

arguably causing the deduction to be treated as part of "sales load."

9. Applicants state that the public policy that underlies paragraph (b)(13) of Rule 6e-3(T), and particularly subparagraph (b)(13)(i), like that which underlies paragraphs (a)(1) and (h)(1) of Section 27, is to prevent excessive sales loads from being charged for the sale of periodic payment plan certificates. Applicants submit that this legislative purpose is not furthered by treating a federal income tax charge based on premium payments as a sales load because the deduction is not related to the payment of sales commissions or other distribution expenses.

10. Applicants assert that the standards of Section 6(c) are satisfied because the requested relief is appropriate in the public interest and consistent with the purposes of the 1940 Act and the protection of investors. The exemptive relief would eliminate the need for IDS to file additional exemptive applications for each Policy or Future Policy to be issued through a Future Account with respect to the same issues under the 1940 Act that have been addressed in this application, and thus would promote competitiveness in the variable life insurance market by avoiding delay, reducing administrative expenses, and maximizing efficient use of resources. Applicants further assert that the exemptive relief would enhance IDS's ability to effectively take advantage of business opportunities as they arise. If IDS were required to repeatedly seek exemptive relief with respect to the same issues addressed in the application, investors would not receive any benefit or additional protection thereby and might be disadvantaged as a result of increased overhead expenses.

Conditions for Relief

1. IDS will monitor the reasonableness of the 1.25% charge.
2. The registration statement for each Policy under which the 1.25% charge is deducted will: (a) disclose the charge; (b) explain the purpose of the charge; and (c) state that the charge is reasonable in relation to IDS's increased federal tax burden under Section 848 of the Code.
3. The registration statement for each Policy providing for the 1.25% deduction will contain as an exhibit an actuarial opinion as to: (a) The reasonableness of the charge in relation to IDS's increased federal tax burden under Section 848 of the Code resulting from the receipt of premiums; (b) the reasonableness of the targeted rate of return that is used in calculating such charge; and (c) the appropriateness of

the factors taken into account by IDS in determining such targeted rate of return.

Conclusion

For the reasons and upon the facts set forth above, Applicants submit that the requested exemptions to permit IDS to deduct 1.25% of premium payments under the Policies are appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the 1940 Act.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95-22067 Filed 9-5-95; 8:45 am]

BILLING CODE 8010-01-M

[Investment Company Act Release No. 21323; International Series Release No. 846; 812-9640]

Societe Generale; Notice of Application

August 29, 1995.

AGENCY: Securities and Exchange Commission ("SEC").

ACTION: Notice of Application for Exemption under the Investment Company Act of 1940 (the "Act").

APPLICANT: Societe Generale.

RELEVANT ACT SECTIONS: Order under section 6(c) of the Act for an exemption from section 17(f) of the Act.

SUMMARY OF APPLICATION: Societe Generale requests an order that would permit United States registered investment companies other than investment companies registered under section 7(d) (a "U.S. Investment Company"), for which Societe Generales serve as custodian or subcustodian, to maintain foreign securities and other assets in the Ivory Coast with Societe General de Banques en Cote d'Ivoire ("SGBCI"), in Morocco with Societe Generale Marocaine de Banques ("SGMB"), and in South Africa with Societe Generale South Africa Limited ("SGSA"), subsidiaries of Societe Generale (collectively, the "Foreign Subsidiaries").

FILING DATES: The application was filed on June 23, 1995 and amended on August 28, 1995.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving applicant with a copy of the request, personally or by mail. Hearing requests should be

received by the SEC by 5:30 p.m. on September 25, 1995, and should be accompanied by proof of service on the applicant, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons may request notification of a hearing by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549. Applicant: Societe Generale, Securities Operations, 32, rue du Champ de Tir, 44300 Nantes, France; cc: Bruce E. Clubb, Esq., Baker & McKenzie, 815 Connecticut Avenue, N.W., Washington, D.C., 20006-4078.

FOR FURTHER INFORMATION CONTACT: Marianne H. Khawly, Staff Attorney, at (202) 942-0562, or Robert A. Robertson, Branch Chief, at (202) 942-0564 (Division of Investment Management, Office of Investment Company Regulation).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained for a fee from the SEC's Public Reference Branch.

Applicant's Representations

1. Societe Generale requests an order to permit Societe Generale, the Foreign Subsidiaries, any U.S. Investment Company, and any custodian for a U.S. Investment Company to maintain foreign securities, cash, and cash equivalents (collectively, "Assets") in the custody of the Foreign Subsidiaries. For the purposes of this application, "foreign securities" includes: (a) Securities issued and sold primarily outside the United States by a foreign government, a national of any foreign country, or a corporation or other organization incorporated or organized under the laws of any foreign country; and (b) securities issued or guaranteed by the Government of the United States or by any state or any political subdivision thereof or by any agency thereof or by any entity organized under the laws of the United States or of any state thereof which have been issued and sold primarily outside the United States.

2. Societe Generale is a bank organized and existing under the laws of France. Societe Generale is regulated in France by the Ministere de l'Economie et des Finances and is subject to law No. 8846 of June 24, 1984 Relating to the Activities and Regulation of Credit Institutions. Societe Generale is one of the leading financial services institutions in France and currently

provides worldwide custody services that include holding Assets of U.S. Investment Companies or their custodians. In the United States, Societe Generale has branch banking operations, representative offices, and as a result, is subject to the Bank Holding Company Act of 1956 and the International Banking Act of 1978. As of December 31, 1994, Societe Generale had consolidated shareholders' equity in excess of the equivalent of \$10,000,000,000.

3. SGBCI was incorporated in Abidjan in 1962. It is a 37% owned direct subsidiary of Societe Generale. Other major shareholders include the Ivory Coast government and Credit Suisse. SGBCI is regulated by the Ministry of the Economy, Finance and Planning of the Ivory Coast under law No. 90-589 of July 25, 1990 Regarding Bank Regulation. The Ivory Coast is a member of the West African Monetary Union ("WAMU") and, as a result, SGBCI is supervised by the WAMU central bank.

4. Societe Generale commenced banking operations in Morocco in 1913, which operations it incorporated into a subsidiary in 1962. After acquiring another bank in 1965, the merged entity was renamed SGMB. SGMB is a 35% owned direct subsidiary of Societe Generale. Other major shareholders include Societe Marseillaise de Credit and Credit Suisse. SGMB is regulated by the Ministry of Finance of Morocco and Bank al-Maghrib, the Moroccan central bank, under Law No. 93-147 of June 7, 1993 Relating to the Activities and Regulation of Credit Institutions.

5. SGSA is a bank incorporated in South Africa in 1981. SGSA was acquired by Societe Generale in 1991. It is a wholly owned subsidiary of Societe Generale. SGSA is regulated by the Registrar of Banks of South Africa and the Reserve Bank of South Africa under Banks Act No. 94 of 1990.

6. Societe Generale requests relief to permit Societe Generale, as custodian or subcustodian for a U.S. Investment Company, when custody services are required in the Ivory Coast, Morocco, or South Africa, to deposit, or cause or permit the U.S. Investment Company to deposit, its Assets with the appropriate Foreign Subsidiary as delegate for Societe Generale.

Applicant's Legal Analysis

1. Section 17(f) of the Act requires every registered management investment company to place and maintain its securities and similar investments in the custody of certain enumerated entities, including a bank having at all times aggregate capital, surplus, and undivided profits of at

least \$500,000. A "bank", as that term is defined in section 2(a)(5) of the Act, includes: (a) a banking institution organized under the laws of the United States; (b) a member bank of the Federal Reserve System; and (c) any other banking institution or trust company, whether incorporated or not, doing business under the laws of any state or of the United States, a substantial portion of which consists of receiving deposits or exercising fiduciary powers similar to those permitted to national banks, which is supervised or examined by state or federal authority having supervision over banks, and which is not operated for the purposes of evading the Act.

2. The only entities located outside the United States that section 17(f) authorizes to serve as custodians for registered management investment companies are the overseas branches of qualified U.S. banks. Rule 17f-5 expands the group of entities that are permitted to serve as foreign custodians. Rule 17f-5(c)(2)(i) defines the term "Eligible Foreign Custodian" to include a banking institution or trust company, incorporated or organized under the laws of a country other than the United States, that is regulated by that country's government or an agency thereof and that has shareholders' equity in excess of \$200,000,000 or its equivalent. Societe Generale is an Eligible Foreign Custodian under the rule.

3. The Foreign Subsidiaries satisfy the requirements of rule 17f-5, with the exception of meeting the minimum shareholders' equity requirement. Accordingly, they are not Eligible Foreign Custodians and, absent exemptive relief, could not serve as a custodian for U.S. Investment Company Assets.

4. Section 6(c) provides, in relevant part, that the SEC may, conditionally or unconditionally, by order, exempt any person or class of persons from any provision of the Act or from any rule thereunder, if such exemption is necessary or appropriate in the public interest, consistent with the protection of investors, and consistent with the purposes fairly intended by the policy and provisions of the Act. Societe Generale submits that its request satisfies this standard.

Applicant's Conditions

Applicant agrees that any order of the SEC granting the requested relief shall be subject to the following conditions:

1. The foreign custody arrangements proposed regarding each Foreign Subsidiary satisfy the requirements of rule 17f-5 in all respects other than the

Foreign Subsidiary's level of shareholder equity.

2. Societe Generale, any U.S. Investment Company, and any custodian for a U.S. Investment Company, will deposit Assets with a Foreign Subsidiary only in accordance with one of the two contractual arrangements described below, which arrangement will remain in effect at all times (during which the Foreign Subsidiary fails to satisfy the requirements of rule 17f-5 and during which such Assets remain deposited with the Foreign Subsidiary).

a. *The Three-Party Agreement Arrangement.* Under this arrangement, the agreement will be a three-party agreement (the "Three-Party Agreement") among (i) Societe Generale, (ii) the Foreign Subsidiary and (iii) the U.S. Investment Company, or the custodian for a U.S. Investment Company pursuant to which Societe Generale will undertake to provide specified custody services, and will delegate to the Foreign Subsidiary such of the duties and obligations of Societe Generale as will be necessary to permit the Foreign Subsidiary to hold in custody the U.S. Investment Company's Assets. The Three-Party Agreement further will provide that Societe Generale will be liable for any loss, damage, cost, expense, liability, or claim arising out of or in connection with the performance by the Foreign Subsidiary of its responsibilities under the Three-Party Agreement to the same extent as if Societe Generale had itself been required to provide custody services under the Three-Party Agreement.

b. *The Custody Agreement/ Subcustody Agreement Arrangement.* Societe Generale will deposit Assets with a Foreign Subsidiary in accordance with the Custody Agreement and Subcustody Agreement described below.

i. The Custody Agreement will be between Societe Generale and the U.S. Investment Company or any custodian for a U.S. Investment Company. In that agreement, Societe Generale will undertake to provide specified custody or subcustody services, and the U.S. Investment Company (or its custodian) will authorize Societe Generale to delegate to the Foreign Subsidiary such of Societe Generale's duties and obligations as will be necessary to permit the Foreign Subsidiary to hold in custody the assets of U.S. Investment Companies. The Custody Agreement further will provide that Societe Generale will be liable for any loss, damage, cost, expense, liability, or claim arising out of or in connection with the performance by the Foreign Subsidiary

of its responsibilities to the same extent as if Societe Generale had itself been required to provide custody services under the Custody Agreement.

ii. A Subcustody Agreement will be executed by Societe Generale and the Foreign Subsidiary. Pursuant to this agreement, Societe Generale will delegate to the Foreign Subsidiary such of Societe Generale's duties and obligations as will be necessary to permit the Foreign Subsidiary to hold Assets in custody in the country in which it operates. The Subcustody Agreement will explicitly provide that (i) the Foreign Subsidiary is acting as a foreign custodian for Assets that belong to a U.S. Investment Company pursuant to the terms of an exemptive order issued by the SEC and (ii) the U.S. Investment Company or its custodian (as the case may be) that has entered into a Custody Agreement will be entitled to enforce the terms of the Subcustody Agreement and can seek relief directly against the Foreign Subsidiary. Further, the Subcustody Agreement will be governed either by New York law or French law, or by Ivory Coast law for SGBCI, Moroccan law for SGMB, or South African law for SGSA. If it is governed by French, Ivory Coast, Moroccan, or South African law, Societe Generale shall obtain an opinion of counsel in France, the Ivory Coast, Morocco, or South Africa, as the case may be, opining as to the enforceability of the rights of a third party beneficiary under the laws of such country.

3. Societe Generale currently satisfies and will continue to satisfy the minimum shareholders' equity requirement set forth in rule 17f-5(c)(2)(i).

For the SEC, by the Division of Investment Management, under delegated authority.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95-22065 Filed 9-5-95; 8:45 am]

BILLING CODE 8010-01-M

SMALL BUSINESS ADMINISTRATION

[Declaration of Disaster Loan Area #2807]

Texas; Declaration of Disaster Loan Area

Gray County and the contiguous counties of Armstrong, Carson, Collingsworth, Donley, Hemphill, Hutchinson, Roberts, and Wheeler in the State of Texas constitute a disaster area as a result of damages caused by severe thunderstorms and tornadoes which occurred on June 8, 1995. Applications for loans for physical damage as a result of this disaster may

be filed until the close of business on October 30, 1995, and for economic injury until the close of business on May 30, 1996, at the address listed below: U.S. Small Business Administration, Disaster Area 3 Office, 4400 Amon Carter Blvd., Suite 102, Ft. Worth, TX 76155 or other locally announced locations.

The interest rates are:

For Physical Damage:	Percent
HOMEOWNERS WITH CREDIT AVAILABLE ELSEWHERE	8.000
HOMEOWNERS WITHOUT CREDIT AVAILABLE ELSEWHERE	4.000
BUSINESSES WITH CREDIT AVAILABLE ELSEWHERE ...	8.000
BUSINESSES AND NON-PROFIT ORGANIZATIONS WITHOUT CREDIT AVAILABLE ELSEWHERE	4.000
OTHERS (INCLUDING NON-PROFIT ORGANIZATIONS) WITH CREDIT AVAILABLE ELSEWHERE	7.125
For Economic Injury	
BUSINESSES AND SMALL AGRICULTURAL COOPERATIVES WITHOUT CREDIT AVAILABLE ELSEWHERE ...	4.000

The number assigned to this disaster for physical damage is 280712 and for economic injury the number is 863200.

(Catalog of Federal Domestic Assistance Program Nos. 59002 and 59008).

Dated: August 30, 1995.

John T. Spotila,

Acting Administrator.

[FR Doc. 95-22063 Filed 9-5-95; 8:45 am]

BILLING CODE 8025-01-P

DEPARTMENT OF TRANSPORTATION

Notice of Applications for Certificates of Public Convenience and Necessity and Foreign Air Carrier Permits Filed Under Subpart Q During the Week Ended August 25, 1995

The following Applications for Certificates of Public Convenience and Necessity and Foreign Air Carrier Permits were filed under Subpart Q of the Department of Transportation's Procedural Regulations (See 14 CFR 302.1701 et. seq.). The due date for Answers, Conforming Applications, or Motions to Modify Scope are set forth below for each application. Following the Answer period DOT may process the application by expedited procedures. Such procedures may consist of the adoption of a show-cause order, a tentative order, or in appropriate cases a final order without further proceedings.

Docket Number: OST-95-418.

Date filed: August 21, 1995.

Due Date for Answers, Conforming Applications, or Motion to Modify Scope: September 15, 1995.

Description: Application of Florida West International Airways, Inc., pursuant to 49 U.S.C. Section 41105, and Subpart Q of the Regulations, requests the transfer to FWIA of Florida West Gateway, Inc.'s existing certificate and exemption authority as well as the scheduled and charter all-cargo service allocations relating to U.S. South American markets.

Docket Number: OST-95-423.

Date filed: August 21, 1995.

Due Date for Answers, Conforming Applications, or Motion to Modify Scope: September 18, 1995

Description: Application of USAir, Inc., pursuant to 49 U.S.C. Sections 41101 and 41108, and Subpart Q of the Regulations, applies for a certificate of public convenience and necessity authorizing it to engage in scheduled foreign air transportation of persons, property and mail between the terminal point Philadelphia, Pennsylvania and the coterminal points Rome and Milan, Italy.

Docket Number: OST-95-427.

Date filed: August 21, 1995.

Due Date for Answers, Conforming Applications, or Motion to Modify Scope: September 18, 1995.

Description: Application of Skyjet, Inc. dba Skyjet Antigua & Barbuda, pursuant to U.S.C. and Subpart Q of the Regulations, requests a foreign air carrier permit authorizing Skyjet Antigua to perform passenger, property and mail charter service between Antigua and Barbuda and the United States.

Docket Number: OST-95-431.

Date filed: August 21, 1995.

Due Date for Answers, Conforming Applications, or Motion to Modify Scope: September 18, 1995.

Description: Application of United Air Lines, Inc., pursuant to 49 U.S.C. Section 41101 and Subpart Q of the Regulations, applies for a Certificate of Public Convenience and Necessity authorizing scheduled service of persons, property and mail between Los Angeles, California, and Guadalajara, Mexico.

Docket Number: OST-95-449.

Date filed: August 22, 1995.

Due Date for Answers, Conforming Applications, or Motion to Modify Scope: September 19, 1995.

Description: Amendment to the Application of Balkan Bulgarian Airlines, pursuant to Subpart Q of the Regulations, request that it be allowed