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TITLE 6—AGRICULTURAL CREDIT

Chapter III—Farmers Home Administration, Department of Agriculture

Subchapter B—Farm Ownership Loans

PART 331—PROCESSING DIRECT LOANS

SUBPART A—COUNTY OFFICE ROUTINE

FARM OWNERSHIP LOANS TO HOMESTEAD ENTRYMEN

In order to make the procedure for deferring initial installments set forth in § 331.3a, Title 6, Code of Federal Regulations (16 F. R. 10920), applicable to direct Farm Ownership loans made to homestead entrymen and to owners of newly irrigated farms within Federal reclamation projects, §§ 331.12 and 331.13, title 6, Code of Federal Regulations (15 F. R. 5869), are amended to read as follows:

§ 331.12 *General*—(a) *Authority*. Public Law 361, 81st Congress, authorizes the making of direct Farm Ownership loans to eligible homestead entrymen on unpatented public lands, including public land within Federal reclamation projects and in Alaska, for any purpose authorized by and in accordance with the provisions of title I of the Bankhead-Jones Farm Tenant Act, as amended.

(b) *Definition of term "Federal Reclamation Project."* For the purpose of this section and § 331.13, the term "Federal reclamation project" will mean any Federal reclamation project authorized by the reclamation law.

(c) *Cooperation between the Department of Agriculture and the Department of the Interior.* The extension of financial assistance authorized in paragraph (a) of this section will be facilitated through the cooperation of the Farmers Home Administration, the Bureau of Land Management, and the Bureau of Reclamation.

(d) *Extent of financial assistance.* Consistent with Farm Ownership policy, loans to homestead entrymen will include sufficient funds to put the farm in livable and operable condition at the outset, to provide needed water facilities, and, when necessary, to provide for refinancing (1) the outstanding balances

of any existing mortgages against entryman's interests in the farm, (2) any construction or operation and maintenance charges, or irrigation district charges against the land which are due at the time of loan closing (3) the outstanding balance of any land leveling contract between the entryman and the Bureau of Reclamation, and (4) any taxes legally assessed against the farms which are due at the time of loan closing. If any items other than those specified above are to be refinanced, the prior approval of the Administrator will be required on an individual case basis.

(e) *Deferment of first installment.* When a Farm Ownership loan is made to a homestead entryman, the first installment on the loan may be deferred in accordance with the provisions of § 331.3a.

§ 331.13 *Loan processing.* Existing Farm Ownership policies, procedures, and loan approval authorities pertaining to the processing of direct Farm Ownership loans will be complied with except as follows:

(a) *Applications*—(1) *Applications from homestead entrymen not in Federal reclamation project.* An application for a Farm Ownership loan from a homestead entryman entering public land not within a Federal reclamation project will be considered only after the entryman has selected a farm and received his allowance of entry from the Bureau of Land Management. The original document showing allowance of entry must be attached to Form FHA-197, "Application for FHA Services."

(2) *Applications from homestead entryman in a Federal reclamation project.* An application for a Farm Ownership loan from a homestead entryman entering public land within a Federal reclamation project will not be considered until after the entryman has received a certificate of eligibility from the Bureau of Reclamation and has selected a farm. If at the time of making applications for a Farm Ownership loan the entryman has received his allowance of entry from the Bureau of Land Management, he will attach the original of such docu-

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TITLE 25—INDIANS

Chapter I—Bureau of Indian Affairs, Department of the Interior

Subchapter I—Grazing

PART 71—GENERAL GRAZING REGULATIONS

MISCELLANEOUS AMENDMENTS

1. Sections 71.6, 71.8, 71.13, 71.14, 71.16, 71.19, 71.24 and 71.27 are amended to substitute the term "area director" for the term "regional forester" wherever the latter term appears in said sections.

2. Section 71.25 is repealed.

3. Section 71.26 is amended to read as follows:

§ 71.26 *Definitions.* As used in this part:

(a) "Area director" means the officer in charge of an area office of the Bureau of Indian Affairs, or his duly authorized representative. The term "area director" is substituted for the term "regional forester" wherever the latter term appears in this part.

(b) "Superintendent" means the officer in charge of an Indian agency or his duly authorized representative.

(c) "Organized tribe" means a tribe organized under the provisions of the Indian Reorganization Act (48 Stat. 984; 25 U. S. C. 461-479), and "unorganized tribe" means a tribe not so organized.

(d) "Family" comprises all persons occupying a single habitation, or living in a single domestic group, whatever the age or relationship of the persons may be: *Provided*, That the Indians in general council or their duly authorized representatives may determine in cases of doubt who are members of a given family: *Provided further*, That an appeal may be taken from such a determination by any aggrieved Indian to the Commissioner of Indian Affairs: *Provided further*, That the Indians in general council or their duly authorized representatives, subject to the approval of the Commissioner of Indian Affairs, may establish a different definition of a family which must be generally applicable to all Indians of a reservation.

(R. S. 161, sec. 6, 48 Stat. 986; 5 U. S. C. 22, 25 U. S. C. 466)

OSCAR L. CHAPMAN,
Secretary of the Interior.

FEBRUARY 8, 1952.

[F. R. Doc. 52-1793; Filed, Feb. 13, 1952;
8:45 a. m.]

TITLE 26—INTERNAL REVENUE

Chapter I—Bureau of Internal Revenue, Department of the Treasury

Subchapter A—Income and Excess Profits Taxes

[T. D. 5881; Regulations 111]

PART 29—INCOME TAX; TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1941

CAPITAL ASSETS AND CERTAIN SHORT SALES OF CAPITAL ASSETS

On September 20, 1951, notice of proposed rule making, regarding sections 210 and 211 of the Revenue Act of 1950, approved September 23, 1950, was published in the FEDERAL REGISTER (16 F. R. 9570). After consideration of all such

relevant matter as was presented by interested persons regarding the rules proposed, the amendments set forth below are hereby adopted. Such amendments are necessary in order to conform Regulations 111 (26 CFR Part 29) to sections 210 and 211 of the Revenue Act of 1950.

PARAGRAPH 1. Section 29.107-2, as amended by Treasury Decision 5458, approved June 15, 1945, is further amended by adding at the end of paragraph (a) thereof the following new sentence: "In the case of taxable years beginning after September 23, 1950, for the purpose of determining the tax which would be attributable to gain on the sale or exchange of an artistic work had such gain been received ratably in any prior taxable year, such gain shall be treated as gain from the sale or exchange of property which is not a capital asset."

PAR. 2. There is inserted immediately preceding § 29.117-1 the following:

SEC. 210. CAPITAL GAINS AND LOSSES (REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

(a) *Definition of capital assets.* Section 117 (a) (1) relating to the definition of capital assets is hereby amended to read as follows:

(1) *Capital assets.* The term "capital assets" means property held by the taxpayer (whether or not connected with his trade or business), but does not include—

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

(B) Property, used in his trade or business, of a character which is subject to the allowance for depreciation provided in section 23 (1), or real property used in his trade or business;

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

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

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

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

(b) *Amendment of section 117 (j).* The first sentence of section 117 (j) (1) is hereby amended by inserting before the period at the end thereof the following: "or (C) a copyright, a literary, musical, or artistic composition, or similar property, held by a taxpayer described in subsection (a) (1) (C)".

(c) *Effective date.* The amendments made by this section shall be applicable with respect to taxable years beginning after the date of the enactment of this act.

PAR. 3. Section 29.117-1, as amended by Treasury Decision 5425, approved December 29, 1944, is further amended by adding at the end of paragraph (b) thereof the following new paragraph:

(b-1) With respect to taxable years beginning after September 23, 1950, a

copyright, a literary, musical, or artistic composition, and similar property are excluded from the term "capital assets" if held by a taxpayer whose personal efforts created such property, or held by a taxpayer in whose hands the basis of such property is determined, for the purpose of determining gain from a sale or exchange, in whole or in part by reference to the basis of such property in the hands of the person whose personal efforts created such property. As to the application of section 117 (j) to the sale or exchange of such property held by such a taxpayer, see § 29.117-7. The phrase "similar property" includes, for example, such property as a theatrical production, a radio program, a newspaper cartoon strip, or any other property eligible for copyright protection (whether under statute or common law), but does not include a patent or an invention, or a design which may be protected only under the patent law and not under the copyright law.

PAR. 4. Section 29.117-6 is amended as follows:

(A) By changing the title thereof to read *Gains and losses from short sales; in general.*

(B) By adding at the end thereof the following new paragraph:

As to certain short sales of capital assets made after September 23, 1950, to which section 117 (1) applies, see § 29.117-10.

PAR. 5. Section 29.117-7, as amended by Treasury Decision 5394, approved July 27, 1944, is further amended as follows:

(A) By adding after "ordinary course of trade or business," in paragraph (a) (1) thereof the following: "or, with respect to taxable years beginning after September 23, 1950, is not a copyright, a literary, musical, or artistic composition, or similar property, held by a taxpayer described in section 117 (a) (1) (C)".

(B) By adding after "ordinary course of his trade or business," in the first sentence of paragraph (d) thereof the following: "or, with respect to taxable years beginning after September 23, 1950, which is a copyright, a literary, musical, or artistic composition, or similar property, held by a taxpayer described in section 117 (a) (1) (C)".

PAR. 6. There is inserted immediately after § 29.117-9, as added by Treasury Decision 5851, approved August 10, 1951, the following:

SEC. 211. SHORT SALES OF CAPITAL ASSETS (REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

(a) *Treatment of short sales.* Section 117 (relating to capital gains and losses) is hereby amended by adding at the end thereof the following new subsection:

(1) *Short sales, etc.* In the case of a short sale of property made by the taxpayer after the date of the enactment of the Revenue Act of 1950:

(i) *Short-term gains and holding periods.* If substantially identical property has been held by the taxpayer on the date of such short sale for not more than 6 months (determined without regard to the effect, under subparagraph (B) of this paragraph, of such short sale on the holding period), or if substantially identical property is acquired by