customers in the ordinary course of trade or business and only in the case of property described in the last sentence of subsection (b) (3))".

SEC. 2. Section 1237 (b) (3) of the Internal Revenue Code of 1954 is amended as follows:

(a) In subparagraph (A) strike out "water or sewer facilities" and insert: "water, sewer, or drainage facilities".

(b) At the end of paragraph (3) insert "The requirements of subparagraphs (B) and (C) shall not apply in the case of property acquired through the foreclosure of a lien thereon which secured the payment of an indebtedness to the taxpayer or (in the case of a corporation) to a creditor who has transferred the foreclosure bid to the taxpayer in exchange for all of its stock and other consideration and in the case of property adjacent to such property if 80 percent of the real property owned by the taxpayer is property described in the first part of this sentence.". Nonapplicability.

SEC. 3. This Act shall apply to all taxable years beginning after December 31, 1954. Effective date.

Approved April 27, 1956.

Public Law 496 — CHAPTER 215

AN ACT

To amend section 5146 of the Revised Statutes, as amended, relating to the qualifications of directors of national banking associations.

April 27, 1956 [S. 1736]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5146 of the Revised Statutes, as amended (U. S. C., 1952 edition, title 12, sec. 72), is amended by deleting therefrom the words "three-fourths", "fifty" and "fifty-mile", and substituting therefor the words "two-thirds", "one hundred" and "one-hundred-mile", respectively. 41 Stat. 1199.

Approved April 27, 1956.

Public Law 497 — CHAPTER 223

AN ACT

To provide for the procurement of medical and dental officers of the Army, Navy, Air Force, and Public Health Service, and for other purposes.

April 30, 1956 [H. R. 9428]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 201 and 202 of the Army-Navy-Public Health Service Medical Officer Procurement Act of 1947 (61 Stat. 777) are amended to read as follows: Army-Navy-PHS Medical Officer Procurement Act of 1947, amendment. 10 USC 91a and note, 91b and note.

"SEC. 201. (a) Subject to any limitation on the commissioned strength of the Army, Navy, and Air Force prescribed by law, the President, by and with the advice and consent of the Senate, may make appointments in permanent grades of first lieutenant through colonel in the Medical and Dental Corps of the Regular Army, lieutenant (junior grade) through captain in the Medical and Dental Corps of the Regular Navy, and first lieutenant through colonel for officers appointed with a view to designation as medical officers or dental officers in the Regular Air Force, in such numbers as the needs of the services may require. Such appointments shall be made only from qualified doctors of medicine and doctors of dentistry who are citizens of the United States and who have such other qualifications as the Secretary concerned may prescribe for his service. Appointments in permanent grades.

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