

judgment that consummation of the proposed acquisition would be in the public interest, and that the application should be approved.

On the basis of the record, the application is approved for the reasons summarized above. The transaction shall not be consummated (a) before the 30th calendar day following the date of this order or (b) later than 3 months after the date of this order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of St. Louis pursuant to delegated authority.

By order of the Board of Governors,<sup>4</sup>  
February 29, 1972.

[SEAL]

TYNAN SMITH,  
Secretary of the Board.

[FR Doc.72-3366 Filed 3-6-72;8:45 am]

### STATE NATIONAL BANCSHARES, INC.

#### Order Approving Formation of Bank Holding Company

State National Bancshares, Inc., El Paso, Tex., has applied for the Board's approval under section 3(a)(1) of the Bank Holding Company Act (12 U.S.C. 1842(a)(1)) of formation of a bank holding company through acquisition of (1) 100 percent (less directors' qualifying shares) of the voting shares of the successor by merger to The State National Bank of El Paso, El Paso, Tex. (State Bank) and (2) indirect control of 30.07 percent of the voting shares of Bassett National Bank, El Paso, 24.99 percent of the voting shares of Citizens State Bank of Ysleta, Ysleta, and 24.27 percent of the voting shares of The First National Bank of Fabens, Fabens, all in Texas. The bank into which State Bank is to be merged has no significance except as a means of acquiring all of the shares of State Bank. Accordingly, the proposed acquisition of the successor organization is treated herein as the proposed acquisition of the shares of State Bank.

Notice of receipt of the application has been given in accordance with section 3(b) of the Act, and the time for filing comments and views has expired. The Board has considered the application and all comments received in the light of the factors set forth in section 3(c) of the Act (12 U.S.C. 1842(c)) and finds that:

Applicant is a recently organized corporation formed for the express purpose of acquiring State Bank (\$184.1 million in deposits). The Flory Co.,<sup>1</sup> at the present time a wholly owned subsidiary of State Bank, owns 30.07 percent of the voting shares of Bassett Bank (\$13.7 million in deposits), 24.99 percent of Ysleta Bank (\$6.3 million in deposits), and 24.27 percent of the voting shares

of Fabens Bank (\$5.2 million in deposits). (All banking data are as of December 31, 1970.)

State Bank, Bassett Bank, Ysleta Bank, and Fabens Bank are the second, sixth, 10th, and 11th largest of 13 banks in the El Paso SMSA and control 33.1 percent, 2.5 percent, 1.1 percent, and 0.9 percent, respectively, of area deposits. Applicant would become the second largest banking organization in the area<sup>2</sup> with 37.6 percent of area deposits.

Although all four banks whose shares are to be acquired by applicant are located in the same area, no meaningful existing or potential competition would be eliminated by consummation of the proposal. State Bank and Bassett Bank have been affiliated since 1964 through common ownership (State Bank shareholders presently own 67.4 percent of Bassett Bank), and The Flory Co. has owned a substantial amount of stock of Ysleta Bank since 1962 and of Fabens Bank since 1965. Since the proposal is a formalization of an existing banking structure and there appears to be little likelihood of discontinuance of the present relationships, consummation of the proposal should have little effect on competition in the El Paso area. Moreover, State Bank is located in downtown El Paso, while the other three banks are suburban or rural banks which service primarily their own local areas. Based upon the foregoing and other facts of record, the Board concludes that consummation of the proposal would not have an adverse effect on competition in any relevant area.

On the record before the Board, considerations relating to the financial and managerial resources and future prospects of Applicant and of each of the banks whose shares are to be acquired are generally satisfactory and consistent with approval of the application.

Affiliation with applicant should enable Bassett Bank, Ysleta Bank, and Fabens Bank to accommodate more easily larger loan requests, especially those from large manufacturing firms locating in the El Paso area. Considerations relating to the convenience and needs of the communities to be served are consistent with approval. It is the Board's judgment that consummation of the proposed transaction would be in the public interest, and that the application should be approved.

On the basis of the record, the application is approved for the reasons summarized above.<sup>3</sup> The transaction shall not be consummated (a) before the 30th calendar day following the date of this order or (b) later than 3 months after the date of this order, unless such period is extended for good cause by the Board,

or by the Federal Reserve Bank of Dallas pursuant to delegated authority.

By authority of the Board of Governors,<sup>4</sup> February 29, 1972.

[SEAL]

TYNAN SMITH,  
Secretary of the Board.

[FR Doc.72-3367 Filed 3-6-72;8:45 am]

### TRANS TEXAS BANCORPORATION, INC.

#### Order Approving Formation of Bank Holding Company

Trans Texas Bancorporation, Inc. (Applicant), El Paso, Tex., has applied for the Board approval under section 3(a)(1) of the Bank Holding Company Act (12 U.S.C. 1842(a)(1)) of formation of a bank holding company through acquisition of 80 percent or more of the voting shares of El Paso National Bank (El Paso Bank), First State Bank (First Bank), Northgate National Bank of El Paso (Northgate Bank), and Border City Bank (Border Bank), all of El Paso, Tex.

Notice of receipt of the application has been given in accordance with section 3(b) of the Act, and the time for filing comments and views has expired. The Board has considered the application and all comments received in the light of the factors set forth in section 3(c) of the Act (12 U.S.C. 1842(c)) and finds that:

Applicant is a recently organized corporation formed for the express purpose of acquiring El Paso Bank (\$201.4 million in deposits), First Bank (\$18.6 million in deposits), Northgate Bank \$14 million in deposits) and Border Bank (\$1 million in deposits). (All banking data are as of June 30, 1971.) These banks are respectively the first, fifth, sixth, and 13th largest of the 13 banks in the El Paso banking market and control, respectively, 35.5, 3.3, 2.5, and 0.2 percent of market deposits. Upon consummation of the proposal, Applicant's 41.5 percent of deposits would make it the largest banking organization in the market. State National Bancshares, Inc., whose application was approved by the Board today, would be the second largest organization with 37.6 percent of area deposits.

Majority shareholders of El Paso Bank organized First Bank in 1948, Northgate Bank in 1959, and Border Bank in 1971. El Paso Bank is a full service bank serving the entire El Paso area, whereas the other three serve primarily their own particular suburban area. All four banks are in the same market area and absent the common ownership would be competitors to some extent despite the disparities in their size.

The U.S. Department of Justice advised the Board that in its opinion consummation of the proposal would have a significantly adverse effect on competition. Its advice was based on its view

<sup>4</sup> Voting for this action: Chairman Burns and Governors Robertson, Mitchell, Daane, Maisel, Brimmer, and Sheehan.

<sup>1</sup> As a part of this transaction, The Flory Co. will become a direct subsidiary of applicant. The Flory Co. now holds certain non-banking interests, which the Act requires that applicant will divest itself of within 2 years, or within such other time as may be prescribed by section 4 of the Act.

<sup>2</sup> This reflects the market position of Trans Texas Bancorporation, Inc., whose application to form a bank holding company has been approved by the Board.

<sup>3</sup> Dissenting Statement of Governor Robertson filed as part of the original document. Copies available upon request to the Board of Governors of the Federal Reserve System, Washington, D.C. 20551, or the Federal Reserve Bank of Dallas.

<sup>4</sup> Voting for this action: Governors Mitchell, Daane, Maisel, Brimmer and Sheehan. Voting against this action: Governor Robertson. Absent and not voting: Chairman Burns.

that the subject banks were in actual competition and that there was some degree of impermanence in the control relationship.

On the basis of the record, the Board concludes that there is no significant existing competition between the banks involved. This is due to the fact that two individuals and their business associates control a majority of the voting shares of El Paso Bank, 86 percent of the shares of First Bank, 86 percent of the shares of Northgate Bank, and 75 percent of the shares of Border Bank. The two individuals themselves control over 25 percent of the voting shares of each of the three smaller banks.

In view of the close relationship between the banks over a long period of time, and the lack of any evidence on the record that dissipation of the common control is likely in the future, the Board concludes that present and potential competition would neither be foreclosed by approval of the application nor encouraged by its denial. Neither does it appear that competition with and between other banks in the area would be affected in any significant way.

Considerations relating to the financial and managerial resources and future prospects of Applicant and the banks concerned are satisfactory and consistent with approval. Since the institutions involved are presently under common control it is unlikely that consummation of the proposal will have a significant effect on the banking convenience and needs of the communities to be served, although Applicant does propose to expand the services offered by the smaller banks. These considerations are consistent with but provide little weight toward approval of the applications. It is the Board's judgment that consummation of the proposed transaction would be in the public interest, and that the application should be approved.

On the basis of the record, the application is approved for the reasons summarized above. The transaction shall not be consummated (a) before the 30th calendar day following the date of this order or (b) later than 3 months after the date of this order, unless such period is extended for good cause by the Board, or by the Federal Reserve Bank of Dallas pursuant to delegated authority.

By order of the Board of Governors,<sup>1</sup>  
February 29, 1972.

[SEAL]

TYNAN SMITH,  
*Secretary of the Board.*

[FR Doc.72-3368 Filed 3-6-72; 8:45 am]

<sup>1</sup> Voting for this action: Governors Mitchell, Daane, Maisel, Brimmer, and Sheehan. Voting against this action: Governor Robertson. Absent and not voting: Chairman Burns. Governor Robertson dissents for the reasons set forth in his dissent in the matter of the application of State National Bancshares, Inc., to become a bank holding company, which was approved on this date.

## NATIONAL CAPITAL PLANNING COMMISSION

[NCP File No. 0735]

### PROTECTION AND ENHANCEMENT OF ENVIRONMENTAL QUALITY IN NATIONAL CAPITAL REGION

#### Policies and Procedures

The Commission's policies and procedures for Protection and Enhancement of Environmental Quality in the National Capital Region, as amended through August 9, 1971, were published by the Council on Environmental Quality on December 11, 1971 (36 F.R. 23706-23709). On March 2, 1972, the Commission adopted the following amendments:

1. Delete subparagraph numbered "(b)" in the first paragraph of section 2 and renumber subparagraphs "(c)" through "(i)" as subparagraphs "(b)" through "(h)", respectively.

2. Amend subparagraph number "(a)" in the first paragraph of section 3 to read as follows:

(a) Require that each submission by Federal agencies shall include a determination by the head of the agency, or other authorized official, as to whether an environmental statement for the project is required pursuant to section 102(2)(C) of the National Environmental Policy Act of 1969. The agency shall submit such an environmental statement, if determined to be required, or a description of the environmental impact of the proposed development.

DANIEL H. SHEAR,  
*Secretary to the Commission.*

MARCH 2, 1972.

[FR Doc.72-3442 Filed 3-6-72; 8:51 am]

## SECURITIES AND EXCHANGE COMMISSION

[812-2983]

### ITT VARIABLE ANNUITY INSURANCE CO. AND ITT VARIABLE ANNUITY INSURANCE CO. SEPARATE ACCOUNT

#### Notice of Application Pursuant for Exemption From Certain Provisions

MARCH 1, 1972.

Notice is hereby given that ITT Variable Annuity Insurance Co. (Insurance Company) and ITT Variable Annuity Insurance Co. Separate Account (Separate Account) (hereinafter "Applicants"), 212 South Central Avenue, St. Louis, MO 63105, have filed an application pursuant to section 6(c) of the Investment Company Act of 1940 (Act) for an order exempting Applicants, to the extent described below, from the provisions of sections 22(d) and 27(a)(3) of the Act. All interested persons are referred to the application on file with the Commission for a statement of the repre-

sentations therein which are summarized below.

Insurance Company is a stock life insurance company organized under the laws of South Carolina. Separate Account, an integral part of Insurance Company, has been established for the purpose of maintaining assets accruing from the sale of individual and group variable annuity contracts provided by Insurance Company. Separate Account is an open-end, diversified, management investment company registered under the Act.

Applicants presently offer various individual variable annuity contracts as well as "a present group variable annuity contract". Under a present group contract an individual accumulation account is maintained for each participant and payments are subject to a deduction of 5.25 percent for sales and administrative expenses. Applicants propose to offer group deposit administration contracts and group terminal funding contracts in addition to the present group contracts.

Under a deposit administration contract, accumulation units are allocated to the contract owner's general account rather than to any individual participant. When a participant reaches his retirement date, an appropriate number of accumulation units is drawn from the general account and an annuity is effected for the retired individual. Applicants assert that none of the group contracts previously offered to the public have been deposit administration contracts although the latter are described in the current prospectus of the Separate Account.

Under a group terminal funding contract, the trustee of a retirement plan or an employer, at or prior to the time of an employee's retirement, purchases a retirement annuity for the benefit of said employee. There is no accumulation period. Applicants undertake that terminal funding contracts will be offered only to representatives of qualified retirement plans.

Applicants propose to impose deductions for sales and administrative expenses from payments made under deposit administration contracts within each contract year as follows:

- 5.25 percent of the first \$20,000 of annual contributions;
- 4.50 percent of contributions between \$20,001 and \$39,000;
- 4 percent of contributions between \$40,001 and \$60,000;
- 3.50 percent of contributions between \$60,001 and \$80,000;
- 3 percent of contributions between \$80,001 and \$100,000;
- 1 percent of contributions over \$100,000;

plus any applicable premium taxes. The minimum payment under a deposit administration contract shall be \$5,000. The proposed deduction under terminal funding contracts is \$100 plus a percentage deduction of 4 percent of the balance of the sum paid to purchase each annuitant's benefit plus any applicable premium taxes.

Applicants seek an exemption from sections 27(a)(3) and 22(d) of the Act

to the extent necessary to permit imposition of the fee schedules described above. Applicants assert that the exemptions sought are necessary and appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act because in the normal course of events, larger sums of money are paid under the terms of deposit administration contracts and terminal funding contracts than under ordinary group contracts issued in connection with other types of pension, profit-sharing or savings programs. Accordingly, the proposed scales of sales charges will allow for decreasing amounts of sales load to be charged as the amounts of money paid pursuant to the terms of the contracts increases, thereby reflecting the decreasing sales and administrative costs necessary to maintain such contracts.

Section 27(a)(3) provides that no registered investment company issuing periodic payment plan certificates and no underwriter for such company may sell any such certificates if the amount of sales load deducted from any payment subsequent to the first 12 monthly payments exceeds proportionately the amount deducted from any other subsequent payment.

Section 22(d) provides, in pertinent part, that no registered investment company or principal underwriter thereof shall sell any redeemable security issued by it to any person except at a current offering price described in the prospectus.

Section 6(c) of the Act provides, among other things, that the Commission, by order upon application, may conditionally or unconditionally exempt any person from any provision or provisions of the Act or of any rule or regulation thereunder, if and to the extent that such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes intended by the policy and provisions of the Act.

Notice is further given that any interested person may, not later than March 22, 1972, at 5:30 p.m., submit to the Commission in writing a request for a hearing on the matter accompanied by a statement as to the nature of his interest, the reason for such request and the issues of fact or law proposed to be controverted, or he may request that he be notified if the Commission shall order a hearing thereon. Any such communication should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C. 20549. A copy of such request shall be served personally or by mail (airmail if the person being served is located more than 500 miles from the point of mailing) upon applicant at the address stated above. Proof of such service (by affidavit or in case of an attorney at law by certificate) shall be filed contemporaneously with the request. At any time after said date, as provided by Rule 0-5 of the rules and regulations promulgated under the Act, an order disposing of the application herein may be issued by the Commission upon the basis

of the information stated in said application, unless an order for hearing thereon shall be issued upon request or upon the Commission's own motion. Persons who request a hearing or advice as to whether a hearing is ordered will receive notice of further developments in this matter, including the date of the hearing (if ordered) and any postponements thereof.

For the Commission, by the Division of Corporate Regulation, pursuant to delegated authority.

[SEAL] RONALD F. HUNT,  
Secretary.  
[FR Doc.72-3372 Filed 3-6-72; 8:46 am]

[811-2163]

#### NATURAL RESOURCES FUND, INC.

#### Notice of Filing of Application for Order Declaring That Company Has Ceased To Be an Investment Company

MARCH 1, 1972.

Notice is hereby given that Natural Resources Fund, Inc. (Applicant), 1309 Highland Avenue, Abington, PA 19001, registered under the Investment Company Act of 1940 (Act) as a management open-end nondiversified investment company, has filed an application pursuant to section 8(f) of the Act for an order of the Commission declaring that Applicant has ceased to be an investment company as defined in the Act. All interested persons are referred to the application on file with the Commission for a statement of the representations set forth therein which are summarized below.

Applicant represents that no securities have been issued; that it has no assets; that a proposed public offering of its securities has been abandoned because of current market conditions; and that its registration statement filed under the Securities Act of 1933 is being withdrawn.

Section 8(f) of the Act, provides, in pertinent part, that when the Commission, upon application, finds that a registered investment company has ceased to be an investment company, it shall so declare by order, and upon the taking effect of such order the registration of such company shall cease to be in effect.

Notice is further given that any interested person may, not later than March 24, 1972, at 5:30 p.m., submit to the Commission in writing a request for a hearing on the matter accompanied by a statement as to the nature of his interest, the reason for such request, and the issues, if any, of fact or law proposed to be controverted, or he may request that he be notified if the Commission should order a hearing thereon. Any such communication should be addressed: Secretary, Securities and Exchange Commission, Washington, D.C. 20549. A copy of such request shall be served personally or by mail (airmail if the person being served is located more than 500 miles from the point of mailing) upon Applicant at the address stated above. Proof

of such service (by affidavit or, in case of any attorney at law, by certificate) shall be filed contemporaneously with the request. At any time after said date, as provided by Rule 0-5 of the rules and regulations promulgated under the Act, an order disposing of the application herein may be issued by the Commission upon the basis of the information stated in said application, unless an order for hearing upon said application shall be issued upon request or upon the Commission's own motion. Persons who request a hearing or advice as to whether a hearing is ordered will receive notice of further developments in this matter, including the date of the hearing (if ordered) and any postponements thereof.

For the Commission, by the Division of Corporate Regulation, pursuant to delegated authority.

[SEAL] RONALD F. HUNT,  
Secretary.  
[FR Doc.72-3373 Filed 3-6-72; 8:46 am]

[70-5142]

#### OHIO ELECTRIC CO. AND OHIO POWER CO.

#### Notice of Proposed Sale of Nuclear Plant to Newly Organized Subsidiary Company and Related Transactions

FEBRUARY 29, 1972.

Notice is hereby given that Ohio Power Co. (Ohio Power), an electric utility subsidiary company of American Electric Power Co., Inc. (AEP), 301 Cleveland Avenue SW., Canton, OH 44702, a registered holding company, and Ohio Electric Co. (Generating Company), a newly organized subsidiary company of Ohio Power, have filed an application-declaration with this Commission pursuant to the Public Utility Holding Company Act of 1935 (Act), designating sections 6(a), 7, 9, 10, and 12 of the Act as applicable to the proposed transactions. All interested persons are referred to the application-declaration, which is summarized below, for a complete statement of the proposed transactions.

Ohio Power proposes to transfer to Generating Company the General James M. Gavin Plant (Gavin Plant), a fossil-fired steam electric generating station, which will consist of two 1,300,000-kilowatt steam electric generating units. The first unit is scheduled for commercial operation in 1974 and the second unit in 1975 or later. The Gavin Plant is being constructed along the Ohio River near Cheshire, Ohio, and is estimated to cost approximately \$500 million. The book investment of Ohio Power in the Gavin Plant at the time of transfer (less contract retentions, accrued taxes, and other liabilities assumed by Generating Company) is currently estimated at \$50 million. In consideration for the transfer of the Gavin Plant, Generating Company will issue 1 million shares of its common stock, par value \$1 per share, and \$20 million principal amount of 10-year unsecured promissory notes, and Ohio