1961, through December 31, 1962, the advertising is broadcast over a radio or television station, or appears in a newspaper; and

(2) In the case of articles sold on or after January 1, 1963, the advertising is broadcast over a radio or television station, appears in a newspaper or magazine, or is displayed by means of an outdoor advertising sign or poster.

Section 4216(f) also provides an overall limitation in respect of the sum of the amount of the exclusions from price as charges for local advertising and the amount of the readjustments authorized under section 6416(b)(1) (relating to credits or refunds for price readjustments) in respect of reimbursements by a manufacturer of expenditures for local advertising. See § 48.4216(f)–2. For provisions prohibiting exclusion from price or readjustment of price in respect of charges for, and reimbursements of expenditures for, advertising other than local advertising, see § 48.4216(f)–3.

(b) *Definition of local advertising—*

(1) *In general.* * * *

(iii) (*a*) In the case of articles sold on or after January 1, 1961, and before January 1, 1963, is broadcast over a radio station or television station or appears in a newspaper, or

(*b*) In the case of articles sold on or after January 1, 1963, is broadcast over a radio station or television station, appears in a newspaper or magazine, or is displayed by means of an outdoor advertising sign or poster.

* * * * *

(4) *Determination of costs of local advertising.* Where an advertisement identifies more than one article, and all such articles are not taxable, or are not taxable at the same rate under the same section of chapter 32 of the Code, a reasonable allocation of the cost of the advertisement must be made among (i) articles taxable at the same rate under the same section of the Code and (ii) articles which are not taxable under chapter 32 of the Code. For example, in the case of a single page newspaper or magazine advertisement, an allocation of costs reflecting the lineage or space devoted to the specified categories will be considered to reflect a reasonable allocation of the cost of advertising the different articles. As a general rule, only the cost of the "spot" portion identifying the retail establishment is considered "local advertising" in the case of national television or radio programs.

* * * * *

(6) *Meaning of "magazine".* The term "magazine", as used in subparagraph (1) of this paragraph, is limited to those publications which are (i) commonly understood to be magazines, (ii) printed and distributed periodically at least twice a year, and (iii) published for the dissemination of information of a general nature or of special interest to particular groups. The term does not include handbills, circulars, flyers or the like, unless printed and distributed as a part of a publication which constitutes a magazine within the meaning of this subparagraph. For purposes of this subparagraph, advertising is not considered to be information of a general nature or information of special in-

terest to particular groups within the contemplation of subdivision (iii) of this subparagraph.

(7) *Meaning of "outdoor advertising sign or poster".* The term "outdoor advertising sign or poster", as used in subparagraph (1) of this paragraph, means a sign or poster displaying advertising matter, which is located outside of a roofed enclosure. This term includes both signs or posters on billboards, whether placed on or affixed to land, buildings, or other structures, and those which are displayed on or attached to moving objects, provided the signs or posters are located outside of a roofed enclosure. The term "roofed enclosure" means a roofed structure which is enclosed on more than one-half of its sides by walls, fences, or other barriers.

(c) *Exclusion*—(1) *Conditions and limitations.* A charge for local advertising which is required by a manufacturer to be paid as a condition to his sale of an article is not a part of the taxable price of the article, to the extent that such charge meets each of the following conditions and limitations:

(i) Such charge does not exceed 5 percent of the difference between (*a*) an amount which would constitute the taxable price of the article (computed at the time of the sale of the article) if no part of any charge for local advertising were excludable in computing taxable price and (*b*) the amount of any separate charge for local advertising, whatever the amount of such charge may be.

(ii) Such charge is specifically shown as a separate charge for local advertising on the invoice or statement covering the sale of the article.

(iii) Such charge is billed by the manufacturer with the intention on his part of repaying the amount of the charge to the person purchasing the article from him, or to any person who subsequently purchases the article for resale, in reimbursement of costs incurred for local advertising of such article or some other article or articles taxable at the same rate under the same section of the Code. In the absence of evidence to the contrary, the fact of such intention will be assumed in all cases where the manufacturer and his vendees are parties to an advertising plan which calls for such repayments, or the manufacturer can otherwise establish that the vendees to whom he bills such charges understand and expect that such repayments will be made.

PAR. 3. Section 48.4216(f)-3 is revised to read as follows:

§ 48.4216(f)-3 No exclusion or readjustment for other advertising charges or reimbursements.

(a) *Exclusions from price.* No exclusion in computing the taxable price of any article sold by the manufacturer may be allowed in respect of any charge for advertising if, and to the extent that, such charge—

(1) Is for advertising which does not qualify as local advertising within the meaning of section 4216(f)(4) and paragraphs (a) and (b) of § 48.4216(f)-1, or

(2) Does not satisfy all of the conditions and limitations stated in section 4216(f)(1) and paragraph (c) of § 48.4216(f)-1.

(b) *Readjustments of price.* No credit or refund under section 6416(b)(1) may be allowed in respect of any amount which was included in the taxable price of an article sold by the manufacturer and which was later paid by him to his vendee in reimbursement of costs incurred for advertising, if, and to the extent that, the amount so paid—

(1) Is for advertising which does not qualify as local advertising within the meaning of section 4216(f)(4) and paragraph (b) of § 48.4216(f)-1, or

(2) Is not within the limitation provided in section 4216(f)(2), as computed in accordance with § 48.4216(f)-2, as of the close of the calendar quarter in which the amount is so paid over or as of the close of any subsequent calendar quarter in the same calendar year. See, however, paragraph (c)(2)(ii) of § 48.6416(b)-1, relating to redetermination of price readjustments in cases where local advertising charges excluded from taxable price in one calendar year become taxable as of May 1 of the following calendar year.

PAR. 4. Section 48.6416(b)-1 is amended by revising paragraph (c) to read as follows:

§ 48.6416(b)-1 Readjustments of price on which manufacturers or retailers excise tax is based.

* * * * *

(c) *Reimbursements in respect of local advertising*—(1) *In general.* In any case in which a manufacturer has paid tax under chapter 32 based on the price of any article sold by him—

(i) During the period January 1, 1961, through December 31, 1962, and the advertising is broadcast over a radio or television station, or appears in a newspaper, and

(ii) After December 31, 1962, and the advertising is broadcast over a radio or television station, appears in a newspaper or magazine, or is displayed by means of an outdoor advertising sign or poster,

and a portion of the price is thereafter paid by the manufacturer to his vendee in reimbursement of expenses for local advertising of such article or any other article taxable at the same rate under the same section of chapter 32 which was sold by such manufacturer, such reimbursement will constitute a price readjustment with respect to which the manufacturer may claim credit or refund, if and to the extent that such reimbursement is within the limitation provided in section 4216(f)(2), as computed in accordance with the provisions of § 48.4216(f)-2 as of the close of the calendar quarter in which the reimbursement is made or as of the close of any subsequent calendar quarter of the same calendar year.

(2) *Local advertising charges excluded from taxable price in one calendar year but repaid on or after May 1 of following calendar year*—(i) *Determination of price readjustments for year in which charge is repaid.* In any case where local advertising charges which were excluded in computing the taxable price of an article sold in any calendar year are not repaid to the manufacturer's vendee or any subsequent vendee before May 1 of the following calendar year and tax is paid with respect to such charges (see section 4216(f)(1) and § 48.4216(f)-1), any subsequent repayment of such charges to the manufacturer's vendee in reimbursement of expenses incurred for local advertising will constitute a price readjustment with respect to which the manufacturer may claim credit or refund, if and to the extent that such reimbursement is within the limitation provided in section 4216(f)(2), as computed in accordance with the provisions of § 48.4216(f)-2 as of the close of the calendar quarter in which the reimbursement is made or as of the close of any subsequent calendar quarter of the same calendar year.

(ii) *Redetermination of price readjustments for year in which charge was made.* In any case where local advertising charges which were excluded in computing the taxable price of an article sold in any calendar year are not repaid to the manufacturer's vendee or any subsequent vendee before May 1 of the following calendar year and tax is paid with respect to such charges (see section 4216(f)(1) and § 48.4216(f)-1), the manufacturer may make a redetermination, in respect of the calendar year in which the charge was made, of the price readjustments with respect to which he may claim credit or refund, excluding from such redetermination the local advertising charges made in such calendar year which became taxable as of May 1 of the following calendar year.

[F.R. Doc. 63-11254; Filed, Oct. 23, 1963; 8:48 a.m.]

Title 36—PARKS, FORESTS, AND MEMORIALS

Chapter III—Corps of Engineers, Department of the Army

PART 311—PUBLIC USE OF CERTAIN RESERVOIR AREAS

New Hogan Reservoir Area, Calaveras River, California

The Secretary of the Army having determined that the use of New Hogan Reservoir Area, Calaveras River, California, by the general public for boating, swimming, bathing, fishing and other recreational purposes will not be contrary to the public interest and will not be inconsistent with the operation and maintenance of the reservoir for its primary purposes, hereby prescribes rules and regulations for its public use, pursuant to the provisions of Section 4 of the Flood Control Act of 1944, as amended (76 Stat. 1195), adding the reservoir to the list in § 311.1, as follows:

§ 311.1 Areas covered.

* * * * *

CALIFORNIA

* * * * *

NEW HOGAN RESERVOIR AREA, CALAVERAS RIVER

* * * * *

[Regs., September 1963, ENGCW-OM] (Sec. 4, 58 Stat. 889, as amended; 16 U.S.C. 460d)

J. C. LAMBERT,
Major General, U.S. Army,
The Adjutant General.

[F.R. Doc. 63-11215; Filed, Oct. 23, 1963; 8:46 a.m.]

Title 43—PUBLIC LANDS: INTERIOR

Chapter I—Bureau of Land Management, Department of the Interior

APPENDIX—PUBLIC LAND ORDERS

[Public Land Order 3255]

[Sacramento 076312]

CALIFORNIA

Power Site Cancellation No. 188; Partly Cancelling Power Site Classification No. 30; (Project 284)

By virtue of the authority contained in the Act of March 3, 1879 (20 Stat. 394; 43 U.S.C. 31), and in section 24 of the Act of June 10, 1920 (41 Stat. 1075; 16 U.S.C. 818), as amended, and pursuant to the determination of the Federal Power Commission docketed as DA-1036-California, it is ordered as follows:

1. The Departmental Order of April 20, 1922, creating Power Site Classification No. 30, is hereby cancelled so far as it affects the following described land:

MOUNT DIABLO MERIDIAN

T. 5 N., R. 14 E.,
Sec. 1, NW¼SE¼.

Containing approximately 40 acres.

2. In DA-1036-California, the Federal Power Commission vacated the withdrawal created pursuant to the filing of an application for a preliminary permit for project No. 284, pertaining to the land described in paragraph 1, hereof.

3. Subject to any valid existing rights, the requirements of applicable law, and the provisions of any existing withdrawals, the lands are hereby opened to filing of applications and selections, in accordance with the following:

a. Until 10:00 a.m. on April 17, 1964, the State of California shall have (1) a preferred right of application to select the lands in accordance with subsection (c) of section 2 of the Act of August 27, 1958 (72 Stat. 928; 43 U.S.C. 851, 852), and (2) a preferred right to apply for the reservation to the State or to any of its political subdivisions, under any statute or regulation applicable thereto, of any of the lands required for a right-of-way for a public highway or as a source of material for the construction and maintenance of such highways, in accordance with the provisions of section 24 of the Federal Power Act, *supra.*

b. All valid applications and selections under the nonmineral public land laws, other than preference right applications from the State of California, presented at or prior to 10:00 a.m. on November 22, 1963, will be considered as simultaneously filed at that hour. Rights under such application and selections filed after that hour will be governed by the time of filing.

4. The land has been open to applications and offers under the mineral leasing laws, and to location under the United States mining laws subject to the provisions of the Act of August 11, 1955 (69 Stat. 682; 30 U.S.C. 621).

5. Persons claiming preference rights based upon valid settlement, statutory preference, or equitable claims, must enclose properly corroborated statements in support of their applications, setting forth all facts relevant to their claims.

Inquiries concerning the lands should be addressed to the Manager, Land Office, Bureau of Land Management, Sacramento, California.

JOHN A. CARVER, Jr.,
Assistant Secretary of the Interior.

OCTOBER 17, 1963.

[F.R. Doc. 63-11224; Filed, Oct. 23, 1963; 8:46 a.m.]

[Public Land Order 3256]

[BLM 071431]

MICHIGAN

Adding Lands to the Hiawatha National Forest

By virtue of the authority contained in the Act of July 9, 1962 (76 Stat. 140; 43 U.S.C. 315g-1), and upon recommendation of the Secretary of Agriculture, it is ordered as follows:

Subject to valid existing rights, the following-described public lands in Michigan are hereby added to and made a part of the Hiawatha National Forest and hereafter shall be subject to all laws and regulations applicable thereto:

MICHIGAN MERIDIAN

T. 42 N., R. 2 W.,
Sec. 3, SW¼SE¼;
Sec. 6, E½SE¼;
Sec. 12, SE¼NW¼;
Sec. 14, NW¼NE¼;
Sec. 16, NE¼SE¼.
T. 43 N., R. 2 W.,
Sec. 4, NW¼NE¼, NW¼SE¼, NW¼SW¼, S½SW¼;
Sec. 6, NE¼NW¼;
Sec. 8, NE¼NE¼, NW¼SE¼, W½NE¼SE¼;
Sec. 29, SE¼;
Sec. 30, NE¼NE¼.
T. 41 N., R. 3 W.,
Sec. 5, N½NE¼;
Sec. 6, SE¼SE¼.
T. 42 N., R. 3 W.,
Sec. 7, NW¼SW¼, SE½SE¼.
T. 43 N., R. 3 W.,
Sec. 6, NE¼.
T. 41 N., R. 4 W.,
Sec. 2, SW¼SE¼;
Sec. 14, SW¼SE¼;
Sec. 15, E½NW¼;
Sec. 20, NW¼SE¼, S½SE¼;
Sec. 22, W½SE¼;
Sec. 25, NW¼NE¼;
Sec. 30, SW¼.
T. 42 N., R. 4 W.,
Sec. 2, SE¼SE¼;
Sec. 7, S½SW¼, W½SW¼SE¼;
Sec. 8, S½NW¼, N½SW¼;
Sec. 11, E½NE¼, SW¼NE¼;
Sec. 12, E½NW¼, SE¼SW¼;
Sec. 13, NW¼SE¼, SE¼SW¼;
Sec. 18, NW¼, W½SW¼;
Sec. 33, SE¼NE¼;
Sec. 34, SW¼NE¼, NW¼SW¼, NE¼SE¼.
T. 42 N., R. 5 W.,
Sec. 17, N½NE¼;
Sec. 19, SE¼SW¼ (lot 5);
Sec. 20, NW¼SW¼ (lot 2).

The areas described aggregate 2,827.16 acres.

JOHN A. CARVER, Jr.,
Assistant Secretary of the Interior.

OCTOBER 17, 1963.

[F.R. Doc. 63-11225; Filed, Oct. 23, 1963; 8:46 a.m.]

Title 50—WILDLIFE AND FISHERIES

Chapter I—Bureau of Sport Fisheries and Wildlife, Fish and Wildlife Service, Department of the Interior

PART 32—HUNTING

Seney National Wildlife Refuge, Michigan

The following special regulation is issued and is effective on date of publication in the FEDERAL REGISTER.

§ 32.32 Special regulations; big game; for individual wildlife refuge areas.

MICHIGAN

SENEY NATIONAL WILDLIFE REFUGE

Public hunting of big game on the Seney National Wildlife Refuge, Michigan, is permitted only on the area designated by signs as open to hunting. This open area, comprising 85,200 acres or 89 percent of the total refuge area, is delineated on a map available at the refuge headquarters and from the Regional Director, Bureau of Sport Fisheries and Wildlife, 1006 West Lake Street, Minneapolis 8, Minnesota. Hunting shall be subject to the following conditions:

(a) Species permitted to be taken: White-tailed deer and bear during the season specified below. The hunting of big game species, as may be otherwise authorized by Michigan State regulations, is prohibited.

(b) Open season: From 6:00 a.m. to 7:00 p.m. e.s.t. each day from November 9, 1963, through November 24, 1963.

(c) Bag limits: Deer and bear—one per person per season. Deer must be a male with antlers extending at least three (3) inches above the skull, except that hunters possessing a valid 1963 special deer hunting permit may take one deer of any age and of either sex.

(d) Methods of hunting:

(1) Weapons—legal firearms or bow and arrow. No .22 caliber rim fire rifles permitted; no crossbows permitted.

(e) Other provisions:

(1) The provisions of this special regulation supplement the regulations which govern hunting on wildlife refuge areas generally which are set forth in Title 50, Code of Federal Regulations, Part 32.

(2) A Federal permit is not required to enter the public hunting area.

(3) The provisions of this special regulation are effective to November 25, 1963.

URBAN C. NELSON,
Acting Regional Director, Bureau of Sport Fisheries and Wildlife.

OCTOBER 16, 1963.

[F.R. Doc. 63-11217; Filed, Oct. 23, 1963; 8:46 a.m.]

PART 32—HUNTING

National Wildlife Refuges, Minnesota

The following special regulation is issued and is effective on date of publication in the FEDERAL REGISTER.

§ 32.32 Special regulations; big game; for individual wildlife refuge areas.

MINNESOTA

AGASSIZ NATIONAL WILDLIFE REFUGE

Public hunting of big game on the Agassiz National Wildlife Refuge, Minnesota, is permitted only on the area designated by signs as open to hunting. This open area, comprising 58,050 acres or 96 percent of the total refuge area, is delineated on a map available at the refuge headquarters and from the Regional Director, Bureau of Sport Fisheries and Wildlife, 1006 West Lake Street, Minneapolis 8, Minnesota. Hunting shall be subject to the following conditions:

(a) Species permitted to be taken: White-tailed deer only during the season specified below.

(b) Open season: From sunrise to sunset November 9, 1963, through November 17, 1963.

(c) Bag limit: One deer per person per season, any age or sex.

(d) Methods of hunting:

(1) Weapons—deer may be taken with legal firearms or bow and arrow. Rifles must be .23 caliber or larger and cartridges must be 1¾ inches in length or longer, unless the gun is of .35 caliber or larger. Cartridges must contain a soft point or expanding bullet. Shotguns may be used with a single slug. Buckshot or fine shot is prohibited. Arrowheads must be of all steel barbless design, blade or blades must be not less than one inch wide for single, two edge blades and not less than three inch circumference for three or more blades, minimum weight of all types 110 grains. Bows must have a pull of not less than 40 pounds at full draw.

(e) Other provisions:

(1) The provisions of this special regulation supplement the regulations which govern hunting on wildlife refuge areas generally which are set forth in Title 50, Code of Federal Regulations, Part 32.

(2) A Federal permit is not required to enter the public hunting area.

(3) The provisions of this special regulation are effective to November 18, 1963.

RICE LAKE NATIONAL WILDLIFE REFUGE

Public hunting of big game on the Rice Lake National Wildlife Refuge, Minnesota, is permitted only on the area designated by signs as open to hunting. This open area, comprising 5,000 acres or 33 percent of the total refuge area, is delineated on a map available at the refuge headquarters and from the Regional Director, Bureau of Sport Fisheries and Wildlife, 1006 West Lake Street, Minneapolis 8, Minnesota. Hunting shall be subject to the following conditions:

(a) Species permitted to be taken: White-tailed deer only during the season specified below.

(b) Open season: From sunrise to sunset November 9, 1963, through November 17, 1963.

(c) Bag limit: One deer per person per season, any age or sex.

(d) Methods of hunting:

(1) Weapons—deer may be taken with legal firearms or bow and arrow. Rifles must be .23 caliber or larger and cartridges must be 1¾ inches in length or longer, unless the gun is of .35 caliber or larger. Cartridges must contain a soft point or expanding bullet. Shotguns may be used with a single slug. Buckshot or fine shot is prohibited. Arrowheads must be of all steel barbless design, blade or blades must be not less than one inch wide for single, two edge blades and not less than three inch circumference for three or more blades, minimum weight of all types 110 grains. Bows must have a pull of not less than 40 pounds at full draw.

(e) Other provisions:

(1) The provisions of this special regulation supplement the regulations which govern hunting on wildlife refuge areas generally which are set forth in Title 50, Code of Federal Regulations, Part 32.

(2) A Federal permit is not required to enter the public hunting area.

(3) The provisions of this special regulation are effective to November 18, 1963.

TAMARAC NATIONAL WILDLIFE REFUGE

Public hunting of big game on the Tamarac National Wildlife Refuge, Minnesota, is permitted only on the area designated by signs as open to hunting. This open area, comprising 31,800 acres or 93 percent of the total refuge area, is delineated on a map available at the refuge headquarters and from the Regional Director, Bureau of Sport Fisheries and Wildlife, 1006 West Lake Street, Minneapolis 8, Minnesota. Hunting shall be subject to the following conditions:

(a) Species permitted to be taken: White-tailed deer only during the season specified below.

(b) Open season: From sunrise to sunset November 9, 1963, through November 13, 1963.

(c) Bag limit: One deer per person per season, any age or sex.

(d) Methods of hunting:

(1) Weapons—deer may be taken with legal firearms or bow and arrow. Rifles must be .23 caliber or larger and cartridges must be 1¾ inches in length or longer, unless the gun is of .35 caliber or larger. Cartridges must contain a soft point or expanding bullet. Shotguns may be used with a single slug. Buckshot or fine shot is prohibited. Arrowheads must be of all steel barbless design, blade or blades must be not less than one inch wide for single, two edge blades and not less than three inch circumference for three or more blades, minimum weight of all types 110 grains. Bows must have a pull of not less than 40 pounds at full draw.

(e) Other provisions:

(1) The provisions of this special regulation supplement the regulations which govern hunting on wildlife refuge areas generally which are set forth in Title 50, Code of Federal Regulations, Part 32.

(2) A Federal permit is not required to enter the public hunting area.

(3) The provisions of this special regulation are effective to November 14, 1963.

URBAN C. NELSON,
Acting Regional Director, Bureau of Sport Fisheries and Wildlife.

OCTOBER 16, 1963.

[F.R. Doc. 63-11218; Filed, Oct. 23, 1963; 8:46 a.m.]