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VOLUME 10 NUMBER 193

Washington, Tuesday, October 2, 1945

The President

PROCLAMATION 2665

COLUMBUS DAY, 1945

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

WHEREAS Christopher Columbus with courage and daring sailed an uncharted sea and found a new world which became the haven of millions who sought freedom from oppression and want; and

WHEREAS we, the spiritual and material heirs of Columbus, have through valiant effort and heroic sacrifice preserved our country from those who would have enslaved us and have given strength to all people who have struggled against tyranny; and

WHEREAS we, with the resolute faith of the discoverer of America, have determined that through international organization the freedoms for which this Nation and other nations have waged victorious war shall flourish in peace and security; and

WHEREAS, at this period, the Italian people with fortitude and courage are striving to rid their country of the last vestige of fascism, to establish liberty, and to regain an honorable place in the family of nations, it is peculiarly appropriate that we honor the courage and vision of a great Italian, whose discovery gave a birthplace for democracy; and

WHEREAS Public Resolution 21, Seventy-third Congress, approved April 30, 1934, provides:

> That the President of the United States is authorized and requested to issue a proclamation designating October 12 of each year as Columbus Day and calling upon officials of the Government to display the flag of the United States on all Government buildings on said date and inviting the people of the United States to observe the day in schools and churches, or other suitable places, with appropriate ceremonies expressive of the public sentiment befitting the anniversary of the discovery of America:

NOW, THEREFORE, I, HARRY S. TRUMAN, President of the United States of America, do hereby designate Friday, October 12, 1945, as Columbus Day. I direct, also, that the flag of the United States be displayed on all Government buildings on that day; and I invite the people of the United States to observe the day with appropriate ceremonies in schools and churches or other suitable places.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the United States of America to be affixed.

DONE at the City of Washington this 28th day of September in the year of our Lord nineteen hundred and forty-five, and of the Independence of the United States of America the one hundred and seventieth.

[SEAL]

HARRY S. TRUMAN

By the President:

DEAN ACHESON,
Acting Secretary of State.

[F. R. Doc. 45-18173; Filed, Oct. 1, 1945; 11:10 a. m.]

PROCLAMATION 2666

IMMIGRATION QUOTAS FOR AUSTRIA AND GERMANY

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

WHEREAS the Secretary of State, the Secretary of Commerce, and the Attorney General have reported to the President that pursuant to the duty imposed and the authority conferred upon them in and by sections 11 and 12 of the Immigration Act approved May 26, 1924 (43 Stat. 159-161), and Reorganization Plan No. V (3 CFR Cum. Supp., Ch. IV), they jointly have made the revision provided for in section 12 of the said act and have fixed the quotas for Austria and Germany in accordance therewith to be as hereinafter set forth:

NOW, THEREFORE, I, HARRY S. TRUMAN, President of the United States of America, acting under and by virtue of the power in me vested by the aforesaid act of Congress, do hereby proclaim and make known that the annual quotas for Austria and Germany effective for the remainder of the fiscal

(Continued on p. 12303)

CONTENTS

THE PRESIDENT

	Page
PROCLAMATIONS:	
Austrian and German immigration quotas	12301
Coastal fisheries in certain areas of high seas, policy of U. S.	12304
Columbus Day, 1945	12301
Continental shelf subsoil and sea bed, policy of U. S. with respect to natural resources	12303
EXECUTIVE ORDERS:	
Continental shelf resources, reserving and placing under control and jurisdiction of Secretary of Interior	12305
Fishery conservation zones, establishment	12305
Jefferson Parish, La., interest of U. S. in certain mineral deposits; transfer of jurisdiction from War Department to Interior Department	12304
Office of Censorship, termination	12304
Transportation, non-military and non-naval, on Army and Navy air transports	12304

REGULATIONS AND NOTICES

AGRICULTURAL ADJUSTMENT ADMINISTRATION:	
Tobacco, national marketing quota for 1946-47 marketing year:	
Dark air-cured	12305
Fire-cured	12305
AGRICULTURE DEPARTMENT:	
Fertilizer:	
Manufacture, delivery and use (WFO 5, revocation)	12305
Puerto Rico, chemical (WFO 41, revocation)	12306
Office of Price Administration, temporary approval of certain actions taken	12305
ALIEN PROPERTY CUSTODIAN:	
Dissolution orders:	
Atlantic-Pacific Trading Corp	12410
Wille, Theodor, & Co., Inc	12410
CIVIL AERONAUTICS ADMINISTRATOR:	
Airway traffic control areas and radio fixes, redesignation; red civil airway 3	12306

(Continued on p. 12302)

FEDERAL REGISTER

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NOTICE

1944 Supplement

Book 1 of the 1944 Supplement to the Code of Federal Regulations, containing Titles 1–10, including Presidential documents in full text, is now available from the Superintendent of Documents, Government Printing Office, at $3.00 per copy.

A limited sales stock of the Cumulative Supplement and the 1943 Supplement is still available as previously announced.

CONTENTS—Continued

CIVIL AERONAUTICS ADMINISTRATOR—Continued. Page
Civil airways designation; red civil airway 3 — 12306
COAST GUARD:
Lifesaving appliances, specifications; electric water lights — 12408
CUSTOMS BUREAU:
Merchandise, special classes; entry of coffee into U. S. — 12306
FEDERAL POWER COMMISSION:
Chicago District Pipeline Co., hearing — 12409
FEDERAL RESERVE SYSTEM:
Consumer credit — 12379
FOREIGN ECONOMIC ADMINISTRATION:
Exportations prohibited; miscellaneous commodities — 12380
General licenses:
Country groups — 12381
Prisoners of war and interned civilians — 12381
Individual licenses; applications to export coal — 12381

CONTENTS—Continued

INTERIOR DEPARTMENT: Page
Utah, Uintah and Guray Indian Reservation; restoration — 12409
INTERNAL REVENUE BUREAU:
Wine, production, fortification, tax-payment, etc — 12307
OFFICE OF DEFENSE TRANSPORTATION:
Rail equipment conservation, merchandise traffic (2 documents) — 12409
OFFICE OF PRICE ADMINISTRATION:
Adjustments and pricing orders:
Ace Ice Cream Cabinet Co — 12413
Admiral Lamp Mfg. Corp — 12411
Brunswick-Balke Collender Co — 12414
Chattanooga Mattress Co — 12414
Combustion Engineering Co., Inc — 12413
Keystone Cigar Co — 12411
La Palma Cigar Co — 12412
Miller, Curvin E — 12412
Paraffine Companies, Inc — 12414
Sitler, Francis E — 12412
Smith, Roy R., Cigar Co. (2 documents) — 12411, 12412
Young, A. A., and Co — 12412
Chemicals, fine (MPR 353, Am. 7) — 12406
Coal, wartime increase in cost of transporting (Rev. Comp. Adj. Reg. 1, Am. 6) — 12407
Explosives; cotton linters and hull fibers (RMPR 191, Am. 5) — 12407
Fertilizer raw materials (RMPR 205, Am. 5 and 6) (2 documents) — 12405
Fish and seafood, frozen (MPR 579, Am. 11) — 12403
Flour from wheat semolina and farina (RMPR 296, Am. 9) — 12404
Fruits and vegetables, fresh, for table use (MPR 426, Am. 144) — 12408
Hawaii:
Fruits and vegetables (RMPR 373, Am. 34) — 12404
Jewelry (RMPR 373, Am. 35) — 12403
Lumber, central hardwood (MPR 155, incl. Am. 1–17) — 12388
Machines, parts, and industrial equipment (RMPR 136, Am. 13) — 12405
Meat, fats, fish and cheeses (Rev. RO 16, Am. 76; Am. 66 and 67 to 2d Rev. Supp. 1) (3 documents) — 12406, 12407
Potatoes, seed (2d Rev. MPR 492, Am. 1) — 12408
SECURITIES AND EXCHANGE COMMISSION:
Hearings, etc.:
Columbia Gas & Electric Corp. et al — 12416
Consolidated Electric and Gas Co. et al — 12414
Northern New England Co., and New England Public Service Co — 12417
Northern Indiana Public Service Co — 12418
SURPLUS PROPERTY BOARD:
Sale of government-owned plant equipment in contractors' plants; waiver of requirement for submission of inventory — 12408

CONTENTS—Continued

WAR DEPARTMENT: Page
Cemeteries, private, within military reservations — 12306
WAR PRODUCTION BOARD:
Controlled materials plan, applicable regulations (CMP Reg. 1–9A, revocation) — 12381
Cotton:
Fabrics, set-asides for 4th quarter 1945 (M-328B, Dir. 7) — 12386
Priorities assistance:
Coating fabrics (M-317 A, revocation of Supp. 1) — 12386
Textiles for use in covering wooden caskets (M-317, revocation of Dir. 18) — 12386
Sheets, pillow cases and towels (M-317, revocation of Dir. 19) — 12386
Textile distribution (M-317) — 12385
Newsprint orders, unfilled; cancellation (L-240, Dir. 7) — 12384
Petroleum production, transportation, refining and marketing (P-98-b, Am. 1) — 12384
Priorities system, regulations applicable to operation (PR 9, 19, and 11B, revocation) (3 documents) — 12383, 12384
Chemicals and other listed materials, ratings (PR 3, revocation of Dir. 5) — 12382
Construction, ratings assigned by other Government agencies to private contractors (PR 3, Dir. 14) — 12383
Containers (PR 3, revocation of Dir. 3) — 12382
Flooring, hardwood (PR 3, revocation of Dir. 12) — 12383
Hand tools and safety equipment purchased by employees (PR 3, revocation of Dir. 4) — 12382
Lamp burners, flat wick, animal traps and gasoline pressure lamps, ratings (PR 3, revocation of Dir. 8) — 12383
Lamps, incandescent, fluorescent and glow discharge; extension of ratings (PR 3, revocation of Dir. 13) — 12383
Maintenance, repair or operating supplies, use of certain ratings (PR 3, revocation of Dir. 1) — 12382
Manufacturers who need small amounts of materials, priorities assistance (PR 27, revocation) — 12384
Materials, defective, lost, stolen, damaged or destroyed; replacement (PR 3, Dir. 7) — 12382
Materials, excess; application for permission to use (PR 1, Dir. 4) — 12381
Orders placed with manufacturers, changes made by customers (PR 1, Dir. 1) — 12381
Railroad brake shoes (PR 1, revocation of Dir. 10) — 12382
Refrigeration and air conditioning systems and parts (PR 3, revocation of Dir. 10) — 12383

CONTENTS—Continued

	Page
WAR PRODUCTION BOARD—Con.	
Priorities system, regulations applicable to operation—Continued.	
Service equipment, MRO ratings invalidated (PR 3, Dir. 11)	12383
Split ratings (PR 3, revocation of Dir. 6)	12382
Textile machinery accessories, (PR 3, revocation of Dir. 9)	12383
Programs, M-328B (Schedules C, D, J, and K), special rules for 4th quarter 1945 (M-328B, Dir. 6)	12386
Steel:	
Distributors (M-21, revocation of Dir. 3)	12387
Products for disaster relief (M-21, revocation of Dir. 4)	12387
Suits, children's snow, and mackinaw, peacoat and cossack jacket programs (M-328B, Dir. 8)	12387
Suspension order, Entwistle Mfg. Co., Inc	12384

CODIFICATION GUIDE

A numerical list of the parts of the Code of Federal Regulations amended or added by documents published in this issue. Documents carried in the Cumulative Supplement by uncodified tabulation only are not included within the purview of this list.

	Page
TITLE 3—THE PRESIDENT:	
Chapter I—Proclamations:	
2665	12301
2666	12301
2667	12303
2668	12304
Chapter II—Executive orders:	
9629	12304
9631	12304
9632	12304
9633	12305
9644	12305
TITLE 7—AGRICULTURE:	
Subtitle A—Office of Secretary of Agriculture	12305
Chapter VII—Production and Marketing Administration (Agricultural Adjustment):	
Part 726—Fire-cured and dark air-cured tobacco (2 documents)	12305
TITLE 10—ARMY: WAR DEPARTMENT:	
Chapter V—Military reservations and national cemeteries:	
Part 502—Regulations affecting military reservations	12306
TITLE 12—BANKS AND BANKING:	
Chapter II—Board of governors of Federal Reserve System:	
Part 222—Consumer credit	12379
TITLE 14—CIVIL AVIATION:	
Chapter II—Administrator of Civil Aeronautics:	
Part 600—Designation of civil airways	12306
Part 601—Designation of airway traffic control areas, airport approach zones and radio fixes	12306
TITLE 19—CUSTOMS DUTIES:	
Chapter I—Bureau of Customs:	
Part 12—Special classes of merchandise	12306

CODIFICATION GUIDE—Continued

	Page
TITLE 26—INTERNAL REVENUE:	
Chapter I—Bureau of Internal Revenue:	
Part 178—Wine	12307
TITLE 32—NATIONAL DEFENSE:	
Chapter IX—War Production Board:	
Part 944—Regulations applicable to operation of priorities system (20 documents)	12381, 12382, 12383, 12384
Chapter XXIII—Surplus Property Board:	
Part 8306—Sale of government-owned plant equipment in contractors plants	12408
TITLE 46—SHIPPING:	
Chapter I—Coast Guard: Inspection and Navigation:	
Part 37—Specifications for lifesaving appliances	12408
TITLE 49—TRANSPORTATION AND RAILROADS:	
Chapter II—Office of Defense Transportation:	
Part 500—Conservation of real equipment	12409

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year ending June 30, 1946, and for each fiscal year thereafter, have been determined in accordance with the law to be, and shall be, as follows:

Austria	1,413
Germany	25,957

The immigration quotas assigned to Austria and Germany are designed solely for purposes of compliance with the pertinent provisions of the Immigration Act of 1924 and are not to be regarded as having any significance extraneous to this object.

This proclamation shall take effect immediately, and shall have the effect of amending Proclamation 2283 of April 28, 1938.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the United States of America to be affixed.

DONE at the city of Washington this 28th day of September, in the year of our Lord nineteen hundred and [SEAL] forty-five, and of the Independence of the United States of America the one hundred and seventieth.

HARRY S. TRUMAN

By the President:

DEAN ACHESON,
Acting Secretary of State.

[F. R. Doc. 45-18174; Filed, Oct. 1, 1945; 11:10 a. m.]

PROCLAMATION 2667

POLICY OF THE UNITED STATES WITH RESPECT TO THE NATURAL RESOURCES OF THE SUBSOIL AND SEA BED OF THE CONTINENTAL SHELF[1]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

WHEREAS the Government of the United States of America, aware of the long range world-wide need for new sources of petroleum and other minerals, holds the view that efforts to discover and make available new supplies of these resources should be encouraged; and

WHEREAS its competent experts are of the opinion that such resources underlie many parts of the continental shelf off the coasts of the United States of America, and that with modern technological progress their utilization is already practicable or will become so at an early date; and

WHEREAS recognized jurisdiction over these resources is required in the interest of their conservation and prudent utilization when and as development is undertaken; and

WHEREAS it is the view of the Government of the United States that the exercise of jurisdiction over the natural resources of the subsoil and sea bed of the continental shelf by the contiguous nation is reasonable and just, since the effectiveness of measures to utilize or conserve these resources would be contingent upon cooperation and protection from the shore, since the continental shelf may be regarded as an extension of the land-mass of the coastal nation and thus naturally appurtenant to it, since these resources frequently form a seaward extension of a pool or deposit lying within the territory, and since self-protection compels the coastal nation to keep close watch over activities off its shores which are of the nature necessary for utilization of these resources;

NOW, THEREFORE, I, HARRY S. TRUMAN, President of the United States of America, do hereby proclaim the following policy of the United States of America with respect to the natural resources of the subsoil and sea bed of the continental shelf.

Having concern for the urgency of conserving and prudently utilizing its natural resources, the Government of the United States regards the natural resources of the subsoil and sea bed of the continental shelf beneath the high seas but contiguous to the coasts of the United States as appertaining to the United States, subject to its jurisdiction and control. In cases where the continental shelf extends to the shores of another State, or is shared with an adjacent State, the boundary shall be determined by the United States and the State concerned in accordance with equitable principles. The character as high seas of the waters above the continental shelf and the right to their free and unimpeded navigation are in no way thus affected.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the United States of America to be affixed.

DONE at the City of Washington this 28th day of September, in the year of our Lord nineteen hundred and [SEAL] forty-five, and of the Independence of the United States of America the one hundred and seventieth.

HARRY S. TRUMAN

By the President:

DEAN ACHESON,
Acting Secretary of State.

[F. R. Doc. 45-18176; Filed, Oct. 1, 1945; 11:11 a. m.]

[1] See Executive Order 9633, *infra*.

PROCLAMATION 2668

POLICY OF THE UNITED STATES WITH RESPECT TO COASTAL FISHERIES IN CERTAIN AREAS OF THE HIGH SEAS [1]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

WHEREAS for some years the Government of the United States of America has viewed with concern the inadequacy of present arrangements for the protection and perpetuation of the fishery resources contiguous to its coasts, and in view of the potentially disturbing effect of this situation, has carefully studied the possibility of improving the jurisdictional basis for conservation measures and international cooperation in this field; and

WHEREAS such fishery resources have a special importance to coastal communities as a source of livelihood and to the nation as a food and industrial resource; and

WHEREAS the progressive development of new methods and techniques contributes to intensified fishing over wide sea areas and in certain cases seriously threatens fisheries with depletion; and

WHEREAS there is an urgent need to protect coastal fishery resources from destructive exploitation, having due regard to conditions peculiar to each region and situation and to the special rights and equities of the coastal State and of any other State which may have established a legitimate interest therein;

NOW, THEREFORE, I, HARRY S. TRUMAN, President of the United States of America, do hereby proclaim the following policy of the United States of America with respect to coastal fisheries in certain areas of the high seas:

In view of the pressing need for conservation and protection of fishery resources, the Government of the United States regards it as proper to establish conservation zones in those areas of the high seas contiguous to the coasts of the United States wherein fishing activities have been or in the future may be developed and maintained on a substantial scale. Where such activities have been or shall hereafter be developed and maintained by its nationals alone, the United States regards it as proper to establish explicitly bounded conservation zones in which fishing activities shall be subject to the regulation and control of the United States. Where such activities have been or shall hereafter be legitimately developed and maintained jointly by nationals of the United States and nationals of other States, explicitly bounded conservation zones may be established under agreements between the United States and such other States; and all fishing activities in such zones shall be subject to regulation and control as provided in such agreements. The right of any State to establish conservation zones off its shores in accordance with the above principles is conceded, provided that corresponding recognition is given to any fishing interests of nationals of the United States which may exist in such areas. The character as high seas of the areas in which such conservation zones are established and the right to their free and unimpeded navigation are in no way thus affected.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the United States of America to be affixed.

DONE at the City of Washington this 28th day of September, in the year of our Lord nineteen hundred and forty-five, and of the Independence of the United States of America the one hundred and seventieth.

[SEAL]

HARRY S. TRUMAN

By the President:

DEAN ACHESON,
Acting Secretary of State.

[F. R. Doc. 45-18175; Filed, Oct. 1, 1945; 11:11 a. m.]

[1] See Executive Order 9634, *infra.*

EXECUTIVE ORDER 9629

AMENDING EXECUTIVE ORDER 9492, PRESCRIBING REGULATIONS GOVERNING NON-MILITARY AND NON-NAVAL TRANSPORTATION ON ARMY AND NAVY AIR TRANSPORTS

By virtue of the authority vested in me by the Constitution and laws of the United States, and as President of the United States and Commander in Chief of the Army and Navy of the United States, it is ordered that Executive Order 9492 of October 24, 1944, prescribing regulations governing non-military and non-naval transportation on Army and Navy air transports, be, and it is hereby, amended by substituting the words "eighteen months" for the words "one year" occurring in section 2 (c) thereof.

HARRY S. TRUMAN

THE WHITE HOUSE,
September 25, 1945.

[F. R. Doc. 45-18165; Filed, Oct. 1, 1945; 10:00 a. m.]

EXECUTIVE ORDER 9631

TERMINATION OF THE OFFICE OF CENSORSHIP

By virtue of the authority vested in me by the Constitution and the statutes, and as President of the United Sates, and since the censoring of communications has been heretofore discontinued in accordance with my direction,[2] it is hereby ordered as follows:

1. The Office of Censorship, established by Executive Order No. 8985 of December 19, 1941, shall continue to function for the purposes of liquidation until the close of business on November 15, 1945, at which time the Office (including the office of the Director of Censorship) shall terminate. The Censorship Policy Board, created by the said Executive order, is terminated this date. For the purpose of completing the liquidation of the affairs of the Office of Censorship, all property and records of the Office on hand on November 15, 1945, together with its remaining personnel and any balances of appropriations then unexpended, shall be transferred to the Secretary of the Treasury, and so much thereof as the Director of the Bureau of the Budget shall determine to be necessary for such purpose shall be utilized by the Secretary in winding up the affairs of the Office.

2. When no longer needed for carrying out the provisions of this order, the property and records of the Office of Censorship shall be disposed of in accordance with applicable laws and regulations, and the personnel of the Office shall be transferred or separated from the Office as the interests of the Government may require.

3. Such further measures and dispositions as may be determined by the Director of the Bureau of the Budget to be necessary to effectuate the purposes and provisions of this order shall be carried out in such manner as the Director may direct and by such agencies as he may designate.

4. Nothing contained in this order shall be deemed to affect any proceedings instituted, or any forfeitures incurred, under section 303 of the First War Powers Act, 1941, or regulations prescribed pursuant thereto, for any violation of such section or regulations occurring prior to August 16, 1945.

5. All prior Executive orders which are in conflict with this order are amended accordingly.

HARRY S. TRUMAN

THE WHITE HOUSE,
September 28, 1945.

[F. R. Doc. 45-18134; Filed, Sept. 28, 1945; 2:21 p. m.]

[2] 10 F.R. 12181.

EXECUTIVE ORDER 9632

TRANSFER OF JURISDICTION FROM THE WAR DEPARTMENT TO THE DEPARTMENT OF THE INTERIOR OVER THE INTEREST OF THE UNITED STATES IN CERTAIN MINERAL DEPOSITS IN JEFFERSON PARISH, LOUISIANA

WHEREAS an agreement was entered into on February 14, 1941, by and between the United States of America and the Parish of Jefferson, Louisiana (which agreement is recorded in Conveyance Book 168, folio 663, and in Mortgage Book 113, folio 131, of the Records of the Parish of Jefferson), as to the nature and extent of certain grants made by the aforesaid Parish to the United States with respect to the Dupre Strip or Cut, described as follows:

A certain strip of land extending from Bayou Dupont to Bayou Cutler, measuring four hundred (400) feet in width, starting in Section 36 Township 16 South, Range 23 East, and running in a Southeasterly direction through Sections 1 and 12 of Township 17 South, Range 23 East, and thence through Sections 7, 18, 19, 20, 29, 32 and 33, Township 17 South, Range 24 East, and thence through Section 4 Township 18 South, Range 24 East, and being commonly known as and hereinafter sometimes referred to as the Dupre Strip or Cut, all being located in Jefferson Parish, Louisiana, as indicated on a map of said four hundred (400) foot strip prepared by the United States Engineer's Office, dated New Orleans, Louisiana, July, 1919;

WHEREAS under the terms of the above agreement the United States is entitled to receive payment of royalties in an amount equal to three thirty-seconds (3/32) of all minerals produced and saved from the said Dupre Strip;

WHEREAS there are a number of productive zones beneath the said Dupre Strip the oil and gas deposits of which are subject to drainage by wells on adjacent lands in private ownership;

WHEREAS it is necessary in the public interest that such protective action be taken as will prevent loss to the United States by reason of such drainage or threatened drainage; and

WHEREAS, in order to facilitate such action, it is considered advisable to transfer jurisdiction from the War Department to the Department of the Interior over the interest of the United States of America in the mineral deposits in the said Dupre Strip:

NOW, THEREFORE, by virtue of the authority vested in me as President of the United States, it is ordered as follows:

1. The jurisdiction over the interest of the United States of America in the mineral deposits in the Dupre Strip, Parish of Jefferson, State of Louisiana, is hereby transferred from the War Department to the Department of the Interior.

2. The Secretary of the Interior shall take such action as may be necessary to protect the United States from loss on account of drainage or threatened drainage of the oil and gas deposits in the said Dupre Strip.

3. The jurisdiction of the Department of the Interior over the mineral deposits in the said Dupre Strip shall be subject to the primary jurisdiction of the War Department over the lands in connection with its program for the improvement of rivers and harbors.

4. All moneys received by the United States as royalties or otherwise on account of minerals extracted from the Dupre Strip shall be paid into the Treasury of the United States and credited to miscellaneous receipts.

HARRY S. TRUMAN

THE WHITE HOUSE,
September 28, 1945.

[F. R. Doc. 45-18131; Filed, Sept. 28, 1945; 2:20 p. m.]

EXECUTIVE ORDER 9633

RESERVING AND PLACING CERTAIN RESOURCES OF THE CONTINENTAL SHELF UNDER THE CONTROL AND JURISDICTION OF THE SECRETARY OF THE INTERIOR

By virtue of and pursuant to the authority vested in me as President of the United States, it is ordered that the natural resources of the subsoil and sea bed of the continental shelf beneath the high seas but contiguous to the coasts of the United States declared this day by proclamation[1] to appertain to the United States and to be subject to its jurisdiction and control, be and they are hereby reserved, set aside, and placed under the jurisdiction and control of the Secretary of the Interior for administrative purposes, pending the enactment of legislation in regard thereto. Neither this Order nor the aforesaid proclamation shall be deemed to affect the determination by legislation or judicial decree of any issues between the United States and the several states, relating to the ownership or control of the subsoil and sea bed of the continental shelf within or outside of the three-mile limit.

HARRY S. TRUMAN

THE WHITE HOUSE,
September 28, 1945.

[F. R. Doc. 45-18132; Filed, Sept. 28, 1945; 2:25 p. m.]

[1] See Proclamation 2667, *supra*.

EXECUTIVE ORDER 9634

PROVIDING FOR THE ESTABLISHMENT OF FISHERY CONSERVATION ZONES

By virtue of and pursuant to the authority vested in me as President of the United States, it is hereby ordered that the Secretary of State and the Secretary of the Interior shall from time to time jointly recommend the establishment by Executive orders of fishery conservation zones in areas of the high seas contiguous to the coasts of the United States, pursuant to the proclamation entitled "Policy of the United States With Respect to Coastal Fisheries in Certain Areas of the High Seas,"[2] this day signed by me, and said Secretaries shall in each case recommend provisions to be incorporated in such orders relating to the administration, regulation and control of the fishery resources of and fishing activities in such zones, pursuant to authority of law heretofore or hereafter provided.

HARRY S. TRUMAN

THE WHITE HOUSE,
September 28, 1945.

[F. R. Doc. 45-18133; Filed, Sept. 28, 1945; 2:25 p. m.]

[2] See Proclamation 2668, *supra*.

Regulations

TITLE 7—AGRICULTURE

Subtitle A—Office of Secretary of Agriculture

TEMPORARY APPROVAL OF CERTAIN ACTIONS TAKEN BY OFFICE OF PRICE ADMINISTRATION

1. The temporary approval of certain actions taken by the Office of Price Administration as contained in F.R. Doc. 45-12288, filed July 6, 1945 (10 F.R. 8419), as amended in F.R. Doc. 45-13930, filed July 30, 1945 (10 F.R. 9419), and as amended in F.R. Doc. 45-15862, filed August 25, 1945 (10 F.R. 10961), is further amended by striking out "and before September 30, 1945."

2. The temporary approval of certain actions taken by the Office of Price Administration as contained in F.R. Doc. 45-12289, filed July 6, 1945 (10 F.R. 8419), as amended in F.R. Doc. 45-13930, filed July 30, 1945 (10 F.R. 9419), and as amended in F.R. Doc 45-15862, filed August 25, 1945 (10 F.R. 10961), is further amended by striking out "and before September 30, 1945".

[SEAL] CLINTON P. ANDERSON,
Secretary of Agriculture.

SEPTEMBER 28, 1945.

[F. R. Doc. 45-18138; Filed, Sept. 28, 1945; 4:03 p. m.]

Chapter VII—Production and Marketing Administration (Agricultural Adjustment)

PART 726—FIRE-CURED AND DARK AIR-CURED TOBACCO

NATIONAL MARKETING QUOTA FOR FIRE-CURED TOBACCO, 1946-47

§ 726.601 *Proclamation of the national marketing quota for fire-cured tobacco for the marketing year beginning October 1, 1946.* The amount of the national marketing quota for the marketing year beginning October 1, 1946, is 71,400,000 pounds, the same amount as the national marketing quota for the marketing year beginning October 1, 1943, as proclaimed on November 28, 1942 (7 F.R. 9913), and March 12, 1943 (8 F.R. 6327).

(52 Stat. 46; 53 Stat. 1261; 54 Stat. 392; 7 U.S.C. 1312 (a); and Pub. Law 163, 79th Cong., approved July 28, 1945)

Done at Washington, D. C. this 28th day of September, 1945. Witness my hand and the seal of the Department of Agriculture.

[SEAL] CLINTON P. ANDERSON,
Secretary of Agriculture.

[F. R. Doc. 45-18139; Filed, Sept. 28, 1945; 4:03 p. m.]

PART 726—FIRE-CURED AND DARK AIR-CURED TOBACCO

NATIONAL MARKETING QUOTA FOR DARK AIR-CURED TOBACCO, 1946-47

§ 726.651 *Proclamation of the national marketing quota for dark air-cured tobacco for the marketing year beginning October 1, 1946.* The amount of the national marketing quota for the marketing year beginning October 1, 1946, is 29,400,000 pounds, the same amount as the national marketing quota for the marketing year beginning October 1, 1943, as proclaimed on November 28, 1942 (7 F.R. 9915), and March 12, 1943 (8 F.R. 6327).

(52 Stat. 46, 53 Stat. 1261, 54 Stat. 392; 7 U.S.C. 1312 (a); and Pub. Law 163, 79th Cong., approved July 28, 1945)

Done at Washington, D. C., this 28th day of September 1945. Witness my hand and the seal of the Department of Agriculture.

[SEAL] CLINTON P. ANDERSON,
Secretary of Agriculture.

[F. R. Doc. 45-18140; Filed, Sept. 28, 1945; 4:03 p. m.]

Chapter X—Production and Marketing Administration (War Food Production Orders)

[WFO 5, Revocation]

PART 1206—FERTILIZER

MANUFACTURE, DELIVERY AND USE OF FERTILIZER

Effective September 30, 1945, War Food Order No. 5 (10 F.R. 8093, 10419) is hereby revoked. However, with respect to violations of said War Food Order No. 5, or

rights accrued, or liabilities incurred thereunder, prior to this revocation, said War Food Order No. 5 shall be deemed to be in full force and effect for the purpose of sustaining any proper suit, action, or proceeding with respect to any such violation, right, or liability.

(54 Stat. 676; 55 Stat. 236; 56 Stat. 176; E.O. 9280, 7 F.R. 10179; E.O. 9322, 8 F.R. 3807; E.O. 9334, 8 F.R. 5423; E.O. 9392, 8 F.R. 14783; E.O. 9577, 10 F.R. 8087)

Issued this 28th day of September 1945.

[SEAL] CLINTON P. ANDERSON,
Secretary of Agriculture.

[F. R. Doc. 45-18136; Filed, Sept. 28, 1945; 4:03 p. m.]

[WFO 41, Revocation]

PART 1206—FERTILIZER

CHEMICAL FERTILIZER IN PUERTO RICO

Effective September 30, 1945, War Food Order No. 41 (9 F.R. 1073, 4319, 5033, 7919, 11047) is hereby revoked. However, with respect to violations of said War Food Order No. 41, or rights accrued, or liabilities incurred thereunder, prior to this revocation, said War Food Order No. 41 shall be deemed to be in full force and effect for the purpose of sustaining any proper suit, action, or proceeding with respect to any such violation, right, or liability.

(54 Stat. 676, 55 Stat. 236, 56 Stat. 176; E.O. 9280, 7 F.R. 10179; E.O. 9322, 8 F.R. 3807; E.O. 9334, 8 F.R. 5423; E.O. 9392, 8 F.R. 14783; E.O. 9577, 10 F.R. 8087)

Issued this 28th day of September 1945.

[SEAL] CLINTON P. ANDERSON,
Secretary of Agriculture.

[F. R. Doc. 45-18137; Filed, Sept. 28, 1945; 4:03 p. m.]

TITLE 10—ARMY: WAR DEPARTMENT

Chapter V—Military Reservations and National Cemeteries

PART 502—REGULATIONS AFFECTING MILITARY RESERVATIONS

PRIVATE CEMETERIES WITHIN MILITARY RESERVATIONS

Section 502.24 (a) (3) (iii) is rescinded and the following substituted in lieu thereof:

§ 502.24 *Private cemeteries*—(a) *Within boundaries of military reservations owned in fee by United States.* * * *

(3) *Responsibilities for care, maintenance, and control.* * * *

(iii) *Rights of burial.* Commanding officers of posts, camps, and stations are authorized to permit the burial in a private cemetery acquired in connection with the acquisition of land for military purposes of a member of the family of a person already interred therein, where it appears that such cemetery will not be used for any purpose other than for cemetery purposes, that such burial will not adversely affect the rights of the United States or interfere with the use of the premises by the United States, that the right of access to the cemetery under proper military control is feasible, and that the granting of such permission will not interfere with the functions of command. (R.S. 161; 5 U.S.C. 22) [W.D. Cir. 64, 1944 as amended by Cir. 277, 14 Sept. 1945]

[SEAL] ROBERT H. DUNLOP,
Brigadier General,
Acting The Adjutant General.

[F. R. Doc. 45-18130; Filed, Sept. 28, 1945; 2:21 p. m.]

TITLE 14—CIVIL AVIATION

Chapter II—Administrator of Civil Aeronautics

[Amdt. 85]

PART 600—DESIGNATION OF CIVIL AIRWAYS

RED CIVIL AIRWAY 3

Acting pursuant to the authority vested in me by section 302 of the Civil Aeronautics Act of 1938, as amended, I hereby amend Part 600 of the Regulations of the Administrator of Civil Aeronautics as follows:

1. By amending § 600.10202 *Red civil airway No. 3 (Philadelphia, Pa., to New York, N. Y.)* to read as follows:

§ 600.10202 *Red civil airway No. 3 (Philipsburg, Pa., to New York, N. Y.)* From the Philipsburg, Pa., radio range station to the Harrisburg, Pa., radio range station. From the Philadelphia, Pa., radio range station via the intersection of the center lines of the on course signals of the northeast leg of the Philadelphia, Pa., radio range and the southwest leg of the New York, N. Y. (New York, LaGuardia Field), radio range to the interesection of the center lines of the on course signals of the east leg of the Allentown, Pa., radio range and the southwest leg of the New York, N. Y. (New York, LaGuardia Field), radio range.

This amendment shall become effective 0001 e. w. t., October 1, 1945.

T. P. WRIGHT,
Administrator of Civil Aeronautics.

[F. R. Doc. 45-18163; Filed, Oct. 1, 1945; 9:47 a. m.]

[Amdt. 119]

PART 601—DESIGNATION OF AIRWAY TRAFFIC CONTROL AREAS, AIRPORT APPROACH ZONES, AIRPORT TRAFFIC ZONES AND RADIO FIXES

RED CIVIL AIRWAY 3

Acting pursuant to the authority vested in me by section 308 of the Civil Aeronautics Act of 1938, as amended, and Special Regulations No. 197 of the Civil Aeronautics Board, I hereby amend Part 601 of the Regulations of the Administrator of Civil Aeronautics as follows:

1. By amending § 601.10203 *Red civil airway No. 3 airway traffic control areas (Philadelphia, Pa., to New York, N. Y.)* to read as follows:

§ 601.10203 *Red civil airway No. 3 airway traffic control areas. (Philipsburg, Pa., to New York, N. Y.).* All of Red civil airway No. 3.

2. By amending § 601.40203 *Red civil airway No. 3 (Philadelphia, Pa., to New York, N. Y.)* to read as follows:

§ 601.40203 *Red civil airway No. 3 (Philipsburg, Pa., to New York, N. Y.).* The intersection of the center lines of the on course signals of the northeast leg of the Philadelphia, Pa., radio range and the southwest leg of the New York, N. Y., (New York, LaGuardia Field) radio range.

This amendment shall become effective 0001 e. w. t., October 1, 1945.

T. P. WRIGHT,
Administrator of Civil Aeronautics.

[F. R. Doc. 45-18164; Filed, Oct. 1, 1945; 9:47 a. m.]

TITLE 19—CUSTOMS DUTIES

Chapter I—Bureau of Customs

[T. D. 51320]

PART 12—SPECIAL CLASSES OF MERCHANDISE

COFFEE QUOTA

Executive Order No. 9612,[1] amending Executive Order No. 8902 (T.D. 50485). Section 12.53, Customs Regulations of 1943, suspended.

Pursuant to Executive Order No. 8902, as amended, the Secretary of State notified the Secretary of the Treasury, on September 17, 1945, that by reason of the action of the Inter-American Coffee Board, Article VI of the Inter-American Coffee Agreement will be inoperative on and after October 1, 1945. Accordingly, § 12.53 of the Customs Regulations of 1943 (19 CFR, Cum. Supp., 12.53) is hereby suspended.

(E.O. 8902, September 17, 1941, E.O. 9612, September 12, 1945)

[SEAL] FRANK DOW,
Acting Commissioner of Customs.

Approved: September 27, 1945.

HERBERT E. GASTON,
Acting Secretary of the Treasury.

[F. R. Doc. 45-18141; Filed, Sept. 28, 1945; 4:14 p. m.]

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[1] For Executive Order No. 9612 dated September 12, 1945, entitled "Amending Executive Order 8902 Prescribing Regulations Pertaining to the Entry of Coffee into the United States from Countries Signatories of the Inter-American Coffee Agreement," (T.D. 50485), see 10 F.R. 11695.

TITLE 26—INTERNAL REVENUE

Chapter I—Bureau of Internal Revenue

Subchapter C—Miscellaneous Excise Taxes

PART 178—PRODUCTION, FORTIFICATION, TAX PAYMENT, ETC., OF WINE

SUBPART A—PRODUCTION, TAX-PAYMENT, ETC., OF WINES

SCOPE OF REGULATIONS

Sec.
178.1 Manufacture, etc., of wine.

REGULATIONS SUPERSEDED

178.2 Effective date.
178.3 Prior liability not affected.
178.4 Bonded premises heretofore established.

DEFINITIONS

178.5 Definitions.

BONDED PREMISES

178.6 Bonded wineries, bonded storerooms, and bonded field warehouses.
178.7 Establishment of bonded field warehouses.
178.8 Designation of premises.
178.9 Registry numbers.

USE OF BONDED PREMISES

178.10 Activity on bonded premise.
178.11 Other activity on bonded winery premises.
178.12 Manufacture of vermouth.
178.13 Storage of imported and tax-paid wines.
178.14 Retention of tax-paid wines awaiting shipment.
178.15 Sample room.
178.16 Wine under lock.

CONSTRUCTION

178.17 Wineries and bonded storerooms.
178.18 Separation of winery or storeroom from other premises.
178.19 Ventilators.
178.20 Winery in building used as residence.
178.21 Vermouth department.
178.22 Fortifying room.
178.23 Storage of sweetening materials.

SIGN

178.24 Posting sign.

TANKS

178.25 Location of tanks.
178.26 Capacity of tanks.
178.27 Marking on tanks.
178.28 Markings on puncheons and barrels.
178.29 Capacity markings.

OTHER EQUIPMENT, INSTRUMENTS, AND MEASURES

178.30 Crushers and presses.
178.31 Testing instruments and measures.
178.32 Measuring rod and tape.
178.33 Scales and measures.
178.34 Test weights.
178.35 Testing scales.
178.36 Amelioration of natural wine, and fruit and berry wines.
178.37 Amelioration of pure sweet wine.
178.38 Ebulliometers.
178.39 Saccharometers.
178.40 Apparatus for determining acidity.
178.41 Other instruments.
178.42 Use of instruments, apparatus, and equipment by Government officers.

DETAILS OF CONSTRUCTION AND EQUIPMENT

178.43 General.

FEDERAL ALCOHOL ADMINISTRATION ACT PERMIT

178.44 Permit required.

QUALIFYING DOCUMENTS

178.45 Application, Form 698.
178.46 Amended and supplemental applications.
178.47 New applications may be required.
178.48 Individual owners, copartnerships, or associations.
178.49 Corporations.
178.50 List of stockholders.
178.51 Power of attorney, Form 1534.
178.52 Execution of power of attorney.
178.53 Duration of power of attorney.
178.54 Bond required.
178.55 Penal sum of bond.
178.56 Bonds on Forms 699 and 700.
178.57 Consents of surety, covering transportation in bond.
178.58 Plat and plans.
178.59 Additional information.
178.60 Instruments and papers made part of regulations.

EXECUTION OF BONDS AND CONSENTS OF SURETY

178.61 General.
178.62 Registry number inserted in bond.
178.63 Surety or security.
178.64 Corporate surety.
178.65 Two or more corporate sureties.
178.66 Powers of attorney.
178.67 Individual sureties.
178.68 Interest in business.
178.69 Deposit of collateral.
178.70 Consents of surety.
178.71 Additional or strengthening bonds.
178.72 New or superceding bonds.
178.73 Termination of bonds.

AUTHORITY TO APPROVE OR DISAPPROVE BOND

178.74 Authority to approve.
178.75 Cause for disapproval.
178.76 Inquiry by supervisor.
178.77 Appeal to Commissioner.

PLAT AND PLAN

178.78 Plat and plan required.
178.79 Preparation.
178.80 Depiction of premises.
178.81 Floor plan.
178.82 Equipment.
178.83 Contiguous premises.
178.84 Certificate of accuracy.

CHANGE IN BONDED PREMISES

178.85 Change in location.
178.86 Extension or curtailment of premises.
178.87 Changes in equipment.
178.88 Change in status.
178.89 Approval required.

CHANGES IN NAME; USE OF TRADE NAMES

Changes in Real Name

178.90 Change in individual, firm, or corporate name.

Use of Trade Names

178.91 Operation.
178.92 Packing.
178.93 Bottling.
178.94 Production.

CHANGES IN PROPRIETORSHIP

178.95 Change in proprietorship.
178.96 Change in partnership.
178.97 Reincorporation.
178.98 Fiduciary.
178.99 Other changes in status of proprietorship.
178.100 Effective date of change.
178.101 Notice, Form 698.
178.102 Records, Forms 701, 702, 702A, 702B, and 261.

DISCONTINUANCE OF BONDED PREMISES

178.103 Notice, Form 698.
178.104 Wine stamps.
178.105 Final reports, Forms 701, 702, 702A, 702B, and 261.
178.106 Inspection and removal of Government property.
178.106a Approval of Form 698.

ACTION BY DISTRICT SUPERVISOR

Original Establishment

Sec.
178.107 Investigation of applicant.
178.107a Disapproval of bond.
178.108 Examination of qualifying documents.
178.109 Inspection of premises.
178.110 Report of inspection.
178.111 Inaccurate documents.
178.112 Defective construction.
178.113 Approval of qualifying documents.
178.114 Disapproval of qualifying documents.

Changes Subsequent to Establishment

178.115 Procedure applicable.

TERMINATION OF BONDS

178.116 Winemaker's bonds, Form 700-A.
178.117 Expert bonds, Form 186.
178.118 Bonds covering transfer to customs manufacturing bonded warehouses, Form 1520.
178.119 Application of surety for relief from bond.
178.120 Application for notice of termination.
178.121 Action on application for notice of termination.
178.122 Notice of termination.
178.123 Release of collateral.

SWEETENING MATERIALS, CHEMICALS, ETC.

178.124 Storage room.
178.125 Forms 261, 701, and 702.
178.126 Condensed must.
178.127 Chemicals, etc.

PAYMENT OF SPECIAL (OCCUPATIONAL) TAXES

178.128 Wholesale and retail liquor dealer.
178.129 Exemption of winemaker.
178.130 Place of exemption.
178.131 Annual special tax.
178.132 Business commenced after July 31.

PRODUCTION AND AMELIORATION OF WINE

General

178.133 Materials.
178.134 Sugar, sugar-water solution, etc.
178.135 Pure condensed must.
178.136 Essences, flavoring, coloring, etc.
178.137 Vermouth.
178.138 Acids.
178.139 Neutralizing, sterilizing, and preserving agents.
178.140 Containers.
178.141 Fortification of wines.

Standard Wines

178.142 General.
178.143 Pure sweet wine.
178.144 Natural wine.
178.145 Fruit and berry wines.
178.146 Other fruit wines.
178.147 Wines from other agricultural products.

Nonstandard Wines

178.148 General.
178.149 Labeling.
178.150 Illustrations.

Substandard Wines

178.151 General.
178.152 Labeling.
178.153 Illustrations.

Production of Wine From Concentrate

178.154 Standard wines.
178.155 Formula wines; use for amelioration.

Formula Wines

178.156 Formula and process.
178.157 Rectification.
178.158 Approval or disapproval.
178.159 Materials.
178.160 Identification of wines.
178.161 Record of production.
178.162 Blending.
178.163 Fortification.
178.164 Labeling.

Other Requirements Relative to Production

Sec.
178.165 Amelioration.
178.166 Use of dry sugar.
178.167 Record of amelioration and sweetening.
178.168 Check by Government officers.
178.169 Form 546.
178.170 Wines under 6 per cent.
178.171 Record of wines baked.
178.172 No fermentation after tax-payment.
178.173 Labeling regulations.

PRODUCTION OF HEAVY BODIED BLENDING WINES

178.174 Spanish type blending sherry.
178.175 Blending wines.

PRODUCTION OF SUBSTANDARD WINE FOR DISTILLING MATERIAL

178.176 Definitions.
178.177 Form 546-A.
178.178 Limitations.
178.179 Sweetened grape cheese.
178.180 Addition of water to wine removed for distilling material.
178.181 Formula wines.

MANUFACTURE OF VERMOUTH

178.182 Manufacture.
178.183 Approved essences.
178.184 Formulas, processes, and samples.
178.185 Approval or disapproval of formulas, processes, and samples.
178.186 Products other than vermouth.
178.187 Storage, etc., after manufacture.

MANUFACTURE OF CHAMPAGNE, SPARKLING WINE, AND ARTIFICIALLY CARBONATED WINE

178.188 Manufacture.
178.189 Records.
178.190 Use of brandy, wine, acid, and sweetening agents in effervescent wine.
178.191 Storage of brandy and sweetening agents.
178.192 Report on Form 261.
178.193 Process.
178.194 Approval or disapproval of process.

PRODUCTION OF WINE FOR FAMILY USE

178.195 Registered producer.
178.196 Limitations of exemption.
178.197 Registration: Form 1541.
178.198 Retention of Form 1541.

WINE TO BE DEPOSITED WITHIN BONDED PREMISES

178.199 Storage.
178.200 Forms 701, 702, 702-A, and 702-B.
178.201 Marking storage containers.
178.202 Formula wines received from other bonded premises.

FILTERING, CLARIFYING, AND PURIFYING OF WINES

178.203 Processes not rectification.
178.204 Limitations.
178.205 Tannin and citric acid.
178.206 Removal of excess color in white wines.
178.207 Spurious, imitation, or compound wine.

BLENDING OF WINES

178.208 Limitations.
178.209 Natural wine, pure sweet wine, fruit and berry wines.
178.210 Formula wines.
178.211 Vermouth.
178.212 Tax-payment of blended wines.
178.213 Special tax liability.
178.214 Rectification.
178.215 Report on Form 702 or 702-B.

REMOVAL OF WINE

178.216 Kinds of containers.
178.217 Uncased bottles.
178.218 Serial numbers.
178.219 Marks.
178.220 Destruction of marks.
178.221 Alcoholic content.
178.222 Fractional parts of gallon.
178.223 Tank trucks and tank cars.
178.224 Reused barrels.
178.225 Re-marking packages received from other premises.
178.226 Pipe lines to or from tank cars.
178.227 Shipments by tank cars to and from premises without railroad siding facilities.
178.228 Labeling bottled wines.
178.229 Relabeling bottled wines.
178.230 Contents of packages.
178.231 Family use.

LABELS AND MARKS SUBJECT TO REGULATIONS NO. 4 (27 CFR, PART 4)

178.232 Certificates of approval or exemption.
178.233 Certificate to be exhibited.
178.234 Check by Government officers.
178.235 Violations.
178.236 Proprietor's responsibility.

TAX-PAYMENT OF WINES

178.237 Tax-payment by stamp.
178.238 Tax on still wines.
178.239 Tax on champagne, sparkling wine, and artificially carbonated wine.
178.240 Computing tax on still wine.
178.241 Computing tax on champagne, sparkling wine, and artificially carbonated wine.

Tax-Payment in Barrels, Cases, Tank Trucks, Railroad Tank Cars, or Other Containers

178.242 General.
178.243 Manner of canceling and affixing stamps.
178.244 Marking cases of champagne, sparkling wine, and artificially carbonated wine.

Tax-Payment and Removal by Pipe Line

178.245 General.
178.246 Locked tank.
178.247 Pipe line.
178.248 Tax-payment procedure.
178.249 Bonded storerooms.

TRANSFER OF WINES IN BOND TO OTHER BONDED PREMISES

178.250 Removal free of tax.
178.251 Marking containers.
178.252 Form 703.
178.253 Receipt of wines in bond.
178.254 Losses in transit.
178.255 Transfer to and from bonded field warehouses.

REMOVAL OF WINE FOR USE AS DISTILLING MATERIAL

178.256 Removal free of tax.
178.257 Pipe line to fruit distillery.
178.258 Pipe line to registered distillery or industrial alcohol plant.
178.259 Construction of pipe line.
178.260 Removal by hose.
178.261 Champagne, sparkling wine, and artificially carbonated wine.
178.262 Formula wines.
178.263 Vermouth.
178.264 Report of removal.
178.265 Marking containers.
178.266 Wines measured when received.

EXPORTATION OF WINES FREE OF TAX

178.267 Removal free of tax.
178.268 Export bond, Form 186.
178.269 Approval of bond.
178.270 Account with bond.
178.271 Application and entry, Form 711.
178.272 Marking containers.

Exportation by Vessel or Aircraft

178.273 Delivery or consignment to collector of customs.
178.274 Customs inspection.
178.275 Evidence of fraud.
178.276 Delay in lading at port.
178.277 Bill of lading.
178.278 Crediting accounts.

Exportation by Railroad Car, Motor Truck, or Other Conveyance

178.279 General.
178.280 Exportation through frontier port.
178.281 Exportation in sealed railroad cars or trucks from port of entry through another port.

Shipments to American Possessions

178.282 Panama Canal Zone.
178.283 Philippine Islands, Puerto Rico, Virgin Islands, Guam, and American Samoa.
178.284 Other possessions.
178.285 Hawaii and Alaska.

TRANSFER OF WINES TO CUSTOMS MANUFACTURING BONDED WAREHOUSES

178.286 Removal without payment of tax.
178.287 Transportation bond, Form 1580.
178.288 Approval of bond.
178.289 Account with bond.
178.290 Application and entry, Form 711-A.
178.291 Marking containers.
178.292 Consignment of wine.
178.293 Customs inspection.
178.294 Evidence of fraud.
178.295 Crediting accounts.

WITHDRAWAL OF WINES FREE OF TAX FOR USE ON CERTAIN VESSELS AND AIRCRAFT

178.296 Withdrawal free of tax.
178.297 Kinds of vessels.
178.298 Reciprocating foreign countries.
178.299 Bond, Form 186.
178.300 Consent of surety.
178.301 Filing of bond and consent of surety.
178.302 Approval of bond and consent of surety.
178.303 Account with bond.
178.304 Application and entry, Form 711-B.
178.305 Marking containers.
178.306 Delivery or consignment to collector of customs.
178.307 Customs inspection.
178.308 Certificate of receipt.
178.309 Evidence of use on vessels and aircraft.
178.310 Crediting accounts.

REMOVAL OF WINE FOR USE OF UNITED STATES

178.311 Removal free of tax.
178.312 Marking containers.
178.313 Bill of lading and report of shipment.

REMOVAL OF STILL WINE TO FRUIT DISTILLERIES FOR MANUFACTURE OF DEALCOHOLIZED WINE

178.314 Removal free of tax.
178.315 Removal by pipe line.
178.316 Marking containers.
178.317 Report of removal.
178.318 Report of receipt on Forms 15 and 1493.

REMOVAL OF STILL WINE FOR MANUFACTURE OF VINEGAR

178.319 Removal free of tax.
178.320 General.
178.321 Removal to contiguous vinegar plant.
178.322 Removal to vinegar plant covered by bond, Form 1676.
178.323 Removal to other vinegar plants.
178.324 Application, Form 1415.
178.325 Approval of application.
178.326 Marking containers.
178.327 Records of vinegar plant.
178.328 Inspection of vinegar plant.

REMOVAL OF SOURED WINE AS VINEGAR OR VINEGAR STOCK

178.329 Removal free of tax.
178.330 Application for removal, Form 1415.
178.331 Test of wine.
178.332 Approval of application.
178.333 Marking containers.
178.334 Records and inspection.

RETURN OF TAX-PAID WINE TO BONDED PREMISES FOR CLARIFICATION

178.335 General.
178.336 Receipt.
178.337 Transfer to bonded premises.
178.338 Tax-payment of additional quantity.
178.339 Exception.
178.340 Clarification, bottling, removal, etc.
178.341 Records.
178.342 Retax-payment of returned wine.

CHANGE OF CHAMPAGNE, SPARKLING WINE, AND ARTIFICIALLY CARBONATED WINE INTO STILL WINE

178.343 Conversion into still wine.
178.344 Dumping of 100 bottles or more.
178.345 Dumping of less than 100 bottles.
178.346 Report of officer.
178.347 Records.

REFERMENTATION OF WINE OR WINE LEES

178.348 General.
178.349 Application.
178.350 District supervisor's action.
178.351 Forms 701 and 702.

DESTRUCTION OF SPOILED WINES

178.352 Destruction free of tax.
178.353 Notice to district supervisor.
178.354 Inspection by officer.
178.355 Samples.
178.356 Test for alcohol and acids.
178.357 Explanation required.
178.358 Officer's report.

DISPOSITION OF LEES (INCLUDING FILTER WASH AND OTHER RESIDUES)

178.359 Removal from premises.
178.360 Removal as distilling material.
178.361 Application for destruction or removal.
178.362 District supervisor's action.
178.363 Form 702.

LOSSES

178.364 Allowance for losses.
178.365 Illegal removal; diversion.
178.366 Forms 702, 702-A, and 702-B.
178.367 Inventories.
178.368 Losses at wineries and storerooms.
178.369 Losses at bonded field warehouses.
178.370 Percentage of loss.
178.371 Discontinuance of premises; change in proprietorship.
178.372 Losses in transit.
178.373 Losses by fire or other casualty.
178.374 Investigation by district supervisor.
178.375 Application for remission of tax.
178.376 District supervisor's examination.
178.377 Losses of wine in making vermouth, champagne, and artificially carbonated wine.
178.378 District supervisor's accounts.

MONTHLY RECORDS

178.379 Form 702.
178.380 Stamp record.
178.381 Form 702-A.
178.382 Form 702-B.
178.383 Separate record of vermouth materials received.
178.384 Inventory record, Form 702-C.
178.385 Report of removals.
178.386 Separate record of tax-paid removals
178.387 Material record, Form 701.
178.388 Separate record of materials received.
178.389 Crusher or presses located off bonded premises.
178.390 Complete records required.
178.391 Fractional parts of gallon.
178.392 Reports signed by proprietor or authorized agent.
178.393 Disposition of forms.
178.394 Forms forwarded together.

RETENTION OF RECORDS

Sec.
178.395 Filing of forms.
178.396 Records to be kept three years.
178.397 Records available for inspection.

DISTRICT SUPERVISOR'S ACCOUNTS

178.398 Monthly accounts.
178.399 Unaccounted for items.
178.400 Spoiled wines and lees.
178.401 Accounts in duplicate.
178.402 Denominations.
178.403 Purchase and use.
178.404 Form 427-B.
178.405 Remittance; delivery.
178.406 Affixing and canceling.
178.407 Obliteration of stamps and marks, labels, or tags.
178.408 Restamping.
178.409 Transfer to other premises.

REDEMPTION OF STAMPS

178.410 Statute governing redemption of stamps.
178.411 Claim to collector.
178.412 Unredeemable stamps.

OFFICER'S RIGHT OF ENTRY AND EXAMINATION

178.413 Authority to enter and inspect.
178.414 Premises accessible.

RECOGNITION OF AGENTS, ATTORNEYS, AND OTHER PERSONS REPRESENTING CLAIMANTS BEFORE THE TREASURY DEPARTMENT

178.415 General.

SUBPART B—THE FORTIFICATION OF WINE

LIMITATIONS RESPECTING FORTIFICATION

178.416 Limitations.

NOTICE OF INTENTION TO FORTIFY

178.417 Form 605.

FORTIFYING ROOM

178.418 Separate room.
178.419 Use of room.
178.420 Suitable facilities.
178.421 Period of brandy storage.
178.422 Construction.
178.423 Walls, ceiling (or roof), and floor.
178.424 Doors.
178.425 Windows.
178.426 Skylights, monitors, penthouses, etc.
178.427 Ventilators.
178.428 Drains.
178.429 Brandy storage room.
178.430 Fortifying tanks, weighing tanks, and brandy storage tanks.
178.431 Location of tanks.
178.432 Locking fortifying room and brandy storage tanks.
178.433 Pipe lines.
178.434 Valves.
178.435 Pumps.
178.436 Scales and weighing tanks.
178.437 Government office.
178.438 Government cabinet.
178.439 Sign.
178.440 Details of construction and equipment.
178.441 Form 698 and plan.

KINDS OF WINE THAT MAY BE FORTIFIED

178.442 Wines eligible for fortification.
178.443 Ineligible wines.
178.444 Supervision by Government officers.

KIND OF SPIRITS USABLE FOR FORTIFICATION

178.445 Brandies eligible for use in fortification.

IDENTIFICATION OF WINES

178.446 Form 546.
178.447 Removal of Form 546.
178.448 Transfer of labels.

MANNER OF PROCURING BRANDY FROM FRUIT DISTILLERIES AND INTERNAL REVENUE BONDED WAREHOUSES

Sec.
178.449 General.
178.450 Application, Form 257.
178.451 Action by district supervisor.
178.452 Removal of brandy from distillery or warehouse.
178.453 Deposit of brandy in fortifying room.
178.454 One application for monthly removals from contiguous distillery or warehouse.

Procurement of Brandy in Packages

178.455 Officer's examination.

Procurement of Brandy by Pipe Line

178.456 General.
178.457 Pipe line.
178.458 Underground conduit.
178.459 Weighing tanks.
178.460 Fortifying room not having weighing tank.
178.461 Storage tank in fortifying room.
178.462 Tank locks.
178.463 Report on Form 275.

Procurement of Brandy in Tank Cars

178.464 General.
178.465 Tank car requirements.
178.466 Examination of tank car upon arrival at winery.
178.467 Report of gauge at winery.

FORTIFICATION OF WINE

178.468 Application, Form 276.
178.469 Action by district supervisor.
178.470 Inspection by Government officer.
178.471 Transfer of wine to fortifying room.
178.472 Gauge of brandy; Form 1520.
178.473 Losses of brandy indicating tampering.
178.474 Sweetening and fortifying procedure.
178.475 Samples.
178.476 Refortification.
178.477 Report of losses of brandy.
178.478 Daily report of fortification, Form 275.
178.479 Monthly report, Form 276.

LOSSES OF BRANDY

178.480 Losses in transit.
178.481 Losses in fortifying room.
178.482 Determination of losses.
178.483 Claims for losses.
178.484 Report of losses.
178.485 Investigation by district supervisor.
178.486 District supervisor's examination of claims.
178.487 District supervisor's accounts.

VOLUNTARY DESTRUCTION OF BRANDY UNFIT FOR BEVERAGE PURPOSES

178.488 General.
178.489 Application.
178.490 Action by supervisor.
178.491 Action by Commissioner.
178.492 Destruction.

TAX-PAYMENT OR TRANSFER TO BONDED WAREHOUSE OF UNUSED BRANDY

178.493 Permission required.
178.494 Application.
178.495 District supervisor's action.
178.496 Procedure.

TAX LIABILITY ON BRANDY WITHDRAWN FOR FORTIFICATION

178.497 Charge against winemaker.
178.498 Assessment of tax.
178.499 District supervisor's record, Form 1597.

WINEMAKER'S BRANDY AND SWEETENING AGENTS. REPORT

178.500 Form 261.
178.501 Preparation of the report.
178.502 Filing of report.
178.503 Audit of reports.

GOVERNMENT OFFICER'S FILES

178.504 System of filing.
178.505 Retention of records.

DISTRICT SUPERVISOR'S ACCOUNT

178.506 District supervisor's account, Form 290.
178.507 Filing of accounts.

APPENDIX

AUTHORITY: §§ 178.1 to 178.507, inclusive, except §§ 178.44, 178.229, 178.232, 178.233 and 178.410, issued under sections 3176 and 3901, Internal Revenue Code (Public Law 1, 76th Congress). Citations of more specific authority and citations of statutory provisions interpreted or applied are included in parentheses at the end of particular sections.

LAWS OF MORE COMMON APPLICATION PERTAINING TO THE PRODUCTION, FORTIFICATION, TAX-PAYMENT, ETC., OF WINES

SEC. 2801, I. R. C. RECTIFIED SPIRITS. [Winemaker's exemption.]

* * * * *

(e) *Rectifying.* * * *

(3) *Filtering and purifying wines.* The filtering, clarifying, or purifying of wines on bonded winery premises or bonded storeroom premises shall not be deemed to be rectification within the meaning of section 3254 (g).

(4) *Vermouth manufactured with fortified wines.* The manufacture of vermouth with fortified sweet wine on bonded winery premises shall not be deemed to be rectification within the meaning of section 3254 (g), if distilled spirits other than necessary in the production of approved essences, used in the manufacture of vermouth, whether or not such essences are produced on the bonded winery premises, are not added to the fortified sweet wine used in the manufacture thereof or to such vermouth during or after its manufacture. Such vermouth may be manufactured on bonded winery premises, but only in a separate department thereof having no interior communication with any other department or part of such premises, under such supervision and in accordance with such regulations as the Commissioner, with the approval of the Secretary, shall prescribe.

* * * * * *

SEC. 2815, I. R. C. CONDITIONS OF APPROVAL OF DISTILLER'S BOND. [Including winemaker's bond.]

* * * * *

(c) *Approval as condition to commencing business.* No individual, firm, partnership, corporation, or association, intending to commence or to continue the business of a distiller, rectifier, brewer, or winemaker, shall commence or continue the business of a distiller, rectifier, brewer, or winemaker until all bonds in respect of such a business, required by any provision of law, have been approved by the Commissioner or such other officer of the Bureau of Internal Revenue as the Commissioner, with the approval of the Secretary, may designate.

(d) *Disapproval.* The Commissioner or the designated officer may disapprove any such bond or bonds if the individual, firm, partnership, corporation, or association giving the same, or owning, controlling, or actively participating in the management of the business of the individual or firm, partnership, corporation, or association giving the same, shall have been previously convicted, in a court of competent jurisdiction, of (1) any fraudulent noncompliance with any provision of any law of the United States if such provision related to internal-revenue or customs taxation of distilled spirits, wines, or fermented malt liquors, or if such an offense shall have been compromised with the individual, firm, partnership, corporation, or association upon payment of penalties or otherwise, or (2) any felony under a law of any State, Territory, or the District of Columbia, or the United States, prohibiting the manufacture, sale, importation, or transportation of distilled spirits, wine, fermented malt liquor, or other intoxicating liquor.

(e) *Appeal from disapproval.* In case the disapproval is by any officer other than the Commissioner, the individual, firm, partnership, corporation, or association giving the bond may appeal from such disapproval to the Commissioner.

The disapproval of the Commissioner in any matter under this section shall be final.

SEC. 2829, I. R. C. INSTALLATION OF METERS, TANKS, AND OTHER APPARATUS.

(a) *Powers of the Commissioner.* The Commissioner, with the approval of the Secretary, is authorized to require at distilleries, breweries, rectifying houses, and wherever else in his judgment such action may be deemed advisable, the installation of meters, tanks, pipes, or any other apparatus for the purpose of protecting the revenue, and such meters, tanks, and pipes and all necessary labor incident thereto shall be at the expense of the person on whose premises the installation is required. Any such person refusing or neglecting to install such apparatus when so required by the Commissioner shall not be permitted to conduct business on such premises.

(b) *Transfer of duties.* For transfer of powers and duties of Commissioner and his agents, see section 3170.

SEC. 2901, I. R. C. SUPP. LOSS ALLOWANCES, [Brandy withdrawn for fortification.]

* * * * *

(b) *Loss.* The Commissioner of Internal Revenue may, under regulations to be prescribed by him and approved by the Secretary of the Treasury, abate any internal-revenue taxes accruing on distilled spirits if he shall find that—

* * * * *

(4) The distilled spirits were withdrawn for use in the fortification of sweet wines and were not stolen or intentionally destroyed but were lost, otherwise than by leakage or evaporation, prior to such use while being transferred to, or while stored in, the fortifying room on the bonded winery premises.

* * * * *

(7) The distilled spirits were withdrawn for use in the fortification of sweet wines and were lost by theft prior to such use while being transferred to, or while stored in, the fortifying room on the bonded winery premises, and that such loss did not occur as the result of connivance, collusion, fraud, or negligence on the part of the distiller, owner, consignor, consignee, bailee, or carrier, or the employees of any of them.

(8) The distilled spirits were unfit for use for beverage purposes and were voluntarily destroyed by the distiller, the warehouseman, or the proprietor of the bonded winery premises, pursuant to the written permission of the Commissioner in each case and under regulations which the Commissioner, with the approval of the Secretary, is hereby authorized to promulgate.

(c) *Refund of tax.* When, in any case to which subsection (a) or (b) applies, the tax is paid subsequent to the loss or destruction, as the case may be, of the spirits, the Commissioner may, under regulations prescribed by him with the approval of the Secretary, refund such tax.

(d) *Insurance coverage.* The abatement or refund of taxes provided for by subsections (b) and (c) shall only be allowed to the extent that the claimant is not indemnified against or recompensed for such loss.

(As amended by Act of April 8, 1942, 56 Stat. 201.)

SEC. 3030, I. R. C., SUPP. TAX. [Wines.]

(a) *Rate*—(1) *Still wines*—(A) *Imposition.* Upon all still wines, including vermouth, and all artificial or imitation wines or compounds sold as still wine produced in or imported into the United States after June 30, 1940, or which on July 1, 1940, were on any winery premises or other bonded premises or in transit thereto or at any customhouse, there shall be levied, collected, and paid taxes at rates as follows, when sold or removed for consumption or sale:

On wines containing not more than 14 per centum of absolute alcohol, 15 cents per wine-gallon, the per centum of alcohol under this section to be reckoned by volume and not by weight;

On wines containing more than 14 per centum and not exceeding 21 per centum of absolute alcohol, 60 cents per wine-gallon;

On wines containing more than 21 per centum and not exceeding 24 per centum of absolute alcohol, $2.00 per wine-gallon;

All such wines containing more than 24 per centum of absolute alcohol by volume shall be classed as distilled spirits and shall pay tax accordingly.

Any such wines may, under such regulations as the Commissioner may prescribe, with the approval of the Secretary, be sold or removed tax-free for the manufacture of vinegar, or for the production of dealcoholized wines containing less than one-half of 1 per centum of alcohol by volume.

The taxes imposed by this subparagraph (A) of this paragraph shall not apply to dealcoholized wines containing less than one-half of 1 per centum of alcohol by volume; nor, subject to regulations prescribed by the Commissioner, with the approval of the Secretary, to wines produced for the family use of the duly registered producer thereof and not sold or otherwise removed from the place of manufacture and not exceeding in any case two hundred gallons per year.

(2) *Sparkling wines, liqueurs, and cordials.* Upon the following articles which are produced in or imported into the United States, after June 30, 1940, or which on July 1, 1940, are on any winery premises or other bonded premises or in transit thereto or at any customhouse, there shall be levied, collected, and paid, in lieu of the internal-revenue taxes imposed thereon by law prior to such date, taxes at rates as follows, when sold, or removed for consumption or sale:

On each bottle or other container of champagne or sparkling wine, 15 cents on each one-half pint or fraction thereof;

On each bottle or other container of artificially carbonated wine, 10 cents on each one-half pint or fraction thereof;

On each bottle or other container of liqueurs, cordials, or similar compounds, by whatever name sold or offered for sale, containing sweet wine, citrus-fruit wine, peach wine, cherry wine, berry wine, apricot wine, prune wine, plum wine, pear wine, pawpaw wines, papaya wines, pineapple wines, cantaloup wines, or apple wine, fortified, respectively, with grape brandy, citrus-fruit brandy, peach brandy, cherry brandy, berry brandy, apricot brandy, prune brandy, plum brandy, pear brandy, pawpaw brandy, papaya brandy, pineapple brandy, cantaloup brandy, or apple brandy, 10 cents on each one-half pint or fraction thereof.

Any of the foregoing articles containing more than 24 per centum of absolute alcohol by volume (except vermouth, liqueurs, cordials, and similar compounds made in rectifying plants and containing tax-paid sweet wine, citrus-fruit wine, peach wine, cherry wine, berry wine, apricot wine, prune wine, plum wine, pear wine, pawpaw wines, papaya wines, pineapple wines, cantaloup wines, or apple wine, fortified, respectively, with grape brandy, citrus-fruit brandy, peach brandy, cherry brandy, berry brandy, apricot brandy,

prune brandy, plum brandy, pear brandy, pawpaw brandy, papaya brandy, pineapple brandy, cantaloup brandy, or apple brandy) shall be classed as distilled spirits and shall be taxed accordingly.

* * * * *

(b) *Payment*—(1) *Stamp.* The taxes imposed by paragraphs (1) and (2) of subsection (a) shall be paid by stamp on removal of the wines from the customhouse, winery, or other bonded place of storage for consumption or sale.

The Commissioner may, under regulations prescribed by him with the approval of the Secretary, issue stamps for restamping packages of wines which have been duly stamped but from which the stamps have been lost or destroyed by unavoidable accident.

* * * * *

(As amended by Act of June 24, 1940, 54 Stat. 513; Act of April 20, 1942, 56 Stat. 218; and Act of October 21, 1942, 56 Stat. 973; Sec. 302, Act of February 25, 1944 (Public Law 235—78th Congress).)

SEC. 3031, I. R. C., SUPP. TAX ON BRANDY OR SPIRITS USED IN FORTIFICATION. [Withdrawal, bond, loss allowance.]

(a) *Withdrawal of spirits for fortification.* Under such regulations and official supervision and upon the giving of such notices and entries as the Commissioner, with the approval of the Secretary, may prescribe, any producer of wines defined under the provisions of this subchapter may withdraw from any fruit distillery or internal revenue bonded warehouse grape brandy (hereafter in this section included in the term "brandy"), or wine spirits, for the fortification of such wines on the premises where actually made, and any producer of citrus-fruit wines, peach [illegible], cherry wines, berry wines, apricot wines, prune wines, plum wines, pear wines, pawpaw wines, papaya wines, pineapple wines, cantaloup wines, or apple wines (hereafter in this section included in the term "wines") may similarly withdraw citrus-fruit brandy, peach brandy, cherry brandy, berry brandy, apricot brandy, prune brandy, plum brandy, pear brandy, pawpaw brandy, papaya brandy, pineapple brandy, cantaloup brandy, or apple brandy (hereafter in this section included in the term "brandy") for the fortification of wines as set forth in section 3032, Internal Revenue Code, on the premises where actually made. The amounts of tax at the rate imposed by law on such brandy or wine spirits shall be charged immediately upon withdrawal against the producer withdrawing the same: *Provided,* That whenever such brandy or wine spirits shall be lawfully used in the fortification of wines and accounted for in the manner provided by law and regulations, the producer shall be credited in the amount of the internal-revenue tax on so much of the brandy or wine spirits so withdrawn as was so used. Every producer of wines who withdraws such brandy or wine spirits shall give bond to fully cover at all times the payment of the internal-revenue tax at the rate imposed by law due on such brandy or wine spirits, which bond shall be in such form as the Commissioner, with the approval of the Secretary, shall, by regulations, prescribe. On and after July 1, 1940, the internal-revenue tax on such brandy or wine spirits shall be assessed against the producer of such wines who has withdrawn brandy or wine spirits for use in the fortification of such wines when such brandy or wine spirits are not lawfully used in the fortification of wines, or when such brandy or wine spirits are not so accounted for in the manner provided by law and regulations as to warrant remission of the tax. The maximum penal sum of any bond required by this subchapter for any bonded winery or bonded storeroom shall be $50,000.

Nothing contained in this section shall be construed as exempting any wines, cordials, liqueurs, or similar compounds from the payment of any tax provided for in this subchapter.

Any such wines may, under such regulations as the Commissioner may prescribe, with the approval of the Secretary, be sold or removed tax-free for the manufacture of vinegar, or for the production of dealcoholized wines containing less than one-half of 1 per centum of alcohol by volume.

The taxes imposed by this subchapter shall not apply to dealcoholized wines containing less than one-half of 1 per centum of alcohol by volume.

(b) *Loss allowances*—(1) *Leakage, evaporation, etc.* The Commissioner, under rules and regulations to be by him prescribed with the approval of the Secretary, upon the presentation of proof to his satisfaction of the loss by leakage, evaporation, theft, or otherwise of brandy or fruit spirits, intended for the fortification of wine, from storage tanks in bonded warehouses or from steel drums filled therefrom while such drums are in such warehouse, and in the fortification room of a bonded winery, not occurring as the result of any negligence, connivance, collusion, or fraud on the part of the winemaker or his agents, is hereby authorized to remit or refund the taxes assessed or paid upon such lost brandy or fruit spirits: *Provided, however,* That such remission or refund shall be allowed only to the extent that the distiller or winemaker is not indemnified or recompensed for such loss.

(As amended by Act of June 24, 1940, 54 Stat. 514; and Act of April 20, 1942, 56 Stat. 218.)

SEC. 3032, I. R. C., SUPP. FORTIFICATION OF WINES.

(a) *Pure sweet wines.* Any producer of pure sweet wines may use in the preparation of such sweet wines, under such regulations and after the filing of such notices and bonds, together with the keeping of such records and the rendition of such reports as to materials and products as the Commissioner, with the approval of the Secretary, may prescribe, wine spirits produced by any duly authorized distiller, and the Commissioner, in determining the liability of any distiller of wine spirits to assessment under section 2846, is authorized to allow such distiller credit in his computations for the wine spirits withdrawn to be used in fortifying sweet wines under this chapter.

(b) *Citrus-fruit wines.* The provisions of this section shall apply to the use of citrus-fruit brandy in the preparation of fortified citrus-fruit wines in the same manner and to the same extent as such provisions apply to the use of wine spirits in the fortification of sweet wines, except that no brandy (other than a citrus-fruit brandy) may be used in the fortification of citrus-fruit wine and a citrus-fruit brandy prepared from one kind of citrus fruit may not be used for the fortification of a citrus-fruit wine prepared from another kind of citrus fruit or for the fortification of a wine prepared from any fruit other than citrus fruit.

(c) *Fruit wines.* The provisions of this section shall apply to the use of peach brandy, cherry brandy, berry brandy, apricot brandy, prune brandy, plum brandy, pear brandy, pawpaw brandy, papaya brandy, pineapple brandy, cantaloup brandy, and apple brandy, in the preparation, respectively of fortified peach wines, cherry wines, berry wines, apricot wines, prune wines, plum wines, pear wines, pawpaw wines, papaya wines, pineapple wines, cantaloup wines, and apple wines, in the same manner and to the same extent as such provisions apply to the use of wine spirits in the fortification of sweet wines; except that (1) no brandy other than peach brandy may be used in the fortification of peach wine and peach brandy may not be used for the fortification of any wine other than peach wine, (2) no brandy other than cherry brandy may be used in the fortification of cherry wine and cherry brandy may not be used for the fortification of any wine other than cherry wine, (3) no brandy other than berry brandy may be used in the fortification of berry wine and a berry brandy prepared from one kind of berry may not be used for the fortification of a berry wine prepared from another kind of berry or for the fortification of any wine other than berry wine, (4) no brandy other than apricot brandy may be used in the fortification of apricot wine and apricot brandy may not be used for the fortification of any wine other than apricot wine, (5) no brandy other than prune brandy may be used in the fortification of prune wine and prune brandy may not be used for the fortification of any wine other than prune wine, (6) no brandy other than pear brandy may be used in the fortification of pear wine and pear brandy may not be used for the fortification of any wine other than pear wine, and (7) no brandy other than plum brandy may be used in the fortification of plum wine and plum brandy may not be used for the fortification of any wine other than plum wine, (8) no brandy other than pawpaw brandy may be used in the fortification of pawpaw wines and pawpaw brandy may not be used for the fortification of any wine other than pawpaw wines; (9) no brandy other than papaya brandy may be used in the fortification of papaya wine and papaya brandy may not be used for the fortification of any wine other than papaya wine; (10) no brandy other than pineapple brandy may be used in the fortification of pineapple wine and pineapple brandy may not be used for the fortification of any wine other than pineapple wine; (11) no brandy other than cantaloup brandy may be used in the fortification of cantaloup wine and cantaloup brandy may not be used for the fortification of any wine other than cantaloup wine; and (12) no brandy other than apple brandy may be used in the fortification of apple wine and apple brandy may not be used for the fortification of any wine other than apple wine.

(As amended by Act of April 20, 1942, 56 Stat. 218.)

SEC. 3033, I. R. C. WITHDRAWAL OF WINE SPIRITS. [Brandy.]

(a) *Regulations.* Under such regulations and official supervision, and upon the execution of such entries and the giving of such bonds, bills of lading, and other security as the Commissioner, with the approval of the Secretary, shall prescribe, any producer of pure sweet wines as defined by section 3036 (a) may withdraw wine spirits from any internal revenue bonded warehouse in original packages or from any registered distillery in any quantity not less than eighty wine gallons, and may use so much of the same as may be required by him under such regulations, and after the filing of such notices and bonds and the keeping of such records and the rendition of such reports as to materials and products and the disposition of the same as the Commissioner, with the approval of the Secretary, shall prescribe in fortifying the pure sweet wines made by him, and for no other purpose, in accordance with the limitations and provisions of this section; and the Commissioner, with the approval of the Secretary, is authorized whenever he shall deem it to be necessary for the prevention of violations of this law to prescribe that wine spirits withdrawn under this section shall not be used to fortify wines except at a certain distance prescribed by him from any distillery, rectifying house, winery, or other establishment used for producing or storing distilled spirits, or for making or storing wines other than wines which are so fortified, and that in the building in which such fortification of wines is practiced no wines or spirits other than those permitted by this regulation shall be stored in any room or part of the building in which fortification of wines is practiced.

SEC. 3034, I. R. C. SUPERVISION OF FORTIFICATION OF SWEET WINE. [Including fruit and berry wines.]

(a) *Use.* The use of wine spirits for the fortification of sweet wines under this subchapter shall be under the immediate supervision of an officer of internal revenue, who shall make returns describing the kinds and quantities of wine so fortified, and shall affix such stamps and seals to the packages containing such wines as may be prescribed by the Commissioner, with the approval of the Secretary; and the Commissioner, with the approval of the Secretary, shall provide by regulations the time within which wines so fortified with the wine spirits so withdrawn may be subject to inspection, and for final accounting for the use of such wine spirits and for rewarehousing or for payment of the tax on any portion of such wine spirits which remain not used in fortifying pure sweet wines.

SEC. 3035, I. R. C. POWER OF SECRETARY TO AUTHORIZE AMELIORATION AND FORTIFICATION OF WINE WITHOUT SUPERVISION.

The Secretary may, by regulations, authorize the amelioration of wine by the winemaker and the fortification of wine, without supervision by any officer of the United States, whenever he determines that such authorization may be made without danger to the revenue.

SEC. 3036, I. R. C., SUPP. WINE SPIRITS AND PURE SWEET WINE. [Including brandy and fruit and berry wines.]

(a) *Definitions.* The wine spirits mentioned in section 3032 (a) is the product resulting from the distillation of fermented grape juice, to which water may have been added prior to, during, or after fermentation, for the sole purpose of facilitating the fermentation and economical distillation thereof, and shall be held to include the product from grapes or their residues commonly known as grape brandy, and shall include commercial grape brandy which may have been colored with burnt sugar or caramel; and the pure sweet wine which may be fortified with wine spirits under the provisions of this chapter is fermented or partially fermented grape juice only, with the usual cellar treatment, and shall contain no other substance whatever introduced before, at the time of, or after fermentation, except as herein expressly provided: *Provided,* That the addition of pure boiled or condensed grape must or pure crystallized cane or beet sugar, or pure dextrose sugar containing, respectively, not less than 95 per centum of actual sugar, calculated on a dry basis, or water, or any or all of them, to the pure grape juice before fermentation, or to the fermented product of such grape juice, or to both, prior to the fortification herein provided for, either for the purpose of perfecting sweet wines according to commercial standards or for mechanical purposes, shall not be excluded by the definition of pure sweet wine aforesaid: *Provided, however,* That the cane or beet sugar, or pure dextrose sugar added for sweetening purposes shall not be in excess of 11 per centum of the weight of the wine to be fortified: *And provided further,* That the addition of water herein authorized shall be under such regulations as the Commissioner, with the approval of the Secretary, may from time to time prescribe: *Provided, however,* That records kept in accordance with such regulations as to the percentage of saccharine, acid, alcoholic, and added water content of the wine offered for fortification shall be open to inspection by any official of the Department of Agriculture thereto duly authorized by the Secretary of Agriculture; but in no case shall such wines to which water has been added be eligible for fortification under the provisions of this chapter, where the same, after fermentation and before fortification, have an alcoholic strength of less than 5 per centum of their volume.

(b) *Application to citrus-fruit wines.* The provisions of this section shall apply to the use of citrus-fruit brandy in the preparation of fortified citrus-fruit wines in the same manner and to the same extent as such provisions apply to the use of wine spirits in the fortification of sweet wines, except that no brandy (other than a citrus-fruit brandy) may be used in the fortification of citrus-fruit wine and a citrus-fruit brandy prepared from one kind of citrus fruit may not be used for the fortification of a citrus-fruit wine prepared from another kind of citrus fruit or for the fortification of a wine prepared from any fruit other than citrus fruit.

(c) *Application to fruit wines.* The provisions of this section shall apply to the use of peach brandy, cherry brandy, berry brandy, apricot brandy, prune brandy, plum brandy, pear brandy, pawpaw brandy, papaya brandy, pineapple brandy, cantaloup brandy, and apple brandy, in the preparation, respectively, of fortified peach wines, cherry wines, berry wines, apricot wines, prune wines, plum wines, pear wines, pawpaw wines, papaya wines, pineapple wines, cantaloup wines, and apple wines, in the same manner and to the same extent as such provisions apply to the use of wine spirits in the fortification of sweet wines; except that (1) no brandy other than peach brandy may be used in the fortification of peach wine and peach brandy may not be used for the fortification of any wine other than peach wine, (2) no brandy other than cherry brandy may be used in the fortification of cherry wine and cherry brandy may not be used for the fortification of any wine other than cherry wine, (3) no brandy other than berry brandy may be used in the fortification of berry wine and a berry brandy prepared from one kind of berry may not be used for the fortification of a berry wine prepared from another kind of berry or for the fortification of any wine other than berry wine, (4) no brandy other than apricot brandy may be used in the fortificaton of apricot wine and apricot brandy may not be used for the fortification of any wine other than apricot wine, (5) no brandy other than prune brandy may be used in the fortification of prune wine and prune brandy may not be used for the fortification of any wine other than prune wine, (6) no brandy other than pear brandy may be used in the fortification of pear wine and pear brandy may not be used for the fortification of any wine other than pear wine, and (7) no brandy other than plum brandy may be used in the fortification of plum wine and plum brandy may not be used for the fortification of any wine other than plum wine, (8) no brandy other than pawpaw brandy may be used in the fortification of pawpaw wine, and pawpaw brandy may not be used for the fortification of any wine other than pawpaw wine; (9) no brandy other than papaya brandy may be used in the fortification of papaya wine and papaya brandy may not be used for the fortification of any wine other than papaya wine; (10) no brandy other than pineapple brandy may be used in the fortification of pineapple wine, and pineapple brandy may not be used for the fortification of any wine other than pineapple wine; (11) no brandy other than cantaloup brandy may be used in the fortification of cantaloup wine, and cantaloup brandy may not be used for the fortification of any wine other than cantaloup wine; and (12) no brandy other than apple brandy may be used in the fortification of apple wine and apple brandy may not be used for the fortification of any wine other than apple wine.

(As amended by Act of April 20, 1942, 56 Stat. 218.)

SEC. 3037, I. R. C. REMOVAL OF DOMESTIC WINES FREE OF TAX.

(a) *Regulations.* Under such regulations and upon the execution of such notices, entries, bonds, and other security as the Commissioner, with the approval of the Secretary, may prescribe, domestic wines subject to the taxes imposed by section 3030 (a), may be removed from the winery where produced, free of tax, for storage on other bonded winery or bonded storeroom premises, or from such premises to other such bonded premises, or for exportation from the United States or for use as distilling material at any regularly registered distillery or industrial alcohol plant: *Provided, however,* That the distiller using any such wine as distilling material shall, subject to the provisions of section 2846, be held to pay the tax on the product of such wines as will include both the alcoholic strength therein produced by fermentation and that obtained from the brandy or wine spirits added to such wines at the time of fortification: *Provided further,* That suitable samples of brandy or fruit spirits may be withdrawn under rules and regulations to be prescribed by the Commissioner, subject to the approval of the Secretary, which samples shall be tax-free if for laboratory analysis and tax-paid if for any other use: *Provided further,* That the Commissioner, under rules and regulations to be by him prescribed subject to the approval of the Secretary, shall remit or refund all fortification taxes assessed or paid upon the quantity of fortifying spirits contained in wines exported, or which have become unfit for use as wine and are used as distilling material.

SEC. 3038, I. R. C., SUPP. GRAPE AND LIKE WINES FOR INDUSTRIAL USE.

(a) *Regulations.* Under regulations prescribed by the Commissioner with the approval of the Secretary, it shall be lawful to produce grape wines, citrus-fruit wines, peach wines, cherry wines, berry wines, apricot wines, prune wines, plum wines, pear wines, pawpaw wines, papaya wines, pineapple wines, cantaloup wines, and apple wines on bonded winery premises by the usual method, and to transport and use the same, and like wines heretofore produced and now stored on bonded winery premises as distilling material in any fruit-brandy distillery or industrial-alcohol plant.

(As amended by Act of Apr. 20, 1942, 56 Stat. 219.)

SEC. 3039, I. R. C. ALLOWANCE FOR LOSS DURING STORAGE OR CELLAR TREATMENT. [Wines.]

(a) *Power of Commissioner.* The Commissioner, with the approval of the Secretary, is authorized to make such allowances for unavoidable loss of wines while on storage or during cellar treatment as in his judgment may be just and proper.

SEC. 3040, I. R. C. REQUIREMENTS ON PRODUCERS. [Winemakers.]

(a) *Notice, bonds, and stamps.* Every person producing after February 24, 1919, or having in his possession or under his control on February 24, 1919, any wines subject to the tax imposed in paragraphs (1) and (2) of section 3030 (a) shall file such notice, describing the premises on which such wines are produced or stored; shall execute a bond in such form; shall make such inventories under oath; and shall, prior to sale or removal for consumption, affix to each cask, barrel, bottle, or other immediate container, and to each case or other shipping container, of such wine, such marks, labels, or stamps as the Commissioner, with the approval of the Secretary, may from time to time prescribe as to each; and the premises described in such notice shall, for the purpose of this chapter, be regarded as bonded premises.

SEC. 3042, I. R. C. ASSIGNMENT OF STOREKEEPER-GAUGERS TO FRUIT DISTILLERIES AND WINERIES.

(a) *Power of Commissioner.* The Commissioner is authorized to assign to any fruit distillery and to each winery where wines are to be fortified such number of storekeeper-gaugers as may be necessary for the proper supervision of the manufacture of brandy or the making or fortifying of wines subject to tax imposed by this chapter.

(b) *Transfer of duties.* For transfer of powers and duties of Commissioner and his agents, see section 3170.

SEC. 3043, I. R. C. PENALTIES AND FORFEITURES.

(a) *Offenses.* Whoever evades or attempts to evade any tax imposed by sections 3030 or 3031, or any requirement of this subchapter, or regulation issued pursuant thereto, or whoever, otherwise than as provided in this subchapter, recovers or attempts to recover any spirits from domestic or imported wine, shall, on conviction, be punished for each such offense by a fine of not exceeding $5,000, or imprisonment for not more than five years, or both, and in addition thereto by a penalty of double the tax evaded, or attempted to be evaded, to be assessed and collected in the same manner as taxes are assessed and collected, and all wines, spirits, liqueurs, cordials, or similar compounds as to which such violation occurs shall be forfeited to the United States. But the provisions of this section and of section 3254 (g) relating to rectification, or other internal revenue laws of the United States, shall not be held to apply to or prohibit the mixing or blending of wines subject to tax under the provisions of sections 3030 or 3031, with each other or with other wines for the sole purpose of perfecting such wines according to commercial standards: *Provided,* That nothing herein contained shall be construed as prohibiting the use of tax-paid grain or other ethyl alcohol in the fortification of sweet wines as defined in sections 3036 and 3044.

(b) *Cross references.* For forfeiture of wines in case special tax has not been paid or business of distiller is carried on without bond or with intent to defraud the Government of tax, see sections 2833 and 3253.

For penalty and forfeiture imposed upon rectifiers and wholesale liquor dealers for committing offenses not specifically covered by law, see section 2806 (g).

For penalties and forfeitures for other violations, see section 3173.

SEC. 3044, I. R. C. DEFINITIONS. [Wines.]

(a) *Natural wine.* Natural wine within the meaning of this subchapter shall be deemed to be the product made from the normal alcoholic fermentation of the juice of sound, ripe grapes, without addition or abstraction, except such as may occur in the usual cellar treatment of clarifying and aging.

(b) *Wine.* The product made from the juice of sound, ripe grapes by complete fermentation of the must under proper cellar treatment and corrected by the addition (under the supervision of a storekeeper-gauger) of a solution of water and pure cane, beet, or dextrose sugar (containing, respectively, not less than 95 per centum of actual sugar, calculated on a dry basis) to the must or to the wine, to correct natural deficiencies, when such addition shall not increase the volume of the resultant product more than 35 per centum, and the resultant product does not contain less than five parts per thousand of acid before fermentation and not more than 13 per centum of alcohol after complete fermentation, shall be deemed to be wine within the meaning of this subchapter, and may be labeled, transported, and sold as "wine," qualified by the name of the locality where produced, and may be further qualified by the name of its own particular type or variety.

(c) *Sweet wine.* Wine as defined in this section may be sweetened with cane sugar or beet sugar or pure condensed grape must and fortified under the provisions of this subchapter, and wines so sweetened or fortified shall be considered sweet wine within the meaning of this subchapter.

(d) *Pure sweet wine.* For definition of pure sweet wine, see section 3036 (a).

SEC. 3045, I. R. C., SUPP. APPLICATION OF NATURAL WINE PROVISIONS TO CITRUS-FRUIT WINES AND OTHER LIKE WINES.

The provisions of the internal revenue laws applicable to natural wine shall apply in the same manner and to the same extent to citrus-fruit wines, peach wines, cherry wines, berry wines, apricot wines, prune wines, plum wines, pear wines, pawpaw wines, papaya wines, pineapple wines, cantaloup wines, and apple wines, which are the products, respectively, of normal alcoholic fermentation of the juice of sound ripe (1) citrus-fruit (except lemons and limes), (2) peaches, (3) cherries, (4) berries, (5) apricots, (6) prunes, (7) plums, (8) pears, (9) pawpaws, (10) papayas, (11) pineapples, (12) cantaloups, (13) apples, with or without the addition of dry cane, beet, or dextrose sugar (containing, respectively, not less than 95 per centum of actual sugar, calculated on a dry basis) for the purpose of perfecting the product according to standards, but without the addition or abstraction of other substances, except as may occur in the usual cellar treatment of clarifying or aging.

(As amended by Act of April 20, 1942, 56 Stat. 218.)

SEC. 3116, I. R. C. FORFEITURES AND SEIZURES.

It shall be unlawful to have or possess any liquor or property intended for use in violating the provisions of this part, or the internal-revenue laws, or regulations prescribed under such part or laws, or which has been so used, and no property rights shall exist in any such liquor or property. A search warrant may issue as provided in title XI of the Act of June 15, 1917, 40 Stat. 223 (U.S.C., Title 18, secs. 611–633), for the seizure of such liquor or property. Nothing in this section shall in any manner limit or affect any criminal or forfeiture provision of the internal-revenue laws, or of any other law. The seizure and forfeiture of any liquor or property under the provisions of this part, and the disposition of such liquor or property subsequent to seizure and forfeiture, or the disposition of the proceeds from the sale of such liquor or property, shall be in accordance with existing laws or those hereafter in existence relating to seizures, forfeitures, and disposition of property or proceeds, for violation of the internal-revenue laws.

SEC. 3170, I. R. C., SUPP. TRANSFER AND DELEGATION OF POWERS.

The Secretary is authorized to confer and impose upon the Commissioner and any of his assistants, agents, or employees, and upon any other officer, employee, or agent of the Treasury Department, any of the rights, privileges powers, duties and protection conferred or imposed upon the Secretary, or any officer or employee of the Treasury Department, by any law now or hereafter in force relating to the taxation, exportation, transportation, manufacture, possession, or use of, or traffic in, distilled spirits, wine, fermented liquors, or denatured alcohol.

(As amended by Act of March 17, 1941, 55 Stat. 45.)

SEC. 3171, I. R. C. RECORDS, STATEMENTS, AND RETURNS

(a) *Requirements.* Every person liable to any tax imposed by this chapter, or for the collection thereof, shall keep such records, render under oath such statements, make such returns, and comply with such rules and regulations, as the Commissioner, with the approval of the Secretary, may from time to time prescribe.

SEC. 3172, I. R. C. DISCRETIONARY METHOD FOR COLLECTING TAX.

(a) *Power of Commissioner.* Whether or not the method of collecting any tax imposed by this chapter is specifically provided herein, any such tax may, under regulations prescribed by the Commissioner with the approval of the Secretary, be collected by stamp, coupon, serial-numbered ticket, or such other reasonable device or method as may be necessary or helpful in securing a complete and prompt collection of the tax. All administrative and penalty provisions of subchapters A, B, and C of chapter 11, in so far as applicable, shall apply to the collection of any tax which the Commissioner determines or prescribes shall be collected in such manner.

SEC. 3173, I. R. C. PENALTIES AND FORFEITURES.

(a) *Removal or transportation of liquors or wines under improper brands.* Whenever any person ships, transports, or removes any spirituous or fermented liquors or wines, under any other than the proper name or brand known to the trade as designating the kind and quality of the contents of the casks or packages containing the same, or causes such act to be done, he shall forfeit said liquors or wines, and casks or packages, and be subject to pay a fine of $500.

(b) *Other violations.* (1) Any person required to pay, or to collect, account for and pay over any tax on distilled spirits, wines, or fermented malt liquors, or required by law or regulations made under authority thereof to make a return or supply any information for the purposes of the computation, assessment or collection of any such tax, who fails to pay, collect, or truly account for and pay over any such tax, make any such return or supply any such information at the time or times required by law or regulation shall in addition to other penalties provided by law be subject to a penalty of not more than $1,000.

(2) Any person who willfully refuses to pay, collect, or truly account for and pay over any such tax, make such return or supply such information at the time or times required by law or regulation, or who willfully attempts in any manner to evade such tax shall be guilty of a misdemeanor and in addition to other penalties provided by law shall be fined not more than $10,000 or imprisoned for not more than one year, or both, together with the costs of prosecution.

(3) Any person who willfully refuses to pay, collect, or truly account for and pay over any such tax shall in addition to other penalties provided by law be liable to a penalty of the amount of the tax evaded, or not paid, collected, or accounted for and paid over, to be assessed and collected in the same manner as taxes are assessed and collected: *Provided, however,* That no penalty shall be assessed under this paragraph for any offence for which a penalty may be assessed under authority of section 3612, or of section 2301 (f) or 3043, or for any offense for which a penalty has been recovered under section 2806 (e).

(4) The term "person" as used in this subsection includes an officer or employee of a corporation or a member or employee of a partnership, who as such officer, employee, or member is under a duty to perform the act in respect of which the violation occurs.

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SEC. 3175, I. R. C. OTHER LAWS APPLICABLE.

All administrative, special, or stamp provisions of law, including the law relating to the assessment of taxes, so far as applicable, shall be extended to and made a part of this chapter.

SEC. 3176, I. R. C. RULES AND REGULATIONS.

(a) *Power of Commissioner.* The Commissioner, with the approval of the Secretary, shall prescribe and publish all needful rules and regulations for the enforcement of this chapter.

SEC. 3178, I. R. C. SPECIAL PROVISIONS RELATING TO DISTILLED SPIRITS AND WINES RECTIFIED IN BONDED MANUFACTURING WAREHOUSES. [Withdrawal free of tax.]

Distilled spirits and wines which are rectified in bonded manufacturing warehouses, class six, and distilled spirits which are reduced in proof and bottled in such warehouses, shall be deemed to have been manufactured within the meaning of section 311 of the Tariff Act of 1930, 46 Stat. 692 (U. S. C.,

Title 19, sec. 1311), and may be withdrawn as provided in such section, and likewise for shipment in bond to Puerto Rico, subject to the provisions of such section, and under such regulations as the Secretary may prescribe, there to be withdrawn for consumption or be rewarehoused and subsequently withdrawn for consumption: *Provided*, That no internal-revenue tax shall be imposed on distilled spirits and wines rectified in class six warehouses if such distilled spirits and wines are exported or shipped in accordance with the provisions of such section, and that no person rectifying distilled spirits or wines in such warehouses shall be subject by reason of such rectification to the payment of special tax as a rectifier.

SEC. 3250, I. R. C., SUPP. [Occupational.]

(a) *Wholesale dealers in liquors*—(1) *In general.* Wholesale dealers in liquors shall pay a special tax of $110.

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(b) *Retail dealers in liquors*—(1) *In general.* Except as provided in paragraph (3) of subsection (e), retail dealers in liquors shall pay a special tax of $27.50.

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(g) *Winemakers.* Nothing in this chapter or chapter 26 shall be construed to impose a special tax upon winemakers who have qualified as such under the internal-revenue laws and regulations, and who sell wines of their own production where the same are made or at the general business office of such winemaker: *Provided*, That no winemaker shall have more than one place of business for the sale of such wine that shall be exempt from the special tax.

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(As amended by sec. 521 (a) (11) (12), Act of September 20, 1941, 55 Stat. 707.)

SEC. 3254, I. R. C. DEFINITIONS. [Liquor dealer.]

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(b) *Wholesale dealer in liquors.* Except as otherwise provided, every person who sells, or offers for sale, foreign or domestic distilled spirits, wines, or malt liquors in quantities of five wine-gallons or more to the same person at the same time, shall be regarded as a wholesale dealer in liquors: *Provided*, That the Commissioner may, by regulations, with the approval of the Secretary, provide for the issuance of a stamp denoting payment of such special tax as a "wholesale dealer in wines" or a "wholesale dealer in wines and malt liquors" if, as the case may be, wines only, or wines and malt liquors only, are sold by a wholesale dealer in liquors.

(c) *Retail dealer in liquors.* Except as otherwise provided, (1) every person who sells, or offers for sale, foreign or domestic distilled spirits, wines, or malt liquors in less quantities than five wine-gallons to the same person at the same time, shall be regarded as a retail dealer in liquors: *Provided*, That the Commissioner may, by regulations, with the approval of the Secretary, provide for the issuance of a stamp denoting payment of such special tax as a "retail dealer in wines" or a "retail dealer in wines and malt liquors" if, as the case may be, wines only, or wines and malt liquors only, are sold by a retail dealer in liquors.

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SEC. 3300, I. R. C. ESTABLISHMENT AND ALTERATION. [Stamps, marks, and brands.]

(a) *Authorization.* The Commissioner, with the approval of the Secretary, may establish and, from time to time, alter or change the form, style, character, material, and device of any stamp, mark, or label used under any provision of the laws relating to internal revenue.

(b) *Application of penalty and forfeiture provisions.* All pains, penalties, fines, and forfeitures provided by law relating to internal revenue stamps shall apply to and have full force and effect in relation to any and all stamps, so established by the Commissioner.

(c) *Cross references.* For other provisions giving the Commissioner general authority to establish, alter, and renew stamps, see section 3901 (a) (2).

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SEC. 3301, I. R. C. ATTACHMENT AND CANCELLATION. [Stamps.]

(a) *General authority to prescribe methods and instruments.* The stamps referred to in the preceding section shall be attached, protected, removed, canceled, obliterated, and destroyed, in such manner and by such instruments or other means as the Commissioner, with the approval of the Secretary, may prescribe; and he is authorized and empowered to make, with the approval of the Secretary, all needful regulations relating thereto.

SEC. 3304, I. R. C. REDEMPTION OF STAMPS.

(a) *Authorization.* The Commissioner, subject to regulations prescribed by the Secretary, may, upon receipt of satisfactory evidence of the facts, make allowance for or redeem such of the stamps, issued under authority of law, to denote the payment of any internal revenue tax, as may have been spoiled, destroyed, or rendered useless or unfit for the purpose intended, or for which the owner may have no use, or which through mistake may have been improperly or unnecessarily used, or where the rates or duties represented thereby have been excessive in amount, paid in error, or in any manner wrongfully collected.

(b) *Method and conditions of allowance.* Such allowance or redemption may be made, either by giving other stamps in lieu of the stamps so allowed for or redeemed, or by refunding the amount or value to the owner thereof, deducting therefrom, in case of repayment, the percentage, if any, allowed to the purchaser thereof; but no allowance or redemption shall be made in any case until the stamps so spoiled or rendered useless shall have been returned to the Commissioner, or until satisfactory proof has been made showing the reason why the same cannot be returned; or, if so required by the said Commissioner, when the person presenting the same cannot satisfactorily trace the history of said stamps from their issuance to the presentation of his claim as aforesaid.

(c) *Time for filing claims.* No claim for the redemption of or allowance for stamps shall be allowed unless presented within four years after the purchase of such stamps from the Government.

(d) *Finality of Commissioner's decisions.* The finding of facts in and the decision of the Commissioner upon the merits of any claim presented under or authorized by this section shall, in the absence of fraud or mistake in mathematical calculation, be final and not subject to revision by any accounting officer.

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SEC. 3331, I. R. C. EXEMPTION FROM TAX OF DOMESTIC GOODS PURCHASED FOR THE UNITED STATES.

The privilege existing by provision of law on December 1, 1873 or thereafter of purchasing supplies of goods imported from foreign countries for the use of the United States, duty free, shall be extended, under such regulations as the Secretary may prescribe, to all articles of domestic production which are subject to tax by the provisions of this subtitle.

SEC. 3341, I. R. C. SHIPMENTS FROM THE UNITED STATES. [To Philippine Islands.]

(a) *Tax imposed in Philippine Islands*—(1) *Amount.* There shall be levied, collected, and paid in the Philippine Islands, upon articles, goods, wares, or merchandise going into the Philippine Islands from the United States, a tax equal to the internal revenue tax imposed in the Philippine Islands upon the like articles, goods, wares, or merchandise of Philippine Islands manufacture.

(2) *Payment.* Such tax shall be paid by internal revenue stamps or otherwise, as provided by the laws of the Philippine Islands.

(b) *Exemption from tax imposed in United States.* Such articles, goods, wares, or merchandise going into the Philippine Islands from the United States shall be exempt from the payment of any tax imposed by the internal revenue laws of the United States.

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SEC. 3351, I. R. C. SHIPMENTS FROM THE UNITED STATES. [To Virgin Islands.]

(a) *Tax imposed in Virgin Islands.* There shall be levied, collected, and paid in the Virgin Islands upon articles imported from the United States, a tax equal to the internal revenue tax imposed in such islands upon like articles there manufactured.

(b) *Exemption from tax imposed in the United States.* Such articles going into such islands from the United States shall be exempt from payment of any tax imposed by the internal revenue laws of the United States.

SEC. 3361, I. R. C., SUPP. SHIPMENTS FROM THE UNITED STATES. [To Puerto Rico.]

(a) *Tax imposed in Puerto Rico.* All articles of merchandise of United States manufacture coming into Puerto Rico shall be entered at the port of entry upon payment of a tax equal in rate and amount to the internal revenue tax imposed in Puerto Rico upon the like articles of Puerto Rican manufacture.

(b) *Exemption from tax imposed in the United States.* Articles, goods, wares, or merchandise going into Puerto Rico, Guam, and American Samoa from the United States shall be exempted from the payment of any tax imposed by the internal revenue laws of the United States.

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(As amended by Sec. 408, Act of June 29, 1939, 53 Stat. 885.)

SEC. 3601, I. R. C. ENTRY OF PREMISES FOR EXAMINATION OF TAXABLE OBJECTS.

(a) *Authority*—(1) *Entry during day.* Any collector, deputy collector, internal revenue agent, or inspector may enter, in the daytime, any building or place where any articles or objects subject to tax are made, produced, or kept, within his district, so far as it may be necessary for the purpose of examining said articles or objects.

(2) *Entry at night.* When such premises are open at night, such officers may enter them while so open, in the performance of their official duties.

(b) *Penalty for refusal to permit entry or examination.* Any owner of such building or place, or person having the agency or superintendence of the same, who refuses to admit such officer, or to suffer him to examine such article or articles, shall, for every such refusal, forfeit $500.

(c) *Other penalties.* If any person shall—

(1) *Forcible obstruction or hindrance to officers.* Forcibly obstruct or hinder any collector, deputy collector, internal revenue agent, or inspector, in the execution of any power and authority vested in him by law, or

(2) *Forcible rescue of seized property.* Forcibly rescue or cause to be rescued any property, articles, or objects after the same shall have been seized by him, or shall attempt or endeavor so to do, the person so offending, excepting in cases otherwise provided for, shall, for every such offense, forfeit and pay the sum of $500, or double the value of the property so rescued, or be imprisoned for a term not exceeding two years, at the discretion of the court.

SEC. 3720, I. R. C. SEIZURE OF FORFEITABLE PROPERTY.

(a) *Property subject to seizure and forfeiture*—(1) *Manufactured articles.* All goods, wares, merchandise, articles, or objects, on which taxes are imposed, which shall be found in the possession, or custody, or within the control of any person, for the purpose of being sold or removed by him in fraud of the

internal revenue laws, or with design to avoid payment of said taxes, may be seized, and shall be forfeited to the United States.

(2) *Raw materials.* All raw materials found in the possession of any person intending to manufacture the same into articles of a kind subject to tax for the purpose of fraudulently selling such manufactured articles, or with design to evade the payment of said tax, may also be seized and shall be forfeited as aforesaid.

(3) *Equipment.* All tools, implements, instruments, and personal property whatsoever, in the place or building, or within any yard or inclosure where such articles or raw materials are found, may also be seized, and shall be forfeited as aforesaid.

(b) *Authority to make seizures*—(1) *Collectors and deputy collectors.* Such property may be seized by the collector or deputy collector of the proper district, or by such other collector or deputy collector as may be specially authorized by the Commissioner for that purpose.

(2) *Other internal revenue officers.* Any officer of internal revenue may be specially authorized by the Commissioner to seize any property which may by law be subject to seizure, and for that purpose such officer shall have all the power conferred by law upon collectors; and such special authority shall be limited in respect of time, place, and kind and class of property, as the Commissioner may specify.

SEC. 3793, I. R. C. PENALTIES AND FORFEITURES.

(a) *Fraudulent bonds, permits, and entries*—(1) *Penalty.* Every person who—

(A) *Simulation or execution.* Simulates or falsely or fraudulently executes or signs any bond, permit, entry, or other document required by the provisions of the internal revenue laws, or by any regulation made in pursuance thereof, or

(B) *Procuring execution.* Procures the same to be falsely or fraudulently executed, or

(C) *Aiding in execution.* Advises, aids in, or connives at such execution thereof—

shall be imprisoned for a term not less than one year nor more than five years, and

(2) *Forfeiture.* The property to which such false or fraudulent instrument relates shall be forfeited.

(b) *Fraudulent returns, affidavits, and claims*—(1) *Assistance in preparation or presentation.* Any person who willfully aids or assists in, or procures, counsels, or advises the preparation or presentation under, or in connection with any matter arising under, the internal revenue laws, of a false or fraudulent return, affidavit, claim, or document, shall (whether or not such falsity or fraud is with the knowledge or consent of the person authorized or required to present such return, affidavit, claim, or document) be guilty of a felony, and, upon conviction thereof, be fined not more than $10,000, or imprisoned for not more than five years, or both, together with the costs of prosecution.

(2) *Person defined.* The term "person" as used in this subsection includes an officer or employee of a corporation or a member or employee of a partnership, who as such officer, employee, or member is under a duty to perform the act in respect of which the violation occurs.

SEC. 3901, I. R. C. POWERS AND DUTIES.

(a) *Assessment and collection.* The Commissioner, under the direction of the Secretary—

(1) *General superintendence.* Shall have general superintendence of the assessment and collection of all taxes imposed by any law providing internal revenue; and

(2) *Regulations, forms, stamps, and dies.* Shall prepare and distribute all the instructions, regulations, directions, forms, blanks, stamps, and other matters pertaining to the assessment and collection of internal revenue; and shall provide hydrometers, and proper and sufficient adhesive stamps and stamps or dies for expressing and denoting the several stamp taxes, or, in the case of percentage taxes, the amount thereof; and alter and renew or replace such stamps from time to time, as occasion may require.

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SEC. 4041, I. R. C. ISSUE OF INSTRUCTIONS, REGULATIONS, AND FORMS.

(a) *In general.* The Secretary shall prescribe forms of entries, oaths, bonds, and other papers, and rules and regulations, not inconsistent with law, to be used under and in the execution and enforcement of the various provisions of the internal revenue laws; and he shall give such directions to collectors and prescribe such rules and forms to be observed by them as may be necessary for the proper execution of the law.

(b) *Receipt of United States securities.* For authority of the Secretary to issue instructions and regulations governing the receipt by collectors and others of United States securities, see R. S. 251 (U.S.C., Title 31, Sec. 427).

SECRETARY TO PRESCRIBE REGULATIONS FOR GOVERNMENT OF DEPARTMENT.

SEC. 161, R.S. (5 U.S.C., 22). The head of each department is authorized to prescribe regulations, not inconsistent with law, for the government of his department, the conduct of its officers and clerks, the distribution and performance of its business, and the custody, use, and preservation of the records, papers, and property appertaining to it.

SUPPLIES FOR CERTAIN VESSELS AND AIRCRAFT. [Withdrawal free of tax.]

SEC. 309 (a), Tariff Act of 1930, as amended (Sec. 3, 55 Stat. 602; 19 U.S.C., Supp., 1309 (a)). *Exemption from customs duties and internal-revenue tax.* Articles of foreign or domestic manufacture or production may, under such regulations as the Secretary of the Treasury may prescribe, be withdrawn from bonded warehouses, bonded manufacturing warehouses, or continuous customs custody elsewhere than in a bonded warehouse free of duty or internal-revenue tax, or from any internal revenue bonded warehouse, from any brewery, or from any winery premises or bonded premises for the storage of wine, free of internal-revenue tax for supplies (not including equipment) of vessels of war, in ports of the United States, of any nation which may reciprocate such privilege toward the vessels of war of the United States in its ports, or for supplies (not including equipment) of vessels employed in the fisheries or in the whaling business, or actually engaged in foreign trade or trade between the Atlantic and Pacific ports of the United States or between the United States and any of its possessions, or for supplies (not including equipment) of aircraft registered in the United States and actually engaged in foreign trade or trade between the United States and any of its possessions, or for supplies (including equipment), maintenance, or repair of aircraft registered in any foreign country and actually engaged in foreign trade or trade between the United States and any of its possessions, where such trade by foreign aircraft is permitted. (As amended by Sec. 3, Act of July 22, 1941 (Public Law 187, 77th Congress).)

* * * * *

(d) *Reciprocal privileges.* The privileges granted by this section and section 1317 of this title in respect of aircraft registered in a foreign country shall be allowed only if the Secretary of the Treasury shall have been advised by the Secretary of Commerce that he has found that such foreign country allows, or will allow, substantially reciprocal privileges in respect of aircraft registered in the United States. If the Secretary of Commerce shall advise the Secretary of the Treasury that he has found that a foreign country has discontinued, or will discontinue, the allowance of such privileges, the privileges granted by this section and section 1317 shall not apply thereafter, in respect of aircraft registered in that foreign country. (June 17 1930, sec. 309, 46 Stat. 690; June 25, 1938, sec. 5 (a), 52 Stat., 1020.)

BONDED MANUFACTURING WAREHOUSES. [Withdrawal free of tax.]

SEC. 311, Tariff Act 1930, as amended (Sec. 311, 46 Stat. 691; U. S. C., Title 19, Sec. 1311). All articles manufactured in whole or in part of imported materials, or of materials subject to internal-revenue tax, and intended for exportation without being charged with duty, and without having an internal-revenue stamp affixed thereto, shall, under such regulations as the Secretary of the Treasury may prescribe, in order to be so manufactured and exported, be made and manufactured in bonded warehouses similar to those known and designated in Treasury Regulations as bonded warehouses, class six: *Provided,* That the manufacturer of such articles shall first give satisfactory bonds for the faithful observance of all the provisions of law and of such regulations as shall be prescribed by the Secretary of the Treasury: *Provided further,* That the manufacture of distilled spirits from grain, starch, molasses, or sugar, including all dilutions or mixtures of them or either of them, shall not be permitted in such manufacturing warehouses.

* * * * *

Any materials used in the manufacture of such goods, and any packages, coverings, vessels, brands, and labels used in putting up the same may, under the regulations of the Secretary of the Treasury, be conveyed without the payment of revenue tax or duty into any bonded manufacturing warehouse, and imported goods may, under the aforesaid regulations, be transferred without the exaction of duty from any bonded warehouse into any bonded manufacturing warehouse; but this privilege shall not be held to apply to implements, machinery, or apparatus to be used in the construction or repair of any bonded manufacturing warehouse or for the prosecution of the business carried on therein.

* * * * *

Distilled spirits and wines which are rectified in bonded manufacturing warehouses, class six, and distilled spirits which are reduced in proof and bottled in such warehouses, shall be deemed to have been manufactured within the meaning of this section, and may be withdrawn as hereinbefore provided, and likewise for shipment in bond to Puerto Rico, subject to the provisions of this section, and under such regulations as the Secretary of the Treasury may prescribe, there to be withdrawn for consumption or be rewarehoused and subsequently withdrawn for consumption: *Provided,* That upon withdrawal in Puerto Rico for consumption, the duties imposed by the customs laws of the United States shall be collected on all imported merchandise (in its condition as imported) and imported containers used in the manufacture and putting up of such spirits and wines in such warehouses: *Provided further,* That no internal-revenue tax shall be imposed on distilled spirits and wines rectified in class six warehouses if such distilled spirits and wines are exported or shipped in accordance with the provisions of this section, and that no person rectifying distilled spirits or wines in such warehouses shall be subject by reason of such rectification to the payment of special tax as a rectifier.

TREASURY DECISION 4662—DUTIES TO BE PERFORMED BY THE ALCOHOL TAX UNIT, BUREAU OF INTERNAL REVENUE. (TRANSFER OF DUTIES)

TREASURY DEPARTMENT,
OFFICE OF COMMISSIONER OF
INTERNAL REVENUE,
Washington, D. C.

To Officers and Employees of the Bureau of Internal Revenue, Collectors of Internal Revenue and Others Concerned.

1. Pursuant to section 161, R.S. (U.S.C., 1934 ed., Title 5, Sec. 22), the Alcohol Tax Unit is charged with the administration, under the direction of the Commissioner of Internal Revenue, of the laws and regulations concerning the following subjects:

(a) The production, custody, and supervision of distilled spirits, alcohol, wines, fermented liquors, cereal beverages, denatured alcohol, and other such liquors and liquids;

(b) The establishment, construction, operation, custody, and supervision of distilleries, industrial-alcohol plants, bonded warehouses, denaturing plants, wineries, bonded wine storerooms, breweries, rectifying houses, dealcoholizing plants, cereal beverage plants, and other places at which such spirits, liquors, or liquids are produced or stored;

(c) The determination, assertion, and assessment of all internal revenue taxes and penalties pertaining to distilled spirits, alcohol, wines, fermented liquors, cereal beverages, denatured alcohol, denatured rum, and articles containing denatured alcohol or denatured rum, and other such liquors and liquids, and the compromise thereof, except that all moneys shall be received and accounted for by the collectors of internal revenue under the direction of the Commissioner of Internal Revenue;

(d) Inquiries and investigations relating to the filing of returns for occupational and commodity taxes and penalties in respect to distilled spirits, alcohol, wines, fermented liquors, cereal beverages, denatured alcohol, denatured rum, and articles containing denatured alcohol or denatured rum, and other such liquors and liquids;

(e) The investigation, prevention, and detection of violations of the laws pertaining to distilled spirits, alcohol, wines, fermented liquors, cereal beverages, denatured alcohol, denatured rum, or articles containing denatured alcohol or denatured rum, and other such liquors and liquids, or any regulations issued thereunder, and the apprehension of offenders against such laws;

(f) The detention and seizure, for violation of laws relating to distilled spirits, alcohol, wines, fermented liquors, cereal beverages, denatured alcohol, denatured rum, and articles containing denatured alcohol or denatured rum, and other such liquors and liquids, of property, whether real or personal (except seizure under distraint warrant), and the custody, control, sale and disposition of property so seized;

(g) The discharge of liens under section 902 of the Revenue Act of 1926;

(h) The regulation of the size, branding, marking, sale, resale, possession, use, and reuse of containers (of a capacity of less than 5 wine-gallons) designed or intended for use for the sale at retail of distilled spirits; the issuance, suspension and revocation of permits for the manufacture, storage, procurement and transportation of such containers; and the investigation, prevention, and detection of violations of the laws or regulations pertaining to such containers;

(i) The filing of correct returns by every person disposing of any substance of the character used in the manufacture of distilled spirits; the filing of correct returns by every person disposing of any denatured alcohol, denatured rum, or articles containing denatured alcohol or denatured rum; and the keeping of records of the disposition of such substances, denatured alcohol, denatured rum, and articles containing denatured alcohol or denatured rum.

(j) Authorization and sanction of suits. The authorization and sanctioning of suits for the recovery of taxes, fines, penalties and forfeitures alleged to have been incurred under the internal revenue laws relating to the taxation, exportation, manufacture, possession, or use of, or traffic in, distilled spirits, fermented liquors, denatured alcohol and other such liquors and liquids. (Amendment—T.D. 5449, March 29, 1945.)

2. Pursuant to section 5 of the "Liquor Enforcement Act of 1936," there are hereby conferred and imposed upon the Deputy Commissioner of Internal Revenue in charge of the Alcohol Tax Unit, and the assistants, inspectors, and agents under his supervision, subject to the direction of the Commissioner of Internal Revenue and subject to regulations prescribed by him with the approval of the Secretary of the Treasury, all the rights, privileges, powers, duties, and protection conferred and imposed upon the Secretary of the Treasury, the Commissioner of Internal Revenue, or any other officer or employee of the Treasury Department by any law now or hereafter in force relating to the taxation, transportation, manufacture, possession, or use of, or traffic in distilled spirits, wines, fermented liquors, or denatured alcohol, insofar as they relate to the duties to be performed by the Alcohol Tax Unit as enumerated in paragraph 1 hereof.

3. Except as has been, or may hereafter be, otherwise provided, all regulations prescribed, all orders and instructions issued, and all forms adopted for the enforcement of the laws heretofore administered by the Commissioner of Industrial Alcohol or the Bureau of Industrial Alcohol, and assistants, inspectors, and agents thereunder, and remaining in effect after the repeal of the eighteenth amendment, will continue in effect as regulations, orders, instructions, and forms of the Bureau of Internal Revenue: *Provided*, That the term "Commissioner" or "Commissioner of Industrial Alcohol" and the term "Supervisor" or "Supervisor of permits," wherever used in such regulations, orders, instructions, and forms, shall be held to mean, respectively, "Deputy Commissioner of Internal Revenue" and "District supervisor."

GUY T. HELVERING,
Commissioner of Internal Revenue.

Approved: July 3, 1936.

WAYNE C. TAYLOR,
Acting Secretary of the Treasury.

SUBPART A—PRODUCTION, TAX-PAYMENT, ETC., OF WINES

SCOPE OF REGULATIONS

§ 178.1 *Manufacture, etc., of wine.* This part is prescribed pursuant to the provisions of law governing the production, fortification, tax-payment, etc., of wine.

REGULATIONS SUPERSEDED

§ 178.2 *Effective date.* This part shall, on and after the ninetieth day following the date of approval, supersede Regulations 7, approved October 6, 1937, and all amendments and modifications thereof.

§ 178.3 *Prior liability not affected.* This part shall not affect or limit any act done or any liability incurred under any regulations superseded hereby, or any suit, action, or proceeding had or commenced in any civil, administrative, or criminal cause or proceeding prior to the effective date of this part, nor shall this part release, acquit, affect, or limit any offense committed in violation of previously existing regulations, or any penalty, liability, or forfeiture incurred prior to such date.

§ 178.4 *Bonded premises heretofore established.* Bonded premises heretofore approved may continue to operate if the present construction and equipment afford adequate security and protection to the revenue. The Commissioner or district supervisor may at any time require the proprietor to make changes in construction and equipment conforming to the provisions of this part, if deemed necessary to safeguard the revenue or to permit more economical and efficient supervision by Government officers. All bonded premises hereafter established, and changes in existing premises and equipment, must be in conformity with this part. (Secs. 2829, 3033, 3170, I.R.C.)

DEFINITIONS

§ 178.5 *Definitions.* As used in this part, the following words and phrases shall have the meanings as herein defined:

(a) "Amelioration" shall mean treatment of the juice (with or without the pulp) or wine in the manner authorized in this part for the purpose of (1) correcting natural deficiencies in the juice or wine, or (2) perfecting the wine according to commercial standards.

(b) "Artificially carbonated wine" shall mean effervescent wine artificially charged with carbon dioxide.

(c) "Brandy" shall mean spirits produced from fruit, including wine spirits and "Spirits—Fruit," eligible for use in fortifying wine.

(d) "Champagne" and "sparkling wine" shall mean effervescent wine charged with carbon dioxide, resulting from fermentation of the wine within a closed container.

(e) "Citrus-fruit wine," "peach wine," "cherry wine," "berry wine," "apricot wine," "prune wine," "plum wine," "pear wine," "pawpaw wine," "papaya wine," "pineapple wine," "cantaloup wine," and "apple wine" shall mean wine produced in accordance with section 3045, I.R.C., and § 178.145.

(f) "Collector" shall mean collector of internal revenue.

(g) "Commissioner" shall mean the Commissioner of Internal Revenue.

(h) "Container" shall mean any cask, barrel, keg, tank, tank truck, railroad tank car, case, or other container (except bottles) used to remove wine from bonded wineries and storerooms.

(i) "District supervisor" shall mean the person having charge of a supervisory district of the Alcohol Tax Unit of the Bureau of Internal Revenue.

(j) "Formula wines" shall mean wine produced in accordance with § 178.156, and shall include all wines other than natural wine, pure sweet wine, and fruit and berry wines defined in paragraphs (p), (t), and (l), respectively, of this section.

(k) "Fortified wine" shall mean wine fortified with brandy, wine spirits, spirits—fruit, or ethyl alcohol as herein provided.

(l) "Fruit and berry wine" shall mean the wines defined in paragraph (e) of this section.

(m) "Kind," when used as to wine, and "kind of wine" shall mean the class or type of the wine, according to the standards of identity for wine prescribed by Regulations No. 4 (27 CFR, Part 4), issued under the Federal Alcohol Administration Act.

(n) "I.R.C." shall mean the Internal Revenue Code (Public, No. 1, Seventy-sixth Congress).

(o) "Must" and "juice" shall mean the unfermented juice of grapes or other authorized fruits and berries.

(p) "Natural wine" shall mean wine produced in accordance with section 3044, I.R.C., and § 178.144.

(q) "Nonstandard wine" shall mean wine made by the use of sugar (1) other than the kinds specified for standard wine, or (2) in excess of the limitations applicable to standard wine (see § 178.148 hereof).

(r) "Person," "proprietor," or "winemaker" shall include natural persons, associations, copartnerships, corporations, joint stock companies, business trusts, or other forms of business enterprise, receivers, trustees, assignees, executors, administrators, or other fiduciary or liquidating agents.

(s) "Proprietor" shall mean the operator of the bonded winery, bonded storeroom, or bonded field warehouse.

(t) "Pure sweet wine" shall mean wine produced in accordance with section 3036 (a), I.R.C., and § 178.143.

(u) "Regulations No. 4," except when otherwise indicated, shall mean regulations relative to the labeling and advertising of wine (27 CFR, Part 4), issued under the provisions of the Federal Alcohol Administration Act.

(v) "Standard wine," "standard grape wine," and "standard fruit and berry wine" shall mean (1) pure sweet wine, natural wine, and fruit and berry wines as defined in paragraphs (t), (p), and (l), respectively, of this section; and (2) the wines defined in section 21, classes 1 to 6, inclusive, Regulations No. 4 (27 CFR, Part 4), issued under the Federal Alcohol Administration Act.

(w) "Still wine" shall mean noneffervescent wine.

(x) "Substandard wine" shall mean (1) wine made by the use of water or sugar-water solution in excess of the limitations applicable to the production of standard wine (see § 178.151 hereof); and (2) the wines defined in section 21, class 8 (c), Regulations No. 4 (27 CFR, Part 4), issued under the Federal Alcohol Administration Act.

(y) "Vermouth" shall mean vermouth manufactured in accordance with section 2801 (e) (4), I. R. C., and §§ 178.182 to 178.187, inclusive, and conforming to the standards of identity for vermouth prescribed in Regulations 4 (27 CFR, Part 4), issued under the Federal Alcohol Administration Act.

(z) "Wine," when used without qualification, includes all still wines, champagne and other sparkling wines, artificially carbonated wine, and vermouth produced on bonded winery premises.

(aa) "Winemaker" shall mean the proprietor of a bonded winery, bonded storeroom, or bonded field warehouse.

(bb) Words in the plural form shall include the singular, and words in the masculine gender shall include females, associations, copartnerships, and corporations.

These definitions are prescribed pursuant to the internal-revenue laws governing the manufacture, tax-payment, etc., of wine, and shall not supersede or affect the requirements of Regulations No. 4 (27 CFR, Part 4), relative to the labeling of wine under the Federal Alcohol Administration Act.

BONDED PREMISES

§ 178.6 *Bonded wineries, bonded storerooms, and bonded field warehouses.* The premises on which wines are produced or stored in bond shall be regarded as bonded premises. For the purpose of this part, bonded premises where wines are produced will be designated as bonded wineries; bonded premises where wines are stored in bond for distribution will be designated bonded storerooms; and bonded premises where wines are held in bond for credit purposes will be designated bonded field warehouses. (Sec. 3040, I.R.C.)

§ 178.7 *Establishment of bonded field warehouses.* Responsible warehouse companies may establish bonded storerooms designated bonded field warehouses, for the storage of wine for credit purposes. A bonded field warehouse must be contiguous or adjacent to a bonded winery and may receive wines only from such winery. The baking of wine is permitted at bonded field warehouses. The provisions of this part relating to bonded storerooms shall, except as otherwise indicated, apply to bonded field warehouses.

§ 178.8 *Designation of premises*—(a) *Production of still wine.* Except as provided in paragraph (b), premises will not be established as bonded wineries unless appropriate crushers or presses (except where concentrate or juice is to be used exclusively), fermenters, and other wine-making equipment is provided and the proprietor intends to actually produce wine by fermentation of fruit or fruit juice as a regular mode of operation.

(b) *Manufacture of champagne, sparkling wine, and artificially carbonated wine.* If the proprietor intends to manufacture champagne or sparkling wine by fermenting still wine within closed containers, or artificially carbonated wine by artificially carbonating still wine, and possesses suitable equipment for such manufacture, the premises will be established as a bonded winery, even though he does not possess the winemaking equipment specified in paragraph (a) nor intends to produce still wine by fermentation of fruit or fruit juice.

(c) *Manufacture of vermouth.* Permises will not be established as bonded wineries where the proprietor intends to manufacture vermouth only and does not intend to actually produce still wine or effervescent wine, regardless of whether wine-making equipment, such as crushers or presses and fermenters, is possessed. (Sec. 2801 (e) (4), I.R.C.)

§ 178.9 *Registry numbers.* Bonded premises will be numbered serially by district supervisors in the order of establishment, regardless of the designation (bonded winery, bonded storeroom, or bonded field warehouse) of the premises. A separate series will be used for each State within a supervisory district. Registry numbers will be assigned to new premises in sequence to numbers heretofore assigned. Registry numbers assigned to bonded premises now operating will be retained.

(a) *Discontinued premises.* Registry numbers of discontinued premises will not be assigned to other premises. In the case of a successor taking over the winery, storeroom, or field warehouse, or a change in location of the bonded premises within the same State and supervisory district, the same registry number will be retained.

USE OF BONDED PREMISES

§ 178.10 *Activity on bonded premises.* Except as herein authorized, bonded winery premises must be used exclusively for the production, amelioration, fortification, cellar treatment, storage, bottling, shipment, etc., of wine, and no materials, liquids, or liquors other than those authorized to be used in such manufacture, amelioration, fortification, cellar treatment, etc., may be produced, received, or stored on the winery premises. Bonded storeroom premises must be used exclusively for the storage, cellar treatment, bottling, shipment, etc., of wines. Cellar treatment shall include blending, baking, pasteurizing, filtering, clarifying, and purifying of wines. Wines may not be fermented, ameliorated, or fortified on bonded storeroom premises, nor may vermouth, champagne, sparkling wine, or artificially carbonated wine be made on such premises.

§ 178.11 *Other activity on bonded winery premises.* The Commissioner may authorize the manufacture of juice, concentrate, and sirup from grapes or other authorized fruits, and the recovery of by-products on bonded winery premises where, in his opinion, such activity will not jeopardize the revenue.

(a) *Application.* Where it is desired to manufacture, recover, etc., by-products or related products on bonded winery premises, application must be filed in triplicate with the district supervisor, setting forth fully all of the details of the desired activity and the reasons therefor. Upon receipt of the application, the district supervisor will cause such investigation to be made or require the submission of such additional information as he may deem necessary to determine whether the desired activity will afford any jeopardy to the revenue or will confuse the records or be otherwise objectionable from a supervisory and control standpoint, and will forward the application to the Commissioner, together with a statement setting forth his recommendation.

(b) *Segregation.* If the Commissioner approves the application, the man-

ufacture of juice, concentrate, and sirup, and the recovery of by-products must be conducted in accordance with such rules or instructions as the Commissioner may prescribe, and the activity and resulting products must be kept separate and apart from the regular winery operations in so far as practicable, and the containers of the products must be clearly labeled or marked to show their contents.

(c) *Reports of juice, concentrate, and sirup.* When juice, concentrate, or sirup is made from grapes or other authorized fruits, pursuant to approved application, the quantity crushed for such purposes will be shown on the winery material report, Form 701, and there will be attached to the winemaker's monthly report, Form 702, each month that such materials are produced, remain on hand, or are removed from the winery, a statement showing the quantity made, on hand, and removed, and giving the names and addresses of the parties to whom the materials are shipped and the date and quantity shipped to each party. All tanks and other containers within which such juice, concentrate, or sirup made from grapes or other authorized fruits is stored must be conspicuously labeled to show the kind of material contained therein and so arranged as to permit inspection by Government officers. (Sec. 3171, I.R.C.)

§ 178.12 *Manufacture of vermouth.* Vermouth may be manufactured only in a separate department of the bonded winery premises constructed as provided in § 178.21. The vermouth department must be used exclusively for the manufacture and storage of vermouth, and for the storage of supplies necessary or incidental to the manufacture of vermouth. Manufacture and storage shall include usual cellar treatment, bottling, etc. The vermouth department may not be used for the treatment or storage of still wine or sparkling wine. All fortified sweet wine transferred to the vermouth department must be used promptly in the manufacture of vermouth. When the manufacture of vermouth has been completed, the finished product may be transferred to another department of the winery for storage, cellar treatment, and bottling therein, but vermouth so transferred must at all times be kept separate and apart from still wines and effervescent wines on the premises. (Sec. 2801 (e) (4), I.R.C.)

§ 178.13 *Storage of imported and tax-paid wines.* No domestic tax-paid wines and no imported wines may be received or stored on the winery or storeroom premises. Proprietors desiring to tax-pay and store wines in advance of sales or to store returned tax-paid wines, must provide storage therefor, after tax-payment, off the bonded premises. If the premises at which the tax-paid wines are stored are in the same building in which the winery or storeroom is located, or in a building adjoining a winery or storeroom building, they must be separated from the bonded premises by a solid, unbroken partition substantially constructed and so situated that wine may not be transferred thereto from the winery or storeroom, except through a public street or open yard or through a public hall or elevator shaft leading into a public street or open yard: *Provided,* That the Commissioner or district supervisor may authorize the removal of cases of tax-paid wine to the tax-paid premises by conveyor or chute through the wall or floor of the bonded premises, where, in his opinion, such removal may be permitted without jeopardy to the revenue: *Provided further,* That necessary openings for ventilation and heating, and for the passage of approved water, electric, sewer, or similar lines may be permitted in such partitions. Openings in partition walls for ventilation or heating purposes must be protected with iron or steel grating consisting of a frame and horizontal and perpendicular bars, having a diameter of not less than one-fourth inch and spaced not more than one-half inch apart, or other gratings of similar construction and equal strength securely attached to or embedded in the partition wall: *Provided,* That openings not larger than 6 by 6 inches may be protected as provided in § 178.19.

(a) *Record.* Where the proprietor maintains a tax-paid room or premises (including a bottling house or room) in conjunction with, and contiguous or adjacent to, his bonded premises, and transfers wine after tax-payment from the bonded premises to such tax-paid room for subsequent shipment, in lieu of shipping direct from the bonded premises, he shall maintain at such tax-paid room a record showing the quantities, kind, and alcoholic content (taxable classification) of wine received thereat and shipped therefrom, including the dates of receipt and shipment and the names and addresses of the persons to whom shipped, and the quantities, kind, and alcoholic content (taxable classification) of wine shipped to each: *Provided,* That on sales of not more than 1 gallon, the name and address of the consignee need not be shown.

(1) *Commercial records.* Where the proprietor keeps copies of invoices or other commercial records, covering shipments from a tax-paid room, and such invoices or records show the information required by paragraph (a), respecting shipments, and are kept in chronological order, available for inspection and in such manner that the required information may be readily ascertained therefrom by Government officers, the records required by paragraph (a) may show the total quantity shipped each day, in lieu of the details of each shipment. The district supervisor may require complete shipping information to be shown on the record required by paragraph (a) in any case where the commercial records are not satisfactory for this purpose. (Sec. 3171, I.R.C.)

§ 178.14 *Retention of tax-paid wines awaiting shipment.* When wines are tax-paid preparatory to removal and there is an unavoidable or unexpected delay in the arrival of the shipping conveyance or when because of other unforeseen circumstances removal can not be made promptly, the tax-paid wines may be temporarily retained in the bonded premises, but not exceeding 24 hours (unless the district supervisor authorizes retention for a longer period), pending arrival of the shipping conveyance or cessation of the other cause of delay. Likewise, when wines are packaged or bottled preparatory to shipment and are stamped and marked as packaged or bottled, the stamped wines may be retained in the bonded premises until the entire order or shipment has been packaged or bottled, but such wines must be kept separate and apart from untax-paid wines.

§ 178.15 *Sample room.* The proprietor may provide on the bonded premises a special room for display and tasting purposes. Such room shall be separated from other portions of the bonded premises, but may have interior communication therewith. All wine consumed in such room must be duly tax-paid by attachment of proper stamps, as provided in §§ 178.237 to 178.249, inclusive. No larger quantity of tax-paid wine shall be kept in the room than that necessary for immediate needs. Wine used for display purposes need not be tax-paid, unless removed from the bonded premises. No sales may be made in such room, nor shall any other activity be permitted therein which will endanger the revenue: *Provided,* That this prohibition against sales shall not apply to the negotiation or acceptance of orders for subsequent shipment from regular stocks. The Commissioner or the district supervisor may at any time, in his discretion, restrict the activity in such room to that which will not jeopardize the revenue.

§ 178.16 *Wine under lock.* The portions of the bonded premises in which wines are stored must be kept securely locked in the absence of the proprietor or his agents.

CONSTRUCTION

§ 178.17 *Wineries and bonded storerooms.* Bonded wineries and bonded storerooms must be so constructed and equipped as to be suitable for the production (in the case of wineries) and storage of wine, and so that the wines stored therein will be securely protected. The buildings or rooms in which wines are stored or treated must be securely constructed of substantial material. All doors, windows, or other openings must be so arranged that they may be securely locked or fastened. Fermenting tanks, except those used exclusively for the production of distilling material, must be under a roof or other suitable covering, but need not be enclosed in a building.

§ 178.18 *Separation of winery or storeroom from other premises.* Buildings or rooms constituting a bonded winery or bonded storeroom must be separated from contiguous buildings or rooms by a solid unbroken partition substantially constructed: *Provided,* That where a bonded winery and a fruit distillery, registered distillery, internal revenue bonded warehouse, industrial alcohol plant, bottling house, or rectifying plant are located on contiguous premises, pipe lines may be installed for the transfer of wine and brandy between the two premises, in the manner here-

inafter authorized: *Provided further,* That necessary openings for ventilation as permitted in § 178.19, and for the passage of approved water, electric, sewer, or similar lines may be permitted in such partitions. With the approval of the district supervisor, doors may be placed in the partition separating the bonded winery from the fruit distillery or bonded field warehouse contiguous thereto, and provision made for the transfer of wine between such premises in containers or by fixed pipe line or by hose. The Commissioner or district supervisor may, in his discretion, require partitions separating bonded from unbonded premises to be double sheathed or covered with iron, tin, or other suitable material. Partitions between a bonded field warehouse and a bonded winery must be constructed of wood or other suitable material and any connecting doors shall be kept closed and locked at all times, except when necessarily open for the transaction of business. The entrance door of a bonded winery or storeroom shall lead directly into a public street or yard or into the yard of the bonded premises or into a public hall or other common passageway leading directly to a public street or open yard. Such public halls or common passageways must, in fact, be used by the public or by a number of other tenants or persons.

§ 178.19 *Ventilators.* Small openings in the walls, floor, or ceiling, separating the bonded premises from adjoining, unbonded premises occupied by the winemaker, will be permitted for ventilating or heating purposes, provided such openings are protected by substantial metal gratings, not lighter than No. 6 gauge and having openings not larger than one-half inch, securely attached to or embedded in the wall, floor, ceiling, or roof. Where such openings in the walls, floor, ceiling, or roof are larger than 6 by 6 inches, they should be further protected by iron bars. Such openings will not be permitted in walls, floors, or ceilings which separate the bonded premises from adjoining, unbonded premises not occupied by the winemaker.

§ 178.20 *Winery in building used as residence.* Where the winery or storeroom premises are situated in a building used as a private residence, they must be separated by an unbroken partition or floor, and an entrance directly from the outside must be provided.

§ 178.21 *Vermouth department.* There must be no interior communication between the vermouth department and any other department or part of the winery premises. The entrance door of the vermouth department shall lead directly into a public street or yard or into the yard of the bonded winery or into an open passageway leading directly to the bonded winery yard or to a public street or open yard. (Sec. 2801 (e) (4), I.R.C.)

§ 178.22 *Fortifying room.* If wine is be fortified, a room for such fortification and the storage of brandy must be constructed and equipped in accordance with Subpart B this part. (Sec. 3033, I.R.C.)

§ 178.23 *Storage of sweetening materials.* Except as authorized in § 178.120, if it is desired to store sweetening materials for use in the amelioration of juice or wine, a room for the storage of such materials must be provided.

SIGN

§ 178.24 *Posting sign.* The proprietor shall place and keep conspicuously on the outside and at the front of the bonded winery or storeroom where it can be plainly seen, a sign bearing, in plain, legible, and durable letters and figures not less than 3 inches in height and of a proper and proportionate width, the name of the proprietor, followed by the words "Bonded Winery," "Bonded Storeroom," or "Bonded Field Warehouse," as the case may be, and the registered number of the premises. Where a vermouth department is established, there must be placed over the entrance door thereof a sign bearing the words "Vermouth Department."

TANKS

§ 178.25 *Location of tanks.* All fermenters, storage tanks, vermouth processing tanks, fortifying tanks, and other containers must be so arranged and located as to permit ready examination and determination of their contents by inspecting officers. All tanks used for the storage or treatment of wine must be located within the winery building or bonded storeroom. Fermenting tanks shall be located as provided in § 178.17. All pipes, hose, or other conveyors leading to or from tanks must be so connected and arranged as to be easily visible to examining officers.

§ 178.26 *Capacity of tanks.* The proprietor must accurately determine the capacity of all tanks and other containers in the bonded winery or storeroom. The capacity per inch of depth of all tanks of uniform dimensions standing upright and the capacity for every inch of depth of each measuring, fortifying, and bottling tank of irregular dimensions or lying on its side, must also be accurately determined by the proprietor. Rules for determining by measurement the capacities of tanks and, when of uniform dimensions, the capacity per inch of depth are set forth in the Appendix to this part.

§ 178.27 *Marking on tanks.* Each tank must have painted thereon a permanent serial number and the capacity of the tank in wine gallons. Each tank of uniform dimensions standing upright must also have painted thereon the capacity of the tank per inch of depth. Each measuring, fortifying, and bottling tank of irregular dimensions or lying on its side must have securely attached thereto a table showing the capacity of the tank for each inch of depth. There must be attached to each copy of the proprietor's application on Form 698 for approval of his premises and equipment, a table for each measuring, fortifying, and bottling tank of irregular dimensions or lying on its side showing the serial number thereof and the capacity for each inch of depth, and where practicable, the inside measurements of the tank. Serial numbers of fermenting tanks shall be preceded by the letter "F," storage tanks by the letter "S," measuring tanks by the letter "M," bottling tanks by the letter "B," and vermouth processing tanks by the letters "VP." Where barrels are used in processing vermouth there must be painted thereon the capacity in wine gallons and a permanent serial number preceded by the letters "VPR." Fortifying tanks shall be marked "Fortifying Tank."

§ 178.28 *Markings on puncheons and barrels.* A permanent serial number and the capacity in wine gallons must be painted on puncheons used for storage containers, as in the case of storage tanks. A permanent serial number need not be painted on barrels or puncheons used as storage containers and which will be used as shipping containers upon removal of the wines, but the capacity in wine gallons must be plainly marked on each such container.

§ 178.29 *Capacity markings.* Proprietors will be held responsible for the correctness of the capacity markings of all tanks and other containers. Where the capacity of wooden tanks is affected by recoopering, tightening of hoops, etc., the tanks must be remeasured and the new capacity marked on the tanks. Report of changes in the measurement and capacity of tanks must be made by the proprietor in triplicate in the manner prescribed in § 178.87. Allowance will not be made for shortages of wine claimed to be due to incorrect gauge of tanks.

OTHER EQUIPMENT, INSTRUMENTS, AND MEASURES

§ 178.30 *Crushers and presses.* If the fruit is crushed or pressed by the winemaker, the winery crushers or presses must be located on the bonded premises, unless the separate record or commercial records required by §§ 178.388 and 178.389 are kept at the winery.

§ 178.31 *Testing instruments and measures.* The proprietor of each winery and storeroom must provide at his own expense appropriate and accurate instruments and measures for testing and measuring the wine. Proper instruments must be provided for determining the alcoholic content of the wine. If the juice or the wine is ameliorated with condensed must, dry sugar, sugar-water solution, or water, suitable instruments and apparatus must be provided for determining the sugar and the acid content of the juice and the wine. Instructions respecting such instruments and apparatus will be found in §§ 178.38, 178.39, and 178.40, and in the Appendix to this part. (Sec. 2829, I.R.C.).

§ 178.32 *Measuring rod and tape.* An accurate measuring rod and steel tape suitable for use in ascertaining the capacity and contents of tanks and other storage containers, and appropriate measures or scales for determining the contents of shipping containers, must be provided. Measuring instruments shall be available for the use of Government officers. (Sec. 2829, I.R.C.)

§ 178.33 *Scales and measures.* At each winery there must be provided scales and measures for weighing and measuring the materials received and

used in the manufacture of wine. However, where material is used immediately upon receipt, public weighmasters' certificates of weight, showing gross weight, tare, and net weight, or the shipper's or railroad weight may be accepted in lieu of weighing materials at the winery, but such certificates must be filed at the winery and kept available for inspection by Government officers. (Sec. 2829, I.R.C.)

§ 178.34 *Test weights.* Where the quantities of wine, brandy, or winemaking or ameliorating materials received, used, or removed are determined by weight (on other than wagon, truck, or railroad car platform scales), the proprietor shall provide a set of ten 50-pound cast iron test weights, which shall be certified by the National Bureau of Standards or State departments of weights and measures as conforming to class "C" requirements of the National Bureau of Standards. If the proprietor has provided such test weights at a fruit distillery, internal revenue bonded warehouse, rectifying plant, etc., on contiguous premises, he need not provide a separate set of weights for the bonded winery or storeroom. (Sec. 2829, I.R.C.)

§ 178.35 *Testing scales.* Scales (other than wagon, truck, or railroad car platform scales) used to weigh wine, brandy, or winemaking or ameliorating materials received, used, or removed, will be tested from time to time by winemakers. Tests of scales by State or municipal authorities, if made in the manner herein prescribed, will be accepted in lieu of similar tests by the winemaker, but if such tests are not made from time to time, as herein required, additional tests must be made by the winemaker. Where a Government officer is assigned to the winery or storeroom, the test shall be made under the officer's supervision.

(a) *Not over 5,000-pound lots.* Scales used for weighing wine, brandy, or winemaking or ameliorating materials in lots of not over 5,000 pounds will be tested by means of the test weights prescribed in § 178.34. Weighing tank scales used for such purposes will be tested by placing the prescribed test weights on the scales and checking the weight registered on the beam or dial of the scales. The test weights will then be removed without disturbing the beam and the weighing tank filled with water or other material to the same weight, whereupon the test weights will again be placed upon the scales, the water or other material being retained in the tank, and the weight registered on the beam or dial again checked. This operation will be continued until the scales have been checked in 500-pound notches at all weights for which the scales are used. If desired, the scales can be checked in 50 or 100 pound notches by the same operation.

(b) *Over 5,000-pound lots.* Weighing tank scales used to weigh wine, brandy, or winemaking or ameliorating materials in lots of over 5,000 pounds will be tested by checking the gallonage indicated by the scales against the gallonage indicated by volumetric determination of the contents of the tank. Such volumetric determination will be made by (1) accurately ascertaining the depth of the liquid in the tank by means of a steel tape, (2) multiplying the depth (of the liquid) in inches by the capacity of the tank for 1 inch of depth, or where the tank is of irregular dimensions, by ascertaining the wine-gallon content of the tank according to the depth of the liquid, and (3) in the case of brandy, by ascertaining the proof and temperature of the brandy and correcting the volume to 60° Fahrenheit in accordance with Table No. 7 of the Gauging Manual (Part 186 of this chapter). The wine gallons thus determined can then be compared with the wine gallons indicated by the scales.

§ 178.36 *Amelioration of natural wine, and fruit and berry wines.* Where wines are ameliorated under sections 3044 and 3045, I. R. C., there must be provided one or more suitable measuring tanks within which the quantity of sugar solution used and the quantity of wine, both before and after amelioration, may be accurately measured. Such measuring tank or tanks must be accurately calibrated and, if of regular dimensions, must have painted thereon the capacity of the tank per inch of depth, or, if of irregular dimensions, must have securely attached thereto a table showing the capacity of the tank for each inch of depth, a copy of which must be attached to each copy of Form 698. (Sec. 2829, I.R.C.)

§ 178.37 *Amelioration of pure sweet wine.* Where pure sweet wines are ameliorated under section 3036, I.R.C., a suitable weighing tank or other proper means must be provided for accurately determining the weight of sugar and water to be used and the weight of the wine before amelioration. (Sec. 2829, I.R.C.)

§ 178.38 *Ebulliometers.* The Arnaldo-Sala (with shield), Braun, Juerst, Lefco, L'Ebulliometer Levesque (with shield), Malligand type (with shield), Salleron-Dujardin, "TAG" (with shield), and E. B. Torino (with shield) ebulliometers have been approved for use in determining the alcoholic content of wines. Instructions respecting the use of these instruments will be found in the Appendix to this part. (Sec. 2829, I.R.C.)

§ 178.39 *Saccharometers.* The sugar content of juice may be readily determined by a saccharometer, with proper correction for temperature and non-sugar solids. Both the alcoholic content and the sugar content of wine may be determined by the use of a small still and appropriate saccharometer. The sugar content of wine can also be determined by the use of a set of three saccharometers graded to read from 0 to 10, 10 to 20, and 20 to 30, in connection with the ebullioscope. Instructions for ascertaining the sugar content of juice and wine with these instruments will be found in the Appendix to this part. (Sec. 2829, I.R.C.)

§ 178.40 *Apparatus for determining acidity.* The apparatus necessary for determining the acidity of the juice or the wine, according to the kind of fruit used, is listed in the Appendix to this part, with complete instructions for making such determinations by titration, and for the proper care of the apparatus. (Sec. 2829, I.R.C.)

§ 178.41 *Other instruments.* If the instruments referred to in the three preceding sections are not provided, other appropriate and accurate instruments approved by the Commissioner must be provided in lieu thereof. (Sec. 2829, I.R.C.)

§ 178.42 *Use of instruments, apparatus, and equipment by Government officers.* The instruments and apparatus required herein for testing the juice and the wine, and the measuring equipment prescribed for measuring tanks and other storage containers, shall be made available to Government officers for making necessary tests to ascertain the alcoholic, sugar, and acid content of must and wine, and the quantity thereof. Government officers must exercise every care in handling the instruments, apparatus, and equipment, to the end that such are not broken or damaged while being used by them. When the winemaker prefers to handle the instruments himself, he may make the necessary tests in the officer's presence. (Sec. 2829, I.R.C.)

DETAILS OF CONSTRUCTION AND EQUIPMENT

§ 178.43 *General.* Where details of construction and equipment are not covered by this part, such construction and equipment must afford the same degree of security and protection to the wine (and brandy, in the case of fortifying rooms) as is intended by the construction and equipment specifications herein prescribed. The Commissioner may approve details of construction and equipment in lieu of those specified herein where it is shown that it is impracticable to conform to the prescribed specifications, and the proposed construction and equipment will afford as much security and protection as the construction and equipment prescribed. Where it is proposed to substitute construction and equipment for that which specifications are prescribed, or where any doubt prevails in regard to the security and protection which will be afforded by construction and equipment not covered by this part, approval of the Commissioner should be first obtained. (Sec. 2829, I.R.C.)

FEDERAL ALCOHOL ADMINISTRATION ACT PERMIT

§ 178.44 *Permit required.* Under the Federal Alcohol Administration Act and the regulations issued pursuant thereto (27 CFR, Part 1), any person, except an agency of a State or political subdivision thereof, or any officer or employee of any such agency, intending to engage in the business of producing or blending wine, or of purchasing wine for resale at wholesale, is required to procure a permit therefor. Application for such permit shall be filed with the district supervisor, in accordance with the regulations issued pursuant to the Federal Alcohol Administration Act, at the time application on Form 698, bond and other qualifying documents are filed as required by this part.

(a) *Trade name certificate.* Where the application for permit covers the use of a trade name or names, certified copies of the certificate or other document filed

with or issued by State officials under the laws of the State, to cover the use of such trade name or names, shall be filed, in triplicate, with the district supervisor. If no such certificate or other document is required by the laws of the State to be filed with or issued by any State official, the applicant shall furnish a statement from the proper State official to that effect, in triplicate. (Sec. 3, 49 Stat. 978 (27 U.S.C., Supp., 203).)

QUALIFYING DOCUMENTS

§ 178.45 *Application, Form 698.* Every person desiring to establish a bonded winery or storeroom shall file application on Form 698, in triplicate, with the district supervisor, for approval of the premises. Except as provided in § 178.46 in the case of amended and supplemental applications, all of the information indicated by the lines of the form and the instructions printed thereon, and by this part, shall be furnished. Applications on Form 698 must be signed in accordance with the instructions printed on the form and be sworn to before an officer authorized to administer oaths. Such applications must be numbered serially, commencing with No. 1 and continuing in regular sequence for all applications thereafter filed, whether amended or supplemental, and must indicate the purpose for which filed. All data, written statements, affidavits, and other documents submitted in support of the application shall be deemed to be a part thereof.

(a) *Location of premises.* The location of the winery or storeroom must be stated as explicitly as possible. If located in a city, the name of the city and the street and number must be given. If located in the country, the name of the county and the nearest post office, with the distance and direction therefrom, and the name or number of the road or highway on which situated, should be given.

(b) *Description of premises.* The lot or tract of land on which the bonded winery or storeroom is situated must be described on Form 698 by directions and distances, in feet and inches, with sufficient particularity to enable Government officers to readily determine the bounds of the bonded premises. The continuity of the bonded premises must be unbroken, except that the premises may be divided by a public street or highway or railroad right of way where the premises so divided are opposite each other.

(c) *Description of building.* All buildings on the winery or storeroom premises must be described in the application, the purpose for which each building will be used, the size thereof and the material of which constructed, being stated. If more than one building is used for the same purpose, such buildings must be given alphabetical designations, followed by the purpose for which they will be used. Where a vermouth department, fortifying room and brandy storage room, or sweetening agents room is provided, such room or rooms must be described on Form 698.

(d) *Description of equipment.* All wine fermenting, storage, ameliorating, measuring, and bottling tanks, vermouth processing tanks, fortifying tanks, and brandy storage tanks, and the serial numbers and capacities thereof in gallons, crushing and pressing equipment, instruments and measures for testing and measuring wine, and all other equipment, must be described on Form 698. Barrels or puncheons used as storage containers and which will be used as shipping containers need not be described on Form 698. Where tanks are of such shape that it is practicable to determine their capacity from inside measurements, as described in the Appendix to this part, there must be attached to each copy of Form 698 a table showing the serial number and capacity of each such tank, together with such measurements. Where tanks are of such shape that it is impracticable to determine inside measurements, the method used in determining the capacities thereof must be furnished in lieu of such inside measurements.

(e) *Volume of business.* The estimated quantity of wine that will be produced (in the case of wineries), received, and stored, and the estimated quantity of brandy that will be withdrawn for the fortification of wine (in the case of wineries), will be stated on Form 698. (Sec. 3040, I.R.C.)

§ 178.46 *Amended and supplemental applications.* Amended and supplemental applications on Form 698 may be executed in skeleton form, except as to items amended or supplemented. All other items which are correctly set forth in prior applications, and in which there has been no change since the last preceding application, may be incorporated in the amended or supplemental application by reference to the respective application previously filed. Such incorporation by reference shall be made by entering for each such item in the space provided therefor the statement "No change since filing Form 698, Serial No. ------, dated ----------" (the serial number and date being inserted).

§ 178.47 *New applications may be required.* The Commissioner or the district supervisor may at any time, in his discretion, require the filing of new applications on Form 698. (Sec. 3040, I.R.C.)

§ 178.48 *Individual owners, copartnerships, or associations.* Where application, Form 698, is filed by an individual owner, copartnership, or association, the name and address of every person interested in the winery or storeroom, whether active, passive, or silent, must be given on Form 698. If the winery or storeroom is to be operated under a trade name, such trade name must be given in the application. If there are articles of partnership or association, copies thereof, in triplicate, should be submitted with Form 698. (Secs. 3040, 3171, I.R.C.)

§ 178.49 *Corporations.* Where application, Form 698, is filed by a corporation, there must be filed with the original or initial application copies, in triplicate, of the following:

(a) Certificate of incorporation.

(b) Extracts of the minutes of meetings of the board of directors authorizing certain officers or other persons to sign for the corporation.

(c) List of the names and addresses of all officers and directors.

(d) List giving names and addresses of all stockholders, as provided in § 178.50. (Secs. 3040, 3171, I.R.C.)

§ 178.50 *List of stockholders.* In the case of corporations and similar legal entities, there must be submitted with Form 698 at the commencement of business and annually thereafter on May 1 a list, giving the names and addresses of all stockholders and other persons interested in the corporation or other legal entity and the amount and nature of the stock holding or other interests of each, whether such interest appears in the name of the interested party or in the name of another for him: *Provided,* That where more than 100 persons are interested in the corporation or other legal entity as stockholders or otherwise, there need be furnished only the names and addresses and the amounts and nature of the stock holding or other interest of the 100 persons having the largest ownership or other interest in each of the respective clases of stock or other interest, except where more complete information shall be specifically required by the Commissioner: *Provided further,* That where there has been no change in the stockholders and other persons interested in the corporation or other legal entity, or in the extent of the stock holding or other interest of such persons, the proprietor may furnish on May 1 of each year a certified statement, in triplicate, to that effect, in lieu of the prescribed list. Where a corporation operates two or more establishments situated in the same supervisory district, or wholly owns one or more subsidiaries operating under the internal revenue laws and regulations so situated, and in connection with qualifying for the operation of one of such establishments files a list of stockholders and other persons interested as prescribed herein, the filing of an additional list for each establishment will not be required: *Provided,* That in lieu of such additional list there is submitted a certificate, in triplicate, definitely identifying the corporation and establishment with whose application the list of stockholders and other persons interested is filed, and giving the date of the filing thereof. (Secs. 3040, 3171, I.R.C.)

§ 178.51 *Power of attorney, Form 1534.* If the application, bond, or other qualifying documents are signed by an attorney in fact for an individual, partnership, association, or corporation, or by one of the members for a copartnership or association, or, in the case of a corporation, by an officer or other person not authorized to sign by the corporate documents described in § 178.49, such application or other qualifying documents must be supported by a duly authenticated copy of the power of attorney conferring authority upon the person signing the document to execute the same. Such powers of attorney will be executed on Form 1534, in triplicate, and submitted to the district supervisor. (Secs. 3040, 3171, I.R.C.)

§ 178.52 *Execution of power of attorney.* Where the principal giving the power of attorney is an individual, it must be executed by him in person, and not by an agent. In the case of a copartnership or association, powers of attorney authorizing one or more of the members, or another person, to execute documents on behalf of the copartnership or association must be executed by all of the members constituting the copartnership or association. However, if one or more members less than the whole number constituting the copartnership or association have been delegated the authority to appoint agents or attorneys in fact, the power of attorney may be executed by such member or members, provided it is supported by a duly authenticated copy, in triplicate, of the document conferring authority upon the member or members to execute the same. Where, in the case of a corporation, powers of attorney are executed by an officer thereof, such documents must be supported by triplicate copies of the authorization of such officer so to do, certified by the secretary or assistant secretary of the corporation, under the corporate seal, if any, to be true copies. (Secs. 3040, 3171, I.R.C.)

§ 178.53 *Duration of power of attorney.* Powers of attorney authorizing the execution of documents on behalf of a person operating, or intending to operate, a bonded winery or storeroom shall continue in effect until written notice, in triplicate, of the revocation of such authority is received by the district supervisor, unless terminated by operation of law.

§ 178.54 *Bond required.* Every person filing application to establish a bonded winery or storeroom shall file bond on Form 700-A, in triplicate, with the district supervisor, executed in accordance with §§ 178.61 to 178.73, inclusive. No person shall commence or continue in the business of a winemaker, or produce wine (except for family use as provided in §§ 178.195 to 178.198, inclusive), nor shall any wine be received in bond or brandy withdrawn for fortification, until such bond is filed with, and approved by, the district supervisor. (Secs. 3040, 2815 (c), 3031 (a), 3032, 3033, I.R.C.)

§ 178.55 *Penal sum of bond.* (a) Bonds on Form 700-A shall be in a penal sum sufficient:

(1) To cover the amount of the tax at the rates imposed by law on the maximum quantity of wine that will be produced, received, or stored at the bonded winery, or received or stored at the bonded storeroom, and in transit to the bonded winery or bonded storeroom, at any one time; and

(2) To cover the amount of the tax at the rate imposed by law on the maximum quantity of brandy or wine spirits that will be withdrawn for use in the fortification of wine, and in transit to, or stored at, the bonded winery, at any one time.

(b) *Calculation.* The penal sum of the bond shall be calculated on the basis of the wine and brandy tax rates, but shall not be less than $500 nor more than $50,000. (Secs. 3040, 3031 (a), 3032, 3033, I.R.C.)

§ 178.56 *Bonds on Forms 699 and 700.* Winemakers who have on file satisfactory bonds on Form 699, Bond of Winemaker or Dealer, or on Form 700, Bond of Winemaker, Fortifying Bond of Winemaker, or Proprietor of Bonded Storeroom, with surety or security, in a sufficient penal sum, which have been previously approved, and the terms of which have been extended by consent of surety, Form 1533, are not required to file new bonds on Form 700-A. (Secs. 3040, 3031 (a), 3032, 3033, I.R.C.)

§ 178.57 *Consents of surety, covering transportation in bond.* Winemakers, whose bonds on Forms 699, 700, and 700-A do not cover the transportation of wine shipped in bond to them from other bonded wineries and storerooms, must, prior to having wine shipped in bond to them, file consents of surety on Form 1533, extending the terms of their bonds to cover the transportation of wine shipped in bond to them. (Sec. 3040, I.R.C.)

§ 178.58 *Plat and plans.* Every person filing application to establish a bonded winery or storeroom shall file with the district supervisor an accurate plat of the proposed bonded premises and an accurate plan of the buildings and equipment thereon, in triplicate, conforming to the requirements of §§ 178.78 to 178.84, inclusive.

§ 178.59 *Additional information.* The Commissioner or the district supervisor may at any time, in his discretion, require the proprietor of a bonded winery or storeroom to furnish such additional information as he may deem necessary.

§ 178.60 *Instruments and paper made part of regulations.* The terms, conditions, and instructions contained in instruments and papers required to be furnished by law or regulations are hereby made a part of this part as fully and to the same extent as if incorporated herein at length.

EXECUTION OF BONDS AND CONSENTS OF SURETY

§ 178.61 *General.* Bonds and consents of surety required by these regulations shall be prepared and executed on the prescribed form, in triplicate, and filed with the district supervisor, in accordance with the requirements of this part and the instructions printed on the form. (Secs. 3040, 3031 (a), 3032, 3033, I.R.C.)

§ 178.62 *Registry number inserted in bond.* Before the bond is executed the proprietor must ascertain from the district supervisor the registry number which will be assigned to the bonded premises if established, so that such number may be inserted in the bond. Bonds not completely and properly filled in and executed will be returned for correction. Proper record will be kept of bonds returned for correction, or for any other purpose. All disapproved bonds shall be returned to the principal and the surety or sureties notified of such disapproval.

§ 178.63 *Surety or security.* The bonds required by this part shall be given with surety or collateral security. (Secs. 3040, 3031 (a), 3032, 3033, I.R.C.; sec. 1, 28 Stat. 279 (6 U.S.C. 6); sec. 1126, 44 Stat. 122; sec. 7, 49 Stat. 22 (6 U.S.C. 15))

§ 178.64 *Corporate surety.* Bonds may be given with corporate surety authorized by the Secretary of the Treasury to become surety on Federal bonds, subject to the limitations prescribed by the Secretary in Treasury Department Form 356, Commissioner of Accounts, Section of Surety Bonds, which is issued semiannually, and subject to such amendatory circulars as may be issued from time to time. (Secs. 3040, 3031 (a), 3032, 3033, I.R.C.; sec. 1, 28 Stat. 279 (6 U.S.C. 6))

§ 178.65 *Two or more corporate sureties.* A bond executed by two or more corporate sureties shall be the joint and several liability of the principal and the sureties: *Provided,* That each corporate surety may limit its liabilities in terms upon the face of the bond in a definite, specified amount, which amount shall not exceed the limitations prescribed for such corporate surety by the Secretary, as set forth in Treasury Department Form 356. When the sureties so limit their liabilities, the aggregate of such limited liabilities must equal the required penal sum of the bond. (Secs. 3040, 3031 (a), 3032, 3033, I.R.C.)

§ 178.66 *Powers of attorney*—(a) *Surety.* Powers of attorney and other evidence of appointment of agents and officers to execute bonds on behalf of corporate sureties are required to be filed with, and passed upon by, the Commissioner of Accounts, Section of Surety Bonds, Treasury Department. Such powers and other evidence of appointment need not be filed with, or submitted to, district supervisors.

(b) *Principal.* Power of attorney or other evidence of appointment of agents and officers to execute bonds on behalf of the principal, must be filed with the district supervisor in accordance with § 178.51, in all cases where a bond is signed by an agent or officer on behalf of the principal. (Sec. 3171, I.R.C.)

§ 178.67 *Individual sureties.* Bonds may be given with individual sureties, of which there must not be less than two, each of whom must qualify by executing Form 33, "Affidavit of Individual Surety on Bond," in triplicate. Individual sureties must be citizens of the United States and reside in the State in which the business of the principal is to be conducted.

(a) *Ownership of real property.* Each individual surety must own unencumbered real property, in fee simple, the appraised value of which, over and above any exemptions from execution allowed by the laws of the State, is equal to the penal sum of the bond. The amount of unencumbered real property which individual sureties are required to own must be located within the State where the business of the principal is to be conducted.

(b) *Description of real property.* The real property must be described in the surety's affidavit, Form 33, with all the formalities required in conveyances of real estate by the laws of the State in which it is situated.

(c) *Execution of Form 33.* The surety's affidavit on Form 33 shall contain all of the information required by this part and the instructions printed on

the form. The form shall be subscribed and sworn to before an officer duly authorized to administer oaths, and one copy thereof shall be attached to each copy of the bond to which it relates.

(d) *Certificate of title.* There must be submitted with the surety's affidavit, Form 33, a certificate of title, in triplicate, showing that the surety has a fee simple title, free of encumbrances, to the realty described in the form.

(e) *Appraisal.* There will also be submitted with Form 33 an appraisal, in triplicate, by two or more competent persons, designated by the district supervisor for the purpose, showing separately the value of the land and buildings, and a full and clear statement of the method employed by them in determining their valuation. The appraisal shall be at the expense of the principal on the bond, unless it is made by Government officers.

(f) *Investigation.* The district supervisor must cause an investigation to be made of all the facts stated in the surety's affidavit on Form 33 and supporting documents, and shall forward one copy of the report of such investigation to the Commissioner with the bond and accompanying Form 33. District supervisors should exercise great care in deciding upon the sufficiency of the security afforded by individual sureties, and should from time to time make such inquiries as are deemed necessary to determine that such security is still sufficient.

(g) *Requalification.* The Commissioner or district supervisor may at any time, in his discretion, require the requalification of individual sureties on Form 33. (Secs. 3040, 3031 (a), 3032, 3033, I.R.C.)

§ 178.68 *Interest in business.* The surety, whether individual or corporate, must have no interest whatever in the business covered by the bond. (Secs. 3040, 3031 (a), 3032, 3033, I.R.C.)

§ 178.69 *Deposit of collateral.* Except as herein provided, bonds or notes of the United States or other obligations which are unconditionally guaranteed as to both interest and principal by the United States, may be pledged and deposited by principals as collateral security in lieu of individual or corporate surety. District supervisors on receiving such bonds or notes, or other obligations, pledged and deposited by principals as collateral security in lieu of surety, shall deposit such securities in accordance with the requirements of Department Circular No. 154, revised (31 CFR, Part 225). United States Savings, Defense Savings, and War Savings Bonds issued under the authority of section 22 of the Second Liberty Bond Act, as amended, and other bonds and notes of the United States, which are nontransferable or the hyothecation of which will not be recognized by the Treasury Department, may not be pledged and deposited as security in lieu of corporate or individual sureties. (Secs. 3040, 3031 (a), 3032, 3033, I.R.C.; sec. 1126, 44 Stat. 122; sec. 7, 49 Stat. 22 (6 U.S.C. 15))

§ 178.70 *Consents of surety.* Consents of surety to a change in the terms of a bond must be executed on Form 1533, in as many copies as are required of the bond which they affect, by the principal and all sureties with the same formality and proof of authority to execute as are required for the execution of bonds. Form 1533 will be used by obligors on collateral bonds as well as those on surety bonds. The Form 1533 must properly identify the bond affected thereby and state specifically and precisely what is covered by the extended terms thereof. If the surety is a corporation, the consent may be executed by an agent or attorney in fact duly authorized so to do by power of attorney filed by the surety with the appropriate district supervisor through the office of the Commissioner, or the consent may be executed by the home office officials of such corporate surety; except that, in cases where the saving of time is an element, the consent may be executed by an agent or attorney in fact where the home office officials, by specific direction, order its execution. A copy of such specific direction should be attached to each copy of such consent.

§ 178.71 *Additional or strengthening bonds.* In all cases where the penal sum of a bond on file and in effect is not sufficient, computed as prescribed by law and regulations, the principal may give an additional or strengthening bond in a sufficient penal sum, provided the surety thereon is the same as on the bond already on file and in effect; otherwise a new bond covering the entire liability will be required. Such additional or strengthening bonds are in no sense substitute bonds. The district supervisor will refuse to approve any additional or strengthening bond where any notation is made thereon, intended, or which may be construed, as a release of any former bond, or as limiting the amount of either bond to less than its full penal sum. Additional or strengthening bonds must show the current date of execution and the effective date in the blank spaces provided therefor. Such bonds must have marked thereon, by the obligors at the time of execution, "Additional Bond," or "Strengthening Bond." (Secs. 3040, 3031 (a), 3032, 3033, I.R.C.)

§ 178.72 *New or superseding bonds.* The principal on any bond filed pursuant to these regulations may, at any time, substitute a new bond therefor. Executors, administrators, assignees, receivers, trustees, or other persons acting in a fiduciary capacity, continuing or liquidating the business of the principal, must execute and file a new bond or obtain the consent of the surety or sureties on the existing bond or bonds. When, in the opinion of the Commissioner or district supervisor, the interests of the Government demand it or in any case where the security of the bond becomes impaired in whole or in part for any reason whatever, the principal will be required to give a new bond. A new bond shall be required immediately in case of death, removal from the State, or insolvency of an individual surety, or the insolvency of a corporate surety. Where a bond is found to be not acceptable or for any reason becomes invalid or of no effect, the principal shall be required to file immediately a new and satisfactory bond, or discontinue business forthwith. Superseding bonds must show the current date of execution and the date they are to be effective, and each such bond shall have marked thereon, by the obligors at the time of execution, "Superseding Bond." Where a new bond is submitted by the principal to supersede a bond or bonds then in effect, and such superseding bond has been approved, the superseded bond shall be released as to transactions occurring wholly subsequent to the effective date of the superseding bond and notice of termination of the superseded bond may be issued as provided in §§ 178.116 to 178.123, inclusive.

(a) *Liability under superseding bond.* The inventories and records of the principal as to the quantity of wine and brandy in his possession or in transit to him on the effective date of any substituted, superseding, or additional bond given under these regulations shall be conclusive and binding upon the obligors on such bonds for the purpose of fixing and determining liability thereunder. (Secs. 3040, 3043 (a), 3032, 3033, I.R.C.)

§ 178.73 *Termination of bonds.* Bonds filed under this part may be terminated in accordance with §§ 178.116 to 178.123, inclusive.

AUTHORITY TO APPROVE OR DISAPPROVE BOND

§ 178.74 *Authority to approve.* District supervisors are authorized to approve all bonds and consents of surety filed pursuant to this part. (Secs. 2815 (c), 3170, I.R.C.)

§ 178.75 *Cause for disapproval.* The district supervisor may, under section 2815, I. R. C., disapprove any bond or consent of surety submitted by any individual, firm, partnership, corporation, or association intending to commence or continue the business of a winemaker, if the individual, firm, partnership, corporation, or association giving the same, or owning, controlling, or actively participating in the management of the business of the individual or firm, partnership, corporation, or association giving the same, shall have been previously convicted, in a court of competent jurisdiction, of:

(a) Any fraudulent noncompliance with any provision of any law of the United States if such provision related to internal revenue or customs taxation of distilled spirits, wines, or fermented malt liquors, or if such an offense shall have been compromised with the individual, firm, partnership, corporation or association upon payment of penalties or otherwise; or

(b) Any felony under a law of any State, Territory, or the District of Columbia, or the United States, prohibiting the manufacture, sale, importation, or transportation of distilled spirits, wine, fermented malt liquor, or other intoxicating liquor. (Sec. 2815 (d), I.R.C.)

§ 178.76 *Inquiry by supervisor.* Before approving any bond given by any individual, firm, partnership, corporation, or association, intending to commence or continue in business as a winemaker, the district supervisor will cause such inquiry or investigation to be made as may be deemed necessary to ascertain

whether such individual, firm, partnership, corporation, or association, or any person owning, controlling, or actively participating in the management of the business, has been so convicted or has so compromised an offense of the nature indicated in § 178.75. (Sec. 2815 (d), I.R.C.)

§ 178.77 *Appeal to Commissioner.* Where a bond is disapproved by the district supervisor, the person giving the bond may, under the law referred to, appeal from such disapproval to the Commissioner. When an appeal is so taken, the district supervisor will furnish the Commissioner full information respecting the disapproval, stating the nature of the offense, the names of the offenders, the date of conviction or of acceptance of compromise, and the reasons for his action. The disapproval of the Commissioner of any bond in respect to the commencement or continuance of the business of a winemaker shall be final. (Sec. 2815 (e), I.R.C.)

PLAT AND PLAN

§ 178.78 *Plat and plan required.* There must be submitted with the original or initial application, Form 698, a plat and plan of the bonded premises, except that in instances where it is practicable to show on the plat the information required herein, and such information is in fact so shown, a separate plan of the premises will not be required.

§ 178.79 *Preparation.* The plat and the accompanying plan, where required, must be furnished in triplicate on sheets of white paper of good quality or tracing cloth or sensitized linen 15 by 20 inches, outside measurement, with a clear margin of at least 1 inch on each side of the drawing, lettering, and writing. Plats and plans may be original drawings, or reproductions made by the "ditto process," or by blue, brown, or black line lithoprint, if such reproductions are clear and distinct. The cardinal points of the compass shall be indicated on each sheet of every plat and plan, both original and supplemental, and each such sheet shall also bear a number and descriptive title, and the name and address of the proprietor and the registry number of the premises.

§ 178.80 *Depiction of premises.* The plat must show the boundaries of the premises, the location, construction, and size of each building or room, and the purpose for which each will be used. If the bonded premises consist only of a room or floor of a building, the precise location of the room or floor, together with the means of ingress from and egress into a public street or yard or into a public hall or elevator shaft leading into a public street or yard must be shown. If the bonded premises consist of more than one building, they must be shown in their relative positions. The surrounding driveways, streets, and sidings shall also be indicated on the plat.

§ 178.81 *Floor plan.* The plan shall include a description of each room, or of each floor of each building, which constitute the bonded premises, including the dimensions of the room or floor, the location of all doors, windows, or other openings, and how the same are secured. The location of Government locks, if any, should be indicated by the letters "GL." If the construction of all floors in a single building is identical, a typical floor plan may be filed in lieu of a separate plan for each floor.

§ 178.82 *Equipment.* The plan must also show the location, serial numbers, and capacities of all tanks in the fortifying room and in the vermouth department, and the course of all fixed pipe lines used for conveying wine or brandy to or wine from the fortifying room or wine to or vermouth from the vermouth department. All fixed pipe lines used for conveying wine from or to the bonded premises and between buildings on the premises must also be shown. All such pipe lines must traverse bonded premises throughout their entire lengths, except when authorized to cross a public highway. The location, serial numbers, and capacities of all fermenters and storage tanks, wine presses, and other winemaking or storage equipment must be shown or indicated on the plan by drawing or wording. For example, where a number of tanks are located in a room, the approximate location of each tank may be shown on the plan by a circle or square, and the kind, serial number, and capacity of the tank indicated within the circle or square or elsewhere on the plan, or the fact that the tanks are located within the room may be indicated by wording, giving the kinds, serial numbers, and capacities of the tanks. Where a large number of tanks of different capacities are located in the room and such is indicated by wording, the range of capacity of the tanks may be stated on the plan (but not on Form 698) in lieu of the capacity of each tank.

§ 178.83 *Contiguous premises.* Where a distillery, internal revenue bonded warehouse, industrial alcohol plant or warehouse, tax-paid bottling house, or rectifying plant are maintained on contiguous premises, the relative position of such premises and the winery or storeroom premises and all pipe-line connections between the premises must be shown on the plat or plan, but the distillery, industrial alcohol plant, warehouse, bottling house, and rectifying plant construction and equipment need not be described. The pipe line used for conveying brandy from the distillery or warehouse to the fortifying room shall be painted black and shown in such color on the plan. Where the bonded premises consist of a portion of a building or adjoin other premises, such surroundings must be depicted and the bonded area shown in a contrasting color.

§ 178.84 *Certificate of accuracy.* Each sheet of every plat and plan, whether original, supplemental, or superseding, shall bear a certificate of accuracy, signed by the proprietor and the district supervisor. If the plat and plan are prepared by a draftsman, he, too, shall sign the certificate. The certificate shall be placed in the lower right-hand corner of each sheet and shall be in the following form:

------ District ----------, 19--.
We hereby certify that this is an accurate original, supplemental, or superseding [1] sheet No. ------ of the plat or plan [1] of Bonded Winery, Storeroom, or Field Warehouse [1] No. -----, of ----------, at ----------,
(Street and number)

(City or town and State)

(Proprietor)
Date of district supervisor's approval -----
----------, 19--.

(District Supervisor)

(Sec. 3171, I.R.C.)

CHANGE IN BONDED PREMISES

§ 178.85 *Change in location.* If the location of the bonded premises is to be changed, the proprietor must file application, Form 698, for approval of the new premises. The application must be supported by a new bond on Form 700-A, or consent of surety on Form 1533, extending the terms of the existing bond to cover the new premises. A plat and plan of the new premises, conforming fully with the requirements herein prescribed in the case of the establishment of a bonded winery or storeroom, must likewise be filed. Where it is impracticable to file an accurate plat and plan of the new premises with the application and bond, the district supervisor may approve the application and bond and permit the use of the premises for a temporary period, pending the filing and approval of an accurate plat and plan, if, upon inspection, the construction of the new premises is found to be such that the wines to be stored or produced therein will be securely protected. (Sec. 3040, I.R.C.)

§ 178.86 *Extension or curtailment of premises.* Where it is desired to extend or curtail the bonded premises or to take in or cut off a room or building on the bonded premises, a new application, Form 698, plat and plan, or supplemental plat and plan, must be filed by the proprietor. (Sec. 3040, I.R.C.)

§ 178.87 *Changes in equipment.* When material changes are to be made in the winemaking, vermouth processing, or storage facilities, or in the fortifying room or equipment (including the brandy storage room), such as the removal or addition of tanks, changes in the measurement and capacity of tanks, or in the size of rooms, the proprietor shall make report thereof, in triplicate, to the district supervisor. Upon approval, the district supervisor will return one copy of the report to the winemaker for attachment to the copy of Form 698 retained at the bonded premises, forward one copy to the Commissioner, and retain the other copy in his office for filing with Form 698. The Commissioner or district supervisor may at any time require the filing of a new application, plat and plan. (Sec. 3040, I.R.C.)

[1] Strike out inapplicable words.

§ 178.88 *Change in status.* Where it is desired to change the status (designation) of the bonded premises, as from a bonded winery to a bonded storeroom or a bonded field warehouse, or from a bonded storeroom to a bonded field warehouse, or the reverse of any such change, the proprietor must file application, Form 698, for approval of the change, together with a new bond or consent of surety and adoption of the plat and plan. The date on which it is desired to make such change in status should be specified on the application, Form 698, which application with a new bond or consent of surety should be filed with the district supervisor in ample time to permit examination and approval before the date on which it is desired to make the change effective. Form 698 shall also be filed to show discontinuance of business under the former status of the premises. (Secs. 3040, 2815 (c), I.R.C.)

§ 178.89 *Approval required.* No change shall be made in the location or status of the bonded premises, nor shall the bonded premises be extended or curtailed or changes made in the fortifying room or equipment, or in fixed pipe lines, prior to the approval of such changes by the district supervisor: *Provided,* That the district supervisor may require prior approval of other changes. (Secs. 3040, 2815 (c), I.R.C.)

CHANGES IN NAME; USE OF TRADE NAMES

Changes in Real Name

§ 178.90 *Change in individual, firm, or corporate name.* Where there is a change in the individual, firm, or corporate name of the proprietor, he must comply with the following requirements:

(a) *Amended Federal Alcohol Administration Act permit.* If the proprietor holds a Federal Alcohol Administration Act permit, he must procure from the district supervisor an amended permit authorizing operation of the premises under the new name.

(b) *Application.* Submit to the district supervisor application on Form 698, in triplicate, covering the new name, which application must be approved before operations may be commenced under the new name.

(c) *Amended certificate of incorporation.* In the case of a corporation, submit to the district supervisor copies, in triplicate, of the amended certificate of incorporation issued under the laws of the State in which incorporated, covering the change in the corporate name. If a document other than an amended certificate of incorporation is issued under the laws of the State to cover a change in the name of the corporation, copies in triplicate, of such document must be submitted.

(d) *Amended articles of copartnership or association.* If the permittee is a copartnership or association, submit to the district supervisor copies, in triplicate, of the amended articles of copartnership or association, if any.

(e) *Sign.* Change the winery or storeroom sign to conform to the provisions of § 178.24.

(f) *Records and reports.* Upon approval of the new name, the proprietor shall keep the prescribed records and render the required reports in the new name. (Secs. 3040, 3171, I.R.C.; sec. 3, 49 Stat. 978 (27 U.S.C. Supp. 203))

Use of Trade Names

§ 178.91 *Operation.* Bonded wineries may be operated permanently under a trade name. Where the permanent trade name is changed, the procedure prescribed in § 178.90 shall be followed. Because of the nature of wine manufacture, involving usually a long period of cellar treatment, which may include amelioration, fortification, blending with other wines, etc., bonded wineries may not be operated simultaneously nor alternately under two or more trade names for the production of wine.

§ 178.92 *Packing.* Where a bonded winery or storeroom is operated in the real name of the winemaker and his permit authorizes the use of a trade name or names, and such trade name or names is specified in the winemaker's application on Form 698, he may pack (that is, fill containers of a capacity of more than 1 gallon for removal) and mark or label wines under such trade name or names: *Provided,* That on the package the trade name shall be preceded by the words "Packed by," and followed by the registry number and location of the winery or storeroom. Wines may be similarly packed and marked or labeled where the bonded winery or storeroom is operated under a permanent trade name and it is desired to use another approved trade name or names. (Sec. 3040, I.R.C.)

§ 178.93 *Bottling.* Where a bonded winery or storeroom is operated in the real name of the winemaker and his permit authorizes the use of a trade name or names, and such trade name or names is specified in the winemaker's application on Form 698, he may bottle (that is, fill containers of 1 gallon or less capacity for removal) and label wines under such trade name or names: *Provided,* That on both the labels and the cases the trade name shall be preceded by the words "Bottled by," and followed by the location or the registry number and State of the winery or storeroom. When wines are so bottled under a trade name, the registry number of the premises shall be shown on the case. Wines may be similarly bottled and labeled where the bonded winery or storeroom is operated under a permanent trade name and it is desired to use another approved trade name or names. (Sec. 3040, I.R.C.)

§ 178.94 *Production.* Containers of wine, including bottles, may not be marked or labeled as produced under a trade name, unless the winery was actually registered and operated under such trade name at the time the wines were produced. (Sec. 3040, I.R.C.)

CHANGES IN PROPRIETORSHIP

§ 178.95 *Change in proprietorship.* Where there is any change in the proprietorship of the business, as shown by the last application, Form 698, the same steps must be taken as in the case of new premises, except that the new proprietor may adopt the plat and plan on file where they accurately describe and depict the premises, buildings, and equipment. Such adoption shall be in writing, in triplicate, and shall include a certification as to the accuracy of the plat and plan adopted. One copy of the adoption shall be attached to the plat and plan at the premises, and two copies shall be forwarded with the new application, Form 698, to the district supervisor, who will transmit one copy to the Commissioner. (Secs. 3040, 3031 (a), 3032 (a), 3033, 3171, I.R.C.)

§ 178.96 *Change in partnership.* The withdrawal of one or more members of a partnership or the taking in of a new partner, whether active or silent, shall constitute a change in proprietorship. Likewise, except as provided in paragraph (a), the death, bankruptcy, or adjudicated insolvency of one or more of the copartners results in a dissolution of the partnership and, consequently, a change in proprietorship. Where such a change in proprietorship of the premises occurs, the successor must qualify in the same manner as a new applicant.

(a) *Exception.* Where, under the laws of the particular State, the partnership is not terminated on the death or insolvency of a partner, but continues until the winding up of the partnership affairs is completed, and the surviving partner has the exclusive right to the control and possession of the partnership assets for the purpose of liquidation and settlement, such surviving partner may continue to operate the winery or storeroom for such purpose under the prior qualification of the partnership, and the bond already on file will be considered sufficient, provided a consent of surety, wherein the surety and the surviving partner agree to remain liable on the bond, is filed. If such surviving partner acquires the business upon completion of the settlement of the partnership, he must qualify in his own name from the date of acquisition and give a new bond on Form 700-A. The same rule shall apply where there is more than one surviving partner. (Secs. 3040, 3031 (a), 3032 (a), 3033, I.R.C.)

§ 178.97 *Reincorporation.* Where a corporation is reorganized and a new charter or certificate of incorporation is secured, the new corporation must qualify in the same manner as a new applicant. (Secs. 3040, 3031 (a), 3032 (a), 3033, 3171, I.R.C.)

§ 178.98 *Fiduciary.* If an administrator, executor, receiver, trustee, assignee, or other fiduciary, is appointed to take over the business, and intends to produce, possess, or dispose of wine on the premises, he must qualify as the proprietor of the bonded premises and otherwise comply with the provisions of these regulations, except that the fiduciary may furnish consent of surety extending the terms of his predecessor's bond to cover his operations and he may adopt the plat and plan, in lieu of filing a new bond and a new plat and plan. Such consent of surety must conform to the requirements of § 178.70, and be executed by both the fiduciary and the surety. The fiduciary should furnish certified copies, in triplicate, of the order of the court or other pertinent documents

showing his qualification as such fiduciary. The effective date of the qualifying documents filed by a fiduciary should be the same as the date of the court order, or the date specified therein, for him to assume control.

(1) *Exception.* Receivers appointed to wind up the business, that is, to dispose of the wine on hand, including any cellar treatment necessary to put the wine in a merchantable condition, and who do not intend to produce or fortify any wine or receive any wine in bond from other bonded premises, may, upon filing a statement to such effect, or a copy of the court order directing them to so wind up the business, with the district supervisor, be exempted from qualifying as the proprietor of the bonded premises, as required in the preceding paragraph, provided a consent of surety, wherein the surety and the receiver agree to remain liable on the bond, is filed.

(a) *Federal Alcohol Administration Act permit.* If the fiduciary intends to engage in the business of producing or blending wine or of purchasing wine for resale at wholesale, and to operate the business for more than 30 days, he must file application for a new permit, in accordance with Regulations No. 1 (27 CFR, Part 1), issued under the provisions of the Federal Alcohol Administration Act.

(b) *Failure of receiver or trustee to qualify.* In the event a receiver in bankruptcy or a trustee fails to qualify, as required herein, within a reasonable time, the district supervisor will request the United States attorney to petition the court, under whose jurisdiction the receiver or trustee is functioning, to direct the receiver or trustee to comply with the above requirements. (Secs. 3040, 3031 (a), 3032 (a), 3033, 3171, I.R.C.; sec. 3, 49 State. 978 (27 U.S.C. Supp. 203).)

§ 178.99 *Other changes in status of proprietorship.* Where it is desired to change the status of the proprietorship of the business, as from a sole ownership to a partnership, or from a sole ownership or a partnership to a corporation, or the reverse of any such change, or any other change in the proprietorship status, the new proprietorship must qualify in the same manner as a new applicant by filing a new application, Form 698, bond, plat and plan, or adoption of the plat and plan on file, together with other qualifying papers. Changes in stockholders of a corporation do not constitute a change in proprietorship, but prompt notice must be given to the district supervisor of any change in stockholders which results in a change in the control of the business. (Secs. 3040, 3031 (a), 3032 (a), 3033, 3171, I.R.C.)

§ 178.100 *Effective date of change.* Changes in the proprietorship or in the status of the proprietorship of the business shall not be effective until the required qualifying documents covering the change have been filed with and approved by the district supervisor. Proprietors should file the necessary qualifying papers with the district supervisor in ample time to permit their examination and approval before the date on which it is desired to make the change effective; otherwise, all operations must be suspended until the qualifying papers of the new proprietor have been approved. (Secs. 3040, 2815 (c), I.R.C.)

§ 178.101 *Notice, Form 698*—(a) *Outgoing proprietor.* Where there is a change in the proprietorship or the status of the proprietorship of the business, the outgoing proprietor must submit Form 698, in triplicate, to the district supervisor, stating the purpose of the form to be "Transfer of business to_____, (Successor) effective_____," (Date) and inserting the name of the successor and the effective date of the change in proprietorship.

(b) *Incoming proprietor.* The incoming (new) proprietor shall file Form 698, in triplicate, with the district supervisor, as provided herein, and otherwise qualify, including the filing of application for permit, in the same manner as the proprietor of a new winery or storeroom, except as provided in §§ 178.95 to 178.102, inclusive. (Sec. 3040, I.R.C.)

§ 178.102 *Records, Forms 701, 702, 702A, 702B, and 261.* The final report (Forms 701, 702, 702A, 702B, or 261) of the former proprietor shall be marked "Final Report," and the first report of the new proprietor shall be marked "First Report." Both reports shall bear a notation of the change in proprietorship. Any wines or brandy on hand at the time of the change in proprietorship shall be shown (a) in the final report of the former proprietor, as transferred to the new proprietor, and (b) in the first report of the new proprietor, as received from the former proprietor. (Sec. 3171, I.R.C.)

DISCONTINUANCE OF BONDED PREMISES

§ 178.103 *Notice, Form 698.* When the proprietor desires to discontinue operation of the bonded winery or storeroom, all wines and brandy must be lawfully removed (or used, in the case of brandy) from the premises, and any outstanding approved Forms 257 authorizing the transfer of brandy to the winery must be procured from the distillery or warehouse to which they were sent and returned to the district supervisor for cancellation. When such disposition has been made of all wines, brandy, and outstanding Forms 257, the proprietor shall file notice of discontinuance on Form 698, in triplicate, with the district supervisor, stating therein the purpose of the form to be "Discontinuance of Bonded Premises," and giving the date the discontinuance is to be effective. The proprietor shall certify on Form 698 that (a) all wines and brandy have been lawfully removed (or used, in the case of brandy), (b) there are no wines or brandy in transit to the bonded premises, and (c) there are no outstanding approved Forms 257 in his possession or at any distillery or bonded warehouse, authorizing the transfer of brandy to his bonded premises. (Secs. 3040, 3171, I.R.C.)

§ 178.104 *Wine stamps.* Where wine stamps remain on hand when the premises are to be discontinued, the stamps should be disposed of in accordance with §§ 178.409 to 178.412, inclusive, and the disposition reported on Form 702.

§ 178.105 *Final reports, Forms 701, 702, 702A, 702B, and 261.* The last monthly report submitted by the proprietor on Forms 701, 702, 702A, 702B, and 261 shall be marked "Final Report." (Sec. 3171, I.R.C.)

§ 178.106 *Inspection and removal of Government property.* Upon receipt of Notice, Form 698, of discontinuance of a bonded winery or storeroom, the district supervisor will assign a Government officer to remove any Government locks, keys, seals, gauging instruments, records, and other Government property from the premises and to make an inspection of the premises to determine that all wines and brandy on hand have been lawfully disposed of.

§ 178.106a *Approval of Form 698.* Where the inspection determines that all wines and brandy on hand have been lawfully disposed of and that there are no wines or brandy in transit to the bonded premises, nor any outstanding approved Forms 257 authorizing the transfer of brandy to the bonded premises, the district supervisor will approve Form 698, retain one copy for his files, return one copy to the proprietor, and forward one copy to the Commissioner. Upon approval of Form 698, the proprietor's bond on Form 700-A (or Form 699 or 700) shall be released as to transactions occurring wholly subsequent to the effective date of discontinuance of the bonded premises and notice of termination of the bond may be issued as provided in §§ 178.116 to 178.123, inclusive.

ACTION BY DISTRICT SUPERVISOR

Original Establishment

§ 178.107 *Investigation of applicant.* The district supervisor's inquiry and investigation under §§ 178.74 to 178.77, inclusive, relative to approving or disapproving a winemaker's bond filed with an application on Form 698 to establish a bonded winery, in conjunction with which an application was filed for a permit under the Federal Alcohol Administration Act, shall include the procurement of sufficient information to pass upon the application for permit under such act. Where such information indicates that the permit application should be approved, the issuance of the permit will be withheld pending approval of the qualifying documents required by this part. Where sufficient evidence is developed by the investigation to justify disapproval of the permit application, action will be taken in accordance with the provisions of regulations issued under the Federal Alcohol Administration Act. Action on and disposition of Form 698 and other qualifying documents required by this part, will be taken in accordance with the provisions of §§ 178.107 to 178.115, inclusive.

§ 178.107a *Disapproval of bond.* Where record is found of a violation or offense which warrants disapproval of a winemaker's bond under §§ 178.74 to 178.77, inclusive, the district supervisor will note his disapproval on each copy of the bond, and will return all copies of the bond, application (Form 698), and other qualifying documents, without further action thereon, to the winemaker

with a statement of his reasons for disapproving the bond. (Sec. 2815 (d), I.R.C.)

§ 178.108 *Examination of qualifying documents.* If the inquiry and investigation of the applicant under §§ 178.74 to 178.77, inclusive, and § 178.107, indicates that the winemaker's bond and application for permit may be approved, the district supervisor will examine the application, plat, plans (if any), bond, and other documents required to be filed by persons desiring to establish a bonded winery or bonded storeroom to determine whether they have been properly executed, and whether they reflect compliance with the requirements of the law and regulations. Where any required document has not been filed, or where errors or discrepancies are found in those filed, or where the documents filed do not reflect compliance with this part, action thereon will be held in abeyance until the omission, or error or discrepancy, has been rectified, and there has been full compliance with all requirements. (Secs. 3040, 3171, I.R.C.)

§ 178.109 *Inspection of premises.* When the bond and application for permit may be approved and required documents are in proper form, the district supervisor will assign an inspector to examine the premises, buildings, apparatus, and equipment, to determine whether they conform with the description thereof in the application, plat, and plans (if any), and whether the construction and measures of protection afforded meet the requirements of this part. The inspector will observe particularly the manner in which the rooms or buildings on the bonded premises are separated from contiguous premises, means of communication, ingress and egress, adequacy of protection afforded, windows, doors, and other openings, construction of apparatus, and equipment provided. Where the inspection discloses minor irregularities in the qualifying documents or in the construction, etc., the inspector will, at the time of their discovery, direct the attention of the proprietor to the same in order that they may be corrected before completion of the inspection. Upon completion of the inspection, the inspector will submit a report thereof to the district supervisor.

§ 178.110 *Report of inspection.* The report of the inspection shall describe separately all irregularities and discrepancies found and not corrected during the course of the inspection, and shall include a complete statement describing any unusual or special conditions. The report need not describe in detail each description as set forth in the notice, plat, and plans (if any). The description of buildings and equipment in the report should be general and brief. However, construction, equipment, signs, etc., which are not in conformity with the regulations, will be completely described. If there are any pipe lines or other connections or openings between the bonded premises and other premises, the same shall be described in detail. There shall be further embodied in the report a statement as to whether or not another business is being conducted, or is intended to be conducted, on the bonded premises or in buildings thereon.

§ 178.111 *Inaccurate documents.* Where the district supervisor's examination, or the inspector's report, discloses discrepancies in the qualifying documents, the inaccurate or incomplete documents will be returned to the proprietor for correction. A record will be kept of all bonds so returned.

§ 178.112 *Defective construction.* Where it is found that the construction of the winery or storeroom or the equipment does not conform to the requirements of this part, the district supervisor will inform the proprietor concerning the defects, and further action will be held in abeyance pending correction thereof.

§ 178.113 *Approval of qualifying documents.* If the district supervisor finds, upon examination of the inspection report and the prescribed qualifying documents, that the applicant has complied in all respects with the requirements of the law and these regulations, including the furnishing of a proper bond as prescribed in §§ 178.46 to 178.60, inclusive, and if he further finds that the bond may properly be approved under §§ 178.74 to 178.77, inclusive, he will enter the registry number assigned to the premises on each copy of the application and will indorse his approval on each copy of the application, bond, plat, and plan (if any). The district supervisor will retain one copy of each document, forward one copy of each to the Commissioner with a copy of the inspection report, and return one copy of each (except the inspector's report) to the proprietor to be kept at the winery or storeroom readily accessible to Government officers. (Sec. 3040, I.R.C.)

§ 178.114 *Disapproval of qualifying documents.* If the applicant fails to comply in all respects with the requirements of the law and regulations, the district supervisor will note his disapproval on all copies of the application, and if the bond is defective, the district supervisor will also enter his disapproval on all copies of the bond. If the plat, and plan (if any), or other qualifying documents are defective, the district supervisor will likewise indorse his disapproval on all copies of such papers. Upon such disapproval, the district supervisor will retain one copy of each document (except the bond), and return the remaining copies, with all copies of the bond, to the applicant with a statement of his reasons for disapproval. Where the winemaker's bond is disapproved under §§ 178.74 to 178.77, inclusive, action will be taken in accordance with § 178.107a. (Secs. 3040, 2015 (d), I.R.C.)

Changes Subsequent to Establishment

§ 178.115 *Procedure applicable.* The provisions of §§ 178.107 to 178.115, inclusive, respecting action by district supervisors in connection with the establishment of a bonded winery or storeroom will be followed, to the extent applicable, where there is a change in name, proprietorship, location, premises, construction, apparatus and equipment, or type of plant: *Provided,* That the district supervisor will assign an inspector to examine the premises, etc., in only those cases where such inspection is deemed necessary. The copies of the application, bond, plat, and plan, or other documents covering such changes will be disposed of by the district supervisor in the same manner as original qualifying documents.

TERMINATION OF BONDS

§ 178.116 *Winemaker's bonds, Form 700-A.* Bonds filed by proprietors of bonded wineries and storerooms on Form 700-A, or a prior series (Forms 699 and 700), may be terminated as to liability (a) after a specified future date pursuant to application by the surety, as provided in § 178.119, (b) for transactions subsequent to the effective date of an approved superseding bond, or (c) for future transactions upon discontinuance of business by the principal and removal of all wines and brandy from the winery or storeroom.

§ 178.117 *Export bonds, Form 186.* Bonds covering wines removed for export and for use on certain vessels and aircraft, Form 186, may be terminated by the district supervisor when no further withdrawals are to be made thereunder, provided that the accounts kept with the bond in accordance with §§ 178.270 and 178.303, show that there are no outstanding charges. Where there has been a loss or a deficiency, the bond will not be canceled by the district supervisor until advice has been received from the collector of internal revenue that the tax has been paid thereon.

§ 178.118 *Bonds covering transfer to customs manufacturing bonded warehouses, Form 1580.* Bonds covering wines removed for transfer to a customs manufacturing bonded warehouse, Form 1580, may be terminated by the district supervisor when no further withdrawals are to be made thereunder: *Provided,* That the account kept with the bond in accordance with § 178.289 shows that there are no outstanding charges. Where there has been a loss or deficiency in transit the bond will not be canceled by the district supervisor until advice has been received from the collector of internal revenue that the tax has been paid thereon.

§ 178.119 *Application of surety for relief from bond.* The surety on any bond required by this part may at any time, in writing, notify the principal and the district supervisor in whose office the bond is on file that he desires, after a date named, which shall be at least 60 days after the date of such notification, to be relieved of liability under said bond. The notice shall be executed in triplicate by the surety, who shall deliver one copy to the principal and two copies to the district supervisor, who will retain one copy and transmit one copy to the Commissioner. This notice may not be given by an agent of the surety unless it is accompanied by a power of attorney, duly executed by the surety, authorizing him to give such notice, or by a verified statement that such power of attorney is on file with the Department. The surety

must also file with the district supervisor an acknowledgment or other proof of service of such notice on the principal.

(a) *Extent of release from liability.* If such notice is not thereafter in writing withdrawn, the rights of the principal as supported by said bond shall be terminated on the date named in the notice, and the surety shall be relieved (1) in the case of a winemaker's bond, Form 700-A, from liability for wines produced at, or wines and brandy consigned to, the bonded winery or storeroom wholly subsequent to the date named in the notice, (2) in the case of an export bond, Form 186, from liability for wines removed for export or for use on certain vessels and aircraft wholly subsequent to the date named in the notice, and (3) in the case of a bond covering transportation to customs manufacturing bonded warehouses, Form 1580, from liability for wines removed for transportation to customs manufacturing bonded warehouses wholly subsequent to the date named in the notice. If the winemaker files a valid superseding bond on Form 700-A, prior to the date named in the surety's notice, the surety shall also be relieved from liability for wines and brandy on hand or in transit to the bonded winery or storeroom on said date. If the principal fails to file such superseding bond, the surety, notwithstanding his release from liability as specified in condition (1) above, shall continue to remain liable under the bond for all wine and brandy on hand or in transit to the bonded winery or storeroom on said date, until such wine and brandy have been lawfully disposed of or a new bond has been filed by the principal covering the same. Liability under bonds on Forms 186 and 1580 for wines removed thereunder prior to the date named in the surety's notice shall continue until such wines are properly accounted for, regardless of whether the principal files a superseding bond.

(b) *Notice of release from liability*—(1) *Bond, Form 700-A.* In the case of winemaker's bonds on Form 700-A, if the principal files a valid superseding bond prior to the date named in the surety's notice, the district supervisor will issue "Notice of Release" on Form 1491, in accordance with § 178.122 (a). Where the principal fails to file such superseding bond, the district supervisor will, by letter, notify the surety of such fact and of his continued liability under the bond for wines and brandy on hand or in transit to the winery or storeroom on said date. The district supervisor will also at such time notify the winemaker that no more wines may be produced, or wines and brandy consigned to the bonded winery or storeroom, until a valid bond is filed. The district supervisor will forward a copy of each such letter to the Commissioner.

(2) *Bonds, Forms 186 and 1580.* In the case of bonds on Forms 186 and 1580, the district supervisor will issue "Notice of Termination" on Form 1490, in accordance with § 178.122 (b).

§ 178.120 *Application for notice of termination.* Where the principal on a bond has filed a proper superseding bond in lieu of a previously filed bond or has discontinued business, or where, in the case of export bonds and bonds covering transfer to customs manufacturing bonded warehouses, the bond may be canceled under § 178.117 or § 178.118, as the case may be, and the principal or surety desires to secure notice of termination of the bond for which the principal no longer has any use, application therefor, in writing, should be made to the district supervisor. The application should be made in duplicate where it is desired to secure the issuance of notice of the termination of a winemaker's bond.

§ 178.121 *Action on application for notice of termination*—(a) *Winemaker's bond.* When an application for the issuance of notice of the termination of a winemaker's bond, as to liability for future transactions, is filed with the district supervisor in accordance with the provisions of § 178.120, the district supervisor will, before forwarding the application to the Commissioner, make a complete examination of the records of his office to determine whether there is any liability outstanding against the bond. He will also ascertain from the collector of internal revenue whether there are any outstanding, unpaid assessments or demands for taxes on wines produced or received, or brandy received, under the bond. If it is found that any such wines or brandy have not been accounted for, or that outstanding assessments or demands for payment of taxes chargeable against the bond have not been paid, the district supervisor will recommend disapproval of the application, unless the liability is settled. The district supervisor will retain one copy of the application and forward one copy to the Commissioner with his recommendation. The district supervisor will not issue a notice of termination of any winemaker's bond until he has been notified of the Commissioner's approval of the application therefor.

(b) *Export or transfer to customs manufacturing bonded warehouse bond.* When an application for notice of the termination of an export bond, or bond covering transfer to a customs manufacturing bonded warehouse, is filed with the district supervisor, he will examine his records to determine whether the required evidence of exportation or deposit in the manufacturing warehouse, as the case may be, of the wines withdrawn under the bond, has been filed, and if there were deficiencies, whether notice of payment of the tax has been received from the collector of internal revenue.

§ 178.122 *Notice of termination*—(a) *Winemaker's bond.* Upon receipt of advice from the Commissioner of his approval of an application for the issuance of notice of the termination of a winemaker's bond, Form 700-A, as to liability for future transactions, the district supervisor will execute "Notice of Termination" on Form 1490 where a superseding bond has been approved, or "Notice of Release" on Form 1491 where the principal has discontinued business and removed all the wines and brandy from the bonded winery or storeroom, in quadruplicate (in quintuplicate if there are two sureties), and will forward the original to the Commissioner, one copy to each obligor on the bond, and retain one copy on file in his office with the bond to which it relates.

(b) *Export or transfer to customs manufacturing bonded warehouse bond.* Where an application for the issuance of notice of the termination of an export bond, or bond covering transportation to a customs manufacturing warehouse, has been filed with the district supervisor, and he has found that the bond may canceled under § 178.117 or § 178.118, as the case may be, he will issue Form 1490 as provided above.

§ 178.123 *Release of collateral*—(a) *Winemaker's bond.* The release of collateral pledged and deposited with the United States to support bonds required by these regulations will be in accordance with the provisions of Department Circular No. 154, revised (31 CFR, Part 225), subject to the conditions governing the issuance of notices on Forms 1490 and 1491 of the termination of such bonds. Collateral pledged and deposited to support a winemaker's bond (Form 700-A) will not be released by the district supervisor, until the Commissioner authorizes such action. The release of the security in the case of such bond will not be authorized until all wines produced or received, and all brandy received, while the bond was in force and effect, have been duly accounted for. When an application for release of collateral deposited in support of a winemaker's bond (Form 700-A) is received by the district supervisor, he will determine whether all wines and brandy have been accounted for and all outstanding liabilities settled, and will forward the application to the Commissioner with his recommendation.

(b) *Export or transfer to customs manufacturing bonded warehouse bonds.* Collateral pledged and deposited to support export bonds, or bonds covering transfer to customs manufacturing bonded warehouses, may be released by the district supervisor without prior authorization of the Commissioner. The collateral in such cases will ordinarily be released upon issuance of notice of release of the bond, Form 1491. (Sec. 1126, Stat. 122; 6 U.S.C. 15)

SWEETENING MATERIALS, CHEMICALS, ETC.

§ 178.124 *Storage room.* Where sugar or condensed must for use in the manufacture or treatment of wine is stored on the winery premises, a room for the storage of such materials must be provided, except as provided in § 178.126. All sweetening materials received at the winery must be stored in such room, except as provided in § 178.126 or where the Commissioner or district supervisor, upon application, authorizes the storage of such materials elsewhere in the winery.

§ 178.125 *Forms 261, 701, and 702.* All sweetening materials received, used, and on hand at the winery must be reported by the winemaker on Form 261. The use of sweetening materials shall also be reported on Form 701 or 702. (Sec. 3171, I.R.C.)

§ 178.126 *Condensed must.* Pure boiled or condensed must, intended for amelioration or sweetening, may, if desired, be stored in containers properly marked and identified as "Condensed

must tanks," followed by the kind of material, on the winery premises, outside the storage room for sweetening materials.

§ 178.127 *Chemicals, etc.* Where chemicals, preservatives, and other materials are used in the cellar treatment of wine, as authorized in these regulations, a complete record of the purchase and receipt thereof must be kept at the bonded premises, available for inspection by Government officers. This record shall show the kinds and quantities of chemicals and other materials received, the dates of receipt, and the names and addresses of the persons from whom purchased. Invoices covering purchases should be retained in connection with the record. Acids (including tannin) and neutralizing agents must be stored in the sweetening materials storage room and record of their use must be kept in accordance with §§ 178.138 (a), 178.139 (a), and 178.205 (d). (Sec. 3171, I.R.C.)

PAYMENT OF SPECIAL (OCCUPATIONAL) TAXES

§ 178.128 *Wholesale and retail liquor dealer.* Except as provided in § 178.129, proprietors of bonded wineries, bonded storerooms, or bonded field warehouses, who sell wines must file returns on Form 11, "Special Tax Return," and pay special (occupational) taxes as wholesale liquor dealer or retail liquor dealer, or both, in accordance with Regulations 20 (26 CFR, Part 194) governing the payment of such special taxes. (Secs. 3250 (a), (b), (g), 3270, 3271, 3272, I.R.C.)

§ 178.129 *Exemption of winemaker.* Qualified winemakers who sell wines of their own production at the bonded premises where the same are made or at the general business office of such winemaker, are exempt from these special taxes; but no winemaker shall be exempt from such special tax for the sale of such wines at more than one place. The term "own production" is held to include wines produced by the winemaker as follows: (a) still wine produced by fermentation of fruits and berries or their juices; (b) champagne and sparkling wine produced by fermentation of wine within a closed container; (c) carbonated wine produced by artificially carbonating wine; (d) vermouth produced in accordance with this part; (e) still wine produced by such blending or other cellar treatment of purchased wine that changes the character of the wines. Where a winemaker operates more than one bonded premise, the exemption is applicable to the wines produced at each winery. This exemption does not apply to the sale by such winemakers of finished wines purchased from others and resold by them without such blending or other cellar treatment that changes the character of the wines. When the exemption is claimed on the sale of such purchased wines, the winemaker shall maintain at the winery or storeroom a record of any blending or other cellar treatment of the wines. (Sec. 3250 (g), I.R.C.)

§ 178.130 *Place of exemption.* Unless the exemption is claimed elsewhere by the winemaker, it will be presumed that the exemption is claimed for the bonded premises where the wine is made. Where the exemption is claimed for a place other than the bonded premises, the special tax must be paid at the bonded premises, if sales are made thereat. (Sec. 3250 (g), I.R.C.)

§ 178.131 *Annual special tax.* The special-tax year commences on July 1 of each year and ends on June 30 of the next year. All persons liable for special tax must file Form 11 with the collector of internal revenue and pay the special tax to him not later than July 31 of each year. Payment must be made in cash, or by post office money order or certified check; uncertified checks will not be accepted. The Form 11, with remittance, must be actually received by the collector not later than the last day of the month. Special taxes become due on the 1st day of July in each year and payment thereof is evidenced by special-tax stamps issued by the collector. (Sec. 3271 (b), I.R.C.)

§ 178.132 *Business commenced after July 31.* Where business is commenced after July 31, the tax will be computed ratably from the first day of the month in which business was commenced to June 30 following. In such cases, Form 11, Special Tax Return, must be filed with, and received by, the collector and the tax paid to him not later than the last day of the month in which business was commenced. (Sec. 3271 (b), I.R.C.)

PRODUCTION AND AMELIORATION OF WINE

General

§ 178.133 *Materials.* Wine shall be made by the fermentation of fruits or berries or their juice (or other agricultural products, as provided in § 178.147), with or without the addition of sugar, water, sugar-water solution, or condensed must, but the principal wine-producing material shall be the fruit or berries or the juice thereof in each instance. Products may not be made on bonded winery premises by fermenting grains, molasses, malts, and cereals. (Secs. 3036 (a), 3044, 3045, 2809 (a) (b), 2834, 3254 (d), 3155, I.R.C.)

§ 178.134 *Sugar, sugar-water solution, etc.* Dry sugar, water, sugar-water solution, and pure condensed must may be added to the principal wine-producing material. Sections 3036 (a), 3044, and 3045, I. R. C., prescribe limitations regarding the use of sugar in the amelioration of pure sweet wine, natural wine, and fruit and berry wines, defined in those sections. While sugar may be used in excess of such limitations in the production of a nonstandard wine or a substandard wine, sugar may not be used as the principal wine-producing material. The aggregate weight of the sugar (including that in a sugar-water solution) used before and during fermentation in the production of nonstandard wine or substandard wine must be less than the weight of the fruit or berries or the juice thereof. Additional sugar may be used after fermentation for sweetening. In the manufacture of pure sweet wine, natural wine, and fruit and berry wines, in accordance with §§ 178.143, 178.144, and 178.145, only pure cane, beet, or dextrose sugar (containing, respectively, not less than 95 per cent of actual sugar, calculated on a dry basis) may be used and only as authorized in those sections. Wine may not be ameliorated or sweetened after fortification. Corn sugar containing less than 95 per cent of actual sugar calculated on a dry basis, invert sugar levulose, or glucose may not be used in the manufacture of standard wines; and when used in the manufacture of nonstandard wine, the wine must be labeled to show the use thereof. (Secs. 3036 (a), 3044, 3045, 2809 (a) (b), 2834, I.R.C.)

§ 178.135 *Pure condensed must.* Pure condensed must (concentrate made by removing water only from fruit or berry juice and without addition of any foreign substance) may be used as a principal wine-producing material or as an ameliorating or sweetening agent. The condensed must, whether used as a principal wine-producing material or as an ameliorating or sweetening agent, may not contain caramel coloring (either added or produced by burning the condensed must) or any other foreign coloring or flavoring material or other substance. Winemakers manufacturing or purchasing dark concentrate should have such concentrate tested for caramel before using it. As provided in § 178.154, when condensed must is used as the principal material in producing a standard wine, the quantity of water added to dilute the concentrate shall not exceed the quantity of water removed in the process of concentration, and the winemaker shall procure a statement from the concentrate producer showing the Balling content of the original juice, in order that he may be able to dilute the concentrate to the original consistency (volume) of the juice. (Secs. 3036 (a), 3044, 3045, 3254 (g), 2800 (a) (5), 2801 (e), I.R.C.)

§ 178.136 *Essences, flavoring, coloring, etc.* Winemakers may not add essences, extracts, flavoring, coloring matter, or similar nonfermentable materials to wine (including the juice or fruit) on bonded premises, before, during, or after fermentation. The addition of such materials to wine, or to the juice or fruit from which the wine is made, makes the product a spurious, imitation, or compound liquor within the meaning and contemplation of section 3254 (g), I.R.C., and for that reason constitutes rectification. If a winemaker desires to add such materials to wine, he must tax-pay and remove the wine to a rectifying plant, where the materials may be added and the rectification tax of 30 cents a proof gallon paid on the finished product. (Secs. 3036 (a), 3044, 3045, 3254 (g), 2800 (a) (5), 2801 (e), I.R.C.)

§ 178.137 *Vermouth.* The restrictions relative to the addition of essences, flavoring, coloring material, etc., to wine do not apply to the production of vermouth in the vermouth department of a bonded winery, since the law makes special provision therefor. The authority of law to manufacture vermouth in a separate department of a bonded winery may not be construed as authorizing the manufacture of products similar to vermouth, nor the flavoring or coloring of wine. (Sec. 2801 (e) (4), I.R.C.)

§ 178.138 *Acids.* If the fruit or berries or the juice thereof, used to make wine, has a natural deficiency of acid, and water or sugar-water solution is not added in perfecting the wine made from such fruit, berries, or juice, the addition of a small amount of acid of the same kind as that naturally contained in the fruit, berries, or juice, to the extent necessary to correct the natural deficiency, is considered a proper cellar treatment. When juice, must, or wines are so treated, only tartaric, malic, or citric acid may be added to grape wines, only malic acid to apple wines, only citric acid to citrus-fruit wines, and only citric or malic acid to other fruit and berry wines. Where water or sugar-water solution is used in producing wine (perfecting according to commercial standards), the addition of acid to supply the deficiency arising from dilution is not for the purpose of correcting natural deficiencies in the juice, and, therefore, is not permissible on bonded winery premises.

(a) *Records.* When acid is added to correct a natural deficiency of acid in the fruit or berries or the juice thereof, as authorized in this section, the winemaker shall keep a record showing (1) the date of use, the kind and quantity of acid used, and the kinds and quantities of wine in which used, (2) whether the wines were ameliorated with water or a sugar and water solution, and (3) the acid content of the wines both before and after the addition of the acid. (Secs. 3036 (a), 3044, 3045, 3171, I.R.C.)

§ 178.139 *Neutralizing, sterilizing, and preserving agents.* Neutralizing agents which do not render wine injurious to health, such as neutral potassium tartrate or calcium carbonate, may be used to reduce excessive acidity of wine. Sterilizing and preserving agents, such as sulphur dioxide, potassium metabisulphite, or sodium metabisulphite, may be used in limited quantities.

(a) *Records.* When neutralizing agents are used to reduce excessive acidity in wine, as authorized in this section, the winemaker shall keep a record showing (1) the date of use, the kind and quantity of the neutralizing agent used, and the kinds and quantities of wine in which used, and (2) the acid content of the wine both before and after use of the neutralizing agent. (Secs. 3036 (a), 3044, 3045, 3171, I.R.C.)

§ 178.140 *Containers.* Tanks and other containers used for fermenting, storing, or shipping one kind of wine, such as grape wine,, blackberry wine, loganberry wine, apple wine, etc., must not be used for the fermentation, storage, or shipment of another kind of wine, unless the containers are first so cleaned or otherwise treated that the wine will not absorb from the container any of the characteristics, including flavor, color, acids, etc., of the wine formerly contained therein. The presence of characteristic elements or ingredients, such as tartaric acid, flavor, color, etc., of one kind of wine in another kind of wine to which such characteristic elements or ingredients are foreign, will render the winemaker liable to rectification taxes and preclude the marketing and labeling of the wine under a standard designation of kind. See § 178.224 respecting the use of barrels previously used for the storage of distilled spirits. (Secs. 3036 (a), 3044, 3045, 3254 (g), 2800 (a) (5), 2801 (e), I.R.C.)

§ 178.141 *Fortification of wines.* Tax-free brandy and tax-paid alcohol may be used on bonded winery premises in the fortification of only those wines defined in sections 3036 (a), 3044, and 3045, I.R.C., and §§ 178.143, 178.144, and 178.145. (Secs. 3031 (a), 3032, 3033, 3036, 3044, 3045, 3254 (g), 2800 (a) (5), 2801 (e), I.R.C.)

STANDARD WINES

§ 178.142 *General.* The provisions of §§ 178.143 to 178.147, and section 21, classes 1 to 6, Regulations No. 4 (27 CFR, Part 4), must be followed in the production of wines intended for marketing under a class or type designation for standard wine. Where a wine is not made within the provisions of §§ 178.143, 178.144, and 178.145, a statement of formula and process must be filed on Form 698—Supplemental, in triplicate, with the district supervisor in accordance with § 178.156, and the packages containing such wine must be marked, and the bottles labeled, to show the kind of wine in accordance with Regulations No. 4 (27 CFR, Part 4). (Secs. 3036 (a), 3044, 3045, I.R.C.)

§ 178.143 *Pure sweet wine.* Pure sweet wine is the product of the fermentation or partial fermentation of grape juice only, with the usual cellar treatment, and shall contain no other substance whatever, introduced before, at the time of, or after fermentation, except that the juice or wine, or both, may be ameliorated or sweetened as follows:

(1) With pure boiled or condensed grape must or pure crystallized cane or beet sugar or pure dextrose sugar, containing, respectively, not less than 95 percent of actual sugar, calculated on a dry basis, or water, or any or all of them, in quantities necessary to perfect sweet wine according to commercial standards, or mechanical purposes.

(2) The cane or beet or pure dextrose sugar added shall not be in excess of 11 percent of the weight of the wine. Such sugar may be used before, during, and/or after fermentation, but the total quantity of sugar so added shall not exceed 11 percent of the weight of the wine. If sugar is added before or during fermentation, the wine shall not contain more than 13 percent of alcohol after complete fermentation.

(3) Water shall not be used in excess of 10 percent of the weight of the juice or wine to which added. When water is added, the wine shall not, after fermentation, have an alcoholic content of less than 5 percent. If water is added to perfect the wine according to commercial standards, the acid content of the juice or the wine to which the water is added must not be reduced below 5 parts per thousand. This limitation respecting acidity is not applicable to the use of water at the crusher for mechanical purposes. Water may be used for mechanical purposes in accordance with paragraph (a) or for ameliorating purposes at the time of crushing and/or prior to fortification, but the total quantity of water used for both mechanical and ameliorating purposes shall not exceed 10 percent of the weight of the juice or wine to which added.

(a) *Water used at crusher.* Water may be used at the crusher only when absolutely necessary for the proper operation of the mechanical devices used in crushing and conveying the material to the fermenting tanks, and only in such quantities as is necessary. Where the machinery becomes so clogged that it is evident a greater amount of water than the maximum quantity allowed will be necessary for flushing purposes, or the winemaker desires to flush the machinery without running the water into the sweet wine material, the pipes and conveyors leading to the fermenting tanks containing the sweet wine material will be disconnected or closed before flushing the crushing and conveying machinery. If the winemaker so desires, the water may be run into fermenting tanks for producing distilling material. In such cases where the water is not run into the juice (sweet wine material), it will not be included in the 10 percent addition permitted by this section.

(b) *Fortification.* Pure sweet wine, produced in accordance with this section, whether ameliorated or not, may be fortified as prescribed in Subpart B of this part. Pure sweet wine may not be ameliorated or sweetened after being fortified.

(c) *Labeling.* Wine manufactured pursuant to this section may be labeled as standard grape wine, according to type, under Regulations No. 4 (27 CFR, Part 4). (Sec. 3036 (a), I.R.C.)

§ 178.144 *Natural wine.* Natural wine is the product of the normal alcoholic fermentation of the juice of sound, ripe grapes, without addition or abstraction, except such as may occur in the usual cellar treatment of clarifying and aging.

(a) *Amelioration.* Where the juice or wine has natural deficiencies there may be added to the juice or to the wine, or both, a solution of water and pure cane, beet, or dextrose sugar, containing, respectively, not less than 95 percent of actual sugar, calculated on a dry basis, to the extent set forth in the table below, for the purpose of correcting such deficiencies: *Provided,* That the resulting product (1) must contain not less than 5 parts per thousand of acid before fermentation, (2) may not contain more than 13 percent of alcohol after complete fermentation, and (3) may not be increased more than 35 percent in volume. The quantities of water and sugar composing the solution shall be in the proportion necessary to correct the natural deficiencies in the juice or wine. Where both the pulp and juice are deposited in the fermenters, the volume of the pulp must be excluded in calculating the quantity of sugar-water solution that may be added. The alcoholic content of the wine must not exceed 13 percent by volume at any time during the process of fermentation. The following table shows the maximum quantity in gallons of sugar-water solution that may be added to each thousand gallons of juice

(exclusive of the pulp), based on the acid expressed in parts per thousand of tartaric acid:

Parts per 1,000 fixed acid	Gallons of juice	Gallons of sugar-water allowed
5.1	1,000	20.0
5.2	1,000	40.0
5.3	1,000	60.0
5.4	1,000	80.0
5.5	1,000	100.0
5.6	1,000	120.0
5.7	1,000	140.0
5.8	1,000	160.0
5.9	1,000	180.0
6.0	1,000	200.0
6.1	1,000	220.0
6.2	1,000	240.0
6.3	1,000	260.0
6.4	1,000	280.0
6.5	1,000	300.0
6.6	1,000	320.0
6.7	1,000	340.0
6.8	1,000	360.0
6.9	1,000	380.0
7.0	1,000	400.0
7.1	1,000	420.0
7.2	1,000	440.0
7.3	1,000	460.0
7.4	1,000	480.0
7.5	1,000	500.0
7.6	1,000	520.0
For all acidity over 7.6	1,000	538.4

Where all of the sugar-water solution authorized is not used prior to or during fermentation, the remainder or any part thereof may be used, in addition to the dry sugar authorized in paragraph (b), to sweeten the wine after fermentation, provided the unfermented sugar content of the wine is not increased beyond 15 per cent of the weight of the wine.

(1) *Records.* When both the juice and the resulting wine are ameliorated with a sugar-water solution, there must be indicated on Form 701 that the resulting wine is to be further ameliorated, and there must be indicated on Form 702 that the juice was also ameliorated, in order that it may be determined that the total quantity of sugar-water solution used in both the juice and the resulting wine does not exceed the 35 per cent limitation. Each lot of juice and resulting wine so ameliorated must be numbered as Lot 1, Lot 2, etc., the same lot number being shown on Form 701 in which the amelioration of the juice is reported and on Form 702 in which the amelioration of the resulting wine is reported, together with the notation "See Form 702 for further amelioration," or "See Form 701 for prior amelioration," as the case may be.

(b) *Sweetening.* Wine manufactured in accordance with this section, whether ameliorated with a sugar and water solution as provided in paragraph (a) or not, may be sweetened after complete fermentation with dry cane sugar or dry beet sugar or pure condensed grape must for the purpose of perfecting sweet wine according to commercial standards: *Provided,* That the cane or beet sugar so used for sweetening shall not be in excess of 11 per cent of the weight of the wine, nor may the wine have an unfermented sugar content in excess of 15 per cent of the weight of the wine.

(c) *Fortification.* Wine produced in accordance with this section, whether ameliorated and/or sweetened or not, may be fortified with grape brandy or wine spirits, or tax-paid alcohol, in accordance with Subpart B of this part. Natural wine may not be ameliorated or sweetened after being fortified.

(d) *Labeling.* Wine manufactured pursuant to this section may be labeled as standard grape wine, according to type, under Regulations No. 4 (27 CFR, Part 4). (Secs. 3044, 3171, I.R.C.)

§ 178.145 *Fruit and berry wines.* Citrus fruit wines, peach wines, cherry wines, berry wines, apricot wines, prune wines, plum wines, pear wines, pawpaw wines, papaya wines, pineapple wines, cantaloup wines, or apple wines are the products of the normal alcoholic fermentation of the juice of sound ripe citrus fruit (except lemons and limes), peaches, cherries, berries, apricots, prunes, plums, pears, pawpaws, papayas, pineapples, cantaloups, and apples, respectively, with or without the addition of dry cane, beet, or dextrose sugar (containing, respectively, not less than 95 per cent of actual sugar calculated on a dry basis), for the purpose of perfecting the product according to standards, but without the addition or abstraction of other substances, other than such as may occur in the usual cellar treatment of clarifying and aging and as provided herein.

(a) *Use of dry sugar for fermenting.* Where it is desired to use dry sugar for the purpose of perfecting such wines according to standards, as authorized in the preceding paragraph, there may be added to the unfermented juice sufficient dry sugar to raise the sugar content of the juice to a point necessary to produce (ferment) wine with an alcoholic content of not more than 13 per cent by volume. The sugar content, both natural and added, required for this is 20.24 degrees Balling, corrected for temperature and non-sugar solids. See Tables II, III, and IV in the Appendix to this part, showing the Balling correction for temperature and non-sugar solids, and the quantity of sugar required, according to the Balling of the juice, to ferment 13 per cent alcohol by volume.

(b) *Amelioration.* Where the juice or wine has natural deficiencies, whether dry sugar has been added as provided in paragraph (a) or not, there may be added to the juice or to the wine, or both, a solution of water and pure cane, beet, or dextrose sugar, containing, respectively, not less than 95 per cent of actual sugar, calculated on a dry basis, for the purpose of correcting such deficiencies: *Provided,* That the resulting product (1) must contain not less than 5 parts per thousand of acid before fermentation, (2) may not contain more than 13 per cent of alcohol after complete fermentation, and (3) may not be increased more than 35 per cent in volume. The quantities of water and sugar composing the solution shall be in the proportion necessary to correct the natural deficiencies in the juice or wine. Where both the pulp and juice are deposited in the fermenters, the volume of the pulp must be excluded in calculating the quantity of sugar-water solution that may be added. The alcoholic content of the wine must not exceed 13 per cent by volume at any time during the process of fermentation. The volume of the juice or wine, including the increase therein caused by the addition of dry sugar where used, must be not less than 65 per cent of the resulting product and the sugar and water solution must be not more than 35 per cent of the resulting product. The following table shows the maximum quantity in gallons of sugar-water solution that may be added to each thousand gallons of juice (exclusive of the pulp), based on the acid expressed in parts per thousand of citric acid (malic acid for apple juice):

Parts per 1,000 fixed acid	Gallons of juice	Gallons of sugar-water allowed
5.1	1,000	20.0
5.2	1,000	40.0
5.3	1,000	60.0
5.4	1,000	80.0
5.5	1,000	100.0
5.6	1,000	120.0
5.7	1,000	140.0
5.8	1,000	160.0
5.9	1,000	180.0
6.0	1,000	200.0
6.1	1,000	220.0
6.2	1,000	240.0
6.3	1,000	260.0
6.4	1,000	280.0
6.5	1,000	300.0
6.6	1,000	320.0
6.7	1,000	340.0
6.8	1,000	360.0
6.9	1,000	380.0
7.0	1,000	400.0
7.1	1,000	420.0
7.2	1,000	440.0
7.3	1,000	460.0
7.4	1,000	480.0
7.5	1,000	500.0
7.6	1,000	520.0
For all acidity over 7.6	1,000	538.4

Where all of the sugar-water solution authorized is not used prior to or during fermentation, the remainder or any part thereof may be used, in addition to the dry sugar authorized in paragraph (b), to sweeten the wine after fermentation, provided the unfermented sugar content of the wine is not increased beyond 15 per cent by weight, or 20 per cent by weight where the wine is made from fruit (other than grapes) having a natural acid content not less than 7.5 parts per thousand.

(1) *Records.* When both the juice and the resulting wine are ameliorated with a sugar-water solution, there must be indicated on Form 701 that the resulting wine is to be further ameliorated, and there must be indicated on Form 702 that the juice is also ameliorated, in order that it may be determined that the total quantity of sugar-water solution used in both the juice and the resulting wine does not exceed the 35 per cent limitation. Each lot of juice and resulting wine so ameliorated must be numbered as Lot 1, Lot 2, etc., the same lot number being shown on Form 701 in which the amelioration of the juice is reported and on Form 702 in which the amelioration of the resulting wine is reported, together with the notation "See Form 702 for further amelioration," or "See Form 701 for prior amelioration," as the case may be.

(c) *Sweetening.* Wines made in accordance with this section, whether dry sugar or a sugar-water solution, or both, has been added as provided in paragraphs (a) and (b) or not, may be sweetened after complete fermentation with dry cane sugar or dry beet sugar, or pure condensed must of the same kind of fruit or berry as that used in manu-

facturing the wine, for the purpose of perfecting sweet wine according to commercial standards: *Provided*, That the cane or beet sugar used for sweetening shall not be in excess of 11 per cent of the weight of the wine, nor may the wine have an unfermented sugar content in excess of 15 per cent by weight, or 20 per cent by weight where the wine is made from fruit (other than grapes) having a natural acid content not less than 7.5 parts per thousand.

(d) *Fortification.* Fruit and berry wines, produced in accordance with this section, whether made with dry sugar for fermenting sugar and water solution for amelioration, or dry sugar or condensed must for sweentening, or not, may be fortified with brandy or fruit spirits distilled from the same kind of fruit or berry used in manufacturing the wine, in accordance with Subpart B of this part. Fruit and berry wines may not be ameliorated or sweetened after being fortified.

(e) *Labeling.* Fruit and berry wine made in accordance with this section may be labeled as standard fruit or berry wine, according to class or type, under Regulations No. 4 (27 CFR, Part 4). (Secs. 3045, 3044, 3171, I.R.C.)

§ 178.146 *Other fruit wines.* Fruit wines not named in section 3045, I.R.C., and § 178.145, such as fig, date, or mixed fruit wines, which are eligible for marketing under a class or type designation for standard wine, must be made in accordance with the provisions of § 4.21 (e), Regulations No. 4 (27 CFR, Part 4). Likewise, wines made from dried fruits, such as raisins, must be made in accordance with the provisions of § 4.21 (b), Regulations No. 4 (27 CFR, Part 4), if the product is intended for marketing under a class or type designation for standard wine. In the manufacture of wine from raisins and other dried fruits, no larger quantity of water may be added than that necessary to restore the natural moisture deficiency in the fruit. A statement of formula and process must be filed on Form 698—Supplemental, in triplicate, for all such wines, as required by § 178.156. Such wines may not be fortified on bonded winery premises.

§ 178.147 *Wines from other agricultural products.* Wines may be made on bonded winery premises from other suitable agricultural products, such as honey, rhubarb, etc., provided a statement of formula and process is first filed on Form 698—Supplemental in triplicate in each instance as required by § 178.156. When wine is made from such other agricultural products the weight of the sugar added before or during fermentation must be less than the weight of the particular agricultural product used. If the wine is to be marketed under a standard class or type name such as "Honey Wine," or "Rhubarb Wine," it must be made in accordance with the provisions of § 4.21 (f), Regulations No. 4 (27 CFR, Part 4). Such wines may not be fortified on bonded winery premises. "Sake," referred to in § 4.21 (f), Regulations No. 4 (27 CFR, Part 4), may not be made on bonded winery premises, since a cereal (rice) is used in its production. (Secs. 2809 (a) (b), 3254 (d), 3155, I.R.C.)

Nonstandard Wines

§ 178.148 *General.* Wines made with the use of sugar in excess of the limitations specified in §§ 178.143 to 178.147, and wines made with use of sugar other than the kinds specified in those sections, but which are not stretched by the use of water or sugar-water solution in excess of the quantity authorized in such sections are classed as nonstandard wines, as distinguished from standard wines and substandard wines. A statement of formula and process must be filed on Form 698—Supplemental, in triplicate, when nonstandard wines are manufactured. Nonstandard wines may not be fortified on bonded winery premises. (Secs. 3036 (a), 3044, 3045, I.R.C.)

§ 178.149 *Labeling.* Nonstandard wines must be labeled to show that they were fermented or sweetened, or both, with excess sugar, or that they were made with sugar other than the kinds authorized for the manufacture of standard wines. Such labeling shall be as follows:

(a) Wines fermented with sugar (1) in excess of the maximum quantities specified in § 178.143 to 178.147, or (2) which contain more than 13 per cent alcohol by volume after fermentation, regardless of whether the quantities of sugar used do or do not exceed the maximum quantities specified in such sections, must be marked or labeled "_____ Wine, Fermented with Excess Sugar," the blank to be filled in with the name of the fruit, berry, or other agricultural product used.

(b) Wines sweetened with sugar (1) in excess of the maximum quantities specified in §§ 178.143 to 178.147, or (2) which contain more than 15 per cent unfermented sugar, or 20 per cent where the wine is made from fruit (other than grapes) having a natural acid content of not less than 7.5 parts per thousand; regardless of whether the quantities of sugar used do or do not exceed the maximum quantities specified in those sections, must be marked or labeled "_____ Wine, Sweetened with Excess Sugar," the blank to be filled in with the name of the fruit, berry, or other agricultural product used.

(c) Wines coming within both paragraph (a) and paragraph (b) must be marked or labeled "_____ Wine, Fermented and Sweetened with Excess Sugar," the blank to be filled in with the name of the fruit, berry, or other agricultural product used.

(d) Wines fermented or sweetened, or both, with sugar other than the kinds specified in §§ 178.143 to 178.147, but not in excess of the quantities specified in those sections, must be marked or labeled "_____ Wine, Fermented with _____ Sugar," or "_____ Wine, Sweetened with _____ Sugar," or "_____ Wine, Fermented and Sweetened with _____ Sugar," as the case may be, the respective blanks to be filled in with the name of the fruit, berry, or other agricultural product and the kind of sugar used.

(e) Wines fermented or sweetened, or both, with sugar, other than the kinds specified in §§ 178.143 to 178.147, and in excess of the limitations specified in those sections, must be marked or labeled "_____ Wine, Fermented with Excess _____ Sugar," or "_____ Wine, Sweetened with Excess _____ Sugar," or "_____ Wine, Fermented and Sweetened with Excess _____ Sugar," as the case may be, the respective blanks to be filled in with the name of the fruit, berry, or other agricultural product and the kind of sugar used.

(f) Where at least 51 per cent of the volume of the wine is derived from a variety of grape, indicative of a type designation, such variety may also be stated, as, for example, "Concord Grape Wine, Fermented with Excess Sugar." Where cane, beet, or dextrose sugar containing less than 95 per cent of actual sugar calculated on a dry basis is used, such fact shall be stated in addition to the kind of sugar, as, for example, "Grape Wine, Fermented with Cane Sugar containing less than 95 per cent actual sugar calculated on a dry basis." In each instance all parts of the designation must appear in lettering of substantially the same size and kind.

§ 178.150 *Illustrations.* Wines made by the following methods come within the classification of nonstandard wines:

(a) The use of sugar in excess of the 11 per cent limitation for sweetening,

(b) The development of more than 13 per cent of alcohol by fermentation after the addition of sugar, or sugar-water solution within the 35 per cent limitation.

(c) The development of more than 13 per cent of alcohol by fermentation where dry sugar, or a sugar-water solution within the 35 per cent limitation, is used, and reduction of the alcoholic content to not more than 13 per cent by adding condensed must or by adding dry sugar within the 11 per cent limitation, and

(d) The use of invert sugar, maltose, levulose, or glucose; or of cane, beet, or dextrose sugar containing less than 95 per cent of actual sugar calculated on a dry basis. (Secs. 3036 (a), 3044, 3045, I.R.C.)

Substandard Wines

§ 178.151 *General.* Wines made with the use of water or sugar-water solution in excess of the limitations specified in §§ 178.143 to 178.147 are classed as substandard wines, as distinguished from standard wines and nonstandard wines. As provided in § 178.134, the aggregate weight of the sugar (including that in the sugar-water solution) used before or during fermentation must be less than the weight of the juice, fruit, berry, or other agricultural product used. A statement of formula and process must be filed on Form 698—Supplemental, in triplicate, when substandard wines are manufactured. Substandard wines may not be fortified on bonded winery premises. (Sec. 3171, I.R.C.)

§ 178.152 *Labeling.* Substandard wines must be marked or labeled "Substandard _____ Wine," the blank to be filled in with the name of the fruit, berry, or other agricultural product used: *Provided*, That wine derived exclusively from fruit or other agricultural products, the normal acidity of which is 20 parts or more per thousand, may be marked or

labeled "_____ Wine, Made with over 35 per cent sugar solution" (the blank to be filled in with the name of the fruit, berry, or other agricultural product used), if the volume of the resulting product has not been increased more than 60 per cent by the addition of a sugar-water solution for the sole purpose of correcting such acidity, as such wines are not deemed substandard in quality under Regulations No. 4 (27 CFR, Part 4). In each instance all parts of the designation must appear in lettering of substantially the same size and kind.

§ 178.153 *Illustrations.* Wines made by the following methods come within the classification of substandard wines:

(a) The use of a sugar-water solution in excess of the 35 per cent limitation, or water in excess of the 10 per cent limitation, and

(b) The reduction of the acid content below 5 parts per thousand by the addition of water or sugar-water solution.

(c) Wines required to be labeled "substandard" under § 4.21 (h) (3), Regulations No. 4 (27 CFR, Part 4).

Production of Wine From Concentrate

§ 178.154 *Standard wines.* Where it is desired to produce (ferment) wine from pure condensed must (hereafter referred to as concentrate) and to fortify or label the product as standard wine (§ 178.142), the winemaker must, prior to fermentation or the addition of ameliorating materials, dilute the concentrate with pure water to the exact consistency (volume) of the original juice before concentration.

(a) *Certificates of origin.* To enable winemakers to make standard wine from concentrate, every lot of concentrate received at a winery for use in producing (fermenting) standard wine must be accompanied by a certificate of origin, in triplicate, from the manufacturer of the concentrate, giving his name and address, the quantity and degree Balling of the concentrate covered by the certificate, and certifying as to the kind of fruit from which the concentrate was made and the degree Balling of the juice before concentration. If it is desired to produce standard grape wine of a type which derives its predominant taste, aroma, and characteristics from a particular variety of grape, the certificate of origin shall specify the particular variety of grape from which the concentrate was made.

(b) *Form 701* The receipt of the concentrate and the degree of Balling thereof shall be reported on Form 701, and one copy of the certificate of origin shall be attached to each copy of the form. When the concentrate is used, the degree Balling of the concentrate, both before and after dilution with water, shall be reported on Form 701.

(c) *Form 261; sweeting materials storage room.* Condensed must (concentrate) received and used to produce (ferment) wine, under this section, should not be reported on Form 261 with condensed must received and used to ameliorate wine, nor need such condensed must be stored in the sweetening materials storage room. All sugar received and used, whether for fermentation of must or sweetening of wine, shall be reported on Form 261 and stored in the sweetening materials storage room.

(d) *Fortification; labeling.* Wine manufactured from concentrate in accordance with this section and which otherwise conforms to the requirements of §§ 178.143, 178.144, or 178.145, may be fortified or labeled as standard wine in accordance with this part. Wine manufactured from concentrate in conformity with this section and which otherwise conforms to the requirements of § 178.146 or 178.147, may be labeled as standard wine, but may not be fortified. (Secs. 3036 (a), 3044, 3045, 3171, I.R.C.)

§ 178.155 *Formula wines; use for amelioration.* Except as to formula wines produced under §§ 178.146 to 178.148, certificates of origin will not be required where concentrate is used to produce formula wines, nor where concentrate is used for sweetening or ameliorating standard wines in accordance with §§ 178.143 to 178.147.

Formula Wines

§ 178.156 *Formula and process.* Where it is desired to produce wine other than:

(a) Pure sweet wine, as defined in section 3036, I.R.C., and § 178.143 of this part;

(b) Natural wine, as defined in section 3044, I.R.C., and § 178.144 of this part; or

(c) Citrus fruit wines, peach wines, cherry wines, berry wines, apricot wines, prune wines, plum wines, pear wines, pawpaw wines, papaya wines, pineapple wines, cantaloup wines, or apple wines, as defined in section 3045, I.R.C., and § 178.145 of this part,

the winemaker shall file a statement on Form 698—Supplemental, giving in detail the formula and process by which he intends to manufacture such other wine. The formula and process must specify the kind and quantity of each and every material or ingredient to be used and the process by which the wine will be manufactured, and the name, as to kind (class or type), under which it is desired to market the wine. If the wines are to be blended with wines other than those produced by the same formula, such blending must be included in the statement of formula and process. A separate formula and process must be filed for each such kind of wine which it is proposed to manufacture. Each formula and process shall be numbered in serial order, commencing with No. 1 at each winery, and must be filed, in triplicate, with the district supervisor and approved by the Commissioner, before any such wines may be manufactured. Such wines shall be designated as "formula wines" for the purpose of these regulations, as provided in § 178.5 (*j*). (Sec. 3171, I.R.C.)

§ 178.157 *Rectification.* The filing of a statement of formula and process does not give the winemaker the privilege of making a rectified product on bonded winery premises. Caramel, "True Fruit" flavoring extracts, or other coloring and flavoring materials (including juice or wine from another kind of fruit or berry), may be added to wine, only after the wine has been tax-paid and removed to a rectifying plant. As provided in § 178.136, coloring or flavoring material may not be added to the juice or fruit before, during, or after fermentation. The mixing together of unfermented juices of different fruits or berries or agricultural products for the purpose of producing a formula wine is not rectification. (Secs. 3254 (g), 2800 (a) (5), 2801 (e), I.R.C.)

§ 178.158 *Approval or disapproval.* Upon receipt of the statement of formula and process, the district supervisor will make such inquiry or call for the submission of such additional data as he may deem necessary and will forward all three copies of the statement to the Commissioner with his comment. The Commissioner will note his approval or disapproval on all copies of the statement, retain one copy and return two copies to the district supervisor, who will forward one copy to the winemaker and keep the other copy for his files. The winemaker shall file his copy at the winery available for reference by Government officers. No such formula wines shall be manufactured on bonded winery premises except pursuant to an approved formula and process: *Provided,* That formula wines may be manufactured under authorized formulas filed prior to the date of approval of these regulations, pending prompt resubmission of the formulas to the district supervisor and the approval or disapproval thereof by the Commissioner in accordance with this section.

(a) *Extent of Commissioner's approval or disapproval.* The Commissioner's approval or disapproval of the formula and process shall pertain only to the manufacture of the wine on bonded winery premises and the labeling of the wine as to kind (class or type), and shall not constitute in any way an approval or disapproval of the wine as to quality. (Sec. 3171, I.R.C.)

§ 178.159 *Materials.* Formula wines must be produced by the fermentation of suitable fermentable materials, as provided in § 178.133. Nonfermentable coloring or flavoring materials may not be used in the manufacture, including cellar treatment, of such wines, except as authorized in the manufacture of vermouth, champagne, sparkling wine, and artificially carbonated wine. The use of such nonfermentable coloring or flavoring materials constitutes rectification and may be done only at a rectifying plant. (Secs. 3254 (g), 2800 (a) (5), 2801 (e), I.R.C.)

§ 178.160 *Identification of wines*—(a) *Label, Form 546-A.* When wines (other than vermouth and effervescent wine) are made pursuant to an approved formula and process, the winemaker shall attach to each tank in which the wines are fermented a label, Form 546-A, filled out and signed by him, giving the number of the formula and process by which the wine is being made, and the kind (class or type), of the wine, as specified in the approved formula and process. When blending wines are produced under §§ 178.174 and 178.175, this label (Form 546-A) will be used in addition to Form 546.

(b) *Transfer of label, Form 546-A.* When the wine is transferred from one tank to another, as from fermenting to storage tanks or between storage tanks or to bottling tanks, the label must be transferred to the new tank and the serial number of the new tank and the date of transfer entered on Form 546-A. When the contents of two or more tanks are transferred to a single tank, the labels will be attached to the new tank. When the contents of a tank are transferred to two or more tanks, duplicate labels will be attached to the new tanks. The labels must be so attached to the tanks that they will not become detached or obliterated and so that they may be transferred from one tank to another upon transfer of the wines.

(c) *Transfer of wine to barrels or cases.* When the wine is transferred to barrels or cases for storage or shipment, or is shipped in tanks, tank cars, tank trucks, or other shipping containers, the kind of wine, as specified in the approved formula, and the number of the formula under which the wine was made shall be marked on each barrel, case, tank, tank car, tank truck, or other shipping container, and the serial numbers of the barrels, cases, tanks, tank cars, tank trucks, or other containers shall be noted on the label, Form 546-A, which shall then be filed at the winery as a permanent record available for inspection by Government officers at any time. (This paragraph and paragraph (b) shall not apply to vermouth and effervescent wine.) (Sec. 3171, I.R.C.)

§ 178.161 *Record of production.* The winemaker shall keep a production record on Form 701 of all formula wines (other than vermouth and effervescent wine) produced, a separate statement being made for each formula under which wine is produced. The form will show the kind and quantity of each and every material and ingredient used in making the wine, the number of the formula and process under which the wine was made, and the kind (class or type) of the wine, in addition to the other data called for by the form. The receipt of the materials used for manufacturing such wines, if other than those used in making wines defined in §§ 178.143, 178.144, and 178.145, shall be reported on such separate record. (Sec. 3171, I.R.C.)

§ 178.162 *Blending.* A formula wine (other than heavy bodied blending wine and vermouth) may not be blended with a wine made under another formula, nor with standard wine, except as provided in § 178.210. (Secs. 3254 (g), I.R.C.)

§ 178.163 *Fortification.* Formula wines (other than Spanish type blending sherry wine and heavy bodied blending wine) may not be fortified with brandy or other spirits, including tax-paid alcohol. The addition of spirits to such wines constitutes rectification and will render the winemaker liable for rectification tax, and if untax-paid spirits which have been withdrawn free of tax for fortification of wine are used, liability will also be incurred by the winemaker for the distilled spirits tax on the spirits so used. (Secs. 3254 (g), 2800 (a) (5), 2801 (e), 3031 (a), I.R.C.).

§ 178.164 *Labeling.* Such wines must be labeled in each instance as to kind (class or type) as specified in the approved formula and process and as required by Regulations No. 4 (27 CFR, Part. 4).

Other Requirements Relative to Production

§ 178.165 *Amelioration.* Proprietors of bonded wineries are authorized to ameliorate wine without supervision by Government officers. Standard wine may be ameliorated only by the producing (fermenting) winemaker: *Provided,* That unfortified wine may be ameliorated with pure boiled or condensed grape must on any bonded winery premises for the purpose of perfecting the wine according to commercial standards. Wine may not be ameliorated after fortification. In determining the alcoholic, saccharine, and acid content of the must (juice) or wine, and the quantity of sugar-water solution or water that may be used in the production of wine under sections 3036 (a), 3044, and 3045, I.R.C., and §§ 178.143, 178.144, and 178.145, the winemaker will follow the instructions given in those sections and in the Appendix to this part. (Secs. 3035, 3036 (a), 3044, 3045, I.R.C.)

§ 178.166 *Use of dry sugar.* Dry sugar may be added for fermenting (except in the manufacture of natural wine) and for sweetening purposes, as authorized in this article, without supervision by Government officers. Standard wine may be sweetened only by the producing (fermenting) winemaker and, where the wine is to be fortified, only prior to fortification. (Secs. 3035, 3036 (a), 3044, 3045, I.R.C.)

§ 178.167 *Record of amelioration and sweetening.* The amelioration of must (juice) or wine prior to or during the process of fermentation, including the use of dry sugar for fermenting wines, will be shown on the winemaker's production report, Form 701. The amelioration or sweetening of wine, after the wine has been entered on Form 702 as produced, will be shown in the proper detailed statement and in the summary of that form. Where wine produced for probable fortification is ameliorated, including the use of dry sugar for fermenting or sweetening, the winemaker will enter on the tank label, Form 546, Label for Eligible Wine Material, all the information required by such label relative to amelioration and sweetening. (See §§ 178.446 to 178.448 incl.) (Secs. 3032 (a), 3033, 3036 (a), 3044, 3045, 3171, I.R.C.)

§ 178.168 *Check by Government officers.* When Government officers are present on the premises for other purposes or in the performance of other duties at the time wines are being ameliorated or sweetened, the officers will see that the limitations in the law and regulations are being observed by the winemaker.

§ 178.169 *Form 546.* As provided in §§ 178.446 to 178.448, inclusive, where grapes, citrus fruit (except lemons and limes), peaches, cherries, berries, apricots, prunes, plums, pears, pawpaws, papayas, pineapples, cantaloups, or apples are crushed for probable fortification, there will be attached to each fermenting tank into which the material is run a label, Form 546, and if the wine is transferred to a storage tank prior to fortification, the label shall be removed from the fermenter and attached to such tank. (Sec. 3171, I.R.C.)

§ 178.170 *Wines under 6 per cent.* Where wines are produced with an alcoholic content of less than 6 per cent by volume after complete fermentation, the per cent of alcohol contained in the wine and the reason for the low alcoholic content shall be noted by the winemaker on Form 701 at the time of production. This requirement shall not apply to substandard wine produced expressly for use as distilling material, where label, Form 546-A, is attached to the tanks containing the wine, nor to wine which is fortified prior to complete fermentation. (Sec. 3171, I.R.C.)

§ 178.171 *Record of wines baked.* Where wine is baked on bonded premises the proprietor shall keep a record showing the (a) serial number of each tank, (b) date wine is placed in tank, (c) quantity and alcoholic content, (d) date baking commenced, (e) date baking completed, (f) method employed, (g) date removed from tank, and (h) quantity removed and alcoholic content thereof. No allowance for excessive losses due to the baking of wine will be made unless shown by such record to have been sustained. The record shall be kept complete and up to date, and preserved for a period of three years available for inspection by Government officers. (Secs. 3039, 3171, I.R.C.)

§ 178.172 *No fermentation after tax-payment.* Wine when removed upon tax-payment must be in such condition that there will be no further fermentation which will raise the alcoholic content of the wine to a higher taxable grade, or which, in the case of bottled wine, will cause the wine to become effervescent in any degree and thereby change its taxable status from still wine to sparkling wine. To this end, wine should be thoroughly fermented, pasteurized, fortified, or otherwise treated, so as to preclude further fermentation after tax-payment. (Sec. 3030, I.R.C.)

§ 178.173 *Labeling regulations.* Regulations No. 4 (27 CFR, Part 4) cover the labeling and advertising of all wines, whether made at a bonded winery, rectifying plant, or imported from a foreign country. Reference to a wine in such regulations does not mean necessarily that such wine may be made at a bonded winery. (Secs. 2809 (a) (b), 2834, 3254 (d), 3155, 3254 (g), 2801 (e), I.R.C.)

PRODUCTION OF HEAVY BODIED BLENDING WINES

§ 178.174 *Spanish type blending sherry.* Winemakers, desiring to produce Spanish type blending sherry wines for sale only to rectifiers for use in whisky blending upon payment of rectification tax, must submit to the district supervisor a statement of formula and process, on Form 698—Supplemental, in

triplicate, with two samples of the wine, for forwarding to the Commissioner for approval before manufacture for sale may be commenced.

(a) *Manufacture.* Condensed grape must may be added to pure sweet wine or natural wine (conforming to the standards prescribed therefor in § 178.143 and § 178.144, respectively) to the extent necessary to make a wine having a solid content not in excess of 35 per cent after completion of manufacture, including fortification and blending with other sherry wine, as herein authorized. Winemakers, desiring to blend such fortified wine with other sherry wines to make a product conforming to commercial standards for Spanish blending sherry wine, must show in the statement of formula and process that the wine will be so blended. The prohibition in § 178.135 against concentrate containing caramel coloring shall not be applicable to concentrate used in manufacturing Spanish type blending sherry wine.

(b) *Fortification.* Such wines, made in accordance with paragraph (a), may be fortified pursuant to Subpart B of this part.

(c) *Disposition.* Spanish type blending sherry wine may be sold only to rectifiers for use in whisky blending. The wine may not be sold for use as wine, nor used in blending with other wines, except in the process of completing the manufacture of the Spanish type blending wine. Such wine may not be transferred in bond to another bonded winery or storeroom, unles special permission is first obtained therefor from the district supervisors of the districts in which both the shipping and receiving premises are located, and record of the receipt and disposition of the wine is kept at the receiving premises, the same as required at the producing premises.

(d) *Marking containers.* Each container in which such wine is stored or shipped shall be marked "Spanish Type Blending Sherry Wine, For Use by Rectifiers Only," in addition to the other marks (except as to kind of wine) required by this part.

(e) *Records.* The winemaker shall keep a separate record showing the date of manufacture, the quantity manufactured, the solid content thereof, the fortification number (as shown on Form 275), the date of shipment, the quantity shipped, the solid content thereof, and the name and address of the consignee.

(f) *Approval or disapproval of formula.* The district supervisor will examine the statement of formula and process and one of the samples, and will forward all three copies of the statement and the other sample to the Commissioner with his comment. The district supervisor will retain his sample for check on subsequent production in the event the formula is approved by the Commissioner. Upon examination of the statement of formula and process and the sample, the Commissioner will note his approval or disapproval on all copies of the statement, retain one copy and return two copies to the district supervisor, who will keep one copy for his files and send the other copy to the winemaker. If the formula is approved, the winemaker shall file his copy at the winery available for reference by Government officers. (Secs. 3036 (a), 3044. 3040, 3171, I.R.C.)

§ 178.175 *Blending wines.* Winemakers desiring to produce heavy bodied wines for use in blending with other wines, for the purpose of perfecting such other wines according to commercial standards, must submit to the district supervisor a statement of formula and process on Form 698—Supplemental, in triplicate, and two samples of the wine for forwarding to the Commissioner for approval before manufacture for sale or use may be commenced.

(a) *Manufacture.* Condensed must, made from the same kind of fruit as the wine, may be added to pure sweet wine, natural wine, or fruit and berry wines (conforming to the standards prescribed therefor in § 178.143, § 178.144, and § 178.145, respectively), to the extent necessary to make a wine having a solid content not in excess of 35 per cent after completion of manufacture, including fortification and blending with other wine of the same kind, as herein authorized. Winemakers, desiring to blend such wines with other wines of the same kind for the purpose of perfecting the blending wine, must show in the statement of formula and process that the wine will be so blended. Concentrate used in manufacturing such blending wines must not contain caramel coloring. Winemakers manufacturing or purchasing dark concentrate should have such concentrate tested for caramel before using it.

(b) *Fortification.* Such wines, made in accordance with paragraph (a), may be fortified pursuant to Subpart B of this part.

(c) *Disposition.* Heavy bodied blending wines must be used solely for blending with other wines, and may not be sold for use as wine. Such wines may not be transferred in bond to another bonded winery or storeroom, unless special permission is first obtained therefor from the district supervisors of the districts in which both the shipping and receiving premises are located, and record of the receipt and use of the wine in blending is kept at the receiving premises, the same as required at the producing premises.

(d) *Marking containers.* Each container in which such wines are stored (or shipped) shall be marked "Heavy Bodied Blending Wines, For Use in Blending Only," in addition to the other marks (except as to kind of wine) required by this part.

(e) *Records.* The winemaker shall keep a separate record showing the date of manufacture, the quantity manufactured, the solid content thereof, the fortification number (as shown on Form 275) if fortified, the date of use in blending, the quantity used, and the solid content thereof. If the wine is shipped to another winery or storeroom, the date of shipment, the quantity shipped, and the name, address, and registry number of the receiving premises shall be shown on the record.

(f) *Approval or disapproval of formula.* The district supervisor will examine the statement of formula and process and one of the samples, and will forward all three copies of the statement and the other sample to the Commissioner with his comment. The district supervisor will retain his sample for check on subsequent production in the event the formula is approved by the Commissioner. Upon examination of the statement of formula and process, and the sample, the Commissioner will note his approval or disapproval on all copies of the statement, retain one copy and return two copies to the district supervisor, who will keep one copy in his files and send the other copy to the winemaker. If the formula is approved, the winemaker shall file his copy at the winery available for reference by Government officers. (Secs. 3036 (a), 3044, 3045, 3040, 3171, I.R.C.)

PRODUCTION OF SUBSTANDARD WINE FOR DISTILLING MATERIAL

§ 178.176 *Definitions.* As used in §§ 178.176 to 178.181, inclusive, "pomace" or "cheese" shall mean the pulp and other residue of the fruit after the juice or wine has been separated therefrom.

§ 178.177 *Form 546–A.* Where substandard wine is produced with excessive water, residue materials, or sweetened grape cheese (as authorized in § 178.179) expressly for use as distilling material, a label, Form 546–A, will be attached to the fermenting tank. If the substandard wine is transferred to a storage tank before removal from the winery, the label shall be removed from the fermenter and attached to such tank. The kind of material from which the distilling material is produced shall be stated explicitly on Form 546–A and on Form 701 (e. g. "grape juice," "grape wine lees," "peach pomace," "grape cheese and sugar solution," etc.), in order that the spirits distilled therefrom may be properly marked as to kind (class and type). (Sec. 3171, I.R.C.)

§ 178.178 *Limitations.* In the manufacture of wine for use expressly as distilling material, water may be used in such quantity as necessary for the purpose of facilitating fermentation and economical distillation. Such wine may be made by fermentation of grape juice, citrus-fruit juice, peach juice, cherry juice, berry juice, apricot juice, prune juice, plum juice, pear juice, pawpaw juice, papaya juice, pineapple juice, cantaloup juice, apple juice, persimmon juice, fig juice, or date juice, or by fermentation of the pomace after the juice or wine has been drawn off or expressed therefrom: *Provided,* That pomace of wine, other than grape wine, to which sugar was added in any form prior to being separated from the pomace, may not be used (further fermented) for the manufacture of distilling material for use at a fruit distillery, nor may spirits distilled therefrom except tax-paid alcohol, be used to fortify wine. Grape pomace residium of grape wine, in the manufacture of which sugar was used as authorized by law, may be used in the fermentation of distilling material for

use at a fruit distillery and the spirits distilled therefrom may be used for the fortification of wine. Substandard wine produced for use as distilling material will be accounted for on Form 701 in the manner indicated therein, and will not be entered on Form 702. (See § 178.264 (b).) (Secs. 2825, 3036, I.R.C.)

§ 178.179 *Sweetened grape cheese.* Where it is desired to sweeten grape cheese to be fermented on winery premises for use as distilling material, there may be added to not less than 500 gallons (10 barrels) of grape cheese not more than 500 gallons of a sugar solution made from cane, beet, starch, or corn sugar, 95 per cent pure, such solution to have a saccharine strength of not to exceed 10 per cent. If it is desired to add water as well as a sugar solution to the grape cheese, the sugar solution must be added first, as the statute fixes a limit on the sugar solution in accordance with the quantity of cheese, and not the quantity of cheese and water. The grape cheese may be sweetened once only. Grape pomace residuum (cheese) of wine to which sugar was added in any form prior to being separated from the cheese cannot be further sweetened under this section. Spirits distilled from grape cheese to which sugar solution has been added may not be used for fortification. (Secs. 2825, 3036 (a), I.R.C.)

§ 178.180 *Addition of water to wine removed for distilling material.* When wine is removed for use as distilling material, water may be added to the wine on the winery premises in a distilling material measuring tank in such quantity as may be necessary to facilitate distillation. Any properly calibrated tank on the winery premises may be used as a distilling material measuring tank. At the time water is added to wine preparatory to removal for use as distilling material, a label, Form 546-A, showing the quantity of water added must be attached to the containers of such wine, and a copy of the label must be attached to Form 702. When the watered wine is removed for use as distilling material, the winemaker will report in the appropriate statement on Form 702, the quantity of wine, both before and after the addition of water, so removed. (Sec. 3171, I.R.C.)

§ 178.181 *Formula wines.* Formula wines produced in accordance with §§ 178.156 to 178.164 may not be removed for use as distilling material at a fruit distillery, nor may spirits distilled from such wines be used to fortify wines: *Provided,* That substandard wines made in accordance with §§ 178.176 to 178.181, inclusive, expressly for use as distilling material, may be removed for use as distilling material at a fruit distillery and the spirits distilled therefrom may be used to fortify wines when authorized herein: *Provided further,* That wines made from persimmons, figs, and dates, and from other formulas which the Commissioner finds may be distilled at a fruit distillery under section 2825, I.R.C., may be removed for use as distilling material at a fruit distillery (Secs. 2825, 3036, I.R.C.).

MANUFACTURE OF VERMOUTH

§ 178.182 *Manufacture.* Vermouth, conforming to the standards of identity for vermouth prescribed in Regulations No. 4 (27 CFR, Part 4), may be manufactured with fortified sweet wine on bonded winery premises, in accordance with approved formulas and processes, as provided in §§ 178.182 to 178.187, inclusive. The vermouth may be manufactured only in a separate department of the winery premises. Such department shall be known as the vermouth department, and shall be constructed in accordance with § 178.21, with no interior communication with any other department or part of the winery premises. No wine other than fortified sweet wine may be used in the manufacture of vermouth on bonded winery premises. No distilled spirits may be added to fortified sweet wine used in the manufacture of vermouth, or to the vermouth during or after its manufacture: *Provided,* That approved essences, in the manufacture of which distilled spirits are used as an extractive and solvent, may be used in manufacturing vermouth, in accordance with § 178.183. (Sec. 2801 (e) (4), I.R.C.)

§ 178.183 *Approved essences.* Approved essences, in the manufacture of which distilled spirits are used as an extractive and solvent, may be used in the manufacture of vermouth on bonded winery premises, provided such essences contain no greater quantity of distilled spirits than is necessary to extract and hold in solution the flavoring materials. The quantity of such essences used shall be such as will not increase the volume of the wine more than 10 per cent or its alcoholic content more than 4 per cent by volume, or the alcoholic content of the finished product to more than 24 per cent by volume. Such essences may be produced in the vermouth department of the winery or procured elsewhere. The distilled spirits used in manufacturing such essences must be tax-paid in each instance. Brandy or fruit spirits withdrawn without payment of tax for use in fortification of wine may not be used in the manufacture of such essences. (Sec. 2801 (e) (4), I.R.C.)

§ 178.184 *Formulas, processes, and samples*—(a) *Formula and process.* Every winemaker desiring to manufacture vermouth on his winery premises shall submit to the district supervisor a statement in detail on Form 698—Supplemental of each formula and process by which he intends to manufacture the product, and the name under which it is desired to market the same. The formulas must show all of the ingredients to be used, but the quantity and percentage of each ingredient need not be given, unless required by the Commissioner or the district supervisor. Where the quantity or percentage of any ingredient is varied, a new formula need not be submitted, except for formulas that the Commissioner or the district supervisor has required a statement of the quantity or percentage of each ingredient used, or where the character of the product is materially changed from the sample submitted in accordance with paragraph (b) of this section. If additional ingredients are used, however, a new formula with sample must be submitted. Where an approved essence is to be used, the formula must show the alcoholic content of the wine, the alcoholic content of the essence, and the quantity of such essence to be used with a given quantity of wine. Each formula shall show the percentage of absolute alcohol in the finished product according to taxable grade, as more than 14 per cent and not exceeding 21 per cent, more than 21 per cent and not exceeding 24 per cent. Each formula and process shall be prepared in triplicate on Form 698—Supplemental, numbered in serial order, commencing with number 1 at each winery, and bear the name, registry number, and address of the winery.

(b) *Samples.* With each formula, the winemaker shall submit to the district supervisor two 1-pint samples of the product manufactured thereby. Each sample shall be labeled to show the formula number and the name, registry number, and address of the winery. Formulas and processes filed prior to the date of approval of this part shall be resubmitted with representative samples. (Secs. 2801 (e) (4), 3171, I.R.C.)

§ 178.185 *Approval or disapproval of formulas, processes, and samples.* Upon receipt of the statement of formula and process, the district supervisor will make such inquiry or require the submission of such additional data as he may deem necessary, and will forward all three copies of the statement and one of the samples to the Commissioner with his comment. The other sample will be retained by the district supervisor for check on subsequent production in the event the formula is approved by the Commissioner. The Commissioner will examine the samples to determine whether the product possesses the taste, aroma, and characteristics generally attributed to vermouth manufactured with fortified sweet wine, and whether the formulas and processes are such as may be properly used at a bonded winery under the exemption from rectification provided in the law. Upon completion of his examination, the Commissioner will note his approval or disapproval on all copies of the statement of process and formula, retain one copy and forward the other two copies to the district supervisor, who will retain one copy for his files and send the other copy to the winemaker, who shall keep the same at the winery available for reference by Government officers. No vermouth may be manufactured for sale on bonded winery premises except pursuant to an approved formula and process: *Provided,* That vermouth may be manufactured under authorized formulas filed prior to the date of approval of this part, pending prompt resubmission of the formulas with representative samples to the Commissioner and the approval or disapproval thereof, in accordance with this section.

(a) *Extent of Commissioner's approval or disapproval.* The Commissioner's approval or disapproval of the formula and process shall pertain only to the manufacture of the product on bonded winery premises and the labeling of the

same as to kind, and shall not constitute in any way an approval or disapproval of the Vermouth as to quality. (Sec. 2801 (e) (4), I.R.C.)

§ 178.186 *Products other than vermouth.* Flavored wines and other specialties may not be manufactured on bonded winery premises under the guise of vermouth. Only true vermouth may be made in the vermouth department of a winery, and the product must be definitely designated and sold as vermouth. (Secs. 2801 (e), 3254 (g), 2800 (a) (5), 2801 (e), I.R.C.)

§ 178.187 *Storage, etc., after manufacture.* Upon completion of manufacture in the vermouth department of the winery, the vermouth may be stored, blended, bottled, shipped, etc. (but not fortified or carbonated), in the same manner as wine, in the vermouth department, or elsewhere in the winery if it is kept separate and apart from wine and the containers are marked vermouth.

MANUFACTURE OF CHAMPAGNE, SPARKLING WINE, AND ARTIFICIALLY CARBONATED WINE

§ 178.188 *Manufacture.* Champagne, sparkling wine, and artificially carbonated wine may be made on bonded winery premises. All effervescent wine (wine charged with carbon dioxide) shall be classed as champagne, sparkling wine, or artificially carbonated wine for the purpose of this part and shall be subject to tax as such, regardless of the degree of effervescence or carbonation. Where the effervescence results from fermentation of the wine within a closed container, the wine shall be classed for the purpose of this part as champagne or sparkling wine and shall be subject to tax as such. Where the wine is artificially carbonated (that is, by injection of carbon dioxide into the wine) it shall be classed as artificially carbonated wine and subject to tax as such. All such effervescent wine shall be labeled as to kind in accordance with Regulations No. 4 (27 CFR, Part 4), issued under the Federal Alcohol Administration Act. (Secs. 3030, 3040, I.R.C.)

§ 178.189 *Records.* When still wine is used for the manufacture of champagne, sparkling wine, or artificially carbonated wine, the wine will be reported on Form 702 as used for such purpose, and upon being placed in bottles for further fermentation or for artificial carbonation, it will be entered on Form 702-A as champagne, sparkling wine, or artificially carbonated wine produced, as the case may be. When still wine is artificially carbonated in tanks or is further fermented by the bulk process, the wine will be shown on Form 702-A as "in process" until it is bottled, when it will be reported on the form as champagne, sparkling wine, or artificially carbonated wine produced, as the case may be. (Sec. 3171, I.R.C.)

§ 178.190 *Use of brandy, wine, acid, and sweetening agents in effervescent wine.* Winemakers producing champagne, sparkling wine, or artificially carbonated wine, may, in connection with the finishing and treatment of such wines, add thereto a small quantity of fruit sirup, rock candy, or other sweetening agents and a small quantity of brandy or wine. In the manufacture of champagne and sparkling wine, a small amount of tartaric, malic, or citric acid (malic acid only in the case of sparkling apple wine) may be added with the initial sugar dosage to facilitate secondary fermentation in the closed container. If the champagne, sparkling wine, or artificially carbonated wine has a natural deficiency of acid, the deficiency may be corrected by the addition of a small amount of acid, as a part of the finishing dosage, under the limitations set forth in §§ 178.138 and 178.205. The fruit sirup, brandy, and wine so used must come from the same fruit as the wine from which the champagne, sparkling wine, or artificially carbonated wine was made. The brandy used must be tax-paid.

§ 178.191 *Storage of brandy and sweetening agents.* Winemakers may store not more than 1 barrel or drum of tax-paid brandy on their winery premises for this purpose, unless authorized by the district supervisor to store a larger quantity. Such tax-paid brandy and sweetening agents shall be kept either in the sweetening agents room, prescribed by § 178.23, or in a separate room or compartment in the champagne or carbonated wine department. If stored in the sweetening agents room, the tax-paid brandy and sweetening agents shall be kept separate from sweetening agents to be used for other purposes.

§ 178.192 *Report on Form 261.* Every winemaker using tax-paid brandy, fruit sirup, rock candy, or other sweetening agents in making a preparation for use in finishing champagne, sparkling wine, or artificially carbonated wine, shall keep a monthly record thereof and of the preparation made therefrom, on Form 261. All the pertinent information indicated by the headings of the columns and lines of the form shall be reported. The quantities of tax-paid brandy and sweetening agents procured or used by winemakers in making such preparation will not be entered by the district supervisor on his Form 290. (Sec. 3171, I.R.C.)

§ 178.193 *Process.* Every winemaker intending to produce champagne, sparling wine, or artificially carbonated wine shall submit to the district supervisor a statement in detail on Form 698—Supplemental of each process by which he intends to manufacture the product, and giving the name, as to kind (class and type) under which he desires to market the same. The statement must set forth whether the product will be naturally or artificially carbonated, and if naturally carbonated, whether it will be carbonated in bottles or in tanks or other bulk containers. The kind of wine to be used and any other materials to be used in connection with the secondary fermentation, cellar treatment, and finishing of the product and the approximate period of time required to complete manufacture shall also be stated. If more than one process is to be employed or more than one product is to be manufactured, a separate statement shall be filed for each process and for each product. Each statement of process shall bear the name, registry number, and address of the winery, and shall be numbered in serial order, beginning with No. 1 for each winery, and be filed in triplicate, and approved by the Commissioner, before commencing manufacture: *Provided,* That champagne, sparkling wine, or artificially carbonated wine may be manufactured under processes used prior to the date of approval of these regulations, pending prompt submission of the processes to the district supervisor and the approval or disapproval thereof in accordance with this section. (Sec. 3171, I.R.C.)

§ 178.194 *Approval or disapproval of process.* The district supervisor will forward all three copies of the statement of process to the Commissioner with his comment. Upon examination of the process, the Commissioner will note his approval or disapproval on all copies of the statement, retain one copy and return two copies to the district supervisor, who will keep one copy for his files and send the other copy to the winemaker. If the process is approved, the winemaker shall file his copy at the winery available for reference by Government officers.

(a) *Extent of Commissioner's approval or disapproval.* The Commissioner's approval or disapproval of the statement of process shall pertain only to the manufacture of the product on bonded winery premises and the labeling of the same as to kind, and shall not constitute in any way an approval or disapproval of the product as to quality.

PRODUCTION OF WINE FOR FAMILY USE

§ 178.195 *Registered producer.* A duly registered producer may produce not in excess of 200 gallons of still wine per year for the use of his own family without payment of tax. Wine thus produced must not be sold or otherwise removed from the place of manufacture. Such exemption does not authorize the production of wine for such use contrary to State law. (Sec. 3030 (a) (1), I.R.C.)

§ 178.196 *Limitations of exemption.* The statutory exemption does not apply to (a) wine made by one person for the use of another, whether consumed on the premises or removed therefrom for the family use of the owner; (b) wine produced by a single person, unless he is the head of a family; (c) wine produced by a married man living apart from his family; (d) wine made by a partnership or produced at a winery operated by two or more heads of families jointly; (e) wine produced by a corporation or association; or (f) wine furnished to persons not members of the producer's family. (Sec. 3030 (a) (1), I.R.C.)

§ 178.197 *Registration; Form 1541.* Every person (other than the operator of a bonded winery) coming within such exemption and desiring to produce still wine for the exclusive use of his family must prepare Form 1541, registration for production of wine for family use without payment of tax, in duplicate, and send both copies to the district super-

visor, Alcohol Tax Unit, of the district in which he resides. The form must be sent to the district supervisor at least five days before commencing to produce the wine. A new form must be submitted each succeeding year during which it is desired to produce wine for family use, the year to be reckoned as commencing on July 1 and ending on June 30. (Sec. 3030 (a) (1), I.R.C.)

§ 178.198 *Retention of Form 1541.* When Form 1541 is received by the district supervisor, he will stamp both copies with his receiving date stamp. If the form is properly prepared and the supervisor has no information indicating that the registrant is not entitled to the exemption, he will retain one copy for his files and return one copy to the registrant, who shall keep the same at his premises and upon production of the wine shall enter thereon the quantity produced and the date of production. (Sec. 3030 (a) (1), I.R.C.)

WINE TO BE DEPOSITED WITHIN BONDED PREMISES

§ 178.199 *Storage.* Upon removal from the fermenters wine must be conveyed immediately into storage containers within the storage portion of the winery or fortifying tanks in the fortifying room. When the manufacture of vermouth is completed, it must be transferred from the processing tanks to storage or shipping containers. Wine received in bond from other bonded premises must be deposited immediately in the storage portion of the winery or bonded storeroom. Wine may not be stored in outbuildings or containers outside the storage portion of the bonded premises.

(a) *Exception: sun-baking of sherry wine.* The district supervisor may, in his discretion, permit the sun-baking of sherry wine in an open area on the bonded winery premises, in cases where the wine will be protected against theft by a secure and substantial fence or wall of appropriate height and construction, with locked gates, surrounding the winery or the area in which the wine will be baked, or where the wine will be otherwise equally safeguarded during the baking process. Application for such permission should be made in writing to the district supervisor, setting forth the approximate quantity of wine to be baked, the period during which the wine will be stored in the open, and the means by which the wine will be safeguarded.

§ 178.200 *Forms 701, 702, 702–A, and 702–B.* When the first period of fermentation is complete, still wine must be drawn from the fermenters and entry made thereof in monthly records, Forms 701 and 702, as wine produced. Fermenters, as such, may not be used for the storage of wine. Champagne, sparkling wines, and artificially carbonated wines shall be entered on Form 702–A, as produced when the bottles are filled. When champagne, sparkling wine, or artificially carbonated wine is made by a bulk process, memorandum entry must be made on Form 702–A to show the deposit of the wine in the tanks for further fermentation or artificial carbonation, and when the products are bottled, the production thereof will be entered on Form 702–A. When the manufacture of vermouth is completed, it must be drawn from processing tanks and entry made thereof on Form 702–B. Finished vermouth may not remain in processing tanks.

(a) *Exception: use of fermenting and processing tanks as storage containers.* Where it is desired to retain wine in fermenters, with or without the pomace, for further fermentation after the first period of fermentation is complete, the quantity of wine contained in the fermenters must be ascertained and entered on Forms 701 and 702 as wine produced and the designation and marking of each fermenter in which the wine is contained must be changed to "Storage Tank" and written notice thereof given to the district supervisor within 10 days thereafter. Winemakers desiring to utilize fermenting tanks for the storage of wine or processing tanks for the storage of vermouth may do so after the wine or vermouth therein has been reported produced on the appropriate Forms 701 and 702 or 702–B, and the designation and marking of the tanks have been changed to "Storage Tanks," pursuant to written notice to the district supervisor of such change in use of the tanks. When such tanks are to be used again as fermenting or processing tanks, they must be remarked accordingly and written notice of the change in use given to the district supervisor. (Secs. 2801 (e) (4), 3171, I.R.C.)

§ 178.201 *Marking storage containers.* Each tank and other container used for the storage of wine shall be marked with label, chalk, or otherwise to show the kind (class or type) and alcoholic content of the wine contained therein. Containers to which Form 546 or 546–A is attached, as herein provided, need not be marked otherwise as to kind.

§ 178.202 *Formula wines received from other bonded premises.* When formula wines are received in bond from other bonded premises and are transferred from the shipping containers to storage tanks or other storage containers, the formula number and the name, address, and registry number of the producer, as shown on Form 702 and the shipping containers, must be marked on the storage tank or other storage container.

FILTERING, CLARIFYING, AND PURIFYING OF WINES

§ 178.203 *Processes not rectification.* The filtering, clarifying, or purifying of wine on bonded winery or storeroom premises is not rectification within the meaning of section 3254 (g), I.R.C. (Sec. 2801 (e) (3), I.R.C.)

§ 178.204 *Limitations.* In the process of filtering, clarifying, or purifying wines on bonded winery or storeroom premises, materials, methods, and equipment may be used to remove cloudiness, precipitation, and undesirable odors and flavors, but the addition of any substance foreign to wine which remains a part thereof, or the abstraction of ingredients to an extent or in a manner which will affect the basic composition of the wine by eliminating the characteristic elements or which will change its character, is not within the statute, and is not permitted on bonded winery or storeroom premises. The use of isinglass, gelatin, bone charcoal, activated carbon, bentonite, or similar materials, filters, or other means, such as refrigeration, to clarify and purify wines by removing foreign substances, cloudiness, or solid matter in suspension is permitted: *Provided,* Such materials, methods, and equipment are used only to an extent or in a manner which does not change the basic composition of the wine or eliminate its characteristic elements. (Secs. 2801 (e) (3), 3254 (g), I.R.C.)

§ 178.205 *Tannin and citric acid.* Tannin and citric acid may be used for clarifying and stabilizing standard grape wines and nonstandard grape wines in accordance with the provisions of § 178.203 to 178.207, inclusive. The tannin or citric acid may not be added to substandard wines, nor to wines made from fruits and berries other than grapes.

(a) *Tannin.* When fining agents, such as gelatin and isinglass, which require the presence of a certain amount of tannin in the wine in order to work effectively, are used for clarification and the wines to be clarified do not contain sufficient tannin to permit the fining agents to precipitate completely, a small amount of tannin may be added to the wine for the purpose of assisting the fining agent. When such fining agents are used and tannin is removed from the wine, together with colloidal and other suspended matter, in the process of precipitation, a small amount of tannin may be added to the wine after clarification to the extent necessary to raise the tannin content of the wine to that normally contained therein. White wines in which tannin is used shall not contain more than 0.08 gramme of tannin per 100 c.c. after clarification, and red wines in which tannin is used shall not contain more than 0.3 gramme of tannin per 100 c.c. after clarification, unless the Commissioner authorizes a higher tannin content, pursuant to a showing of necessity therefor by the winemaker.

(1) *Kinds of tannin.* Only CP and USP tannin, and other tannin of equal purity, of a yellowish white or very light brown color, which does not color the wine, may be used in the cellar treatment of wines. Grape seed tannin of a dark brown color, which possesses considerable coloring properties, may not be used in clarifying wines in bond.

(b) *Citric acid.* A small amount of citric acid may be used for stabilizing wines to prevent development of iron precipitates and cloudiness in the wines. Not more than 0.7 parts per thousand (0.07 gramme per 100 c. c.) of citric acid may be added to wine for this purpose, unless the Commissioner authorizes the addition of a larger quantity, pursuant to a showing of necessity therefor by the winemaker. If the wine has been ameliorated with water or a sugar and water solution, as authorized in §§ 178.144 and 178.145, the wine must contain, after addition of the citric acid, not less than 5 parts per thousand of acid, plus the quantity of citric acid added. For example, if 0.7 parts per thousand of citric acid is

added, the finished wine must contain not less than 5.7 parts per thousand of acid. This limitation on the quantity of citric acid that may be added to finished wines for stabilizing purposes does not apply to the addition of a small amount of acid to correct a natural deficiency of acid in the must, juice, or wine, in accordance with § 178.138.

(c) *Other limitations.* The use of tannin and citric acid authorized herein is subject to the condition that such use does not appreciably change the character or composition of the lines. Any use of tannin or citric acid in excess of the maximum quantities specified herein, or to such an extent as to appreciably change the character or composition of the wines, will incur liability for rectification tax, both occupational and commodity.

(d) *Records.* Winemakers authorized to use tannin or citric acid in the cellar treatment of wines in accordance with this section shall keep a record showing (1) the dates and quantities used, and the kinds and quantities of wine in which used, (2) whether the wines were ameliorated with water or a sugar and water solution and (3) the tannin and/or citric acid content of the wines both before and after the addition of the tannin and/or citric acid. The tannin content of wines (after addition of tannin) should be determined after completion of clarification and the addition of any further tannin for replacement of that precipitated in clarification.

(e) *Application.* Winemakers desiring to treat wines with tannin or citric acid in accordance with this section must make application, in duplicate, to the district supervisor for permission therefor. The application shall state specifically (1) the kinds of wines to be treated, (2) the reasons for the use of the tannin or citric acid, (3) whether the wines to be so treated will be ameliorated with water or a sugar and water solution, and (4) the quantities of tannin and citric acid to be used and to be contained in the wines after clarification is completed. In any case where it is desired to have a higher tannin or citric acid content in the wines after completion of clarification than the quantities specified herein, the application must establish the necessity therefor. The application may be made for permission to treat a specific quantity of wine or for continuing authority to treat wine from time to time as required.

(f) *District supervisor's action.* Upon receipt of the application, the district supervisor will determine whether the proposed use of the tannin and citric acid is proper and solely for the purpose of clarifying and stabilizing the wines in accordance with these regulations, and will note his approval or disapproval on both copies of the application, retain one copy and return one copy to the applicant for filing at the winery or storeroom. If the application is incomplete or the district supervisor is unable to determine the propriety of the proposed use, he will require the submission of such additional information or will make such inquiry as he may deem necessary, and will approve or disapprove the application in accordance with his findings. Where the applicant requests permission for a higher tannin or citric acid content in the wines, after completion of clarification, than the quantities specified herein, the district supervisor will make inquiry respecting the propriety thereof, and will forward the application with his findings and recommendation to the Commissioner.

(g) *Inspection.* Inspectors, when making scheduled inspections of wineries and storerooms which are authorized to so treat wines, will verify the proper use of the tannin and citric acid and the keeping of the prescribed records. The inspectors should determine whether the materials are being used solely to clarify and stabilize wines or are being used to "build up" substandard (stretched) wines. (Secs. 2301 (e) (3), 3036 (a), 3044, 3171, I.R.C.)

§ 178.206 *Removal of excess color in white wines.* If color in excess of that normally contained in white wine develops during its manufacture or storage, and the winemaker desires to remove such excess color, he will prepare samples representing the wine before and after treatment with activated carbon or other materials and submit such samples, with a sample of the activated carbon or other material used, to the district supervisor for examination. There should be submitted with the samples a written statement by the winemaker setting forth (1) his reasaons for desiring to so treat the wine, (2) the quantity, kind, and type of wine to be treated, (3) the kind and quantity of material to be used in treating the wine, and (4) the process to be employed. If the analysis of the samples shows that the proposed treatment will remove only the excess color, that is, the amount of color in excess of that normally contained in white wines of the type being produced, and will not remove any of the usual natural color or other characteristics of the wine, the district supervisor will authorize the treatment of the wine in question. If the chemical analysis shows that the proposed treatment is not within the law, as interpreted herein, the district supervisor will advise the winemaker that the treatment may not be conducted on bonded winery or bonded storeroom premises, but may be done only at a rectifying plant, after tax-payment of the wine and upon payment of the rectifying tax. Wine so treated at a rectifying plant must be labeled in accordance with requirements of § 4.22, Regulations No. 4 (27 CFR, Part 4).

(a) *Separate application and samples for each lot of wine.* District supervisors will not grant blanket authority to winemakers to so treat white wines. A separate application with representative samples must be submitted for each lot of wine it is desired to treat. (Secs. 2801 (e), (3), 3036 (a), 3044, 3045, 3171, 3254 (g), I.R.C.)

§ 178.207 *Spurious, imitation, or compound wine.* The mixing of any materials with wine which will result in the production of a compound, imitation, or spurious wine will constitute rectification and may not be done on bonded winery or storeroom premises. No artificial color or flavor may be added to wines. (Secs. 3254 (g), 2800 (a) (5), 2801 (e), I.R.C.)

BLENDING OF WINES

§ 178.208 *Limitations.* Wines may be mixed or blended with each other at a bonded winery or bonded storeroom only for the sole purpose of perfecting such wines according to approved commercial standards. The blending must improve (perfect) the wine according to the approved commercial standard of the blended product. Any blending of wine of standard quality with wine of inferior quality for the purpose of stretching or increasing the volume of the standard quality of wine and which results in the manufacture of a product inferior to the standard quality wine before blending, constitutes rectification and may not be done on bonded winery or storeroom premises. (Secs. 3043, 3254 (g), 2800 (a) (5), 2801 (e), I.R.C.)

§ 178.209 *Natural wine, pure sweet wine, fruit and berry wines.* Natural wine and pure sweet wine may not be mixed or blended with citrus-fruit wine, peach wine, cherry wine, berry wine, apricot wine, prune wine, plum wine, pear wine, pawpaw wine, papaya wine, pineapple wine, cantaloup wine, or apple wine, or with wine produced from other materials, nor may wine produced from one kind of fruit or berry be mixed or blended with wine produced from another kind of fruit or berry. (Secs. 3043, 3254 (g), I.R.C.)

§ 178.210 *Formula wines.* A formula wine, produced under §§ 178.156 to 178.164 of this part, may not be blended with wine made under another formula, nor with pure sweet wine, natural wine, fruit and berry wines, or other standard wines, unless the wines were made from the same kind of fruit or berry and it is first shown to the satisfaction of the Commissioner or the district supervisor that such blending is for the sole purpose of perfecting the blended product according to approved commercial standards. When a formula wine, nonstandard wine, or substandard wine is blended with a standard wine, the blended product must be marked and labeled as a formula wine, nonstandard wine, or substandard wine, as the case may be, unless it is shown to the satisfaction of the Commissioner or the district supervisor that the blended product conforms to standard wine. A substandard wine may not be blended with a fortified wine.

(a) *Statement of blending.* When the proprietor desires to blend a formula wine with wine made under another formula, or with pure sweet wine, natural wine, fruit and berry wines, or other standard wines, he will submit a statement, in duplicate, to the district supervisor, giving the kinds (including formula) and quantities of the wines to be blended, the respects in which the blended product will be perfected according to approved commercial standards, and the name, as to kind (class or type), under which it is desired to market the blended wine. Upon receipt of the statement, the district supervisor will note his approval or disapproval on both copies of the statement, according

to whether the proposed blending and the name, as to kind, under which it is proposed to market the blended wine is in conformity with these regulations, and will retain one copy of the statement for his files and return the other copy to the proprietor for filing at his bonded winery or storeroom. A record of such blending shall be kept at the winery. (Secs. 3043, 3254 (g), 3040, 3171, I.R.C.)

§ 178.211 *Vermouth.* Vermouths may be mixed or blended with each other for the sole purpose of perfecting them according to commercial standards, but may not be mixed or blended with any other wines. (Sec. 3043, I.R.C.)

§ 178.212 *Tax-payment of blended wines.* Blended wines must be tax-paid according to their alcoholic strength after blending, but the blending must be done in fact for the purpose of manufacturing a finished product conforming to commercial standards. (Secs. 3030, 3043, I.R.C.)

§ 178.213 *Special tax liability.* Wine purchased by one winemaker from another may be used for blending without incurring special-tax liability for the sale of such blended wine, where the blending changes the character of the wine and is for the sole purpose of perfecting the wine according to commercial standards. A record of such blending shall be kept in accordance with § 178.129. (Secs. 3171, 3250 (g), I.R.C.)

§ 178.214 *Rectification.* Any blending of wines, other than for the sole purpose of perfecting the blended product according to approved commercial standards, or as authorized herein, constitutes taxable rectification and may be done only at a rectifying plant. (Secs. 3043, 3254 (g), 2801 (e), I.R.C.)

§ 178.215 *Report on Form 702 or 702–B.* Where wines or vermouths of different alcoholic strength are blended and the rate of taxability is thereby changed, report of such blending will be made in monthly report, Form 702 or 702–B, as the case may be, showing the exact percentages of alcohol contained in the wines or vermouths both before and after blending. Where the rate of taxability is not changed, no report of the blending need be made. (Sec. 3171, I.R.C.)

REMOVAL OF WINE

§ 178.216 *Kinds of containers.* Wines may be removed in casks, barrels, kegs, tanks, tank trucks, railroad tank cars, and (when bottled) in cases of any desired size. Wines may also be removed in uncased bottles and by pipe line or by hose, as hereinafter provided.

§178.217 *Uncased bottles.* The district supervisor may authorize the removal of wine in bottles of one-half gallon, 1 gallon, or larger capacity, uncased or in crates, and where sales are made directly to consumers, the supervisor may authorize the removal of uncased bottles of less capacity. When wine is so removed, the stamps shall be affixed to the bottles, as provided in § 178.240 (a), and the bottles must be labeled in accordance with § 178.228 and Regulations No. 4 (27 CFR, Part 4). Crates shall be given a serial number in accordance with § 178.218, but need not be otherwise marked as prescribed by § 178.219 if the bottle labels may be readily inspected. (Sec. 3040, I.R.C.)

§ 178.218 *Serial numbers.* All casks, barrels, kegs, tanks, tank trucks, railroad tank cars, or cases in which wines are removed from bonded premises must be numbered in serial order commencing with No. 1 at each winery or storeroom. Where multiple compartment tank trucks or railroad tank cars are used, each compartment will be given a separate serial number, except where the entire contents of the tank car consists of the same kind of wine, consigned to the same consignee at the same destination, one number will be assigned to the entire car. The proprietor of a bonded winery or storeroom may, if he desires, change the series after using the numbers up to 100,000 by beginning again with No. 1 and prefixing the numbers of the new series with the letter "A." He may continue to change the series after again reaching 100,000 by prefixing each new series with the succeeding letters of the alphabet, "B," "C," "D," etc. When a series is continued to 1,000,000, a new series beginning with No. 1 may be commenced without prefixing a letter thereto. Containers will be numbered in sequence on removal, except where packages of cases are filled for shipment in advance of orders, they may be numbered at the time of filling and need not necessarily be removed in serial order. Where containers are filled in different departments or bottling lines of the bonded premises, a separate series of numbers may be used for each department, or bottling line, provided each series is differentiated from the other series by a letter or otherwise, or a separate block of numbers is used for each department. (Sec. 3040, I.R.C.)

§ 178.219 *Marks.* Each cask, barrel, keg, tank, tank truck, railroad tank car, or case used to remove wine must be marked in a plain and durable manner with the serial number, the name of the proprietor, and the registry number and location (by city or town and State, or supervisory district and State) of the winery or storeroom, the kind (class or type) and alcoholic strength of the wine, and the contents of the container in wine gallons. Each container shall also be stamped or further marked as hereinafter required. The formula number shall be marked on shipping containers of formula wines, as required by § 178.160 (c). When wines are packed or bottled under an authorized trade name, such trade name may be marked on the shipping container as the name of the proprietor, if preceded by the words "Packed by" or "Bottled by," respectively, as authorized in §§ 178.92 and 178.93. These marks may be cut, printed, or stenciled upon the container, or placed upon a label or tag securely affixed to the container. The marks shall be placed upon the head of the package or the side of the case, or on the prescribed route board attached to the tank truck or tank car where they may be readily examined by Government officers.

(a) *Labels and tags.* Labels and tags must be of good quality heavy white paper or tagboard and of appropriate size, and the letters and figures thereon must be durable and legible. The label or tag must be affixed with a good adhesive and, in the case of wooden containers, with tacks or staples: *Provided,* That where the labels or tags are affixed with a glue impervious to heat or moisture, similar to that used by railway express companies for attaching labels to shipments handled by them, or that used by brewers for attaching labels to bottles which may be placed on ice, the district supervisor may authorize the winemaker to omit the use of tacks or staples, subject to the labels or tags remaining securely affixed to the packages. After being so affixed, a coating of transparent shellac or other repellent material affording protection against moisture, erasure, and removal shall be applied over the label or tag.

(b) *Other marks.* The head of the package or side of the case bearing the prescribed marks shall be known as the "Government head" and "Government side," respectively, and shall contain no other marks, except those authorized or required by Federal law or regulations: *Provided,* That the name and address of the consignee, brand name, number and size of bottles in cases, bottle label, and other related data, which does not conflict with, or detract from, the prescribed marks, may be shown on the Government head or side of the container. (Sec. 3040, I.R.C.)

§ 178.220 *Destruction of marks.* All marks and labels or tags, required by these regulations to be placed on casks, barrels, kegs, tanks, tank trucks, and railroad tank cars used as shipping containers of wine, shall be destroyed by scraping or otherwise obliterating, immediately the containers are emptied, by the person removing the wine therefrom: *Provided,* That when packages of wine are emptied and are to be returned to the winemaker for reuse (refilling), the winemaker's name, address, and registry number need not be obliterated, but the stamps and all other prescribed marks on the packages must be completely destroyed by scraping or otherwise obliterating. (Sec. 3301, I.R.C.)

§ 178.221 *Alcoholic content.* The statement of the alcoholic content of wine (including wine containing not more than 14 percent alcohol) in the manner prescribed in § 4.36 (b) (1) or (2) of Regulations No. 4 (27 CFR, Part 4) is considered as meeting the requirements of § 178.219: *Provided,* The statement definitely shows the taxable grade of wine. Wine may not be marked or labeled as containing 14 percent, 21 per cent, or 24 per cent alcohol if it contains more than such percentages of alcohol, nor may wine be marked or labeled as containing 13–15 per cent, 20–22 per cent, or 23–25 per cent alcohol. (Sec. 3040, I.R.C.)

§ 178.222 *Fractional parts of gallon.* In marking the wine gallon contents on casks, barrels, kegs, tanks, tank trucks, railroad tank cars, and cases, fractional parts of a gallon less than one hundredth

will be excluded. The contents of bottles will be stated on the bottle labels in the manner prescribed by Regulations No. 4 (27 CFR, Part 4). (Sec. 3040, I.R.C.)

§ 178.223 *Tank trucks and tank cars.* (a) *Route board.* Tank trucks and railroad tank cars used for the transportation of wine, whether in bond, tax-free, or tax-paid, must be equipped with a route board at least 10 by 12 inches in size to which the prescribed marks or labels and stamps can be affixed. Such boards shall be of substantial material and shall be attached permanently and securely to the truck or car by round-headed or carriage bolts, nutted and riveted, battered or welded. The route board shall be placed on the tank truck or railroad tank car in a conspicuous and accessible place, so as to permit ready inspection by Government officers and destruction of the marks or labels and stamps by the person emptying the truck or car.

(b) *Single compartment trucks and cars.* When wine is removed in single compartment tank trucks or railroad tank cars, the entire contents of the tank truck or tank car must be consigned to the same consignee and destination.

(c) *Multiple compartment trucks and cars.* When wine is shipped in multiple compartment tank trucks or railroad tank cars, the contents may be consigned, by compartments, to different consignees and destinations: *Provided,* That each compartment is given a separate serial number and separate marks, and a separate route board is attached to the truck or car for each compartment. Where the entire contents of a multiple compartment tank truck or tank car consists of the same kind of wine, consigned to the same consignee at the same destination, one serial number and one set of marks will be given to the entire truck or car. (Sec. 3040, I.R.C.)

§ 178.224 *Reused barrels.* Barrels previously used for the storage of distilled spirits may be used by winemakers as storage and shipping containers for wine, provided the barrels are properly treated to remove distilled spirits from the head and staves before deposits of wine therein. The spirits extracted from the barrels must be destroyed in each instance. Permission to use such barrels should not be construed as relieving winemakers from tax liability in the event the barrels are not properly treated to remove distilled spirits therefrom. A person mixing distilled spirits with wine incurs rectification tax liability of 30 cents per proof gallon and additional wine tax liability if the mixing changes the taxable grade of the wine. (Secs. 3254 (g), 2800 (a) (5), 2801 (e), I.R.C.)

§ 178.225 *Re-marking packages received from other premises.* Where wines are transferred in bond from one bonded premises to another, the packages must, upon removal from the last premises, be re-marked with the serial numbers and other marks of such premises, but the marks of the premises from which the wine was received may be retained on the packages, if desired: *Provided,* That where wine stored at a bonded field warehouse is released to the depositing winemaker for immediate removal, the proprietor of the bonded field warehouse may place thereon the serial numbers and other marks of the winery, in lieu of the marks of the bonded field warehouse. (Sec. 3040, I.R.C.)

§ 178.226 *Pipe lines to or from tank cars.* When wine is conveyed to or from railroad tank cars by pipe line, such pipe line shall be located on bonded premises and so arranged as to permit examination throughout its entire length. If the pipe line is placed under ground it must be enclosed in a conduit, and such conduit must be so constructed as to permit examination of the pipe line throughout the entire length. Where necessary, arrangements for lights at either end of the conduit must be provided.

§ 178.227 *Shipments by tank cars to and from premises without railroad siding facilities.* If shipment is made in a railroad tank car and the premises of the consignor or consignee, or both, are not equipped with railroad siding facilities, each tank truck or package in which the wine is conveyed to or from the railroad tank car must have affixed thereto a tag giving the name, registry number, and address of the consignor, the kind and approximate quantity of wine contained in the tank truck or package, the symbols and number of the railroad car to or from which the wine is being transported, whether the wine is tax-paid or shipped in bond, and the name and address of the consignee. (Sec. 3040, I.R.C.)

§ 178.228 *Labeling bottled wines.* When wines are bottled, the bottler shall securely affix to each a label showing (1) the name and address of the premises, or the name, registry number, and State where the premises are located; (2) the kind of wine (class or type); (3) the alcoholic content by volume; and (4) the net contents of the bottle, unless legibly blown in the bottle. The alcoholic content may be stated in accordance with § 178.221. When wines are bottled under an authorized trade name, such trade name may be stated as the name of the premises, as provided in § 178.93. The labels used by bottlers of wine on bonded premises must be covered by certificates of label approval or certificates of exemption from label approval issued under the Federal Alcohol Administration Act, as provided in §§ 178.232 to 178.236, inclusive.

(a) *Bottling for storage.* Where wines are bottled for aging or other storage purposes, the labels need not be affixed until the wine is to be removed, provided the bins or containers in which the bottled wine is stored are marked to show the kind (class or type) and the alcoholic content of the wine. (Sec. 3040, I.R.C.)

§ 178.229 *Relabeling bottled wines.* Where it is desired to relabel bottled wines received in bond from other bonded premises, application for permission to relabel the wines must be made to the district supervisor, in accordance with Regulations 4 (27 CFR, Part 4). (Sec. 3, 49 Stat. 978 (27 U.S.C. Supp., 203))

§ 178.230 *Contents of packages.* Winemakers will be held strictly responsible for the correct determination of the quantity and alcoholic content of wine removed. They must not assume that a package contains a certain quantity or that the wine is of a certain alcoholic content. As required by § 178.31, appropriate and accurate measures and instruments for measuring and testing the wine must be provided at each winery or storeroom. The alcoholic content of the wine removed may be determined by one of the bulliometers specified in § 178.38. If an approved ebulliometer is not provided, other appropriate and accurate instruments approved by the Commissioner must be provided in lieu thereof. (Sec. 3030, I.R.C.)

§ 178.231 *Family use.* Where the head of a family operates a bonded winery as an individual owner, still wine of his own production not exceeding 200 gallons per year may be removed free of tax for the use of his family, the year to be reckoned as commencing on July 1. The winemaker must make proper entries of the quantities so removed in his monthly report, Form 702. Wine in excess of the 200-gallon allowance removed from the winery for family use must be tax-paid upon removal. (Secs. 3030 (a) (1), 3171, I.R.C.)

LABELS AND MARKS SUBJECT TO REGULATIONS NO. 4 (27 CFR, PART 4)

§ 178.232 *Certificates of approval or exemption.* All persons bottling or packing wines, other than in customs custody, or removing wine from the plant where bottled or packed, are required by Regulations No. 4 (27 CFR, Part 4), issued under the Federal Alcohol Administration Act, to obtain a "Certificate of Label Approval under the Federal Alcohol Administration Act," Form 1649, or a "Certificate of Exemption from Label Approval under the Federal Alcohol Administration Act," Form 1650, covering the wine. This requirement is applicable to all wines bottled in containers of 1 gallon or less, and to all wines packed in barrels, casks, or other closed containers for use for sale at retail. The requirement is equally applicable to wines bottled or packed before or after tax-payment, and to wines packed in barrels, casks, and other large containers which are marked by stenciling or otherwise, instead of being labeled, as such marks are held to constitute the label. The requirement is not applicable to wines removed by pipe line, or to wines shipped in tank trucks and tank cars, which are not sold at retail in such containers. (Sec. 3, 49 Stat. 978 (27 U.S.C., Supp., 203))

§ 178.233 *Certificate to be exhibited.* All persons holding certificates of label approval or certificates of exemption from label approval, are required by Regulations No. 4 (27 CFR, Part 4), upon request, to exhibit such certificates to a duly authorized representative of the United States Government. The original certificate or duplicate original certifi-

cate must be exhibited to the officer; photoprints or other copies are not acceptable for this purpose. (Sec. 3, 49 Stat. 978 (27 U.S.C., Supp., 203))

§ 178.234 *Check by Government officers.* Government officers, in connection with their other duties and as directed by the district supervisor, will call upon proprietors of bonded wineries and storerooms to exhibit such certificates, and will determine (a) whether the proprietor holds proper certificates of label approval or certificates of exemption from label approval, (b) whether the wines are being labeled in accordance with such certificates, and (c) whether the wines on which the labels are used conform to such labels and to the requirements of this part as to kind (class or type), alcoholic content, quantity, etc. The officer's inquiry will be made both as to wines bottled and packed at the winery or storeroom before tax-payment, and as to wines bottled and packed on contiguous or nearby premises after tax-payment.

§ 178.235 *Violations.* If the Government officer finds that the proprietor does not hold proper certificates of label approval or certificates of exemption from label approval, or that the wines are not being labeled in accordance with such certificates and the requirements of this part, or that the wines do not conform to the labels being used, he will detain the wines and make a full report to the district supervisor and, in cases of mislabeling, will submit copies of the labels and samples of the wines with his report. (Secs. 3040, 3173 (a), I.R.C.)

§ 178.236 *Proprietor's responsibility.* Full responsibility rests upon the proprietor to see that all wines bottled or packed by him are labeled in conformity with the requirements of Regulations No. 4 (27 CFR, Part 4), and with this part. (Sec. 3040, I.R.C.)

TAX-PAYMENT OF WINES

§ 178.237 *Tax-payment by stamp.* The tax on wine will be paid by stamp, as hereinafter provided. The stamps will be purchased by the proprietor from the collector of internal revenue of the district, as provided in §§ 178.402 to 178.409, inclusive. (Sec. 3030 (b), I.R.C.)

§ 178.238 *Tax on still wines.* The following are the rates of tax on still wines, artificial or imitation wines or compounds sold as still wines, and vermouth produced in a bonded winery, the percent of alcohol to be reckoned by volume:

(a) 15 cents per wine gallon when containing not more than 14 percent of absolute alcohol;

(b) 60 cents per wine gallon when containing more than 14 percent and not exceeding 21 percent of absolute alcohol;

(c) $2 per wine gallon when containing more than 21 percent and not exceeding 24 percent of absolute alcohol;

(d) When containing more than 24 percent of absolute alcohol, such products shall be classed as distilled spirits and shall be taxed accordingly. (Sec. 3030 (a) (1), I.R.C.)

§ 178.239 *Tax on champagne, sparkling wine, and artificially carbonated wine.* The following are the rates of tax on champagne, sparkling wine, and artificially carbonated wine:

(a) On each bottle or other container of champagne or sparkling wine, 15 cents on each one-half pint or fraction thereof;

(b) On each bottle or other container of artificially carbonated wine, 10 cents on each one-half pint or fraction thereof;

(c) Any of the foregoing articles containing more than 24 percent of absolute alcohol by volume shall be classed as distilled spirits and shall be taxed accordingly. (Sec. 3030 (a) (2), I.R.C.)

§ 178.240 *Computing tax on still wine.* In computing the tax on still wine contained in casks, barrels, kegs, tanks, tank trucks, railroad tank cars, and cases, fractional parts of a gallon less than one hundredth will be excluded. Fractions of a cent less than one-half will be dropped, and fractions of one-half a cent or more will be called 1 cent.

(a) *Bottles.* When bottled still wine is removed uncased and the stamps are attached to the individual bottles, as authorized in § 178.217, all fractional parts of a gallon will be retained in computing the tax on each bottle. The full tax must be paid on each bottle, stamps in fractional cent denominations being used therefor when necessary.

§ 178.241 *Computing tax on champagne, sparkling wine, and artificially carbonated wine.* The tax on champagne, sparkling wine, and artificially carbonated wine must be computed on each bottle, and not on the aggregate contents of the case. Thus, the tax on a one-fifth gallon bottle of champagne or sparkling wine amounts to 60 cents, and on a case of 12 such bottles the tax amounts to $7.20. (Sec. 3030 (a) (2), I.R.C.)

Tax-Payment in Barrels, Cases, Tank Trucks, Railroad Tank Cars, or Other Containers

§ 178.242 *General.* Whenever the proprietor proposes to remove wine for other than one of the tax-free purposes authorized herein, he shall, prior to such removal, cancel and securely affix to each barrel, case, cask, tank truck, railroad tank car, or other immediate container (except bottles removed in cases), wine stamps in a value equal to the internal revenue tax on the wine contained therein. The stamps shall be affixed to the Government head of each package or side of each case. When removal is made in a tank truck or railroad tank car, the stamps shall be affixed to the route board of the truck or car, required by § 178.223 (a). (Sec. 3030 (b), 3040, 3301, I.R.C.)

§ 178.243 *Manner of canceling and affixing stamps.* The proprietor shall cancel the stamps by legibly writing or stamping thereon with indelible (India) ink or perforating therein, his name or initials and the date of cancellation. The stamps must be affixed with a good adhesive. In the case of wooden containers, tacks or staples shall be used in addition to the adhesive: *Provided,* That where the stamps are affixed with a glue impervious to heat or moisture, similar to that used by railway express companies for attaching labels to shipments handled by them, or that used by brewers for attaching labels to bottles which may be placed on ice, the district supervisor may authorize the winemaker to omit the use of tacks or staples, subject to the stamps remaining securely affixed to the packages. Upon being canceled and affixed, a coating of transparent shellac, lacquer, varnish, or glue that does not discolor the stamps and that affords protection against moisture, erasure, and removal equal to that afforded by shellac, lacquer, or varnish, must be applied over the stamps. (Secs. 3301, 3303, I.R.C.)

§ 178.244 *Marking cases of champagne, sparkling wine, and artificially carbonated wine.* In addition to the marks required by § 178.219, the number of bottles and the size of each bottle in a case of champagne, sparkling wine, or artificially carbonated wine must be stenciled or otherwise marked on the case. (Secs. 3030 (a) (2), 3040. I.R.C.)

Tax-Payment and Removal by Pipe Line

§ 178.245 *General.* The district supervisor may, in his discretion and subject to final approval by the Commissioner, authorize the removal of wine by pipe line, upon tax-payment, from a bonded winery to a tax-paid bottling house or rectifying plant contiguous to, or in the immediate vicinity of, the winery, where a Government officer is assigned (a) to the winery, bottling house, or rectifying plant, (b) to a distillery, bonded warehouse, or other plant contiguous to or in the immediate vicinity of the winery, or (c) where a storekeeper-gauger is available, and where the officer has time, in addition to his other duties, to supervise the transfer of the wine from the winery to the bottling house or rectifying plant, as required by § 178.248. Additional storekeeper-gaugers or other officers will not be assigned for such purpose. Where the bottling house or rectifying plant is not contiguous to the winery, the district supervisor, subject to final approval by the Commissioner, will determine from all the circumstances in each case whether such premises are in the immediate vicinity of the winery. The bottling house to which the wine is transferred may be operated as a tax-paid bottling house under Part 189 of this chapter or as a tax-paid wine bottling house not subject to Part 189 of this chapter. District supervisors will authorize such removal of wine only where the location of the winery and bottling house or rectifying plant to which the wine is to be transferred, the construction of the pipe line and the wine tax-payment tank or tanks from which the wine is to be removed, and the degree of Government supervision available, are such that, in the opinion of the district supervisor, the revenue will be amply safeguarded.

§ 178.246 *Locked tank.* A closed tank or tanks, equipped for locking the inlet and outlet and any other openings with

Government locks, must be provided in the winery for tax-paying the wine removed by pipe line. The tank or tanks must be accurately calibrated and equipped with a measuring device whereby the contents will be accurately indicated. The tank or tanks must be of sufficient size to hold all of the wine to be transferred on any one day. When more than one tank is provided, the tanks must be so arranged and filled that not more than one inspection will be required by the Government officer on any one day: *Provided,* That when an officer is available and is not otherwise engaged, the district supervisor may authorize more than one inspection per day. Each such tank shall be marked "Wine Tax-payment Tank," and if more than one such tank is provided, each tank shall be given a serial number. All openings in the tank shall be closed and locked at all times, except when the inlet is opened to run wine into the tank or the outlet is opened to remove wine from the tank after tax-payment, or the tank is opened for cleaning or other purposes in the presence of the Government officer.

§ 178.247 *Pipe line.* The pipe line used to transfer wine from the winery to the bottling house or rectifying plant must be a fixed, solid line of permanent character, securely constructed and connected and so arranged as to be exposed to view throughout its entire length. The pipe line must be permanently connected with the locked tax-payment tank or tanks required by § 178.246, and must extend unbroken from such tank to the other premises. The valves in such pipe line must be equipped for locking with Government locks. Wheel type valves must be fitted for locking in the manner required by § 178.434. Where the wine is transferred to a rectifying plant, the pipe line must extend unbroken to the storage or bottling tanks in the rectifying plant, unless the district supervisor authorizes the wine to be run directly into processing tanks upon the filing of Form 122 in the manner prescribed in Part 190 of this chapter. The pipe line must be shown on the winery plan.

§ 178.248 *Tax-payment procedure.* When the winemaker desires to transfer wine to the tax-payment tank for removal by pipe line, the Government officer will unlock the inlet valve and close and lock the outlet valve of the tax-payment tank. When the tank is filled or the desired quantity of wine has been run into the tank, the winemaker will accurately determine the quantity of wine in the tank and will cancel wine stamps in a value equal to the tax on the wine, and present the canceled wine stamps to the Government officer with Form 703-A, in duplicate, showing the date and the kind, quantity, and alcoholic content of the wine, and his name, address, and winery number and the plant to which the wine will be transferred. The officer will thereupon close and lock the inlet valve, verify the quantity and taxable grade of the wine in the tank, and see that the canceled stamps are in a value equal to the tax on the wine. If stamps in the proper value have been canceled, the officer will unlock the outlet valve and permit the tax-paid wine to be removed from the tank for bottling or rectification, as the case may be. The officer will then execute his certificate of verification, and will forward one copy of the form with the canceled stamps to the district supervisor and deliver the remaining copy to the rectifier or bottler for attachment to the tank into which the wine is run. The form shall be kept on the tank until the wine has been bottled or (in the case of a storage tank) removed for bottling or rectification. The officer will not be required to be present during the filling of the tank after unlocking the inlet valve and closing and locking the outlet valve, nor during the emptying of the tank after closing and locking the inlet valve, verifying the contents and the tax-payment of the wine, and unlocking the outlet valve. When the officer is present after the tank has been emptied, he may close and lock the outlet valve and unlock the inlet valve, preparatory to the tank being filled again when desired. (Sec. 3030 (b), I.R.C.)

§ 178.249 *Bonded storerooms.* The procedure herein prescribed shall be applicable to the removal of wine by pipe line, upon tax-payment, from bonded storerooms.

TRANSFER OF WINES IN BOND TO OTHER BONDED PREMISES

§ 178.250 *Removal free of tax.* Wine may be removed for transfer in bond free of tax from one bonded winery or storeroom to another bonded winery or storeroom, as provided in this part. (Sec. 3037 I.R.C.)

§ 178.251 *Marking containers.* In addition to the marks required by § 178.219, each container of wine shipped in bond free of tax from one bonded premises to another shall be plainly marked "Shipped in bond to," followed by the name, registry number, and location (city or town and State) of the bonded premises to which the wine is shipped, and the date of shipment. (Sec. 3037, I.R.C.)

§ 178.252 *Form 703*—(a) *Shipments in same district.* When wine is shipped in bond to other bonded premises in the same district, the proprietor will prepare two copies of Form 703, giving all the information called for by the form, and forward, on the day of shipment, one copy to the district supervisor of his district and one copy to the consignee. The district supervisor will check the form against the monthly reports, Forms 702, 702-A, or 702-B, of both the consignor and consignee, when such reports are received.

(b) *Shipments to other districts.* When wine is shipped in bond to bonded premises in another district, the proprietor will prepare three copies of Form 703, giving all the information called for by the form, and forward, on the day of shipment, one copy to the district supervisor of his district, one copy to the district supervisor of the district to which the wine is shipped, and one copy to the consignee. The district supervisor of the receiving district will check the form against the monthly report, Form 702, 702-A, or 702-B, of the consignee, when such report is received, and will note on the form any loss in transit or other discrepancy, initial the form and forward it to the district supervisor of the shipping district, who will check it against the monthly report, Form 702, 702-A, or 702-B, of the consignor. District supervisors will furnish winemakers, shipping wine in bond to other districts, with current lists showing the addresses of district supervisors and the territory comprising the respective districts.

(c) *Kind and alcoholic content.* The kind of the wine shall be stated on Form 703, according to class or type, except in the case of unfinished grape wine, and the alcoholic content of the wine, shall be stated as 13 per cent, 18 per cent, etc., rather than by taxable grade.

(d) *Nonreceipt of shipment.* District supervisors will hold their copies of Form 703, pending report of receipt of the wine by the consignee, and will make appropriate inquiry or investigation respecting any shipment not reported received within a reasonable time after shipment, or where any material or unexplained difference exists between the kind and quantity reported shipped and that reported received. (Secs. 3037, 3171, I.R.C.)

§ 178.253 *Receipt of wines in bond.* When wines are received in bond from other bonded premises, the proprietor of the receiving premises will check the shipment against his copy of Form 703, and will determine by measure or weight the quantity received and enter on his monthly report, Form 702, 702-A, or 702-B, the quantity actually received, together with the serial numbers, etc.: *Provided,* That packages received intact without apparent loss need not be measured or weighed unless the proprietor desires to do so. The proprietor shall file his copy of Form 703 at the winery or storeroom as a permanent record available for inspection by Government officers. (Secs. 3037, 3171, I.R.C.)

§ 178.254 *Losses in transit*—(a) *Consignee liable for tax.* The proprietor of the premises to which wine is shipped in bond shall be liable under his bond for the tax on wines lost in transit. The tax on wines lost in transit will be assessed or remitted in accordance with the provisions of §§ 178.364 to 178.378, inclusive.

(b) *Losses in transit in excess of 1 per cent.* Where there is a loss in transit from any package or other container, including tank trucks and railroad tank cars, in excess of 1 per cent, or 2 per cent in the case of transcontinental shipments, of the quantity shipped in such container, the proprietor of the receiving premises shall attach to his monthly report, Form 702, 702-A, or 702-B, in which the shipment is reported received, an application for remission of tax on the entire quantity lost, in accordance with § 178.372.

(c) *Losses less than 1 per cent.* If the loss is less than 1 per cent, or 2 per cent in the case of transcontinental shipments, of the quantity shipped in any package or other container, notation of such loss shall be made by the proprietor of the receiving premises on his monthly report, Form 702, 702-A, or 702-B, but

no detailed statement of loss need be made, unless required by the district supervisor or Commissioner. (Secs. 3037, 3039, 3171, I.R.C.)

§ 178.255 *Transfer to and from bonded field warehouses.* Where wines are transferred to and from a bonded field warehouse and the winery contiguous and adjacent thereto, Form 703 need not be prepared, but the transfer shall be recorded immediately on the monthly reports, Forms 702, 702-A, or 702-B, for both premises. Such transfers may be made by pipe line or hose when authorized by the district supervisor. (Secs. 3037, 3171, I.R.C.)

REMOVAL OF WINE FOR USE AS DISTILLING MATERIAL

§ 178.256 *Removal free of tax.* Wine may be removed free of tax to a fruit distillery, a registered distillery, or an industrial alcohol plant for use as distilling material in the manufacture of spirits. The winemaker shall remain liable for the tax on the wine until it is received at the distillery or alcohol plant. (Secs. 3037, 3038, I.R.C.)

§ 178.257 *Pipe line to fruit distillery.* Where a bonded winery and a fruit distillery are operated on contiguous premises, wine for use as distilling material may be transferred by fixed pipe line from tanks in the winery to measuring tanks in the distillery, or, where the distillery measuring tanks are authorized to be installed on the winery premises, from such measuring tanks directly to the chargers of the stills or to sumps for immediate transfer to the chargers. The pipe line must traverse only bonded premises and be equipped with a valve which may be locked with a Government lock. The valve will be locked whenever operations at the distillery or winery are suspended for the season or for an indefinite period. (Secs. 3037, 3038, I.R.C.)

§ 178.258 *Pipe line to registered distillery or industrial alcohol plant.* Where a bonded winery and a registered distillery or an industrial alcohol plant are operated on contiguous premises, wine for use as distilling material may be transferred from tanks in the winery to storage tanks in the distillery or alcohol plant, by means of a securely connected pipe line of a fixed and permanent character. The tanks in the winery must be suitably equipped for determining the quantity of wine so transferred, and the pipe line must be equipped with a valve so constructed that it may be locked at all times, except when necessary to be open for the transfer of wine. The keys will be in the custody of the Government officer assigned to the distillery or alcohol plant, and the wine will be transferred under his supervision. (Secs. 3037, 3038, I.R.C.)

§ 178.259 *Construction of pipe line.* Pipe lines used for the transfer of distilling material from a bonded winery to a fruit distillery, registered distillery, or industrial alcohol plant must be of a fixed, solid and permanent character, but not necessarily of metal, and be otherwise constructed in accordance with the requirements of Regulations 5 (26 CFR, Part 184), Regulations 4 (26 CFR, Part 183), and Regulations 3 (26 CFR, Part 182), respectively, issued under Chapter 26, Internal Revenue Code. (Secs. 3037, 3038, I.R.C.)

§ 178.260 *Removal by hose.* With the approval of the district supervisor, wine for use as distilling material may be transferred by hose from a bonded winery to a contiguous fruit distillery, registered distillery, or industrial alcohol plant, in accordance with the provisions of §§ 178.257 and 178.258, except that in lieu of being equipped with a valve for locking, the hose shall be extended between the two premises only when wine is being actually transferred thereby. (Secs. 3037, 3038, I.R.C.)

§ 178.261 *Champagne, sparkling wine, and artificially carbonated wine.* Champagne, sparkling wine, and artificially carbonated wine must be dumped into open containers and the carbon dioxide permitted to escape before being removed for use as distilling material. Such wines may not be transferred to a fruit distillery if they contain any material, used in manufacture or cellar treatment, which would exclude them from the definition of standard wine.

(a) *Permission for removal required.* When the proprietor wishes to remove champagne, sparkling wine, or artificially carbonated wine for use as distilling material he shall make application to the district supervisor for permission so to do, stating the name and address of the distillery or industrial alcohol plant to which it is desired to transfer the wine, the number and size of the bottles, and the condition of the wine. If the district supervisor is satisfied that the application is made in good faith and that the removal is proper, he will authorize the applicant in writing to remove the wine. The district supervisor may, where in his judgment the quantity or the attendant circumstances render it advisable, detail an officer to inspect the wine and supervise its removal from the premises. (Secs. 3037, 3038, 3171, 2825, I.R.C.)

§ 178.262 *Formula wines.* Formula wines, produced in accordance with §§ 178.156 to 178.164, may not be removed for use as distilling material at a fruit distillery: *Provided,* That this prohibition shall not apply to (a) substandard wines made in accordance with §§ 178.176 to 178.181, inclusive, (b) wine made exclusively from raisins, persimmons, figs, and dates, and (c) any other formula wine which the Commissioner finds may be distilled at a fruit distillery under section 2825, I.R.C. (Sec. 2825, I.R.C.)

§ 178.263 *Vermouth.* Vermouth may not be removed for use as distilling material at a fruit distillery. (Sec. 2825, I.R.C.)

§ 178.264 *Report of removal.* (a) Forms 702, 702-A, and 702-B. The removal of standard wines and formula wines for use as distilling material will be reported on Form 702. If champagne, sparkling wine, artificially carbonated wine, or vermouth is removed for use as distilling material, the removal will be reported on Form 702-A, or Form 702-B, as the case may be, with appropriate modification of the heading of the part and the corresponding line of the summary where the removal is reported.

(b) *Form 701.* The removal of substandard wines produced with excessive water or residue materials expressly for use as distilling material will be reported on Form 701.

(c) *Kind and alcoholic content.* The kind of material removed, according to its nature, as standard grape (apple, peach, etc.) wine, grape (apple, peach, etc.) pomace wine, grape (apple, peach, etc.) lees, raisin wine, etc.; and the exact alcoholic content of the material, as 5 percent, 10 percent, etc., must be reported on Form 701, 702, 702-A, or 702-B, as the case may be. (Secs. 3037, 3038, 3171, I.R.C.)

§ 178.265 *Marking containers.* Each container removed, in addition to bearing the marks, required by § 178.219, must be plainly marked "For distilling material," and to show the kind or nature of the material, as standard grape (apple, peach, etc.) wine or lees, raisin wine, etc., in order that the spirits distilled therefrom may be properly marked as to class and type. Where wine, made with sugar other than the kinds or in excess of the quantities, authorized for standard wines, is removed for distilling material, the composition of the material must be marked on the containers. (Secs. 3037, 3038, 3040, I.R.C.)

§ 178.266 *Wines measured when received.* Upon receipt of the wine or other distilling material at the distillery or industrial alcohol plant, it must be measured and tested by the distiller, and entered on Form 15, 1598, or Form 1442, as the case may be, with the name of the proprietor, the registry number, and the location of the bonded premises from which it is received. The kind or nature and the exact alcoholic content of the wine or other material must also be entered on such form. (Secs. 2841, 3037, 3038, 3171, I.R.C.)

EXPORTATION OF WINES FREE OF TAX

§ 178.267 *Removal free of tax.* Wines may be removed from bonded wineries or bonded storerooms free of tax for export in accordance with the provisions of this article. (Sec. 3037, I.R.C.)

§ 178.268 *Export bond, Form 186.* Every person intending to withdraw wines from bonded wineries or storerooms free of tax for exportation, must file with the district supervisor of the district in which the bonded premises are located in export bond on Form 186, in triplicate, in a penal sum equal to the tax on the maximum quantity of wine to be withdrawn for exportation, plus the tax on any wine which having been so withdrawn may remain unaccounted for, at any one time, in addition to covering the tax on any wine withdrawn thereunder for use on vessels and aircraft in accordance with §§ 178.296 to 178.310, inclusive, but in no case shall the penal sum be less than $500. Upon approval of the bond, withdrawals may be made thereunder from time to time, pursuant to approved application and entry, Form 711, so long as the bond re-

mains good and sufficient. (Sec. 3037, I.R.C.)

§ 178.269 *Approval of bond.* The district supervisor will examine the bond, and if it is properly executed as provided in §§ 178.61 to 178.73, inclusive, he will approve all three copies of the bond, retain one copy, forward one copy to the Commissioner, and return one copy to the principal.

§ 178.270 *Account with bond.* The district supervisor will keep an account with the bond, in which account the principal will be charged with the tax on each lot of wine removed for exportation and will receive credit for the tax on each lot concerning which satisfactory proof of exportation is received. In case a shortage is reported from any shipment, credit will be entered for only the actual quantity exported. Credit will not be entered for the loss until the tax has been paid thereon. Wine shipped for export will be carried as unaccounted for until proof satisfactory to the district supervisor is received showing the exportation of the wine, and that the tax has been paid on any wine lost in transit. No provision is made in the law for remission of tax on wines lost in transit for export.

(a) *Withdrawals for use on vessels and aircraft under same bond.* Where wines are withdrawn for use on vessels and aircraft in accordance with §§ 178.296 to 178.310, inclusive, under the same bond, Form 186, as wines withdrawn for exportation, the account to be kept with the bond shall cover both kinds of withdrawals. (Sec. 3037, I.R.C.; Sec. 309 (a), Tariff Act 1930 (19 U.S.C., Supp., 1309), as amended by Sec. 3, Act of July 22, 1941, (Public law 187, 77th Congress))

§ 178.271 *Application and entry, Form 711.* After having given the required bond, the exporter will execute and file with the district supervisor an application and entry on Form 711, in quadruplicate, when he desires to withdraw wine for export. Each application, Form 711, must be numbered serially, commencing with No. 1 and continuing in regular sequence for all applications thereafter filed. Parts 1 and 2 of each copy will be fully executed. If the exporter has complied with the law and regulations in all respects and the available balance on his bond is sufficient to cover the tax on the wine to be withdrawn, the district supervisor will approve each copy of the application and entry, retain one copy, and return three copies to the exporter. Upon receipt of the approved copies of the application and entry, the exporter may withdraw the wine described therein for export free of tax. (Sec. 3037, I.R.C.)

§ 178.272 *Marking containers.* The containers in which the wine is removed must be plainly marked "For export," in addition to bearing the marks required by § 178.219. (Secs. 3037, 3040, I.R.C.)

Exportation by Vessel or Aircraft

§ 178.273 *Delivery or consignment to collector of customs.* The exporter shall deliver or consign the wine to the collector of customs at the port of export for customs examination, inspection, supervision of lading, and report, as provided in § 178.274. When the shipment arrives at the port of export, the exporter or his agent shall file immediately with the collector of customs two copies of the entry, Form 711, one of which will be treated as the customs entry. The other copy of the entry will be retained by the exporter. The entry shall specify the vessel or aircraft by which the wine is to be exported and the pier or airport at which it will be laden. In every case the entry must be filed with the collector of customs at least six hours prior to lading. (Sec. 3037, I.R.C.)

§ 178.274 *Customs inspection.* The collector of customs will direct the proper officer to inspect the wine and determine whether the same agrees in all respects with the description thereof in the entry, Form 711, and to superintend the lading of the wine for exportation. Such officer will carefully examine the contents of any packages which are found broken or tampered with, and will report on both copies of the entry any shortage and the apparent cause thereof. Upon exportation of the wine, the collector of customs will execute his report and certificate of clearance on each copy of the entry, retain one copy for his entry record, and forward one copy to the district supervisor who approved it. (Sec. 3037, I.R.C.)

§ 178.275 *Evidence of fraud.* If the customs inspection discloses evidence of fraud, the collector of customs will detain the wines and report the facts forthwith to the district supervisor within whose district the port of export is located. The district supervisor will make immediate investigation and take such action as the facts may warrant. (Sec. 3037, I.R.C.)

§ 178.276 *Delay in lading at port.* If the exporting vessel is not prepared to receive the wine upon its arrival at the port of exportation, the collector of customs may permit the wine to remain in possession of the transportation company for a period of not exceeding 15 days. Storage elsewhere for a like cause and not exceeding the same period may be approved by the collector of customs. In the event of further delay, the facts will be reported to the district supervisor who approved the entry, Form 711, and who will issue appropriate instructions concerning the disposition of the wine. (Sec. 3037, I.R.C.)

§ 178.277 *Bill of lading.* The export bill of lading covering shipment of the line abroad must identify the wine by showing the name of the exporter, the name and registry number of the premises from which withdrawn, the serial numbers of the packages, and the quantity of wine. Where the shipment is handled at the port of export by a customs broker, acting for the exporter, that is, the person who filed the export bond and entry, Forms 186 and 711, the export broker may, if desired, be shown as the shipper (consignor) in the export bill of lading, provided the name of the exporter, together with the other data required above, is shown in the body of the bill of lading. Upon clearance, the exporter will forward a copy of the bill of lading to the district supervisor. (Sec. 3037, I.R.C.)

§ 178.278 *Crediting accounts.* Upon receipt of the copy of the bill of lading and copy of the entry, bearing the certificate of clearance of the collector of customs, the district supervisor will make proper entries in his wine accounts, Forms 733, 733-A, or 733 modified, as the case may be, and credit the account kept with the export bond, Form 186, in accordance with § 178.270.

Exportation by Railroad Car, Motor Truck, or Other Conveyance

§ 178.279 *General.* Where wines are to be exported by railroad car, motor truck, or other conveyance (except a vessel or aircraft), the procedure prescribed for exportation by vessel or aircraft will be followed, except as hereinafter indicated. (Sec. 3037, I.R.C.)

§ 178.280 *Exportation through frontier port.* Where wines are to be shipped by railroad car, motor truck, or other conveyance, through a border port, the wines shall be consigned to the foreign consignee at destination in care of the collector of customs or the deputy collector of customs at the border port. Two copies of the entry, Form 711, will be forwarded or delivered by the exporter or his agent to the collector or deputy collector at the border port, who will direct one of his officers to inspect the wines upon arrival. If the inspector finds that the wines are intact and correspond to the entry, the collector or deputy collector will allow the railroad car, motor truck, or other conveyance to proceed to its destination. If there is evidence of loss or the wines do not correspond to the description in the entry, the extent and apparent cause of the loss or other discrepancy will be determined before the car, truck, or other conveyance is allowed to proceed. Upon exportation of the wine, the collector or deputy collector will execute his report and certificate of clearance on each copy of the entry, retain one copy for his entry record, and forward one copy to the district supervisor who approved it. (Sec. 3037, I.R.C.)

§ 178.281 *Exportation in sealed railroad cars or trucks from port of entry through another port.* Where wine is to be exported by rail or in trucks through a frontier port and it is desired to avoid the delay of customs inspection at such port, the wine may be entered for exportation at an interior customs port and inspected by a customs officer at that port. After inspecting the wine, the customs officer will seal the car or truck with customs seals and note the car number or license number of the truck, as the case may be, and the serial numbers of the customs seals, if a numbered seal is used, in his report on both copies of Form 711. The collector of customs will then forward both copies to the customs officer at the frontier port. The wine will be consigned to the foreign consignee in care of the customs officer at the frontier port.

(a) *Inspection at frontier port.* If the customs officer at the frontier port finds upon arrival of the car or truck that the

seals are intact and there is no evidence of tampering with the contents, he will allow the car or truck to proceed to its destination without opening. If, however, the customs officer finds that the seals are not intact or there is other evidence of tampering with the contents, he will open the car or truck, inspect the wine, and make report of his findings and of any loss on Form 711. Upon clearance of the car or truck and contents, the customs officer at the frontier port will execute his certificate of clearance on both copies of Form 711 and return the forms to the collector of customs at the port of entry, who will retain one copy as his entry record, and forward one copy to the district supervisor who approved it. (Sec. 3037, I.R.C.)

Shipments to American Possessions

§ 178.282 *Panama Canal Zone.* Wine may be removed free of tax for shipment to the Panama Canal Zone. Such shipments have the same status as exportations to foreign countries, and the procedure prescribed herein respecting exportations to foreign countries will be followed when it is desired to ship wine to the Panama Canal Zone. (Sec. 3037, I.R.C.)

§ 178.283 *Philippine Islands, Puerto Rico, Virgin Islands, Guam, and American Samoa.* The law authorizes the shipment of wine without payment of tax to the Philippine Islands, Puerto Rico, the Virgin Islands, Guam, and American Samoa. The provisions of this part and the forms prescribed in respect to the removal of wine free of tax for exportation to foreign countries shall be followed when it is desired to ship wine to these possessions. (Secs. 3341 (b), 3351 (b), 3361 (b), I.R.C.)

§ 178.284 *Other possessions.* Wine shipped to other possessions of the United States must be tax-paid prior to removal from the bonded winery or storeroom. (Sec. 3030 (a), I.R.C.)

§ 178.285 *Hawaii and Alaska.* Wine withdrawn for shipment to the Territories of Hawaii and Alaska must be tax-paid before removal from the bonded winery or storeroom, unless the wine is shipped in bond to a bonded winery or storeroom located in one of those Territories. (Sec. 3030, I.R.C.)

TRANSFER OF WINES TO CUSTOMS MANUFACTURING BONDED WAREHOUSES

§ 178.286 *Removal without payment of tax.* Wines may be removed from bonded wineries and bonded storerooms to duly constituted customs manufacturing bonded warehouses, class 6, without payment of tax for use in the manufacture of articles for export or shipment to the Philippine Islands, or for rectification and export or shipment in bond to Puerto Rico. Removal will be made pursuant to application and bond filed by the proprietor of the customs manufacturing bonded warehouse and approved by the district supervisor, in accordance with the provisions of this article. (Sec. 311, 46 Stat. 691 (19 U.S.C. 1311); sec. 6, 32 Stat. 55 (19 U.S.C. 152a); sec. 3178, I.R.C.)

§ 178.287 *Transportation bond, Form 1580.* The proprietor of a customs manufacturing bonded warehouse, class 6, desiring to remove wine from a bonded winery or storeroom, without payment of tax, for use at his warehouse in the manufacture of articles for export or shipment to the Philippine Islands, or for rectification and export or shipment to Puerto Rico, shall file with the district supervisor of the district in which the bonded winery or storeroom is located a bond on Form 1580, in triplicate, in the penal sum equal to the tax on the maximum quantity of wine to be withdrawn, plus the tax on any wine which having been so withdrawn may remain unaccounted for, at any one time, but in no case shall the penal sum be less than $500. The bond shall cover transportation of the wine from the bonded winery or storeroom to the customs manufacturing bonded warehouse. Upon approval of the bond, withdrawals may be made thereunder from time to time, pursuant to approved application and entry. Form 711–A, so long as the bond remains good and sufficient. (Sec. 311, 46 Stat. 691 (19 U.S.C. 1311); sec. 6, 32 Stat. 55 (19 U.S.C. 152a); sec. 3178, I.R.C.)

§ 178.288 *Approval of bond.* The district supervisor will examine the bond and if it is properly executed in accordance with §§ 178.61 to 178.73, inclusive, he will approve all three copies of the bond, retain one copy, forward one copy to the Commissioner, and return one copy to the principal.

§ 178.289 *Account with bond.* The district supervisor will keep an account with the bond, in which account the principal will be charged with the tax on each lot of wine removed for transportation to his customs manufacturing bonded warehouse and will receive credit for the tax on each lot concerning which satisfactory proof of deposit in such warehouse is received. In case a shortage is reported from any shipment, credit will be entered for only the actual quantity deposited in the warehouse. Credit will not be entered for the loss until the tax has been paid thereon. Wine removed for transportation to a customs manufacturing bonded warehouse will be carried as unaccounted for until proof satisfactory to the district supervisor is received, showing the deposit of the wine in such warehouse, and that the tax has been paid on any wine lost in transit. No provision is made in the law for remission of tax on wines lost in transit to a customs manufacturing bonded warehouse. (Sec. 311, 46 Stat. 691 (19 U.S.C. 1311); sec. 6, 32 Stat. 55 (19 U.S.C. 152a); sec. 3178, I.R.C.)

§ 178.290 *Application and entry, Form 711–A.* After having given the required bond, the proprietor of the customs manufacturing warehouse will execute and file with the district supervisor six copies of application and entry, Form 711–A, when he desires to withdraw wine for transfer to his warehouse. Parts 1 and 2 of each copy will be fully executed. If the applicant has complied with the law and regulations in all respects and the available balance on his bond is sufficient to cover the tax on the wine to be withdrawn, the district supervisor will approve each copy of the application and entry, retain one copy, return four copies to the applicant, and forward one copy to the proprietor of the bonded winery or storeroom as his authority to ship the wine described therein to the customs manufacturing bonded warehouse without payment of tax. Upon receipt of the copy of the application and entry, the proprietor of the bonded winery or storeroom may ship the wine described therein to the customs warehouse without payment of tax. (Sec. 311, 46 Stat. 691 (19 U.S.C. 1311); sec. 6, 32 Stat. 55 (19 U.S.C. 152a); sec. 3178, I.R.C.)

§ 178.291 *Marking containers.* In addition to the marks required by § 178.219, each container removed shall be plainly marked "For Deposit in Bonded Manufacturing Warehouse, Class 6," followed by the name and location (city or town and State) of the warehouse and the date of shipment. (Sec. 311, 46 Stat. 691 (19 U.S.C. 1311); sec. 6, 32 Stat. 55 (19 U.S.C. 152a); secs. 3040, 3178, I.R.C.)

§ 178.292 *Consignment of wine.* The wine must be consigned to the proprietor of the customs manufacturing bonded warehouse in care of the collector of customs of the district in which the warehouse is located. Upon shipment of the wine the proprietor of the bonded winery or storeroom shall immediately notify the proprietor of the customs manufacturing warehouse, who shall deliver or forward immediately to the collector of customs his four copies of the entry, Form 711–A. (Sec. 311, 46 Stat. 691 (19 U.S.C. 1311); sec. 6, 32 Stat. 55 (19 U.S.C. 152a); sec. 3178, I.R.C.)

§ 178.293 *Customs inspection.* The collector of customs will direct the proper officer to inspect and gauge by measure or weight the wine upon its arrival at the warehouse and supervise its deposit therein. When the wine has been inspected, gauged, and deposited in the warehouse, the customs officer will execute his certificate on each copy of Form 711–A, and note thereon any loss or other deficiency on the shipment. The officer will retain one copy of the form for his files, deliver one copy to the proprietor of the customs manufacturing bonded warehouse, and forward one copy to the collector of customs for his entry record and one copy to the district supervisor who approved it. (Sec. 311, 46 Stat. 691 (19 U.S.C. 1311); sec. 6, 32 Stat. 55 (19 U.S.C. 152a); sec. 3178, I.R.C.)

§ 178.294 *Evidence of fraud.* If the customs inspection discloses evidence of fraud, the collector of customs will detain the wines and report the facts forthwith to the district supervisor within whose district the customs manufacturing bonded warehouse is located. The district supervisor will make immediate investigation and take such action as the facts may warrant. (Sec. 311, 46 Stat. 691 (19 U.S.C. 1311); sec. 6, 32 Stat. 55 (19 U.S.C. 152a); Sec. 3178, I.R.C.)

§ 178.295 *Crediting accounts.* Upon receipt of the copy of the entry, Form 711–A, bearing the certificate of deposit of the customs officer at the warehouse,

the district supervisor will make proper entries in his wine accounts, Form 733, 733-A, or 733 modified, as the case may be, and credit the account kept with the transportation bond, Form 1580, in accordance with § 178.289.

WITHDRAWAL OF WINES FREE OF TAX FOR USE ON CERTAIN VESSELS AND AIRCRAFT

§ 178.296 *Withdrawal free of tax.* Wine may withdrawn in accordance with the provisions of §§ 178.296 to 178.310, inclusive, from bonded wineries and bonded storerooms free of tax for use on vessels and aircraft as follows: For supplies (not including equipment) of:

(a) Vessels of war, in ports of the United States of any nation which may reciprocate such privilege toward the vessels of war of the United States in its ports;

(b) Vessels employed in the fisheries or in the whaling business or actually engaged in foreign trade or trade between the Atlantic and Pacific ports of the United States or between the United States and any of its possessions;

(c) Aircraft registered in the United States and actually engaged in foreign trade or trade between the United States and any of its possessions; and

For supplies (including equipment), maintenance, or repair of:

(d) Aircraft registered in any foreign country and actually engaged in foreign trade or trade between the United States and any of its possessions, where such trade by foreign aircraft is permitted, and where the Secretary of the Treasury shall have been advised by the Secretary of Commerce that he has found that such foreign country allows, or will allow, substantially reciprocal privileges in respect of aircraft registered in the United States.

(Sec. 3, 55 Stat. 602 (19 U.S.C. Supp., 1309))

§ 178.297 *Kinds of vessels.* Customs Regulations of 1943, section 10.59, provide as follows, respecting the vessels for which wines may be withdrawn for use as supplies:

10.59 *Exemption from Customs Duties and Internal Revenue tax.* (a) A vessel shall not be considered to be actually engaged in the foreign trade, or in trade between the Atlantic and Pacific ports of the United States, or between the United States and its possessions, as the case may be, for the purpose of withdrawing supplies from bonded warehouses free of duty and internal-revenue tax pursuant to section 309 (a), Tariff Act of 1930, as amended, unless it is—

(1) Operating on a regular schedule in a class of trade which entitles it to the privilege;

(2) Actually transporting passengers or merchandise to or from a foreign port, a port on the opposite coast of the United States, or between a port in a possession of the United States and a port in the United States or in another of its possessions;

(3) Proceeding in ballast to another domestic port to lade passengers or cargo for a foreign port, and its last carriage of passengers or cargo prior to departure from the port of withdrawal was in foreign trade; or

(4) Departing in ballast from the port at which the withdrawal is made for a foreign port, a port on the opposite coast of the United States, a port in one of the possessions of the United States (or if the port of withdrawal is in a possession of the United States, for a foreign port, the United States, or another possession of the United States) for the purpose of lading passengers or cargo at the port of destination for transportation in a class of trade specified in section 309 (a), Tariff Act of 1930, as amended, for which class of trade the vessel is suitable and seaworthy at the time of leaving the port of withdrawal and from which it is not diverted prior to such lading.

(Sec. 3, 55 Stat. 602 (19 U.S.C., Supp., 1309))

§ 178.298 *Reciprocating foreign countries.* The Commissioner will advise district supervisors by circular letter, from time to time, respecting the foreign countries which:

(1) In the case of vessels of war, reciprocate, or will reciprocate, the privilege of withdrawing wine free of tax to vessels of war of the United States in their ports, and

(2) In the case of aircraft, the Secretary of Commerce has found and advised the Secretary of the Treasury that such foreign countries allow, or will allow, privileges to aircraft registered in the United States engaged in foreign trade substantially reciprocal to the privileges allowed herein to aircraft of foreign registry.

District supervisors will approve applications to withdraw wine for use on foreign vessels of war and aircraft of only such countries.

(a) *Other countries.* If it is desired to withdraw wine free of tax for use on vessels of war or aircraft of other foreign countries, which it is claimed reciprocate similar privileges to vessels of war or aircraft of the United States, the applicant must first establish the right of such withdrawal. In such cases, the applicant should request the Secretary of State, in the case of vessels of war, or the Secretary of Commerce, in the case of aircraft, to find and advise the Secretary of the Treasury that such foreign country, or countries, allow, or will allow, substantially reciprocal privileges to vessels of war or aircraft, as the case may be, of the United States. (Sec. 3, 55 Stat. 602 (19 U.S.C., Supp., 1309))

§ 178.299 *Bond, Form 186.* Wines withdrawn from bonded wineries or bonded storerooms free of tax for use on vessels and aircraft shall be covered by a bond on Form 186. The penal sum of the bond must be sufficient to cover the tax of all wine withdrawn for use on vessels and aircraft, plus the tax on any wine which having been so withdrawn may remain unaccounted for, at any one time, in addition to covering the tax on any wine withdrawn thereunder for exportation in accordance with §§ 178.267 to 178.272, inclusive, but in no case shall the penal sum be less than $500. Upon approval of the bond and the consent of surety (if required under § 178.300), withdrawals may be made thereunder from time to time, pursuant to approved application and entry, Form 711-B, so long as the bond remains good and sufficient. (Sec. 3, 55 Stat. 602 (19 U.S.C., Supp., 1309))

§ 178.300 *Consent of surety.* Unless the bond is filed on a revision of Form 186 which specifically covers withdrawals for use on vessels and aircraft in addition to exportation, consent of surety, Form 1533, must be filed specifically extending the terms of the bond to cover wines withdrawn for use on vessels and aircraft. (Sec. 3, 55 Stat. 602 (19 U.S.C., Supp., 1309).)

§ 178.301 *Filing of bond and consent of surety.* The bond and the consent of surety, if required, must each be filed in triplicate with the district supervisor of the district in which the bonded winery or storeroom from which withdrawals are to be made is located. Exporters who have previously filed bonds on Form 186 to cover the exportation of wine and who desire to withdraw wine for use on vessels and aircraft are not required to file another bond for the latter withdrawal, provided their bonds are in a sufficient penal sum, but they must file consent of surety thereon as herein required, unless the bond specifically covers withdrawals for use on vessels and aircraft. (Sec. 3, 55 Stat. 602 (19 U.S.C., Supp., 1309).)

§ 178.302 *Approval of bond and consent of surety.* The district supervisor will examine the bond and the consent of surety, if required, and if they are properly executed in accordance with §§ 178.61 to 178.73, inclusive, he will approve all three copies of each, retain one copy of each, forward one copy of each to the Commissioner, and return one copy of each to the principal.

§ 178.303 *Account with bond.* The district supervisor will keep an account with the bond, in which account the principal will be charged with the tax on each lot of wine withdrawn for use on vessels and aircraft and will receive credit for the tax on each lot concerning which satisfactory proof of lading and of use, if required, is received. In case a shortage is reported from any shipment, credit will be entered for only the actual quantity laden. Credit will not be entered for the loss until the tax has been paid thereon. Wine withdrawn for use on vessels and aircraft will be carried as unaccounted for until proof satisfactory to the district supervisor is received, showing the lading and the use, if required, of the wine, and that tax has been paid on any wine lost in transit. No provision is made in the law for remission of tax on wines lost in transit for lading on board vessels and aircraft.

(a) *Exportation under same bond.* Where wines are withdrawn for exportation in accordance with §§ 178.267 to 178.285, inclusive, under the same bond, Form 186, as wines withdrawn for use on vessels and aircraft, the account to be kept with the bond shall cover both kinds of withdrawals. (Sec. 3, 55 Stat. 602 (19 U.S.C., Supp., 1309).)

§ 178.304 *Application and entry, Form 711-B.* Whenever it is desired to withdraw wine from a bonded winery or storeroom for use on vessels or aircraft, after the filing and approval of bond on Form 186 and consent of surety, if required, application and entry will be made on Form 711-B, in quadruplicate. Parts 1 and 2 of each copy will be fully executed. All of the information called

for by the form shall be furnished. If the applicant has complied with the law and regulations in all respects and the available balance on his bond is sufficient to cover the tax on the wine to be withdrawn, the district supervisor will approve each copy of the application and entry, retain one copy, and return three copies to the applicant. Upon receipt of the approved copies of the application and entry, the wine may be withdrawn free of tax for the purpose described in the entry. (Sec. 3, 55 Stat. 602 (19 U.S.C., Supp., 1309).)

§ 178.305 *Marking containers.* The containers in which the wine is removed must be plainly marked "For Use on Vessels or Aircraft Tax-free," in addition to bearing the marks required by § 178.219. (Sec. 3, 55 Stat. 602 (19 U.S.C., Supp., 1309); Sec. 3040, I.R.C.)

§ 178.306 *Delivery or consignment to collector of customs.* The applicant shall deliver or consign the wine to the collector of customs at the port of lading for customs examination, inspection, supervision of lading, and report, as provided by § 178.307. When the wine arrives at the port of lading, the applicant or his agent shall file immediately with the collector of customs two copies of the entry, Form 711–B, one of which will be treated as the customs entry. The other copy of the entry will be retained by the applicant. The entry shall specify the vessel or aircraft on which, and the pier or airport at which, the wine will be laden. In every case the entry must be filed with the collector of customs at least six hours prior to lading. (Sec. 3, 55 Stat. 602 (19 U.S.C., Supp., 1309))

§ 178.307 *Customs inspection.* The collector of customs will direct the proper officer to inspect the wine and determine whether the same agrees in all respects with the description thereof in the entry, Form 711–B, and to superintend the lading of the wine on board the vessel or aircraft specified in the entry. Such officer will carefully examine the contents of any packages which are found broken or tampered with and will report on both copies of the entry any shortage and the apparent cause thereof. Upon lading of the wine, the collector of customs will execute his report and certificate of lading on each copy of the entry, retain one copy for his entry record, and forward one copy to the district supervisor who approved it. In the event the customs inspection discloses evidence of fraud or there is delay in lading, the collector of customs will proceed in accordance with §§ 178.275 or 178.276, respectively. (Sec. 3, 55 Stat. 602 (19 U.S.C., Supp., 1309))

§ 178.308 *Certificate of receipt.* The principal on the bond shall procure a receipt, signed by the master or an authorized officer of the vessel or of the steamship company, in the case of withdrawals for use on vessels, or by an authorized officer of the aircraft or of the air line company, in the case of withdrawals for use on aircraft, certifying to the receipt of the wine and giving the serial numbers of the packages and the quantity received. The principal shall file the receipt with the district supervisor. (Sec. 3, 55 Stat. 602 (19 U.S.C., Supp., 1309))

§ 178.309 *Evidence of use on vessels and aircraft.* The principal on the bond shall also submit to the district supervisor, within six month (or such additional time as may be granted by the district supervisor or the Commissioner), an affidavit of the master or other officer of the vessel or aircraft on which the wine was laden, having knowledge of the facts, showing that the wine has been used on board the vessel or aircraft for supplies (or, in the case of aircraft of foreign registry, for supplies, equipment, maintenance, or repair), and that no portion thereof has been unladen in the United States or any of its possessions: *Provided,* That such affidavit will not be required where the tax on the wine does not exceed $25 or when the wine is laden on vessels of war. (Sec. 3, 55 Stat. 602 (19 U.S.C., Supp., 1309))

§ 178.310 *Crediting accounts.* After receiving the copy of the entry, bearing the certificate of lading of the collector of customs, required by § 178.307, and the certificate of receipt required by § 178.308, and of satisfactory evidence of use of the wine on board the vessel or aircraft for supplies (or, in case of aircraft of foreign registry, for supplies, equipment, maintenance, or repair), required by § 178.309, the district supervisor will make proper credit entries in his wine accounts, Forms 733, 733–A, or 733 modified (vermouth), as the case may be, and credit the account kept with the bond, Form 186, in accordance with § 178.303.

REMOVAL OF WINE FOR USE OF UNITED STATES

§ 178.311 *Removal free of tax.* Wine may be removed from bonded wineries or bonded storerooms free of tax for use of the United States, upon receipt of proper governmental order, signed by the official or officer in charge of the establishment, institution, station, post, etc., to which the wine is shipped, and who is duly authorized by his superior officer to sign such orders. (Sec. 3331, I.R.C.)

§ 178.312 *Marking containers.* In addition to bearing the marks required by § 178.219, each container in which the wine is removed must be plainly marked "For Use of United States." (Secs. 3040, 3331, I.R.C.)

§ 178.313 *Bill of lading and report of shipment.* Where the wine is shipped by common carrier, the proprietor shall attach a copy of the bill of lading covering the shipment to one of the copies of his monthly report on Form 702, 702–A, or 702–B, as the case may be, in which the shipment is reported. Such copy of the monthly report shall be forwarded to the district supervisor, who will retain the same in his files. Report of shipment will be made by the proprietor in one of the blank parts of the form, modified for the purpose. The monthly report and the bill of lading must show the name and address of the United States governmental agency or officer to whom the wine is shipped, together with the serial numbers of the packages and the quantity and alcoholic content of the wine. The governmental order or a copy thereof must be filed at the winery or storeroom available for inspection by Government officers. (Secs. 3171, 3331, I.R.C.)

REMOVAL OF STILL WINE TO FRUIT DISTILLERIES FOR MANUFACTURE OF DEALCOHOLIZED WINE

§ 178.314 *Removal free of tax.* Still wine may be removed from bonded wineries and bonded storerooms free of tax to a fruit distillery for the manufacture of dealcoholized wine containing less than one-half of 1 per cent of alcohol by volume. (Secs. 3030 (a), 3031 (a), I.R.C.)

§ 178.315 *Removal by pipe line.* Wine removed for the manufacture of dealcoholized wine may be transferred from a bonded winery or storeroom to a contiguous fruit distillery by fixed pipe line, in accordance with the procedure prescribed in § 178.257, for the removal of wine for use as distilling material. (Secs. 3030 (a), 3031 (a), I.R.C.)

§ 178.316 *Marking containers.* Each container in which the wine is removed, in addition to bearing the marks required by § 178.219, must be plainly marked "For dealcoholization." (Secs. 3030 (a), 3031 (a), 3040, I.R.C.)

§ 178.317 *Report of removal.* The report of the removal of the wine on Form 702 must show the exact alcoholic content of the wine; as, 13 per cent, 20 per cent, etc., and the name, registry number, and location of the fruit distillery to which the wine is shipped. (Secs. 3030 (a), 3031 (a), 3171, I.R.C.)

§ 178.318 *Report of receipt on Forms 15 and 1493.* Upon receipt of the wine at the fruit distillery, it must be measured and tested by the distiller and entered on his Form 15 and Form 1493 (monthly statement of brandy distillery producing wine containing less than one-half of 1 per cent of alcohol by volume) with the alcoholic content of the wine, the date of receipt, and the name, registry number, and location of the bonded premises from which the wine is received. (Secs. 2841 (a), 3030 (a), 3031, 3171, I.R.C.)

REMOVAL OF STILL WINE FOR MANUFACTURE OF VINEGAR

§ 178.319 *Removal free of tax.* Still wine may be removed in accordance with the provisions of §§ 178.319 to 178.328, inclusive, from bonded wineries and bonded storerooms free of tax for use in the manufacture of vinegar. (Secs. 3030 (a), 3031 (a), I.R.C.)

§ 178.320 *General.* Unless the wine is removed in accordance with § 178.321 to a vinegar plant operated by the winemaker contiguous to his winery or storeroom, or is removed in accordance with § 178.322 to a vinegar plant, the proprietor of which has filed bond on Form 1676, the wine must be converted into vinegar stock in accordance with § 178.323 before removal from the bonded winery or storeroom. (Secs. 3030 (a), 3031 (a), I.R.C.)

§ 178.321 *Removal to contiguous vinegar plant.* Where the proprietor of the bonded winery or storeroom is also the proprietor of a vinegar plant contiguous to his winery or storeroom, he may re-

move still wine free of tax to such vinegar plant without the necessity of converting the wine into vinegar stock prior to removal, pursuant to approved application on Form 1415 and the filing of consent of surety on his winery or storeroom bond, extending its terms to cover removal and use of the wine in the manufacture of vinegar.

(a) *Consent of surety.* The required consent of surety shall be filed in triplicate with the district supervisor. If the consent is properly executed and the district supervisor finds that the proprietor's vinegar plant is equipped and in condition to produce vinegar from wine, he will approve the consent of surety, retain one copy for his files, return one copy to the proprietor, and forward one copy to the Commissioner. Upon approval of the consent of surety, removals may be made thereunder from time to time, pursuant to approved application, Form 1415.

(b) *Removal by pipe line or hose.* Wine may be transferred from the bonded winery or storeroom to the contiguous vinegar plant by pipe line or by hose when authorized by the district supervisor. (Secs. 3030 (a), 3031 (a), I.R.C.)

§ 178.322 *Removal to vinegar plant covered by bond, Form 1676.* Where the proprietor of a vinegar plant, other than a vinegar plant operated by the winemaker on contiguous premises, files bond on Form 1676, covering the tax on wine shipped to his vinegar plant, and keeps records and makes his vinegar plant premises available for inspection, as herein required, wine may be shipped to his vinegar plant without conversion into vinegar stock prior to removal.

(a) *Bond, Form 1676.* Bond will be filed on Form 1676, in triplicate, in a sufficient penal sum to cover the tax on all wine shipped to the vinegar plant, and which may be in transit to, or on hand at, the vinegar plant, at any one time, but in no case shall the penal sum be less than $500. If the district supervisor finds that the vinegar plant is properly equipped for the manufacture of vinegar from wine, he will approve the bond, retain one copy, return one copy to the proprietor of the vinegar plant, and forward one copy to the Commissioner. (Secs. 3030 (a), 3031 (a), I.R.C.)

§ 178.323 *Removal to other vinegar plants.* Wine may be removed for shipment to vinegar plants not operated by the proprietor of the winery or storeroom or which are not covered by bond, provided the wine is converted into vinegar stock before removal from the winery or storeroom and the proprietor of the vinegar plant keeps records and makes his premises available for inspection by Government officers, as hereinafter required.

(a) *Conversion into vinegar stock.* The wine must be converted into vinegar stock under the supervision of a Government officer by the addition of not less than one-half gallon of glacial acetic acid, U. S. P., or the equivalent thereof of acetic acid, U. S. P. (approximately 1½ gallons), or of wine vinegar (approximately 12 gallons), to each 100 gallons of dry wine. If fortified wine is to be converted into vinegar stock, three times the quantity of glacial acetic acid, acetic acid, or wine vinegar required for the conversion of dry wine must be added. When glacial acetic acid, U. S. P., or acetic acid, U. S. P., is used, the same need not be tested (except when the district supervisor shall so direct), provided the material is delivered to the officer in a sealed package, bearing seal and label descriptive of its contents, placed thereon by a reputable manufacturer.

(b) *Samples of acetic acid.* In all cases where it is desired to use wine vinegar, or glacial acetic acid, U. S. P., or acetic acid, U. S. P., not contained in a sealed package, bearing seal and label descriptive of its contents, placed thereon by a reputable manufacturer, the Government officer will take a 1-pint sample from each container of the material to be used, and will submit the same to the Government chemist for analysis. After the samples are taken, the containers will be sealed by the officer. The chemist will make a report of his analysis to the district supervisor, and will state the quantity, in wine gallons, of the material required to raise the acetic acid content of 100 gallons of wine to not less than one-half of 1 percent by volume in the case of dry wine, or 1½ percent by volume in the case of fortified wine. The officer supervising the conversion will satisfy himself that the material has not been tampered with since the samples were taken, and will see that the required quantity of the material is added to the wine.

(c) *Retention of acetic acid on winery or storeroom premises.* Acetic acid may not be stored on winery or storeroom premises. Where wine is to be converted into vinegar stock in accordance with the foregoing, the material required for such conversion must be brought into the winery or storeroom at the time of conversion, and any residue not used must be immediately removed from the winery or storeroom. Wine converted into vinegar stock must be kept separate and apart from other wines in the winery or storeroom during the period necessary for conversion and shipment. The vinegar stock must be removed from the winery or storeroom immediately after conversion. The officer supervising the conversion will see that these requirements are complied with. (Ses. 3030 (a), 3031 (a), I.R.C.)

§ 178.324 *Application, Form 1415.* Whenever the proprietor of a vinegar plant desires to procure wine from a bonded winery or storeroom free of tax for use in the manufacture of vinegar, he shall file application on Form 1415 with the district supervisor of the district in which the winery or storeroom is located. The application shall specify whether the wine is to be withdrawn pursuant to § 178.321, 178.322, or 178.323, and shall be filed in triplicate if the vinegar plant and the winery or storeroom are located in the same supervisory district, and in quadruplicate if the premises are located in different districts. All of the information called for by the application shall be given. (Secs. 3030 (a), 3031 (a), I.R.C.)

§ 178.325 *Approval of application.* If the applicant is the proprietor of an established vinegar plant and the district supervisor has no reason to believe that the wine will not be used for the manufacture of vinegar, and the desired removal is in accordance with these regulations, the district supervisor will approve the application, Form 1415. Where the vinegar plant is located in another supervisory district and the district supervisor has no information respecting the proprietor, he will make appropriate inquiry, through the supervisor of such district before approving the application. If the wine is to be converted into vinegar stock before removal from the bonded winery or storeroom, the district supervisor will, before approving the application, detail an officer to supervise such conversion. Upon approval of the application, Form 1415, the district supervisor will retain one copy for his files, return one copy to the applicant, send one copy to the proprietor of the bonded winery or storeroom as his authority to ship the wine to the vinegar plant, and where shipment is to another district, forward one copy to the district supervisor of such district. (Secs. 3030 (a), 3031 (a), I.R.C.)

§ 178.326 *Marking containers*—(a) *Wine.* Each container of wine removed for use in the manufacture of vinegar, in addition to bearing the marks required by § 178.219, will be marked "For manufacture of vinegar."

(b) *Vinegar stock.* Where wine is converted into vinegar stock prior to shipment to a vinegar plant, each container will be marked (1) "Acetic acid and wine vinegar stock" where glacial acetic acid, U. S. P., or acetic acid, U. S. P., is used to effect conversion, or (2) "Wine vinegar stock" where wine vinegar is used to effect conversion. The containers will otherwise be marked as required by § 178.219, except that the kind (class or type) of the wine will be omitted. (Secs. 3030 (a), 3031 (a), 3040, I.R.C.)

§ 178.327 *Records of vinegar plant.* Each proprietor of a vinegar plant to which wine is shipped free of tax for use in the manufacture of vinegar shall keep a record of all wine received and used for the manufacture of vinegar and of all vinegar produced and disposed of. The record shall show the following data:

(a) The quantity and alcoholic content of all wine received, the date of receipt, and the name, registry number, and address of the winery or storeroom from which received.

(b) The quantity and alcoholic content of all wine used in the manufacture of vinegar, and the date of use.

(c) The quantity of vinegar produced, and the date of production. (This quantity will be reported on a 100 grain strength basis and will be determined by multiplying the wine gallons of vinegar produced by the grain strength thereof.)

(d) The names and addresses of all persons to whom vinegar is shipped, the quantity and the grain strength thereof shipped to each, and the date of shipment. (Secs. 3030 (a), 3031 (a), 3171, I.R.C.)

§ 178.328 *Inspection of vinegar plant.* Proprietors of vinegar plants procuring wine free of tax for use in the manufacture of vinegar must make their premises, and the records kept there in accordance with § 178.327, available for inspection by Government officers during regular business hours. (Secs. 3030 (a), 3031 (a), I.R.C.)

REMOVAL OF SOURED WINE AS VINEGAR OR VINEGAR STOCK

§ 178.329 *Removal free of tax*—(a) *As vinegar stock.* Still wine which has so soured as to contain one-half of 1 per cent or more of acetic acid in the case of dry wine, or 1½ per cent or more of acetic acid in the case of fortified wine, may be removed as vinegar stock from bonded wineries and bonded storerooms free of tax for shipment to vinegar plants, in accordance with the provisions of, and subject to, §§ 178.319 to 178.328, inclusive.

(b) *As vinegar.* Still wine which has acetified into vinegar and contains not less than 4 per cent of acetic acid by volume may be removed free of tax, pursuant to approved application, Form 1415, for use as vinegar. (Secs. 3030 (a), 3031 (a), I.R.C.)

§ 178.330 *Application for removal, Form 1415*—(a) *Vinegar stock.* Application for removal of soured wine as vinegar stock will be made on Form 1415 by the proprietor of the vinegar plant to which it is proposed to remove the wine, in accordance with the provisions of § 178.324.

(b) *Vinegar.* Application for removal of acetified wine, containing 4 per cent or more of acetic acid, for use or sale as vinegar, will be made on Form 1415 by the person to whom the material is to be delivered or shipped. The proprietor of the winery or storeroom may make the application where he intends to use the wine vinegar himself or to sell the same in small quantities to users or retailers. The application will be filed in the same manner as for the removal of vinegar stock. (Secs. 3030 (a), 3031 (a), I.R.C.)

§ 178.331 *Test of wine.* Upon receipt of the application, the district supervisor will detail an officer to take a sample from each container of the material which it is desired to remove, and submit the samples to the Government chemist for analysis: *Provided,* That samples need not be taken or tested when the wine is to be removed to a vinegar plant operated (a) by the winemaker on contiguous premises in accordance with § 178.321, or (b) by a person who has filed bond in accordance with § 178.322. After taking the samples, the officer will seal the containers. The chemist will test the wine for both alcohol and acids and submit a report of his findings to the district supervisor. (Secs. 3030 (a), 3031 (a), I.R.C.)

§ 178.332 *Approval of application.* If the chemist's report shows that the wine contains the required percentage of acetic acid and not less than 6 per cent of alcohol and acids combined by volume, the district supervisor will approve the application, subject to the provisions of § 178.325. If the chemist's report shows that the wine contains less than 6 per cent of alcohol and acids combined by volume, the application will not be approved unless the low alcoholic content is satisfactorily explained by affidavit. Upon receipt of such affidavit, the district supervisor will forward it to the Commissioner with a report of his findings and recommendation in respect thereto. The Commissioner will advise the district supervisor respecting the proper action to be taken. (Secs. 3030 (a), 3031 (a), I.R.C.)

§ 178.333 *Marking containers.* When soured wine is removed for shipment to a vinegar plant or for use or sale as vinegar, the containers will be marked as required by § 178.219, except that in lieu of the "kind of wine," each container will be marked "Wine vinegar stock," or "Wine vinegar," as the case may be. (Secs. 3030 (a), 3031 (a), 3040, I.R.C.)

§ 178.334 *Records and inspection*—(a) *Vinegar plant.* When soured wine is shipped to a vinegar plant, the proprietor of such plant shall keep records, and make such records and his premises available for inspection by Government officers, as required by §§ 178.327 and 178.328.

(b) *Use or sale of wine vinegar.* When soured wine is removed for use or sale as vinegar, the district supervisor may, in his discretion, require the person filing application, Form 1415, to keep a record of its use or sale. (Secs. 3030 (a), 3031 (a), 3171, I.R.C.)

RETURN OF TAX-PAID WINE TO BONDED PREMISES FOR CLARIFICATION

§ 178.335 *General.* Tax-paid wines may be returned to bonded premises for clarification and reshipment, without retaxpayment, in accordance with the provisions of §§ 178.335 to 178.342, inclusive. (Sec. 2801 (e) (3), I.R.C.)

§ 178.336 *Receipt.* The tax-paid wines shall be received and retained in the tax-paid room, in the containers (including cases) in which it is received, until it is transferred to the bonded premises for clarification. The wine may be retained in the tax-paid room until a sufficient quantity has been received for economical reconditioning or until reconditioning is otherwise feasible. If the wine is received in unstamped containers, it must be kept separate and apart from stamped containers in the tax-paid room; if received in stamped containers, the stamps must be destroyed when the wine is transferred to the bonded premises and dumped for clarifying, unless it is to be returned to the stamped containers after clarification.

§ 178.337 *Transfer to bonded premises.* When the proprietor desires to transfer the wine from the tax-paid room to the bonded premises for reconditioning, he will notify the district supervisor of the kind, quantity, and alcoholic content (taxable grade) of the wine, and the date on which he desires to transfer the wine to the bonded premises. The district supervisor may assign an officer to inspect the wine and supervise its transfer to the bonded premises, or he may authorize the proprietor to transfer the wine without such inspection and supervision.

§ 178.338 *Tax-payment of additional quantity.* When the quantity to be reconditioned is less than 500 gallons of any one kind (class or type) of wine, the proprietor may tax-pay and add thereto a sufficient quantity of the same kind of wine to make not more than 500 gallons, in order to facilitate reconditioning. For this purpose, the proprietor shall provide in the bonded premises an accurately calibrated tank, which will be marked "Tax-payment Tank." When the proprietor desires to tax-pay such an additional quantity of wine, he will so state in his notice to the district supervisor, who will detail an officer to supervise the tax-payment of the additional quantity and the transfer of the returned wine to the tank. The untax-paid wine will first be run into the tax-payment tank and tax-paid by the cancellation and surrender to the Government officer of wine stamps in a value equal to the tax on the wine. The returned wine will then be transferred to the tax-payment tank and added to the wine so tax-paid. The quantity of wine so tax-paid shall be entered on Form 702 in the statement of tax-payments, and on the separate record of tax-paid removals, prescribed in § 178.386, with appropriate explanatory note. (Sec. 3171, I.R.C.)

§ 178.339 *Exception.* Upon a proper showing of necessity, the district supervisor may authorize (a) the return of tax-paid wine direct to the bonded premises, instead of to the tax-paid room, (b) the tax-payment of an additional quantity of wine to make more than 500 gallons for the purpose of facilitating reconditioning, and (c) the return of tax-paid wine to bonded premises for treatment, other than clarification, not constituting rectification, or for rebottling, relabeling, repackaging, or similar reconditioning.

§ 178.340 *Clarification, bottling, removal, etc.* The returned wines shall be reconditioned and removed from the bonded premises expeditiously. In the clarifying, bottling, removal, etc., of the wines and any wines tax-paid and added thereto, as authorized herein, the wines must not be mixed with untax-paid wines. The barrels or cases in which the reconditioned wines are placed shall be marked "Filled from tax-paid container" (unless the wine is returned to the original container after clarification) in addition to the marks prescribed in § 178.219. (Sec. 3040, I.R.C.)

§ 178.341 *Records.* The proprietor shall keep a separate record showing the following information respecting all wines returned for clarification:

(a) The name and address of the person from whom the wine is received,

(b) The date of receipt,

(c) The kind, quantity, and alcoholic content (taxable grade) of the wine,

(d) If the wine is returned in serially numbered containers, the serial numbers of the containers and the name, registry number (if any) and address of the person who filled the containers,

(e) The quantity, if any, of additional wine tax-paid and added thereto to facilitate reconditioning,

(f) The date or dates of reconditioning,

(g) The serial numbers and contents in gallons of the containers in which the reconditioned wine is placed,

(h) The names and addresses of the persons to whom the reconditioned wine is shipped,

(i) The date of shipment, and

(j) The kind, quantity, and alcoholic content (taxable grade) shipped to each. (Sec. 3171, I.R.C.)

§ 178.342 *Retax-payment of returned wine.* Where, because of the quantity involved, or other reason, the proprietor does not desire to recondition the returned wine separately or to tax-pay an additional quantity for adding thereto to facilitate reconditioning, he may return the tax-paid wine to stock in the bonded premises and retax-pay it upon removal. When such is done, the procedure in §§ 178.336 to 178.340 inclusive need not be followed. The returned wine will be entered on Form 702 or 702-A with explanatory notation, and may be blended with untax-paid wines in the bonded premises in accordance with this part.

CHANGE OF CHAMPAGNE, SPARKLING WINE, AND ARTIFICIALLY CARBONATED WINE INTO STILL WINE

§ 178.343 *Conversion into still wine.* Champagne, sparkling wine, and artificially carbonated wine which has unavoidably become unfit for sale as such may be dumped into other containers and removed as still wine. Such champagne, sparkling wine, and artificially carbonated wine must be dumped into other containers, in each instance, so as to permit the escape of any effervescence (carbon dioxide) remaining in the wine.

§ 178.344 *Dumping of 100 bottles or more.* When a proprietor has as many as 100 bottles which he wishes to dump, he will notify the district supervisor of the approximate number of bottles and the condition of the wine. The district supervisor will detail an officer to inspect the champagne, sparkling wine, or artificially carbonated wine, and, if the officer finds that the material has become unfit for sale as such through no fault of the proprietor, to supervise the dumping of the same: *Provided,* That the district supervisor may authorize the proprietor to dump the wine without supervision of a Government officer where, because of the quantity involved, or for other reason, the district supervisor does not deem it necessary to assign a Government officer to inspect the wine and supervise its dumping.

§ 178.345 *Dumping of less than 100 bottles.* Quantities of less than 100 bottles of champagne, sparkling wine, or artifically carbonated wine which has unavoidably become unfit for sale as such may be dumped by the proprietor without notice or supervision, unless required by the district supervisor.

§ 178.346 *Report of officer.* The officer supervising the dumping of champagne, sparkling wine, or artificially carbonated wine as still wine, will count the bottles dumped and will state in his report the number and the size of the bottles dumped, the condition of the champagne, sparkling wine, or artificially carbonated wine, and the apparent cause of deterioration or spoilage. District supervisors will promptly forward a full report of the findings and action taken in each case, together with a copy of the report of analysis, if made, to the Commissioner.

§ 178.347 *Records.* When champagne, sparkling wine, or artificially carbonated wine is dumped as still wine, credit will be taken on Form 702-A for the quantity dumped and Form 702 will be debited with a like quantity. If it is desired to destroy champagne, sparkling wine, or artificially carbonated wine because of spoilage, the procedure prescribed in §§ 178.352 to 178.358, inclusive, will be followed. (Sec. 3171, I.R.C.)

REFERMENTATION OF WINE OR WINE LEES

§ 178.348 *General.* Wine or wine lees may be refermented, as provided in §§ 178.348 to 178.351, inclusive: *Provided,* That wine or lees, in the manufacture of which sugar or other artificial sweetening was used, may not be refermented, for use as distilling material at a fruit distillery. (Sec. 2825, I.R.C.)

§ 178.349 *Application.* When the winemaker desires to referment wine or wine lees, he will file written application with the district supervisor, setting forth the quantity and alcoholic content of wine or wine lees he desires to referment, the reasons therefor, whether the wine or wine lees is to be refermented separately or with other material, and whether the refermented material is to be later removed for use as wine or as distilling material at a fruit distillery. If the wine or wine lees is to be refermented for use as distilling material at a fruit distillery, the application shall specify the date the wine or wine lees was produced and, if fortified, the date of fortification, and whether or not sugar or other artificial sweetening was used in producing or ameliorating the wine or wine lees: *Provided,* That where because of blending, accumulation, or other reason, it is impracticable to specify the date of production or fortification, the application must establish that no sugar or other artificial sweetening was used in producing or ameliorating the wine or wine lees. (Secs. 2825, 3171, I.R.C.)

§ 178.350 *District supervisor's action.* If the application contains all of the required information and does not cover the refermentation, for use as distilling material at a fruit distillery, of wine or wine lees, in the manufacture of which sugar or other artificial sweetening was used, the district supervisor will approve the application and return it to the winemaker with advice as to whether a Government officer will be detailed to inspect the wine or wine lees and supervise its transfer from storage to fermenting containers, as provided in paragraph (a).

(a) *Supervision.* Where the quantity of wine or wine lees to be refermented exceeds 100 gallons of fortified wine or wine lees, or 500 gallons of dry wine or dry wine lees, the district supervisor will detail an officer to inspect the wine or wine lees and supervise its transfer from storage to fermenting containers: *Provided,* That the district supervisor may authorize the winemaker to so transfer the wine or wine lees without supervision by an officer, if the supervisor deems such supervision unnecessary. Where the quantity of wine or wine lees involved does not exceed 100 gallons of fortified wine or fortified wine lees, or 500 gallons of dry wine or dry wine lees, the district supervisor will authorize transfer from storage to fermenting containers without supervision, unless he deems such supervision advisable.

§ 178.351 *Forms 701 and 702.* When wine or wine lees is refermented, the quantity transferred from storage to fermenting containers will be entered on Form 702 at an unused line, modified to read "Transferred to fermenters for refermenting," in the credit section of the summary, and an explanatory statement will be made in the part of the form headed "Report of Special Operations." The quantity so transferred will also be entered on Form 701 in the statement headed "Materials Deposited in Fermenters," in the section entitled "Production of Wine" or in the section entitled "Production of Distilling Material," depending on whether the refermented wine is to be later removed as wine or as distilling material. The wine or wine lees will not be entered in either the statement or the summary of materials received and used in Form 701. Upon completion of refermentation and removal from fermenters, the quantity so removed will be reported on Form 701 and Form 702 in the usual manner, and an explanatory statement will be made on each form respecting the refermentation. (Sec. 3171, I.R.C.)

DESTRUCTION OF SPOILED WINES

§ 178.352 *Destruction free of tax.* Wine which has unavoidably so spoiled as to be unfit for use as wine may be destroyed without payment of tax, but the wine must be inspected, and the destruction witnessed, by a Government officer, unless the district supervisor authorizes the proprietor to destroy the wine without inspection and supervision. (Sec. 3039, I.R.C.)

§ 178.353 *Notice to district supervisor.* When the proprietor desires to destroy spoiled wine and be relieved of tax liability thereon, he will advise the district supervisor respecting the condition of the wine, the cause of spoilage, and the approximate quantity which he desires to destroy. The district supervisor will detail an officer to inspect the wine and witness the destruction thereof at the earliest practicable date, unless the supervisor determines that because of the quantity involved or for other reason, inspection and supervision by a Government officer is unwarranted. (Secs. 3039, 3171, I.R.C.)

§ 178.354 *Inspection by officer.* The officer detailed to this duty will carefully inspect the wine; and if he is satisfied from his inspection that the wine has spoiled from unavoidable cause and is unfit for use as wine, and there are no

circumstances indicating that the wine has been tampered with through the removal of the original content and the substitution of water or other liquid in lieu thereof, he will permit destruction of the wine in his presence, provided the quantity to be destroyed is not in excess of 500 gallons, or 100 bottles if champagne, sparkling wine, or artifically carbonated wine. (Sec. 3039, I.R.C.)

§ 178.355 *Samples.* If there are circumstances indicating that the wine may have been tampered with through removal of the original content and the substitution of water or other liquid in lieu thereof, or if the quantity to be destroyed is in excess of 500 gallons, or 100 bottles if champagne, sparkling wine, or artificially carbonated wine, the officer will take a sample from each package or bulk container of the wine which it is desired to destroy, and submit the samples to the nearest Bureau branch laboratory for analysis. After the samples are taken, the packages or bulk containers will be sealed by the officer. A sufficient number of samples of champagne, sparkling wine, or artificially carbonated wine to be truly representative of the entire lot to be destroyed should be taken. (Sec. 3039, I.R.C.)

§ 178.356 *Test for alcohol and acids.* The chemist will test the wine for both alcohol and acids and examine it for other cause of spoilage, and will state in his report whether the wine is unfit for use as such. Where the analysis indicates that the wine has been tampered with, the chemist will so state in his report. If the chemical analysis of the samples shows the material to be unfit for use as wine and to contain 6 per cent or more of alcohol and acids combined, by volume, the district supervisor may authorize the wine to be destroyed in the presence of the officer. Wine so destroyed will not be included with other losses in calculating the per cent of loss under §§ 178.368 and 178.369. (Sec. 3039, I.R.C.)

§ 178.357 *Explanation required.* If the analysis shows the wine to contain less than 6 per cent of alcohol and acids combined, by volume, destruction without payment of tax will not be permitted unless the low alcoholic content is satisfactorily explained by affidavit to the district supervisor. Neither will destruction without payment of tax be authorized where it is found that the wine has spoiled through the failure of the proprietor to use reasonable diligence. (Secs. 3039, 3171, I.R.C.)

§ 178.358 *Officer's report.* Officers supervising the destruction of spoiled wines will measure the wine before authorizing destruction and will state in their reports the quantity destroyed, the condition of the wine, and the apparent cause of spoilage. District supervisors will forward a full report of their findings and action taken in each case, together with a copy of the chemist's report of analysis, if made, to the Commissioner. (Sec. 3039, I.R.C.)

DISPOSITION OF LEES (INCLUDING FILTER WASH AND OTHER RESIDUES)

§ 178.359 *Removal from premises.* Where it is desired to remove lees, including filter wash and other residues, from a bonded winery or bonded storeroom for use as fertilizer or for the manufacture of cream of tartar or other by-products, all wine must be expressed or drained from the lees before removal from the premises. Lees removed for such purpose must not be used as distilling material or received upon fruit distillery premises. (Secs. 3030 (a), 3037, I.R.C.)

§ 178.360 *Removal as distilling material.* Where it is desired to use lees, including filter wash and other residues, as distilling material, the lees must be removed and reported in the same manner as wine removed for distilling material. When necessary, water may be added to lees before removal as distilling material. Appropriate entry, because of the addition of water to the lees, must be made in Form 702. (Secs. 3037, 3171, I.R.C.)

§ 178.361 *Application for destruction or removal.* When the proprietor of a bonded winery or storeroom has a material quantity of lees which he desires to destroy or remove other than for use as distilling material and obtain special allowance therefor, he shall make application in writing to the district supervisor for permission to do so, stating the approximate quantity and alcoholic content of the lees, and the nature of the proposed disposition. (Sec. 3039, I.R.C.)

§ 178.362 *District supervisor's action.* Where the quantity of lees to be destroyed or removed exceeds 100 gallons of fortified wine lees, or 500 gallons of dry wine lees, the district supervisor will detail an officer to inspect the lees and supervise the destruction or removal: *Provided,* That the district supervisor may authorize the proprietor to destroy or remove the lees without supervision of a Government officer, if the supervisor deems such supervision unnecessary. Where the quantity of lees involved does not exceed 100 gallons of fortified wine lees, or 500 gallons of dry wine lees, the district supervisor will authorize destruction or removal without supervision, unless he deems such supervision advisable. (Sec. 3039, I.R.C.)

§ 178.363 *Form 702.* When lees are destroyed or removed under Government supervision or authorization of the district supervisor, the same should be reported on Form 702 as lees destroyed or lees removed, with an explanatory statement showing that the lees were destroyed or removed under supervision of a Government officer or authorization of the district supervisor. Lees so destroyed or removed will not be included with other losses in calculating the per cent of wine lost under §§ 178.368 and 178.369. (Secs. 3039, 3171, I.R.C.)

LOSSES

§ 178.364 *Allowance for losses.* Under the law, the Commissioner may make such allowances for unavoidable loss of wines while on storage or during cellar treatment as in his judgment may be just and proper. The term "on storage" is held to include transportation in bond from one bonded winery or storeroom to another bonded winery or storeroom. (Sec. 3039, I.R.C.)

§ 178.365 *Illegal removal; diversion.* The tax must be paid on all wines removed contrary to law while stored in a bonded winery or bonded storeroom or diverted to an unlawful purpose while in transit in bond, regardless of the per cent of loss. (Secs. 3030 (a), 3039, I.R.C.)

§ 178.366 *Forms 702, 702-A, and 702-B.* Proprietors of bonded wineries and bonded storerooms shall enter losses in their winery or storeroom accounts, Forms 702, 702-A, and 702-B, only when it is ascertained that losses have been sustained and only in such quantities as are known to have been lost. (Secs. 3039, 3171, I.R.C.)

§ 178.367 *Inventories.* Each proprietor of a bonded winery or bonded storeroom shall take a physical inventory of all wines on hand on June 30 and December 31 of each year, and enter on his winery or storeroom accounts, Forms 702, 702-A, and 702-B, for those months any losses disclosed by such inventories. A detailed report of the inventory shall be made on Form 702-C, in triplicate, giving all the information called for by the form. One copy of Form 702-C shall be attached to each copy of Form 702, 702-A, or 702-B, to which it pertains, for the month in which the inventory was taken. Additional inventories may be taken at such other times as the proprietor may desire and any losses disclosed thereby shall be entered on the winery or storeroom accounts. Other losses ascertained to have been actually sustained may be entered on Forms 702, 702-A, and 702-B, but estimated losses may not be entered on the forms. When an inventory is taken, such fact should be noted on Forms 702, 702-A, and 702-B.

(a) *Champagne, sparkling wine, and artificially carbonated wine inventory.* The inventory of champagne, sparkling wine, and carbonated wine may be taken by counting the cases, racks, or bottles in which the champagne, sparkling wine, and artificially carbonated wine is contained. An examination or handling of each bottle will not be required. Losses ascertained at the time the bottles are handled, inspected, disgorged, etc., will be reported at that time. Champagne, sparkling wine, and artificially carbonated wine contained in tanks should be inventoried according to the contents of the tanks. (Secs. 3039, 3040, 3171, I.R.C.)

§ 178.368 *Losses at wineries and storerooms.* Where the losses at a bonded winery or bonded storeroom during any fiscal year, beginning July 1 and ending June 30, exceed 3 per cent of the aggregate quantity of wine on hand at the beginning of the fiscal year and received in bond during the fiscal year, and 6 per cent of the wine produced at a bonded winery by fermentation during the fiscal year, or when requested by the district supervisor, the proprietor of the bonded winery or storeroom must file with the district supervisor for his district an application under oath for remission of the tax on the entire loss. If the loss does not exceed 3 per cent and 6 per cent, respectively, application for allowance of the loss will not be required, provided there are no circumstances indicating

that the wine lost, or any part thereof, was unlawfully removed. (Secs. 3039, 3171, I.R.C.)

§ 178.369 *Losses at bonded field warehouses.* The loss of wine at a bonded field warehouse and the loss of wine at the contiguous or adjacent bonded winery, in connection with which the bonded field warehouse is operated, will be considered together in calculating the per cent of loss during the year. Wines on hand at the beginning of the fiscal year at both the bonded field warehouse and the bonded winery will be considered in calculating the per cent of loss, but wine transferred between the two premises will be considered only once in calculating the per cent of loss at the two premises. (Sec. 3039, I.R.C.)

§ 178.370 *Percentage of loss.* The percentage of wine lost at a bonded winery or storeroom will be calculated by fiscal years, beginning July 1 and ending June 30, and will be based on the quantity of wine on hand at the beginning of the fiscal year, plus the quantity received and produced during the fiscal year. The actual losses of each fiscal year will be considered separately and will not be cumulative. The net increase in volume resulting from amelioration and fortification may be included in calculating the 3 per cent. The percentage of loss from each taxable grade of wine shall be calculated separately, unless such is impracticable because of the mixture of different grades by fortification or blending during the fiscal year, in which case the percentage of loss will be calculated on the aggregate quantity.

(a) *Vermouth, champagne, sparkling wine, artificially carbonated wine.* Losses of vermouth, champagne (and sparkling wine), and artificially carbonated wine, shall each be determined separately. The 3 per cent shall be applicable to actual losses of vermouth, champagne and sparkling wine made by the bulk process, and artificially carbonated wine produced during the fiscal year, in addition to losses of such products on hand at the beginning of the fiscal year and received in bond during the fiscal year. The 6 per cent shall be applicable to actual losses of champagne and sparkling wine produced by fermentation in bottles during the year.

(b) *Distilling material.* Wine removed for use as distilling material shortly after production, on which the usual racking, clarifying, and filtering losses are not sustained, will not be included in calculating the per cent of loss on wines produced. (Sec. 3039, I.R.C.)

§ 178.371 *Discontinuance of premises; change in proprietorship.* Where the bonded premises are discontinued prior to the close of the fiscal year, the prescribed percentages of 3 per cent and 6 per cent will be prorated, according to the portion of the year the premises were operated, for the purpose of determining whether application for remission of tax is required. Likewise, if there is a change in proprietorship during the year, the percentages of loss will be prorated between the old and new proprietor, according to the period the premises were operated by each, in calculating whether application for allowance should be filed by either or both proprietors. When a final report is rendered prior to the close of a fiscal year, because of discontinuance of the premises or change in proprietorship, and the losses claimed are in excess of the specified amounts, the proprietor shall attach to his final report an application for remission of tax, as required by § 178.375 in the case of June reports. (Secs. 3039, 3171, I.R.C.)

§ 178.372 *Losses in transit.* Where the loss of wine in transit from any package, case, tank car, or other container shipped in bond to another bonded winery or storeroom exceeds 1 per cent (2 per cent on transcontinental shipments) of the quantity so shipped therein, the proprietor of the winery or storeroom to which the wine is shipped must file with the district supervisor for his district an application under oath for remission of the tax on the entire loss. The application shall be prepared in accordance with § 178.375 and attached to the report for the month in which the wine is received. Where, for valid reason, the required application can not be submitted at that time, a statement must be attached to the report in accordance with § 178.375.

(a) *Losses less than 1 per cent.* If the loss does not exceed 1 per cent (2 per cent on transcontinental shipments) from any package, case, tank car, or other container, application for allowance of the loss will not be required, provided there are no circumstances indicating that the wine lost, or any part thereof, was diverted to an unlawful purpose. (Secs. 3039, 3171, I.R.C.)

§ 178.373 *Losses by fire or other casualty.* Losses by fire or other casualty, or any other extraordinary or unusual losses, including losses by theft, must be reported to the district supervisor immediately after they occur. Such losses shall be entered on Form 702, 702-A, or 702-B, for the month in which the loss occurs. Application for remission of tax on wines lost by fire or other casualty shall be prepared in accordance with § 178.375 and attached to the report for the month in which the loss is reported. Where, for valid reason, the required application can not be submitted at that time, a statement must be attached to the report in accordance with § 178.375. (Secs. 3039, 3171, I.R.C.)

§ 178.374 *Investigation by district supervisor.* Where large or excessive losses from casualty or other cause are reported, district supervisors will, upon receipt of such report, immediately make such investigation or require such evidence to be submitted as may be deemed necessary and will advise the Commissioner of their findings and recommendations relative to allowance or disallowance of the loss. (Secs. 3039, 3171, I.R.C.)

§ 178.375 *Application for remission of tax*—(a) *Preparation and submission.* Applications for remission of tax on wines lost must be prepared by, or at the direction of, the proprietor or his duly authorized agent and, except as provided in §§ 178.372 and 178.373 in the case of losses in transit or by fire or other casualty, must be attached to and submitted with the reports, Forms 702, 702-A, and 702-B, for the month of June. Where, for valid reason, the required application can not be submitted with the June reports, a statement must be attached to the reports setting forth the reason why the application can not be filed at that time and specifying when it will be filed with the district supervisor. Failure of the proprietor to file such application or statement (and the application in accordance with such statement) may result in assessment of tax on the entire loss or on the portion of the loss in excess of 3 per cent or 6 per cent.

(b) *Percentage of loss.* The application shall set out the quantity of wine on which the loss was sustained and the percentage of the loss, calculated in accordance with § 178.370 in the case of losses at a bonded winery or storeroom, §§ 178.369 and 178.370 in the case of losses at a bonded field warehouse, and § 178.372 in the case of losses in transit.

(1) *At bonded wineries and storerooms.* Where the application covers losses at a bonded winery, storeroom, or field warehouse, the quantities of wine (i) on hand at the beginning of the fiscal year, (ii) received in bond during the year, and (iii) produced during the year, shall be stated separately. If the percentage of loss is calculated separately by taxable grades, as provided in § 178.370, such quantities shall be shown separately by taxable grades. Likewise, where the application covers losses of vermouth, champagne and sparkling wine, or artificially carbonated wine, the quantities of each shall be stated separately. If champagne or sparkling wine is shown produced, the application shall show whether the same was made by the bulk process or by fermentation in bottles.

(2) *In transit.* Applications covering losses in transit between bonded wineries and storerooms shall show the quantity lost from each container, the serial number thereof, the quantity shipped therein, and the points between which the wines were shipped.

(c) *Cause of loss.* The nature, cause, and extent of the loss must be stated specifically and in sufficient detail to disclose all the material facts and circumstances surrounding the loss.

(1) *At bonded wineries and storerooms.* Where the loss is due to leakage, the apparent cause of the leakage must be stated; where due to racking, the quantity of wine racked and the time of racking should be given; where due to excessive evaporation, the cause therefor should be set out fully; where due to baking of wine, all of the information required to be entered on the record prescribed by § 178.171 must be furnished. The particulars of losses from other causes should be given in like manner. Where possible to do so, the loss from each tank or cask should be explained separately as to cause and quantity.

(2) *In transit.* If the loss in transit is due to casualty or accident, full details should be furnished. The application should be supported, if possible, by statements of the carrier or other parties having personal knowledge of the loss, or by a copy of the bill of lading bearing notation of loss.

(d) *Indemnity for tax.* Each application covering losses by fire or other casualty, or while in transit, must state whether the proprietor has been or will be indemnified by a valid claim of insurance, or by the carrier (in cases of loss in transit), or by any other means, for the tax on the wine lost. If the proprietor is indemnified for the loss, the application must set forth specifically the market value of the wine, less the tax, and the amount of indemnity received. Allowance will not be made for losses where the proprietor is indemnified for the tax on the wine lost. (Secs. 3039, 3171, I.R.C.)

§ 178.376 *District supervisor's examination.* When an application for remission of tax is received, the district supervisor will verify (a) the quantities of wine shown on hand, received, produced, lost, etc., with the proprietor's monthly reports on Forms 702, 702–A, and 702–B, and (b) the percentage of the loss, calculated in accordance with § 178.370 or, in case of loss in transit, § 178.372. The district supervisor will carefully examine the reasons described for the loss and will cause such investigation to be made or require such additional evidence to be submitted as he may deem necessary. Upon completion of his examination of the claim, the district supervisor will forward it to the Commissioner, together with copies of any reports of investigation of the loss submitted by Government officers, and a statement setting out fully any discrepancies in the claim and his recommendations as to allowance or disallowance of the loss and his reasons therefor. (Secs. 3039, 3171, I.R.C.)

§ 178.377 *Losses of wine in making vermouth, champagne, and artificially carbonated wine.* Where the loss of sweet wine in the process of manufacturing vermouth, or the loss of still wine in manufacturing champagne and sparkling wine, or artificially carbonated wine, appears to be excessive, the district supervisor will make such investigation, or require such evidence to be submitted, as he may deem necessary, and will advise the Commissioner of his findings and recommendation. (Secs. 3039, 3171, I.R.C.)

§ 178.378 *District supervisor's accounts.* District supervisors will carry all items of loss in bonded wineries and bonded storerooms in their accounts, Forms 733, 733–A, and 733 modified (marked "Vermouth Account"), as not allowed until the close of the fiscal year, after which time they will take credit for the losses which are within the specified percentages, but will continue to carry as not allowed the losses which are excessive, until the loss is allowed by the Commissioner or the tax is paid thereon. Losses in transit in excess of the specified amounts will be carried in the district supervisor's accounts as not allowed until the loss is allowed by the Commissioner or the tax is paid thereon, but credit will be taken for losses which are within the specified amounts at the time such losses are reported. Where the loss in a bonded winery or storeroom or in transit is excessive, the entire loss will be carried as not allowed. (Sec. 3039, I.R.C.)

MONTHLY RECORDS

§ 178.379 *Form 702.* The proprietor of every bonded winery or bonded storeroom shall keep a monthly record on Form 702, in triplicate, of all still wine produced, received, and disposed of at his winery or storeroom. (Sec. 3171, I.R.C.)

§ 178.380 *Stamp record.* The proprietor shall keep a record on Form 702 of all wine stamps received or used at his winery or storeroom. When wine stamps are surrendered for redemption, in accordance with §§ 178.410 to 178.412, inclusive, or are transferred to, or received from, other bonded premises operated by the proprietor, as authorized in § 178.409, record thereof must be made on Form 702, giving the reason for such surrender, transfer, or receipt, the date thereof, and the value of the stamps surrendered, transferred, or received, and, in cases of transfer or receipt, the name, registry number, and location of the premises to which the stamps were transferred or from which they were received. (Sec. 3171, I.R.C.)

§ 178.381 *Form 702–A.* The proprietor of every bonded winery manufacturing champagne, sparkling wine, or artificially carbonated wine, and the proprietor of every bonded winery or storeroom receiving, storing, or disposing of champagne, sparkling wine, or artificially carbonated wine, shall also keep a monthly record on Form 702–A, in triplicate, of all champagne, sparkling wine, and artificially carbonated wine produced, received, and disposed of at his winery or storeroom. (Sec. 3171, I.R.C.)

§ 178.382 *Form 702–B.* The proprietor of every bonded winery manufacturing vermouth, and the proprietor of every bonded winery or storeroom receiving, storing, or disposing of vermouth, shall also keep a monthly record on Form 702–B, in triplicate, of all vermouth produced, received, or disposed of at his winery or storeroom. (Sec. 3171, I.R.C.)

§ 178.383 *Separate record of vermouth materials received.* Each winemaker manufacturing vermouth shall keep a separate record showing the names and addresses of all persons from whom materials are received for use in the manufacture of vermouth, together with the date of receipt, and the kind and quantity received from each: *Provided,* That where commercial records containing such information are kept in chronological order on the premises, available for inspection by Government officers, and in such a manner that the required information may be readily ascertained therefrom, such commercial records will be accepted in lieu of such separate record. The district supervisor may require the keeping of a separate record, instead of commercial papers, in any case where the commercial papers are not satisfactory for this purpose. Entry of materials received must be made in the separate record or the commercial record at the time the materials are received. (Sec. 3171, I.R.C.)

§ 178.384 *Inventory record, Form 702–C.* The proprietor of every bonded winery or storeroom shall make a detailed record on Form 702–C, in triplicate, of each inventory taken by him of all wines on storage at his winery or storeroom on June 30 and December 31 of each year, and at any other time an inventory is taken. One copy of Form 702–C shall be attached to each copy of Form 702, 702–A, or 702–B, to which it pertains, for the same month. (Secs. 3040, 3171, I.R.C.)

§ 178.385 *Report of removals.* When wine is removed tax-paid from the winery or storeroom, the total removals each day must be entered on Form 702, 702–A, or 702–B before the close of business on the following business day. Record of wine removed tax-free or received on bonded winery premises must be made on Form 702, 702–A, or 702–B before the close of business on the day on which the wine is removed or received. When tank cars are shipped, the railroad car number will also be reported on Form 702 and Form 703. (Sec. 3171, I.R.C.)

§ 178.386 *Separate record of tax-paid removals.* The proprietor of each winery or storeroom shall keep a separate record showing the date of each tax-paid removal, the quantity, kind (class or type), and alcoholic content (taxable grade) of the wine removed, the serial numbers of the packages or cases, and the name and address of the consignee: *Provided,* That on sales of not more than 1 gallon, the name and address of the consignee need not be shown. Such separate record may consist of invoices or other commercial papers, kept in chronological order on the premises, available for inspection and in such manner that the required information may be readily ascertained therefrom by Government officers. The district supervisor may require the keeping of a separate record, instead of commercial papers, in any case where the commercial papers are not satisfactory for this purpose. Entry of wine tax-paid and removed must be made in the separate record or the commercial papers at the time removals are made. (Sec. 3171, I.R.C.)

§ 178.387 *Material record, Form 701.* The proprietor of every bonded winery shall keep a monthly record on Form 701, in triplicate, of all materials received and used for the manufacture of wine. The total of each kind of such materials received each day must be entered on the form on the day on which the materials are received. Form 701 should not be kept when there are no materials on hand or wine in the process of manufacture.

(a) *Condensed must, sugar, or sugar solution.* The receipt and use of condensed must as a principal wine-producing material shall be reported on Form 701, and the separate record prescribed by § 178.388 shall be kept in respect to the receipt of the material. The manufacturer's certificate of origin, required by § 178.154 (a), shall be filed with such separate record. The receipt and use of sugar or sugar solution, and of condensed must for ameliorating or

sweetening purposes, shall be reported on Form 261, and the use of such materials shall also be reported on Form 701 or 702, as the case may be. (Sec. 3171, I.R.C.)

§ 178.388 *Separate record of materials received.* Each winemaker shall keep a separate record showing the names and addresses of all persons from whom materials (other than ameliorating or sweetening materials) are received for use in the manufacture of wine, together with the date of receipt, and the kind and quantity received from each: *Provided,* That where commercial records containing such information are kept in chronological order on the premises, available for inspection by Government officers, and in such a manner that the required information may be readily ascertained therefrom, such commercial records will be accepted in lieu of such separate record. The district supervisor may require the keeping of a separate record, instead of commercial papers, in any case where the commercial papers are not satisfactory for this purpose. Entry of materials received must be made in the separate record or the commercial record at the time the materials are received. (Sec. 3171, I.R.C.)

§ 178.389 *Crusher or presses located off bonded premises.* Where the winery crusher or presses are located off the bonded premises, the quantities of juice or pomace transferred from the crusher or presses to the bonded premises will be entered on Form 701, instead of the quantities of grapes or other fruit crushed or pressed. However, the separate record or commercial record of materials received, required by § 178.388, shall be kept at the winery, showing all the required information, the same as if the crusher or presses were located on the bonded premises. (Sec. 3171, I.R.C.)

§ 178.390 *Complete records required.* All the information called for in Forms 701, 702, 702-A, 102-B, and 702-C, as indicated by the headings of the columns and lines of the forms and the instructions printed thereon or issued in respect thereto, and as required by this part, must be reported. All operations and transactions must be entered on the forms on the day on which they occur, except tax-paid removals may be entered on the following day, as provided in § 178.385. The entries must be made by the proprietor, or by his agent from personal knowledge or from data furnished by the proprietor. The entries must be made from day to day during the month (a) on all three copies of each form, or (b) on one copy of each form, from which two additional copies must be prepared at the close of the month, or (c) on a rough copy of each form, from which all three copies must be prepared at the close of the month. When a rough copy is kept, the entries shall be made thereon with indelible pencil, ink, or typewriter, and the rough copy shall be filed with the copy (prepared therefrom) retained at the winery or storeroom. When the entries are made from memoranda furnished by the proprietor, such memoranda shall be filed at the winery or storeroom. Care must be used to insure the keeping of accurate and complete records. Each report should be carefully checked before being forwarded to the district supervisor. Reports prepared by persons who have no knowledge of the winery or storeroom operations and who are not furnished with the necessary data by the proprietor will not be accepted. Where forms are rendered in blank they should bear the notation "No transactions." Upon discontinuance of a bonded winery or bonded storeroom, the last reports should be marked "Final." (Sec. 3171, I.R.C.)

§ 178.391 *Fractional parts of gallon.* All fractional parts of a gallon should be stated on Forms 701, 702, 702-B, and 702-C in decimals. For example, one-half gallon should be stated as 0.50 gallon, and not ½ gallon. Fractional parts of a gallon less than one-hundredth will be excluded. Thus, 2.812+ gallons will be called 2.81 gallons.

§ 178.392 *Reports signed by proprietor or authorized agent.* The reports must be subscribed and sworn to by the proprietor or his duly authorized agent: *Provided,* That the reports need not be sworn to when no wines were received, on hand, or removed during the month. An agent who signs the reports must have on file with the district supervisor a proper power of attorney authorizing him to execute the reports for the proprietor. (Sec. 3171, I.R.C.)

§ 178.393 *Disposition of forms.* One copy each of Forms 701, 702, 702-A, 702-B, and 702-C will be retained at the winery or storeroom by the proprietor as a permanent record, subject to inspection by Government officers at any reasonable hour. On or before the 10th day of the month succeeding that for which rendered, the proprietor will forward two copies of each form to the district supervisor. (Sec. 3171, I.R.C.)

§ 178.394 *Forms forwarded together.* When Forms 701, 702-A, 702-B, 702-C, or 261 (§§ 178.500 to 178.503, inclusive) are submitted, the proprietor will insert one copy of each such form in each copy of Form 702.

RETENTION OF RECORDS

§ 178.395 *Filing of forms.* The proprietor shall file his retained copies of Forms 701, 702, 702-A, 702-B, and 261 separately by form number in chronological order by months in bound or other secure form. Form 702-C shall be filed with Form 702 for the same month. The proprietor shall also file his copies of Forms 186, 427-B, 605, 698, 700-A, 711, 711-A, 711-B, 1415, 1533, 1534, and any other forms, separately by form number in chronological order, except that consents of surety, Form 1533, shall be filed with the bond to which they pertain. Where there are a number of any one of such forms, they should be filed in bound form in order that they may be kept in chronological order. (Sec. 3171, I.R.C.)

§ 178.396 *Records to be kept three years.* All records, including all monthly reports and all separate records (or commercial records kept in lieu thereof) of materials received and wines removed on tax-payment, required by these regulations, must be retained by the proprietor at the bonded winery or storeroom for a period of three years: *Provided,* That the district supervisor or the Commissioner may require records, copies of which are not filed in the office of the district supervisor or the Commissioner, such as records of materials purchased and wines sold upon tax-payment, to be kept for an additional period of not exceeding three years in any case where such retention is deemed necessary or advisable. (Sec. 3171, I.R.C.)

§ 178.397 *Records available for inspection.* All records required to be kept at the winery or storeroom shall be subject to inspection by Government officers at any reasonable hour, and shall be filed in such manner that they may be readily inspected by the officers. (Sec. 3171, I.R.C.)

DISTRICT SUPERVISOR'S ACCOUNTS

§ 178.398 *Monthly accounts.* District supervisors will render monthly accounts on Forms 733 and 733-A of transactions at bonded wineries and bonded storerooms. Form 733 will be used for still wines, Form 733-A for champagne, sparkling wine, and artificially carbonated wine, and a separate Form 733 marked "Vermouth Account" for vermouth. These accounts will be prepared from data obtained from Forms 702, 702-A, and 702-B, respectively, rendered by the proprietors of bonded wineries and bonded storerooms.

§ 178.399 *Unaccounted for items.* Wine shipped to other bonded premises will be carried as unaccounted for until Form 702, 702-A, 702-B, or 703 is received showing that the wine has been received at the premises to which shipped. Wine shipped for export will likewise be carried as unaccounted for until Form 711 and bill of lading are received showing exportation of the wine. Wine removed for transfer to customs manufacturing bonded warehouses will be carried as unaccounted for until Form 711-A is received from the customs officer showing deposit of the wine in the customs manufacturing bonded warehouse. Wine removed for use on vessels and aircraft will be carried as unaccounted for until Form 711-B and the certificate of receipt, and the affidavit of use, showing lading, receipt, and use of the wine have been received. Losses of wines on storage and in transit in excess of the specified percentages will be carried as not allowed until the same are allowed by the Commissioner or the tax is paid thereon. Credit will be taken for losses within such percentages, in accordance with § 178.378.

§ 178.400 *Spoiled wines and lees.* Spoiled wines destroyed in accordance with §§ 178.352 to 178.358, inclusive, and lees destroyed or removed in accordance with §§ 178.359 to 178.363, inclusive, will be reported as loss. Where there is no evidence or circumstances indicating that the wines were tampered with through removal of the original content and the substitution of water or other liquid in lieu thereof, credit may be taken for such items as loss allowed on storage.

§ 178.401 *Accounts in duplicate.* District supervisor's monthly accounts will be prepared in duplicate and by States within the district. One copy of each account will be retained by the district supervisor and one copy of each forwarded on or before the last day of the month, succeeding that for which rendered, to the Commissioner, together with copies of Forms 701, 702, 702–A, and 702–B. In forwarding the accounts, Forms 702 should be forwarded with Form 733; Forms 702–A with Form 733–A; and Forms 702–B with the copy of Form 733 marked "Vermouth Account."

STAMPS

§ 178.402 *Denominations.* Stamps for the tax-payment of wines may be purchased in various denominations. Collectors of internal revenue will, upon request, furnish winemakers with copies of current lists, showing the denominations of such stamps.

§ 178.403 *Purchase and use.* The stamps shall be purchased by winemakers from the collector of internal revenue of the district in which the winery or storeroom is located. Stamps may not be purchased by one winemaker from another, or from rectifiers, nor may they, except in cases of emergency, be purchased from collectors of other districts. Wine tax stamps may be sold only to proprietors of bonded wineries, bonded storerooms, and bonded field warehouses (and rectifying plants, as provided in Part 190 of this chapter), and then only for the payment of tax on wine. Proprietors of bonded wineries or bonded storerooms shall not sell or transfer wine stamps, except that they may (a) transfer such stamps to other bonded premises operated by themselves, in accordance with § 178.409; or (b) return such stamps for redemption, in accordance with §§ 178.410 to 178.412, inclusive. Wine tax stamps, used or unused, may not be purchased, sold, or possessed, except as specifically provided by law or regulations. (Secs. 3040 (a), 3300 (a), 3175, I.R.C.)

§ 178.404 *Form 427–B.* With each purchase of stamps the winemaker will submit to the collector Form 427–B, Order for Stamps—Wine, in triplicate, properly filled out. The collector will stamp the date of sale on all copies of Form 427–B, return one copy to the winemaker with the stamps, and send one copy to the appropriate district supervisor of the Alcohol Tax Unit. The remaining copy of Form 427–B will be filed in the collector's office so that all purchases of stamps may be verified at any time. Collectors will refuse to sell stamps where such form is not submitted.

§ 178.405 *Remittance; delivery.* All orders for stamps must be accompanied by cash, post office money order, or certified check in a sum equal to the value of the stamps. Unless the stamps are called for by the winemaker or his agent in person, they will be sent to him by ordinary mail, registered mail, or express at the expense of the purchaser. When the stamps are not called for in person, the winemaker will specify on Form 427–B the means (ordinary mail, registered mail, or express) by which he desires the stamps sent to him. If the stamps are ordered sent by ordinary mail, the winemaker shall enclose with his order sufficient postage stamps, or a separate remittance, to cover postage; if the stamps are ordered sent by registered mail, the winemaker shall include postage and registry fee and any required registry surcharge, as provided by the Postal Laws and Regulations. The sum to cover the postage, registry fee, or surcharge must not be included in the money order or certified check covering the cost of the stamps. The local postmaster should be consulted relative to the amount of registry fee and surcharge required. Stamps forwarded by express will be sent "Collect."

§ 178.406 *Affixing and canceling.* Stamps denoting the payment of tax on wine must be securely affixed to the containers and canceled in the manner prescribed in § 178.243. (Secs. 3301, 3303, I.R.C.)

§ 178.407 *Obliteration of stamps and marks, labels, or tags.* Every person who empties any receptacle to which wine stamps are attached shall destroy such stamps; and if the receptacle is a cask, barrel, keg, tank, tank truck, or railroad tank car, he shall also destroy the prescribed marks, labels, or tags thereon: *Provided,* That when packages of wine are emptied and are to be returned to the winemaker for reuse (refilling), the winemaker's name, address, and registry number need not be obliterated, but the stamps and all other prescribed marks on such packages must be completely destroyed by scraping or otherwise obliterating. The stamps, marks, labels, or tags shall be destroyed by scraping or otherwise obliterating, immediately the receptacles to which they are attached are emptied. (Sec. 3301, I.R.C.)

§ 178.408 *Restamping.* Packages of wine which have been duly stamped but from which the stamps have been lost or destroyed by unavoidable accident, may be restamped with stamps issued for such purpose without charge by the collector of internal revenue. Application for such restamping should be filed in accordance with Treasury Decision 4744. (See Appendix to this part.) (Sec. 3030 (b) (1), I.R.C.)

§ 178.409 *Transfer to other premises.* When the winery or storeroom is discontinued, or the proprietor has no use for the stamps thereat, due to the discontinuance of the tax-payment of wine or because of the denomination of the stamps, and the proprietor operates other bonded premises or a rectifying plant at which the stamps could be used, he may transfer the stamps to such other premises for use thereat. In cases of emergency, the district supervisor may authorize the transfer of wine stamps from one bonded premise to another bonded premise (or rectifying plant) operated by the same proprietor in the same supervisory district. Record of all such transfers of stamps must be made on Form 702, as provided in § 178.380.

REDEMPTION OF STAMPS

§ 178.410 *Statute governing redemption of stamps.* Section 3304, Internal Revenue Code, provides as follows:

SEC. 3304. REDEMPTION OF STAMPS.

(a) *Authorization.* The Commissioner, subject to regulations prescribed by the Secretary, may, upon receipt of satisfactory evidence of the facts, make allowance for or redeem such of the stamps, issued under authority of law, to denote the payment of any internal revenue tax, as may have been spoiled, destroyed, or rendered useless or unfit for the purpose intended, or for which the owner may have no use, or which through mistake may have been improperly or unnecessarily used, or where the rates or duties represented thereby have been excessive in amount, paid in error, or in any manner wrongfully collected.

(b) *Method and conditions of allowance.* Such allowance or redemption may be made, either by giving other stamps in lieu of the stamps so allowed for or redeemed, or by refunding the amount or value to the owner thereof, deducting therefrom, in case of repayment, the percentage, if any, allowed to the purchaser thereof; but no allowance or redemption shall be made in any case until the stamps so spoiled or rendered useless shall have been returned to the Commissioner, or until satisfactory proof has been made showing the reason why the same cannot be returned; or, if so required by the said Commissioner, when the person presenting the same cannot satisfactorily trace the history of said stamps from their issuance to the presentation of his claim as aforesaid.

(c) *Time for filing claims.* No claim for the redemption of or allowance for stamps shall be allowed unless presented within four years after the purchase of such stamps from the Government.

(d) *Finality of Commissioner's decisions.* The findings of facts in and the decision of the Commissioner upon the merits of any claim presented under or authorized by this section shall, in the absence of fraud or mistake in mathematical calculation, be final and not subject to revision by any accounting officer.

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§ 178.411 *Claim to collector.* Winemakers desiring to have wine stamps redeemed under the foregoing provisions of law must make claim on Form 843 to the collector of internal revenue. The stamps for which redemption is claimed, must be attached to the claim, and the number and denominations thereof must be listed on the claim or on a sheet of paper attached thereto. Where the stamps have been destroyed, evidence satisfactory to the Commissioner establishing such destruction must accompany the claim. (Sec. 3304, I.R.C.)

§ 178.412 *Unredeemable stamps.* Wine stamps may not be redeemed while wines, on which the stamps can be used in tax-payment, remain on hand. When a winery or storeroom is discontinued and stamps remain on hand, such stamps are not redeemable if the proprietor operates other bonded premises at which the stamps could be used. In such cases the stamps may be transferred to the other premises for use thereat. Notation of the transfer must be made on Form 702 (or Form 45, in case of transfer to a rectifying plant) of both premises. (Sec. 3304, I.R.C.)

OFFICER'S RIGHT OF ENTRY AND EXAMINATION

§ 178.413 *Authority to enter and inspect.* Internal revenue officers have au-

thority under the law to inspect at any reasonable hour the records, stocks, and premises of winemakers to determine that all provisions of the internal revenue laws and the regulations promulgated thereunder are being complied with. Officers desiring to make inspections will identify themselves by exhibiting their credentials. Any denial of or interference with such inspection by the proprietor, his agents or employees, is a violation of law and will be reported as such for appropriate action. (Sec. 3601, I.R.C.)

§ 178.414 *Premises accessible.* Proprietors of bonded wineries and storerooms must make such arrangements and issue such instructions to their agents and employees, whom they leave in charge of the premises during their absence, that Government officers, upon properly identifying themselves, will be enabled to examine the records, stocks, and premises at any time during regular business hours. (Sec. 3601, I.R.C.)

RECOGNITION OF AGENTS, ATTORNEYS, AND OTHER PERSONS REPRESENTING CLAIMANTS BEFORE THE TREASURY DEPARTMENT

§ 178.415 *General.* Regulations governing the practice of agents, attorneys, and other persons representing winemakers before the Treasury Department are contained in Department Circular No. 230 (revised) and in Conference and Practice Requirements, Bureau of Internal Revenue (revised). District supervisors, and other officers and employees of the Bureau, will familiarize themselves with the requirements of those regulations and will be governed thereby in dealing with representatives of winemakers under this part. Attention is called particularly to the requirements relative to each attorney or agent presenting (a) evidence of enrollment to practice before the Bureau, (b) power of attorney authorizing him to represent his client, and (c) a statement of fee arrangement.

SUBPART B—THE FORTIFICATION OF WINE

LIMITATIONS RESPECTING FORTIFICATION

§ 178.416 *Limitations.* Pure sweet wine and natural wine (defined in §§ 178.143 and 178.144, respectively) may be fortified with grape brandy (defined in § 178.445), and citrus-fruit wine, peach wine, cherry wine, berry wine, apricot wine, prune wine, plum wine, pear wine, pawpaw wine, papaya wine, pineapple wine, cantaloup wine, and apple wine (defined in § 178.145) may be fortified with citrus-fruit brandy, peach brandy, cherry brandy, berry brandy, apricot brandy, prune brandy, plum brandy, pear brandy, pawpaw brandy, papaya brandy, pineapple brandy, cantaloup brandy, and apple brandy (defined in § 178.445), respectively, by the producer of such wine on the premises where the wine is fermented: *Provided,* That a citrus-fruit brandy produced from one kind of citrus fruit may not be used for the fortification of a citrus-fruit wine produced from another kind of citrus fruit, and a berry brandy produced from one kind of berry may not be used for the fortification of a berry wine produced from another kind of berry, nor may a fruit brandy produced from one kind of fruit be used for the fortification of a fruit wine produced from another kind of fruit. As provided in § 178.5 (c), the term brandy, as used in these regulations in connection with the fortification of wine, shall include wine spirits and spirits—fruit distilled from the same kind of fruit, and wines may be fortified with such wine spirits and spirits—fruit the same as with brandy. No wine other than the wines specified in this section may be fortified, and no spirits other than the kind of brandy specified in the case of each, except tax-paid grain or other ethyl alcohol, may be used to fortify such wines. Wine may not be fortified by any person other than the producer thereof, or on premises other than those where the wine is fermented. (Secs. 3031, 3032, 3033, 3036, 3043, 3044, 3045, I.R.C.)

NOTICE OF INTENTION TO FORTIFY

§ 178.417 *Form 605.* Before the start of each vintage season and at least 30 days before commencing the production of wine for fortification, winemakers intending to fortify wines must file with the district supervisor a notice on Form 605, Winemaker's Notice of Intention to Fortify Wines, in duplicate, executed in accordance with instructions printed thereon. (Secs. 3031, 3032, 3033, 3036, 3044, 3045, I.R.C.)

FORTIFYING ROOM

§ 178.418 *Separate room.* Winemakers desiring to fortify wines must provide a separate room in the bonded winery for the storage of brandy and the fortification of wine. This room will be known as the fortifying room and must be separated from contiguous buildings and rooms, not constituting a part of the bonded winery, in the manner required by § 178.18. The fortifying room must be well lighted and of sufficient size (a) to permit the storing therein of all brandy that may be received and possessed at any one time, (b) to permit the handling of the brandy and the fortifying of the wine to be done conveniently, and (c) to accommodate the necessary equipment and facilities hereinafter required. (Secs. 3031, 3032, 3033, I.R.C.)

§ 178.419 *Use of room.* The fortifying room shall be used solely for the storage of brandy and the fortification of wine, except that when the room is not devoted to such use, or when all brandy on storage therein is in a separate locked room thereof (as authorized in § 178.429), the room may be used for other authorized purposes: *Provided,* That fortifying tanks and brandy storage tanks shall not be used for cooking sherry wine (in the case of wooden tanks) or for any other purpose that will affect their capacities or suitability for fortifying or storage purposes. When fortifying tanks and brandy storage tanks are used for other purposes, such as the storage of wine, the tanks must be temporarily marked to show such use, but the permanent markings on the tanks, required by § 178.430 (a), should not be disturbed. All brandy received at the winery for use in fortification shall be promptly deposited within the fortifying room, and all wine fortified shall be fortified within such room. (Secs. 3031, 3032, 3033, I.R.C.)

§ 178.420 *Suitable facilities.* The fortifying room must be provided with suitable facilities for the fortification of wine. There must be provided within the room suitable fortifying tanks sufficient in number and capacity to enable the Government officer to supervise fortification operations efficiently and expeditiously. All wines shall be fortified in such tanks. Where brandy is received by pipe line or in tank cars, suitable closed storage tanks of sufficient capacity for the storage of all brandy so received must also be provided within the room, unless the brandy is run directly into the fortifying tanks and used immediately. Suitable scales and weighing tanks for gauging brandy received and used, shall be provided in accordance with § 178.436. (Secs. 2829, 3031, 3032, 3033, I.R.C.)

§ 178.421 *Period of brandy storage.* Brandy may be stored in the fortifying room only temporarily, pending use of the brandy in the fortification of wine. The fortifying room may not be used for the prolonged or indefinite storage of brandy: *Provided,* That brandy remaining unused at the close of the season, due to unforeseen circumstances, may be retained in the fortifying room for use during the next season, unless the district supervisor deems such retention inadvisable because of the location of the winery, insecurity of the fortifying room, or other reason. Winemakers must not file applications to procure brandy in excess of their current seasonal needs or of the storage capacity of their fortifying rooms. (Secs. 3031, 3032, 3033, 3034, I.R.C.)

§ 178.422 *Construction.* The fortifying room must be securely constructed of substantial materials. The foundations, floors, walls, and ceiling (or roof), and the doors, windows, and other openings of the fortifying room shall be constructed, and the doors, windows, and other openings shall be protected and secured, as hereinafter provided. (Secs. 3031, 3032, 3033, I.R.C.)

§ 178.423 *Walls, ceiling (or roof), and floor.* The walls, ceiling (or roof), and floor of the fortifying room must be built of substantial materials and so constructed as to effectively prevent unlawful access to the brandy. If the room does not have a floor, all four walls of the room must rest on solid foundations extending into the ground a sufficient depth to prevent access being gained to the brandy. Where light materials are used in constructing walls, ceilings, roofs, or floors, the same must be applied over solid sheathing. (Secs. 3031, 3032, 3033, I.R.C.)

§ 178.424 *Doors.* All doors in the fortifying room must be securely constructed of heavy lumber or iron, or other equally substantial material. The hinges must be secured by roundheaded or carriage bolts, nutted and riveted or battered on the inside. Hinges that cannot be thus secured must be inaccessible from the outside and so attached that they cannot be removed when the doors are closed. The outside doors must be equipped with hasp and staple, securely fastened on the inside, so that they may be securely locked. Doors secured from the inside must be provided with a cross bar in the middle of the door and with

strong and suitable attachments for the reception of locks. Where there are double doors, one of them at least must be provided with substantial bolts at both the top and the bottom. These bolts must be so arranged as to plunge into substantial fastenings or holes in the middle of the frame or wall above the door and of the sill or floor when the door is closed. Folding doors, vertical or horizontal sliding doors, and doors of the roller blind type, must be provided with substantial cross bars or bolts that plunge into the upper and lower parts of the door frame (or the wall and floor) or, in the case of horizontal sliding or roller blind type doors, into the sides of the door frame, so placed as to make the door rigid and secure, unless the doors operate in grooves or tracks that make them rigid and secure. (Secs. 3031, 3032, 3033, I.R.C.)

§ 178.425 *Windows.* All windows in the fortifying room must be securely constructed and so arranged and equipped that they may be securely fastened on the inside.

(a) *Within 12 feet of ground, etc.* All windows located within 12 feet of the ground, or within 12 feet (1) above a fire escape, (2) above a roof, setback, or balcony within 12 feet of the ground, (3) above a roof or balcony of an adjoining building, or (4) of the roof, window, or other opening of an opposite building, must also be protected by iron bars or solid shutters: *Provided,* That iron bars or shutters will not be required for windows of the detention type, consisting of solid steel frame, sash and grille, combined in one unit and erected in one piece, equipped with wire glass panes not larger than 6 by 10 inches.

(b) *Extension of requirements.* The Commissioner or district supervisor may require any other windows in the fortifying room to be protected by iron bars or shutters when deemed necessary to safeguard the brandy.

(c) *Set in frame.* All windows must be securely set into the window frame in such a manner as to prevent ready removal.

(d) *Sash locks.* All window sashes must be provided with sash locks or other suitable fasteners.

(e) *Shutters.* Window shutters must be solid and substantially constructed of metal or wood, and must be fastened inside of the room and so secured that they can not be opened from the outside.

(f) *Iron bars.* Iron bars for windows must be not less than three-fourths of an inch in diameter, placed perpendicularly in the windows or walls, not more than 5 inches apart from center to center, and reinforced by iron cross bars not more than 36 inches apart. All bars and cross bars must be securely fastened to the window frames or embedded in the walls in such a manner as to prevent their removal. (Secs. 3031, 3032, 3033, I.R.C.)

§ 178.426 *Skylight, monitors, penthouses, etc.* Skylights, monitors, penthouses, and similar openings must be secured in the same manner as windows. (Secs. 3031, 3032, 3033, I.R.C.)

§ 178.427 *Ventilators.* Small openings in the walls, floor, ceiling, or roof, for ventilating or heating purposes, will be permitted, provided such openings are protected by substantial metal gratings, not lighter than No. 6 gauge and having openings not larger than one-half inch, securely attached to or embedded in the wall, floor, ceiling, or roof. Where such openings in the walls, floor, ceiling, or roof are larger than 6 by 6 inches, they should be further protected by iron bars. Such openings will not be permitted in walls, floors, or ceilings which separate the fortifying room from adjoining, unbonded premises not occupied by the winemaker. (Secs. 3031, 3032, 3033, I.R.C.)

§ 178.428 *Drains.* Openings in floors (except floor separating the fortifying room from unbonded premises) will be permitted for drainage or sewage, provided they are permanently connected to the sewer system and protected in the same manner as ventilators. (Secs. 3031, 3032, 3033, I.R.C.)

§ 178.429 *Brandy storage room.* If desired, the fortifying room may be divided into two separate rooms, one for the fortification of wine and the other for the storage of brandy withdrawn for use in fortification. Such separate room for the storage of brandy must be sufficiently large to admit of the storage of all brandy to be received and possessed at any one time. When a brandy storage room is provided, all brandy received at the winery for use in fortification will be deposited therein, except where the brandy is to be used immediately, as provided in § 178.460. The brandy storage room must be constructed in accordance with §§ 178.422 to 178.428. All doors must be constructed, secured, and equipped for locking, in accordance with § 178.424. The entrance door must open into the other part of the fortifying room. The other portion or room of the fortifying room, not used for the storage of brandy, must be securely and substantially constructed, but need not otherwise conform to the detailed requirements of §§ 178.422 to 178.428 inclusive. (Secs. 3031, 3032, 3033, I.R.C.)

§ 178.430 *Fortifying tanks, weighing tanks, and brandy storage tanks*—(a) *Markings.* Each fortifying tank, weighing tank, and brandy storage tank shall have painted thereon the words "Fortifying Tank," "Weighing Tank," or "Brandy Storage Tank," as the case may be, followed by a permanent serial number and the capacity of the tank in wine gallons. The capacity of the tank per inch of depth shall also be painted on each such tank of uniform dimensions, standing on end. A table showing the capacity of the tank for each inch of depth must be securely attached to each such tank of irregular dimensions or lying on its side, a copy of which shall be attached to each copy of Form 698. The district supervisor will have the calibration of each fortifying tank, weighing tank, and brandy storage tank verified by a Government officer.

(b) *Securing.* The manholes, inlets, outlets, and any other openings of each weighing tank and each brandy storage tank shall be equipped for locking with Government locks. Where brandy is received by pipe line and is run directly into the fortifying tank, all openings in the fortifying tank shall likewise be equipped for locking with Government locks. Fortifying tanks, weighing tanks, and brandy storage tanks shall not be permanently connected with pipe lines used for the conveyance of air, water, or any substance other than wine and brandy. (Secs. 2829, 3031, 3032, 3033, I.R.C.)

§ 178.431 *Location of tanks.* All tanks in the fortifying room must be so constructed as to permit examination of every part thereof, and so arranged as to leave an open space of not less than 4 feet between the top of the tank and the ceiling or roof above, and a space of at least 18 inches from any wall and from each other, except that the supervisor may, if, in his opinion, conditions warrant, permit a lesser distance between such tanks, but in no case less than 12 inches. Properly constructed concrete tanks will be permitted in the fortifying room, either single or in series with no space between if they are so arranged as to permit ready inspection by Government officers. The wall of a concrete fortifying tank (but not of a brandy storage tank) may constitute a part of the wall of the fortifying room. All pipes, hose, or other conveyors leading to or from tanks must be so exposed as to permit ready inspection by Government officers. All stopcocks must be of easy access. Where tanks are equipped with manholes or valves in the top, which are required to be locked with Government locks, suitable walks or landings with steps or stairways leading thereto, must be provided near the top of such tanks in order that ready access may be had by Government officers to the manholes.

(a) *Premises heretofore approved.* District supervisors may require such walks or landings, with steps or stairways leading thereto, to be installed at wineries now operating, where the tanks have manholes or valves in the top, which are required to be locked with Government locks, and the present method of gaining access to the top of the tanks is hazardous or unsafe to Government officers who are required to open and close the locks on such manholes or valves or to inspect the contents of the tanks from time to time. (Secs. 2829, 3031, 3032, 3033, I.R.C.)

§ 178.432 *Locking fortifying room and brandy storage tanks.* All doors in the fortifying room and the brandy storage room, if any, and all openings in brandy storage tanks shall be locked with Government locks. The entrance door to the fortifying room and to the brandy storage room, if any, shall each be locked with a seal lock. The fortifying room and the brandy storage-room, if any, shall be kept locked at all times when brandy is stored therein or wines are held for refortification, except when fortifying operations are being carried on or brandy is being received, or when it is necessary for the proprietor to have access to the fortifying room for the purpose of making repairs or for other legitimate purposes or for the Government officer to enter the room in the performance of his official duties. When business is finished for the day, the doors,

windows, and shutters shall be closed and securely fastened by the proprietor and, whenever required, locked by the storekeeper-gauger. The inlets and outlets and other openings in brandy storage tanks shall be kept locked at all times when brandy is stored in the tanks, except when brandy is being transferred to or from the tanks. The keys to all Government locks shall be kept in the possession of the storekeeper-gauger or the district supervisor at all times.

(a) *Sunday and night time.* The fortifying room shall not be opened on Sunday or at night, except in cases of emergency and then only with the approval of the district supervisor: *Provided,* That where the brandy is in imminent danger of loss by fire, flood, or other casualty, and it is impracticable to first obtain authorization from the district supervisor for the opening of the fortifying room, the storekeeper-gauger may, upon the request of the proprietor, open the room for the purpose of preventing loss of the brandy, but a report thereof must be made immediately, by telephone or telegraph where possible, to the district supervisor: *And provided further,* That where the brandy is in imminent danger of loss by fire, and it is impracticable to first communicate with the district supervisor or the storekeeper-gauger, city and State fire officers may break open the fortifying room for the purpose of preventing loss of the brandy, but a similar report thereof must be made immediately to the district supervisor.

(b) *Use of room for other purposes.* Where there is no brandy stored in the fortifying room, or when all brandy on storage therein is in a separate locked room thereof (as authorized in § 178.429) and no wines are held therein for refortification, and the proprietor desires to use the room for other purposes (as authorized in § 178.419), including the emptying, cleaning, and filling of fortifying tanks, the Government locks should be removed from the doors and the storage tanks. (Secs. 2829, 3031, 3032, 3033, I.R.C.)

§ 178.433 *Pipe lines.* Pipe lines used for the conveyance of brandy from fruit distilleries and internal revenue bonded warehouses to brandy storage tanks, weighing tanks, or fortifying tanks in the fortifying room, shall be constructed in accordance with the requirements of Regulations 5 (26 CFR, Part 184) and Regulations 10 (26 CFR, Part 185), respectively. (Secs. 2829, 3031, 3032, 3033, I.R.C.)

§ 178.434 *Valves.* Valves in pipe lines, required to be locked, must be equipped for locking with a Government lock. Wheel type valves must be fitted with a hood or cover that may be locked over the valve, or the valves must be so constructed that they may be locked firmly in place. The locking of such valves with chains which permit a cracking or partial turning of the valve, will not be approved. (Secs. 2829, 3031, 3032, 3033, I.R.C.)

§ 178.435 *Pumps.* Pumps used to pump brandy into weighing tanks, storage tanks, and fortifying tanks must be prepared for sealing with cap seals the same as pipe lines. Unless the pipe line beyond the pump is so located as to drain by gravity, a check valve or a valve that may be locked must be installed just beyond the pump in the pipe line leading to the weighing tank, storage tank, or fortifying tank. (Secs. 2829, 3031, 3032, 3033, I.R.C.)

§ 178.436 *Scales and weighing tanks.* The proprietor must provide in the fortifying room suitable and accurate scales for gauging brandy received and used, except where all brandy used is conveyed by pipe line directly to the fortifying tank immediately after gauging at the distillery or bonded warehouse. Where brandy is received in tank cars or tank trucks, or by pipe line (except as provided above), a weighing tank of suitable size must be provided in the fortifying room. Beams or dials of scales used to weight packages must indicate weight in half-pound graduations. The beams or dials of weighing tank scales must indicate weight in 1-pound graduations, if of less than 10 tons capacity, and in 5-pound graduations, if of 10 tons or more capacity. (Secs. 2329, 3031, 3032, 3033, I.R.C.)

§ 178.437 *Government office.* A well-lighted, heated and ventilated office, not less than 10 feet square, must be provided within the fortifying room by the winemaker for the exclusive use of the Government officers assigned to supervise fortification. The office must be furnished with a desk having one or more drawers, suitable for the storage of necessary records and forms, a chair, water for making tests, shelving for storing samples, and such other equipment or furniture as may be necessary for the preparation of reports, preserving Government records, making tests, etc. Where, in the case of wineries heretofore established, it is not practicable to provide an office in the fortifying room in conformity with the requirements hereof, such an office will not be insisted upon if other reasonable and suitable office accommodations for the use of Government offices have been provided. All accommodations for Government officers shall be subject to approval by the district supervisor. (Secs. 2829, 3031, 3032, 3033, I.R.C.)

§ 178.438 *Government cabinet.* There shall be provided in the Government office a metal cabinet of adequate strength and size, suitably equipped for locking with a Government seal lock, for use in safeguarding Government locks, keys, seals, and other Government property in the custody of Government officers. Each such cabinet shall be subject to approval by the district supervisor.

§ 178.439 *Sign.* The proprietor shall place over the entrance door of the fortifying room a sign bearing in plain and legible letters, the words "Fortifying Room." (Secs. 3031, 3032, 3033, I.R.C.)

§ 178.440 *Details of construction and equipment.* Details of construction and equipment, not covered by these regulations, or for which it is desired to make substitution, shall be governed by the provisions of § 178.43. (Secs. 3031, 3032, 3033, I.R.C.)

§ 178.441 *Form 698 and plan.* The fortifying room and equipment must be accurately described in Form 698 and the plan of the winery premises and apparatus, as prescribed in §§ 178.45 to 178.60 and 178.78 to 178.84, inclusive. Where material changes are made in the fortifying room and equipment, such as the removal or addition of tanks, or changes in the capacity of tanks, report thereof must be made and filed, as provided by § 178.87. (Secs. 3031, 3032, 3033, 3040, I.R.C.)

KINDS OF WINE THAT MAY BE FORTIFIED

§ 178.442 *Wines eligible for fortification.* Only pure sweet wine, produced in accordance with § 178.143; natural wine, produced in accordance with § 178.144; citrus-fruit wine, peach wine, cherry wine, berry wine, apricot wine, prune wine, plum wine, pear wine, pawpaw wine, papaya wine, pineapple wine, cantaloup wine, and apple wine, produced in accordance with § 178.145, may be fortified. (Secs. 3032, 3033, 3036, 3044, 3045, I.R.C.)

§ 178.443 *Ineligible wines.* The fortification of any wines, other than those made strictly in accordance with §§ 178.143, 178.144, and 178.145, constitutes rectification and will incur liability for both the distilled spirits tax of $9 a proof gallon on the brandy used in fortification, and the rectification tax of 30 cents a proof gallon on the fortified wine, in addition to the wine tax (according to taxable grade) on the fortified wine. Winemakers should accordingly exercise every care to see that only wines produced strictly in accordance with §§ 178.143, 178.144, and 178.145 are offered for fortification. Responsibility for fortifying only such wines as are eligible for fortification rests upon the winemaker. Where any doubt exists as to the eligibility of the wine for fortification, the matter should be submitted to the district supervisor for decision before fortifying the wine. (Secs. 3254 (g), 2800 (a) (5), 2801 (e), I.R.C.)

§ 178.444 *Supervision by Government officers.* Government officers assigned to supervise the fortification of wine will not allow fortification unless the tank label, Form 546, and their examination and tests of the wine indicate that the limitations of these regulations relative to the production and amelioration of wine have been observed, and there is no evidence or circumstances indicating that the wine is ineligible for fortification. If the Government officer is doubtful whether the wine is eligible for fortification, he will submit the matter to the district supervisor for decision before permitting fortification. (Secs. 3032, 3033, 3034, I.R.C.)

KIND OF SPIRITS USABLE FOR FORTIFICATION

§ 178.445 *Brandies eligible for use in fortification.* The brandies authorized to be used for fortification, as enumerated in § 178.416, are those made exclusively from grapes, citrus fruits (except lemons and limes), peaches, cherries, berries, apricots, prunes, plums, pears, pawpaws, papayas, pineapples, cantaloups, or apples, or from the products of the residues of such fruits and berries, or from grape wine, citrus-fruit wine, peach wine, cherry wine, berry wine, apricot wine, prune wine, plum wine, pear

wine, pawpaw wine, papaya wine, pineapple wine, cantaloup wine, or apple wine, in the manufacture of which artificial sweetening may have been used under the limitations prescribed in §§ 178.143, 178.144, and 178.145, or from the fruit pomace residuum of such grape wine. As provided in § 178.5 (c), the term brandy as used in these regulations in connection with the fortification of wine shall include wine spirits and spirits—fruit distilled from the same kind of fruit, and wines may be fortified with such wine spirits and spirits—fruit the same as with brandy. No brandy produced otherwise than as specified herein may be used for fortification. Brandy produced from grape cheese and a sugar solution may not be used for the fortification of wine. (Secs. 3032, 3036, I.R.C.)

IDENTIFICATION OF WINES

§ 178.446 *Form 546.* Where grapes, citrus fruit (except lemons and limes), peaches, cherries, berries, apricots, prunes, plums, pears, pawpaws, papayas, pineapples, cantaloups, or apples are crushed or pressed or where the juice thereof is deposited in fermenters, for fermentation and probable fortification, there shall be attached to the fermenting tanks into which the material is run a label, Form 546, filled out in accordance with the instructions contained therein. The form shall be signed by the winemaker. (Secs. 3032, 3033, 3036, 3044, 3045, 3171, I.R.C.)

§ 178.447 *Removal of Form 546.* When the wine is transferred to another tank before amelioration or fortification, the label must be transferred to the new tank and the serial number of the tank and date of transfer entered on the label. Where the contents of a tank are transferred to two or more tanks, duplicate labels will be attached to the new tanks. Upon fortification of the wine, the label will be removed and attached to the copy of the storekeeper-gauger's report of fortification, Form 275, forwarded to the district supervisor. (Secs. 3032, 3033, 3036, 3044, 3045, 3171, I.R.C.)

§ 178.448 *Transfer of labels.* The labels must be so attached to the tanks that they will not become detached or obliterated and so that they may be transferred from one tank to another upon transfer of the wines. Government officers will not permit the fortification of wine contained in any tank which is not labeled in accordance with this part. (Secs. 3032, 3033, 3036, 3044, 3045, I.R.C.)

MANNER OF PROCURING BRANDY FROM FRUIT DISTILLERIES AND INTERNAL REVENUE BONDED WAREHOUSES.

§ 178.449 *General.* Winemakers may procure brandy from fruit distilleries and internal revenue bonded warehouses without payment of tax for the fortification of wine, in accordance with this part. The brandy may be procured in packages or railroad tank cars, or by pipe line, as hereinafter provided. Brandy so procured must conform to the provisions of § 178.445, and must be used to fortify wines conforming to the provisions of § 178.442. Both the brandy and the wines in which it is used must be made from the same kind of fruit, as provided in § 178.416. No other brandies may be procured and no other wines may be fortified, and no brandy made from one kind of fruit may be used to fortify wine made from another kind of fruit. (Secs. 2883, 3031, 3032, 3033, 3036, 3044, 3045, I.R.C.)

§ 178.450 *Application, Form 257.* Where it is desired to procure brandy from a fruit distillery or an internal revenue bonded warehouse for the fortification of wine, application will be made by the winemaker on Form 257 to the supervisor of the district in which the winery is located. The winemaker shall specify in Form 257 whether the brandy is to be procured in packages or railroad tank cars, or by pipe line, and (a) if the brandy is to be procured in railroad tank cars, whether both the winery and the distillery or warehouse from which the brandy is to be procured are equipped with suitable railroad siding facilities and weighing tanks for gauging the brandy, and (b) if the brandy is to be procured by pipe line, whether the winery and the distillery or warehouse from which the brandy is to be procured are located on contiguous premises and are equipped with a suitable weighing tank and whether the pipe line has been inspected and approved, as required by § 178.457. The application shall be filed in triplicate where the winery and the distillery or warehouse are in the same supervisory district, and in quadruplicate where they are in different districts. The same application may not include brandy from more than one distillery or warehouse or from both a distillery and a warehouse, nor two or more lots to be removed from the same distillery or warehouse at different times, except where the distillery or warehouse is contiguous to the winery, as provided in § 178.454. (Secs. 3031, 3033, 3171, I.R.C.)

§ 178.451 *Action by district supervisor.* If the application is in proper order and the bond of the winemaker (where not in the maximum penal sum) is sufficient to cover the tax on the brandy to be procured, in addition to the tax on the wine and brandy then on hand at the winery, the district supervisor will (a) where the distillery or warehouse is in the same district, execute his certificate and order on the form and send all three copies to the storekeeper-gauger designated to gauge the brandy and (b) where the distillery or warehouse is located in another supervisory district, execute his certificate on the form and forward all four copies to the supervisor of such district, who will in turn execute his order on the form and send all four copies to the storekeeper-gauger designated to gauge the brandy. (Secs. 3031, 3033, I.R.C.)

§ 178.452 *Removal of brandy from distillery or warehouse.* The brandy will be gauged, marked, and removed from the distillery or warehouse, and the copies of Form 257, with the report of gauge, Form 1520, will be disposed of by the storekeeper-gauger at the distillery or warehouse in accordance with Regulations 5 (26 CFR, Part 184) and Regulations 10 (26 CFR, Part 185), respectively. (Secs. 3031, 3033, I.R.C.)

§ 178.453 *Deposit of brandy in fortifying room*—(a) *Distillery or warehouse and winery on contiguous premises.* Where the distillery or warehouse and the winery are located on contiguous premises, and the storekeeper-gauger at the distillery or warehouse is charged with supervising the deposit of the brandy in the fortifying room, he will, upon such deposit of the brandy execute his certificates on all copies of Form 257, retain one copy, with Form 1520 attached, at the winery, and forward one copy to the district supervisor. The other copy of Form 257 will be retained at the distillery or warehouse and the extra copy of Form 1520 will be delivered to the distiller or warehouseman, as provided in Regulations 5 (26 CFR, Part 184) and Regulations 10 (26 CFR, Part 185), respectively.

(b) *Distillery or warehouse and winery on non-contiguous premises.* Where the distillery or warehouse and the winery are located on non-contiguous premises, and the storekeeper-gauger at the distillery or warehouse is not charged with supervising the deposit of the brandy in the fortifying room of the winery, he will, upon removal of the brandy and the execution of his certificate of gauge and removal on all copies of the Form 257, retain one copy, with a copy of Form 1520 attached, at the distillery or warehouse, as the case may be, and immediately forward the remaining copies (two or three, as the case may be), with a copy of Form 1520 attached to each, to the winemaker, who will present them to the officer at the winery as a voucher for deposit in the fortifying room. Where no officer is assigned to the winery, the winemaker will on receipt of the brandy request the district supervisor to detail an officer to supervise the deposit of the brandy in the fortifying room. After the brandy has been deposited within the fortifying room and any necessary gauging performed, the officer will execute his certificate of receipt on all copies of Form 257, retain one copy of Form 257, with copy or copies of Form 1520 attached, at the winery as a permanent record, and forward the other copy, or copies, with Form 1520 attached to each, to the district supervisor, who will, in cases where the brandy was withdrawn from a distillery or warehouse in another district, forward the extra copy, or copies, of each form to the supervisor of such district. (Secs. 3031, 3033, I.R.C.)

§ 178.454 *One application for monthly removals from contiguous distillery or warehouse.* If the distillery or warehouse and the winery are located on contiguous premises and brandy is to be transferred to the winery from time to time during the month under supervision of a Government officer, the winemaker's application on Form 257, and the district supervisor's order to gauge on the form, may cover all brandy to be transferred to the winery during the month. In such case, if the bond of the winemaker is not in the maximum penal sum, the winemaker shall specify on Form 257 the maximum quantity of brandy that will be removed from the distillery or warehouse on any one day, less the quantity on hand unused at the beginning of the day. The Government officer supervising the removal of the brandy from the distillery or warehouse will see that this daily quantity is not exceeded.

As provided in § 178.499 (a), district supervisors will use such daily quantity in determining the sufficiency of the winemaker's bond.

(a) *Same officer at distillery or warehouse and winery.* If the officer gauging the brandy supervises its transfer to and deposit in the fortifying room, he will certify to such deposit on each copy of Form 1520 as the brandy is deposited, and attach one copy thereof to each copy of Form 257. At the close of the month, the officer will execute his certificates on each copy of Form 257, retain one copy thereof, with a copy of each Form 1520 attached, at the winery as a permanent record, and one copy similarly completed, at the distillery or warehouse for the same purpose, and forward the other copy to the district supervisor.

(b) *Separate officers at distillery or warehouse and winery.* When an officer is separately assigned to duty at the winery, the officer at the distillery or warehouse will retain one copy of Form 257 and deliver the other two copies to the officer at the winery. Each time brandy is transferred to the winery, the officer at the distillery or warehouse will attach one copy of Form 1520, covering the brandy so transferred, to his copy of Form 257, and deliver two copies of the Form 1520 to the officer at the winery, who will certify to deposit on each Form 1520, as the brandy is received and deposited in the fortifying room, and attach a copy of Form 1520 to each copy of Form 257. At the close of the month the officer at the distillery or warehouse will execute his certificate of gauge on all three copies of Form 257 and the officer at the winery will execute his certificate of receipt on all copies of the form. The forms will then be disposed of as provided in paragraph (a) of this section. (Secs. 3031, 3033, I.R.C.)

Procurement of Brandy in Packages

§ 178.455 *Officer's examination.* When packages of brandy are received at the winery, the officer will examine the packages and satisfy himself that the brandy is the same as that described in Forms 257 and 1520, and will supervise the deposit of the brandy in the fortifying room. The officer will gauge any packages which appear to have been tampered with, or from which brandy appears to have been abstracted or lost. The details of packages so gauged will be reported on Form 1520, with a statement setting forth fully the apparent cause of the loss. A copy of such Form 1520 will be attached to each copy of Form 257. (Secs. 3031, 3033, I.R.C.)

Procurement of Brandy by Pipe Line

§ 178.456 *General.* Where the distillery or warehouse and the winery are located on contiguous premises, brandy may be transferred from the distillery or warehouse to the winery by pipe line under the immediate supervision of a Government officer, as herein provided. (Secs. 2829, 3031, 3033, I.R.C.)

§ 178.457 *Pipe line.* The pipe line from the distillery or warehouse to the winery shall be constructed and secured in accordance with the provisions of Regulations 5 (26 CFR, Part 184) or Regulations 10 (26 CFR, Part 185), respectively, and shall be connected with the brandy storage tanks, weighing tanks, or fortifying tanks in the fortifying room in the same manner as it is required to be connected with the receiving tanks, storage tanks, or weighing tanks in the distillery or warehouse. Where the brandy is weighed in the distillery or warehouse and not in the fortifying room, the pipe line shall be directly connected in the prescribed manner with the brandy storage tanks or the fortifying tanks in the fortifying room. Where the brandy is weighed in the fortifying room and not in the distillery or warehouse, the pipe line shall be directly connected in the prescribed manner with the receiving or brandy storage tanks in the distillery or warehousee. The pipe line shall be fitted with valves so constructed that they may be locked with Government locks and so arranged as to control the flow of brandy from or into each tank with which it is connected in the distillery or warehouse and the winery. The valves will be closed and locked with Government locks at all times, except when necessary to be open for the transfer of brandy. The keys will remain in the custody of the Government officer, or, if no officer is regularly assigned, in the custody of the district supervisor or other officer designated by him. No pipe line may be used until it has been inspected and the district supervisor has approved it, and no brandy may be transferred except under the immediate supervision of a Government officer. (Secs. 2829, 2883, 3031, 3033, I.R.C.)

§ 178.458 *Underground conduit.* If the distance from the distillery or warehouse to the fortifying room is great enough to make an underground conduit necessary, or desirable, or it is necessary for the pipe line to cross a public highway, or the conduit is necessary or desirable for other valid reason, the same may be used, but must be on a straight line, and not less than 15 inches in diameter, and constructed of iron, concrete, or other suitable material. Such conduit must be supplied with lights in order that it may be readily examined throughout its entire length. The pipe line passing through this conduit must be clear of the walls thereof, and with no openings except at either end. Each end of the conduit must be provided with some means of closing that may be securely locked with a Government lock, the keys to which will be in the custody of the district supervisor or other officer designated by him. (Secs. 2829, 2883, 3031, 3033, I.R.C.)

§ 178.459 *Weighing tanks.* Where brandy is transferred by pipe line, a suitable weighing tank or tanks must be provided for gauging the brandy. Such weighing tank or tanks may be located in either the distillery or warehouse or in the fortifying room. Only one weighing of the brandy will be required in connection with its transfer to the fortifying room. The brandy may be weighed either in the distillery or warehouse immediately before being run into the fortifying room or in the fortifying room immediately upon being received. (Secs. 2829, 2883, 3031, 3033, I.R.C.)

§ 178.460 *Fortifying room not having weighing tank.* Where a weighing tank is not provided in the fortifying room, the brandy may be transferred thereto by pipe line only for immediate use and only in such quantities as are necessary to fortify a given lot of wine. In such cases, the wine to be fortified will be run into the fortifying tank and the required quantity of brandy to fortify the wine will be gauged in a weighing tank in the distillery or warehouse, and run directly into the fortifying tank containing the wine. The Government officer at the winery should see that the pipe line will discharge directly into the tank of wine to be fortified before the valve permitting the flow to that tank is opened. After all the brandy in the weighing tank has been run into the fortifying tank, the valve in the pipe line will be locked. (Secs. 2829, 2883, 3031, 3033, I.R.C.)

§ 178.461 *Storage tank in fortifying room.* Where it is desired to transfer brandy to the fortifying room and store the same therein prior to use, there must be provided within the fortifying room (or brandy storage room therein, if one is provided) a suitable storage tank or tanks for storing the brandy and a weighing tank for use in gauging the brandy when used, as required by §§ 178.420 and 178.436. (Secs. 2829, 2883, 3031, 3033, I.R.C.)

§ 178.462 *Tank locks.* The pipe line must empty into a closed storage tank, weighing tank, or fortifying tank, which will be locked with a Government lock while brandy is being discharged therein or remains therein. The keys to this lock will be retained in the possession of the officer at all times. Where the brandy is run directly by pipe line into the fortifying tank, such tank must be fitted with a locked cover. If, however, the weighing tank is located in the fortifying room, it is not necessary that the fortifying tanks be fitted with locked covers. (Secs. 2829, 2883, 3031, 3033, I.R.C.)

§ 178.463 *Report on Form 275.* Where brandy is transferred by pipe line to the fortifying tank in the fortifying room for immediate use, the Government officer will note on the copies of Form 1520 attached to his fortification report, Form 275, the statement "Received by pipe line from Distillery (or Warehouse) No. _____."

Procurement of Brandy in Tank Cars

§ 178.464 *General.* Brandy may be procured in railroad tank cars, as herein provided, where both the winery and the distillery or warehouse from which the brandy is to be procured are equipped with suitable railroad siding facilities and an appropriate weighing tank is provided in both the distillery or warehouse and the winery for weighing the brandy, and a closed storage tank, or tanks, of sufficient capacity to hold the brandy are provided in the fortifying room. (Secs. 2829, 3031, 3033, I.R.C.)

§ 178.465 *Tank car requirements.* Railroad tank cars used to transport brandy for the fortification of wine must be constructed, marked, filled, labeled, inspected, and seal-locked in the manner

required by Regulations 5 (26 CFR, Part 184) and Regulations 10 (26 CFR, Part 185). The key of each seal lock used in locking the tank car will be forwarded on the day of shipment by the storekeeper-gauger at the distillery or warehouse to the Government officer, if any, at the winery. Where no officer is assigned at the winery regularly when the brandy is shipped, the district supervisor will direct that the keys be forwarded to him or such other officer as he may designate. All locks and keys will be promptly returned by the officer at the winery to the distillery or warehouse from which the brandy was shipped. (Secs. 3031, 3033, I.R.C.)

§ 178.466 *Examination of tank car upon arrival at winery.* Upon arrival of the tank car at the winery, the seals must not be broken or any brandy removed except in the presence of the Government officer, who will first carefully examine the car to see whether the locks and seals are intact and whether there is any evidence of loss by leakage or otherwise. If the locks or seals are found to have been broken or if there is other evidence that the contents of the car have been tampered with, the officer will immediately communicate with the district supervisor, and, except in cases of emergency, await instructions before permitting the car to be unloaded. When a tank car is unloaded, the contents will be pumped into the weighing tank in the fortifying room of the winery, where the brandy will be gauged and transferred to storage tanks in the fortifying room. The transfer of the brandy from the tank car to the fortifying room must be done in the immediate presence of the Government officer. The pipe line or hose connection from the car to the weighing tank must be in full view of the officer and must not be connected or used except in his presence. The label attached to the tank car at the distillery or warehouse shall be scraped and obliterated immediately the car is emptied. (Secs. 3031, 3033, I.R.C.)

§ 178.467 *Report of gauge at winery.* If the gauge of the brandy upon receipt at the winery discloses a loss in transit other than that which may be ascribed to variation in gauge, the officer will prepare a report of his gauge on Form 1520, and attach a copy of the form to each copy of Form 257 received from the officer at the distillery or warehouse. If the loss exceeds one-half of 1 per cent, or there is any evidence that the tank car was tampered with in transit, the officer will make a report of his gauge on Form 1520 in each instance, with a statement respecting his inspection of the tank car and the apparent cause of the loss. (Secs. 2901 (b) (c) (d), 3031, 3033, I.R.C.)

FORTIFICATION OF WINE

§ 178.468 *Application, Form 276.* When the winemaker desires to fortify wine, he will file application on Form 276 with the district supervisor for the assignment of an officer to supervise fortification: *Provided,* That where pursuant to a prior application the district supervisor has assigned an officer to the winery and authorized him to supervise fortification upon application of the winemaker, Form 276 may be filed directly with such officer, who may permit fortification prior to formal approval of Form 276 by the district supervisor. Where the application is filed with the district supervisor, it must be filed in sufficient time to enable the district supervisor to assign the required officer. The application should set forth the date on which it is desired to begin fortification, the approximate quantity of wine to be fortified, and the probable length of time (number of days) which will be required to fortify the wine. This information should be given as definitely as possible in order that the district supervisor may assign an officer accordingly. A separate application must be filed for each month in which it is desired to fortify wine. (Secs. 3032, 3033, 3034, 3171, I.R.C.)

§ 178.469 *Action by district supervisor.* If the application is properly prepared and the winemaker's notice of intention to fortify wine, Form 605, has been filed with the district supervisor, and the winemaker has procured or been authorized to procure brandy to fortify the wine, the district supervisor will, except in cases where the application is filed directly with a designated officer, as provided in § 178.468, execute his order on the form and send all three copies to the officer designated to supervise fortification. (Sec. 3034, I.R.C.)

§ 178.470 *Inspection by Government officer.* The officer who receives the order to supervise fortification will inspect the fortifying room and equipment, and the brandy and wine to be used in fortification to determine whether the same are in legal condition as required by these regulations. He will examine the fortifying tanks to determine that the same are completely empty and will not permit the use of any fortifying tank in which any wine or lees remain. The officer will also examine the packages of brandy and any brandy in storage tanks to see that the same corresponds with that shown on Forms 257 on file at the winery. If any irregularity is found, the officer will immediately communicate with the district supervisor and await instructions before permitting fortification. The officer will proceed in a similar manner in cases where he has been authorized to supervise fortification upon application of the winemaker, without prior approval of Form 276 by the district supervisor. (Secs. 3032, 3033, 3034, I.R.C.)

§ 178.471 *Transfer of wine to fortifying room.* When it is desired to transfer wine to the fortifying room for fortification, the officer will see (a) that the tank bears a label, Form 546, properly identifying the wine; (b) that according to the label the wine is eligible for fortification; (c) that the wine apparently corresponds with the label; and (d) that the wine appears in all respects to be eligible for fortification. (See §§ 178.311 to 178.313, inclusive.) If the wine appears to be eligible for fortification, it will be transferred to the fortifying room and tested by the officer for alcoholic content. After testing the wine for alcohol, the officer will calculate the quantity of brandy required to fortify the wine to the alcoholic strength desired, and will proceed to gauge such quantity of brandy and superintend its transfer to the fortifying tank and mixing with the wine. Wines may not be fortified above 24 per cent by volume, including both the natural and added alcoholic content, as such wines are classed as distilled spirits by section 3030, I.R.C., as amended. (Secs. 3030, 3032, 3033, 3034, 3036, 3044, 3045, I.R.C.)

§ 178.472 *Gauge of brandy; Form 1520.* Brandy used to fortify wine will be gauged by the Government officer immediatey prior to use. The details of the gauge will be reported on Form 1520, one copy of which will be attached to each copy of the officer's daily report, Form 275.

(a) *Tare of packages.* In gauging packages of brandy for use in fortification, the total tare of each package as shown on Form 1520, covering withdrawal of the package from the distillery or warehouse, will be taken as the present tare of the package in preparing Form 1520, covering the gauge of the package immediately prior to use in fortification. The present gallonage and any loss shown on the basis of such tare will be reported on Forms 261 and 276 as the quantities of brandy used and lost, respectively. When wooden packages are gauged for use in fortification and it is desired to fortify the wine to a certain set alcoholic content, the present actual contents of the packages may be determined precisely by weighing the empty packages after their contents have been dumped for use in fortification, and any excess or deficiency in gallonage indicated by the difference in withdrawal tare and actual tare may be added to or subtracted from the total gallonage shown on the basis of the withdrawal tare, for the purpose of determining the actual quantity of brandy to be added to the wine, but the gallonage and any loss shown on the basis of the withdrawal tare will be entered on Forms 261 and 276 as the quantities used and lost, respectively.

(b) *Proof of brandy.* Likewise, in preparing Form 1520, covering the gauge of the brandy immediately prior to use in fortification, the proof will be stated in the nearest whole per cent, in accordance with the rule in Table No. 1 of the Gauging Manual (Part 186 of this chapter). The present gallonage and any loss shown on the basis of such proof, will be reported on Forms 261 and 276 as the quantities of brandy used and lost, respectively.

(1) *Calculating brandy required for fortification.* In calculating the quantity of brandy required to fortify wine to the desired per cent of alcohol, in accordance with the rule, formula, or tables in the appendix, it is usually sufficient to take the nearest whole per cent of proof of the brandy used. However, where it is desired to fortify the wine to an exact per cent of alcohol, a more precise calculation can be made by taking the actual proof of the brandy, as shown in Table 1 of the Gauging Manual (Part 186 of this chapter) in tenths of per cent, rather than the nearest whole per cent. For example, where the hydrometer reading is 192 and the temperature 66°, the proof of 190.6 shown in the Gauging Manual may be used, which, divided by 2, gives an

alcoholic content of the brandy of 95.3 per cent. (Secs. 2901 (b) (c) (d), 3031, 3032, 3033, 3034, I.R.C.)

§ 178.473 *Losses of brandy indicating tampering.* Where the officer's gauge indicates that a package may have been tampered with, as where a material deficiency is found and there is no evidence of loss by leakage or accident, or where deterioration in proof not accountable for by variation in gauge is disclosed, the officer will immediately notify the district supervisor of all the facts in the case and will not permit the package to be used until he is instructed to do so by the district supervisor. (Secs. 2901 (b) (c) (d), 3031, I.R.C.)

§ 178.474 *Sweetening and fortifying procedure.* Sweetening agents, if any are used, may be added only prior to fortification. After the sweetening agents, if any, have been added to the wine, and the brandy and wine have been run into the fortifying tank, the contents must be thoroughly mixed by plunging or otherwise by the winemaker. Except as provided in § 178.460, in mixing wine and brandy in the fortifying tank, the winemaker may run the wine into the tank first, or, if he so desires, he may run the brandy into the tank first. After the wine and brandy have been completely mixed, the officer will test the wine for alcoholic content, and ascertain the quantity. (Secs. 3032, 3033, 3036, 3044, 3045, I.R.C.)

§ 178.475 *Samples.* The officer will take a 1-pint sample of each tank of wine fortified, seal the same, and attach a label, Form 491, to the bottle. The officer will enter on the label the alcoholic content of the wine as shown by his test, the date of fortification, etc. These samples will be retained in the fortifying room and at the close of the month or upon completion of fortification for the month, the officer will forward two of the samples, representing fortifications at different periods of the month, to the nearest Bureau branch laboratory for testing. Where not over three lots of wine have been fortified during the month, but one sample need be sent to the chemist. If the chemist's analysis indicates that the tests made at the winery were incorrect, he will advise the district supervisor, who will have the instruments used by the officer tested to determine whether they are inaccurate or whether the tests were improperly made by the officer. The samples not used for testing purposes will be held in the fortifying room for a period of six months, after which they may be returned to the winemaker. (Secs. 3032, 3033, 3034, 3036, 3044, 3045, I.R.C.)

§ 178.476 *Refortification.* If the winemaker does not have sufficient brandy on hand to complete the fortification of a given lot of wine, the wine may, if desired, be partially fortified and held in the fortifying room for further fortification. In making a refortification of wine the Government officer will test the wine for alcohol before the wine is refortified, and compare the results of such tests with the tests of the same wine as shown by the report on Form 275 in which the partial fortification was reported. If the comparison of tests discloses discrepancies of a nature indicating that the wine was tampered with since its partial fortification, the officer will report the facts to the district supervisor and await instructions before permitting the wine to be refortified. If the wine is refortified, the discrepancies found will be reported on the Form 275 in which the refortification is reported. Where discrepancies not of a serious nature are disclosed, and the wine is refortified without first reporting the facts to the district supervisor, the discrepancies will likewise be entered on Form 275. The last test will be made the basis of the refortification. The data reported in the original fortification, as well as the refortification, must be entered on the Form 275, thus making a double report. Similar report of the refortification will be made on Form 276. (Secs. 3032, 3033, 3034, 3036, 3044, 3045, I.R.C.)

§ 178.477 *Report of losses of brandy*—(a) *From packages.* Where the Government officer's gauge discloses a loss since deposit of the brandy in the fortifying room, the officer will report the loss on Form 1520 and Form 276, giving the serial numbers of the packages from which the loss was sustained, the quantity lost from each package, and the apparent cause of the loss.

(b) *From storage tanks.* Losses from storage tanks will be reported by the Government officer on Form 276, giving the serial numbers of the tanks from which the loss was sustained, the quantity lost from each tank, and the apparent cause of the loss in sufficient detail to bring out all the known material facts and circumstances surrounding the loss. Losses from storage tanks will be determined at the end of the month during which wines are fortified or upon completion of fortification for the month, as provided in § 178.482 (b) (1). (Secs. 2901 (b) (c), 3031, I.R.C.)

§ 178.478 *Daily report of fortification, Form 275.* Each day wines are fortified, the officer supervising fortification will make report thereof on Form 275, in triplicate, giving all the information called for in the form, as required by these regulations and as indicated by the headings of the various columns and lines and the instructions printed on the form. The officer will retain one copy of the form at the winery as a permanent record, give one copy to the winemaker, and at the close of the day forward the other copy, with Form 546 attached, to the district supervisor. (Sec. 3034, I.R.C.)

§ 178.479 *Monthly report, Form 276.* Each day wines are fortified the officer will enter on Form 276 the information called for on that form, as required by these regulations and as indicated by the headings of the various columns and lines and the instructions printed on the form. Losses of brandy will be entered on Form 276 in accordance with § 178.477. At the close of the month, or upon completion of fortification for the month, the officer will complete Form 276, retain one copy at the winery as a permanent record, and forward the other two copies to the district supervisor, who will transmit one copy to the Commissioner with his brandy account, Form 290. (Sec. 3034, I.R.C.)

LOSSES OF BRANDY

§ 178.480 *Losses in transit*—(a) *By theft.* The tax on brandy withdrawn for fortification and lost by theft while being transferred to the fortifying room, not as the result of connivance, collusion, fraud, or negligence on the part of the distiller, owner, consignor, consignee, bailee, or carrier, or the employees of any of them, may be remitted to the extent that the claimant is not indemnified against or recompensed for such loss.

(b) *Except by theft, intentional destruction, leakage, or evaporation.* The tax on brandy withdrawn for fortification and lost, otherwise than by theft (except as provided in paragraph (a)), intentional destruction, leakage, or evaporation, while being transferred to the fortifying room, may be remitted to the extent that the claimant is not indemnified against or recompensed for such loss. (Sec. 2901 (b) (c) (d), I.R.C.)

§ 178.481 *Losses in fortifying room*—(a) *By theft.* The tax on brandy withdrawn for fortification and lost by theft in the fortifying room, not as the result of connivance, collusion, fraud or negligence on the part of the distiller or the owner, or the employees of either of them, may be remitted to the extent that the claimant is not indemnified against or recompensed for the tax on such loss.

(b) *Except by theft, intentional destruction, leakage, or evaporation.* The tax on brandy withdrawn for fortification and lost, otherwise than by theft (except as provided in paragraph (a)), intentional destruction, or by leakage and evaporation (except as provided in paragraph (c)), while stored in the fortifying room, may be remitted to the extent that the claimant is not indemnified against or recompensed for such loss.

(c) *By leakage or evaporation.* The tax on brandy withdrawn for fortification and lost by leakage or evaporation while in the fortifying room, not as the result of any negligence, connivance, collusion, or fraud on the part of the winemaker or his agents, may be remitted to the extent that the winemaker is not indemnified against or recompensed for such loss. (Secs. 2901 (b) (c) (d), 3031 (b), I.R.C.)

§ 178.482 *Determination of losses*—(a) *In transit.* Losses in transit to the winery will be ascertained at the time the brandy is received at the winery, as provided in §§ 178.455 and 178.466.

(b) *In fortifying room*—(1) *By leakage or evaporation.* Losses by leakage or evaporation from packages while stored in the fortifying room will be ascertained at the time the packages are gauged for use in fortification. Losses by leakage or evaporation from storage tanks will be determined by physical inventory of such tanks at the close of the month during which wines are fortified or upon completion of fortification for the month.

(2) *By theft, accident, etc.* Losses by theft, accident, or other cause than leakage or evaporation in the fortifying room will be determined and reported at the time the loss is discovered. (Secs. 2901 (b) (c) (d), 3031 (b), I.R.C.)

§ 178.483 *Claims for losses*—(a) *When required.* Where the loss from any pack-

age or railroad tank car in transit to the winery exceeds 1 per cent of the quantity shipped therein, claim for remission of tax on the entire quantity lost from the package or railroad tank car must be made by the winemaker. Claim must likewise be filed by the winemaker for any known deficiency, exceeding 1 per cent, on any lot of brandy transferred to the fortifying room by pipe line. Where the loss in the fortifying room from any package exceeds 1 per cent of the quantity contained in the package at the time of receipt, or where the loss from storage tanks exceeds 1 per cent of the total quantity contained in such tanks during the month, claim for remission of tax on the entire quantity lost from each such package or from such storage tanks must be made by the winemaker.

(b) *When not required.* Where the loss in transit or in the fortifying room does not exceed 1 per cent, calculated in accordance with paragraph (a), claim for remission of tax will not be required, provided there are no circumstances indicating that the loss is not allowable under the law.

(c) *Form of claims.* No special forms have been prescribed for use in filing claims for remission of tax. Such claims shall be made on legal or letter size paper, in duplicate, and shall set forth, under oath, the following information:

1. The name of the fruit distiller who produced the brandy, and the registry number and location of the distillery.
2. The serial numbers of the packages or other containers from which the brandy was lost and the quantity lost from each.
3. The date of the loss or, if such date is not known, the date on which the loss was discovered, and the nature and cause of the loss, together with all the known, material facts and circumstances surrounding the loss.
4. The name of the carrier, if any.
5. If lost by theft, whether the loss occurred as the result of any negligence, connivance, collusion, or fraud on the part of the distiller, owner, consignor, consignee, bailee, or carrier, or the employees of any of them.
6. If lost by leakage or evaporation while in the fortifying room, whether the loss occurred without negligence, connivance, collusion, or fraud on the part of the winemaker or his agents.
7. Whether the claimant is indemnified or recompensed for the loss, and, if so, the amount and nature of such indemnity or recompense. The actual value of the brandy, less the tax, must be stated explicitly, and certified copies of all policies of insurance or other documents of indemnity covering the brandy must be furnished.

(d) *Supporting documents.* Claims for remission of tax on brandy lost while being transferred to the fortifying room shall, if the transfer was made by carrier, be supported whenever possible by a copy of the bill of lading and statements of the agents of the carrier having personal knowledge of the loss. Claims covering losses in the fortifying room must be supported by affidavits of persons having personal knowledge of the loss.

(e) *Filing of claims.* Claims for remission of tax on brandy lost in transit or in the fortifying room must be filed by the winemaker with the district supervisor of the district in which the winery is located, within 30 days after the loss is ascertained. (Secs. 2901 (b) (c) (d), 3031 (b), 3171, I.R.C.)

§ 178.484 *Report of losses.* Losses of brandy by theft, accident, or otherwise than by leakage or evaporation, must be reported to the district supervisor by the winemaker or other persons concerned immediately after the losses are discovered. Where losses of brandy occur while in transit and are ascertained by an officer at the time of receipt at the bonded winery, or where losses occur while in the fortifying room of the bonded winery and are ascertained while an officer is on duty, the officer will immediately gauge the contents of the package or other approved container and prepare Form 1520 in quadruplicate. The officer will prepare a letter report in triplicate to the district supervisor setting forth the nature, cause and extent of the loss in sufficient detail to bring out all the known, material facts and circumstances. The condition of each package or other container from which the loss was sustained, and the quantity lost therefrom, should be stated in such report. The officer will forward two copies of Form 1520 and two copies of the letter report to the district supervisor, deliver one copy of Form 1520 to the winemaker, and retain one copy of Form 1520 and the letter report for his files. (Secs. 2901 (b), 3031 (b), I.R.C.)

§ 178.485 *Investigation by district supervisor.* Where large losses by theft, accident, or other causes are reported, the district supervisor will, upon receipt of such report, immediately make such investigation and require such evidence to be submitted as he may deem necessary and will advise the Commissioner of his findings and recommendations relative to remission of the tax on the brandy. (Secs. 2901 (b) (c) (d), 3031 (b), 3171, I.R.C.)

§ 178.486 *District supervisor's examination of claims.* When a claim for remission of tax is received by the district supervisor, he will carefully examine it and cause such investigation to be made or require such additional evidence to be submitted as he may deem necessary, and will forward the claim to the Commissioner, together with a statement setting out his recommendation and his reasons therefor, as expeditiously as possible. The district supervisor will transmit to the Commissioner with the claim copies of any reports of investigation of the loss submitted by Government officers. (Secs. 2901 (b) (c) (d), 3031 (b), 3171, I.R.C.)

§178.487 *District supervisor's accounts.* District supervisors will enter all items of loss of brandy in the fortifying room or in transit thereto in their accounts, Form 290. Credit will be taken in the account in which the loss is first entered for those losses for which claim is not required by § 178.483 (b). Losses for which claim is required by § 178.483 (a) will be carried in the account as not allowed until the loss is allowed by the Commissioner or the tax is paid thereon. Where the loss is excessive, for which claim is required, the entire loss will be carried as not allowed. (Secs. 2901 (b), 3031 (b), I.R.C.)

VOLUNTARY DESTRUCTION OF BRANDY UNFIT FOR BEVERAGE PURPOSES

§ 178.488 *General.* Brandy withdrawn for fortification which is found by the Commissioner to be unfit for use for beverage purposes may be voluntarily destroyed without payment of tax by the winemaker in accordance with the procedure hereinafter set forth. (Sec. 2901 (b), I.R.C.)

§ 178.489 *Application.* When the winemaker desires to so destroy unfit brandy, he will make written application to the district supervisor of the district in which the winery is located for permission to destroy the brandy. The application shall specify the kind and approximate quantity in wine gallons and proof gallons of the brandy; the name, address, and registered distillery number of the distiller who produced the brandy; the date of transfer of the brandy to the fortifying room; the serial numbers of the barrels or tanks in which the brandy is contained; and a statement showing the condition of the brandy which renders it unfit for beverage purposes. Unfitness for use in fortification, without unfitness for use for beverage purposes, does not warrant destruction without payment of tax. (Secs. 2901 (b), 3171, I.R.C.)

§ 178.490 *Action by supervisor.* Upon receipt of the application, the district supervisor will have a Government officer inspect the brandy to verify the correctness of the application and to procure a sample from each barrel or tank in which the brandy is contained for submission to the district chemist for analysis to determine whether the brandy is unfit for use for beverage purposes. Each sample shall consist of one pint, or if deemed advisable, one quart. The officer will label the samples so as to readily identify the brandy, and will forward them to the district chemist at the expense of the winemaker. The chemist will analyze the samples and furnish a report of his analysis to the district supervisor. The unused portions of the samples will be retained by the chemist for further examination should such be found necessary. The district supervisor will forward the winemaker's application, the Government officer's report, and a copy of the chemist's report of analysis to the Commissioner with his recommendation. (Sec. 2901 (b), I.R.C.)

§ 178.491 *Action by Commissioner*—(a) *Unfit for beverage purposes.* If the Commissioner finds that the brandy is unfit for beverage purposes, he will authorize the district supervisor to permit the brandy to be destroyed by the winemaker under the supervision of a Government officer.

(b) *Fit for beverage purposes.* If the Commissioner finds that the brandy is fit for beverage purposes he will disapprove the application and notify the district supervisor of such disapproval. The district supervisor will thereupon inform the winemaker that the brandy has been found to be fit for beverage purposes and may not be destroyed without payment of tax. (Secs. 2901 (b), 3031 (a), I.R.C.)

§ 178.492 *Destruction*—(a) *Regauge.* Brandy authorized to be destroyed will be regauged by the Government officer

and reported for that purpose on Form 1520, in quadruplicate. Following such regauge and payment of tax, as hereinafter set forth, on any deficiencies subject to tax, the brandy may be destroyed under the immediate supervision of the Government officer by running the same into the sewer or by other suitable means. The Government officer will then certify to such destruction on each copy of Form 1520, furnish one copy of the form to the winemaker, retain one copy at the fortifying room, and forward one copy to the district supervisor. The officer will enter the brandy so destroyed at a special line in Part 5 of Form 276. The district supervisor will take appropriate credit at special lines in the appropriate part of his account, Form 290, for the brandy so destroyed.

(b) *Tax-payment of losses.* If the regauge discloses losses other than those allowable by this part, such losses must be tax-paid prior to destruction of the brandy. If the losses disclosed by the regauge are apparently allowable upon the filing of a claim for remission of tax in accordance with §§ 178.430 to 178.487, inclusive, such claim must be filed with the district supervisor prior to destruction of the brandy, but destruction need not be held in abeyance pending action on the claim by the Commissioner. Where the losses must be tax-paid, the Form 1520, in quadruplicate, will be submitted by the winemaker to the collector, accompanied by remittance for the tax. Upon collection of the tax, the collector will certify to the tax-payment on all four copies of Form 1520, retain one copy of the form, and return the other three copies to the winemaker. The collector will list the collection on his current distilled spirits tax list. The winemaker will deliver the three copies of Form 1520 received from the collector to the Government officer for disposition in accordance with paragraph (a) upon destruction of the brandy. (Secs. 2901 (b), 3031 (a), I.R.C.)

TAX-PAYMENT OR TRANSFER TO BONDED WAREHOUSE OF UNUSED BRANDY

§ 178.493 *Permission required.* Brandy remaining on hand unused after fortification has been finished for the season, or upon discontinuance of the winery or of fortification of wine thereat, may be tax-paid or transferred to a bonded warehouse by the winemaker, pursuant to permission first obtained from the Commissioner: *Provided,* That packages from which a portion of the contents have been used in fortification may not be transferred to a bonded warehouse. (Sec. 3034, I.R.C.)

§ 178.494 *Application.* Application for permission to tax-pay or transfer the brandy to a bonded warehouse shall be filed with the district supervisor. The application shall set forth the serial numbers of the packages or storage tanks in which the brandy is contained, the kind and quantity of brandy involved, the name and registry number of the distiller of the brandy, the date of receipt of the brandy in the fortifying room, and the reason it is desired to tax-pay or transfer the brandy to a bonded warehouse.

(a) *Transfer to bonded warehouse.* When it is desired to transfer the brandy to a bonded warehouse, the application shall specify the name, number, and location of the warehouse and the means or containers by or in which it is proposed to transfer the brandy to the warehouse. The application shall also specify whether the warehouseman is agreeable to receiving the brandy and filing a consent of surety on his warehouse bond, extending the terms of the bond to cover the transfer and storage of the brandy in the warehouse. (Sec. 3034, I.R.C.)

§ 178.495 *District supervisor's action.* Upon receipt of the application, the district supervisor will assign an officer to inspect the brandy and verify the correctness of the application. When the officer has completed his inspection, the district supervisor will forward the application, with his recommendation and the officer's report, to the Commissioner. (Sec. 3034, I.R.C.)

§ 178.496 *Procedure.* If the application is approved by the Commissioner, the brandy will be tax-paid or transferred to bonded warehouse in accordance with the procedure prescribed by the Commissioner at the time he approves the application. (Sec. 3034, I.R.C.)

TAX LIABILITY ON BRANDY WITHDRAWN FOR FORTIFICATION

§ 178.497 *Charge against winemaker.* Under the law, winemakers become responsible for the tax on all brandy withdrawn by them for the fortification of wine, and their bonds must fully cover at all times the payment of the internal revenue tax at the rate imposed by law on such brandy. The bonds must also be in a sufficient penal sum to cover the tax on the wine on hand, as provided in § 178.55. (Secs. 3031 (a), 3032, 3033, 3040, I.R.C.)

§ 178.498 *Assessment of tax.* Where it appears that brandy withdrawn for fortification has been unlawfully used or removed, or that the tax should not be remitted on a loss of brandy in transit or in the fortifying room, the district supervisor will transmit all pertinent papers with appropriate recommendation to the Commissioner. If tax is found to be due, it will be assessed against the winemaker by the Commissioner. (Sec. 3031 (a), I.R.C.)

§ 178.499 *District supervisor's record, Form 1597.* The district supervisor shall maintain an account on card Form 1597 with the bond of each winemaker who has been authorized to withdraw brandy for fortification and whose bond is not in the maximum penal sum of $50,000.

(a) *Brandy charges.* When Form 257 is approved, the bond shall be charged with the tax on the quantity of brandy authorized to be withdrawn: *Provided,* That when Form 257 is approved on a monthly basis and the maximum quantity to be withdrawn on any one day, less the quantity on hand unused at the beginning of the day, is specified, as provided in § 17.454, the bond shall be charged with such daily quantity, rather than the total quantity authorized to be withdrawn during the entire month.

(b) *Brandy credits.* When Form 275 is received, the bond shall be credited with the tax on the quantity of brandy shown used in fortification. The bond shall also be credited with the tax on any losses of brandy in transit or in the fortifying room allowed or tax-paid. When Form 257, with Form 1520 attached, is received showing the withdrawal of a less quantity of brandy than that for which the bond was charged at the time the form was approved, the bond will be credited with the tax on the difference between such quantities. Likewise, when Form 257 is returned unused, the bond will be credited with the tax on the quantity of brandy for which the bond was charged at the time of approval of the form. When unused brandy is tax-paid or transferred to a bonded warehouse, as provided in §§ 178.493 to 178.496, inclusive, or is destroyed because of being unfit for beverage purposes, as provided in §§ 178.488 to 178.492, inclusive, the bond will be credited with the tax on the quantity of brandy so tax-paid, returned to warehouse or destroyed.

(c) *Wine charge.* For the purpose of determining the balance on the bond available for brandy, the tax on the wine shown on hand end of month in the last Forms 702, 702-A, and 702-B, rendered by the winemaker shall be deducted from the penal sum of the bond, as indicated by Form 1597. The available brandy balance so determined shall continue until Forms 702, 702-A, and 702-B are received for the next month, when the wine tax will be recalculated according to the quantities of wine shown on hand last of month in such forms, and a new deduction and determination will be made in the same manner. (Sec. 3031 (a), I.R.C.)

WINEMAKER'S BRANDY AND SWEETENING AGENTS REPORT

§ 178.500 *Form 261.* Each month that brandy or sweetening agents are on hand, received, or used, the winemaker will render a monthly report on Form 261, giving all the information called for by the form, as indicated by the headings of the columns and lines of the form and the instructions printed thereon or issued in respect thereto, and as required by this part. (Secs. 3031 (a), 3032, 3033, 3171, I.R.C.)

§ 178.501 *Preparation of the report.* Form 261 shall be prepared in accordance with the requirements of § 178.390, respecting the preparation of Forms 701, 702, 702-A, and 702-B. The entries must be made by the winemaker, or by his agent from personal knowledge or data furnished by the winemaker, on the day the brandy and sweetening agents are received or used. The report shall be subscribed and sworn to by the winemaker or his duly authorized agent. Where the form is signed by an agent, proper power of attorney authorizing the agent to execute the reports for the winemaker must be filed with the district supervisor. (Secs. 3031 (a), 3032, 3033, 3171, I.R.C.)

§ 178.502 *Filing of report.* One copy of Form 261 shall be retained at the winery by the winemaker as a perma-

nent record, subject to inspection by Government officers at any reasonable hour. On or before the 10th day of the succeeding month, the winemaker will forward two copies of the form to the district supervisor, who will transmit one copy to the Commissioner with his brandy account, Form 290. (Secs. 3031 (a), 3032, 3033, 3171, I.R.C.)

§ 178.503 *Audit of reports.* Before the brandy account, Form 290, is prepared, the correctness of the winemaker's report, Form 261, will be verified by check against the Government officer's reports on Forms 257, 275, and 276.

GOVERNMENT OFFICER'S FILES

§ 178.504 *System of filing.* Government officers assigned to supervise fortification of wine will file Forms 257, with Forms 1520 attached, in a separate file in chronological order in bound form. In another file, the officers will file Forms 275 with Forms 1520 attached, and Forms 276, in chronological order in bound form; Forms 275, with Forms 1520 attached, being filed according to date, and Forms 276 being filed on top of the Forms 275 and 1520 for the month. At the close of the season or when the files are full, the completed forms will be removed from the files in the same order and placed in envelopes plainly marked to show the form numbers and the period covered by the forms. Suitable Acco or other binders and punching equipment for the maintenance of these files will be furnished Government officers by district supervisors. (Sec. 3034, I.R.C.)

§ 178.505 *Retention of records.* The forms and files specified in § 178.504 and any other records of Government officers pertaining to fortification will be retained in the Government office of the fortifying room, available for inspection by Government officers.

DISTRICT SUPERVISOR'S ACCOUNT

§ 178.506 *District supervisor's account, Form 290.* Each district supervisor will render a monthly account on Form 290 of brandy and ameliorating or sweetening agents received and used, and wine fortified, at wineries in his district. The account will be prepared from data obtained from Forms 261, after such forms have been audited as provided in § 178.503. The entries will be made as required by these regulations and as indicated by the headings of the columns and lines of the form and the instructions printed thereon or issued in respect thereto.

§ 178.507 *Filing of accounts.* The accounts will be prepared, in duplicate, by States within the district. One copy will be retained by the district supervisor, and one copy, with copies of Form 261 and Form 276, will be forwarded to the Commissioner not later than the last day of the month succeeding that for which the account is rendered.

[SEAL] JOSEPH D. NUNAN, Jr.,
Commissioner of Internal Revenue.

Approved: September 21, 1945.

JOSEPH J. O'CONNELL, Jr.,
Acting Secretary of the Treasury.

APPENDIX—INSTRUCTIONS AND TABLES

AMELIORATION OF THE MUST OR WINE

If the acid of the must (juice) does not exceed 5 parts per thousand (5 grams per thousand ml.), no addition of sugar-water solution is allowed.

If the acid of the must is in excess of 5 grams per thousand ml., the addition of sugar-water solution is allowed in a quantity sufficient to reduce the acid to not less than 5 grams per thousand ml.: *Provided,* That in no case shall the volume of the resultant product be increased more than 35 per cent. Table I shows the maximum quantity of sugar-water solution that may be added, according to the acid content of the must.

The amelioration of must or wine, or both, with sugar-water solution, is dependent upon the acid content of the must. Therefore, when it is desired to add sugar-water solution to the must or to the wine, or to both the must and the wine, the acid content of the must shall be determined before fermentation, and the total quantity of sugar-water solution added to both the must and the wine shall not exceed the quantity authorized by Table I.

TABLE I—AMELIORATION OF MUST OR JUICE

Showing the maximum number of gallons of sugar-water solution that may be added to each thousand (1,000) gallons of must or wine, based on the acid content of the must, expressed in grams per thousand ml. before fermentation.

Grams acid per thousand ml. in juice	Gallons of must or wine	Gallons sugar-water solution allowed
5.0 or less	1,000	None
5.1	1,000	20.0
5.2	1,000	40.0
5.3	1,000	60.0
5.4	1,000	80.0
5.5	1,000	100.0
5.6	1,000	120.0
5.7	1,000	140.0
5.8	1,000	160.0
5.9	1,000	180.0
6.0	1,000	200.0
6.1	1,000	220.0
6.2	1,000	240.0
6.3	1,000	260.0
6.4	1,000	280.0
6.5	1,000	300.0
6.6	1,000	320.0
6.7	1,000	340.0
6.8	1,000	360.0
6.9	1,000	380.0
7.0	1,000	400.0
7.1	1,000	420.0
7.2	1,000	440.0
7.3	1,000	460.0
7.4	1,000	480.0
7.5	1,000	500.0
7.6	1,000	520.0
For all acidity over 7.6	1,000	538.4

DETERMINATION OF THE ACIDITY OF MUST

1. *Apparatus necessary.* (a) Burette, 50 ml., graduated to 1/10 ml.

(b) Burette stand.

(c) Pipettes, 5, 10, and 20 ml.

(d) Medicine dropper.

(e) Stirring rods.

(f) Glass funnels, 90 mm. (approx. 3.6" inside diameter, 160 mm. stem approx. 6.3").

(g) Flasks (Erlenmeyer approx. 500 ml.).

(h) Graduated cylinder (100 ml.).

(i) Beakers, 250 ml.

(j) Absorbent cotton.

(k) Porcelain dishes, 7" or 8" in diameter.

(l) Filter paper (folded, No. 12, 24–0 cms.).

2. *Solutions necessary.* (a) N/10 sodium hydroxide, exact.

(b) N/10 sulfuric acid (standard acid sample).

(c) Indicator, phenolphthalein solution, 1 gram per 100 ml. of neutral alcohol.

NOTE. When pipettes, burettes, or flasks marked "cc.," instead of "ml.," are used, the same quantities should be measured, the units of measure "ml." and "cc." being the same.

3. *Use and care of the burette.* (a) Before using the burette the stopcock should be greased while dry with a very little vaseline. It should then be washed thoroughly inside with a soapy-water solution and rinsed thoroughly, first with water and then twice with the N/10 sodium hydroxide, care being taken that all the interior of the burette comes in contact with the rinsing liquid. The burette is then filled to the top with N/10 sodium hydroxide, placed in a stand, and after standing for a minute the level of the liquid is brought exactly to the 0 mark by opening the stopcock. The instrument is now ready for use.

(b) After using the burette it should be emptied, washed with water, and placed inverted in the stand, with the cock open until needed again. Under no condition should the N/10 sodium hydroxide be permitted to remain in the burette overnight.

4. *Use and care of the pipette.* (a) The pipette is used to measure the amount of must to be used for ascertaining the quantity of acid. The must is sucked with the mouth into the pipette until the level of the liquid is about an inch above the mark, the finger is quickly placed over the end, and the must allowed to flow out slowly until the mark is reached. The pipette now holds the amount of must needed for the acid determination. The contents should then be run into the porcelain dish. A little practice makes the operation of the pipette very easy.

(b) Before using the pipette it should be always rinsed thoroughly with the must to be tested, and after using should be washed with water.

5. *Care of other apparatus.* One main precaution, as in all chemical work, is to keep all glassware, etc., scrupulously clean.

6. *Determination of acid*—(a) *Selection of sample.* Endeavor to obtain a sample representative of the whole lot or container of must to be tested. If the must can not be mixed thoroughly, take equal portions from different parts of the container and then mix these portions thoroughly. A sufficient amount is then filtered through a small pad of absorbent cotton or filter paper placed in the funnel, using a flask to catch the filtered must.

(b) *Measuring the sample of must.* Before measuring the sample of must, remove the gas (CO_2) contained in the sample by placing the hand tightly over the mouth of the flask and shaking vigorously for about half a minute. Let the gas escape and repeat the operation several times until the gas has been removed. This is important, for the reason that this gas has acid properties which would affect the result and because it is impossible to measure correctly a must containing gas.

(c) *The titration.* Place 250 or 300 ml., or more, of distilled water in the large porcelain dish and neutralize with the N/10 sodium hydroxide solution to a distinct pink color, using 1 medicine dropper of the phenolphthalein indicator solution.

The quality of sample of must to be measured and titrated depends on the depth of the color of the must; it is generally 5 ml. for deeply colored red must and 10 ml. or less for white must. Measure the sample of must accurately in the proper pipette and run it into the neutralized distilled water in the porcelain dish. Then titrate rapidly by running the standard N/10 sodium hydroxide solution from the burette into the diluted sample contained in the porcelain dish, stirring continuously, until a distinct pink color has been obtained. The number of ml. of the N/10 sodium hydroxide solution required to produce the desired color should then be read on the burette. To determine the amount of acid, in grams per thousand ml., contained in grape must, divide the burette reading by the number of ml. of the sample taken and multiply by the factor 7.5. The result is the number of grams of acid cal-

culated as tartaric in 1,000 ml. of the must. For all berry wines, multiply by the factor 7.0, and for apple wine multiply by 6.7, to obtain the grams of acid calculated as citric and malic, respectively, contained in 1,000 ml. of juice.

(d) *Examples.* A 10 ml. sample of a white must (grape) gave a burette reading of 6.4 ml. Calculate the acid content $6.4 \div 10 \times 7.5 = 4.8$ grams per 1,000 ml.

A 5.0 ml. sample of a red must (grape) gave a burette reading of 4.2 ml. Calculate the acid content $4.2 \div 5 \times 7.5 = 6.3$ grams per 1,000 ml.

A 5.0 ml. sample of blackberry must (juice) gave a burette reading of 5.8 ml. Calculate the acid content $5.8 \div 5 \times 7.0 = 8.12$ grams per 1,000 ml.

(e) *Precautions for the titration.* When placing the N/10 sodium hydroxide solution in the burette read the lowest part of the meniscus (or quarter moon) as the level of the liquid, and take the same level in the final reading. Remember these facts: The bottle containing the N/10 sodium hydroxide must always be kept stoppered when not in use and nothing should be allowed to enter this bottle; if some of the N/10 sodium hydroxide in the burette is not needed, throw it away—do not pour it back into the bottle.

7. *Sample for control of titration.* (a) In order that one may be assured he is correctly determining the acid in a must, a standard acid sample of N/10 sulfuric acid is included among the solutions required. This solution contains 4.9 grams of sulfuric acid per thousand ml. By making an acid determination of this solution, in accordance with the instructions contained in paragraph 6 (c), using 20 ml. of the solution, instead of the quantity specified for must, the one testing the must can readily ascertain whether he is making the determination correctly. The acid content is calculated by dividing the burette reading by 20 (the number of mls. of the sample) and multiplying by the factor 4.9. The result is the number of grams of sulfuric acid found in 1,000 ml. of the sample. If this result is within 0.05 grams of the known acid content (4.9 grams per thousand ml.) of the solution, he will know that he is making the determination properly.

Determination of the Acidity of Wine

The acidity of wine may be determined in the same manner as the acidity of must is determined. However, the addition of sugar-water solution to the must or to the wine, or to both the must and the wine, is dependent solely upon the acid content of the must before fermentation. The acid content of the wine may not, therefore, be used as a basis for calculating the quantity of sugar-water solution that may be added to the wine.

Determination of Sugar in Juice

Instruction. Use a Balling saccharometer. Pour as much juice into a glass cylinder as is necessary to float the saccharometer, which should be carefully lowered into the juice in such a way that the surface of the stem above the liquid is not moistened. The instrument should float freely and not touch the bottom or walls of the cylinder. Read the scale on the stem at the intersection of the surface of the liquid. Remove the saccharometer and determine the temperature of the juice. Make correction for temperature according to Table II. Subtract 2 from the corrected reading to allow for nonsugar solids.

Table II—Balling Correction

This table shows the correction to be applied to the reading of Balling's saccharometer at different temperatures.

Explanation. Where the temperature of the juice is other than 60° F., the saccharometer reading of the juice must be corrected for temperature according to this table, in order to determine the true Balling of the juice.

When the temperature of the juice is below 60° F., the correction shown by the table should be deducted from the saccharometer reading, and when the temperature of the juice is above 60° F. the indicated correction should be added to the reading.

In calculating the sugar in juice, 2 should be subtracted from the correct reading to allow for nonsugar solids.

Example. The saccharometer reading is 20° Balling and the temperature is 75° F. What is the sugar content of the juice?

Table II shows that the correction for this reading and temperature is .53, which should be added to the reading. Therefore—

20° + .53° = 20.53° corrected reading.
20.53° − 2.0 = 18.53 per cent sugar by weight.

TABLE II—CORRECTION TO BE APPLIED TO THE READING OF BALLING'S SACCHAROMETER FOR DIFFERENT TEMPERATURES*

	Temperature	Degree Balling																				
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
	°F																					
To be subtracted from the indicated degree	50	0.17	0.17	0.18	0.19	0.20	0.20	0.21	0.21	0.22	0.22	0.22	0.23	0.23	0.24	0.24	0.24	0.25	0.25	0.25	0.25	0.25
	51	.16	.16	.17	.18	.19	.19	.20	.20	.21	.21	.21	.22	.22	.23	.23	.23	.24	.24	.24	.24	.25
	52	.15	.15	.16	.17	.18	.18	.18	.19	.19	.19	.19	.19	.20	.20	.21	.21	.22	.22	.22	.22	.23
	53	.14	.14	.14	.15	.16	.16	.16	.17	.17	.18	.18	.18	.18	.19	.19	.19	.19	.20	.20	.20	.20
	54	.12	.12	.13	.14	.15	.15	.15	.16	.16	.16	.16	.17	.17	.17	.17	.17	.18	.18	.18	.18	.18
	55	.09	.09	.09	.10	.11	.11	.11	.12	.12	.12	.12	.13	.13	.13	.14	.14	.14	.14	.14	.14	.15
	56	.07	.07	.07	.08	.09	.09	.09	.09	.10	.10	.10	.10	.11	.11	.11	.11	.11	.11	.11	.11	.11
	57	.06	.06	.06	.07	.07	.07	.07	.07	.08	.08	.08	.08	.08	.09	.09	.09	.09	.10	.10	.10	.10
	58	.04	.04	.04	.05	.05	.05	.05	.05	.05	.06	.06	.06	.06	.07	.07	.07	.07	.07	.07	.07	.07
	59	.02	.02	.02	.02	.02	.02	.02	.02	.03	.03	.03	.03	.03	.03	.03	.03	.03	.03	.03	.03	.03
	60																					
To be added to the indicated degree	61	.02	.02	.02	.03	.03	.03	.03	.03	.03	.03	.03	.03	.03	.03	.03	.03	.03	.03	.03	.03	.03
	62	.06	.06	.07	.07	.08	.08	.08	.08	.08	.08	.09	.09	.09	.09	.09	.09	.09	.09	.09	.09	.09
	63	.09	.10	.10	.11	.11	.11	.11	.11	.11	.11	.12	.12	.12	.12	.12	.12	.12	.12	.12	.12	.12
	64	.12	.12	.13	.13	.14	.14	.14	.14	.15	.15	.15	.15	.16	.16	.17	.17	.17	.17	.17	.17	.17
	65	.14	.15	.15	.16	.17	.17	.17	.17	.18	.18	.18	.19	.19	.19	.20	.20	.20	.20	.20	.20	.20
	66	.17	.17	.18	.19	.20	.20	.21	.21	.21	.22	.22	.23	.23	.23	.24	.24	.24	.24	.24	.24	.24
	67	.20	.21	.21	.22	.23	.23	.23	.24	.24	.25	.25	.25	.25	.26	.27	.27	.27	.27	.27	.27	.27
	68	.22	.23	.24	.25	.26	.26	.27	.28	.28	.29	.29	.29	.29	.31	.31	.31	.31	.31	.31	.31	.31
	69	.25	.26	.27	.28	.29	.29	.30	.31	.31	.32	.32	.33	.33	.34	.34	.34	.34	.34	.34	.34	.34
	70	.28	.29	.30	.31	.32	.32	.33	.34	.34	.35	.35	.36	.36	.37	.37	.37	.37	.38	.38	.38	.38
	71	.31	.32	.33	.34	.35	.35	.36	.37	.37	.38	.38	.39	.39	.40	.40	.40	.40	.40	.40	.40	.41
	72	.34	.35	.36	.37	.38	.39	.40	.41	.42	.42	.42	.43	.43	.43	.44	.44	.44	.44	.44	.44	.44
	73	.37	.38	.40	.41	.42	.43	.44	.44	.45	.46	.46	.46	.46	.47	.47	.47	.47	.47	.47	.47	.47
	74	.40	.42	.43	.45	.46	.47	.48	.48	.49	.50	.50	.50	.51	.51	.51	.51	.51	.52	.52	.52	.52
	75	.44	.46	.47	.49	.50	.51	.52	.52	.53	.54	.54	.54	.55	.55	.56	.56	.56	.57	.57	.57	.58
	76	.47	.48	.50	.52	.53	.54	.55	.55	.56	.57	.57	.58	.58	.59	.60	.60	.61	.61	.61	.62	.62
	77	.50	.52	.54	.56	.57	.58	.59	.60	.60	.61	.61	.62	.62	.63	.63	.63	.64	.64	.64	.65	.65
	78	.53	.54	.56	.58	.60	.61	.62	.62	.63	.64	.64	.65	.65	.66	.66	.66	.67	.67	.68	.68	.68
	79	.57	.58	.60	.62	.64	.65	.66	.66	.67	.68	.68	.69	.69	.70	.70	.70	.71	.71	.71	.72	.72
	80	.60	.62	.64	.66	.68	.69	.70	.70	.71	.72	.72	.72	.73	.73	.74	.74	.75	.75	.75	.76	.76
	81	.63	.65	.67	.69	.71	.72	.73	.73	.74	.75	.75	.76	.76	.77	.78	.78	.79	.79	.79	.79	.79
	82	.67	.69	.71	.73	.76	.76	.77	.77	.78	.78	.79	.80	.80	.81	.82	.82	.83	.83	.84	.84	.84
	83	.72	.74	.76	.78	.81	.81	.81	.82	.82	.82	.83	.84	.85	.86	.87	.87	.87	.87	.87	.87	.88
	84	.77	.79	.81	.83	.86	.86	.86	.86	.87	.87	.88	.89	.89	.91	.92	.92	.93	.93	.93	.93	.94
	85	.83	.85	.87	.89	.91	.92	.92	.92	.93	.93	.94	.95	.96	.97	.98	.98	.98	.99	.99	.99	.99
	86	.88	.90	.92	.94	.96	.96	.97	.98	.98	.99	1.00	1.01	1.02	1.02	1.03	1.03	1.04	1.04	1.04	1.05	1.05
	87	.94	.96	.98	.99	1.01	1.02	1.03	1.03	1.04	1.05	1.05	1.06	1.07	1.07	1.08	1.08	1.09	1.10	1.10	1.11	1.11
	88	.99	1.01	1.03	1.04	1.06	1.07	1.08	1.09	1.10	1.11	1.11	1.12	1.12	1.13	1.13	1.14	1.15	1.15	1.16	1.17	1.17
	89	1.05	1.07	1.09	1.10	1.11	1.12	1.13	1.14	1.15	1.16	1.16	1.17	1.17	1.18	1.18	1.19	1.21	1.21	1.22	1.23	1.23
	90	1.11	1.13	1.15	1.16	1.17	1.18	1.19	1.20	1.21	1.22	1.22	1.23	1.23	1.24	1.24	1.25	1.27	1.28	1.29	1.30	1.30
	91	1.15	1.17	1.19	1.20	1.21	1.22	1.23	1.24	1.26	1.27	1.27	1.27	1.28	1.28	1.29	1.30	1.32	1.33	1.34	1.35	1.35
	92	1.20	1.22	1.24	1.25	1.26	1.27	1.28	1.29	1.31	1.32	1.32	1.33	1.33	1.34	1.34	1.35	1.37	1.38	1.39	1.40	1.41
	93	1.24	1.26	1.28	1.29	1.31	1.32	1.33	1.34	1.36	1.37	1.37	1.38	1.39	1.39	1.40	1.40	1.42	1.43	1.44	1.44	1.45
	94	1.29	1.31	1.33	1.35	1.36	1.37	1.39	1.40	1.41	1.42	1.42	1.43	1.44	1.44	1.45	1.45	1.47	1.47	1.48	1.49	1.50
	95	1.33	1.35	1.37	1.39	1.41	1.42	1.44	1.45	1.46	1.47	1.47	1.48	1.49	1.49	1.50	1.50	1.51	1.52	1.53	1.54	1.54
	96	1.38	1.40	1.42	1.44	1.46	1.47	1.49	1.50	1.51	1.52	1.52	1.53	1.54	1.54	1.55	1.56	1.56	1.57	1.57	1.58	1.58
	97	1.42	1.44	1.46	1.48	1.51	1.52	1.54	1.55	1.56	1.57	1.57	1.58	1.59	1.59	1.60	1.60	1.62	1.62	1.63	1.63	1.64
	98	1.47	1.49	1.51	1.54	1.56	1.57	1.58	1.59	1.60	1.62	1.63	1.63	1.64	1.64	1.65	1.65	1.65	1.67	1.67	1.68	1.68
	99	1.51	1.53	1.55	1.58	1.61	1.62	1.63	1.64	1.66	1.67	1.68	1.68	1.69	1.70	1.71	1.71	1.72	1.73	1.73	1.73	1.74
	100	1.55	1.57	1.59	1.62	1.65	1.67	1.68	1.69	1.72	1.73	1.73	1.73	1.74	1.76	1.77	1.77	1.78	1.79	1.79	1.79	1.80

N. B. The correction for indications between 21° and 30° Balling and 60° and 70° F. temperature may be made by adding 0.005 to each correction given in the above table, column 21°, for each increase in degree Balling. For instance, 25° Balling 70°F., correction to be added to column 21° and 70°, 0.62 + 0.23 = 0.41.

TABLE III—JUICES AND CONCENTRATES

This table shows the specific gravity, weight, sugar and water content per gallon of juices and concentrates, according to degree Balling. The table should be used in calculating the proper composition of sugar-water solutions used for amelioration, and in making other computations as indicated herein.

Explanation. Balling or Brix means per cent sugar by weight. Thus, if a quantity of solution weighs 880 pounds and is 10° Balling, it will contain 10 per cent of 880, or 88 pounds sugar.

In this table, specific gravity is the weight of a volume of solution measured at 60° F. compared to the weight of the same volume of water measured at the same temperature. A solution which is 10° Balling is 1.04022 times as heavy as water.

A juice which contains 20.24 per cent sugar will, with good commercial fermentation, yield 13 per cent alcohol by volume. However, juices contain soluble matter which is not sugar and does not produce alcohol. This non-sugar content produces about 2° Balling and should be subtracted from the saccharometer reading to obtain Balling due to sugar. If the saccharometer reads 22° the true Balling is 20°. This correction should not be made for sugar-water solutions.

Interpolation between degrees Balling. The Balling of a juice is 16.3°. What is the specific gravity?

The table shows that if the Balling increases from 16 to 17, the specific gravity increases from 1.06579 to 1.07016; therefore, an increase of .3° Balling will correspond to an increase in specific gravity amounting to 0.3 per cent of the difference. Thus—(1.07016—1.06579) × .3 + 1.06579 = 1.06710 specific gravity at 16.3° Balling.

The weight per gallon, sugar per gallon, and water per gallon can be determined similarly between degrees Balling, except that in determining the water per gallon the difference represented by the fractional degree Balling should be subtracted, instead of added, to the quantity shown for the next preceding whole degree Balling.

TABLE III—SHOWING THE SPECIFIC GRAVITY, WEIGHT, SUGAR AND WATER CONTENT OF JUICES AND CONCENTRATES, ACCORDING TO DEGREES BALLING

Balling	Specific gravity	Weight per gallon	Sugar per gallon (lbs.)	Water per gallon (gals.)
	Juices			
0.00	1.00000	8.32823	0.00000	1.00000
1.00	1.00389	8.3606	.08361	.99385
2.00	1.00781	8.3933	.16787	.98766
3.00	1.01176	8.4262	.25279	.98141
4.00	1.01574	8.4593	.33837	.97511
5.00	1.01975	8.4927	.42463	.96876
6.00	1.02379	8.5263	.51158	.96235
7.00	1.02785	8.5602	.59921	.95590
8.00	1.03195	8.5943	.68754	.94939
9.00	1.03607	8.6286	.77657	.94282
10.00	1.04022	8.6632	.86632	.93620
11.00	1.04441	8.6981	.95679	.92953
12.00	1.04863	8.7332	1.04798	.92279
13.00	1.05287	8.7685	1.13990	.91599
14.00	1.05715	8.8042	1.23258	.90915
15.00	1.06145	8.8400	1.32600	.90223
16.00	1.06579	8.8761	1.42018	.89526
17.00	1.07016	8.9125	1.51512	.88823
18.00	1.07456	8.9491	1.61084	.88113
19.00	1.07899	8.9861	1.70734	.87399
20.00	1.08346	9.0233	1.80466	.86677
20.24	1.08454	9.0323	1.82814	.86503
21.00	1.08795	9.0606	1.99273	.85947
22.00	1.09248	9.0984	2.00165	.85213
23.00	1.09704	9.1364	2.10137	.84472
24.00	1.10164	9.1747	2.20193	.83724
25.00	1.10626	9.2132	2.30330	.82970
26.00	1.11092	9.2520	2.40552	.82208
27.00	1.11561	9.2910	2.50857	.81439
28.00	1.12033	9.3304	2.61251	.80664
29.00	1.12509	9.3700	2.71730	.79881
30.00	1.12989	9.4099	2.82297	.79091

TABLE III—SHOWING THE SPECIFIC GRAVITY, WEIGHT, SUGAR AND WATER CONTENT OF JUICES AND CONCENTRATES, ACCORDING TO DEGREES BALLING—CON.

Balling	Specific gravity	Weight per gallon	Sugar per gallon (lbs.)	Water per gallon (gals.)
	Concentrates			
62.00	1.30232	10.8460	6.72452	.49488
63.00	1.30834	10.8961	6.86454	.48408
64.00	1.31441	10.9467	7.00589	.47317
65.00	1.32051	10.9975	7.14837	.46218
66.00	1.32665	11.0486	7.29207	.45106
67.00	1.33284	11.1001	7.43707	.43983
68.00	1.33907	11.1521	7.58343	.42850
69.00	1.34534	11.2043	7.73097	.41705
70.00	1.35165	11.2568	7.87976	.40549
71.00	1.35800	11.3097	8.02988	.39338
72.00	1.36440	11.3630	8.18136	.38202
73.00	1.37083	11.4166	8.33412	.37012
74.00	1.37731	11.4705	8.48817	.35810
75.00	1.38383	11.5248	8.64360	.34595
76.00	1.39040	11.5796	8.80049	.33370
77.00	1.39701	11.6346	8.95864	.32131
78.00	1.40366	11.6900	9.11820	.30880
79.00	1.41036	11.7458	9.27918	.29617
80.00	1.41710	11.8019	9.44152	.28342

TABLE IV—USE OF DRY SUGAR

This table shows the pounds of dry sugar required to raise the Balling of one gallon of juice to 20.24° Balling (equivalent to 13 per cent alcohol, i. e., sufficient to produce 13 per cent alcohol in the wine after complete fermentation), and the resulting gallonage. The table should be used in determining the quantity of dry sugar that may be added to fruit and berry juices to correct the natural sugar deficiency in the juice.

This table is calculated as follows:

Let X represent the weight of required sugar—

$$\frac{X + \text{wt. sugar in juice}}{X + \text{wt. juice}} = .2024.$$

Solving for X

$$X = \frac{.2024 \times \text{wt. of juice} - \text{wt. sugar in juice}}{(1 - .2024)}$$

Example. Find the amount of dry sugar required to raise the Balling of a juice from 12° to 20.24° and the resultant gallonage.

One gallon juice at 12° B. weighs 8.7332 pounds and contains 1.04798 pounds of sugar (Table III).

$$X = \frac{(.2024 \times 8.7332) - 1.04798}{(1 - .2024)} = .90223 \text{ pound of sugar required for each gallon of juice.}$$

One gallon at 20.24 B. weighs 9.0323 pounds.

$$\frac{\text{Wt. of juice} + \text{wt. added sugar}}{\text{Wt. 1 gal. of solution}} = \text{resultant gallonage.}$$

$$\frac{8.7332 + .90223}{9.0323} = 1.06677 \text{ resultant gallonage (increase in gallonage per gallon of juice).}$$

The true Balling of the juice should be found as instructed in Table II. Interpolation between degrees Balling should be made as instructed in Table III.

The quantity of sugar required per gallon of juice, and the resultant increase in gallonage, should then be multiplied by the number of gallons of juice to be treated, to ascertain the total quantity of sugar required and the resultant gallonage after addition of the sugar.

TABLE IV—SHOWING THE POUNDS OF DRY SUGAR REQUIRED TO RAISE THE BALLING OF 1 GALLON OF JUICE TO 20.24° BALLING (EQUIVALENT TO 31 PER CENT ALCOHOL) AND RESULTING GALLONAGE

Balling of juice	Pounds sugar required	Resultant gallonage
0	2.11338	1.16603
1	2.01677	1.14892
2	1.91942	1.14176
3	1.82130	1.13454
4	1.72241	1.12725
5	1.62273	1.11992
6	1.52224	1.11251
7	1.42098	1.10503
8	1.31889	1.09753
9	1.21597	1.08993
10	1.11224	1.08227
11	1.00765	1.07456
12	.90223	1.06677
13	.79594	1.05891
14	.68880	1.05100
15	.58077	1.04301
16	.47182	1.03494
17	.36205	1.02682
18	.25133	1.01861
19	.13973	1.01035
20	.02716	1.00201

TABLE V—SUGAR-WATER SOLUTION

This table shows the composition of a sugar-water solution of 20.24° Balling (equivalent to 13 per cent alcohol, i. e., capable of producing 13 per cent alcohol by complete fermentation), according to the maximum quantity of solution allowed for each thousand (1,000) gallons of juice. The table should be used where the Balling of fruit and berry juice is increased to 20.24° by the addition of dry sugar, and it is desired to reduce the acidity of the juice with a sugar-water solution and maintain the desired Balling of 20.24°.

TABLE V—SHOWING THE COMPOSITION OF SUGAR-WATER SOLUTION OF 20.24° BALLING (EQUIVALENT TO 13 PER CENT ALCOHOL)

Grams acid per thousand ml. in juice	Gallons solution allowed	Composition of solution	
		Pounds of sugar	Gallons of water
5.1	20.0	36.50	17.30
5.2	40.0	73.12	34.60
5.3	60.0	109.69	51.90
5.4	80.0	146.25	69.20
5.5	100.0	182.81	86.50
5.6	120.0	219.38	103.80
5.7	140.0	255.94	121.10
5.8	160.0	292.50	138.40
5.9	180.0	329.06	155.70
6.0	200.0	365.63	173.00
6.1	220.0	402.19	190.31
6.2	240.0	438.75	207.61
6.3	260.0	475.32	224.91
6.4	280.0	511.88	242.21
6.5	300.0	548.44	259.51
6.6	320.0	585.00	276.81
6.7	340.0	621.57	294.11
6.8	360.0	658.13	311.41
6.9	380.0	694.69	328.71
7.0	400.0	731.26	346.01
7.1	420.0	767.82	363.31
7.2	440.0	804.38	380.61
7.3	460.0	840.94	397.91
7.4	480.0	877.51	415.21
7.5	500.0	914.07	432.51
7.6	520.0	950.63	449.81
Over 7.6	538.4	984.27	465.73

CALCULATION OF COMPOSITION OF SUGAR-WATER SOLUTION TO REDUCE ACIDITY AND INCREASE SUGAR CONTENT OF JUICE

The required composition of a sugar-water solution to ameliorate grape must to reduce the acidity to not less than 5 grams per thousand ml. and to increase the Balling to not more than 20.24° (equivalent to 13 per cent alcohol), may be calculated as follows:

Example. Determine the composition of a sugar-water solution required to ameliorate 1,550 gallons of grape juice, containing 16° Balling and 6 grams of acid per thousand ml.

to 20.24° Balling and 5 grams of acid per thousand ml.

According to Table III, this juice weighs 1550×8.8761=13757.95 pounds and, as its Balling is 16, it will contain .16×13757.95=2201.28 pounds of sugar.

From Table I: 1.550×200=310 gallons sugar-water solution may be added, which will make the final volume 1550+310=1860 gallons.

According to Table III, 20.24° Balling is required to produce 13 per cent alcohol by volume, and at such Balling a solution weighs 9.0323 pounds per gallon; therefore, in this example we would have

1860×9.0323=16800.08 pounds, weight of ameliorated juice 20.24° Balling.

.2024×16800.08=3400.34 pounds, weight of sugar in the ameliorated juice.

The original juice contains 2201.28 pounds sugar, therefore 3400.34−2201.28=1199.06 pounds of sugar required in sugar-water solution.

The weight of the juice and added sugar is 13757.95+1199.06=14957.01 pounds, but because the final weight will be 16800.08 pounds we require

16800.08−14957.01=1843.07 pounds water.

$\frac{1843.07}{8.32823}$=221.30 gallons water required in sugar-water solution.

The 310 gallons of sugar-water solution should therefore contain 1843.07 pounds of water and 1199.06 pounds of sugar, making the weight of the solution 3042.13 pounds.

$\frac{1199.06}{3042.13}$×100=39.41 Balling of sugar-water solution.

TABLE VI—DILUTION OF CONCENTRATE

This table shows the gallons of water required to reduce 1 gallon of concentrate to a desired Balling, according to the Balling of the concentrate and the Balling to which it is desired to reduce the concentrate. When it is desired to produce (ferment) standard wine from concentrate in accordance with § 178.154, the table should be used in calculating the quantity of water required to reduce the concentrate to the original Balling of the juice.

This table is calculated as follows:

Reduce concentrate from 70° to 20° Balling.

From Table III: 1 gallon of concentrate at 70 B. contains 7.87976 pounds of sugar and weighs 11.2568 pounds.

When the concentrate is diluted to 20° Balling, the sugar will represent 20 per cent of the weight of the diluted concentrate; therefore, 7.87676÷.20=39.3988 pounds, the weight of the diluted concentrate per gallon of concentrate.

The concentrate weighs 11.2568 pounds; therefore, 39.3988−11.2568=28.1420 pounds of water required per gallon of concentrate.

One gallon of water weighs 8.32823 pounds; therefore, 28.1420÷8.32823=3.3791 gallons of water required per gallon of concentrate.

The volume of the diluted solution will therefore be 1+3.3791=4.3791 gallons.

If the volume of a concentrate is not known, it may be calculated from its weight and Balling.

Example. What is the volume of 1,000 pounds of concentrate which is 70° B.?

Table III shows that 1 gallon at 70° weighs 11.2568 pounds; therefore, 1000÷11.2568=88.84 gallons of concentrate.

TABLE VI—FOR FINDING THE GALLONS OF WATER REQUIRED TO REDUCE 1 GALLON OF CONCENTRATE TO A DESIRED BALLING

Explanation.—Reduce concentrate from 70° to 20° Balling. Opposite 70 Balling for concentrate and in column 20 Balling is 3.3791, which is the gallons of water required for each gallon of concentrate.

Balling of concentrate	Balling desired after dilution								
	18	19	20	21	22	23	24	25	26
	Gallons of water required per gallon of concentrate								
62	3.1834	2.9473	2.7349	2.5420	2.3678	2.2083	2.0620	1.9274	1.8032
63	3.2708	3.0298	2.8129	2.6167	2.4382	2.2753	2.1270	1.9887	1.8619
64	3.3590	3.1131	2.8917	2.6914	2.5093	2.3431	2.1907	2.0503	1.9210
65	3.4480	3.1970	2.9711	2.7668	2.5810	2.4114	2.2550	2.1123	1.9807
66	3.5377	3.2817	3.0513	2.8428	2.6533	2.4802	2.3210	2.1757	1.0410
67	3.6282	3.3671	3.1321	2.9007	2.7262	2.5498	2.3880	2.2391	2.1018
68	3.7196	3.4534	3.2138	2.9970	2.7999	2.6199	2.4550	2.2024	2.1631
69	3.8118	3.5404	3.2961	3.0750	2.8741	2.6907	2.5225	2.3673	2.2250
70	3.9047	3.6281	3.3791	3.1538	2.9490	2.7620	2.5906	2.4329	2.2874
71	3.9985	3.7166	3.4629	3.2333	3.0246	2.8341	2.6594	2.4987	2.3504
72	4.0932	3.8059	3.5474	3.3135	3.1009	2.9067	2.7290	2.5650	2.4129
73	4.1886	3.8960	3.6327	3.3944	3.1778	2.9801	2.7988	2.6320	2.4760
74	4.2849	3.9845	3.7187	3.4760	3.2554	3.0540	2.8694	2.6995	2.5127
75	4.3821	4.0786	3.8055	3.5584	3.3337	3.1286	2.9405	2.7676	2.6289

INSTRUCTIONS FOR DETERMINING THE ALCOHOL AND SUGAR CONTENT OF WINES

WINE SETS; DIRECTIONS FOR USING

Apparatus. Wine sets consist of 1 thermometer, 3 saccharometers, graded to read from 0 to 10, 10 to 20, and 20 to 30, 3 alcoholometers graded in the same way, 1 glass cylinder with rubber stopper, 1 copper still, condenser, and stand, with 3 feet of rubber tubing, and a rubber apron to spread over the box while making the test.

Samples. The sample taken for analysis must be truly representative of the whole volume of the wine in the tank from which it is taken.

Care of instruments. The instruments to be used must be perfectly clean and should be washed with clean water and thoroughly dried before and after making the tests. A small bit of grease on the spindle or on the surface of the liquid tested will destroy the efficiency of the tests. Instruments should not be handled more than is absolutely necessary, and when picking up the hydrometers they should be held by the upper part of the spindle so as to avoid soiling with the natural oil of the hands that part of the instrument which will be immersed in the liquid when the readings are taken.

Test for alcohol. Fill the cylinder exactly to the upper mark with the liquid to be tested, lift out the tray holding the hydrometers, and remove the still, etc. Spread the apron over the case, connect the stand, and place the alcohol lamp and still in position. Note the temperature of the liquid in the cylinder and empty it into the still, letting it drain as completely as possible; then fill the cylinder with water to the lower mark, rinse it about, and pour the rinsings into the still. Close the still, connect the condenser, and attach the rubber tube to it to carry away the water; insert the tail of the worm into one of the holes of the rubber stopper and place the stopper in the mouth of the cylinder into which the distillate will flow; fill the condenser with water, which should never be permitted to go above 60° F., and must be kept circulating; light the lamp under the still and continue the distillation at as low a temperature as possible to avoid frothing or priming and until nearly the original volume taken has been collected in the cylinder. Too rapid distillation will result in the loss of alcohol because of imperfect condensation.

As soon as the distillation is complete, disconnect the worm of the still from the cylinder, insert the thermometer through the hole in the stopper, and bring the distillate to the same temperature as noted before distillation; remove the stopper, add enough water of the same temperature to fill the cylinder exactly to the upper mark, place the palm of the hand over the mouth of the cylinder and slowly invert it a few times to blend the water and distillate, and then immediately insert the alcoholometer in the cylinder and note the indication. Finally, correct the reading according to Table VII to ascertain the true per cent of alcohol. The rubber stopper must be kept in the mouth of the cylinder from the time distillation is commenced until ready to take the reading of the alcoholometer to prevent loss of alcohol by evaporation.

Test for sugar. The test for saccharine or sugar will be made in the following manner: Pour the residue left in the still after distillation into the cylinder, rinsing the still with a little water a few times to obtain all of the residue contained therein, and empty the rinsings into the cylinder, taking care that none of the residue or rinsings are spilled or lost. Fill the cylinder nearly to the upper mark with water and place the palm of the hand over the mouth of the cylinder and slowly invert it several times until the liquid is thoroughly mixed and bring the temperature to the exact degree noted in the sample before distillation, then fill the cylinder up to the upper mark with water of the same temperature and take the reading of the saccharometer and make the corrections according to Table II.

Verifying tests. The above instructions will be followed in all tests made when the wine or must to be tested has fermented and in the tests before and after fortification. The greatest care must be taken in making the tests in order to get correct results.

TABLE VII—ALCOHOLOMETER CORRECTIONS

This table shows the correction to be made on the readings of alcoholometers at different temperatures. As indicated by the table, the correction should be added to the reading, when the temperature of the liquid is below 60° F., and subtracted when the temperature is above 60° F.

TABLE VII—TEMPERATURE CORRECTIONS TO READINGS OF ALCOHOLOMETERS (STANDARD AT 60° F.)

Observed temperature in degrees Fahrenheit	Observed percent alcohol by volume																								
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
	Add to observed percent alcohol																								
50	0.37	0.38	0.39	0.40	0.42	0.45	0.48	0.52	0.56	0.61	0.66	0.74	0.81	0.90	0.99	1.09	1.19	1.30	1.41	1.52	1.62	1.72	1.82	1.90	1.98
51	.34	.35	.36	.37	.39	.41	.44	.47	.51	.56	.61	.68	.75	.82	.90	.99	1.08	1.18	1.28	1.38	1.47	1.56	1.64	1.71	1.79
52	.32	.32	.33	.34	.35	.38	.40	.43	.47	.51	.55	.62	.68	.74	.80	.89	.96	1.06	1.14	1.23	1.31	1.38	1.46	1.52	1.58
53	.29	.30	.30	.31	.32	.34	.36	.39	.42	.46	.49	.55	.60	.65	.71	.78	.85	.94	1.00	1.08	1.15	1.21	1.28	1.34	1.39
54	.26	.26	.26	.27	.28	.29	.32	.34	.36	.40	.43	.48	.52	.57	.62	.68	.74	.81	.86	.94	.99	1.04	1.10	1.15	1.20
55	.22	.22	.23	.23	.24	.25	.27	.29	.31	.34	.37	.40	.44	.48	.52	.57	.62	.68	.72	.78	.83	.87	.92	.96	1.00
56	.18	.18	.18	.18	.19	.20	.22	.24	.25	.28	.30	.33	.36	.38	.42	.46	.49	.54	.58	.63	.67	.69	.74	.77	.80
57	.14	.14	.14	.14	.14	.15	.17	.18	.19	.21	.23	.25	.27	.29	.32	.35	.37	.40	.44	.47	.51	.53	.56	.58	.60
58	.09	.10	.10	.10	.10	.10	.11	.12	.13	.14	.16	.16	.18	.19	.21	.23	.24	.26	.29	.32	.34	.35	.38	.40	.40
59	.05	.05	.05	.05	.05	.05	.06	.06	.06	.07	.08	.08	.09	.10	.11	.12	.12	.13	.14	.16	.17	.18	.19	.20	.20
	Subtract from observed per cent alcohol													Subtract from observed per cent alcohol											
61	------	0.05	0.05	0.06	0.06	0.07	0.07	0.07	0.08	0.08	0.08	0.09	0.10	0.10	0.11	0.12	0.13	0.14	0.14	0.15	0.16	0.17	0.17	0.18	0.18
62	------	.10	.11	.12	.12	.13	.14	.14	.16	.16	.17	.18	.20	.21	.22	.24	.26	.27	.29	.30	.32	.34	.36	.37	.38
63	------	.16	.17	.18	.19	.20	.20	.21	.23	.24	.25	.27	.29	.31	.32	.35	.38	.41	.44	.46	.49	.51	.53	.55	.56
64	------	.22	.23	.24	.25	.26	.27	.29	.31	.32	.34	.37	.39	.42	.44	.48	.52	.54	.58	.62	.66	.68	.71	.74	.77
65	------	.28	.29	.30	.32	.33	.34	.36	.39	.41	.43	.46	.49	.52	.55	.60	.65	.68	.73	.78	.82	.85	.90	.92	.96
66	------	.34	.35	.36	.38	.40	.42	.44	.47	.50	.52	.56	.59	.63	.66	.71	.77	.82	.88	.94	.98	1.02	1.07	1.11	1.16
67	------	.41	.42	.43	.45	.47	.50	.52	.55	.58	.61	.65	.70	.74	.78	.84	.90	.96	1.03	1.10	1.15	1.20	1.25	1.30	1.35
68	------	.48	.48	.50	.52	.54	.57	.60	.64	.67	.71	.75	.80	.85	.91	.97	1.03	1.10	1.18	1.26	1.33	1.38	1.44	1.49	1.54
69	------	.55	.56	.57	.59	.62	.66	.68	.73	.76	.80	.85	.91	.97	1.02	1.10	1.17	1.25	1.33	1.42	1.48	1.54	1.61	1.66	1.72
70	------	.62	.63	.64	.67	.70	.74	.77	.81	.86	.90	.96	1.02	1.08	1.14	1.23	1.31	1.40	1.49	1.58	1.65	1.72	1.78	1.84	1.91
72	------	.77	.78	.80	.83	.86	.90	.94	.99	1.04	1.10	1.16	1.23	1.31	1.39	1.50	1.60	1.70	1.80	1.90	2.00	2.06	2.13	2.20	2.27
74	------	.93	.94	.96	1.00	1.03	1.09	1.13	1.18	1.25	1.32	1.39	1.46	1.55	1.65	1.76	1.88	1.99	2.10	2.22	2.32	2.41	2.48	2.56	2.65
76	------	------	1.10	1.13	1.17	1.21	1.27	1.32	1.38	1.46	1.54	1.61	1.70	1.80	1.91	2.03	2.16	2.28	2.41	2.54	2.65	2.76	2.84	2.93	3.03
78	------	------	1.28	1.31	1.35	1.40	1.46	1.52	1.59	1.67	1.76	1.84	1.94	2.05	2.17	2.30	2.44	2.58	2.72	2.86	2.98	3.10	3.20	3.30	3.40
80	------	------	1.46	1.50	1.54	1.60	1.66	1.73	1.80	1.89	1.99	2.09	2.20	2.31	2.44	2.58	2.72	2.87	3.02	3.17	3.33	3.45	3.56	3.67	3.78
82	------	------	1.64	1.69	1.74	1.80	1.87	1.94	2.02	2.12	2.22	2.34	2.45	2.57	2.71	2.86	3.00	3.16	3.33	3.50	3.66	3.79	3.92	4.04	4.18
84	------	------	1.84	1.89	1.94	2.00	2.08	2.16	2.25	2.35	2.47	2.59	2.71	2.84	2.98	3.13	3.29	3.46	3.63	3.81	4.00	4.14	4.28	4.42	4.56
86	------	------	------	2.09	2.15	2.22	2.30	2.39	2.49	2.60	2.72	2.84	2.97	3.11	3.26	3.41	3.58	3.76	3.94	4.13	4.33	4.49	4.65	4.80	4.94
88	------	------	------	2.30	2.37	2.44	2.53	2.62	2.73	2.85	2.98	3.10	3.23	3.38	3.54	3.70	3.88	4.07	4.26	4.46	4.67	4.84	5.00	5.17	5.32
90	------	------	------	2.52	2.59	2.66	2.76	2.86	2.98	3.11	3.24	3.36	3.50	3.66	3.83	4.00	4.18	4.38	4.58	4.78	5.01	5.19	5.36	5.53	5.69
92	------	------	------	2.74	2.82	2.89	3.00	3.11	3.24	3.37	3.51	3.64	3.78	3.94	4.11	4.29	4.48	4.69	4.90	5.12	5.35	5.54	5.72	5.90	6.07
94	------	------	------	2.97	3.04	3.12	3.24	3.36	3.50	3.63	3.78	3.92	4.07	4.23	4.40	4.58	4.79	5.00	5.22	5.46	5.69	5.89	6.08	6.28	6.45
96	------	------	------	------	3.28	3.36	3.49	3.62	3.76	3.90	4.05	4.20	4.36	4.53	4.69	4.87	5.10	5.32	5.55	5.80	6.03	6.24	6.44	6.64	6.82
98	------	------	------	------	3.52	3.60	3.74	3.88	4.03	4.17	4.32	4.50	4.66	4.83	5.00	5.18	5.41	5.64	5.88	6.13	6.38	6.60	6.80	7.02	7.20
100	------	------	------	------	3.76	3.85	4.00	4.15	4.30	4.45	4.60	4.78	4.95	5.13	5.30	5.49	5.72	5.95	6.21	6.46	6.72	6.95	7.17	7.40	7.59

EBULLIOMETERS

Description. Ebulliometers are instruments for determining the per cent of alcohol in solution in water, but when proper dilution is made because of dissolved sugar, they can be used to ascertain the alcoholic content of wines. Alcoholic solutions boil at lower temperatures than water, and all ebulliometers determine differences in boiling points, which are referred to tables or sliding scales to find the corresponding per cent of alcohol. Because boiling points are affected by atmospheric changes, the boiling point of water should be determined several times a day.

Kinds. The Malligand (with shield), E. B. Torina (with shield), Arnoldo-Sala (with shield), and L'Ebulliometer Levesque (with shield) ebulliometers have been approved for testing wine. All of these ebulliometers are of the Malligand type, and the directions for their use are the same. The Juerst, Tag-Twin (with shield), Lefco, Salleron-Du-Jardin, and Braun ebulliometers have also been approved for testing wine. Directions for the use of all of these instruments are outlined in the following paragraphs.

GENERAL DIRECTIONS FOR USING

Dilution of wine. It is a general rule that all wines should be diluted before testing so that the difference between the boiling point of water and that of the wine is not greater than 4. The error in the indicated per cent alcohol will then be less than 0.1 per cent regardless of sugar content and for practical purposes is negligible.

Dilutions should be made by measuring 100 ml., 50 ml., or 20 ml. of the wine with a pipette and running it into a 200 ml. narrow-necked, volumetric flask. Then add sufficient water of the same temperature as the wine to bring the liquid to precisely the 200 ml. mark on the flask. This gives a sufficient quantity for the test and for rinsing the boiler prior to making the test. The wine and water should be thoroughly mixed.

NOTE. When pipettes or flasks marked "cc.," instead of "ml.," are used, the same quantities should be measured, the units of measure "ml." and "cc." being the same.

The wine should not be diluted to a greater extent than that necessary to bring the boiling point of the diluted wine within 4 of the boiling point of water, but one of the quantities of wine (100 ml., 50 ml., or 20 ml.) specified in the preceding paragraph should always be used. The degree of dilution required will depend upon the sugar and alcohol content of the wine. Experience in testing various types of wine will usually indicate the degree of dilution required. When a test shows a difference of more than 4 between the boiling point of water and that of the diluted wine, it is necessary to make another test, using a lesser quantity of wine.

In measuring the quantity of wine to be diluted for testing, a pipette of the same size (capacity) as the quantity of wine to be diluted must be used and the wine measured precisely to the mark. In adding water for dilution, care must be used to fill the flask precisely to the 200 ml. line. Inaccurate dilution is one of the principal causes of incorrect tests.

Because of the dilution, where 100 ml. of wine is used, the percentage of alcohol indicated by the test must be multiplied by 2; where 50 ml. of wine is used, the result must be multiplied by 4; and where 20 ml. of wine is used, the result must be multiplied by 10.

Determining boiling point. Before each test to determine the boiling point of water or diluted wine, the boiler should first be drained of any liquid that may remain therein and then rinsed with a portion of the liquid (water or diluted wine) to be tested. After such rinsing, the boiler should be thoroughly drained before another portion of the material (water or diluted wine) to be tested is poured into the boiler. The rinsings should not be used to make the test.

In determining the boiling point of water, when steam comes out of the top of the instrument, which indicates that the water has started to boil, watch the thermometer. The point at which the mercury remains constant is the boiling point of the water.

In determining the boiling point of diluted wine, when the mercury in the thermometer begins to rise, readings should be made every 15 seconds and written on a slip of paper. The point at which the mercury remains stationary for several consecutive observations is the boiling point of the diluted wine.

Readings should be estimated between the smallest divisions of the thermometer scale. For example, if the thermometer scale is in tenths of a degree and the top of the mercury column is between two of the lines, the difference should be estimated and read accordingly, as 98.95 degrees, and such reading used in referring to the table or sliding scale. Inaccurate thermometer readings are a principal cause of incorrect results.

Removal of carbon dioxide. If the wine contains an amount of carbon dioxide which can be detected by the appearance of rising bubbles, it should be degassed. This is best accomplished by pouring the wine into a beaker and stirring about 5 seconds with a small bar of soap (hotel size) fastened to a stick.

Care of instrument. Cleanliness of the boiler is important because scale or residue will cause bumping and produce rapid fluctuations of the thermometer, which make correct readings impossible. The boiler should be flushed several times with water after each determination. After about 50 determinations, an approximately 2 per cent solution of caustic soda should be put in the boiler and boiled for about one minute. The boiler should then be flushed thoroughly with water, after which two determinations of the boiling point of water should be made. If these readings do not agree, more washing of the boiler with water is required.

Precaution. When attaching the condenser to the boiler, be sure the washer is placed on the connection between the condenser and the boiler, and see that the condenser

is screwed tightly to the boiler before using; otherwise, leakage will occur and the reading will be incorrect.

Alcohol lamp. The alcohol lamp must be kept clean and well filled with alcohol. From time to time the lamp must be emptied, cleaned out, and refilled with clean alcohol. The wick should be kept in good condition. The tip should be trimmed where it becomes burned through a scanty supply of alcohol, and the wick should be replaced as soon as it becomes too short to reach well down into the alcohol.

The flame of the lamp (or gas burner, if used instead of the lamp) should be shielded from drafts and should be adjusted so that about eight minutes elapse before the thermometer begins to rise when the boiler contains water or diluted wine. Do not force rapid boiling. Do not continue heating after the condenser has become very warm.

Additional Instructions for Each Instrument

Braun Ebulliometer

The percentage of alcohol content is read by means of the alcohol percentage calculator included with the instrument. The revolving disk of the calculator is graduated in degrees centigrade corresponding to the graduations on the thermometer. The graduations on the outer circle of the calculator represent percentages of alcohol by volume.

Assembling the ebulliometer. Attach the condenser to the threaded opening on top of the ebulliometer. Place the instrument on a level table and shield it from drafts which may cause unsteady temperature conditions.

Determination of boiling point of water. Fill the graduated measuring glass with water up to the line marked "25 ml." Pour this quantity of water into the instrument through the opening provided for the thermometer at the top of the ebulliometer. Now place the thermometer in this opening, being sure that rubber stopper fits snugly. Fill the condenser jacket with water. Light the alcohol burner and place it in the fork of the ebulliometer directly under the circular chimney. Adjust the length of the lamp wick so that the point of the flame will hit the horizontal tube.

The rising temperature of the water will be indicated by the thermometer. When the water reaches its boiling point the thermometer reading will remain constant. Read this boiling point temperature accurately. Take the calculator and set the revolving disk so that the figure on it corresponding to the boiling point of the water is exactly opposite the zero mark on the outer circle. Clamp the disk firmly in this position by means of the screw in the center of the disk.

Drain the water completely from the instrument through the petcock at the front. Empty the water from the condenser. Remove the thermometer from the instrument. Cool the instrument and thermometer to room temperature.

Determination of boiling point of diluted wine. Be sure that all water previously used in cylinder is removed before putting in diluted wine. Rinse the instrument thoroughly with a portion of the diluted wine to be tested and drain carefully. Fill measuring cylinder up to 50 ml. mark with another portion of the diluted wine. Pour this 50 ml. of diluted wine into the instrument and replace condenser and thermometer. Fill condenser with cool water and apply heat to instrument by means of the burner as before. Continue heat until thermometer reading becomes constant. Heating should not be continued after the condenser has become very warm. Read thermometer accurately. This reading point is the boiling point of the diluted wine.

Reading alcohol percentage. Locate the boiling point of the diluted wine on inner disk. Read exactly opposite this graduation mark the percentage content on the outer circle. This gives the percentage of alcohol by volume in the diluted wine. This result should be multiplied by 2, 4, or 10, according to the ratio of water used to dilute the wine.

Precautions. Always be sure that condenser is screwed tightly to the instrument body, and that rubber stopper on the thermometer is fitted snugly in the proper opening on top of the instrument.

Be sure that exactly 50 ml. of water or diluted wine is accurately measured and that the entire 50 ml. is poured in the instrument.

Always be sure that measuring glass and instrument are clean and free of liquid before adding either water or wine.

Be sure that rotating disk is always clamped securely after setting for boiling point of water and that this setting is not changed before reading boiling point of diluted wine and the alcohol content.

Be sure that thermometer shows constant temperature before reading boiling points.

Juerst Ebulliometer

Determination of the boiling point of water. Rinse the instrument twice with ordinary water. In doing so pour an approximate glass tube full of water through one of the openings into the ebulliometer. Take the instrument in your left hand and close the two openings on top of the instrument with the index and middle fingers, shake slightly and empty. Now measure in the glass tube as much water as is indicated by the top mark and pour it into the ebulliometer. Fasten the *empty* condenser to the ebulliometer. Place the thermometer into the opening in front of the condenser. The lamp, which is to be filled with alcohol, should now be lit and put under the instrument. In order to protect the thermometer from heat, the little shield should always be fastened to the top of the heating tubes. Within about eight or nine minutes the mercury in the thermometer commences to rise. When steam comes out of the top of the condenser, indicating that the water has commenced to boil, watch the thermometer until the mercury remains stationary. The temperature at which the water boils is then noted.

Determination of the boiling point of the wine. After the boiling point of the water has been determined, remove the thermometer, empty the ebulliometer, drain it through the draining cock and blow out any liquid which may have remained in the condenser and in the instrument. Rinse the ebulliometer twice with 50 ml. of the diluted wine which is to be tested. Drain the instrument through the draining cock. Fill the glass tube to the top mark with the diluted wine, which must be well decarbonated, and pour it into the ebulliometer through the thermometer opening. Insert the thermometer. Fill the condenser with water. Light the alcohol lamp. When the mercury remains stationary, which will be after 10 or 12 minutes from the time the alcohol lamp has been lit, the temperature should be read and noted.

How to read the thermometer. Each degree is marked on the thermometer. Every degree is subdivided in twentieths, or, in other words, in 5/100 of a degree.

How to read the alcohol table. Example: The boiling point of the water was found to be 10.00 and that of the diluted wine 6.00. Subtract the one figure from the other and look up the corresponding percentage of alcohol by volume in Table VIII.

For instance:
10.00 = (Boiling point of water).
6.00 = (Boiling point of diluted wine).
4.00 = (Difference of the two boiling points).

According to the above difference of 4.00, we find in Table VIII the corresponding percentage of 4.53 per cent alcohol by volume, which, multiplied by 2, because of the dilution (addition of an equal part of water to the wine tested), shows that the wine contains 9.06 per cent of alcohol by volume.

Determining boiling point. Always determine the boiling point of water first. Since the atmospheric pressure changes from day to day and frequently during the day, the boiling point of water and that of the wine to be tested will vary accordingly. It is, therefore, necessary to determine the boiling point of water every day, when it is desired to make an alcohol determination. If the ebulliometer is used at different times during the day, the boiling point of water should be determined from time to time during the day.

Removal of carbonic gas. It is important that the wine of which the alcohol content is to be determined be thoroughly freed of carbonic-acid gas to prevent foaming.

TABLE VIII—ALCOHOL TABLE FOR JUERST'S EBULLIOMETER

Difference between the boiling points	Percent alcohol by volume	Percent alcohol by weight	Difference between the boiling points	Percent alcohol by volume	Percent alcohol by weight
0.05	0.05	0.040	0.87	.89	.702
0.06	.06	.048	0.88	.90	.710
0.07	.07	.056	0.89	.91	.718
0.08	.08	.064	0.90	.92	.726
0.09	.09	.072	0.91	.93	.734
0.10	.10	.080	0.92	.94	.742
0.11	.11	.088	0.93	.95	.750
0.12	.12	.096	0.94	.96	.758
0.13	.13	.104	0.95	.97	.766
0.14	.14	.112	0.96	.98	.774
0.15	.15	.120	0.97	.99	.782
0.16	.16	.128	0.98	1.00	.790
0.17	.17	.136	0.99	1.01	.800
0.18	.18	.144	1.00	1.02	.806
0.19	.19	.152	1.10	1.12	.890
0.20	.20	.160	1.15	1.17	.990
0.21	.21	.168	1.20	1.23	1.030
0.22	.22	.176	1.25	1.28	1.041
0.23	.23	.184	1.30	1.34	1.062
0.24	.24	.192	1.35	1.39	1.102
0.25	.25	.200	1.40	1.45	1.150
0.26	.26	.208	1.45	1.50	1.190
0.27	.27	.216	1.50	1.56	1.228
0.28	.28	.224	1.55	1.61	1.278
0.29	.29	.232	1.60	1.67	1.326
0.30	.30	.240	1.65	1.72	1.365
0.31	.31	.248	1.70	1.78	1.414
0.32	.32	.256	1.75	1.83	1.454
0.33	.33	.264	1.80	1.89	1.502
0.34	.34	.272	1.85	1.94	1.542
0.35	.35	.280	1.90	1.99	1.582
0.36	.36	.288	1.95	2.04	1.622
0.37	.37	.296	2.00	2.10	1.670
0.38	.38	.304	2.05	2.15	1.710
0.39	.39	.312	2.10	2.21	1.758
0.40	.40	.320	2.15	2.27	1.806
0.41	.41	.328	2.20	2.33	1.854
0.42	.42	.336	2.25	2.39	1.902
0.43	.43	.344	2.30	2.45	1.950
0.44	.44	.352	2.35	2.51	1.998
0.45	.45	.360	2.40	2.57	2.046
0.46	.46	.368	2.45	2.63	2.092
0.47	.47	.377	2.50	2.68	2.13
0.48	.48	.386	2.55	2.74	2.18
0.49	.49	.395	2.60	2.79	2.22
0.50	.51	.404	2.65	2.85	2.27
0.51	.52	.413	2.70	2.90	2.31
0.52	.53	.422	2.75	2.96	2.36
0.53	.54	.431	2.80	3.02	2.41
0.54	.55	.440	2.85	3.09	2.47
0.55	.56	.448	2.90	3.15	2.51
0.56	.57	.456	2.95	3.21	2.56
0.57	.58	.464	3.00	3.27	2.61
0.58	.59	.472	3.05	3.34	2.66
0.59	.60	.480	3.10	3.40	2.72
0.60	.61	.488	3.15	3.46	2.76
0.61	.62	.496	3.20	3.50	2.80
0.62	.63	.504	3.25	3.56	2.85
0.63	.64	.512	3.30	3.64	2.91
0.64	.65	.520	3.35	3.70	2.96
0.65	.66	.528	3.40	3.76	3.01
0.66	.67	.536	3.45	3.82	3.06
0.67	.68	.544	3.50	3.88	3.10
0.68	.69	.552	3.55	3.94	3.15
0.69	.70	.560	3.60	4.00	3.20
0.70	.71	.568	3.65	4.07	3.25
0.71	.72	.576	3.70	4.14	3.31
0.72	.73	.584	3.75	4.21	3.37
0.73	.74	.592	3.80	4.27	3.42
0.74	.75	.600	3.85	4.34	3.47
0.75	.76	.608	3.90	4.41	3.52
0.76	.77	.616	3.95	4.47	3.58
0.77	.78	.624	4.00	4.53	3.63
0.78	.79	.632	4.05	4.60	3.68
0.79	.81	.638	4.10	4.67	3.73
0.80	.82	.646	4.15	4.74	3.79
0.81	.83	.654	4.20	4.80	3.84
0.82	.84	.662	4.25	4.87	3.89
0.83	.85	.670	4.30	4.93	3.95
0.84	.86	.678	4.35	5.00	4.00
0.85	.87	.686	4.40	5.06	4.06
0.86	.88	.694	4.45	5.15	4.12

TABLE VIII—ALCOHOL TABLE FOR JUERST'S EBULLIOMETER—continued

Difference between the boiling points	Percent alcohol by volume	Percent alcohol by weight	Difference between the boiling points	Percent alcohol by volume	Percent alcohol by weight
4.50	5.22	4.17	6.15	7.57	6.07
4.55	5.29	4.23	6.20	7.65	6.14
4.60	5.36	4.29	6.25	7.73	6.21
4.65	5.43	4.34	6.30	7.81	6.27
4.70	5.50	4.40	6.35	7.89	6.34
4.75	5.57	4.45	6.40	7.97	6.40
4.80	5.64	4.51	6.45	8.06	6.47
4.85	5.71	4.57	6.50	8.14	6.54
4.90	5.78	4.62	6.55	8.22	6.60
4.95	5.88	4.68	6.60	8.30	6.67
5.00	5.92	4.74	6.65	8.38	6.73
5.05	5.99	4.79	6.70	8.47	6.80
5.10	6.06	4.85	6.75	8.55	6.87
5.15	6.13	4.90	6.80	8.63	6.93
5.20	6.20	4.96	6.85	8.72	7.00
5.25	6.27	5.02	6.90	8.80	7.07
5.30	6.34	5.07	6.95	8.89	7.14
5.35	6.41	5.13	7.00	8.97	7.20
5.40	6.48	5.19	7.05	9.05	7.27
5.45	6.55	5.25	7.10	9.13	7.34
5.50	6.62	5.31	7.15	9.22	7.41
5.55	6.69	5.36	7.20	9.30	7.48
5.60	6.76	5.42	7.25	9.39	7.55
5.65	6.83	5.48	7.30	9.47	7.62
5.70	6.90	5.53	7.35	9.55	7.68
5.75	6.98	5.59	7.40	9.63	7.75
5.80	7.05	5.65	7.45	9.72	7.82
5.85	7.12	5.71	7.50	9.80	7.88
5.90	7.19	5.77	7.55	9.89	7.95
5.95	7.26	5.83	7.60	9.98	8.02
6.00	7.34	5.89	7.65	10.07	8.09
6.05	7.42	5.95	7.70	10.16	8.17
6.10	7.49	6.01	7.75	10.25	8.24

Lefco Ebulliometer

Determination of the boiling point of water. Fill the lamp with denatured alcohol. Rinse the ebulliometer boiler with water by pouring through the thermometer opening. Measure in the glass tube the quantity of water indicated by the graduation and pour it into the ebulliometer. Place the thermometer in position. Light the lamp and place it under the small tube. Within about eight or nine minutes the mercury in the thermometer commences to rise. When steam comes out of the top of the instrument (which indicates that the water has commenced to boil) and the mercury becomes stationary, read the thermometer; it is the boiling point of the water.

NOTE. Do not put any water into the condenser jacket while determining the boiling point of the water.

Determination of the boiling point of wine. Open the cock, empty the boiler, rinse it with some of the diluted wine to be tested, and blow out any remaining liquid in the condenser and boiler. The procedure then is the same as given above for determining the boiling point of water, except that in this case water is used in the condenser jacket. Heating should not be continued after the condenser has become very warm.

Directions for reading alcohol table. Determine the boiling point of the water. Determine the boiling point of the diluted wine. Should the observed boiling point of water be greater than 100 degrees centigrade, then subtract 100 degrees from this boiling point. Subtract the difference from the observed boiling point of the diluted wine. This is the corrected boiling point of the diluted wine. See Table IX.

Example

Boiling point of water=100.50° C.

100.50°−100.00°=0.50° C.

Observed boiling point of the diluted wine=97.70° C.

97.70°−0.50°=97.20° C., the corrected boiling point of the diluted wine.

97.20° C.=3.06 per cent alcohol by volume, the alcoholic content of the diluted wine, which multiplied by 2, 4, or 10, according to the degree of dilution of the wine tested, will give the per cent of alcohol in the undiluted wine. (Table IX.)

Should the observed boiling point of water be less than 100 degrees centigrade, then subtract this observed boiling point from 100 degrees centigrade. Add this difference to the observed boiling point of the diluted wine. This is the corrected boiling point of the diluted wine.

Example

Observed boiling point of water=99.70° C.

100.00° C.−99.70° C.=0.30° C.

Observed boiling point of the diluted wine=96.30° C.

96.30°+0.30°=96.60° C., the corrected boiling point of the diluted wine.

96.60° C.=3.74 per cent alcohol by volume, the alcoholic content of the diluted wine, which multiplied by 2, 4, or 10, according to the degree of dilution of the wine tested, will give the per cent of alcohol in the undiluted wine. (Table IX.)

TABLE IX—ALCOHOL TABLE FOR LEFCO EBULLIOMETER

Corrected boiling point °C	Percent alcohol by volume	Percent alcohol by weight	Corrected boiling point °C.	Percent alcohol by volume	Percent alcohol by weight
100.00	0.00	0.00	96.10	4.39	3.49
99.95	.05	.04	96.05	4.45	3.54
99.90	.10	.08	96.00	4.52	3.60
99.85	.15	.12	95.95	4.59	3.65
99.80	.20	.16	95.90	4.66	3.71
99.75	.25	.20	95.85	4.73	3.76
99.70	.30	.24	95.80	4.80	3.82
99.65	.35	.28	95.75	4.87	3.88
99.60	.40	.32	95.70	4.93	3.92
99.55	.45	.36	95.65	5.00	3.98
99.50	.50	.40	95.60	5.06	4.03
99.45	.56	.45	95.55	5.14	4.09
99.40	.61	.48	95.50	5.21	4.15
99.35	.67	.53	95.45	5.28	4.20
99.30	.72	.57	95.40	5.37	4.28
99.25	.77	.61	95.35	5.43	4.32
99.20	.83	.66	95.30	5.50	4.38
99.15	.89	.70	95.25	5.57	4.44
99.10	.94	.74	95.20	5.66	4.51
99.05	1.00	.79	95.15	5.71	4.55
99.00	1.05	.83	95.10	5.77	4.60
98.95	1.10	87	95.05	5.86	4.67
98.90	1.15	.91	95.00	5.93	4.72
98.85	1.20	.95	94.95	6.00	4.78
98.80	1.25	.99	94.90	6.07	4.84
98.75	1.30	1.03	94.85	6.13	4.89
98.70	1.36	1.08	94.80	6.19	4.94
98.65	1.41	1.12	94.75	6.26	5.00
98.60	1.46	1.16	94.70	6.33	5.05
98.55	1.52	1.21	94.65	6.39	5.10
98.50	1.57	1.25	94.60	6.46	5.16
98.45	1.63	1.29	94.55	6.57	5.25
98.40	1.66	1.32	94.50	6.60	5.27
98.35	1.73	1.37	94.45	6.68	5.33
98.30	1.79	1.42	94.40	6.74	5.38
98.25	1.84	1.46	94.35	6.82	5.45
98.20	1.90	1.51	94.30	6.89	5.50
98.15	1.95	1.55	94.25	6.97	5.57
98.10	2.00	1.59	94.20	7.04	5.62
98.05	2.06	1.64	94.15	7.11	5.68
98.00	2.11	1.68	94.10	7.19	5.74
97.95	2.17	1.73	94.05	7.27	5.81
97.90	2.22	1.77	94.00	7.35	5.87
97.85	2.28	1.80	93.95	7.43	5.93
97.80	2.33	1.84	93.90	7.51	6.00
97.75	2.39	1.89	93.85	7.59	6.06
97.70	2.45	1.94	93.80	7.67	6.13
97.65	2.50	1.98	93.75	7.75	6.19
97.60	2.56	2.03	93.70	7.83	6.26
97.55	2.63	2.08	93.65	7.90	6.32
97.50	2.69	2.13	93.60	7.98	6.38
97.45	2.75	2.18	93.55	8.06	6.45
97.40	2.81	2.23	93.50	8.14	6.51
97.35	2.87	2.28	93.45	8.22	6.58
97.30	2.93	2.32	93.40	8.30	6.64
97.25	3.00	2.38	93.35	8.38	6.70
97.20	3.06	2.43	93.30	8.46	6.77
97.15	3.11	2.47	93.25	8.59	6.87
97.10	3.17	2.52	93.20	8.60	6.88
97.05	3.22	2.56	93.15	8.70	6.96
97.00	3.28	2.60	93.10	8.78	7.02
96.95	3.33	2.64	93.05	8.86	7.09
96.90	3.39	2.68	93.00	8.94	7.15
96.85	3.44	2.73	92.95	9.02	7.22
96.80	3.50	2.78	93.90	9.10	7.29
96.75	3.56	2.83	93.85	9.18	7.35
96.70	3.62	2.88	92.80	9.26	7.42
96.65	3.68	2.93	92.75	9.35	7.49
96.60	3.74	2.97	92.70	9.43	7.55
96.55	3.81	3.03	92.65	9.51	7.62
96.50	3.87	3.07	92.60	9.60	7.69
96.45	3.94	3.13	92.55	9.68	7.75
96.40	4.00	3.18	92.50	9.77	7.83
96.35	4.07	3.24	92.45	9.85	7.89
96.30	4.12	3.28	92.40	9.93	7.95
96.25	4.19	3.33	92.35	10.02	8.04
96.20	4.25	3.38	92.30	10.11	8.11
96.15	4.33	3.44	92.25	10.19	8.17

TABLE IX—ALCOHOL TABLE FOR LEFCO EBULLIOMETER—continued

Corrected boiling point °C	Percent alcohol by volume	Percent alcohol by weight	Corrected boiling point °C.	Percent alcohol by volume	Percent alcohol by weight
92.20	10.28	8.25	91.65	11.25	9.03
92.15	10.37	8.32	91.60	11.34	9.10
92.10	10.45	8.38	91.55	11.43	9.17
92.05	10.54	8.45	91.50	11.51	9.24
92.00	10.63	8.52	91.45	11.60	9.32
91.95	10.72	8.60	91.40	11.69	9.39
91.90	10.81	8.67	91.35	11.78	9.46
91.85	10.89	8.74	91.30	11.87	9.54
91.80	10.98	8.82	91.25	11.96	9.61
91.75	11.07	8.89	91.20	12.06	9.69
91.70	11.16	8.96			

Malligand Type Ebullioscopes

Determination of the boiling point of water. Fill the conical boiler with water to the lower inside ring. Do this carefully, using the pipette which is sent with the instrument. Do not let the thermometer bulb containing the mercury touch the water. Now close the boiler with its cover to which the thermometer is fastened. Screw the cover into the boiler. Fill the lamp with alcohol, set it under the chimney which is fastened to the ring in front, light the lamp and bring the water to a boil. When the water is in full boil, shown by the escaping steam, let the mercury rise until it becomes stationary. Then loosen the screw in the back of the thermometer frame and move the scale so that its "0" line exactly meets the very end of the mercury column, then tighten again the screw in the back so that the scale may not accidentally be moved. The cylindrical cooler is *not* used during the foregoing part of the process.

The "0" point, determined as explained, may be used for two or three hours, unless some atmospheric disturbance should occur in the meantime.

Now extinguish the flame, unscrew and remove the cover and empty the boiler and you are ready to test the wine.

Determination of the boiling point of the diluted wine. First rinse the boiler thoroughly with some of the diluted wine to be tested. Empty the rinsings and then fill with another portion of the diluted wine to the *upper ring within the boiler.* Screw the cover on again and set the cooler on top, screwing it into the short tube in front of the thermometer frame. Fill the cooler with cold water, but do not pour any water through the narrow tube in the center. Now put the lamp under the chimney again, light it, and bring the diluted wine to a boil. When the mercury column of the thermometer stops rising and has become stationary read from the scale the percentage of alcohol contained in the diluted wine. The test must be stopped if and when the water in the cooler should get warm. The sliding pointer on the thermometer frame helps to easy reading of the scale.

After cooler and boiler have been emptied and have cooled off, another test can be immediately made. Again thoroughly rinse the boiler with the diluted wine to be tested and proceed as before. As stated, it is not necessary to determine the "0" point anew for each test. It may for two or three hours remain the same as originally found, unless some atmospheric disturbance has occurred in the meantime. The water in the cooler must not get warm and therefore must be renewed *for each test.*

To prevent foaming of only partly fermented wine, drop one or two drops of oil or a small particle of stearine or tallow on top of the liquid in the boiler before screwing on the cover with the thermometer.

Care of the instrument. It is most necessary to empty the boiler immediately and thoroughly rinse with clean water and then carefully dry the boiler inside and outside, particularly inside, because wine left in the

boiler will form a crust within the heating-ring. The heating-ring is the ring which holds the chimney. It is hollow and open at the two ends where fastened to the boiler. When the boiler is filled the heating-ring also fills. A crust within the heating-ring first slows up and in the end makes impossible the proper working of the instrument. When it takes more and more time to make the liquid boil it is not due to anything else but that a crust has formed within the heating-ring. It is then necessary to thoroughly clean the instrument by boiling water in it, and, while boiling, adding about one-eighth ounce of caustic potash in small pieces to the boiling water. After three or four minutes of boiling empty the boiler, rinse it several times with clean water, then repeat the caustic potash treatment and rinsing until the water comes out clear, then finish by carefully and thoroughly drying the boiler inside and outside. Be sure during the entire cleaning process to keep the cover with the thermometer away in a safe place and *not* to put it on the boiler.

Care of alcohol lamp. To make sure that the lamp will work properly it must, as far as practicable, be kept well filled with alcohol. When not in use, keep the cap on the lamp. From time to time the lamp must be emptied, cleaned out, and refilled with clean alcohol.

Soot may form where the chimney sets on the heating-ring. Remove it, because soot will slow up the working of the instrument.

The wick must always be kept in good condition, i. e., at its original height and with plenty of cotton for its entire length.

Salleron-Dujardin Ebullioscope

Apparatus. This set of instruments consists of 1 Salleron-Du Jardin ebullioscope with reflux condenser, 1 rule with sliding scale for determining the per cent of alcohol, 1 alcohol lamp, 1 standardized centigrade thermometer, 1 glass cylinder graduated to read 15 ml., 25 ml., and 50 ml., for accurately measuring the sample to be tested, and 1 plain or mixing glass cylinder of not less than 75 ml. capacity.

Determination of boiling point of water. Pour 15 ml. of water into the ebullioscope, insert the thermometer, and bring the water to the boiling point. When the mercury becomes stationary, note the temperature and adjust the sliding scale on the rule so that the line indicating the temperature noted will be exactly parallel with the zero mark on the left-hand side of the rule. Now remove the thermometer and empty the water and rinse the ebullioscope thoroughly with some of the diluted wine to be tested.

Test of wine. Take 50 ml. of the diluted wine to be tested and pour it into the ebullioscope, fill the reflux condenser with cold water, insert the thermometer, and bring the sample to the boiling point. Heating should not be continued after the condenser has become very warm. When the mercury in the thermometer becomes stationary and the reading noted, refer to the rule, and the reading on the right-hand side parallel with the line on the sliding scale, indicating the temperature noted, will be the alcoholic content of the diluted wine, which should be multiplied by 2, 4, or 10, according to the ratio of dilution, to find the alcoholic content of the undiluted wine.

Tag-twin ebulliometer

Place instrument on a level table and shield from drafts which may cause unsteady temperature conditions. Fill the graduated measuring glass with the diluted wine to be tested up to the top line marked 50 ml. Pour the liquid to be tested in the right-hand receptacle.

Now fill the measuring glass up to the 50 ml. mark with water and pour the water into the left-hand container. Fill condenser with water and place it and thermometers in position. The thermometer provided with the sliding scale is for determining the boiling point of the wine, and goes in the right-hand container. The other thermometer without the scale is for the water container.

Light burner after filling with alcohol. With the chimney in place adjust apparatus so that the flame covers the two circular tubes Use a low flame in starting, as too rapid boiling may result in a loss of some of the alcohol due to the velocity of the vapor particles. The flame may be increased after the first few minutes, but in no case use the strongest flame. When the temperature indicates that the liquids are near the boiling points, the flame may be reduced again.

When the mercury columns in both thermometers reach their highest point and become stationary, and when the readings are steady, observe mercury column of the thermometer in the receptacle containing the water. Note at what degree the water boils. Then set the sliding scale on the other thermometer so that the zero "0" mark on the sliding scale is at the same reading as the mercury of the thermometer in the receptacle with the boiling water. For instance, if the water registers 100 degrees, move the sliding scale on the other thermometer so that the zero mark of the sliding scale will be at the point of 100 degrees. If the thermometer in the receptacle with the water registers 99.6 degrees, adjust the sliding scale on the other thermometer so that its zero mark will be as 99.6 degrees of the attached thermometer, and so on.

After the boiling points have been reached, i. e., when the mercury columns in both thermometers have become stationary, keep a small flame burning for about one minute (heating should not be continued after the right-hand condenser has become very warm). Then read on the sliding scale the point corresponding to the top of the mercury column in the right-hand thermometer. That figure on the sliding scale will be the exact percentage of alcohol present in the diluted wine being tested. This figure will then be multiplied by 2, 4, or 10, according to the degree of dilution, to find the per cent of alcohol by volume contained in the undiluted wine.

The alcohol percentage scale from 1 to 5 per cent is graduated in 1/5 parts, each line indicating 1/5 of 1 per cent. The remainder of the scale is divided in 1/10 parts, each line indicating 1/10 of 1 per cent of alcohol by volume.

Care of Thermometers

Thermometers are easily broken. Great care must be exercised in handling and using them to prevent breakage. A thermometer should never be knocked against anything hard, nor dipped into a cold liquid when it is hot or into a hot liquid when it is cold, nor should the bulb come in contact with a cold surface just after being taken out of the boiler or with a hot surface when it is cold.

Separation of mercury column. Great care must likewise be used in attempting to reunite the mercury column when it becomes separated, as the thermometer may be broken by any swinging, tapping, chilling, or heating of the instrument employed to unite the separated column. Government officers should use every care when endeavoring to reunite the mercury column of Government thermometers, and they should not assume the responsibility of attempting to reunite the mercury columns of thermometers belonging to winemakers.

Manufacturers' instructions. The following instructions, issued by manufacturers for reuniting the mercury columns of thermometers, are quoted for the information of winemakers, but great care should be exercised in attempting to follow them:

Salleron-DuJardin instructions. Should the mercury column in the thermometer become separated as a consequence of jolting or handling, it is easy to get the bubbles or portions of mercury back into the proper place by shaking the thermometer like a pendulum, the bulb being held in the hand, the stem upwards against the forearm.

Tag-Twin instructions. To obtain accurate results, the mercury column in the thermometer must be unbroken. If, for any reason, a separation of the mercury occurs in the column of either thermometer, the mercury can usually be joined in the chamber above the bulb by tapping the thermometer end on a pad of paper or some other solid, but *not hard,* surface.

Malligand instructions. Due to rough handling in transportation or some similar cause the mercury column may become divided and portions of it may appear anywhere in the thermometer tube. This can easily be remedied by turning the thermometer upside down and swinging it lightly up and down, to cause the mercury in the tube to move and press forward toward the extreme end of the tube, thus uniting the separated portions on its way.

A divided mercury column may sometimes completely fill the bulb at the extreme end of the horizontal tube and if turning and swinging does not unite the mercury, the bulb should be gradually heated by holding it above the flame of the alcohol lamp at a distance of about 2 or 3 inches, slowly moving it a little closer, until the heat makes the mercury rise and the separated portions unite. A little swinging up and down will help. Be careful not to have the flame too high or the bulb too close to the flame, else the bulb will break.

Juerst instructions. (a) To join mercury column when broken within the capillary—

(1) Warm the bulb in water or oil or in the air high above a gas or alcohol flame. Great care must be taken, especially with high temperature thermometers, not to heat the bulb to a temperature higher than the thermometer is intended to measure. The upper end of a thermometer stem may be warmed over a Bunsen burner, if this is done very gradually. When the thermometer is warmed over a flame, it should be rotated about its axis.

(2) Cool in cold water, ice, a freezing mixture, or CO_2 snow; but such cooling should not be attempted while the thermometer bulb is still hot to the touch.

(3) Tap or strike thermometer on the end. This must be done carefully, particularly when the bulb is only partially filled with mercury and the thermometer is inverted. This tapping may be "soft," as when the thermometer is held vertically and the hand (not the thermometer) is struck on the table, or it may be "sharp," as when the thermometer is held vertically and struck downward on a pad of paper.

(4) Tap on the side of the thermometer "softly" with the hand, or "sharply" with a pencil. Either must be done with care, as there is danger of breaking the stem. Different thermometers require different treatment.

(b) To remove mercury from the upper bulb when it is partially full and when thermometer is not filled with gas under pressure—

Hold thermometer vertically, bulb down. Tap "softly" on side near the top and "softly" on end, to bring mercury to lower part of upper reservoir. Then try both tapping "softly" and "sharply," on end, and if this fails to bring the mercury down the stem warm the bulb until mercury rises and unites with that in the reservoir. Cool very slowly and probably the mercury will all come down. If not, try again, cooling more slowly.

(c) To remove mercury from the upper reservoir when this is completely full or when mercury persistently stays at the top reservoir—

Warm the upper end carefully over a Bunsen flame, beginning at the extreme tip. Mercury will be driven down the capillary by

its own vapor pressure. If small mercury globules are left, warm a little more and they will condense farther down. Wait until the upper end cools to a temperature comfortable to the hand. Warm the lower bulb until mercury rises and collects the small globules.

(d) To find whether there is any residual gas in the thermometer bulb—

Warm the bulb until at least a few centimeters of mercury appear in the capillary; if mercury is already there, do not warm. Invert the thermometer and see whether mercury runs down. If not, there is probably no gas in the bulb. If mercury runs down, let it run a few centimeters and look for a bubble in the bulb. Right the thermometer and see whether this bubble entirely disappears when the mercury returns to the bulb. If this bubble disappears, no significant amount of gas is present.

(e) To remove gas when found—

Invert thermometer and run some mercury into the capillary. Right thermometer and tap "sharply" on side and on end to bring gas to the top of bulb before mercury all returns. Cool bulb as much as possible, tapping sharply on end when cold. Invert thermometer and tap very "softly" on end to bring down mercury, which is still separated by the air bubble from that in the bulb. When this has come down, either tap "sharply" or warm to bring down the mercury from the bulb, but do not let the separated thread get into the upper bulb until the main mercury column is ready to join it. Get the two separated parts to join in any convenient enlargement or in the upper reservoir. Right the thermometer or hold it at an angle, with the top higher, and let the mercury run slowly into the bulb, watching carefully the point where the bubble is left, to be sure that the column does not separate. If the bubble begins to enlarge, run the mercury more slowly.

TABLE X—SPECIFIC GRAVITY OF ALCOHOL AND WATER

This table shows the specific gravity at 60°/60° of mixtures of alcohol and water. It should be referred to as indicated herein.

TABLE X—SPECIFIC GRAVITY AT $\frac{60°}{60°}$ F. $\left(\frac{15°.56}{15°.56}\text{ C.}\right)$ OF MIXTURES (BY VOLUME) OF ETHYL ALCOHOL AND WATER

Percent alcohol by volume at 60° F.	Tenths of percent										Percent alcohol by volume at 60° F.	Tenths of percent									
	0	1	2	3	4	5	6	7	8	9		0	1	2	3	4	5	6	7	8	9
0	1.00000	[1]985	[1]970	[1]955	[1]940	[1]925	[1]910	[1]895	[1]880	[1]865	51	.93230	210	190	171	151	131	111	091	071	051
1	.92850	835	820	806	791	776	761	747	732	717	52	.93031	011	[1]991	[1]971	[1]951	[1]931	[1]911	[1]820	[1]870	[1]850
2	.99703	688	674	659	645	630	616	602	587	573	53	.92830	810	789	769	749	728	708	688	667	647
3	.99559	545	531	516	502	488	474	460	446	432	54	.92626	605	585	564	544	523	502	482	461	440
4	.99419	405	391	378	364	350	336	323	309	296	55	.92419	398	377	357	336	315	294	273	252	231
5	.99282	269	255	242	228	215	202	189	176	163	56	.92210	189	168	147	126	105	084	062	041	020
6	.99150	137	124	111	098	085	073	060	047	035	57	.91999	978	956	935	914	892	871	849	827	806
7	.99022	009	[1]997	[1]984	[1]972	[1]960	[1]947	[1]935	[1]923	[1]911	58	.91784	762	741	719	697	675	653	631	610	588
8	.98899	887	875	863	851	838	826	814	803	791	59	.91565	543	521	499	477	455	433	410	388	366
9	.98779	767	755	743	731	720	708	696	684	672	60	.91344	322	299	277	255	232	210	188	165	143
10	.98661	649	637	625	614	602	590	579	567	556	61	.91120	097	075	052	030	007	[1]984	[1]962	[1]939	[1]916
11	.98544	532	521	509	498	487	475	464	452	441	62	.90893	870	847	825	802	779	756	733	710	687
12	.98430	419	408	396	385	374	363	352	341	330	63	.90664	641	618	595	572	549	526	503	480	457
13	.98319	308	297	286	275	264	254	243	232	221	64	.90434	411	388	365	341	318	295	272	249	225
14	.98210	200	190	179	168	157	147	136	125	115	65	.90202	179	155	132	108	085	061	038	014	[1]991
15	.98104	093	083	072	062	051	040	030	019	009	66	.89967	943	920	896	872	848	825	801	777	753
16	.97998	988	977	967	956	946	936	925	915	905	67	.89729	705	681	657	633	609	585	561	537	513
17	.97895	885	875	864	854	844	834	824	814	804	68	.89489	465	441	416	392	368	343	319	295	270
18	.97794	784	774	764	754	744	734	724	714	704	69	.89245	220	196	171	147	122	098	073	048	024
19	.97694	684	674	654	654	645	635	625	615	605	70	.88999	974	950	925	900	875	850	825	801	776
20	.97596	586	576	566	556	546	536	526	516	506	71	.88751	725	700	675	650	625	600	574	549	524
21	.97496	486	476	466	456	446	436	425	415	405	72	.88499	474	448	423	397	372	346	321	296	270
22	.97395	385	375	365	354	344	334	324	313	303	73	.88244	218	193	167	141	116	090	064	039	013
23	.97293	283	272	262	252	241	231	221	210	200	74	.87987	961	935	910	884	858	832	806	780	754
24	.97189	179	168	158	147	137	126	116	105	095	75	.87728	702	676	650	623	597	571	545	518	492
25	.97084	073	063	052	042	031	020	010	[1]999	[1]988	76	.87465	439	412	386	359	332	306	279	252	226
26	.96978	967	957	946	935	924	914	903	892	881	77	.87199	172	145	118	092	065	038	011	[1]984	[1]957
27	.96870	859	848	837	826	815	804	793	782	771	78	.86929	902	875	847	820	793	766	738	711	684
28	.96760	749	738	727	715	704	693	682	671	659	79	.86656	629	601	574	546	518	491	463	435	408
29	.96648	637	625	614	603	591	580	568	557	546	80	.86380	352	324	296	269	241	213	185	157	129
30	.96534	522	511	499	488	476	464	453	441	429	81	.86100	072	044	015	[1]987	[1]959	[1]931	[1]902	[1]874	[1]846
31	.96418	406	394	382	370	358	346	334	321	309	82	.85817	789	760	732	703	674	646	617	588	560
32	.96296	284	271	259	246	234	221	209	196	183	83	.85531	502	473	444	415	386	357	328	299	270
33	.96170	157	144	132	119	106	093	080	067	054	84	.85240	211	181	152	122	093	063	033	004	[1]974
34	.96041	028	015	002	[1]988	[1]975	[1]962	[1]948	[1]935	[1]921	85	.84944	914	884	854	824	794	764	734	703	673
35	.95908	894	881	867	854	840	826	812	798	784	86	.84642	612	581	551	520	490	459	428	398	367
36	.95770	756	742	728	714	700	685	671	657	643	87	.84336	305	274	243	212	181	150	119	088	056
37	.95628	614	599	585	570	556	541	526	512	497	88	.84025	[1]994	[1]962	[1]930	[1]899	[1]867	[1]835	[1]803	[1]771	[1]739
38	.95482	467	452	437	423	408	393	378	362	347	89	.83707	675	643	610	578	545	513	480	447	415
39	.95332	317	302	286	271	256	240	225	209	194	90	.83382	349	315	282	249	216	183	150	116	083
40	.95178	162	147	131	115	100	084	068	052	036	91	.83049	015	[1]981	[1]947	[1]913	[1]879	[1]845	[1]810	[1]776	[1]741
41	.95020	004	[1]988	[1]972	[1]956	[1]940	[1]923	[1]907	[1]891	[1]875	92	.82705	670	635	600	565	529	494	458	423	387
42	.94858	842	825	809	792	776	759	743	726	710	93	.82351	315	279	243	206	170	133	096	059	022
43	.94693	676	660	643	626	609	592	575	558	541	94	.81984	947	909	871	834	796	757	719	681	642
44	.94524	507	490	473	455	438	421	403	386	369	95	.81603	564	525	486	446	407	367	327	287	247
45	.94351	334	316	298	281	263	245	228	210	192	96	.81206	165	125	084	042	001	[1]960	[1]918	[1]876	[1]834
46	.94174	156	138	120	102	084	066	048	030	011	97	.80792	750	707	664	620	577	533	489	445	401
47	.93993	975	956	938	920	901	883	864	845	827	98	.80356	311	265	219	173	127	080	033	[1]985	[1]937
48	.93808	789	771	752	733	714	695	676	657	638	99	.79889	841	792	743	693	643	593	543	492	441
49	.93619	600	581	562	543	523	504	485	465	446	100	.79389	------	------	------	------	------	------	------	------	------
50	.93426	407	387	368	348	328	309	289	270	250											

[1] Indicates change in first two decimal places. See next line, column 0.

DETERMINATION OF SUGAR IN WINE (WITHOUT DISTILLATION)

Pour some of the wine to be tested into a glass cylinder, carefully insert the proper Balling saccharometer stem into the liquid, and note the reading. Withdraw the stem, insert the thermometer, and note the temperature of the wine.

If this temperature is other than 60° F., correct the saccharometer reading according to Table II. Then refer to Table III to ascertain the specific gravity of the wine at the corrected reading. Find the specific gravity of the alcohol, shown by the ebulliometer, by reference to Table X.

Add 1 to the specific gravity of the wine and subtract the specific gravity of the alcohol; the result will be the specific gravity which would be obtained if a given volume of the wine had been dealcoholized and then made to original volume with water. Referring again to Table III, find the per cent of sugar corresponding to this specific gravity.

Example. Corrected saccharometer reading is 2.00. See Table III to find corresponding specific gravity of 1.00781.

Alcohol was found to be 12.25 per cent, which has a specific gravity of .98402 (Table X, interpolating between the 2 tenths and 3 tenths columns).

1.00781+1.−.98402=1.02379, the specific gravity of the dealcoholized wine, which corresponds to 6.0 degrees Balling (Table III) and means that 6 per cent of the weight of the wine is sugar, calculated on a dealcoholized basis.

If the lowest scale saccharometer fails to register, use an alcohol stem, and, if the temperature is other than 60° F., correct the reading according to Table VII.

Example. The alcohol stem reads 10.5 at 70° F.

Subtract .93 (Table VII, interpolating between columns 10 and 11), the correction for temperature, to obtain 9.57 corrected reading.

The specific gravity of the wine for 9.57 reading is .98712 (Table X, interpolating between the 5 tenths and 6 tenths columns).

The alcohol found by the ebulliometer is 12.25 per cent, which has a specific gravity of .98402 (Table X, interpolating between the 2 tenths and 3 tenths columns).

.98712+1.−.98402=1.00310 specific gravity of the wine, calculated on a dealcoholized basis, which is equal to .79 degrees Balling (Table III, interpolating between the 0 and 1 lines).

METHOD OF DETERMINING THE AMOUNT OF BRANDY REQUIRED TO FORTIFY WINES TO THE DESIRED ALCOHOLIC STRENGTH

Determining brandy necessary for fortification. After samples have been taken for the first test in the fortifying room and the

officer is satisfied that the wine is eligible for fortification, the winemaker may be permitted to add, if he so desires, enough brandy to the wine to arrest fermentation. The brandy so added should be duly gauged prior to use. The officer should then complete the tests to determine the amount of brandy necessary to fortify the wine to the desired alcoholic strength in the following way:

Rule for calculation. Multiply the number of wine gallons of wine to be fortified by the difference between its per cent of alcohol by volume and the desired per cent of alcohol by volume in the wine after fortification; divide this product by the difference between the per cent of alcohol by volume in the brandy which is to be used for fortifying and the desired per cent of alcohol by volume in the wine after fortification; the quotient will represent the number of wine gallons of brandy required to produce the desired alcoholic strength in the fortified wine.

NOTE: The per cent of alcohol in the brandy is one-half the proof of the brandy. In calculating the quantity of brandy required to fortify wine, it is usually sufficient to take the nearest whole per cent of proof of the brandy used. However, where it is desired to fortify the wine to an exact per cent of alcohol, a more precise determination can be made by taking the actual proof of the brandy, as shown in Table No. 1 of the Gauging Manual in tenths of per cent, rather than the nearest whole per cent of proof. For example, where the hydrometer reading is 192 and the temperature is 66°, the actual proof of 190.6 shown in Table No. 1 of the Gauging Manual may be used, instead of the next nearest whole per cent of 191. Thus, the alcoholic content of such brandy would be 190.6÷2=95.3 per cent. See section 494 (b). When the actual proof of the brandy in tenths of per cent is used, it is necessary to interpolate between weights per gallon according to whole per cents of proof in determining the weight of the wine gallons of brandy required.

Example No. 1. How many wine gallons of brandy having a per cent of alcohol by volume of 90 shall be added to 100 gallons of wine having an alcoholic content of 10 per cent by volume to fortify the wine to 20 per cent alcohol by volume?

$100 \times (20-10) \div (90-20) = 14.86$ w. g. brandy

Example No. 2. (Using actual proof). It is desired to fortify 100 gallons of wine containing 11.9 per cent alcohol to 20.7 per cent with brandy containing 90.3 per cent alcohol:

$100 \times (20.7-11.9) \div (90.3-20.7) = 12.644$ w. g. brandy

Formula. The determination may also be made by the following formula:

FORMULA

$$X = \frac{V(C-A)}{B-C}$$

A=the per cent of alcohol by volume in the wine to be fortified;
B=the per cent of alcohol by volume in the brandy to be used in fortifying the wine;
C=the desired per cent of alcohol by volume in the wine after being fortified;
V=the number of wine gallons of the wine to be fortified; and
X=the number of wine gallons of brandy to be used.

Example No. 1. How many wine gallons of brandy having a per cent of alcohol by volume of 90 shall be added to 100 gallons of wine having an alcoholic content of 10 per cent by volume to fortify the wine to 20 per cent alcohol by volume?

A=10 per cent.
B=90 per cent.
C=20 per cent.
V=100 gallons.

$$X = \frac{100\ (20-10)}{(90-20)} = 14.86 \text{ w. g. brandy.}$$

Example No. 2 (Using actual proof). It is desired to fortify 100 gallons of wine containing 11.9 per cent alcohol to 20.7 per cent with brandy containing 90.3 per cent alcohol:

A=11.9 per cent.
B=90.3 per cent.
C=20.7 per cent.
V=100 gallons.

$$X = \frac{100\ (20.7-11.9)}{(90.3-20.7)} = 12.644 \text{ w. g. brandy.}$$

Determining weight of brandy to be used. The number of pounds of brandy necessary to fortify the wine to the desired alcoholic content may be readily determined by multiplying the wine gallons of brandy found by the foregoing rule or formula by the pounds per wine gallon shown in the following table for brandy of the proof of that being used:

WEIGHT PER WINE GALLON

Proof	Pounds per wine-gallon	Proof	Pounds per wine-gallon
136	7.45177	166	7.12150
137	7.44169	167	7.10973
138	7.43145	168	7.09787
139	7.42120	169	7.08592
140	7.41090	170	7.07392
141	7.40053	171	7.06042
142	7.39009	172	7.04770
143	7.37961	173	7.03494
144	7.36923	174	7.02211
145	7.35866	175	7.00920
146	7.34809	176	6.99621
147	7.33734	177	6.98305
148	7.32660	178	6.97073
149	7.31585	179	6.95724
150	7.30502	180	6.94373
151	7.29411	181	6.93015
152	7.28304	182	6.91655
153	7.27199	183	6.90289
154	7.26088	184	6.88920
155	7.24972	185	6.87544
156	7.23849	186	6.86163
157	7.22707	187	6.84776
158	7.21566	188	6.83387
159	7.20417	189	6.81991
160	7.19269	190	6.79134
161	7.18102	191	6.77703
162	7.16927	192	6.76119
163	7.15753	193	6.74412
164	7.14570	194	6.72671
165	7.13380	195	6.70931

TABLE XI—FOR FINDING THE QUANTITY OF BRANDY IN POUNDS REQUIRED TO FORTIFY WINE

The pounds of brandy required to fortify wine of any per cent alcohol to between 18.0 and 24.0 per cent, both inclusive, with brandy of any proof between 167° and 193°, both inclusive, may be readily determined by this table.

Instruction. As indicated by the heading of the table, the per cent of alcohol desired in the wine after fortification is shown in the lines in the first column to the left, and the proof of the brandy to be used is shown at the top of the other columns. To find the pounds of brandy required for the desired fortification, multiply the factor shown at the line for the per cent of alcohol desired after fortification, in the column for the proof of the brandy to be used, by the difference between the per cent of alcohol contained in the wine before fortification and the per cent desired after fortification, then multiply the product by the number of gallons of wine to be fortified.

Example No. 1. How many pounds of brandy of 180 proof shall be added to 10,000 gallons of wine containing 10 per cent alcohol to fortify the wine to 20 per cent alcohol?

.69318 × (20−10) × 10,000=6918 pounds, brandy required.

Example No. 2. (Using actual proof and interpolating between columns.) It is desired to fortify 10,000 gallons of wine containing 11.9 per cent alcohol to 20.7 per cent with brandy of 180.6 proof.

Interpolation between columns 181 and 180 is made as follows:

(.10018−.09327) × .6=.000346 difference.
.10018−.000346=.099834 factor for 180.6 proof brandy.
.099834 × (20.7 − 11.9) × 10,000 = 8767.79 pounds, brandy required.

NOTE: In calculating the quantity of brandy required to fortify wine, it is usually sufficient to take the nearest whole per cent of proof of the brandy used. However, where it is desired to fortify the wine to an exact per cent of alcohol, a more precise determination can be made by taking the actual proof of the brandy, as shown in Table No. 1 of the Gauging Manual in tenths of per cent, rather than the nearest whole per cent of proof. For example, where the hydrometer reading is 192 and the temperature is 66°, the actual proof of 190.6 shown in Table No. 1 of the Gauging Manual may be used, instead of the next nearest whole per cent of 191. See section 472 (b) (1). When the actual proof of the brandy in tenths of per cent is used, it is necessary to interpolate between columns for whole per cents of proof, as shown in example No. 2.

TABLE XI—FOR FINDING THE QUANTITY OF BRANDY IN POUNDS REQUIRED TO FORTIFY WINE

Per cent alcohol desired in wine	Proof of brandy to be used																											
	193	192	191	190	189	188	187	186	185	184	183	182	181	180	179	178	177	176	175	174	173	172	171	170	169	168	167
18.0	0.08591	0.08668	0.08746	0.08824	0.08902	0.08982	0.09062	0.09142	0.09223	0.09306	0.09389	0.09472	0.09557	0.09642	0.09729	0.09817	0.09905	0.09995	0.10085	0.10177	0.10270	0.10364	0.10460	0.10557	0.10655	0.10754	0.10855
18.1	.08602	.08679	.08757	.08835	.08914	.08994	.09074	.09154	.09236	.09318	.09401	.09485	.09570	.09656	.09743	.09830	.09919	.10009	.10100	.10192	.10285	.10380	.10475	.10572	.10671	.10770	.10871
18.2	.08613	.08690	.08768	.08847	.08926	.09005	.09086	.09167	.09248	.09331	.09414	.09498	.09583	.09669	.09756	.09844	.09933	.10023	.10114	.10207	.10300	.10395	.10491	.10588	.10687	.10787	.10888
18.3	.08624	.08702	.08780	.08858	.08938	.09017	.09098	.09179	.09261	.09344	.09427	.09511	.09597	.09683	.09770	.09858	.09947	.10038	.10129	.10221	.10315	.10410	.10507	.10604	.10703	.10803	.10904
18.4	.08635	.08713	.08791	.08870	.08949	.09029	.09110	.09191	.09273	.09356	.09440	.09525	.09610	.09696	.09784	.09872	.09962	.10052	.10144	.10236	.10330	.10426	.10522	.10620	.10719	.10819	.10921
18.5	.08646	.08724	.08803	.08881	.08961	.09041	.09122	.09204	.09286	.09369	.09453	.09538	.09623	.09710	.09798	.09886	.09976	.10066	.10158	.10251	.10346	.10441	.10538	.10636	.10735	.10836	.10938
18.6	.08657	.08735	.08814	.08893	.08973	.09053	.09134	.09216	.09298	.09382	.09466	.09551	.09637	.09724	.09811	.09900	.09990	.10081	.10173	.10266	.10361	.10457	.10554	.10652	.10752	.10853	.10955
18.7	.08669	.08747	.08825	.08905	.08985	.09065	.09146	.09228	.09311	.09395	.09479	.09564	.09650	.09737	.09825	.09914	.10004	.10096	.10188	.10281	.10376	.10472	.10569	.10668	.10768	.10869	.10972
18.8	.08680	.08758	.08837	.08916	.08997	.09077	.09157	.09241	.09324	.09407	.09492	.09577	.09664	.09751	.09839	.09928	.10019	.10110	.10203	.10296	.10391	.10488	.10585	.10684	.10784	.10886	.10989
18.9	.08691	.08769	.08848	.08928	.09008	.09089	.09171	.09253	.09336	.09420	.09505	.09591	.09677	.09765	.09853	.09943	.10033	.10125	.10217	.10311	.10407	.10503	.10601	.10700	.10801	.10903	.11006
19.0	.08702	.08781	.08860	.08940	.09020	.09101	.09183	.09266	.09349	.09433	.09518	.09604	.09691	.09778	.09867	.09957	.10048	.10139	.10232	.10327	.10422	.10519	.10617	.10717	.10817	.10919	.11023
19.1	.08713	.08792	.08872	.08952	.09032	.09114	.09196	.09278	.09362	.09446	.09531	.07617	.09704	.09792	.09881	.09971	.10062	.10154	.10247	.10342	.10438	.10535	.10633	.10733	.10834	.10936	.11040
19.2	.08725	.08804	.08883	.08964	.09044	.09126	.09208	.09291	.09375	.09459	.09545	.09631	.09718	.09806	.09895	.09985	.10077	.10169	.10262	.10357	.10453	.10551	.10649	.10749	.10850	.10953	.11057
19.3	.08736	.08815	.08896	.08975	.09056	.09138	.09220	.09203	.09387	.09472	.09558	.09644	.09731	.09820	.09909	.10000	.10091	.10184	.10277	.10372	.10469	.10566	.10665	.10765	.10867	.10970	.11074
19.4	.08747	.08827	.08907	.08987	.09068	.09150	.09233	.09316	.09400	.09485	.09571	.09658	.09745	.09834	.09923	.10014	.10106	.10199	.10293	.10388	.10484	.10582	.10681	.10782	.10884	.10987	.11092
19.5	.08759	.08838	.08918	.08999	.09081	.09163	.09245	.09329	.09413	.09498	.09584	.09671	.09759	.09848	.09937	.10028	.10120	.10213	.10308	.10403	.10500	.10598	.10698	.10798	.10900	.11004	.11109
19.6	.08770	.08850	.08930	.09011	.09093	.09175	.09258	.09341	.09426	.09511	.09598	.09685	.09773	.09862	.09952	.10043	.10135	.10228	.10323	.01419	.10516	.10614	.10714	.10815	.10917	.11021	.11126
19.7	.08781	.08861	.08942	.09023	.09105	.09187	.09270	.09354	.09439	.09524	.09611	.09698	.09786	.09876	.09966	.10057	.10150	.10243	.10338	.10434	.10531	.10630	.10730	.10831	.10934	.11038	.11144
19.8	.08793	.08873	.08954	.09035	.09117	.09200	.09283	.09367	.09452	.09538	.09624	.09712	.09800	.09890	.09980	.10072	.10165	.10258	.10353	.10450	.10547	.10646	.10746	.10848	.10951	.11055	.11161
19.9	.08804	.08885	.08966	.09047	.09129	.09212	.09296	.09380	.09465	.09551	.09638	.09726	.09814	.09904	.09995	.10086	.10179	.10273	.10369	.10465	.10563	.10662	.10763	.10865	.10968	.11073	.11179
20.0	.08816	.08896	.08977	.09059	.09141	.09224	.09308	.09393	.09478	.09564	.09651	.09739	.09828	.09918	.10009	.10101	.10194	.10289	.10384	.10481	.10579	.10678	.01779	.10881	.10985	.11090	.11196
20.1	.08827	.08908	.08939	.09071	.09154	.09237	.09321	.09406	.09491	.09577	.09665	.09753	.09842	.09932	.10023	.10116	.10209	.10304	.10399	.10496	.10595	.10695	.10796	.10898	.11002	.11107	.11214
20.2	.08839	.08920	.09001	.09083	.09166	.09249	.09334	.09418	.09504	.09591	.09678	.09767	.09856	.09946	.10038	.10130	.10224	.10319	.10415	.10512	.10611	.10711	.10812	.10915	.11019	.11125	.11232
20.3	.08851	.08932	.09013	.09096	.09178	.09262	.09346	.09431	.09517	.09604	.09692	.09781	.09870	.09961	.10052	.10145	.10239	.10334	.10430	.10528	.10627	.10727	.10829	.10932	.11036	.11142	.11250
20.4	.08862	.08943	.09025	.09108	.09191	.09275	.09359	.09444	.09531	.09618	.09706	.09794	.09884	.09975	.10067	.10160	.10254	.10349	.10446	.10544	.10643	.10744	.10845	.10949	.11054	.11160	.11267
20.5	.08874	.08955	.09037	.09120	.09203	.09287	.09372	.09457	.09544	.09631	.09719	.09808	.09893	.09989	.10082	.10175	.10269	.10365	.10461	.10560	.10659	.10760	.10862	.10966	.11071	.11177	.11285
20.6	.08886	.08967	.09049	.09132	.09216	.09300	.09385	.09470	.09557	.09645	.09733	.09822	.09912	.10004	.10096	.10190	.10284	.10380	.10477	.10575	.10675	.10776	.10879	.10983	.11088	.11195	.11303
20.7	.08897	.08979	.09161	.09144	.09228	.09313	.09398	.09484	.09570	.09658	.09747	.09836	.09927	.10018	.10111	.10205	.10299	.10396	.10493	.10591	.10691	.10793	.10896	.11000	.11106	.11213	.11321
20.8	.08909	.08991	.09074	.09157	.09241	.09325	.09411	.09497	.09584	.09672	.09761	.09850	.09941	.10033	.10126	.10220	.10315	.10411	.10509	.10607	.10708	.10809	.10913	.11017	.11123	.11230	.11339
20.9	.08921	.09003	.09086	.09169	.09253	.09338	.09424	.09510	.09597	.09685	.09774	.09864	.09955	.10047	.10140	.10235	.10330	.10427	.10524	.10623	.10724	.10826	.10929	.11034	.11140	.11248	.11357
21.0	.08933	.09015	.09098	.09182	.09266	.09351	.09437	.09523	.09611	.09699	.09788	.09878	.09969	.10062	.10155	.10250	.10345	.10442	.10540	.10640	.10740	.10843	.10946	.11051	.11158	.11266	.11376
21.1	.08944	.09027	.09110	.09194	.09278	.09364	.09450	.09536	.09624	.09713	.09802	.09892	.09984	.10076	.10170	.10265	.10361	.10458	.10556	.10656	.10757	.10859	.10963	.11069	.11176	.11284	.11394
21.2	.08956	.09039	.09122	.09206	.09291	.09376	.09463	.09550	.09638	.09726	.09816	.09907	.09998	.10091	.10185	.10280	.10376	.10473	.10572	.10672	.10773	.10876	.10980	.11086	.11193	.11302	.11412
21.3	.08968	.09051	.09135	.09219	.09304	.09389	.09476	.09563	.09651	.09740	.09830	.09921	.10013	.10106	.10200	.10295	.10391	.10489	.10588	.10688	.10790	.10893	.10998	.11103	.11211	.11320	.11430
21.4	.08980	.09063	.09147	.09231	.09317	.09402	.09489	.09576	.09665	.09754	.09844	.09935	.10027	.10120	.10215	.10310	.10407	.10505	.10604	.10704	.10806	.10910	.11015	.11121	.11229	.11338	.11449
21.5	.08992	.09075	.09159	.09244	.09329	.09415	.09502	.09590	.09678	.09768	.09858	.09949	.10042	.10135	.10230	.10326	.10422	.10521	.10620	.10721	.10823	.10927	.11032	.11138	.11247	.11356	.11467
21.6	.09004	.09088	.09172	.09257	.09342	.09428	.09515	.09603	.09692	.09782	.09872	.09964	.10056	.10150	.10245	.10341	.10438	.10536	.10636	.10737	.10840	.10944	.11049	.11156	.11264	.11374	.11486
21.7	.09016	.09100	.09184	.09269	.09355	.09441	.09529	.09617	.09706	.09795	.09886	.09978	.10071	.10165	.10260	.10356	.10454	.10552	.10652	.10754	.10856	.10961	.11066	.11174	.11282	.11393	.11504
21.8	.09028	.09112	.09197	.09282	.09368	.09454	.09542	.09630	.09719	.09809	.09901	.09993	.10086	.10180	.10275	.10372	.10469	.10568	.10668	.10770	.10873	.10978	.11084	.11191	.11300	.11411	.11523
21.9	.09040	.09124	.09209	.09295	.09381	.09468	.09555	.09644	.09733	.09823	.09915	.10007	.10100	.10195	.10290	.10387	.10485	.10584	.10685	.10787	.10890	.10995	.11011	.11209	.11318	.11429	.11542
22.0	.09053	.09137	.09222	.09307	.09394	.09481	.09569	.09657	.09747	.09837	.09929	.10022	.10115	.10210	.10306	.10403	.10501	.10600	.10701	.10803	.10907	.11012	.11119	.11227	.11337	.11448	.11561
22.1	.09065	.09149	.09234	.09320	.09407	.09494	.09582	.09671	.09761	.09852	.09943	.10036	.10130	.10225	.10321	.10418	.10517	.10616	.10717	.10820	.10924	.11029	.11136	.11245	.11355	.11466	.11579
22.2	.09077	.09162	.09247	.09333	.09420	.09507	.09595	.09685	.09775	.09866	.09958	.10051	.10145	.10240	.10336	.10434	.10533	.10633	.10734	.10837	.10941	.11047	.11154	.11263	.11373	.11485	.11598
22.3	.09089	.09174	.09259	.09346	.09433	.09520	.09609	.09698	.09789	.09880	.09972	.10065	.10159	.10255	.10352	.10449	.10548	.10649	.10750	.10853	.10958	.11064	.11172	.11281	.11391	.11503	.11617
22.4	.09101	.09186	.09272	.09359	.09446	.09534	.09622	.09712	.09802	.09894	.09987	.10080	.10174	.10270	.10367	.10465	.10564	.10665	.10767	.10870	.10975	.11081	.11189	.11299	.11410	.11522	.11636
22.5	.09114	.09199	.09285	.09372	.09459	.09547	.09636	.09726	.09816	.09908	.10001	.10095	.10189	.10285	.10382	.10481	.10580	.10681	.10783	.10887	.10992	.11099	.11207	.11317	.11428	.11541	.11655
22.6	.09126	.09211	.09298	.09384	.09472	.09560	.09650	.09740	.09831	.09922	.10016	.10109	.10204	.10301	.10398	.10497	.10596	.10698	.10800	.10904	.11009	.11116	.11225	.11335	.11449	.11560	.11674
22.7	.09138	.09224	.09310	.09397	.09485	.09574	.09663	.09753	.09845	.09937	.10030	.10124	.10219	.10316	.10414	.10512	.10613	.10714	.10817	.10921	.11027	.11134	.11243	.11353	.11465	.11578	.11694
22.8	.09151	.09237	.09323	.09410	.09498	.09587	.09677	.09767	.09859	.09951	.10045	.10139	.10234	.10331	.10429	.10528	.10629	.10730	.10833	.10933	.11044	.11152	.11261	.11371	.11484	.11597	.11713
22.9	.09163	.09249	.09336	.09423	.09512	.09601	.09691	.09781	.09873	.09966	.10059	.10154	.10250	.10347	.10445	.10544	.10645	.10747	.10850	.10955	.11061	.11169	.11279	.11390	.11502	.11616	.11732
23.0	.09176	.09262	.09349	.09437	.09525	.09614	.09704	.09795	.09887	.09980	.10074	.10169	.10265	.10362	.10461	.10560	.10661	.10763	.10867	.10972	.11079	.11187	.11297	.11408	.11521	.11635	.11752
23.1	.09188	.09275	.09362	.09450	.09538	.09628	.09718	.09809	.09901	.09994	.10089	.10184	.10280	.10378	.10476	.10576	.10677	.10780	.10884	.10989	.11096	.11205	.11315	.11426	.11540	.11654	.11771
23.2	.09201	.09287	.09375	.09463	.09552	.09641	.09732	.09823	.09916	.10009	.10103	.10199	.10295	.10393	.10492	.10592	.10694	.10797	.10901	.11006	.11114	.11223	.11333	.11445	.11558	.11674	.11791
23.3	.09213	.09300	.09388	.09476	.09565	.09655	.09746	.09837	.09930	.10024	.10118	.10214	.10311	.10409	.10508	.10608	.10710	.10813	.10918	.11024	.11131	.11240	.11351	.11463	.11577	.11693	.11810
23.4	.09226	.09313	.09401	.09489	.09579	.09669	.09760	.09851	.09944	.10038	.10133	.10229	.10326	.10424	.10524	.10625	.10727	.10830	.10935	.11041	.11149	.11258	.11369	.11482	.11596	.11712	.11830
23.5	.09239	.09326	.09414	.09503	.09592	.09682	.09774	.09866	.09959	.10053	.10148	.10244	.10341	.10440	.10540	.10641	.10743	.10847	.10952	.11058	.11167	.11276	.11388	.11501	.11615	.11732	.11850
23.6	.09251	.09339	.09427	.09516	.09606	.09696	.09788	.09880	.09973	.10068	.10163	.10259	.10357	.10456	.10556	.10657	.10760	.10864	.10969	.11076	.11184	.11294	.11406	.11519	.11634	.11751	.11869
23.7	.09264	.09352	.09440	.09529	.09619	.09710	.09802	.09894	.09988	.10082	.10178	.10275	.10372	.10471	.10572	.10673	.10776	.10881	.10986	.11093	.11202	.11313	.11425	.11538	.11653	.11770	.11889
23.8	.09277	.09365	.09453	.09543	.09633	.09724	.09816	.09908	.10002	.10097	.10193	.10290	.10388	.10487	.10588	.10690	.10793	.10898	.11003	.11111	.11220	.11331	.11443	.11557	.11673	.11790	.11909
23.9	.09289	.09378	.09466	.09556	.09646	.09738	.09830	.09923	.10017	.10112	.10208	.10305	.10404	.10503	.10604	.10703	.10810	.10915	.11021	.11129	.11233	.11349	.11462	.11576	.11692	.11810	.11929
24.0	.09302	.09391	.09480	.09569	.09660	.09752	.09844	.09937	.10031	.10127	.10223	.10321	.10419	.10519	.10620	.10723	.10826	.10932	.11038	.11146	.11256	.11367	.11480	.11595	.11711	.11829	.11949

TABLE XII—FOR FINDING THE QUANTITY OF BRANDY IN WINE GALLONS REQUIRED TO FORTIFY 1 GALLON OF WINE

The quantity of brandy in wine gallons required to fortify 1 gallon of wine to any per cent alcohol between 1 and 24 per cent, both inclusive, with brandy of any per cent alcohol between 70 and 95 per cent, both inclusive (140° and 190° proof), may be readily determined by this table.

The total quantity of brandy required for the desired fortification can be determined by multiplying the quantity of brandy found necessary to fortify 1 gallon of wine by the number of gallons of wine to be fortified.

Example No. 1. It is desired to fortify wine containing 10 per cent alcohol to 20 per cent with brandy containing 90 per cent alcohol. Line: 90−10=80. Column: 20−10=10. Thus, at line 80 in column 10 is found the fractional part of a wine gallon (.14286) of 90 per cent brandy required for each gallon of wine.

Example No. 2. (*Involving interpolation between columns.*) It is desired to fortify wine containing 10.5 per cent alcohol to 22.3 per cent with brandy containing 90 per cent alcohol. Line: 90−10.5=79.5. Column: 22.3−10.5=11.8. Interpolation between columns 11 and 12 is made as follows: (.17778−.16058) ×.8+.16058=.17434 wine gallons of 90 per cent brandy required for each gallon of wine.

The use of this table is not recommended where it is desired to use the actual proof of the brandy in tenths of per cent (as 180.6°), in order to calculate more precisely the quantity of brandy required, as such necessitates (1) interpolation between lines, in addition to the interpolation between columns shown in example No. 2, and (2) interpolation between weights according to whole per cents of proof to ascertain the weight of the split proof.

TABLE XII—FOR FINDING THE QUANTITY OF BRANDY IN WINE GALLONS REQUIRED TO FORTIFY 1 GALLON OF WINE

Instruction.—In the table the lines are numbered at the left and the columns at the top. To find the proper line and column in the table the following formula is used: *To find the line:* Subtract the percent of alcohol in the wine to be fortified from the percent of alcohol in the brandy to be used, e. g., 90 (brandy)—10 (wine)=80 (line). *To find the column:* Subtract the percent of alcohol in the wine to be fortified from the percent of alcohol desired in the wine after fortification, e. g., 22 (after fortification)—10 (before fortification)=12 (column). Then at line 80 in column 12 is found the fractional part of a wine gallon (.17647) of brandy required to so fortify the wine.
(See further instructions and examples, involving interpolation, above.)

	24	23	22	21	20	19	18	17	16	15	14	13	12	11	10	9	8	7	6	5	4	3	2	1
95.0	0.33803	0.31944	0.30137	0.28378	0.26667	0.25000	0.23377	0.21795	0.20253	0.18750	0.17284	0.15854	0.14458	0.13095	0.11765	0.10465	0.09195	0.07954	0.06741	0.05555	0.04396	0.03261	0.02150	0.01064
94.5	.34042	.32168	.30345	.28571	.26846	.25166	.23529	.21935	.20382	.18868	.17391	.15951	.14545	.13174	.11834	.10526	.09248	.08000	.06780	.05587	.04420	.03279	.02162	.01069
94.0	.34286	.32394	.30556	.28767	.27027	.25333	.23684	.22078	.20513	.18988	.17500	.16049	.14634	.13253	.11905	.10588	.09302	.08046	.06818	.05618	.04444	.03297	.02174	.01075
93.5	.34532	.32624	.30769	.28966	.27211	.25503	.23841	.22222	.20645	.19108	.17610	.16149	.14724	.13333	.11976	.10651	.09357	.08092	.06857	.05650	.04469	.03315	.02186	.01081
93.0	.34783	.32857	.30986	.29167	.27397	.25676	.24000	.22368	.20779	.19231	.17721	.16250	.14815	.13415	.12048	.10714	.09412	.08140	.06896	.05682	.04494	.03333	.02198	.01087
92.5	.35036	.33093	.31206	.29371	.27586	.25850	.24161	.22517	.20915	.19355	.17834	.16352	.14907	.13497	.12121	.10778	.09467	.08187	.06936	.05714	.04520	.03352	.02210	.01093
92.0	.35294	.33334	.31428	.29577	.27778	.26027	.24324	.22667	.21053	.19480	.17949	.16456	.15000	.13580	.12195	.10843	.09524	.08235	.06977	.05747	.04545	.03371	.02222	.01099
91.5	.35555	.33577	.31655	.29787	.27972	.26207	.24490	.22819	.21192	.19608	.18064	.16561	.15094	.13665	.12270	.10909	.09581	.08284	.07017	.05780	.04571	.03390	.02235	.01105
91.0	.35821	.33823	.31884	.30000	.28170	.26389	.24657	.22973	.21333	.19737	.18182	.16667	.15190	.13750	.12346	.10976	.09638	.08333	.07059	.05814	.04598	.03409	.02247	.01111
90.5	.36090	.34074	.32117	.30216	.28369	.26573	.24827	.23129	.21476	.19867	.18301	.16774	.15287	.13836	.12422	.11043	.09697	.08383	.07100	.05848	.04624	.03428	.02260	.01117
90.0	.36364	.34328	.32353	.30435	.28571	.26761	.25000	.23288	.21622	.20000	.18421	.16883	.15385	.13924	.12500	.11111	.09756	.08434	.07143	.05882	.04651	.03448	.02273	.01123
89.5	.36641	.34586	.32592	.30657	.28778	.26950	.25175	.23448	.21769	.20134	.18543	.16993	.15484	.14013	.12579	.11180	.09816	.08485	.07186	.05917	.04678	.03468	.02286	.01130
89.0	.36923	.34848	.32836	.30882	.28986	.27143	.25352	.23611	.21918	.20270	.18667	.17105	.15584	.14102	.12658	.11250	.09876	.08536	.07229	.05952	.04706	.03488	.02299	.01136
88.5	.37209	.35114	.33083	.31111	.29197	.27338	.25532	.23776	.22069	.20408	.18792	.17218	.15686	.14194	.12739	.11321	.09938	.08589	.07273	.05988	.04734	.03509	.02312	.01143
88.0	.37500	.35385	.33333	.31343	.29412	.27536	.25714	.23944	.22222	.20548	.18919	.17333	.15789	.14286	.12821	.11392	.10000	.08642	.07317	.06024	.04762	.03529	.02325	.01149
87.5	.37795	.35659	.33588	.31579	.29630	.27737	.25899	.24113	.22378	.20690	.19048	.17450	.15894	.14379	.12903	.11465	.10063	.08696	.07362	.06061	.04790	.03550	.02339	.01156
87.0	.38095	.35937	.33846	.31818	.29851	.27941	.26087	.24286	.22535	.20833	.19178	.17567	.16000	.14474	.12987	.11538	.10126	.08750	.07407	.06097	.04819	.03571	.02353	.01163
86.5	.38400	.36220	.34109	.32061	.30075	.28148	.26277	.24460	.22695	.20979	.19310	.17687	.16107	.14569	.13072	.11613	.10191	.08805	.07453	.06135	.04848	.03593	.02367	.01169
86.0	.38710	.36508	.34375	.32308	.30303	.28358	.26470	.24638	.22857	.21127	.19444	.17808	.16216	.14667	.13158	.11688	.10256	.08861	.07500	.06173	.04878	.03614	.02381	.01176
85.5	.39024	.36800	.34646	.32558	.30534	.28571	.26667	.24817	.23021	.21276	.19580	.17931	.16327	.14765	.13245	.11765	.10322	.08917	.07547	.06211	.04908	.03636	.02395	.01183
85.0	.39344	.37096	.34921	.32812	.30769	.28788	.26866	.25000	.23188	.21429	.19718	.18055	.16438	.14865	.13333	.11842	.10390	.08974	.07595	.06250	.04938	.03658	.02410	.01190
84.5	.39669	.37398	.35200	.33071	.31008	.29008	.27068	.25185	.23358	.21583	.19858	.18182	.16552	.14966	.13423	.11921	.10457	.09032	.07643	.06289	.04969	.03681	.02424	.01198
84.0	.40000	.37705	.35485	.33333	.31250	.29231	.27273	.25373	.23529	.21739	.20000	.18310	.16667	.15068	.13514	.12000	.10526	.09091	.07692	.06329	.05000	.03704	.02439	.01205
83.5	.40336	.38015	.35772	.33600	.31496	.29457	.27481	.25564	.23704	.21898	.20144	.18440	.16783	.15172	.13605	.12081	.10596	.09150	.07742	.06369	.05031	.03727	.02454	.01212
83.0	.40678	.38333	.36066	.33871	.31746	.29687	.27692	.25757	.23881	.22059	.20290	.18571	.16901	.15278	.13699	.12162	.10667	.09210	.07792	.06410	.05063	.03750	.02469	.01219
82.5	.41026	.38655	.36364	.34146	.32000	.29921	.27907	.25954	.24060	.22222	.20438	.18705	.17021	.15385	.13793	.12245	.10738	.09271	.07843	.06452	.05095	.03773	.02484	.01227
82.0	.41379	.38983	.36667	.34426	.32258	.30159	.28125	.26154	.24242	.22388	.20588	.18840	.17143	.15493	.13889	.12329	.10811	.09333	.07895	.06493	.05128	.03797	.02500	.01234
81.5	.41739	.39316	.36975	.34711	.32520	.30400	.28346	.26357	.24427	.22556	.20741	.18978	.17266	.15603	.13986	.12414	.10884	.09396	.07947	.06536	.05161	.03822	.02516	.01242
81.0	.42105	.39655	.37288	.35000	.32787	.30645	.28571	.26562	.24615	.22727	.20896	.19118	.17391	.15714	.14085	.12500	.10959	.09459	.08000	.06579	.05195	.03846	.02532	.01250
80.5	.42478	.40000	.37607	.35294	.33058	.30894	.28800	.26772	.24806	.22901	.21053	.19259	.17518	.15827	.14184	.12587	.11034	.09524	.08054	.06622	.05229	.03871	.02548	.01258
80.0	.42857	.40350	.37931	.35593	.33333	.31147	.29032	.26984	.25000	.23077	.21212	.19403	.17647	.15942	.14286	.12676	.11111	.09589	.08108	.06667	.05263	.03896	.02564	.01266
79.5	.43243	.40708	.38261	.35897	.33613	.31404	.29268	.27200	.25197	.23256	.21374	.19549	.17778	.16058	.14388	.12766	.11189	.09655	.08163	.06711	.05298	.03922	.02581	.01274
79.0	.43636	.41071	.38596	.36207	.33898	.31667	.29508	.27419	.25397	.23438	.21538	.19697	.17910	.16176	.14493	.12857	.11268	.09722	.08219	.06757	.05333	.03947	.02597	.01282
78.5	.44037	.41441	.38938	.36522	.34188	.31933	.29752	.27642	.25600	.23622	.21705	.19847	.18045	.16296	.14599	.12950	.11348	.09790	.08276	.06803	.05369	.03974	.02614	.01290
78.0	.44444	.41818	.39286	.36842	.34483	.32203	.30000	.27869	.25806	.23810	.21875	.20000	.18182	.16418	.14706	.13043	.11429	.09859	.08333	.06849	.05405	.04000	.02632	.01299
77.5	.44860	.42202	.39640	.37168	.34783	.32479	.30252	.28099	.26016	.24000	.22047	.20155	.18321	.16541	.14815	.13139	.11511	.09929	.08392	.06897	.05442	.04027	.02649	.01307
77.0	.45283	.42592	.40000	.37500	.35088	.32759	.30508	.28333	.26230	.24194	.22222	.20312	.18462	.16667	.14925	.13235	.11594	.10000	.08451	.06944	.05479	.04054	.02667	.01316
76.5	.45714	.42991	.40367	.37838	.35398	.33043	.30769	.28571	.26446	.24390	.22400	.20472	.18605	.16794	.15038	.13333	.11679	.10072	.08511	.06993	.05517	.04082	.02685	.01324
76.0	.46154	.43396	.40741	.38182	.35714	.33333	.31034	.28814	.26667	.24590	.22581	.20635	.18750	.16923	.15152	.13433	.11765	.10145	.08571	.07042	.05556	.04110	.02703	.01333
75.5	.46602	.43810	.41121	.38532	.36036	.33628	.31304	.29060	.26891	.24793	.22764	.20800	.18898	.17054	.15267	.13534	.11852	.10219	.08633	.07092	.05594	.04138	.02721	.01342
75.0	.47059	.44231	.41509	.38889	.36364	.33929	.31579	.29310	.27119	.25000	.22951	.20968	.19048	.17187	.15385	.13636	.11940	.10294	.08696	.07143	.05634	.04167	.02740	.01351
74.5	.47525	.44660	.41905	.39252	.36697	.34234	.31858	.29565	.27350	.25210	.23140	.21138	.19200	.17323	.15504	.13740	.12030	.10370	.08759	.07194	.05674	.04196	.02759	.01361
74.0	.48000	.45098	.42308	.39623	.37037	.34545	.32143	.29825	.27586	.25424	.23333	.21311	.19355	.17460	.15625	.13846	.12121	.10448	.08824	.07246	.05714	.04225	.02778	.01370
73.5	.48485	.45544	.42718	.40000	.37383	.34862	.32432	.30088	.27826	.25641	.23529	.21488	.19512	.17600	.15748	.13953	.12214	.10526	.08889	.07299	.05755	.04255	.02797	.01379
73.0	.48980	.46000	.43137	.40384	.37736	.35185	.32727	.30357	.28070	.25862	.23729	.21667	.19672	.17742	.15873	.14062	.12308	.10606	.08955	.07353	.05797	.04286	.02817	.01389
72.5	.49485	.46465	.43564	.40777	.38095	.35514	.33028	.30631	.28319	.26087	.23932	.21849	.19835	.17886	.16000	.14173	.12403	.10687	.09023	.07407	.05839	.04317	.02837	.01399
72.0	.50000	.46939	.44000	.41176	.38462	.35849	.33333	.30909	.28571	.26316	.24138	.22034	.20000	.18033	.16129	.14286	.12500	.10769	.09091	.07463	.05882	.04348	.02857	.01408
71.5	.50526	.47423	.44444	.41584	.38835	.36190	.33645	.31193	.28829	.26549	.24348	.22222	.20168	.18181	.16260	.14400	.12598	.10853	.09160	.07519	.05926	.04380	.02878	.01418
71.0	.51064	.47917	.44898	.42000	.39216	.36538	.33962	.31481	.29091	.26786	.24561	.22414	.20339	.18333	.16393	.14516	.12698	.10937	.09231	.07576	.05970	.04412	.02899	.01429
70.5	.51613	.48421	.45361	.42424	.39604	.36893	.34286	.31776	.29358	.27027	.24779	.22609	.20513	.18487	.16529	.14634	.12800	.11024	.09302	.07634	.06015	.04444	.02920	.01439
70.0	.52174	.48936	.45833	.42857	.40000	.37255	.34615	.32075	.29630	.27273	.25000	.22807	.20690	.18644	.16667	.14754	.12903	.11111	.09375	.07692	.06061	.04478	.02941	.01449

DIRECTIONS FOR TAKING SAMPLES OF FORTIFIED WINE AND THEIR DISPOSITION

Time of taking samples. As provided in § 178.497, the storekeeper-gauger will take a 1-pint sample from each tank of wine fortified, except partial fortifications. This sample should be taken, after the sweetening agents, if any, and brandy have been added and the fortifying tank has been thoroughly plunged to insure complete mixture of the contents. The officer should also make his test for alcohol before taking the sample so that the results thereof may be entered on label, Form 491, to be attached to the bottle.

Bottles and labels. The bottles used for this purpose must be perfectly clean and drained dry before the wine is placed therein. Rinse the bottles with a little of the wine before filling them; close them with a new and perfect cork or screw cap; affix to each sample a label, Form 491, properly made out, and signed both by the officer taking the sample and the winemaker or his representative.

Forwarding samples. Hold the samples in the fortifying room until the close of the month and then forward two of the samples, representing fortifications at different intervals of the month, to the Bureau branch laboratory for testing. Where not over three lots have been fortified during the month, but one sample need be sent the chemist. The other samples will be held in the fortifying room for a period of six months, after which they may be returned to the winemaker. The storekeeper-gauger will be held to a strict accountability for all wine released from the fortifying room by him.

FINDING THE CALCULATED PER CENT OF SUGAR AND ALCOHOL AFTER FORTIFICATION

To find the calculated per cent of sugar or alcohol after fortification, multiply the gallons of wine before fortification by the per cent of sugar or alcohol present in the wine, as shown by the first test, and add the amount of sugar or alcohol added, which in the case of the alcohol will be one-half of the proof gallons of brandy added, and divide the sum found by the gallons of wine after fortification. The result will be the calculated per cent of sugar or alcohol present after the fortification has been completed.

RULES FOR FINDING CAPACITY AND CONTENTS OF TANKS

ROUND TANKS OF UNIFORM DIMENSIONS, STANDING ON END

To find the capacity. Ascertain the inside depth of the tank by accurately measuring the same with a rod or steel tape. Ascertain the diameter of the tank (1) by accurately measuring the inside width of the tank with a rod or steel tape, or (2) by measuring the outside circumference of the tank and dividing the same by 3.1416 and deducting from the quotient twice the thickness of the staves or sides of the tank. The result will be the inside diameter of the tank.

After determining the depth and diameter of the tank, multiply the diameter by itself

and by the depth and by 0.0034, and the product will be the capacity of the tank in gallons.

Example. What is the capacity of a tank 120 inches in diameter and 100 inches in depth?

120×120×100×0.0034=4,896 gallons, capacity of tank.

To find the capacity per inch of depth. The capacity of the tank for 1 inch of depth can be determined by multiplying the diameter by itself and by 0.0034.

Example. What is the capacity per inch of depth of the above tank?

120×120×0.0034=48.96 gallons per inch.

To find the liquid contents when partly filled. Where the tank is partly filled, the liquid contents can be determined by ascertaining the depth of the wine in inches and multiplying same by the capacity of the tank for 1 inch of depth. (The depth of the wine can be ascertained by measuring the same with a rod or steel tape or by measuring the dry inches in the tank and subtracting same from the depth of the tank.)

Example. What are the liquid contents of the above tank if the depth of the wine in it is 75 inches?

75×48.96=3,672 gallons of wine in tank.

ROUND TANKS STANDING ON END AND LARGER AT BOTTOM THAN AT TOP, BUT NOT BULGED IN THE MIDDLE

To find capacity. Ascertain the inside diameter of the tank at the top and at the bottom and the inside depth of the tank in the manner set forth above. (In ascertaining the depth, the rod or tape should be run straight down and not allowed to follow the course of the staves or sides of the tank. All measurements should be in inches.) Add together the square of the top diameter, the square of the bottom diameter, and four times the square of the midway diameter (ascertained by adding the top and bottom diameters together and dividing by 2), and divide the sum by 6, which gives the square of the true mean diameter; multiply this by the depth of the tank, and the product will be the capacity in cylindrical inches. As there are 294 cylindrical inches in a gallon, divide this last product by 294, and the quotient will be the capacity of the tank in gallons.

Example. What is the capacity of a tank 108 inches in diameter at the top, 120 inches in diameter at the bottom, and 100 inches in depth?

(108+120)÷2=114 inches midway diameter.
(108×108)+(120×120)+(114×114×4)÷6=13008.
(13008×100)÷294=4,424 gallons, capacity of tank.

The following rule is shorter and, though not mathematically correct, is for all practical purposes sufficiently so, unless the tank is much smaller at the top than at the bottom, and may be used in determining the capacity of such tank:

Add the top and bottom diameters, divide the sum by 2, multiply the quotient by itself and by 0.0034 and by the depth of the tank, the result will be the capacity of the tank in gallons.

Example. (Tank as above)

(108+120)÷2=114 inches mean diameter.
114×114×100×0.0034=4,418 gallons, capacity of tank.

To find the capacity for each foot of depth. Subtract the top diameter from the bottom diameter, and divide the difference by the depth in inches to get the decrease in diameter for each inch of depth; multiply the quotient by 12, which gives the decrease in diameter per foot; subtract the product from the bottom diameter to get the diameter at 1 foot of depth from the bottom; add the bottom diameter and the diameter at 1 foot from the bottom, divide the sum by 2, multiply the quotient by itself and by 0.0034. The result will be the capacity of the tank for the first foot of depth.

Example. (Tank as above)

(120−108)÷100=0.12 inches, decrease in diameter per inch of depth.
0.12×12=1.44 inches, decrease in diameter per foot of depth.
120−1.44=118.56 inches, diameter 1 foot from bottom.
(120+118.56)÷2=119.28 inches, mean diameter.
119.28×119.28×0.0034=48.37 gallons per inch for first foot.
48.37×12=580.44 gallons, capacity first foot.

The capacity for the next foot of depth can be ascertained by the same process of taking the diameter at the top of the first foot as the bottom diameter for the calculation. For example, the bottom diameter of the second foot of depth is 118.56 inches, and the top diameter would be 118.56−1.44 (decrease in diameter)=117.12 inches top diameter. By following the above rule the capacity for the second foot is found as follows:

(118.56+117.12)÷2=117.84 inches.
117.84×117.84×0.0034=47.12 gallons per inch for second foot.
47.21×12=566.52 gallons capacity for second foot.

Each other foot of depth can be found in the same way, care being used that each calculation is correct.

To find the liquid contents when partly filled. Ascertain the decrease in diameter of the tank per inch of depth by subtracting the top diameter of the tank from its bottom diameter and dividing the difference by the depth in inches of the tank, to get the decrease in diameter per inch of depth. Then ascertain the depth in inches of the liquid, and multiply the same by the decrease in diameter per inch of depth, the product will be the difference between the bottom diameter of the tank and the diameter of the tank at the top of the liquid. Then add these two diameters, divide the sum by 2, multiply the quotient by itself and by 0.0034 and by the depth in inches of the liquid. The result will be the gallons of liquid contained in the tank.

Example. What are the liquid contents of the above tank if the depth of the wine in it is 75 inches?

(120−108)÷100=0.12 inch, decrease in diameter per inch.
0.12×75=9 inches, difference between the bottom and top of wine.
120−9=111 inches, diameter at top of wine.
(111+120)÷2=115.5 inches, mean diameter.
115.5×115.5×0.0034×75=3,402 gallons, contents.

ROUND TANKS OR CASKS BULGED IN THE MIDDLE

To find the capacity. The capacities of casks bulged in the middle can best be determined by filling them with liquid and measuring such liquid (1) with an accurate meter, or (2) in a measuring tank or in a tank of uniform dimensions.

The following rule while not mathematically correct may be used by officers in taking inventories of such casks:

Ascertain the inside head and middle diameters in the manner set forth under directions for finding the capacity of "Round Tanks of Uniform Dimensions, Standing on End." In doing this care should be used to get the true diameter at the head and at the center of the cask. Where the diameters are determined by taking the circumference and dividing same by 3.1416, the measurements should be made in the exact center of the cask and at the heads rather than at the end of the staves in cases where the staves extend beyond the heads.

Add to the head diameter two-thirds of the difference between the head and middle diameter (if the staves are only slightly curved, add only six-tenths of the difference); this gives the mean diameter; multiply the mean diameter by itself and by the inside length, where the cask is lying on its side, or inside height where the cask is standing on one head, and by 0.0034. The result will be the capacity of the cask in gallons.

Example. A wine cask is 64 inches long, the head diameter is 36 inches, and the center diameter is 42 inches. What is the capacity of the cask?

42−36=6 inches difference in diameter.
(⅔ of 6)+36=40 inches mean diameter.
40×40×64×0.0034=348.16 gallons, capacity of cask.

SQUARE OR RECTANGULAR TANKS OR VATS WITH PERPENDICULAR SIDES

To find the capacity. Multiply the inside length by the inside breadth and by the inside height and divide by 231, the number of cubic inches in a gallon, the result will be the capacity in gallons of the tank or vat.

Example. A rectangular tank is 120 inches long, 108 inches wide, and 100 inches deep. What is its capacity?

(120×108×100)÷231=5,610 gallons, capacity of tank.

To find the capacity per inch of depth. Multiply the inside length by the inside breadth and divide by 231; the result will be the capacity per inch of depth.

Example. What is the capacity per inch of depth of the above tank?

(120×108)÷231=56.10 gallons, capacity per inch.

To find the liquid contents when partly filled. Multiply the depth of the wine in inches by the capacity per inch.

Example. What are the liquid contents of the above tank if the depth of the wine in it is 75 inches?

75×56.10=4,207.5 gallons, contents of tank.

SQUARE OR RECTANGULAR TANKS OR VATS LARGER AT THE TOP THAN AT THE BOTTOM, OR VICE VERSA

To find the capacity. Find the mean length by adding the top length and the bottom length and dividing by 2. Find the mean width by adding the top width and the bottom width and dividing by 2. Multiply the mean length by the mean width and by the depth and divide by 231. The result will be the capacity of the tank in gallons.

Example. A rectangular tank is 120 inches long at the top and 108 inches at the bottom, 100 inches wide at the top and 90 inches at the bottom, and 72 inches deep. What is its capacity?

(120+108)÷2=114 inches, mean length.
(100+90)÷2=95 inches, mean width.
(114×95×72)÷231=3,375.5 gallons, capacity of tank.

To find the contents when partly filled. Subtract the top length from the bottom length and divide the difference by the depth; the result will be the difference in length per inch of depth. Multiply the depth of the wine in inches by the difference in length per inch of depth to get the difference in length at the top of the wine and at the bottom of the tank. Add this difference to the bottom length to get the length at the top of the wine. Add the length at the top of the wine and the bottom length and divide by 2 to get the mean length.

Find the mean width in the same way.

Multiply the mean length by the mean width and by the depth of the wine and divide by 231; the result will be the contents of the tank in gallons.

Example. What are the liquid contents of the above tank if the depth of the wine in it is 48 inches?

(120−108) ÷72=⅙ inch, difference in length per inch of depth.
48×⅙=8 inches, difference in length top of wine.
108+8=116 inches, length at top of wine.
(108+116) ÷2=112 inches, mean length.

The mean width is found in the same way:

(100−90) ÷72×48=6⅔ inches, difference in width at top of wine.
(90+6⅔+90) ÷2=93⅓ inches, mean width.
(112×93⅓×48) ÷231=2,172 gallons, contents of tank.

TREASURY DECISION 4744—RESTAMPING PACKAGES OF DISTILLED SPIRITS, TOBACCO, CIGARS, SNUFF, CIGARETTES, FERMENTED MALT LIQUORS, OLEOMARGARINE, AND WINES

TREASURY DEPARTMENT,
OFFICE OF COMMISSIONER
OF INTERNAL REVENUE,
Washington, D. C.

To Collectors of Internal Revenue, District Supervisors, and Other Officers and Employees of the Bureau of Internal Revenue Concerned.

1. Section 3315, Revised Statutes, as amended (U. S. C., 1934 ed., Title 26, Secs. 803 (b), 812 (b), 1152 (b), 1300 (b), and 1332 (d)), provides that the Commissioner of Internal Revenue may, under regulations prescribed by him with the approval of the Secretary of the Treasury, issue stamps for restamping packages of tobacco, snuff, cigarettes, cigars, distilled spirits, wines, and fermented liquors, which have been duly stamped, but from which the stamps have been lost or destroyed by unavoidable accident.

* * * * *

3. The following regulations are prescribed in conformity with the provisions of law above cited:

APPLICATIONS FOR RESTAMPING

4. Applications for restamping should be made in writing to the collector of internal revenue for the district in which the packages to be restamped are situated. With respect to containers of distilled spirits required to bear strip stamps by the Liquor Taxing Act of 1934 (Title 26, sec. 1552 (c), U.S.C., 1934 ed.) the procedure outlined in paragraphs 11, 12, and 13 hereof should be observed. The applicants should state in detail the number of packages, description of the contents, where the packages are located, the kind and denomination of the stamps lost or destroyed, and the nature of the applicant's interest in the property.

5. If the stamps were lost or destroyed in transit, the application should be accompanied by an affidavit of the consignor that the packages were properly stamped when shipped and, if possible, the affidavit of some one having knowledge of the facts attending their loss or destruction en route.

6. In the event the stamps were lost or destroyed either before or after shipment and while in the possession of the applicant, the application should be accompanied by an affidavit of the applicant or some one in his employ stating that the packages were once duly stamped or properly stamped when received, as the case may be, and detailing all the circumstances connected with the destruction of the stamps.

INSPECTION

7. When an application is received, the collector will examine it and the supporting affidavits for the purpose of determining whether all of the papers have been correctly prepared. If so, the collector will order an immediate inspection of the packages by one of his deputy collectors, who will make a written report to the collector of the number of packages which need restamping, the condition and contents of each, and the kind of stamps or fragments of stamps still attached thereto.

8. In the case of spirits in barrels, the inspection should be made by a storekeeper-gauger, if possible, or by some other representative of the district supervisor's office. A full report of regauge on the prescribed gauging form and a statement of the marks and brands found upon the bung stave and stamp head of the packages must be made.

9. If this inspection can not be made without substantial expense to the Government, the collector will, before expenses are incurred, forward to the Commissioner of Internal Revenue for consideration the application and accompanying papers as well as an estimate of the cost of completing the examination.

ADDITIONAL EVIDENCE

10. In the following cases where stamps for spirits and wine have been lost or destroyed, collectors of internal revenue will procure and forward to the Commissioner of Internal Revenue with the application, report of inspection, and report of regauge, additional evidence as follows, according to the nature of the case—

(a) For tax-paid spirits in original packages: Certified copy of the report on the prescribed gauging form showing the contents of the packages at the time they were gauged for tax payment; certificate of the collector in whose district the missing or mutilated stamps were purchased, which should contain all of the information shown on the stubs from which the original stamps were detached.

* * * * *

(e) For wine: Affidavit from the taxpayer showing the contents of the cases or packages when stamped, value of stamps affixed to the cases or packages, taxable grade of wine, serial numbers of the cases or packages, and date on which the stamps were affixed to the packages.

* * * * *

FAILURE TO MAKE VOLUNTARY APPLICATION FOR RESTAMPING CONTAINERS OF LIQUORS

15. Where an unstamped container of distilled spirits, fermented malt liquor, or wine, from which the original stamp has been lost or destroyed, is discovered and it is ascertained that no application for the restamping thereof has been made, such container will be detained pending appropriate action. If, upon investigation, it develops that the container has been tax-paid, the officer who made the discovery shall secure an affidavit from the proper party, setting forth the reason for the loss or destruction of the stamp, as well as documentary evidence, if any, in support thereof. He shall then require the party involved to execute a suitable restamping application to be submitted through the office of the district supervisor to the local collector of internal revenue, accompanied by a statement of the facts and the officer's recommendation. Such officer will inform the possessor of the unstamped container of liquor that it is his privilege to submit an offer in compromise. In the event a suitable offer in compromise is tendered, the procedure shall thereafter conform with the procedure governing cases in which an application for restamping was made without the intervention of a Government officer. When received, the stamp may be issued and affixed, and the container of liquor may be released from detention without awaiting action on the offer in compromise. Where no offer in compromise is submitted, the container of liquor shall be seized for forfeiture.

* * * * *

ISSUANCE OF STAMPS

19. With the exception of applications for the restamping of containers of fermented malt liquors, as set forth in paragraph 14 hereof, the collector will forward all applications, together with supporting evidence, to the Accounts and Collections Unit of the Bureau for consideration and an appropriate authorization on Form 7706, prior to issuing any duplicate stamps.

CREDIT FOR STAMPS ISSUED

20. The issuance of all stamps under these regulations should be reflected in the appropriate monthly record of stamps received, issued, etc., in column headed "Issued by Order of the Commissioner," and credit for the stamps should be taken on the proper line of the collector's monthly stamp report.

21. In every case, the collector should obtain a receipt from the party receiving duplicate stamps and transmit such receipt to the Bureau with his stamp report for the month in which the stamps were issued.

22. The regulations herein promulgated supersede those contained in Treasury Decisions 1869 and 4530 dated, respectively, August 5, 1913, and August 20, 1935.

GUY T. HELVERING,
Commissioner.

Approved: June 24, 1937.

WAYNE C. TAYLOR,
Acting Secretary of the Treasury.

[F. R. Doc. 45-17832; Filed, Sept. 25, 1945; 12:14 p. m.]

TITLE 12—BANKS AND BANKING

Chapter II—Board of Governors of the Federal Reserve System

PART 222—CONSUMER CREDIT

MISCELLANEOUS AMENDMENTS

Part 222 is hereby amended in the following respects, effective October 15, 1945.

1. Section 222.6 (b) is amended by striking out "12 months" and inserting in lieu thereof "18 months."

2. Section 222.7 (c) is amended by inserting "222.6 (a) or" before "222.6 (b)" in subparagraphs (1) and (2) and by striking out the text of footnote 5 and substituting in lieu thereof the following text:

[5] The maximum maturity is 6, 12, 15, or 18 months from the date of the original loan as determined by its purpose, except that 18 months from the date of renewal or extension is permissible with a Statement of Necessity pursuant to § 222.10 (d).

3. Section 222.8 entitled *"Exceptions"* is amended so that paragraph (a) will read as follows:

(a) *Real estate and home improvement loans.* Any extension of credit which is for the purpose of financing or refinancing (1) the construction or purchase of an entire residential building or other entire structure or (2) repairs, alterations, or improvements upon urban, suburban or rural real property in connection with existing structures.

4. Sections 222.12 (o) and 222.13 (f) are deleted.

5. Section 222.13 (a) is amended by striking out the description of the arti-

cles listed as Item 1 in Group C and inserting after such number the following parenthesis: "(Deleted—see § 8 (a))".

(Sec. 5 (b), 40 Stat. 415, as amended by sec. 5, 40 Stat. 966, sec. 2, 48 Stat. 1, sec. 1, 54 Stat. 179; secs. 301 and 302, 55 Stat. 839, 840; 12 U.S.C. 95 (a) and Supp., 50 U.S.C. App. 616, 617, and Executive Order No. 8843, dated August 9, 1941)

[SEAL] BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.
S. R. CARPENTER,
Secretary.

[F. R. Doc. 45-18129; Filed, Sept. 28, 1945; 2:22 p. m.]

TITLE 32—NATIONAL DEFENSE

Chapter VIII—Foreign Economic Administration

Subchapter B—Export Control

[Amdt. 87]

PART 801—GENERAL REGULATIONS

PROHIBITED EXPORTATIONS; MISCELLANEOUS COMMODITIES

Section 801.2 *Prohibited exportations* is hereby amended in the following particulars:

The list of commodities set forth in paragraph (b) is amended in the following particulars:

1. The qualifying footnote reference meaning "Requires individual license for export to all areas except the other American Republics excluding Argentina" is hereby deleted with regard to the following commodities:

Dept. of Comm. Schedule B. No.	*Commodity*
101100	Barley (bu. 48 lbs.) except seed.
103500	Grain sorghums (bu. 56 lbs.) except seed.
131000	Apples in baskets (approx. weight 48 lbs. per basket).
131100	Apples in boxes (approx. weight 48 lbs. per box).
131200	Apples in barrels (weight 144 lbs.).

2. A qualifying footnote reference meaning "Requires individual license for export to all areas except the other American Republics excluding Argentina" is hereby added with respect to the following commodities:

Dept. of Comm. Schedule B. No.	*Commodity*
	Milk and cream:
006200	Evaporated (unsweetened).
006300	Dried whole milk (include partially skimmed).
006400	Dried skimmed milk.
	Cheese, processed, blended and spreads:
006755	Processed American cheddar.
006758	Other cheese, processed, blended and spreads.
	Cheese, whether or not in original loaves, except any cheese processed other than by division into pieces:
006795	American cheddar.
006798	Other.
144200	Cocoa butter,
150200	Cocoa, powdered.
150300	Chocolate, sweetened or unsweetened.
163400	Chocolate candy.

3. The following commodities are hereby added to the list of commodities:

Dept. of Comm. Sched. B No.	Commodity	Unit	GLV dollar value limits country group	
			K	E
119900	Tankage	Long ton	100	25
119900	Bone meal	Long ton	100	25
119900	Grain screenings	Long ton	100	25
119900	Stimuflow	Long ton	100	25
391800	Waterproof outer garments (report rubber or rubberized in Schedule B No. 204300).	Units	25	25
501698	Medium-octane motor fuels of which the total fraction obtained by commercial distillation having an A. S. T. M. end point of 300° F. or lower will have, with the addition of 3 cc. tetraethyl lead per gal. an octane number by the A. S. T. M. Knock Test Method of 80 or more.	Bbls	100	None
662000	Babbitt metal (report scrap and dross in 669198)	Lbs	1	1
(1)	Silver in bars or ingots	Troy ounces	None	None

[1] No schedule B number is assigned to this commodity. Silver bars and ingots are not included in the merchandise total to United States foreign trade statistics but are shown in separate tables.

4. The following commodities are hereby removed from the list of commodities:

Dept. of Comm. Sched. B No.	*Commodity*
004100	Kidneys & livers, fresh, frozen or cured except canned.
004300	Tongues, fresh, frozen, pickled or cured, except canned.
004400	Sausage ingredients, salted or otherwise cured, except canned (include ears, cheeks, jowls, heads, snouts, feet, knuckles, tripe trimmings, testes, cuttings & tails) (report pigs' feet for other purposes, pickled or salted, in 003260, canned in 003700 & fresh in 002700).
004500	Other meats, except canned (include smoked poultry):
004500	Beef hearts, fresh or frozen.
004500	Ox tails, fresh or frozen.
004500	Other meats, except canned.
006903	Ice-cream powder, mix & preparations except dry and wet ice cream mix.
006998	Casein, edible.
006998	Other dairy products, n. e. s.
009200	Eggs, hatching.
009900	Rennet.
125295	Olives (include green, ripe, stuffed, or pickled olives in bottles, cans, kegs, or barrels).
125901	Dehydrated soups.
301500	Sewing thread.
301600	Crochet, darning & embroidery cotton.
790600	Motor trucks, busses & chassis second hand).
872400	Scouting bricks, pastes, powders, soaps (abrasive type) & household washing powders (fat content not over 25%, except pastes, powders, soaps, and household washing powders (fat content above 10% but not above 25%), and abrasive types of pastes, powders or soaps (fat content above 10%).
	Commodities exported for relief or charity by individuals & private agencies:
999820	Clothing, new, except cotton or worsted.
999830	Blankets & bedding, new, except cotton.

5. The dollar value limits in the columns headed "GLV Dollar Value Limits" set opposite each of the commodities listed below are hereby amended to read as follows:

Dept. of Comm. Sched. B No.	Commodity	GLV dollar value limits country group	
		K	E
005300	Lard, including neutral lard (report lard substitutes in 144700).	5	1
005900	Oleomargarine of animal or vegetable fats.	5	1
105800	Rice flour, meal and polish	100	25
125905	Arrowroot, crude, refined or flour.	100	25
144700	Cooking fats, except lard (include Crisco, Snowdrift and all lard substitutes of animal or vegetable origin).	5	1
221000	Soybeans, except canned	10	5
222003	Flaxseed	10	5
222020	Cohune nuts and kernels	5	1
233905	Quebracho extract	100	25
823803	VEL	1	1

6. The following corrections in the list of commodities are hereby made:

Schedule B No.	
400060	Hardwood burls (estimate bd. ft. at about 10 lbs. to the bd. ft.); the number should read 400600.
400999	Other hardwood logs and hewn timber (include balsa wood); the number should read 400998.
104000	Southern pine, dressed; the number should read 410400.
513000	Mica, block pack splittings and good stained and better block or film; the number should read 551300.
798250	Motor truck and bus engines, gasoline (carburetor type); the number should read 792850.
811005	Fish oils & fish-liver oils and concentrates, medicinal grades, except cod-liver oil; the number should read 811905.
823803	Neutronyx 3; should read Neutronyx 33.
829970	Desoxycerticost. Change spelling of commodity to desoxycorticosterone and processing code related commodity group number from Chem 7 to Chem 6.
853110	Potassium chloride; the number should read 853101.

Shipments of any of the above commodities removed from general license or whose GLV dollar value limits have been reduced, which were on dock, on lighter, laden aboard an exporting carrier or in transit to a port of exit pursuant to an actual order for export prior to the effective date of this amendment may be exported under the previous general license provisions. Shipments of such commodities moving to a vessel

subsequent to the effective date of this amendment pursuant to Office of Defense Transportation permits issued prior to such date may also be exported under the previous general license provisions.

This amendment shall become effective immediately upon publication, except that with respect to commodities removed from general license or whose GLV dollar value limits have been reduced, it shall become effective on October 6, 1945.

(Sec. 6, 54 Stat. 714; Pub. Law 75, 77th Cong.; Pub. Law 638, 77th Cong.; Pub. Law 397, 78th Cong.; Pub. Law 99, 79th Cong.; E.O. 8900, 6 F.R. 4795; E.O. 9361, 8 F.R. 9861; Order No. 1, 8 F.R. 9938; E.O. 9380; 8 F.R. 13081; Delegation of Authority No. 20, 8 F.R. 16235; Delegation of Authority No. 21, 8 F.R. 16320)

Dated: September 26, 1945.

WALTER FREEDMAN,
Director,
Requirements and Supply Branch,
Bureau of Supplies.

[F. R. Doc. 45-18166; Filed, Oct. 1, 1945; 10:15 a. m.]

[Amdt. 88]

PART 802—GENERAL LICENSES

COUNTRY GROUPS

Section 802.3 *General license country groups* is hereby amended in the following particulars:

Paragraph (a) is amended by deleting from the countries designated as Group K therein and by adding to the countries designated as Group E therein the following destinations:

Andorra
Annobon, Corisco and Elobey Islands
Ifni
Rio de Oro
Rio Muni (Spanish Guinea)
Spanish Atlantic Islands (i. e., Santa Cruz, Grand Canary and Canary Islands)
Spanish Morocco

This amendment shall become effective immediately upon publication.

(Sec. 6, 54 Stat. 714; Pub. Law 75, 77th Cong.; Pub. Law 638, 77th Cong.; Pub. Law 397, 78th Cong.; Pub. Law 99, 79th Cong.; E.O. 8900, 6 F.R. 4795; E.O. 9361, 8 F.R. 9861; Order No. 1, 8 F.R. 9938; E.O. 9380, 8 F.R. 13081; Delegation of Authority No. 20, 8 F.R. 16235; Delegation of Authority No. 21, 8 F.R. 16320)

Dated: September 26, 1945.

WALTER FREEDMAN,
Director,
Requirements and Supply Branch,
Bureau of Supplies.

[F. R. Doc. 45-18167; Filed, Oct. 1, 1945; 10:14 a. m.]

[Amdt. 89]

PART 802—GENERAL LICENSES

PRISONERS OF WAR AND INTERNED CIVILIANS

Section 802.15 *Prisoners of war and interned civilians "G-PW-2"* is hereby revoked.

(Sec. 6, 54 Stat. 714; Pub. Law 75, 77th Cong.; Pub. Law 638, 77th Cong.; Pub. Law 397, 78th Cong.; Pub. Law 99, 79th Cong.; E.O. 8900, 6 F.R. 4795; E.O. 9361, 8 F.R. 9861; Order No. 1, 8 F.R. 9938; E.O. 9380, 8 F.R. 13081; Delegation of Authority No. 20, 8 F.R. 16235; Delegation of Authority No. 21, 8 F.R. 16320)

Dated: September 21, 1945.

WALTER FREEDMAN,
Director,
Requirements and Supply Branch,
Bureau of Supplies.

[F. R. Doc. 45-18168; Filed, Oct. 1, 1945; 10:14 a. m.]

[Amdt. 90]

PART 804—INDIVIDUAL LICENSES

APPLICATIONS TO EXPORT COAL

Section 804.7 *Special provisions concerning applications to export certain commodities* is hereby amended by adding thereto paragraph (j) as follows:

(j) *Coal.* All applications for licenses to export coal must indicate:

(1) The total quantity for which application is made in terms of gross and net tons and size; the name and location of the producing mine or mines; and the amount to be supplied by each such mine or mines.

(2) Whether the order has been accepted by the mine.

(3) The rate of shipment from mine.

(4) The port of loading and the pier to be used.

(5) The approximate dates of loading.

(Sec. 6, 54 Stat. 714; Pub. Law 75, 77th Cong.; Pub. Law 638, 77th Cong.; Pub. Law 397, 78th Cong.; Pub. Law 99, 79th Cong.; E.O. 8900, 6 F.R. 4795; E.O. 9361, 8 F.R. 9861; Order No. 1, 8 F.R. 9938; E.O. 9380, 8 F.R. 13081; Delegation of Authority No. 20, 8 F.R. 16235; Delegation of Authority No. 21, 8 F.R. 16320)

Dated: September 14, 1945.

WALTER FREEDMAN,
Director,
Requirements and Supply Branch,
Bureau of Supplies.

[F. R. Doc. 45-18169; Filed, Oct. 1, 1945; 10:14 a. m.]

Chapter IX—War Production Board

AUTHORITY: Regulations in this chapter unless otherwise noted at the end of documents affected, issued under sec. 2 (a), 54 Stat. 676, as amended by 55 Stat. 236, 56 Stat. 177, 58 Stat. 827; E.O. 9024, 7 F.R. 329; E.O. 9040, 7 F.R. 527; E.O. 9125, 7 F.R. 2719; E.O. 9599, 10 F.R. 10155; W.P.B. Reg. 1 as amended Dec. 31, 1943, 9 F.R. 64.

PART 944—REGULATIONS APPLICABLE TO THE OPERATIONS OF THE PRIORITIES SYSTEM

[Priorities Reg. 1, Direction 1, as Amended Oct. 1, 1945]

CHANGES MADE BY CUSTOMERS IN ORDERS PLACED WITH MANUFACTURERS

The following amended direction is issued pursuant to PR 1:

(a) This direction tells what happens when a customer, having placed a rated order with a manufacturer, wishes to make a change in that order.

(b) The general rule is that any change in a customer's order constitutes a cancellation of the earlier order and must be considered as a new order received on the date of the change if (but only if) the change will require the manufacturer to interfere with his production. For example:

(1) A change in shipping destination does not constitute the placing of a new order.

(2) An increase in the total amount ordered is a new order to the extent of the increase unless it can be filled with only a negligible interference with sequence of later orders.

(3) A change in the date of the delivery, whether advanced or deferred, when made by the customer is a new order if it interferes with production, or delays delivery on an equal or higher rated order.

(4) Deleted Oct. 1, 1945.

(5) A change in preference rating will not constitute a new order. Treatment of the new rating is governed by the provisions of Priorities Regulation No. 12.

(6) A reduction in the total amount ordered will presumably not require a change in the manufacturer's schedule and will not constitute a new order. If the quantity is reduced below a minimum production quantity, the manufacturer may insist on the delivery of not less than the minimum production quantity as explained in Interpretation No. 7. If the customer is not willing to order that amount, the manufacturer may reject the order. The manufacturer may not discriminate between customers in requiring delivery of minimum production amounts or in rejecting orders.

(7) When the customer directs the manufacturer to hold or suspend production without specifying a new delivery date, the order must be considered cancelled. If requested to do so within ten days after receiving such an instruction, the manufacturer must reinstate the order as nearly as possible to its former place in his proposed schedule of deliveries as long as the reinstatement does not cause loss of production or delay in the scheduled deliveries on equal or higher rated orders. Any request for reinstatement made after ten days shall be treated as the placing of an entirely new order.

(8) Where minor variations in size, design, capacity, etc., are requested by the customer and can be arranged by the manufacturer without interfering with his production, such changes do not constitute a new order.

(c) Where a change in an order constitutes a new order the conditions existing at the time the changes are received govern the acceptance of the order and its sequence in delivery under the rules of Priorities Regulation No. 1. If a customer changes his order in such a way as to constitute a new order, but finds that as a new order it will not be scheduled for delivery at the time required by the customer, he may, if he likes, request reinstatement of his original order within the time and manner provided in paragraph (b) (7) above.

Issued this 1st day of October, 1945.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 45-18228; Filed, Oct. 1, 1945; 11:59 a. m.]

PART 944—REGULATIONS APPLICABLE TO THE OPERATION OF THE PRIORITIES SYSTEM

[Priorities Reg. 1, Direction 4, as Amended Oct. 1, 1945]

APPLICATION FOR PERMISSION TO USE EXCESS MATERIALS

The following amended direction is issued pursuant to PR 1:

(a) *What this direction does.* This direction tells you how to get the same right to use materials and products which you have on hand that you would have if you bought them from someone else under Priorities Regulation 13. This direction applies only to materials and products which you got with priorities assistance and which you have in your inventory, but which you cannot use for the purpose for which you got them.

You may already have the right to use the material under the provisions of § 944.11 of Priorities Regulation 1. If that section does not let you use material the way you want to, you may ask for permission in the way explained in paragraph (b) of this direction.

(b) *Method of applying for authorization.* If you need permission to use materials and products as explained in paragraph (a), you should apply by letter, in duplicate, to the nearest field office of the War Production Board. The letter that you write should describe the material you want to use, what you want to use it for, how you got it, and any other relevant circumstances.

(c) *When an authorization will be issued.* The War Production Board may give you the permission you ask for, but will do so only under the following conditions:

(1) The War Production Board will give you this permission only under the same circumstances and under the same conditions that it would allow you to buy the materials from somebody else under Priorities Regulation 13.

(2) WPB will authorize the use of materials still subject to restrictions only for essential purposes, and only for other uses where the material cannot be used or disposed of for essential purposes.

(d) No authorization that you get under this direction shall constitute an exception to the provisions of any E, L, or M Order or any direction issued under any such order.

Issued this 1st day of October 1945.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 45-18225; Filed, Oct. 1, 1945; 11:59 a. m.]

PART 944—REGULATIONS APPLICABLE TO THE OPERATIONS OF THE PRIORITIES SYSTEM

[Priorities Reg. 1, Revocation of Direction 10]

RAILROAD BRAKE SHOES

Direction 10 to Priorities Regulation 1 is hereby revoked. This revocation does not affect any liabilities incurred under the order or actions taken by WPB pursuant to the direction.

Issued this 1st day of October 1945.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 45-18230; Filed, Oct. 1, 1945; 11:59 a. m.]

PART 944—REGULATIONS APPLICABLE TO THE OPERATIONS OF THE PRIORITIES SYSTEM

[Priorities Reg. 3, Revocation of Direction 1]

USE OF CERTAIN RATINGS FOR MAINTENANCE, REPAIR OR OPERATING SCHEDULES

Direction 1 to Priorities Regulation 3 is hereby revoked. This revocation does not affect any liabilities incurred under the direction or actions taken by WPB pursuant to the direction.

Issued this 1st day of October 1945.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 45-18217; Filed, Oct. 1, 1945; 11:57 a. m.]

PART 944—REGULATIONS APPLICABLE TO THE OPERATIONS OF THE PRIORITIES SYSTEM

[Priorities Reg. 3, Revocation of Direction 3]

CONTAINERS

Direction 3 to Priorities Regulation 3 is hereby revoked. This revocation does not affect any liabilities incurred under the direction or actions taken by WPB pursuant to the direction.

Issued this 1st day of October 1945.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 45-18218; Filed, Oct. 1, 1945; 11:57 a. m.]

PART 944—REGULATIONS APPLICABLE TO THE OPERATIONS OF THE PRIORITIES SYSTEM

[Priorities Reg 3, Revocation of Direction 4]

HAND TOOLS AND SAFETY EQUIPMENT PURCHASED BY EMPLOYEES

Direction 4 to Priorities Regulation 3 is hereby revoked. The revocation does not affect any liabilities incurred under the direction or actions taken by WPB pursuant to the direction.

Issued this 1st day of October 1945.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 45-18216; Filed, Oct. 1, 1945; 11:57 a. m.]

PART 944—REGULATIONS APPLICABLE TO THE OPERATIONS OF THE PRIORITIES SYSTEM

[Priorities Reg. 3, Revocation of Direction 5]

RATINGS FOR CHEMICALS AND OTHER LISTED MATERIALS

Direction 5 to Priorities Regulation 3 is hereby revoked. This revocation does not affect any liabilities incurred under the direction or actions taken by WPB pursuant to the direction.

Issued this 1st day of October 1945.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 45-18215; Filed, Oct. 1, 1945; 11:57 a. m.]

PART 944—REGULATIONS APPLICABLE TO THE OPERATIONS OF THE PRIORITIES SYSTEM

[Priorities Reg. 3, Revocation of Direction 6]

SPLIT RATINGS

Direction 6 to Priorities Regulation 3 is hereby revoked. This revocation does not affect any liabilities incurred under the direction or actions taken by WPB pursuant to the direction.

Issued this 1st day of October 1945.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 45-18214; Filed, Oct. 1, 1945; 11:57 a. m.]

PART 944—REGULATIONS APPLICABLE TO THE OPERATIONS OF THE PRIORITIES SYSTEM

[Priorities Reg. 3, Direction 7, as Amended Oct. 1, 1945]

REPLACEMENT OF DEFECTIVE MATERIALS OR MATERIALS LOST, STOLEN, DAMAGED OR DESTROYED IN TRANSIT

The following amended direction is issued pursuant to PR 3:

(a) *Purpose.* This direction explains how a supplier must schedule delivery of material covered by a rated order where the material delivered is defective or where it is not received by the purchaser because lost, stolen, damaged or destroyed in transit.

(b) *When supplier must replace notice required.* When a person places a rated order for material and the material sent him is damaged or defective, or where he does not receive physical delivery of the material because it is lost, stolen, or destroyed in transit, he may promptly notify his supplier and, if the notice is received by the supplier within fifteen days after the material was delivered in the case of damaged or defective material, or within forty-five days after the material was shipped in the case of material lost, stolen or destroyed in transit, the supplier must schedule delivery of the material on the basis of the date the original order was placed. If the notice is received by the supplier after the fifteen or forty-five day period, he must schedule delivery of the material just as though he had received an order for it on the date on which he receives the notice. If the purchaser prefers, he may, instead of notifying the original supplier, place an order for the material with another supplier using the same rating, but the new supplier must treat the order as a new order.

(c) *Materials spoiled by purchaser.* Materials which are spoiled by the purchaser cannot be replaced under this direction.

(d) *What is meant by "in transit."* For purposes of this direction, loss, damage, destruction or theft is regarded as happening in transit if it happens before the purchaser receives actual physical delivery, regardless of whether he has title or constructive possession. For example, material in the hands of a carrier is in transit although delivery to the carrier may have given the purchaser title or constructive possession. It is not in transit if the buyer has picked it up from the seller's plant or from the carrier, or if it has been unloaded at his plant. It does not make any difference whether the buyer or the seller has to bear the financial loss.

(e) [Deleted Oct. 1, 1945.]

(f) *Exports.* This direction applies to deliveries to territories and possessions of the United States or to Canada, but does not apply to materials exported to any foreign country, other than Canada, unless the materials are lost, stolen, damaged or destroyed while in transit within the United States or unless the defect is discovered before the materials leave the United States. Where material is damaged, lost, stolen or destroyed outside of the United States while in transit to a foreign country, other than Canada, or

where the defect is not discovered until after the material has left the United States, the buyer's replacement order must be treated like a new rated order.

(g) [Deleted Oct. 1, 1945.]

(h) *No effect on private contractual rights.* This direction has nothing to do with the question of whether the buyer or the seller must bear any financial loss involved as a result of materials being defective or being lost, damaged, destroyed or stolen in transit.

(i) *Applications for special assistance.* Where a purchaser cannot give his supplier notice within the time limits mentioned in paragraph (b) above, and postponement of delivery will result in a substantial loss of production or delay in operations, he may apply to his Claimant Agency or Industry Division for special assistance. Special assistance will be granted only in exceptional cases where a clear showing of substantial interference with the war effort is made.

Issued this 1st day of October 1945.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 45-18203; Filed, Oct. 1, 1945; 11:54 a. m.]

PART 944—REGULATIONS APPLICABLE TO THE OPERATIONS OF THE PRIORITIES SYSTEM

[Priorities Reg. 3, Revocation of Direction 8]

RATINGS FOR FLAT WICK LAMP BURNERS, ANIMAL TRAPS AND GASOLINE PRESSURE LAMPS

Direction 8 to Priorities Regulation 3 is hereby revoked. This revocation does not affect any liabilities incurred under the direction or actions taken by WPB pursuant to the direction.

Issued this 1st day of October 1945.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 45-18212; Filed, Oct. 1, 1945; 11:56 a. m.]

PART 944—REGULATIONS APPLICABLE TO THE OPERATIONS OF THE PRIORITIES SYSTEM

[Priorities Reg. 3, Revocation of Direction 9]

TEXTILE MACHINERY ACCESSORIES, FIBER BLOCKS, BOBBINS, CONES, CAPS, CORES, PIRNS, QUILLS, SPOOLS AND TUBES

Direction 9 to Priorities Regulation 3 is hereby revoked. This revocation does not affect any liabilities incurred under the direction or actions taken by WPB pursuant to the direction.

Issued this 1st day of October 1945.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 45-18213; Filed, Oct. 1, 1945; 11:57 a. m.]

PART 944—REGULATIONS APPLICABLE TO THE OPERATIONS OF THE PRIORITIES SYSTEM

[Priorities Reg. 3, Revocation of Direction 10]

REFRIGERATION AND AIR-CONDITIONING SYSTEMS AND PARTS

Direction 10 to Priorities Regulation 3 is hereby revoked. This revocation does not affect any liabilities incurred under the direction or actions taken by WPB pursuant to the direction.

Issued this 1st day of October 1945.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 45-18209; Filed, Oct. 1, 1945; 11:56 a. m.]

PART 944—REGULATIONS APPLICABLE TO THE OPERATIONS OF THE PRIORITIES SYSTEM

[Priorities Reg. 3, Revocation of Direction 11]

MRO RATINGS APPLIED OR EXTENDED TO CERTAIN ITEMS OF SERVICE EQUIPMENT INVALIDATED

Direction 11 to Priorities Regulation 3 is hereby revoked. This revocation does not affect any liabilities incurred under the direction or actions taken by WPB pursuant to the direction.

Issued this 1st day of October 1945.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 45-18208; Filed, Oct. 1, 1945; 11:55 a. m.]

PART 944—REGULATIONS APPLICABLE TO THE OPERATIONS OF THE PRIORITIES SYSTEM

[Priorities Reg. 3, Revocation of Direction 12]

HARDWOOD FLOORING

Direction 12 to Priorities Regulation 3 is hereby revoked. This revocation does not affect any liabilities incurred under the direction or actions taken by WPB pursuant to the direction.

Issued this 1st day of October 1945.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 45-18207; Filed, Oct. 1, 1945; 11:55 a. m.]

PART 944—REGULATIONS APPLICABLE TO THE OPERATIONS OF THE PRIORITIES SYSTEM

[Priorities Reg. 3, Revocation of Direction 13]

EXTENSION OF RATING FOR INCANDESCENT, FLUORESCENT AND GLOW DISCHARGE LAMPS

Direction 13 to Priorities Regulation 3 is hereby revoked. This revocation does not affect any liabilities incurred under the direction or actions taken by WPB pursuant to the direction.

Issued this 1st day of October 1945.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 45-18206; Filed, Oct. 1, 1945; 11:55 a. m.]

PART 944—REGULATIONS APPLICABLE TO THE OPERATIONS OF THE PRIORITIES SYSTEM

[Priorities Reg. 3, Direction 14]

USE OF RATINGS ASSIGNED BY OTHER GOVERNMENT AGENCIES TO PRIVATE CONTRACTORS FOR CONSTRUCTION

The following direction is issued pursuant to PR 3:

(a) *What this direction does.* This direction explains how private contractors may use the ratings assigned to them by the Army, Navy and government agencies other than the WPB when the ratings are assigned for construction under the authority of Directive 41. It also explains how ratings for construction may be used when the ratings have been assigned by the Veterans' Administration under the authority of Directive 39.

(b) *Definitions.* "Construction" as used in this direction means putting up, altering, remodeling, rehabilitating, reconstructing or repairing any structure such as a building, road, bridge, dam, sewer, or the like.

(c) *Method of assigning ratings.* In the future the Army, Navy and government agencies authorized in Directive 41 will use only Form WPB-542 to assign ratings for construction. Form CMPL-593 Army (Navy) will no longer be issued. The Veterans' Administration assigns ratings for construction by means of a certificate set out in Directive 39.

(d) *Materials for which ratings may be used.* The ratings assigned for construction to private contractors pursuant to Directives 39 and 41 may be used to get any materials and equipment which are either to be physically incorporated in the project or attached firmly to it, or which are to be consumed in the course of construction of the project (such as form lumber, explosives, and the like).

(e) *Materials and equipment for which the ratings may not be used.* Private contractors may not use the ratings assigned for construction pursuant to Directives 39 and 41 for any equipment which will neither be physically incorporated in or attached to the project, nor be consumed in the course of construction of the project. For example, a private contractor to whom the Army assigns a rating on Form WPB-542 for a construction project may not use the rating to buy construction machinery.

(f) *Cancellation of ratings.* A private contractor who has been assigned a rating for a construction project pursuant to Directives 39 and 41 (including ratings assigned on WPB-542 or Form CMPL-593 Army (Navy) and who has applied this rating to an order for equipment which will neither be physically incorporated in the project nor be consumed in the course of the project must immediately either cancel the order or withdraw the rating.

(g) *Application and extension of ratings.* Ratings assigned for construction under Directives 39 and 41 may be applied and extended subject to paragraphs (d), (e) and (f) above only in accordance with Priorities Regulation 3 and other applicable orders and regulations of the War Production Board.

Issued this 1st day of October 1945.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 45-18235; Filed, Oct. 1, 1945; 12:00 m.]

PART 944—REGULATIONS APPLICABLE TO THE OPERATIONS OF THE PRIORITIES SYSTEM

[Priorities Reg. 9, Revocation]

Section 944.30 *Priorities Regulation 9,* together with Direction 1, is hereby revoked effective September 30, 1945. This revocation does not affect any liability incurred under the regulation or actions taken by WPB pursuant to the regulation. Priorities assistance for the Foreign Petroleum Industry will be obtained in the

manner explained in Priorities Regulation 28.

Issued this 1st day of October 1945.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 45-18211; Filed, Oct. 1, 1945; 11:56 a. m.]

PART 944—REGULATIONS APPLICABLE TO THE OPERATIONS OF THE PRIORITIES SYSTEM

[Priorities Reg. 11B, Revocation]

Section 944.32b *Priorities Regulation 11B* including all directions thereunder is hereby revoked effective September 30, 1945. This revocation does not affect any liability incurred under the regulation or actions taken by WPB pursuant to the regulation. Priorities assistance for production materials will be assigned only in the way described in Priorities Regulation 28.

Issued this 1st day of October 1945.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 45-18231; Filed, Oct. 1, 1945; 11:59 a. m.]

PART 944—REGULATIONS APPLICABLE TO THE OPERATIONS OF THE PRIORITIES SYSTEM

[Priorities Reg. 19, Revocation]

Section 944.45 *Priorities Regulation 19* and Direction 2 are hereby revoked, effective September 30, 1945. This revocation does not affect any liability incurred under the regulation or actions taken by WPB pursuant to the regulation. Preference ratings for farmers will be assigned only in the way described in Priorities Regulation 28.

Issued this 1st day of October 1945.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 45-18205; Filed, Oct. 1, 1945; 11:55 a. m.]

PART 944—REGULATIONS APPLICABLE TO THE OPERATIONS OF THE PRIORITIES SYSTEM

[Priorities Reg. 27, Revocation]

PRIORITIES ASSISTANCE FOR MANUFACTURERS WHO NEED SMALL AMOUNTS OF MATERIAL

Section 944.48 *Priorities Regulation 27* is hereby revoked effective September 30, 1945. This revocation does not affect any liability incurred under the regulation or actions taken by WPB pursuant to the regulation. Priorities assistance for manufacturers who need small amounts of materials will be assigned only under the conditions described in Priorities Regulation 28.

Issued this 1st day of October 1945.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 45-18204; Filed, Oct. 1, 1945; 11:54 a. m.]

PART 1010—SUSPENSION ORDERS

[Suspension Order S-906]

ENTWISTLE MFG. CO., INC.

Entwistle Manufacturing Co., Inc. of Rockingham, North Carolina, is a textile mill engaged in the manufacture of cotton fabrics. On or about the middle of the month of May, 1945, the Entwistle Manufacturing Co., Inc. received through its New York selling agents, Joshua L. Baily & Company, from M. Lowenstein and Sons, Inc., New York converters, two purchase orders, one for 498,889 yards of 38½"—60 x 48—6.25, and the other for 190,945 yards of 38½"—64 x 56—5.50 of print cloth in the gray, both bearing a preference rating of AA-1 for May and June, 1945 deliveries. Entwistle Manufacturing Co., Inc. refused to accept and fill the orders and on June 1, 1945, its selling agents, Joshua L. Baily & Company, notified M. Lowenstein and Sons, Inc. in writing of the refusal and specifically rejected the purchase orders for reasons other than those set forth in Priorities Regulation No. 1. These acts constituted wilful violations of Priorities Regulation No. 1 and have interfered with the controls established by the War Production Board for the allocation of critical materials. In view of the foregoing, it is hereby ordered, that:

§ 1010.906 *Suspension Order No. S-906.* (a) Unless otherwise authorized in writing by the War Production Board, Entwistle Manufacturing Co., Inc., its successors and assigns, shall not for a period of three months from the effective date of this order deliver print cloth in the gray or otherwise of 38½—60 x 48—6.25 yard per pound, or print cloth of the same construction of pro rata widths or weights, except upon purchase orders bearing preference ratings of AA-3 or higher or on purchase orders bearing CC or MM ratings, and except that it may deliver such print cloth upon rated export purchase orders given in conformity with the provisions of paragraph (d) (1) of General Conservation Order M-317, as amended and in accordance with the obligation imposed by paragraph (c) in Distribution Schedule 2 of Supplementary Order M-317-a as amended, and except that the provisions of the order shall not apply to seconds, shorts, remnants or rags produced in the normal course of manufacture referred to in paragraph (d) of Distribution Schedule 2 of M-317-a as amended.

(b) Nothing contained in this order shall be deemed to relieve Entwistle Manufacturing Co., Inc., its successors and assigns, from any restriction, prohibition, or provision contained in any other order or regulation of the War Production Board, except insofar as the same may be inconsistent with the provisions hereof.

(c) This order shall take effect on October 1, 1945.

Issued this 24th day of September 1945.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 45-18234; Filed, Oct. 1, 1945; 12:00 m.]

PART 1041—PRODUCTION, TRANSPORTATION, REFINING, AND MARKETING OF PETROLEUM

[Preference Rating Order P-98-b, as Amended August 31, 1945, Amdt. 1]

Section 1041.2 *Preference Rating Order P-98-b* is hereby amended in the following respects:

1. Paragraph (n) will be changed from the present wording:

(n) *Expiration of order and ratings.* This order and Direction 1 and 2 thereof expire at midnight September 30, 1945.

to read as follows:

(n) *Expiration of order and ratings.* This order and Direction 2 thereof expire at midnight September 30, 1945. Direction 1 of Order P-98-b expires at midnight October 14, 1945.

Issued this 28th day of September 1945.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 45-18144; Filed, Sept. 28, 1945; 4:44 p. m.]

PART 3133—PRINTING AND PUBLISHING

[Limitation Order L-240, Direction 7]

CANCELLATION OF UNFILLED NEWSPRINT ORDERS

The following direction is issued pursuant to Limitation Order L-240:

Every publisher subject to Order L-240 must reduce his orders on mills for newsprint to be delivered to him in October 1945 by the amount of any orders for delivery to him before October 1, 1945 which are unfilled as of midnight September 30, 1945, unless such unfilled orders are cancelled. Every person subject to Schedule I of Order L-240 must reduce his orders on mills for newsprint to be delivered to him in the fourth quarter of 1945 by the amount of any orders for delivery to him before October 1, 1945 which are unfilled as of midnight September 30, 1945 unless such unfilled orders are cancelled.

This direction is necessary to permit the relaxation of fourth quarter consumption quotas for publishers of newspapers, shopping guides, free distribution newspapers, want ad publications, and free distribution publications in newspaper format, bringing such quotas into closer relationship with the consumption quotas of other newsprint users.

Issued this 28th day of September 1945.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 45-18127; Filed, Sept. 28, 1945; 11:38 a. m.]

PART 3175—REGULATIONS APPLICABLE TO THE CONTROLLED MATERIALS PLAN

[CMP Regs. 1-9A, Revocation]

(a) CMP Regulations 1, 3, 4, 5, 5A, 6, 7, 8, 9 and 9A are hereby revoked together with all directions issued thereto.

(b) Directives issued to individually named controlled material producers and warehouses before August 21, 1945 are hereby revoked. Directives issued to individually named producers and ware-

PART 3290—TEXTILE, CLOTHING AND LEATHER

[Conservation Order M-317, Revocation of Direction 18]

PRIORITIES ASSISTANCE FOR COTTON TEXTILES TO BE USED BY CASKET MANUFACTURERS IN COVERING OF WOODEN CASKETS

Direction 18 to Order M-317 is revoked effective September 30, 1945. This revocation does not affect any liabilities incurred for violation of the direction or of actions taken by the War Production Board under the direction.

Issued this 1st day of October 1945.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 45-18227; Filed, Oct 1, 1945; 11:59 a. m.]

PART 3290—TEXTILE, CLOTHING AND LEATHER

[Conservation Order M-317, Revocation of Direction 19]

PRIORITIES ASSISTANCE FOR SHEETS AND PILLOW CASES; TURKISH AND TERRY WOVEN TOWELS; HUCK, DAMASK AND JACQUARD WOVEN TOWELS; DISH TOWELS AND OTHER PLAIN WOVEN TOWELS FOR HOTELS AND RESTAURANTS

Direction 19 to Order M-317 is revoked effective September 30, 1945. This revocation does not affect any liabilities incurred for violation of the direction or of actions taken by the War Production Board under the direction.

Issued this 1st day of October 1945.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 45-18223; Filed, Oct. 1, 1945; 11:58 a. m.]

PART 3290—TEXTILE, CLOTHING AND LEATHER

[Order M-317A, Revocation of Supp. 1]

PRIORITIES ASSISTANCE FOR COTTON FABRICS FOR COATING

Section 3290.116A *Supplement 1 to Order M-317A* is hereby revoked. This revocation does not affect any liabilities incurred for violation of the supplement or of action taken by the War Production Board under the supplement.

Issued this 1st day of October 1945.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 45-18233; Filed, Oct. 1, 1945; 12:00 m.]

PART 3290—TEXTILE, CLOTHING AND LEATHER

[Order M-328B, Direction 6]

SPECIAL RULES FOR M-328B PROGRAMS, (SCHEDULES C, D, J AND K) FOR THE FOURTH QUARTER OF 1945

The following direction is issued pursuant to Order M-328B:

1. This direction applies only to ratings assigned under Schedules C, D, J and K of Order M-328B.

2. The purpose of this direction is to limit the use of ratings assigned under Order M-328B, to require the filing of a report by manufacturers participating in the programs and to require the use of a special rating extension form on CC rated orders placed under the M-328B programs.

3. Manufacturers participating in the M-328B programs for the fourth quarter of 1945 are currently receiving Form WPB-3732 which they filed under the order. This form authorizes them to use CC ratings to obtain delivery of the quantity and kind of material indicated on the form. This material is to be used for the manufacture of low-cost apparel under the schedules of Order M-328B.

4. So that the War Production Board can assist manufacturers in obtaining their full authorization of rated yardage, it must have prompt information on rated orders accepted and rated orders not accepted. Manufacturers are therefore asked to serve rated orders for their entire authorization before October 8, 1945, and they are required to file Form WPB-4342 (report form) on or before October 8, 1945. This form gives the War Production Board information needed to assist the programs.

5. In order to keep his CC rating authorization in force, each manufacturer must (1) serve CC rated orders before October 8, 1945, for the entire fourth quarter authorization which he received on Form WPB-3732 and (2) file Form WPB-4342, (report form), on or before October 8, 1945. If a manufacturer does these two things and if his rated orders are rejected, he may apply at any time to the nearest field office of the War Production Board for assistance in getting the rated orders accepted, and he may use the CC ratings to obtain the authorized material from other suppliers even after October 8, 1945. However, if a manufacturer has not both served CC rated orders for his entire authorization, as stated above, and also filed Form WPB-4342 (report form) by October 8, 1945, he may not apply the CC rating to any orders after that date.

In any event, every manufacturer receiving an authorization on Form WPB-3732 is required to file Form WPB-4342 (report form) by October 8, 1945, as explained above.

6. The restrictions in paragraph (4) above on the use of ratings after October 8, 1945, apply only to manufacturers. Any person receiving a CC rated order from a manufacturer after October 8, 1945, shall assume that the manufacturer is not prohibited by this direction from using the rating unless he knows or has reason to believe that the manufacturer has failed to comply with the requirements of this direction.

7. Notwithstanding any other order or regulation of the War Production Board, no person may use, apply or extend any CC rating which he knows or has reason to believe was assigned on Form WPB-3732 under Order M-328B unless his purchase order is accompanied by Form WPB-4343 (rating extension form) prepared in accordance with the instructions thereon. If a supplier of finished fabrics receives and accepts a rated order for fabrics covered by Schedule C, J or K of Order M-328B accompanied by Form WPB-4343 and does not extend the CC rating he must immediately send the form to the War Production Board, Textile, Clothing and Leather Bureau, Washington 25, D. C., instead of sending it to his supplier. The form must be properly filled out on its face and the reverse side must contain the name of the producers of fabric who have accepted orders from him bearing the special certification of Schedule C, J or K and must state the fabric and the total quantity purchased on such certificates from the producers.

Issued this 1st day of October 1945.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 45-18232; Filed, Oct. 1, 1945; 12:00 m.]

PART 3290—TEXTILE, CLOTHING AND LEATHER

[Conservation Order M-328B, Direction 7]

SET-ASIDES OF COTTON FABRICS FOR FOURTH QUARTER 1945 PROGRAMS UNDER SCHEDULES C AND D OF ORDER M-328B

The following direction is issued pursuant to Conservation Order M-328B:

(a) This direction applies only to the deliveries of fabrics under ratings assigned under Schedules C and D of Order M-328B.

(b) The purpose of this direction is to establish set-asides of the particular fabrics for which CC ratings are assigned in Schedules C and D of Order M-328B and to establish rules for the acceptance of orders by those persons subject to the set-aside provisions.

(c) Every producer of any cotton fabrics listed in the fabric set-aside table, in the gray state, whether he sells it in the gray or finished state or uses it to manufacture civilian items, shall deliver or use, during the fourth quarter of 1945, a yardage of that cotton fabric at least equal to the percentage shown in the fabric set-aside table of his production during that period to fill either orders bearing CC ratings assigned under Order M-328B or orders bearing the following certification (the term "orders" includes orders between branches or divisions of a company as well as orders from other companies):

"The undersigned certifies, subject to the criminal penalties of Section 35 (A) of the U. S. Criminal Code, that he will deliver during the fourth quarter of 1945, to fill orders rated CC under Schedules C and D of Order M-328B, a yardage of finished cotton fabric of the type covered by this purchase order equal to at least (i) all unfinished cotton gray fabric of that type to which he takes title during that period on orders bearing this certificate, or (ii) __[1] % of all unfinished cotton fabric of that type to which he takes title during the same period, whichever is greater."

(d) A producer of cotton fabric is not required to deliver or use, in the fourth quarter of 1945, to fill such rated or certified orders, of any type of cotton fabric listed on the fabric set-aside table, more than a yardage of his fourth quarter production equal to the listed percentage for that fabric. After a producer has accepted orders bearing the certification described above, he may schedule them for delivery as if they bore CC ratings.

(e) (1) Every supplier of finished fabric making the certification described in paragraph (c) above must deliver finished cotton fabrics during the fourth quarter of 1945 in accordance with its terms. In establishing the percentage for the particular fabric, the supplier of finished fabric may take into consideration actual processing loss on material delivered in the fourth quarter. For example, a finished fabric supplier has an actual processing shrinkage of 5% on a particular cotton fabric delivered by him in the fourth quarter of 1945, and for which the set-aside

[1] Insert the percentage shown on the fabric set-aside table for the fabric covered.

houses subsequent to August 21, 1945 must continue to be followed to the extent that they require action after September 30, 1945, unless otherwise modified or revoked.

(c) Except as described in paragraph (b), all individual authorizations or directions issued pursuant to any CMP regulation or direction are hereby revoked with the exception of authorizations to construct issued under Direction 1 or Direction 3 to CMP Regulation 6, and any MM ratings assigned on such authorizations.

(d) This revocation does not affect any liabilities incurred under the regulations or actions taken by WPB pursuant to the regulations.

(e) This revocation is effective at midnight, September 30, 1945.

Issued this 1st day of October 1945.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 45-18210; Filed, Oct. 1, 1945; 11:56 a. m.]

PART 3290—TEXTILE, CLOTHING AND LEATHER

[General Conservation Order M-317, as Amended Oct. 1, 1945]

COTTON TEXTILE DISTRIBUTION

Section 3290.115 *General Conservation Order M-317* is amended to read as follows:

The fulfillment of requirements for the defense of the United States has created a shortage in the supply of cotton textiles and materials for making cotton textiles for defense, for private account and for export; and the following order is deemed necessary and appropriate in the public interest and to promote the national defense:

§ 3290.115 *General Conservation Order M-317*—(a) *Definitions.* In this order (which term includes orders supplementary to this order):

(1) "Cotton textiles" means the following products, containing 50% or more by weight of cotton or cotton waste, or a combination of the two.

(i) Woven and braided fabrics, whether gray, original mill or regular finish, bleached, dyed or printed and the following cotton products: bedsheets, pillow cases, blankets, towels, diapers, face cloths, table "linens" and fish netting and

(ii) Yarns, whether gray, bleached, colored mercerized, glazed, polished, single, plied, cabled or braided, including thread, twines and cordage (e. g. tying, sail, seine, etc., twine, rope, sash cord, etc.) and including any of the foregoing which may be spun on roving, ring, mule or converted twister spindles.

"Cotton textiles" does not include:

Cotton duck.

Blankets or blanketing containing 25 percent or more by weight of wool;

Fabrics (other than blankets or blanketing) or yarns containing wool produced on the woolen or worsted system.

(2) "Producer" means any manufacturer who makes cotton textiles in the United States.

(b) *How ratings for cotton textiles are to be applied or extended.* Preference ratings shall be applied and extended as provided in Priorities Regulation 3. The standard certification described in Priorities Regulation 7 may be used in applying or extending the rating but the provisions of this paragraph must also be complied with.

(1) *Cotton textiles for export.* (i) Each person who places a rated order for cotton textiles (for clothing manufactured from cotton textiles) for export, must place upon the purchase order a certificate in substantially the following form:

These cotton textiles will be exported, or will replace in inventory to the extent allowed under Priorities Regulation 3, cotton textiles which have been exported within 90 days.

In addition, for exports to Canada, the Canadian Cotton Administrators' Serial Number, or the WPB Form and Case Number must be added, and for exports to other places the United States Treasury Procurement Division Contract Number, or the Export License Number must be added. These provisions do not apply to orders for cotton textiles (or clothing made from cotton textiles) for direct or ultimate delivery to the United States Army, Navy, Maritime Commission, or War Shipping Administration.

(ii) A preference rating assigned for cotton textiles on an export license which has not been applied or extended to an order accepted by a producer or made the subject of a WPB scheduling direction at the end of six months from the date of issuance of a license is revoked.

(iii) Any person who gets any cotton textiles (or clothing manufactured from cotton textiles) with a preference rating assigned for export must, if possible, use the material so obtained for the purpose for which the rating was assigned in preference to the filling of other or higher rated orders. This rule is an exception to the provisions of § 944.7 of Priorities Regulation 1 which require the filling of higher rated orders in preference to lower rated orders.

(2) *Cotton textiles for domestic use.* In all other cases a person applying or extending a rating for a cotton textile shall place upon the purchase order a certificate in substantially the following form:

This rating has been assigned on Form ------ No. ------. (Insert the WPB Form number and Serial number.)

These provisions do not apply to the United States Army, Navy, Maritime Commission or War Shipping Administration on their direct purchase orders.

(3) *Other certification not required.* When the above is complied with, the requirements of M-328 are met and it is unnecessary to use any other notation.

(c) *Restrictions relating to yarn or fiber.* No person owning or controlling spinning machinery shall use any preference rating which was assigned, applied or extended for cotton textiles, in order to obtain any yarn from another producer except to the extent authorized by the War Production Board, upon his showing, on Form WPB-2842, that his own spinning is insufficient or unsuitable.

(d) *Advance orders.* No person is required to accept any rated order for cotton textiles calling for delivery more than 90 days after the receipt of the order, except from the United States Army, Navy, Maritime Commission or War Shipping Administration.

(e) *Exports.* No person shall deliver for export without a preference rating or specific individual direction any cotton textiles, except woven or braided fabrics 12" or less wide, remnants (pieces shorter than ten yards) and rags (pieces shorter than two yards commonly sold by the pound).

(f) *Allocation.* The War Production Board may assign preference ratings for or allocate and direct deliveries of cotton textiles pursuant to application on Form WPB-2842.

(g) *Applicability of regulations.* Except as otherwise provided herein, this order and all transactions affected thereby are subject to all applicable regulations of the War Production Board.

(h) *Appeals.* Any appeal from the provisions of this order or of Supplementary Order M-317A shall be made by filing a letter in triplicate, referring to the particular provisions appealed from, and stating fully the grounds of the appeal.

(i) *Reports.* All persons operating spindles for the production of cotton yarn of any kind shall file with the War Production Board, at the times specified in the reporting form, reports on Form WPB-658-E, giving the information required. This reporting requirement has been approved by the Bureau of the Budget under the Federal Reports Act of 1942.

(j) *Violations.* Any person who wilfully violates any provision of this order (including Supplementary Order M-317A), or who, in connection with this order, wilfully conceals a material fact or furnishes false information to any department or agency of the United States is guilty of a crime, and upon conviction may be punished by fine or imprisonment. In addition, any such person may be prohibited from making or obtaining further deliveries of, or from processing or using material under priorities control, and may be deprived of priorities assistance.

(k) *Communications.* All reports to be filed, appeals and other communications concerning this order should be addressed to: War Production Board, Textile, Clothing and Leather Bureau, Washington 25, D. C., Ref: M-317.

Issued this 1st day of October 1945.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 45-18224; Filed, Oct. 1, 1945; 11:58 a. m.]

percentage is 20%. If he takes title to 100,000 yards of the particular cotton gray fabric in the fourth quarter his 20% is based on 95,000 yards which is 19,000 yards of finished fabric.

(2) No supplier of finished cotton fabric is required to accept orders rated CC under Schedules C and D of M-328B for a greater yardage of any type of finished cotton fabric listed on the fabric set-aside table for delivery in the fourth quarter of 1945 than a yardage equal to the listed percentage of the unfinished cotton gray fabric of that type to which he takes title during that period, or a yardage equal to all unfinished cotton gray fabric of that type to which he takes title during that period on orders bearing the certification in paragraph (c) above, whichever is greater.

(3) After a supplier of finished fabrics uses the certificate set forth in paragraph (c) on any of his purchase orders to his suppliers, he must not extend on orders for the particular cotton fabric covered by the certificate any CC ratings which he knows or has reason to believe were assigned under Schedule C or D of Order M-328B.

(f) (1) If a supplier of gray or finished cotton fabric receives orders bearing CC ratings assigned under Schedule C or D of M-328B before October 3, 1945, he may hold them until that date before determining whether he is required to accept them. However, he must not actually reject any such CC orders before that date. If, on October 3, 1945 he has received such rated orders and orders certified under paragraph (c) above for more than the yardage which he is required by paragraph (c) to deliver on such rated or certified orders, he may then reject any CC rated orders previously served on him to the extent of the excess. This paragraph (f) (1) does not affect AA-3 purchase orders which have been accepted and which may be re-rated CC before October 1, 1945, in accordance with Direction 18 to Order M-328.

(2 Any purchaser who is unable to get his rated orders accepted, should notify the War Production Board.

(g) This paragraph explains how a finished goods supplier who is unable to get CC rated orders to meet the requirements of paragraph (c) above may obtain relief from that requirement.

(1) He must send two copies of Form WPB-4351 by registered mail to the War Production Board, Textile, Clothing and Leather Bureau, Washington 25, D. C., within the time stated below. This form must be completely filled out in accordance with its instructions. Copies of the form may be obtained from any War Production Board Field Office.

(2) Form WPB-4351 may not be filed before November 1, 1945.

(3) Seven days after the mailing of Form WPB-4351 in accordance with the rules above, if the War Production Board does not otherwise direct in writing, the finished goods supplier seeking relief may, to the extent that he is unable to obtain orders rated CC under M-328B, disregard the requirements that he deliver during the fourth quarter the yardage of finished fabric specified in paragraph (c).

(h) The special rules of this Direction for the handling of ratings apply only to CC ratings assigned under Schedules C and D of Order M-328B. Nothing in this Direction affects CC ratings assigned on Form WPB-541A under PR-28, or MM ratings.

Issued this 28th day of September 1945.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

FABRIC SET ASIDE TABLE

Reference No.	Form WPB 668, Item No. (9-27-45)	Column 1 Construction of fabric	Column 2 percentage of yardage produced required to be set aside
			Percent
1	B61	Poplins, carded, shooting yarns.	20
2a	B77-8, 83-85	Print cloths, sley above 64	20
2b	B79-83, 85	Print cloths, sley of 64 and lower.	20
3	B94-99	Broadcloths, carded, any sley.	60
4	B98	Poplins, carded, print cloth warp, any sley.	65
5	B105	Sport Denims	80
6	B114	Carded ginghams 5.50 square yards per pound and heavier.	65
7	B115-6, C63	Seersuckers	10
8	B117-120, 163	Suitings, (cotton, cotton and rayon, and mixtures containing less than 25% wool).	15
9	B125	Chambrays, carded, lighter than 3.99 square yards per lb.	65
10	B131	Outing flannels 4.50 square yards per lb. and lighter.	35
11	B161, C61, 62	Cotton and spun rayon mixtures containing less than 25% by weight of rayon and lighter than 3.99 square yards per pound.	60
12	B163	Oxfords, carded	75
13	C10-12	Broadcloths, combed, any sley.	35
14	C13	Dimities	50
15	C18-27	Lawns, combed and carded.	15
16	C35	Oxfords, combed	25
17	C39	Piques	45
18	C39-40	Poplins, combed, any sley.	20
19	C46	Shirtings, Jacquard, rayon dobby and colored yarn (combed).	45
20	C63	Dotted Swiss	25

[F. R. Doc. 45-18142; Filed, Sept. 23, 1945; 4:44 p. m.]

PART 3290—TEXTILE, CLOTHING AND LEATHER

[Conservation Order M-328B, Direction 8]

ASSIGNMENT OF CC RATINGS FOR FOURTH QUARTER 1945, SUPPLEMENTS XIII (CHILDREN'S SNOW SUIT PROGRAM NO. 2) AND XIV (MACKINAW, PEACOAT AND COSSACK JACKET PROGRAM NO. 1) TO SCHEDULE A, ORDER M-328B

The following direction is issued pursuant to Conservation Order M-328B:

(a) This direction applies only to deliveries of materials under ratings assigned under Supplement XIII, Children's Snow Suit Program No. 2, and Supplement XIV, Mackinaw, Peacoat and Cossack Jacket Program No. 1, to Schedule A of Order M-328B.

(b) The purpose of this direction is to set forth the means whereby persons who received grants of priorities assistance under Supplements XIII or XIV to Schedule A or Order M-328B may use a CC rating to cover AA-3 rated orders for delivery in the fourth quarter 1945, and to continue AA ratings assigned under those schedules in effect through October 15, 1945.

(c) Persons who received grants of priorities assistance pursuant to application on Form WPB-3732 under Supplements XIII and XIV to Schedule A of Order M-328B may, through October 15, 1945, rerate with a CC rating orders placed with an AA-3 rating for delivery of materials during the fourth quarter of 1945.

(d) The CC preference ratings authorized by this direction shall be applied and extended as provided by Priorities Regulation 3, but subject to the limitations stated in this direction. A manufacturer who applies a CC rating authorized by this direction must use the following certification, signed manually or as provided in Priorities Regulation 7:

The undersigned purchaser whose WPB Case Number is —— hereby represents to the seller and to the War Production Board, subject to the criminal penalties of section 35 (A) of U. S. Criminal Code, that he is entitled to rerate the materials listed above from AA-3 to CC and that such rerating is in accordance with Priorities Regulation 3 as amended with the details of which the undersigned is familiar, and that materials covered by this certificate will be used to produce items for which priorities assistance has been granted under Supplement —— of Schedule A to Order M-328B.

_____
(Name of purchaser)

_____
(Address)

By _____
(Signature and title of duly authorized officer)

_____
(Date)

(e) AA ratings assigned under Supplements XIII and XIV of Schedule A of M-328B remain valid through October 15, 1945, notwithstanding the provisions of Direction 18 to M-328, Priorities Regulation 1, or Priorities Regulation 23.

Issued this 28th day of September 1945.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 45-18143; Filed, Sept. 23, 1945; 4:44 p. m.]

PART 3294—IRON AND STEEL PRODUCTION

[General Preference Order M-21, Revocation of Direction 3]

STEEL DISTRIBUTORS

Direction 3 to General Preference Order M-21 is revoked. This revocation does not affect any liabilities incurred for violation of the direction or any actions taken by the War Production Board under the direction.

Issued this 1st day of October 1945.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 45-18223; Filed, Oct. 1, 1945; 11:59 a. m.]

PART 3294—IRON AND STEEL PRODUCTION

[General Preference Order M-21, Revocation of Direction 4]

STEEL PRODUCTS FOR DISASTER RELIEF

Direction 4 to General Preference Order M-21 is revoked. This revocation does not affect any liabilities incurred for violation of the direction or any actions taken by the War Production Board under the direction.

Issued this 1st day of October 1945.

WAR PRODUCTION BOARD,
By J. JOSEPH WHELAN,
Recording Secretary.

[F. R. Doc. 45-18223; Filed, Oct. 1, 1945; 11:59 a. m.]

Chapter XI—Office of Price Administration

PART 1382—HARDWOOD LUMBER

[MPR 155,[1] Incl. Amdt. 1–17]

CENTRAL HARDWOOD LUMBER

This compilation of Maximum Price Regulation 155 includes Amendment 17, effective October 2, 1945. The text added or amended by Amendment 17 is underscored. Deletions, redesignations and changes in tables are indicated by notes.

Maximum prices for hardwood lumber produced in the Kentucky and Tennessee portions of the Central hardwoods area were established in Price Schedule No. 97 which included these portions of the Central area within the Southern hardwoods area. In the judgment of the Price Administrator the prices of hardwood lumber produced in the other portions of the Central hardwoods area have risen and are threatening further to rise to an extent and in a manner inconsistent with the purposes of the Emergency Price Control Act of 1942 and the Price Administrator is of the opinion that the purposes of said act can be better accomplished by a separate Regulation for hardwood lumber produced in the Central hardwoods area. The Price Administrator has ascertained and given due consideration to the prices of Central hardwood lumber prevailing between October 1 and October 15, 1941, and has made adjustments for such relevant factors as he has determined and deemed to be of general applicability. So far as practicable, the Price Administrator has advised and consulted with representative members of the industry which will be affected by this Regulation.

In the judgment of the Price Administrator, the maximum prices established by this Regulation are and will be generally fair and equitable and will effectuate the purposes of said act. A statement of the considerations[2] involved in the issuance of this Regulation has been issued simultaneously herewith and has been filed with the Division of the Federal Register.

Such specifications and standards as are used in this regulation were, prior to such use, in general use in the trade or industry affected.

[Preamble amended by Supplementary Order 61, 8 F.R. 12552, effective 9–11–43]

Therefore, under the authority vested in the Price Administrator by the Emergency Price Control Act of 1942, and in accordance with Procedural Regulation No. 1,[3] issued by the Office of Price Administration, Maximum Price Regulation No. 155 is hereby issued.

Sec.
1382.51 Maximum prices for Central hardwood lumber.
1382.52 Less than maximum prices.
1382.53 Adjustable pricing.
1382.54 Evasion.
1382.55 Records and reports.
1382.56 Enforcement.
1382.56a Licensing.
1382.57 Petitions for amendment.
1382.58 Definitions.
1382.59 Applicability of General Maximum Price Regulation.
1382.60 Effective date.
1382.60a Effective dates of amendments.
1382.61 Appendix A: Maximum prices for North Central hardwood lumber in standard or near standard grades.
1382.62 Appendix B: Maximum prices for North Central hardwood lumber in "standard special" grades or items.
1382.63 Appendix C: Maximum prices for North Central hardwood lumber in grades, specifications, and extras not specifically priced.
1382.64 Appendix D: Maximum prices for South Central hardwood lumber in standard or near standard grades.
1382.65 Appendix E: Maximum prices for South Central hardwood lumber; "standard special" grades or items.
1382.66 Appendix F: Maximum prices for South Central hardwood lumber in "non-standard special" grades or items.
1382.67 Appendix G: Maximum prices for hardwood lumber sold by "small mills".

AUTHORITY: §§ 1382.51 to 1382.67, inclusive, issued under 56 Stat. 23, 765; 57 Stat. 566, Pub. Law 383, 78th Cong.; Pub. Law 108, 79th Cong.; E.O. 9250, 7 F.R. 7871, and E.O. 9328, 8 F.R. 4681.

§ 1382.51 *Maximum prices for Central hardwood lumber.* (a) On and after June 1, 1942, regardless of any contract, agreement, lease or other obligation, no person shall sell or deliver any Central hardwood lumber, where shipment originates at the mill rather than at a distribution yard, and no person shall buy or receive in the course of trade or business any Central hardwood lumber so shipped, at prices higher than the maximum prices set forth in this regulation; and no person subject to this Maximum Price Regulation 155 shall agree, offer, solicit or attempt to do any of the foregoing. The provisions of this Maximum Price Regulation 155 shall not be applicable to retail sales as defined in § 1482.58 (a) (10). Such retail sales shall be subject to the General Maximum Price Regulation.[4] Further, the provisions of this Maximum Price Regulation 155 shall not be applicable to sales or deliveries of Central hardwood lumber to a purchaser, if, prior to June 1, 1942, such lumber had been received by a carrier, other than a carrier owned or controlled by the seller for shipment to such purchaser.

[Paragraph (a) amended by Am. 14, 9 F.R. 11398, effective 9–19–44, and Am 17, effective 10–2–45]

(b) [Revoked]

[Paragraph (b) revoked by Am. 14]

[NOTE: Supplementary Order No. 31 (7 F.R. 9894, 8 F.R. 1312, 3702, 9521) provides that: "Notwithstanding the provisions of any price regulation, the tax on transportation of all property (excepting coal) imposed by section 620 of the Revenue Act of 1942 shall, for purposes of determining the applicable maximum price of any commodity or service, be treated as though it were an increase of 3% in the amount charged by every person engaged in the business of transporting property for hire. It shall not be treated, under any provision of any price regulation or any interpretation thereof, as a tax for which a charge may be made in addition to the maximum price."]

[NOTE: 2nd Revised Supplementary Order No. 34 (10 F.R. 2014) permits special packing expenses to be added to maximum prices on sales to procurement agencies of the United States.]

§ 1382.52 *Less than maximum prices.* Lower prices than those set forth in this regulation may be charged, demanded, paid, or offered.

[§ 1382.52 amended by Am. 17, effective 10–2–45]

§ 1382.53 *Adjustable pricing.* Any person may agree to sell at a price which can be increased up to the maximum price in effect at the time of shipment; but no person may, unless authorized by the Office of Price Administration, deliver or agree to deliver at prices to be adjusted upward in accordance with action taken by the Office of Price Administration after shipment. Such authorization may be given when a request for a change in the applicable maximum price is pending, but only if the authorization is necessary to promote distribution or production and if it will not interfere with the purposes of the Emergency Price Control Act of 1942, as amended. The authorization may be given by the Administrator or by any official of the Office of Price Administration having authority to act upon the pending request for a change in price or to give the authorization.

The authorization will be given by order, except that it may be given by letter or telegram when the contemplated revision will be the granting of an individual application for adjustment.

[§ 1382.53 amended by Am. 4, 8 F.R. 3050, effective 3–16–43, and Supplementary Order 50, 8 F.R. 10568, effective 7–27–43, and Am. 1 thereto, 8 F.R. 14310, effective 10–26–43]

§ 1382.54 *Evasion.* (a) The price limitations set forth in this Maximum Price Regulation No. 155 shall not be evaded, whether by direct or indirect methods, in connection with an offer, solicitation, agreement, sale, delivery, purchase, or receipt of or relating to Central hardwood lumber, alone or in conjunction with any other commodity or by way of commission, service, transportation, or other charge, or discount, premium or other privilege, or by tying-agreement or other trade understanding, or otherwise.

(b) Specifically, but not exclusively, the following practices are prohibited:

(1) making credit terms more onerous than those in effect or available to the purchaser on October 1, 1941;

(2) unnecessarily routing lumber through a distribution yard;

(3) unreasonably refusing to ship an item of lumber except in a small quantity which entitles the seller to a premium;

[1] 8 F.R. 13007.

[2] Statements of considerations are also issued simultaneously with amendments. Copies may be obtained from the Office of Price Administration.

[3] Revised: 9 F.R. 10476, 13715.

[4] 9 F.R. 1385, 5169, 6106, 8150, 10193, 11274.

(4) unreasonably refusing to ship lumber on standard grades and in grade-rule range widths and lengths;

(5) falsely or wrongly grading or invoicing lumber;

(6) grading as a special grade lumber which normally is graded by the seller as a standard grade;

(7) making charges for delivery which exceed the actual cost to the seller of such delivery (except as provided in paragraph (g) of § 1382.61).

(8) Selling graded hardwood lumber at an average price.

(9) Selling hardwood lumber priced on an ungraded basis, or priced on grade solely on the basis of buyer's inspection as delivered, except as provided in § 1382.67.

[Subparagraphs (8) and (9) added by Am. 17, effective 10-2-45]

(c) It is unlawful for any person to charge, receive or pay a commission for the service of procuring (including buying, selling, or locating lumber, or for any related service such as "expediting") which does not involve actual physical handling of lumber, if the commission plus the purchase price results in a total payment by the buyer of lumber which is higher than the maximum price of the lumber. For purposes of this regulation, a commission is any compensation, however designated, which is paid for the procurement of lumber. This prohibition has no application to the case of a bona fide employer-employee relationship where the employee serves only one employer, insofar as lumber procurement is concerned, and where the compensation paid by the employer is a fixed salary and is not based directly or indirectly on the quantity, price or value of the lumber in connection with which the service is rendered.

[Paragraph (c) added by Supplementary Order 37, 8 F.R. 2192, effective 2-23-43; amended by Supplementary Order 77, 8 F.R. 14310, effective 10-23-43]

§ 1382.55 *Records and reports.* (a) Every seller and purchaser subject to this Maximum Price Regulation No. 155 making sales or deliveries or purchases of Central hardwood lumber to the value of $500.00 or more in any one month, after May 31, 1942 shall keep for inspection by the Office of Price Administration for a period of not less than two years a complete and accurate record of each sale or delivery or purchase of Central hardwood lumber, showing the date of purchase or sale, the name and address of the buyer and seller, the quantities and grades purchased or sold, and the price paid or received.

(b) Such persons shall keep such other records in addition to or in place of the records required in paragraph (a) of this section and shall submit such reports to the Office of Price Administration as that Office may from time to time require or permit.

§ 1382.56 *Enforcement.* (a) Persons violating any provision of this Maximum Price Regulation No. 155 are subject to the criminal penalties, civil enforcement actions, license suspension proceedings, and suits for treble damages provided for by the Emergency Price Control Act of 1942.

[Paragraph (a) amended by Am. 3, 7 F.R. 8385, effective 10-21-42]

(b) Persons who have evidence of any violation of this Maximum Price Regulation No. 155 or any price schedule, regulation or order issued by the Office of Price Administration or of any acts or practices which constitute such a violation are urged to communicate with the nearest field or regional office of the Office of Price Administration or its principal office in Washington, D. C.

§ 1382.56a *Licensing.* The provisions of Licensing Order No. 1,[5] licensing all persons who make sales under price control are applicable to all sellers subject to this regulation or schedule. A seller's license may be suspended for violations of the license or of one or more applicable price schedules or regulations. A person whose license is suspended may not, during the period of suspension, make any sale for which his license has been suspended.

[§ 1382.56a added by Am. 3, 7 F.R. 8385, effective 10-21-42; amended by Supplementary Order 72, 8 F.R. 13244, effective 10-1-43]

§ 1382.57 *Petitions for amendment.* Any person seeking an amendment of any provision of this Maximum Price Regulation 155 may file a petition for amendment in accordance with the provisions of Revised Procedural Regulation No. 1.

[§ 1382.57 amended by Supplementary Order 26, 7 F.R. 8948, effective 11-4-42]

In treating with petitions for amendment or adjustment, consideration will not be given to log and bolt costs which are higher than the applicable maximum purchase prices for logs and bolts established in Revised Maximum Price Regulation 161[6]—West Coast Logs, or Maximum Price Regulation 313[7]—Prime Grade Hardwood Logs and Maximum Price Regulation 348[8]—Logs and Bolts, or any revision or amendment of these regulations. This rule shall be followed regardless of whether the petitioner gets logs and bolts by purchasing them, logging his own standing timber, contracting for the logging of his own standing timber, or any other means. All petitions in any way based on the cost of logs or bolts must show the actual cost to the petitioner of logs and bolts received at his plant during the three months immediately prior to filing the petition, and the cost which would have been incurred by the petitioner if all of these logs and bolts had been purchased by him at ceiling prices. To figure these ceiling prices the petitioner should refer to the regulation which fixes the maximum prices for purchases and sales of the kinds of logs and bolts received at his plant.

[Above paragraph added by Supplementary Order 47, 8 F.R. 5893, effective 5-3-43]

[Note: Procedural Regulation No. 6 (7 F.R. 5037, 5095) provides for the filing of applications for adjustment of maximum prices for commodities or services under Government contracts or subcontracts. Revised Supplementary Order No. 9 (8 F.R. 6175) makes the provisions of Procedural Regulation No. 6 applicable to all price regulations, with the exception of those which expressly prohibit such applications, and certain specific regulations listed in Revised Supplementary Order No. 9.]

[Note: Supplementary Order No. 23 (7 F.R. 8619) provides for the filing of applications for adjustment or petitions for amendment based on a pending wage or salary increase requiring the approval of the National War Labor Board.]

§ 1382.58 *Definitions.* (a) When used in Maximum Price Regulation No. 155, the term:

(1) "Person" includes an individual, corporation, partnership, association, or any other organized group of persons, or legal successor or representative of any of the foregoing, and includes the United States or any agency thereof, or any other government, or any of its political subdivisions, or any agency of the foregoing.

(2) "Feet" means board feet of lumber except that with reference to lumber in thicknesses of 1/2", 3/4", and 5/8", the term "feet" means surface feet.

(3) "North Central hardwood lumber" means lumber;

(i) Produced from the botanical species of yellow poplar (Liriodendron tulipifera), beech (Fagus americana), soft maple (Acer rubrum and Acer saccharinum), hard maple (Acer saccharum), butternut (Juglans cinerea), tough white ash (Fraxinus americana), chestnut (Castanea dentata), and the botanical species included in the genera of red and white oak (Quercus), hackberry (Celtis), hickory (Hicoria), basswood (Tilia), buckeye (Aesculus) and all other hardwood species; and

(ii) Processed into lumber at mills located within the North Central hardwoods area.

The "North Central hardwoods area" includes all of the States of Ohio, Indiana, Iowa, Nebraska, and South Dakota; the counties of Adair, Anderson, Barren, Bath, Boone, Bourbon, Boyle, Bracken, Breckinridge, Bullitt, Campbell, Carroll, Casey, Clark, Cumberland, Daviess, Edmonson, Fayette, Fleming, Franklin, Gallatin, Garrard, Grant, Grayson, Green, Greenup, Hancock, Hardin, Harrison, Hart, Henry, Jefferson, Jessamine, Kenton, Larue, Lewis, Lincoln, Madison, Marion, Mason, Meade, Mercer, Metcalfe, Monroe, Montgomery, Nelson, Nicholas, Ohio, Oldham, Owen, Pendleton, Robertson, Russell, Scott, Shelby, Spencer, Taylor, Trimble, Washington and Woodford, all in the State of Kentucky; and all of the State of Illinois except the counties of Alexander, Franklin, Hardin, Jackson, Johnson,

[5] 8 F.R. 13240.

[6] 9 F.R. 9668, 10644, 13846, 14059; 10 F.R. 924, 2973, 4712.

[7] 2nd Revised: 9 F.R. 14836; 10 F.R. 622, 3362.

[8] Revised: 9 F.R. 5232.

Massac, Monroe, Perry, Pope, Pulaski, Randolph, Union, and Williamson, and those parts of Hamilton, Jefferson, Saline, St. Clair, Clinton and Washington counties which lie south or southwest of the tracks of the Louisville and Nashville Railroad.

[Subparagraph (ii) amended by Am. 15, 10 F.R. 2518, effective 3-10-45]

[Paragraph (3) amended by Am. 5, 8 F.R. 3848, effective 4-2-43, and Am. 7, 8 F.R. 9417, effective 7-14-43]

(4) "South Central hardwood lumber" means lumber:

(i) Produced from the botanical species of sap sweet gum and red sweet gum (liquidamber stryaciflua), tupelo (Nyssa aquatica), black gum (Nyssa sylvatica), yellow poplar (Liriodendron tulipifera), beech (Fagus americana), sycamore (Platanus occidentalis), tough white ash (Fraxinus americana), soft maple (Acer rubrum and Acer saccharinum), hard maple (Acer Saccharum), butternut (Juglaus cinerea), and the botanical species included in the genera of red oak and white oak (Quercus), elm (Ulmus), cottonwood (Populus), hackberry (Celtis), hickory (Hicoria), basswood (Tilia), ash (Fraxinus), buckeye (Aesculus), and yellow cypress lumber (which includes all items of cypress lumber of any species of cypress other than tidewater red cypress) only when sold "ungraded" by small mills duly authorized to sell South Central hardwood lumber in this manner under § 1382.67 of this regulation; (For provisions regarding the sale of yellow cypress in any other manner, see Revised Maximum Price Regulation 97); and all other hardwood species; and

[Subparagraph (i) amended by Am. 17, effective 10-2-45]

(ii) Processed into lumber at mills located within the South Central Hardwoods Area.

The "South Central Hardwoods Area" includes all of the States of Kansas and Missouri; the counties of Allen, Ballard, Butler, Caldwell, Calloway, Carlisle, Christian, Crittenden, Fulton, Graves, Henderson, Hickman, Hopkins, Livingston, Logan, Lyon, McCracken, McLean, Marshall, Muhlenberg, Simpson, Todd, Trigg, Union, Warren, and Webster, all in the State of Kentucky; and the counties of Bedford, Benton, Bledsoe, Cannon, Carroll, Cheatham, Chester, Clay, Coffee, Crockett, Cumberland, Davidson, Decatur, De Kalb, Dickson, Dyer, Franklin, Gibson, Giles, Grundy, Hardin, Henderson, Henry, Hickman, Houston, Humphreys, Jackson, Lake, Lawrence, Lewis, Lincoln, McNairy, Macon, Madison, Marion, Marshall, Maury, Montgomery, Moore, Obion, Overton, Perry, Putnam, Robertson, Rutherford, Sequatchie, Smith, Stewart, Sumner, Trousdale, Van Buren, Warren, Wayne, Weakley, White, Williamson, and Wilson, all in the State of Tennessee; and all that territory lying within Hamilton County, Tennessee, which is south of the Nashville, Chattanooga and St. Louis Railroad and north of the boundary line between said Hamilton County, Tennessee, and the State of Georgia; and the counties of Alexander, Franklin, Hardin, Jackson, Johnson, Massac, Monroe, Perry, Pope, Pulaski, Randolph, Union, and Williamson, and those parts of Hamilton, Jefferson, Saline, St. Clair, Clinton, and Washington counties which lie south or southwest of the tracks of the Louisville and Nashville Railroad, all in the State of Illinois.

[Subparagraph (ii) amended by Am. 15, 10 F.R. 2518, effective 3-10-45 and Am. 16, 10 F.R. 5377, effective 5-14-45]

[Paragraph (4) amended by Am. 7, 8 F.R. 9417, effective 7-14-43]

(5) "Central hardwood lumber" means North Central hardwood lumber and South Central hardwood lumber as defined in subparagraphs (a) (3) and (a) (4) of this section. The "Central hardwoods area" is that area comprised of the North Central hardwoods area and the South Central hardwoods area, as defined in paragraphs (a) (3) (ii) and (a) (4) (ii) of this section.

(6) "Mill" means any establishment:

(i) Which processes into the items of lumber covered by this Maximum Price Regulation No. 155, by sawing or planing, or ships to milling-in-transit operations for such processing by sawing, planing, or kiln drying, at least 25 percent of the volume of Central hardwood lumber or logs purchased or received by it, *or*

(ii) Which resembles the following described establishment more nearly than that described under the definition of "distribution yard" in subparagraph (7) (ii) of this paragraph: An establishment which concentrates and prepares lumber for commercial shipment, which keeps in stock primarily Central hardwood lumber, which has its lumber brought in chiefly in rough green form by truck from small local sawmills and sells chiefly for rail shipment, and which has been located at its particular site in order to be near the lumber producing area.

(7) "Distribution yard" means an establishment:

(i) Which processes into the items of lumber covered by this Maximum Price Regulation No. 155, by sawing or planing, or ships to milling-in-transit operations for such processing by sawing, planing, or kiln drying, less than 25 percent of the volume of Central hardwood lumber purchased or received by it, *and*

(ii) Which resembles the following described establishment more nearly than that described under the definition of "mill" in subparagraph (6) (ii) of this paragraph: A wholesale or retail lumber yard which purchases or receives lumber from a mill or another distribution yard for purposes of unloading, sorting, and resale or redistribution, which regularly maintains a miscellaneous stock of lumber from different regions, which obtains its lumber primarily by rail shipment and sells primarily for truck shipment, which is equipped to make quick deliveries of many different items of lumber, and which has been located at its particular site primarily in order to be near a lumber consuming area.

(8) "Volume" means the board feet volume of lumber processed from logs, processed from other lumber, or sold, as the case may be, within the six months immediately prior to the transaction subject to this Maximum Price Regulation No. 155.

(9) "Deliver" means to make physical transfer of lumber to a purchaser, or to a carrier, not owned or controlled by the seller, for carriage to a purchaser.

(10) "Retail sale" means a sale which satisfies all of the following tests:

(i) It must be a sale of not more than 2,000 feet of lumber.

(ii) It must be a sale in which the purchaser requests delivery to a point not more than 20 miles from the mill at which shipment originates.

(iii) It must be a sale of lumber to a contractor or consumer for use in construction, remodeling, repair, maintenance, fabrication, or remanufacture, and not for resale in substantially the same form.

(11) "No. 2A Common Basswood" and the term "No. 2B Common Basswood" mean trade practice grades of Central hardwood lumber under which basswood lumber is graded in accordance with the standard grading rules covering No. 2A Common Yellow Poplar and No. 2B Common Yellow Poplar, respectively.

(12) "Box grade" means a trade practice grade of Central hardwood lumber which varies from the National Hardwood Lumber Association No. 3B Common grade by requiring 6/12 (50 per cent) rather than 3/12 (25 per cent) yield in sound cuttings.

(b) Unless otherwise specified, grade terms used herein have the meaning set forth in the "Rules for the Measurement and Inspection of Hardwood Lumber" issued by the National Hardwood Lumber Association, effective January 1, 1943.

[Paragraph (b) amended by Am. 7, 8 F.R. 9417, effective 7-14-43]

(c) Unless the context otherwise requires, the definitions set forth in section 302 of the Emergency Price Control Act of 1942 shall apply to other terms used herein.

§ 1382.59 *Applicability of General Maximum Price Regulation.* Any sale or delivery covered by Maximum Price Regulation 155 is not subject to the General Maximum Price Regulation.

[§ 1382.59 amended by Am. 14, 9 F.R. 11398, effective 9-19-44]

§ 1382.60 *Effective date.* This Maximum Price Regulation No. 155 (§§ 1382.51 to 1382.66, inclusive) shall become effective June 1, 1942.

[Maximum Price Regulation 155, originally issued May 28, 1942]

§ 1382.60a *Effective dates of amendments.* [Effective dates of amendments are shown in notes following the parts affected.]

§ 1382.61 *Appendix A: Maximum prices for North Central hardwood lumber in standard or near standard grades*—(a) *Application of Appendix A.* The provisions of this Appendix shall apply to North Central hardwood lumber which is sold in the species and on the grades designated in this Appendix. Lumber sold on such grades shall be deemed to include lumber in:

(1) Grade-rule range widths and lengths;

(2) Widths and lengths substantially the same as grade-rule range widths and lengths; or

(3) Specified average widths or specified average lengths which are substantially run-of-the-log.

(b) The maximum f. o. b. mill price for 1,000 feet of North Central hardwood lumber in a rough air dried condition shall be as follows:

(1) TOUGH WHITE ASH

Thickness (inches)	FAS	No. 1 Common and Selects or No. 1 Common	No. 2 Common	No. 3 Common
1	$83	$54	$40	$23
1¼	93	59	42	24
1½	97	65	44	24
2	106	75	48	25
2½	116	88	52	------
3	126	98	56	------
4	137	108	61	------

(2) BASSWOOD

Thickness (inches)	FAS	No. 1 Common and Selects or No. 1 Common	No. 2A Common	No. 2 Common	No. 2B Common	No. 3 Common
½	$58	$43	$36	$31	$29	------
⅝	65	48	40	35	32	------
¾	73	53	44	39	35	------
1	84	60	50	43	39	$23
1¼	89	65	52	45	40	24
1½	91	67	54	47	41	24
2	97	74	58	48	42	25
2½	107	79	------	------	------	------

(3) BEECH

Thickness (inches)	FAS	No. 1 Common and Selects or No. 1 Common	No. 2 Common	No. 3A Common	Box Grade	No. 3B Common
½	$56.00	$38.50	$27.00	------	------	------
⅝	64.00	44.50	31.00	------	------	------
¾	72.50	49.50	35.00	------	------	------
1	84.50	57.50	41.00	$33.00	$28	$24
1¼	89.50	61.00	44.00	35.50	29	25
1½	93.00	64.50	45.50	36.00	30	25
2	100.00	71.00	49.00	37.00	31	26

(4) BUCKEYE

Thickness (inches)	FAS	No. 1 Common and Selects or No. 1 Common	No. 2 Common	No. 3 Common
1	$69	$50	$39	$25
1¼	74	51	39	26
1½	77	53	39	26
2	79	53	39	27

(5) BUTTERNUT

Thickness (inches)	FAS	No. 1 Common and Selects or No. 1 Common	No. 2 Common	No. 3 Common
1	$89	$60	$39	$25
1¼	99	65	41	26
1½	104	70	42	26
2	114	80	44	27

(6) HACKBERRY

Thickness (inches)	Log Run	FAS	No. 1 Common and Selects or No. 1 Common	No. 2 Common	No. 3 Common
½	$34	------	------	------	------
⅝	38	------	------	------	------
¾	------	------	------	------	------
1	43	$52	$43	$25	$21
1¼	45	54	45	26	22
1½	45	54	45	27	22
2	47	56	47	27	23
2½	------	57	48	27	------
3	------	60	51	28	------

(7) HICKORY

Thickness (inches)	Log Run	FAS	No. 1 Common and Selects or No. 1 Common	No. 2 Common	No. 3 Common
1	$48	$70	$59	$33	$21
1¼	59	79	62	36	22
1½	62	81	65	42	22
2	69	86	69	42	23

(8) HARD MAPLE

Thickness (inches)	FAS	No. 1 Common and Selects or No. 1 Common	No. 2 Common	Sound Wormy	No. 3A Common	Box Grade	No. 3B Common
½	$69	$50	$32	$32	------	------	------
⅝	79	56	35	35	------	------	------
¾	88	62	39	39	------	------	------
1	102	71	44	44	$29	$25	$20
1¼	112	76	47	47	31	26	21
1½	117	79	49	49	31	26	21
2	124	86	51	51	32	27	22
2½	139	100	------	------	------	------	------
3	154	115	------	------	------	------	------
4	169	132	------	------	------	------	------

(9) SOFT MAPLE

Thickness (inches)	FAS	No. 1 Common and Selects or No. 1 Common	No. 2 Common	No. 3 Common
½	$58	$44	$32	------
⅝	66	49	34	------
¾	74	54	37	------
1	85	62	42	$23
1¼	90	66	45	23
1½	92	68	47	23
2	99	76	49	27
2½	112	85	------	------
3	124	95	------	------
4	139	110	------	------

(10) RED OAK—QUARTERED

Thickness (inches)	FAS	No. 1 Common and Selects or No. 1 Common	No. 2 Common	Sound Wormy	No. 3A Common	No. 3B Common
½	$63	$44	$32	$31	------	------
⅝	71	49	35	35	------	------
¾	80	54	39	38	------	------
1	92	62	44	43	$30	$20
1¼	102	67	47	47	------	------
1½	107	72	50	51	------	------
2	117	77	52	54	------	------

(11) RED OAK—PLAIN

Thickness (inches)	FAS	No. 1 Common and Selects or No. 1 Common	No. 2 Common	Sound Wormy	No. 3A Common	No. 3B Common
½	$55	$41	$32	$31	------	------
⅝	62	45	35	35	------	------
¾	69	50	39	38	------	------
1	83	61	44	43	$30	$20
1¼	90	65	47	47	30	20
1½	90	65	50	51	30	20
2	96	69	52	54	30	20
2½	123	83	------	------	------	------
3	141	93	------	------	------	------
4	156	106	------	------	------	------

(12) WHITE OAK—QUARTERED

Thickness (inches)	FAS	No. 1 Common and Selects or No. 1 Common	No. 2 Common	Sound Wormy	No. 3A Common	No. 3B Common
½	$62	$62	$32	$31	------	------
⅝	68	70	35	35	------	------
¾	104	78	39	38	------	------
1	124	90	44	43	$30	$20
1¼	134	96	47	47	------	------
1½	141	103	50	51	------	------
2	156	113	52	54	------	------

(13) WHITE OAK—PLAIN

Thickness (inches)	FAS	No. 1 Common and Selects or No. 1 Common	No. 2 Common	Sound Wormy	No. 3A Common	No. 3B Common
½	$72	$43	$32	$31	------	------
⅝	82	46	35	35	------	------
¾	91	53	39	38	------	------
1	110	65	44	43	$30	$20
1¼	117	70	47	47	30	20
1½	119	71	50	51	30	20
2	126	76	52	54	30	20
2½	146	93	------	------	------	------
3	161	107	------	------	------	------
4	176	122	------	------	------	------

(14) WHITE OAK—PLAIN—WIND

Thickness (inches)	FAS	No. 1 Common and Better	No. 1 Common
½	$46	$35	$31
⅝	53	40	35
¾	57	44	38
1	72	56	43
1¼	79	62	52
1½	81	64	57
2	83	66	61
2½	103	85	73
3	123	100	90
4	133	110	101

(15) YELLOW POPLAR—QUARTERED

Thickness (inches)	FAS	No. 1 Common and Selects or No. 1 Common	No. 2A Common	No. 2B Common	No. 3 Common
½	$34	$43	$30	$30	------
⅝	73	52	40	33	------
¾	81	58	44	35	------
1	94	66	50	41	$23
1¼	100	70	52	42	24
1½	103	73	54	43	24
2	115	79	57	44	25

(16) YELLOW POPLAR—PLAIN

Thickness (inches)	FAS	Saps and Selects	No. 1 Common and Selects or No. 1 Common	No. 2A Common	No. 2B Common	No. 3 Common
½	$61	$57	$44	$36	$30	------
⅝	69	64	49	40	33	------
¾	77	70	54	44	36	------
1	89	80	62	50	41	$23
1¼	94	84	66	52	42	24
1½	97	87	70	54	43	24
2	109	94	75	58	44	25
2½	120	102	85	62	------	------
3	135	114	95	66	------	------
4	150	126	107	------	------	------

(17) STRIPS

Species	Manufacture	Thickness (inch)	Width (inches)	Grade	
				Clear	No. 1 Common
Red Oak	Quartered	1	2 to 5½	$75	$50
White Oak	Quartered	1	2 to 5½	95	65

(18) CHESTNUT—WHAD

Thickness (inches)	FAS	No. 1 Common and Selects or No. 1 Common	Sound Wormy	No. 2 Common	No. 3 Common
½	$60	$62	$35	------	------
⅝	69	69	39	------	------
¾	77	75	43	------	------
1	129	85	49	$39	$25
1¼	134	90	53	39	26
1½	134	90	54	39	26
2	139	95	59	39	27
2½	------	------	62	39	------
3	------	------	67	39	------

(19) CHESTNUT—WHND

Thickness (inches)	FAS	No. 1 Common and Better	No. 1 Common
½	$47	$42	$40
⅝	52	46	44
¾	57	50	48
1	67	59	55
1¼	69	63	59
1½	72	64	60
2	77	69	65

[Paragraphs (18) and (19) added by Am. 5, 8 F.R. 3489, effective 4-2-43]

[Paragraphs (1) through (19) amended by Am. 11, 8 F.R. 16740, effective 12-17-43]

(20) WHITE OAK OR RED OAK—STRUCTURAL STOCK OR SOUND SQUARE EDGE

Size (inches)	Lengths (feet)						
	10 to 16	18	20	22	24	26	28
2 x 6	$43	$46	$50	$54	$59	$65	$73
2 x 8	43	46	50	54	59	65	73
2 x 10	45	48	52	56	61	67	75
2 x 12	49	52	56	60	65	71	79
2 x 14	53	56	60	64	69	75	83
2 x 16	58	61	65	69	74	80	88
3 x 6	43	46	50	54	59	65	73
3 x 8	43	46	50	54	59	65	73
3 x 10	45	48	52	56	61	67	75
3 x 12	49	52	56	60	65	71	79
3 x 14	53	56	60	64	69	75	83
3 x 16	58	61	65	69	74	80	88
4 x 6	43	46	50	54	59	65	73
4 x 8	43	46	50	54	59	65	73
4 x 10	45	48	52	56	61	67	75

(20) WHITE OAK OR RED OAK—continued

Size (inches)	Lengths (feet)						
	10 to 16	18	20	22	24	26	28
4 x 12	$49	$52	$56	$60	$65	$71	$79
4 x 14	53	56	60	64	69	75	83
4 x 16	58	61	65	69	74	80	88
6 x 6	43	46	50	54	59	65	73
6 x 8	45	48	52	56	61	67	75
6 x 10	47	50	54	58	63	69	77
6 x 12	49	52	56	60	65	71	79
6 x 14	53	56	60	64	69	75	83
6 x 16	58	61	65	69	74	80	88
8 x 8	45	48	52	56	61	67	75
8 x 10	47	50	54	58	63	69	77
8 x 12	49	52	56	60	65	71	79
8 x 14	53	56	60	64	69	75	83
8 x 16	58	61	65	69	74	80	88
10 x 10	47	50	54	58	63	69	77
10 x 12	49	52	56	60	65	71	79
10 x 14	53	56	60	64	69	75	83
10 x 16	58	61	65	69	74	80	88
10 x 18	63	66	70	74	79	85	93
12 x 12	50	53	57	61	66	72	80
12 x 14	55	58	62	66	71	77	85
12 x 16	60	63	67	71	76	82	90
12 x 18	66	69	73	77	82	88	96
12 x 20	72	75	79	83	88	94	102
14 x 14	56	59	63	67	72	78	86
14 x 16	62	65	69	73	78	84	92
14 x 18	68	71	75	79	84	90	98
14 x 20	75	78	82	86	91	97	105
14 x 22	83	86	90	94	99	105	113
14 x 24	92	95	99	103	106	114	122
14 x 26	102	105	109	113	118	124	132
14 x 28	113	116	120	124	129	135	143
16 x 16	69	72	76	80	85	91	99
16 x 18	76	79	83	87	92	98	106
16 x 20	84	87	91	95	100	106	114
16 x 22	92	95	99	103	108	114	122
16 x 24	101	104	108	112	117	123	131
16 x 26	111	114	118	122	127	133	141
16 x 28	122	125	129	133	138	144	152
18 x 18	83	86	90	94	99	105	113
18 x 20	91	94	98	102	107	113	121
18 x 22	100	103	107	111	116	122	130
18 x 24	110	113	117	121	126	132	140
18 x 26	121	124	128	132	137	143	151
18 x 28	133	136	140	144	149	155	163

NOTES ON WHITE OAK OR RED OAK—STRUCTURAL STOCK OR SOUND SQUARE EDGE

Random Widths; in 2", 3" and 4" thicknesses—$43.00.

Free of Heart; in 2", 3", and 4" thicknesses—add $6.00 to maximum price for same thickness, width and length in above schedule.

Deduction for mixed hardwoods. For Mixed Hardwoods—Structural Stock or Sound Square Edge, deduct $4.00 from the maximum price for White Oak or Red Oak—Structural Stock or Sound Square Edge in the same size in above schedule.

[Above note added by Am. 11, 8 F.R. 16740, effective 12-17-43]

Prices for specific sizes not in schedule: The maximum price for material of a length not included in this schedule shall be determined by adding to the maximum price for the next shorter length the proportionate amount of the difference between the maximum price of such next shorter length and the maximum price of the next longer length.

In the case of any item 2" or thicker and wider than 6" for which the thickness or the width is not included in the schedule, the maximum price shall be the maximum price for the material of the next greater thickness or width.

The maximum prices set forth above supersede the maximum prices for like material authorized for individual sellers under the special pricing provisions of this regulation.

[Above note amended by Am. 17, effective 10-2-45]

(21) WHITE OAK OR RED OAK—FREIGHT CAR STOCK COMMON DIMENSION, MINE CAR LUMBER

Size (inches)	Lengths (feet)						
	10 to 16	18	20	22	24	26	28
2 x 6	$50	$55	$61	$67	$74	$83	$95
2 x 8	50	55	61	67	74	83	95
2 x 10	53	57	63	69	77	86	98
2 x 12	58	63	69	75	82	91	103
2 x 14	64	68	74	80	88	97	109
2 x 16	70	75	81	87	95	104	116
3 x 6	50	55	61	67	74	83	95
3 x 8	50	55	61	67	74	83	95
3 x 10	53	57	63	69	77	86	98
3 x 12	58	63	69	75	82	91	103
3 x 14	64	68	74	80	88	97	109
3 x 16	70	75	81	87	95	104	116
4 x 6	48	55	60	65	71	78	88
4 x 8	48	55	60	65	71	78	88
4 x 10	50	58	62	67	73	80	90
4 x 12	55	62	67	72	78	85	95
4 x 14	59	67	72	77	83	90	100
4 x 16	65	73	78	83	89	96	106
6 x 6	48	55	60	65	71	78	88
6 x 8	50	58	62	67	73	80	90
6 x 10	53	60	65	70	76	83	93
6 x 12	55	62	67	72	78	85	95
6 x 14	59	67	72	77	83	90	100
6 x 16	65	73	78	83	89	96	106
8 x 8	50	58	62	67	73	80	90
8 x 10	53	60	65	70	76	83	92
8 x 12	55	62	67	72	78	85	95
8 x 14	59	67	72	77	83	90	100
8 x 16	65	73	78	83	89	96	106
10 x 10	53	60	65	70	76	83	92
10 x 12	55	62	67	72	78	85	95
10 x 14	59	67	72	77	83	90	100
10 x 16	65	73	78	83	89	96	106
10 x 18	71	79	84	89	95	102	112
12 x 12	56	64	68	73	79	86	96
12 x 14	62	70	74	79	85	92	102
12 x 16	67	76	80	85	91	98	108
12 x 18	74	83	88	92	98	106	115
12 x 20	81	90	95	100	106	113	122
14 x 14	63	71	76	80	86	94	103
14 x 16	69	78	83	88	94	101	110
14 x 18	76	85	90	95	101	108	118
14 x 20	84	94	98	103	109	116	126
14 x 22	93	103	108	113	119	126	136
14 x 24	103	114	119	124	130	137	146
14 x 26	114	126	131	136	142	149	158
14 x 28	127	139	144	149	155	162	172
16 x 16	77	86	91	96	102	109	119
16 x 18	85	95	100	104	110	118	127
16 x 20	94	104	109	114	120	127	137
16 x 22	103	114	119	124	130	137	146
16 x 24	113	125	130	134	140	148	157
16 x 26	124	137	142	146	152	160	169
16 x 28	137	150	155	160	166	173	182
18 x 18	93	103	108	113	119	126	136
18 x 20	102	113	118	122	128	136	145
18 x 22	112	124	128	133	139	146	156
18 x 24	123	136	140	145	151	158	163
18 x 26	136	149	154	158	164	172	181
18 x 28	149	163	168	173	179	186	196

NOTES ON WHITE OAK OR RED OAK—FREIGHT CAR STOCK, COMMON DIMENSION, MINE CAR LUMBER

Random widths; in 2" and 3" thicknesses—$50.00.

Free of Heart; in 2" and 3" thicknesses—add $8.00 to maximum price for same thickness, width and length in above schedule.

Deduction for mixed hardwoods. For Mixed Hardwoods—Freight Car Stock, Common Dimension, Mine Car Lumber, deduct $4.00 from the maximum price for White Oak or Red Oak—Freight Car Stock, Mine Car Lumber, Common Dimension, in the same size as shown in the above schedule.

[Above note added by Am. 12, 8 F.R. 17414, effective 1-3-44]

Prices for specific sizes not in schedule. The maximum price for material of a length not included in this schedule shall be determined by adding to the maximum price for the next shorter length the proportionate amount of the difference between the maximum price of such next shorter length and the maximum price of the next longer length.

In the case of any item 2" or thicker and wider than 6" for which the thickness or the

width is not included in the schedule, the maximum price shall be the maximum price for the material of the next greater thickness or width.

The maximum prices set forth above supersede the maximum prices for like material authorized for individual sellers under the special pricing provisions of this regulation.

[Above note amended by Am. 17, effective 10-2-45]

[Subparagraphs (20) and (21) added by Am. 7, 8 F.R. 9417, effective 7-14-43]

(22) *Mixed Hardwoods No. 1 dimension.*

Thickness and width (inches)	Lengths (feet)										
	4	6	8	9	10	12	14	16	18	20	22 and 24
2 x 2	$27.50	$27.50	$34.50	$35.50	$34.50	$34.50	$35.50	$36.50	$38	$39	$44.50
2 x 3	26.50	26.50	33.50	34.50	33.50	33.50	34.50	35.50	37	38	43.50
2 x 4	25.50	25.50	32.50	33.50	32.50	32.50	33.50	34.50	36	37	42.50
2 x 5	29.00	29.00	36.00	38.50	37.50	37.50	37.50	38.50	42	44	48.50
2 x 6	25.50	25.50	32.50	33.50	32.50	32.50	33.50	34.00	36	37	42.50
2 x 8	25.50	25.50	32.50	33.50	32.50	32.50	33.50	34.00	36	37	42.50
2 x 10	29.00	29.00	36.00	38.50	37.50	37.50	37.50	38.50	42	44	48.50
2 x 12	31.00	31.00	38.00	40.50	39.50	39.50	39.50	40.50	44	46	50.50

(23) *Mixed Hardwoods No. 2 dimension.*

Thickness and width (inches)	Lengths (feet)										
	4	6	8	9	10	12	14	16	18	20	22 and 24
2 x 2	$25.50	$25.50	$31.50	$32.50	$31.50	$31.50	$32.50	$33.50	$35.00	$36.00	$41.50
2 x 3	24.50	24.50	30.50	31.50	30.50	30.50	31.50	32.50	34.00	35.00	40.50
2 x 4	23.50	23.50	29.50	30.50	29.50	29.50	30.50	31.50	33.00	34.00	39.50
2 x 5	24.00	24.00	30.00	34.00	33.00	32.00	32.00	32.00	35.50	37.50	43.00
2 x 6	22.50	22.50	28.50	29.50	28.50	28.50	29.50	30.00	32.00	33.00	38.50
2 x 8	22.50	22.50	28.50	29.50	28.50	28.50	29.50	30.00	32.00	33.00	38.50
2 x 10	24.00	24.00	30.00	34.00	33.00	32.00	32.00	32.00	35.50	37.50	43.00
2 x 12	26.00	26.00	32.00	34.00	33.00	33.00	33.00	34.00	37.50	38.50	44.00

[Subparagraphs (22) and (23) added by Am. 10, 8 F.R. 15430, effective 11-15-43]

(24) [Revoked]

[Subparagraph (24) added by Am. 10; revoked by Am. 13, 9 F.R. 1464, effective 2-8-44]

(c) *Deduction for green.* For lumber shipped in a "green" condition, deduct from the maximum prices for air-dried lumber established in this Appendix "A", 10 percent of the maximum price for rough, air-dried material in the same specifications.

This deduction shall not apply to special sawn timbers, Tough Ash lumber, or to lumber customarily used without air seasoning, but it shall apply to any lumber which requires further air seasoning by the purchaser before being placed in the kiln for kiln-drying, or before fabrication if not kiln-dried.

The mere fact that the lumber is not used immediately, but is stored on the purchaser's yard, does not necessarily mean that green lumber has been shipped, but in case of dispute any lumber which weighs 25% or more in excess of the air-dried weight as published in the Rules for the Measurement and Inspection of Hardwood Lumber, issued by the National Hardwood Lumber Association, January 1, 1943, or for weights filed with the Office of Price Administration by the individual shippers, shall be considered to be "green".

Any purchaser who accepts "green" lumber at prices applicable to "dry" lumber is guilty of violation of the regulation to the same extent as the seller.

[Paragraph (c) amended by Am. 7, 8 F.R. 9417, effective 7-14-43 and Am. 9, 8 F.R. 14343, effective 10-20-43]

(d) The following additions per 1,000 feet of North Central hardwood lumber may be charged for the specified treatments and workings:

(1) Kiln drying the lumber to a moisture content not exceeding 9 per cent as of the time the lumber leaves the kiln.

Species	½" and ⅝" thick	¾" thick	1" thick	1¼" thick	1½" thick	2" thick	2½" thick	3" thick
Basswood Buckeye Butternut Hackberry Soft Maple Yellow Poplar	$4.50	$5.00	$5.50	$6.50	$7.00	$7.50	$9.50	11.50
Ash Beech Hickory	5.00	5.50	6.50	7.50	8.50	9.50	11.50	13.50
Hard Maple Plain Oak	5.50	6.00	7.00	8.50	10.00	12.50	15.50	20.50
Quartered Oak	5.50	6.50	8.00	9.50	11.50	15.50	20.50	25.50

(2) Kiln drying the lumber to a moisture content greater than 9 percent but not exceeding 15 percent as of the time the lumber leaves the kiln.

Species	½" and ⅝" thick	¾" thick	1" thick	1¼" thick	1½" thick	2" thick	2½" thick	3" thick
Basswood Buckeye Butternut Hackberry Soft Maple Yellow Poplar	$3.00	$3.50	$4.00	$4.50	$5	$5.50	$6.50	$8.00
Ash Beech Hickory	3.50	4.00	4.50	5.50	6	6.50	8.00	9.50
Hard Maple Plain Oak	4.00	4.50	5.00	6.00	7	8.50	10.50	14.00
Quartered Oak	4.00	4.50	5.50	6.50	8	10.50	14.00	17.00

(3) Anti-stain treatment (where requested by purchaser): 50¢.

(4) Mill working additions. (See note below)

	Less than 1", 1" and 1¼" thick	1½" thick	Thicker than 1½" to 3" thick
Resawing 1 line	$3.00	$2.50	
Resawing 2 lines	3.50	4.50	
Surfacing 1 or 2 sides	2.50	2.25	$2.25
Surfacing 2 sides and resawing	5.00	4.25	
Resawing and surfacing 1 or 2 sides	5.50	4.75	
Surfacing 3 or 4 sides or 1 side and 1 edge	4.00	3.50	3.50

NOTE: Minimum requirements for surfacing for which the above additions may be made are the requirements of "hit or miss" dressing set out in the applicable National Hardwood Lumber Association rules.

[Subparagraph (4) amended by Am. 12, 8 F.R. 17414, effective 1-3-44, and Am. 17, effective 10-2-45]

(5) Inspecting, grading and measuring after kiln drying: 5 per cent of the f. o. b. mill price of the lumber in a rough air dried condition. This addition may be made only where the seller performs all three of these services, at the request of the purchaser, after kiln drying.

(6) End-racking or band sawing: No addition.

(7) Where Central hardwood lumber is kiln dried or milled for the seller by a custom kiln or milling establishment and the custom kiln or milling establishment is not owned or operated by or connected with the sawmill, the seller may add the actual cost of the kiln drying or milling, under circumstances permitted in, and in amounts not greater than, the maximum prices established by the applicable regulation covering custom kiln drying and or milling services.

[Subparagraph (7) added by Am. 6, 8 F.R. 5470, effective 4-20-43 and amended by Am. 17, effective 10-2-45]

(e) The following additions per 1,000 feet of Central hardwood lumber may be charged where the purchaser (or pur-

chasers, in the case of pool cars) orders an item, consisting of one species, thickness, and grade of Central hardwood lumber, in the quantities herein indicated:

Quantity ordered	*Allowable addition (per 1,000 feet)*
Over 3,000 but not exceeding 4,000 feet	$1.00
Over 2,000 but not exceeding 3,000 feet	2.00
1,000 to 2,000 feet	2.50
Less than 1,000 feet	3.00

[Paragraph (e) amended by Am. 7, 8 F.R. 9417, effective 7-14-43]

(f) *Staking and bulkheading open top cars.* When a purchase order issued by any government agency requires that lumber thinner than 5" be shipped in open top cars, a charge of $7.50 per car may be made for material and labor involved in staking, wiring and separating. A further addition of $7.00 covering all materials and labor may also be charged for each bulkhead required by and made in conformity with the specifications of the Mechanical Division of the Association of American Railroads.

[Paragraph (f) added; former paragraphs (f), (g), (h), (i) and (j) redesignated (g), (h), (i), (j) and (k), respectively, by Am. 17, effective 10-2-45]

(g) For lumber sold in accordance with the provisions of § 1382.61 (b), 1382.61 (c), or § 1382.67 (b) a delivered price in excess of the maximum f. o. b. mill prices set forth in the applicable section may be charged, consisting of such maximum prices, plus the transportation charges set forth below: *Provided,* That the invoice contains the point of origin of shipment, the destination, the applicable rail or truck rate, or, if shipment is by private truck, the amount added for transportation, and the words, "Direct mill shipment."

[Above paragraph amended by Am. 17, effective 10-2-45]

(1) *Common or contract carrier.* When shipment is by common or contract carrier, the following rules govern:

(i) When estimated weights are used, the rate times the estimated weight is the proper transportation charge. Estimated weights may be used only if they have been filed with the Office of Price Administration, Washington, D. C. The weights must be the weights used by the seller during the period October 1 to October 15, 1941. The estimated weight must be the weight for the exact kind of lumber actually shipped; for example, green weights may not be used if dry lumber is shipped. The transportation charge may be evened out to the nearest quarter-dollar per M.

(ii) When estimated weights are not used, the amount added for transportation must not be more than the amount actually paid to the common or contract carrier, evened out to the nearest quarter-dollar per M.

(2) *Private truck.* When shipment is by truck owned or controlled by the seller, the amount added for transportation may not be more than the actual cost to the seller of delivery by truck; and, no matter what the actual cost is, the amount added may not be more than the railroad charge at the carload rate for the most similar haul. However, if this railroad charge is less than $1.50, and if the actual cost of delivery is more than $1.50, a transportation charge of $1.50 may be made.

(3) *Trucking to railhead.* When a truck haul precedes rail shipment, as when a mill located away from a railhead hauls lumber by truck to the railhead, no addition may be made for the truck haul. However, in the following two cases a mill may apply for special permission to make an addition:

[Above paragraph amended by Am. 12, 8 F.R. 17414, effective 1-3-44]

(i) Where the mill was located away from rail connections because it specialized in water-borne lumber, and where shortage of shipping has forced it to operate by rail;

(ii) Where a mill's rail connection has been abandoned since September 5, 1941.

[Former subparagraph (ii) revoked, former subparagraph (iii) redesignated (ii) by Am. 8, 8 F.R. 13007, effective 9-28-43]

The application should be made by letter to the Lumber Branch of the Office of Price Administration, Washington, D. C. The addition may not be made on quotations or sales until permission has been received.

(4) *Truck delivery after rail haul.* When truck delivery follows a rail haul, the actual cost of truck delivery may be added.

(5) *All-truck haul.* When an all-truck haul ends in delivery to the job site, no special addition may be made above the charges provided in subparagraphs (1) and (2) of this paragraph, since in this case delivery to the job site involves no extra expense.

[Paragraph (g), formerly (f) amended by Am. 4, 8 F.R. 3056, effective 3-16-43]

(h) Where the purchaser requests an inspection by, and an inspection certificate issued by, the National Hardwood Lumber Association, the seller may make an added charge which does not exceed the inspection fees and expenses charged by the Association to the seller and shown on the certificate.

(i) *Combination grades.* Graded hardwood lumber sold on combination (special inspection) grades for which no maximum prices have been established in this regulation, such as No. 1 Common and Better, Log run (full run of the logs, excluding all grades below No. 2 Common) and Mill Run (full run of the logs, No. 3 Common and Better) may not be sold at above the maximum price for the lowest grade included in the combination grades. For example, the maximum price for Log Run (No. 2 Common and Better) is that established for No. 2 Common for the species sold.

Of course, the different grades included can be quoted and invoiced separately on the individual footage and price for those grades.

[Paragraph (i), formerly (h), amended by Am. 7, 8 F.R. 9417, effective 7-14-43; redesignated and amended by Am. 17, effective 10-2-45]

(j) The maximum prices established in this Appendix shall not be increased by any charges for the extension of credit and shall be decreased for prompt payment to the same extent that the sale price would have been decreased on October 1, 1941, in a sale of a similar nature to a purchaser of the same class as involved in the transaction subject to this Maximum Price Regulation No. 155.

(k) Export sales of Central hardwood lumber are subject to the provisions of the Maximum Export Price Regulation.[10]

[Paragraph (k), formerly (j) amended by Am. 7, 8 F.R. 9417, effective 7-14-43]

§ 1382.62 *Appendix B: Maximum prices for North Central hardwood lumber in "standard special" grades or items*—(a) *Standard special widths and lengths.* The f. o. b. mill price for 1,000 feet of North Central hardwood lumber in the species and in the "standard special" widths and lengths listed below shall be as follows:

[10] 2d Revision: 8 F.R. 4132, 5987, 7662, 9998, 15193; 9 F.R. 1036, 5435, 5923, 7201, 9835, 11273, 12919, 14436; 10 F.R. 863, 923, 2432.

(1) STANDARD SPECIAL WIDTHS AND LENGTHS—ALL HARDWOOD SPECIES EXCEPT AS OTHERWISE PROVIDED IN SUBPARAGRAPH (2) BELOW

(See the notes under subparagraph (2) below for the conditions under which these additions are permitted.)

Width and/or length	Grade	Maximum additions to maximum prices established in §1382.01 for lumber in corresponding standard grades and same thicknesses
5" or 6" and wider; regular lengths	No. 1 Common and Selects or No. 1 Common; No. 2 Common; No. 3 Common.	$2
8' and longer	No. 1 Common and Selects or No. 1 Common; No. 2 Common; No. 3 Common.	1
10' and longer; or 12' and longer	No. 2 Common; No. 3A Common; No. 3 Common.	2
All 14' to 16' or all one length 10'-14'	No. 2 Common; No. 3A Common; No. 3 Common.	4
All 16'	No. 2 Common; No. 3A Common; No. 3 Common.	6
8" and wider; standard lengths	No. 2 Common; No. 3A Common; No. 3 Common.	4

(1) STANDARD SPECIAL WIDTHS AND LENGTHS—Continued

Width and/or length	Grade	Maximum additions to maximum prices established in § 1382.61 for lumber in corresponding standard grades and same thicknesses
10" and wider; standard lengths	No. 2 Common; No. 3A Common; No. 3 Common.	$5
12" and wider; standard lengths	No. 2 Common; No. 3A Common; No. 3 Common.	6
All 10' to 16' or all 10'	No. 1 Common and better	3
All 12' to 16'	No. 1 Common and better	6
All 12' and 14'—or all 12'	No. 1 Common and better	8
All 14' and 16' or all 14'	No. 1 Common and better	10
All 16'	No. 1 Common and better	15
All 7" and wider; standard lengths	No. 1 Common and better	4
All 8" and wider; standard lengths	No. 1 Common and better	8
All 9" and wider; standard lengths	No. 1 Common and better	12
All 10" and wider; standard lengths	No. 1 Common and better	16
All 11" and wider; standard lengths	No. 1 Common and better	20
All 12" and wider; standard lengths	No. 1 Common and better	25
For each additional inch over 12" & wider	No. 1 Common and better	5
All one width	No. 3 Common and better	(1)
Step plank	No. 1 Common and better	25

[1] Same price as for same width and wider.

(2) STANDARD SPECIAL WIDTHS—BASSWOOD AND POPLAR

(See the notes below for the conditions under which these additions are permitted.)

Width and/or length	Grade	Maximum additions to maximum prices established in § 1382.61 for lumber in corresponding standard grades and same thicknesses
7" and wider; standard lengths	No. 1 Common and better	$4
8" and wider; standard lengths	No. 1 Common and better	5
9" and wider; standard lengths	No. 1 Common and better	7
10" and wider; standard lengths	No. 1 Common and better	10
11" and wider; standard lengths	No. 1 Common and better	11
12" and wider; standard lengths	No. 1 Common and better	12
13" and wider; standard lengths	No. 1 Common and better	13
14" and wider; standard lengths	No. 1 Common and better	14
15" and wider; standard lengths	No. 1 Common and better	15
16" and wider; standard lengths	No. 1 Common and better	16
17" and wider; standard lengths	No. 1 Common and better	17
18" and wider; standard lengths	No. 1 Common and better	18
20" and wider; standard lengths	No. 1 Common and better	20
For each additional inch over 20" & wider	No. 1 Common and better	2

The above additions in the tables in subparagraphs (1) and (2) shall be permitted only on the following conditions:

1. The purchaser's original inquiry or order covering the lumber desired must specifically state the "special" widths and/or lengths required. This original inquiry or order must be made a part of the seller's order file covering the particular transaction. This order file must also contain whatever correspondence passed between the purchaser and the seller in the particular transaction, together with a copy of the order as finally entered. In other words, this order file must show that the purchaser has not accepted lumber of specifications other than originally desired and that the seller is not in violation of any of the provisions of Section 1382.54—Evasion—of this regulation.

2. A shipment of any "special" item, the price for which includes any addition provided for in this subdivision, must contain no other stock of the same species, grade, and thickness and each special item must be invoiced at only one price. According to the National Hardwood Lumber Association Rules for the Measurement and Inspection of Hardwood Lumber, all width and length specifications are inclusive.

For example:

a. A shipment against a "special" item specification, for instance for "8" and wider", or "8' and longer", or a combined width and length such as "8" and wider, 8' and longer", must contain *no* widths and/or lengths under the minimums specified and must contain *all* standard widths and/or lengths for the grade over the minimums specified.

b. A shipment against a "special" item specification priced under this paragraph (a) must not contain, or be invoiced to show, any other item in the same species of the same grade and thickness.

Example: 15,000' BM 4/4" No. 1 Common and Selects Plain Red Oak, 8" and wider, standard lengths, could not be shipped as

9,000' BM 4/4" No. 1 Common and Selects Plain Red Oak, 8" widths, standard lengths @ $69.00, and the various quantities of the other wider widths in the shipment billed as such at the "special" item prices in this Section.

c. A shipment against a standard grade specification must not contain, or be invoiced to show, any "special" item of the same species, grade, and thickness which is priced under this subparagraph.

Example: An order for 15,000' BM 4/4" No. 1 Common and Selects Plain Red Oak could not be shipped as:

10,000' BM 4/4" No. 1 Common and Selects Plain Red Oak @ $61.00

5,000' BM 8" and wider @ $69.00

NOTE: In each case the order specification is all *inclusive* with respect to the stock to be shipped.

[Above note added and subparagraph (1) and (2) headnotes amended by Am. 17, effective 10-2-45]

(b) *Additions, adjustments, and restrictions.* The additions, adjustments, and restrictions provided in paragraphs (c), (d), (e), (f), (g), (h), (i), (j), (k) of § 1382.61, Appendix A, shall apply to the prices established in this § 1382.62, Appendix B.

[Paragraph (b) amended by Am. 17, effective 10-2-45]

(c) *Effect on special prices.* The maximum prices contained in this Appendix B supersede the maximum prices for like material authorized for individual sellers under the special pricing provisions of this regulation.

[§ 1382.62 added by Am. 7, 8 F.R. 9417, effective 7-14-43. Former § 1382.62 revoked by Am. 7]

§ 1382.63 *Appendix C: Maximum prices for North Central hardwood lumber in grades, specifications, and extras not specifically priced*—(a) *Application of Appendix C.* (1) North Central hardwood lumber sold on special grades or specifications or with special services or other extras not specifically mentioned in Appendices A and B (§§ 1382.61 and 1382.62), is nevertheless subject to this regulation. The maximum price for such lumber shall be determined in accordance with the formula in paragraph (b) below.

(2) For the purposes of this section, the term "North Central hardwood lumber" shall include all items of lumber in the species set forth in § 1382.58 (a) (3), but shall not include the following items (the term "items" includes specifications, workings, and/or extras).

(i) Glued stock.
(ii) Moulding.
(iii) Shiplap.
(iv) Risers, step treads, thresholds, handrails.
(v) Flooring.
(vi) Switch, cross, and mine ties.
(vii) Mine materials.
(viii) Small dimension stock.
(ix) Lath.
(x) Navy oak ship stock (see Maximum Price Regulation No. 281 [11]).

[Subparagraph (v) deleted and former (vi) through (xi) redesignated (v) through (x), respectively, by Am. 17, effective 10-2-45]

(b) *Maximum prices for grades, specifications and extras not specifically priced.* (1) North Central hardwood lumber, sold on special grades or specifications or with special services or other extras not specifically mentioned in Ap-

[11] 7 F.R. 1023; 8 F.R. 2107, 8378, 17415.

pendix A, is nevertheless subject to this regulation. The maximum price is a price which bears the October 1941 relation to the most comparable standard item. The seller should find his price difference between the special item and this most comparable standard item in October 1941 or the first month before that in which he had sales of both items, or if this is impossible, the price differential he would have used. This difference is then added to or subtracted from the maximum price of the comparable standard grade, and the result is the maximum price for the special grade. This price must be reported to the Office of Price Administration, Washington, D. C. on OPA Form 255:1 revised, given in subparagraph (3) below. It may be ordered reduced, if it is found excessive. But if the price is not disapproved within 30 days of the receipt of the report, it is approved. Applications for approval of maximum prices for special grades and items under this section will be considered only when accompanied by (i) a true copy of the order or of customer's inquiry on the basis of which the application has been submitted; and (ii) a statement certified to be true by the purchaser or prospective purchaser to the effect that none of the grades specifically priced in the regulation will serve the purpose for which the stock is intended to be used, which purpose is to be stated; that it has been his custom to purchase lumber on such special specifications. Approval of the price will be conditional on a finding that the purpose for which the special grade item is to be used is classified by the War Production Board as essential to the war effort. Prices for such special grades or items, when approved, will be based on the price differential previously established between the particular special item requirement and the related grade rule specification.

[Subparagraph (1) amended by Am. 11, 8 F.R. 16740, effective 12-17-43]

(2) A seller using this pricing section can go ahead with delivery of the lumber and collection of the price he has computed or requested. But he must tell the buyer that the price is subject to revision within the thirty-day period, and, if the price is ordered reduced, must refund any excess over the final approved price.

(3) OPA Form 255:1 revised is as follows:

Form approved
by Budget Bureau
No. 08-R 525

OFFICE OF PRICE ADMINISTRATION

LUMBER BRANCH

HARDWOOD SECTION

Report of sales of North Central hardwood lumber in special items or special grades (other than combination grades), or prepared with special workings, treatments or services.

Company_____
Address_____
Mill Location_____

Sales of Special Stocks of Lumber

(As defined in Appendix B of Maximum Price Regulation No. 155)

This report must be filed with the Lumber Branch of the Office of Price Administration, Washington, D. C., within 30 days of the date on which the producing mill enters into a contract for the sale of North Central hardwood lumber in a special item or special grade (other than a combination grade) or prepared with a special working, treatment, or service.

Date of order_____
Origin of shipment_____
Order No._____
Destination of Shipment_____
Purchaser_____
(Name and Address)
F. o. b. Mill Price_____
(Including discounts or commissions, if any)

_____ _____
(Species) (Thickness)

_____ _____
(Widths) (Lengths)

_____
(Designation of grade, item, working, treatment or service)

Differential in relation to most comparable standard grade or item which was employed or would have been employed during October 1-15, 1941_____

_____

Most comparable standard grade or item to which differential is applied_____

_____

Complete description of special grade, item, working, treatment, or service (including a statement whether the lumber is rough or machined and is air dried, kiln dried, or green) _____

_____

Detailed explanation of how maximum price was computed or built up_____

_____

_____ _____
(Name) (Office or Title)

(c) *Additions, adjustments, and restrictions.* The additions, adjustments, and restrictions provided in paragraphs (c), (d), (e), (f), (g), (h), (i), (j), and (k) of § 1382.62, Appendix A, shall apply to the prices established in this Appendix C.

[Paragraph (c) amended by Am. 17, effective 10-2-45]

[§ 1382.63 added by Am. 7, 8 F.R. 9417, effective 7-14-43. Former § 1382.63 revoked by Am. 7]

§ 1382.64 *Appendix D: Maximum prices for South Central hardwood lumber in standard or near standard grades*—(a) *Application of Appendix D.* The provisions of this Appendix shall apply to South Central hardwood lumber which is sold in the species and on the grades designated in this Appendix. Lumber sold on such grades shall be deemed to include lumber in:

(1) Grade-rule range widths and lengths;

(2) Widths and lengths substantially the same as grade-rule range widths and lengths; or

(3) Specified average widths or specified average lengths which are substantially run-of-the-log.

(b) The maximum f. o. b. mill price for 1,000 feet of South Central hardwood lumber in a rough air dried condition shall be as follows:

(1) ASH (OTHER THAN TOUGH WHITE ASH)

Thickness (inches)	FAS	No. 1 Common and Selects or No. 1 Common	No. 2 Common	No. 3 Common
1	$62	$39	$34	$21
1¼	64	41	35	21
1½	64	41	36	21
2	56	43	36	23
2½	57	44	36	.....
3	60	47	37	.....

(2) TOUGH WHITE ASH

1	$76	$46	$35	$22
1¼	81	51	36	23
1½	88	61	37	23
2	96	71	38	24
2½	111	76	39	.....
3	121	86	41	.....
4	131	96	46	.....

(3) BASSWOOD

Thickness (inches)	FAS	No. 1 Common and Selects or No. 1 Common	No. 2A Common	No. 2 Common	No. 2B Common	No. 3 Common
½	$47	$31	$25	$21	$18	.....
⅝	54	36	29	24	21	.....
¾	61	41	33	28	24	.....
1	72	48	39	33	28	$23
1¼	77	53	41	35	29	24
1½	79	55	43	37	30	24
2	85	61	46	38	31	25
2½	93	67	.....	.....	.....	.....

(4) BEECH

Thickness (inches)	FAS	No. 1 Common and Selects or No. 1 Common	No. 2 Common	No. 3A Common	Box Grade	No. 3B Common
½	$39	$32	$26	.....	.....	.....
⅝	44	36	29	.....	.....	.....
¾	49	40	32	.....	.....	.....
1	56	46	36	$30	$25	$21
1¼	58	48	37	31	26	22
1½	60	50	38	32	27	22
2	64	53	40	33	28	23

[Subparagraphs (1) through (4) amended by Am. 9, 8 F.R. 14343, effective 10-20-43]

(5) BUCKEYE

Thickness (inches)	FAS	No. 1 Common and Selects or No. 1 Common	No. 2 Common	No. 3 Common
1	$60	$40	$30	$20
1¼	65	41	30	21
1½	68	43	30	21
2	70	43	30	22

(6) BUTTERNUT

1	$80	$50	$30	$20
1¼	90	55	32	21
1½	95	60	33	21
2	105	70	35	22

(7) COTTONWOOD

Thickness (inches)	FAS	No. 1 Common and Selects or No. 1 Common	No. 2 Common	No. 3 Common
½	$35	$31	$27	
⅝	39	35	30	
¾	43	38	33	
1	50	44	37	$23
1¼	52	45	39	24
1½	52	45	39	24
2	52	45	39	25

(8) SOFT ELM

Thickness (inches)	FAS	No. 1 Common and Selects or No. 1 Common	No. 2 Common	No. 3 Common
½	$34	$27	$25	
⅝	38	31	28	
¾	43	34	30	
1	49	39	34	$23
1¼	51	41	35	24
1½	51	41	36	24
2	53	43	36	25
2½	54	44	36	
3	57	47	37	

(9) RED GUM—QUARTERED

1	$102	$57	$40	$23
1¼	106	65	41	24
1½	106	69	41	24
2	109	71	45	25
2½	111	76		
3	116	81		

(10) RED GUM—PLAIN

⅝	$71	$44	$29	
¾	81	48	34	
1	93	53	40	$23
1¼	101	63	40	24
1½	101	64	40	24
2	103	66	44	25

(11) SAP GUM—QUARTERED

1	$66	$52	$36	$23
1¼	71	59	37	24
1½	73	60	37	24
2	76	61	41	25
2½	81	67	44	
3	84	71	49	

(12) SAP GUM—PLAIN

⅝	$48	$39	$27	
¾	52	41	29	
1	62	48	34	$23
1¼	66	53	35	24
1½	69	56	35	24
2	74	58	38	25

(13) BLACK GUM—QUARTERED

1	$59	$49	$36	$23
1¼	61	51	37	24
1½	63	53	37	24
2	68	58	39	25
2½	76	61	44	
3	81	66	47	

(14) BLACK GUM—PLAIN

⅝	$46	$36	$25	
¾	47	37	27	
1	56	46	34	$23
1¼	58	48	36	24
1½	61	51	36	24
2	66	56	39	25

(15) TUPELO—QUARTERED

1	$59	$49	$36	$23
1¼	61	51	37	24
1½	63	53	37	24
2	68	58	39	25
2½	76	61	44	
3	81	63	47	

(16) TUPELO—PLAIN

⅝	$40	$30	$25	
¾	47	37	27	
1	59	46	34	$23
1¼	58	48	36	24
1½	61	51	36	24
2	63	56	39	25

(17) HACKBERRY

Thickness (inches)	Log Run	FAS	No. 1 Common and Selects or No. 1 Common	No. 2 Common	No. 3 Common
⅝	$30				
¾	34				
1	41	$39	$30	$24	$23
1¼	42	51	41	36	24
1½	43	51	41	36	24
2	44	53	43	36	25
2½		54	44	36	
3		57	47	37	

(18) HICKORY

1	$41	$62	$43	$30	$22
1¼	43	64	45	31	23
1½	46	67	49	33	23
2	49	72	50	33	24

[Subparagraphs (7) through (18) amended by Am. 9, 8 F.R. 14343, effective 10-20-43]

(19) HARD MAPLE

Thickness (inches)	FAS	No. 1 Common and Selects or No. 1 Common	No. 2 Common	Sound Wormy	No. 3A Common	Box Grade	No. 3B Common
½	$30	$40	$23	$23			
⅝	70	46	23	23			
¾	70	52	30	30			
1	93	61	35	35	$25	$20	$15
1¼	103	65	38	38	26	21	16
1½	103	69	40	40	26	21	16
2	115	76	42	42	27	22	17
2½	130	90					
3	145	103					
4	160	122					

(20) SOFT MAPLE (WHAD)

Thickness (inches)	FAS	No. 1 Common and Selects or No. 1 Common	No. 2 Common	No. 3 Common
½	$46	$30	$23	
⅝	52	44	29	
¾	58	49	32	
1	67	57	33	$23
1¼	69	59	33	24
1½	72	62	33	24
2	76	65	41	25
2½	77	67	41	
3	82	72	42	
4	92	85		

(21) RED OAK—QUARTERED

Thickness (inches)	FAS	No. 1 Common and Selects or No. 1 Common	No. 2 Common	Sound Wormy	No. 3A Common	No. 3B Common
½	$32	$37	$23	$21		
⅝	39	42	32	27		
¾	66	47	35	30		
1	76	54	49	34	$31	$21
1¼	80	59	42	40		
1½	91	63	44	43		
2	101	68	47	45		

(22) RED OAK—PLAIN

½	$43	$35	$23	$21		
⅝	45	39	32	27		
¾	61	43	35	30		
1	73	54	40	34	$31	$21
1¼	82	59	41	40	31	21
1½	84	59	42	43	31	21
2	91	61	44	45	31	21
2½	116	76				
3	129	85				
4	144	93				

(23) WHITE OAK—QUARTERED

½	$74	$32	$23	$21		
⅝	85	39	32	27		
¾	95	69	35	30		
1	111	76	40	32	$31	$21
1¼	121	82	43	40		
1½	123	89	45	43		
2	143	99	48	45		

(24) WHITE OAK—PLAIN

Thickness (inches)	FAS	No. 1 Common and Selects or No. 1 Common	No. 2 Common	Sound Wormy	No. 3A Common	No. 3B Common
½	$61	$35	$23	$21		
⅝	70	49	32	27		
¾	78	44	35	30		
1	95	55	40	34	$31	$21
1¼	107	61	41	40	31	21
1½	112	62	42	43	31	21
2	121	65	44	45	31	21
2½	141	81				
3	155	95				
4	171	110				

(25) WHITE OAK (WHND)

Thickness (inches)	FAS	No. 1 Common and Better	No. 1 Common
½	$24	$25	$22
⅝	30	23	25
¾	42	31	27
1	62	49	40
1¼	73	59	47
1½	75	57	51
2	84	61	55
2½	104	81	74
3	110	95	85
4	133	105	95

(26) YELLOW POPLAR—QUARTERED

Thickness (inches)	FAS	No. 1 Common and Selects or No. 1 Common	No. 2A Common	No. 2B Common	No. 3 Common
½	$33	$30	$29	$24	
⅝	60	44	33	27	
¾	74	49	37	30	
1	85	55	42	34	$23
1¼	91	59	44	35	24
1½	94	63	45	36	24
2	106	63	49	37	25

(27) YELLOW POPLAR—PLAIN

Thickness (inches)	FAS	Saps and Selects	No. 1 Common and Selects or No. 1 Common	No. 2A Common	No. 2B Common	No. 3 Common
½	$35	$45	$37	$30	$25	
⅝	63	53	42	34	28	
¾	71	59	47	37	31	
1	82	63	54	43	35	$23
1¼	87	72	58	45	35	24
1½	91	75	62	47	37	24
2	100	80	66	51	39	25
2½	118	91	76	55		
3	123	102	86	63		
4	141	116	101			

(28) SYCAMORE—QUARTERED

Thickness (inches)	FAS	No. 1 Common and Selects or No. 1 Common	No. 2 Common	No. 3 Common
5/8	$54	$44	$36	----------
3/4	54	44	36	----------
1	59	49	41	$23
1 1/4	61	51	41	24
1 1/2	62	52	41	24
2	67	55	41	25

(29) SYCAMORE—PLAIN

5/8	$48	$38	$29	----------
3/4	48	38	29	----------
1	53	43	32	$23
1 1/4	55	45	34	24
1 1/2	57	47	34	24
2	61	50	34	25

(30) STRIPS

Species	Manufacture	Thickness (inch)	Width (inches)	Grade	
				Clear	No. 1 Common
Red Oak	Quartered	1	2 to 5 1/2	$61	$41
White Oak	Quartered	1	2 to 5 1/2	81	56

(31) SOFT MAPLE (WHND)

Thickness (inches)	FAS	No. 1 Common and Selects or No. 1 Common	No. 2 Common	No. 3 Common
1/2	$38	$31	$26	----------
5/8	43	35	29	----------
3/4	48	39	32	----------
1	55	45	36	$23
1 1/4	58	48	38	24
1 1/2	60	50	38	24
2	64	54	41	25
2 1/2	69	59	41	----------
3	75	65	42	----------
4	85	78	----------	----------

[Subparagraphs (20) through (31) amended by Am. 9, 8 F.R. 14343, effective 10-20-43]

(32) WHITE OAK OR RED OAK—STRUCTURAL STOCK OR SOUND SQUARE-EDGE

Size (inches)	Lengths (feet)						
	10 to 16	18	20	22	24	26	28
2 x 6	$43	$46	$50	$54	$59	$65	$73
2 x 8	43	46	50	54	59	65	73
2 x 10	45	48	52	56	61	67	75
2 x 12	49	52	56	60	65	71	79
2 x 14	53	56	60	64	69	75	83
2 x 16	58	61	65	69	74	80	88
3 x 6	43	46	50	54	59	65	73
3 x 8	43	46	50	54	59	65	73
3 x 10	45	48	52	56	61	67	75
3 x 12	49	52	56	60	65	71	79
3 x 14	53	56	60	64	69	75	83
3 x 16	58	61	65	69	74	80	88
4 x 6	43	46	50	54	59	65	73
4 x 8	43	46	50	54	59	65	73
4 x 10	45	48	52	56	61	67	75
4 x 12	49	52	56	60	65	71	79
4 x 14	53	56	60	64	69	75	83
4 x 16	58	61	65	69	74	80	88
6 x 6	43	46	50	54	59	65	73
6 x 8	45	48	52	56	61	67	75
6 x 10	47	50	54	58	63	69	77
6 x 12	49	52	56	60	65	71	79
6 x 14	53	56	60	64	69	75	83
6 x 16	58	61	65	69	74	80	88
8 x 8	45	48	52	56	61	67	75
8 x 10	47	50	54	58	63	69	77
8 x 12	49	52	56	60	65	71	79
8 x 14	53	56	60	64	69	75	83
8 x 16	58	61	65	69	74	80	88
10 x 10	47	50	54	58	63	69	77
10 x 12	49	52	56	60	65	71	79
10 x 14	53	56	60	64	69	75	83
10 x 16	58	61	65	69	74	80	88
10 x 18	63	66	70	74	79	85	93
12 x 12	50	53	57	61	66	72	80
12 x 14	55	58	62	66	71	77	85
12 x 16	60	63	67	71	76	82	90
12 x 18	66	69	73	77	82	88	96

(32) WHITE OAK OR RED OAK—Continued

Size (inches)	Lengths (feet)						
	10 to 16	18	20	22	24	26	28
12 x 20	$72	$75	$79	$83	$88	$94	$102
14 x 14	56	59	63	67	72	78	86
14 x 16	62	65	69	73	78	84	92
14 x 18	68	71	75	79	84	90	98
14 x 20	75	78	82	86	91	97	105
14 x 22	83	86	90	94	99	105	113
14 x 24	92	95	99	103	106	114	122
14 x 26	102	105	109	113	118	124	132
14 x 28	113	116	120	124	129	135	143
16 x 16	69	72	76	80	85	91	99
16 x 18	76	79	83	87	92	98	106
16 x 20	84	87	91	95	100	106	114
16 x 22	92	95	99	103	108	114	122
16 x 24	101	104	108	112	117	123	131
16 x 26	111	114	118	122	127	133	141
16 x 28	122	125	129	133	138	144	152
18 x 18	83	86	90	94	99	105	113
18 x 20	91	94	98	102	107	113	121
18 x 22	100	103	107	111	116	122	130
18 x 24	110	113	117	121	126	132	140
18 x 26	121	124	128	132	137	143	151
18 x 28	133	136	140	144	149	155	163

NOTES ON WHITE OAK OR RED OAK—STRUCTURAL STOCK OR SOUND SQUARE EDGE

Random Widths; in 2", 3" and 4" thicknesses—$43.00.

Free of Heart; in 2", 3" and 4" thicknesses—add $6.00 to maximum price for same thickness, width and length in above schedule.

Deduction for mixed hardwoods: For Mixed Hardwoods—Structural Stock or Sound Square Edge, deduct $4.00 from the maximum price for White Oak or Red Oak—Structural Stock or Sound Square Edge in the same size in above schedule.

[Above note added by Am. 11, 8 F.R. 16740, effective 12-17-43]

Prices for specific sizes not in schedule: The maximum price for material of a length not included in this schedule shall be determined by adding to the maximum price for the next shorter length the proportionate amount of the difference between the maximum price of such next shorter length and the maximum price of the next longer length.

In the case of any item 2" or thicker and wider than 6" for which the thickness or the width is not included in the schedule, the maximum price shall be the maximum price for the material of the next greater thickness or width.

The maximum prices set forth above supersede the maximum prices for like material authorized for individual sellers under the special pricing provisions of this regulation.

[Above note amended by Am. 17, effective 10-2-45]

(33) WHITE OAK OR RED OAK—FREIGHT CAR STOCK, COMMON DIMENSION, MINE CAR LUMBER

Size (inches)	Lengths (feet)						
	10 to 16	18	20	22	24	26	28
2 x 6	$50	$55	$61	$67	$74	$83	$95
2 x 8	50	55	61	67	74	83	95
2 x 10	53	57	63	69	77	86	98
2 x 12	58	63	69	75	82	91	103
2 x 14	64	68	74	80	88	97	109
2 x 16	70	75	81	87	95	104	116
3 x 6	50	55	61	67	74	83	95
3 x 8	50	55	61	67	74	83	95
3 x 10	53	57	63	69	77	86	98
3 x 12	58	63	69	75	82	91	103
3 x 14	64	68	74	80	88	97	109
3 x 16	70	75	81	87	95	104	116
4 x 6	48	55	60	65	71	78	88
4 x 8	48	55	60	65	71	78	88

(33) WHITE OAK OR RED OAK—Continued

Size (inches)	Lengths (feet)						
	10 to 16	18	20	22	24	26	28
4 x 10	$50	$58	$62	$67	$73	$80	$90
4 x 12	55	62	67	72	78	85	95
4 x 14	59	67	72	77	83	90	100
4 x 16	65	73	78	83	89	96	106
6 x 6	48	55	60	65	71	78	88
6 x 8	50	58	62	67	73	80	90
6 x 10	53	60	65	70	76	83	92
6 x 12	55	62	67	72	78	85	95
6 x 14	59	67	72	77	83	90	100
6 x 16	65	73	78	83	89	96	106
8 x 8	50	58	62	67	73	80	90
8 x 10	53	60	65	70	76	83	92
8 x 12	55	62	67	72	78	85	95
8 x 14	59	67	72	77	83	90	100
8 x 16	65	73	78	83	89	96	106
10 x 10	53	60	65	70	76	83	92
10 x 12	55	62	67	72	78	85	95
10 x 14	59	67	72	77	83	90	100
10 x 16	65	73	78	83	89	96	106
10 x 18	71	79	84	89	95	102	112
12 x 12	56	64	68	73	79	86	96
12 x 14	62	70	74	79	85	92	102
12 x 16	67	76	80	85	91	98	108
12 x 18	74	83	88	92	98	106	116
12 x 20	81	90	95	100	106	113	122
14 x 14	63	71	76	80	86	94	103
14 x 16	69	78	83	88	94	101	110
14 x 18	76	85	90	95	101	108	118
14 x 20	84	94	98	103	109	116	126
14 x 22	93	103	108	113	119	126	136
14 x 24	103	114	119	124	130	137	146
14 x 26	114	126	131	136	142	149	158
14 x 28	127	139	144	149	155	162	172
16 x 16	77	86	91	96	102	109	119
16 x 18	86	95	100	104	110	118	127
16 x 20	94	104	109	114	120	127	137
16 x 22	103	114	119	124	130	137	146
16 x 24	113	125	130	134	140	148	157
16 x 26	124	137	142	146	152	160	169
16 x 28	137	150	155	160	166	173	182
18 x 18	93	103	108	113	119	126	136
18 x 20	102	113	118	122	128	136	146
18 x 22	112	124	128	133	139	146	156
18 x 24	123	136	140	145	151	158	168
18 x 26	136	149	154	158	164	172	181
18 x 28	149	163	168	173	179	186	196

NOTES ON WHITE OAK OR RED OAK—FREIGHT CAR STOCK, COMMON DIMENSION, MINE CAR LUMBER

Random Widths; in 2" and 3" thicknesses—$50.00.

Free of Heart; in 2" and 3" thicknesses—add $8.00 to maximum price for same thickness, width and length in above schedule.

Deduction for mixed hardwoods. For Mixed Hardwoods—Freight Car Stock, Common Dimension, Mine Car Lumber, deduct $4.00 from the maximum price for White Oak or Red Oak—Freight Car Stock, Common Dimension, Mine Car Lumber in the same size as shown in above schedule.

[Above note added by Am. 12, 8 F.R. 17414, effective 1-3-44]

Prices for specific sizes not in schedule: The maximum price for material of a length not included in this schedule shall be determined by adding to the maximum price for the next shorter length the proportionate amount of the difference between the maximum price of such next shorter length and the maximum price of the next longer length.

In the case of any item 2" or thicker and wider than 6", for which the thickness or the width is not included in the schedule, the maximum price shall be the maximum price for the material of the next greater thickness or width.

The maximum prices set forth above supersede the maximum prices for like material authorized for individual sellers under the special pricing provisions of this regulation.

[Above note amended by Am. 17, effective 10-2-45]

[Subparagraphs (31), (32) and (33) added by Am. 7, 8 F.R. 9417, effective 7-14-43]

(34) *Mixed Hardwoods No. 1 dimension.*

Thickness and width (inches)	Lengths (feet)										
	4	6	8	9	10	12	14	16	18	20	22 and 24
2 x 2	$27.50	$27.50	$34.50	$35.50	$34.50	$34.50	$35.50	$36.50	$38	$39	$44.50
2 x 3	26.50	26.50	33.50	34.50	33.50	33.50	34.50	35.50	37	38	43.50
2 x 4	25.50	25.50	32.50	33.50	32.50	32.50	33.50	34.50	36	37	42.50
2 x 5	29.00	29.00	36.00	38.50	37.50	37.50	37.50	38.50	42	44	48.50
2 x 6	25.50	25.50	32.50	33.50	32.50	32.50	33.50	34.00	36	37	42.50
2 x 8	25.50	25.50	32.50	33.50	32.50	32.50	33.50	34.00	36	37	42.50
2 x 10	29.00	29.00	36.00	38.50	37.50	37.50	37.50	38.50	42	44	48.50
2 x 12	31.00	31.00	38.00	40.50	39.50	39.50	39.50	40.50	44	46	50.50

(35) *Mixed Hardwoods No. 2 dimension.*

Thickness and width (inches)	Lengths (feet)										
	4	6	8	9	10	12	14	16	18	20	22 and 24
2 x 2	$25.50	$25.50	$31.50	$32.50	$31.50	$31.50	$32.50	$33.50	$35.00	$36.00	$41.50
2 x 3	24.50	24.50	30.50	31.50	30.50	30.50	31.50	32.50	34.00	35.00	40.50
2 x 4	23.50	23.50	29.50	30.50	29.50	29.50	30.50	31.50	33.00	34.00	39.50
2 x 5	24.00	24.00	30.00	34.00	33.00	32.00	32.00	32.00	35.50	37.50	43.00
2 x 6	22.50	22.50	28.50	29.50	28.50	28.50	29.50	30.00	32.00	33.00	38.50
2 x 8	22.50	22.50	28.50	29.50	28.50	28.50	29.50	30.00	32.00	33.00	38.50
2 x 10	24.00	24.00	30.00	34.00	33.00	32.00	32.00	32.00	35.50	37.50	43.00
2 x 12	26.00	26.00	32.00	34.00	33.00	33.00	33.00	34.00	37.50	39.50	44.00

[Subparagraph (34) and (35) added by Am. 10, 8 F.R. 15430, effective 11-15-43]

(36) [Revoked]

[Subparagraph (36) added by Am. 10; revoked by Am. 13, 9 F.R. 1454, effective 2-8-44]

(c) *Maximum prices for dunnage.* (1) The maximum rail-delivered price for 1,000 feet of dunnage lumber shall be as follows:

Delivered at:	*Maximum delivered price*
Baltimore, Md	$32.00
Beaumont, Tex	23.00
Boston, Mass	36.00
Charleston, S. C	23.00
Corpus Christi, Tex	23.00
Galveston, Tex	23.00
Gulfport, Miss	23.00
Houston, Tex	23.00
Jacksonville, Fla	23.00
Lake Charles, La	23.00
Mobile, Ala	23.00
Morgan City, La	23.00
Newark, N. J	34.00
New Orleans, La	23.00
New York, N. Y	34.00
Pensacola, Fla	23.00
Philadelphia, Pa	33.00
Port Arthur, Tex	23.00
Portsmouth, Va	26.00
Savannah, Ga	23.00
Tampa, Fla	25.00

(2) The maximum price for dunnage delivered at the above ports by water shall be the rail-delivered price as above set forth less the difference between the rail transportation charge from the point of shipment to the particular port, computed by multiplying the applicable rail rate by the weight of the lumber based on 3500 pounds per M'BM, and the actual water transportation charge from the point of shipment to the particular port.

(3) The term "dunnage" as used above means lumber of any hardwood species, of standard widths and lengths, but poorer in quality than the lowest standard grade in the particular species.

[Paragraph (c) added and former (c), (d) and (e) redesignated (d), (e) and (f) by Am. 9, 8 F.R. 14343, effective 10-20-43]

(d) *Deduction for green.* For lumber shipped in a "green" condition, deduct from the maximum prices for air-dried lumber established in this Appendix "A", 10 percent of the maximum price for rough, air-dried material in the same specifications.

This deduction shall not apply to special sawn timbers, Tough Ash lumber, or to lumber customarily used without air seasoning, but it shall apply to any lumber which requires further air seasoning by the purchaser before being placed in the kiln for kiln-drying, or before fabrication if not kiln-dried.

The mere fact that the lumber is not used immediately, but is stored on the purchaser's yard, does not necessarily mean that green lumber has been shipped, but in case of dispute any lumber which weighs 25% or more in excess of the air-dried weight as published in the Rules for the Measurement and Inspection of Hardwood Lumber, issued by the National Hardwood Lumber Association January 1, 1943, or for weights filed with the Office of Price Administration by the individual shippers, shall be considered to be "green."

Any purchaser who accepts "green" lumber at prices applicable to "dry" lumber is guilty of violation of the regulation to the same extent as the seller.

[Paragraph (d) formerly (c) amended by Am. 7, 8 F.R. 9417, effective 7-14-43 and Am. 9]

(e) The following additions per 1,000 feet of South Central hardwood lumber may be charged for the specified treatments and workings:

(1) Kiln drying the lumber to a moisture content not exceeding 9 percent as of the time the lumber leaves the kiln.

Species	1/2" and 5/8" thick	3/4" thick	1" thick	1 1/4" thick	1 1/2" thick	2" thick	2 1/2" thick	3" thick
Basswood, Buckeye, Butternut, Cottonwood, Elm, Hackberry, Soft Maple, Yellow Poplar, Sycamore, Ash	$4.00	$4.50	$5.00	$6	$6.50	$7	$9	$11
Beech, Sap Gum, Black Gum, Tupelo	4.50	5.00	6.00	7	8.00	9	11	13
Red Gum, Hickory, Hard Maple	5.00	5.50	6.50	8	9.00	12	15	20
Plain Oak	5.00	6.00	7.50	9	11.00	15	20	25
Quartered Oak								

(2) Kiln drying the lumber to a moisture content greater than 9 percent but not exceeding 15 percent as of the time the lumber leaves the kiln.

Species	1/2" and 5/8" thick	3/4" thick	1" thick	1 1/4" thick	1 1/2" thick	2" thick	2 1/2" thick	3" thick
Basswood, Buckeye, Butternut, Cottonwood, Elm, Hackberry, Soft Maple, Yellow Poplar, Sycamore, Ash	$2.50	$3.00	$3.50	$4.00	$4.50	$5	$6.00	$7.50
Beech, Sap Gum, Black Gum, Tupelo	3.00	3.50	4.00	5.00	5.50	6	7.50	9.00
Red Gum, Hickory, Hard Maple	3.50	4.00	4.50	5.50	6.50	8	10.00	13.50
Plain Oak								
Quartered Oak	3.50	4.00	5.00	6.00	7.50	10	13.50	16.50

(3) Anti-stain treatment (where requested by purchaser): 50¢.

(4) MILL WORKING ADDITIONS. (See note below)

	Less than 1", 1" and 1¼" thick	1½" thick	Thicker than 1½" to 3" thick
Resawing 1 line	$3.00	$2.50	--------
Resawing 2 lines	5.50	4.50	--------
Surfacing 1 or 2 sides	2.50	2.25	$2.25
Surfacing 2 sides and resawing	5.00	4.25	--------
Resawing and surfacing 1 or 2 sides	5.50	4.75	--------
Surfacing 3 or 4 sides or 1 side and 1 edge	4.00	3.50	3.50

NOTE: Minimum requirements for surfacing for which the above additions may be made are the requirements of "hit or miss" dressing set out in the applicable National Hardwood Lumber Association rules.

[Subparagraph (4) amended by Am. 12, 8 F.R. 17414, effective 1-3-44 and Am. 17, effective 10-2-45]

(5) Inspecting, grading and measuring after kiln drying: 5 per cent of the f. o. b. mill price of the lumber in a rough air dried condition. This addition may be made only where the seller performs all three of these services, at the request of the purchaser, after kiln drying.

(6) End-racking or band sawing: No additions.

(f) Additions to the maximum prices established in this Appendix D may be charged and deductions and adjustments must be made in accordance with the provisions of paragraphs (e), (f), (g), (h), (i), (j) and (k) of § 1382.61, Appendix A.

[Paragraph (f) amended by Am. 17, effective 10-2-45]

§ 1382.65 *Appendix E: Maximum prices for South Central hardwood lumber; "standard special" grades or items*—(a) *Standard special widths and lengths.* The maximum f. o. b. mill prices for 1,000 feet of South Central hardwood lumber in the species and in the "standard special" widths and lengths listed below shall be as follows:

(1) STANDARD SPECIAL WIDTHS AND LENGTHS—ALL HARDWOOD SPECIES EXCEPT AS OTHERWISE PROVIDED IN SUBPARAGRAPHS (2) AND (3) BELOW

(See the notes under subparagraph (3) below for the conditions under which these additions are permitted.)

Width and/or length	Grade	Maximum additions to maximum prices established in § 1382.64 for lumber in corresponding standard grades and same thicknesses
5" or 6" and wider; regular lengths	No. 1 Common and Selects or No. 1 Common; No. 2 Common; No. 3 Common.	$2.00
8' and longer	No. 1 Common and Selects or No. 1 Common; No. 2 Common; No. 3 Common.	1.00
10' and longer; or 12' and longer	No. 2 Common; No. 3A Common; No. 3 Common.	2.00
All 14' to 16' or all one length 10'-14'	No. 2 Common; No. 3A Common; No. 3 Common.	4.00
All 16'	No. 2 Common; No. 3A Common; No. 3 Common.	5.00
8" and wider; standard lengths	No. 2 Common; No. 3A Common; No. 3 Common.	4.00
10" and wider; standard lengths	No. 2 Common; No. 3A Common; No. 3 Common.	5.00
12" and wider; standard lengths	No. 2 Common; No. 3A Common; No. 3 Common.	6.00
All 10' to 16' or all 10'	No. 1 Common and better	3.00
All 12' to 16'	No. 1 Common and better	6.00
All 12' and 14'—or all 12'	No. 1 Common and better	8.00
All 14' and 16' or all 14'	No. 1 Common and better	10.00
All 16'	No. 1 Common and better	15.00
7" and wider; standard lengths	No. 1 Common and better	2.50
8" and wider; standard lengths	No. 1 Common and better	5.00
9" and wider; standard lengths	No. 1 Common and better	7.50
10" and wider; standard lengths	No. 1 Common and better	10.00
12" and wider; standard lengths	No. 1 Common and better	15.00
For each additional inch over 12" and wider	No. 1 Common and better	2.50
All one width	No. 3 Common and better	(1)
Step plank	No. 1 Common and better	15.00

[1] Same price as for same width and wider.

(2) STANDARD SPECIAL WIDTHS—TOUGH ASH

(See the notes under subparagraph (3) below for the conditions under which these additions are permitted.)

Width and/or length	Grade	Maximum additions to maximum prices established in § 1382.64 for lumber in corresponding standard grades and same thicknesses
10' and longer	No. 1 Common and better	$5.00
12' and longer	No. 1 Common and better	10.00
14' and 16' or all one length 10' to 14'	No. 1 Common and better	15.00
A combination of 2 lengths in the range 8' to 16' except the combination of 14' and 16'.	No. 1 Common and better	10.00
A combination of 3 lengths in the range 8' to 16' except the combination of 12', 14' and 16'.	No. 1 Common and better	5.00
All 8'	No. 1 Common and better	10.00
All 16'	No. 1 Common and better	20.00
7" and wider; standard lengths	No. 1 Common and better	10.00
8" and wider; standard lengths	No. 1 Common and better	15.00
9" and wider; standard lengths	No. 1 Common and better	20.00
10" and wider; standard lengths	No. 1 Common and better	25.00
11" and wider; standard lengths	No. 1 Common and better	30.00
12" and wider; standard lengths	No. 1 Common and better	35.00
13" and wider; standard lengths	No. 1 Common and better	40.00
14" and wider; standard lengths	No. 1 Common and better	45.00

(3) STANDARD SPECIAL WIDTHS—COTTONWOOD: BLACK GUM—PLAIN: RED GUM—PLAIN: SAP GUM—PLAIN: YELLOW POPLAR—PLAIN: TUPELO—PLAIN

(See the notes below for the conditions under which these additions are permitted.)

Widths	Grade	Maximum additions to maximum prices established in §1382.64 for lumber in corresponding standard grades and same thicknesses
7" and wider; standard lengths	No. 1 Common and better	$4.00
8" and wider; standard lengths	No. 1 Common and better	5.00
9" and wider; standard lengths	No. 1 Common and better	5.50
10" and wider; standard lengths	No. 1 Common and better	6.00
11" and wider; standard lengths	No. 1 Common and better	6.50
12" and wider; standard lengths	No. 1 Common and better	7.00
13" and wider; standard lengths	No. 1 Common and better	8.00
14" and wider; standard lengths	No. 1 Common and better	9.00
15" and wider; standard lengths	No. 1 Common and better	10.00
16" and wider; standard lengths	No. 1 Common and better	12.00
17" and wider; standard lengths	No. 1 Common and better	14.00
18" and wider; standard lengths	No. 1 Common and better	16.00
20" and wider; standard lengths	No. 1 Common and better	18.00

The above additions in the tables in subparagraphs (1), (2), and (3) shall be permitted only on the following conditions.

1. The purchaser's original inquiry or order covering the lumber desired must specifically state the "special" widths and/or lengths required. This original inquiry or order must be made a part of the seller's order file covering the particular transaction. This order file must also contain whatever correspondence passed between the purchaser and the seller in the particular transaction, together with a copy of the order as finally entered. In other words, this order file must show that the purchaser has not accepted lumber of specifications other than originally desired and that the seller is not in violation of any of the provisions of Section 1382.54—Evasion—of this regulation.

2. A shipment of any "special" item the price for which includes any addition provided for in this subdivision must contain no other stock of the same species, grade, and thickness and each special item must

be invoiced at only one price. According to the National Hardwood Lumber Association Rules for the Measurement and Inspection of Hardwood Lumber, all width and length specifications are inclusive. For example:

a. A shipment against a "special" item specification, for instance for "8" and wider", or "8" and longer", or a combined width and length such as "8" and wider, 8' and longer", must contain *no* widths and/or lengths under the minimums specified and must contain *all* standard widths and/or lengths for the grade over the minimums specified.

b. A shipment against a "special" item specification priced under this paragraph (a) must not contain, or be invoiced to show any other item in the same species of the same grade and thickness.

Example: 15,000' BM 4/4" No. 1 Common and Selects Plain Red Oak, 8" and wider, standard lengths could not be shipped as

9,000' BM 4/4" No. 1 Common and Selects Plain Red Oak 8" widths, standard lengths @ $59.00, and the various quantities of the other wider widths in the shipment billed as such at the "special" item prices in this Section.

c. A shipment against a standard grade specification must not contain, or be invoiced to show any "special" item of the same species, grade and thickness which is priced under this subparagraph.

Example: An order for 15,000' BM 4/4" No. 1 Common and Selects Plain Red Oak could not be shipped as

10,000' BM 4/4" No. 1 Common and Selects Plain Red Oak @ $54.00

5,000' BM 8" and wider at $59.00

NOTE: In each case the order specification is all inclusive with respect to the stock to be shipped.

[Above note added and headnote of subparagraphs (1), (2) and (3) amended by Am. 17, effective 10-2-45]

(b) *Additions, adjustments and restrictions.* The additions, adjustments and restrictions provided in paragraphs (d), and (e) of § 1382.64, Appendix D, and in paragraphs (e), (f), (g), (h), (i), (j) and (k) of § 1382.61, Appendix A, shall apply to the prices established in this Appendix E.

[Paragraph (b) amended by Am. 17, effective 10-2-45]

(c) *Effect on special prices.* The maximum prices contained in this Appendix E supersede the maximum prices for like material authorized for individual sellers under the special pricing provisions of this regulation.

[§ 1382.65 added by Am. 7, 8 F.R. 9417, effective 7-14-43. Former § 1382.65 revoked by Am. 7]

§ 1382.66 *Appendix F: Maximum prices for South Central hardwood lumber in "non-standard special" grades or items*—(a) *Application of Appendix F.* (1) This section shall apply to South Central hardwood lumber which is sold on special specifications not covered by Appendices D and E (§§ 1382.64 and 1382.65).

(2) For the purposes of this section, the term "South Central hardwood lumber" shall include all items of lumber in the species set forth in § 1382.58 (a) (4) but shall not include the following items: (The term "items" includes specifications, workings, services, and/or extras).

(i) Glued stock.
(ii) Moulding.
(iii) Shiplap.
(iv) Risers, step treads, thresholds, handrails.
(v) Flooring.
(vi) Switch, cross, and mine ties.
(vii) Mine material.
(viii) Small dimension stock.
(ix) Lath.
(x) Navy oak ship stock (see Maximum Price Regulation No. 281).

[Subparagraph (v) deleted and former subparagraphs (vi) through (xi) redesignated (v) through (x), respectively, by Am. 17, effective 10-2-45]

(b) *Maximum prices for grades, specifications and extras not specifically priced.* (1) South Central hardwood lumber, sold on special grades or specifications or with special services or other extras not specifically mentioned in Appendix D, is nevertheless subject to this regulation. The maximum price is a price which bears the October 1941 relation to the most comparable standard item. The seller should find his price difference between the special item and this most comparable standard item in October 1941 or the first month before that in which he had sales of both items, or if this is impossible, the price differential he would have used. This difference is then added to or subtracted from the maximum price of the comparable standard grade, and the result is the maximum price for the special grade. This price must be reported to the Office of Price Administration, Washington, D. C. on OPA Form 255:2 revised, given in subparagraph (3) below. It may be ordered reduced, if it is found excessive. But if the price is not disapproved within 30 days of the receipt of the report, it is approved. Applications for approval of maximum prices for special grades and items under this section will be considered only when accompanied by (i) a true copy of the order or of customer's inquiry on the basis of which the application has been submitted; and (ii) a statement certified to be true by the purchaser or prospective purchaser to the effect that none of the grades specifically priced in the regulation will serve the purpose for which the stock is intended to be used, which purpose is to be stated; that it has been his custom to purchase lumber on such special specifications. Approval of the price will be conditional on a finding that the purpose for which the special grade item is to be used is classfied by the War production Board as essential to the war effort. Prices for such special grades or items, when approved, will be based on the price differential previously established between the particular special item requirement and the related grade rule specification.

[Subparagraph (1) amended by Am. 11, 8 F.R. 16740, effective 12-17-43]

(2) A seller using this pricing section can go ahead with delivery of the lumber and collection of the price he has computed or requested. But he must tell the buyer that the price is subject to revision within the thirty-day period, and, if the price is ordered reduced, must refund any excess over the final approved price.

(3) OPA Form 255:2 revised is as follows:

Form approved
by Budget Bureau
No. 02-R 525

OFFICE OF PRICE ADMINISTRATION

LUMBER BRANCH

HARDWOOD SECTION

Report of sales of South Central hardwood lumber in special items or special grades (other than combination grades), or prepared with special workings, treatments or services.

Company_____
Address_____
Mill location_____

SALES OF SPECIAL STOCKS OF LUMBER

(As Defined in Appendix B of Maximum Price Regulation No. 155)

This report must be filed with the Lumber Branch of the Office of Price Administration, Washington, D. C., within 30 days of the date on which the producing mill enters into a contract for the sale of South Central hardwood lumber in a special item or special grade (other than a combination grade) or prepared with a special working, treatment, or service.

Date of order_____
Origin of shipment_____
Order No._____
Destination of shipment_____
Purchaser_____
(Name and address)

F. o. b. Mill Price_____
(Including discounts or commissions, if any)

_____ _____ _____ _____
(Species) (Thickness) (Widths) (Lengths)

_____
(Designation of grade, item, working, treatment or service)

Differential in relation to most comparable standard grade or item which was employed or would have been employed during October 1-15, 1941 _____

Most comparable standard grade or item to which differential is applied_____

_____

Complete description of special grade, item, working, treatment, or service (including a statement whether the lumber is rough or machined and is air dried, kiln dried or green)

_____

Detailed explanation of how maximum price was computed or built up_____

_____

_____

_____ _____
(Name) (Office or title)

(c) *Additions, adjustments and restrictions.* The additions, adjustments and restrictions provided in paragraphs (c) and (d) of § 1382.64, Appendix D, and in paragraphs (e), (f), (g), (h), (i), (j) and (k) of § 1382.61, Appendix A, shall apply to the prices established in this Appendix.

[Paragraph (c) amended by Am. 17, effective 10-2-45]

[§ 1382.66 added by Am. 7, 8 F.R. 9417, effective 7-14-43. Former § 1382.66 revoked by Am. 7]

§ 1382.67 *Appendix G: Maximum prices for hardwood lumber sold by "small mills."* A "small mill" for the purpose of this section means only a mill in the South Central hardwood lumber region which produced, during no consecutive twelve-month period since October 1941, more than one and a half million feet of hardwood lumber or more than four million feet of softwood and hardwood lumber combined.

A "small mill" may sell on grade according to the provisions of the other sections of the regulation if it is willing to take full responsibility for the accuracy of its grading and if it does not wish to sell according to the provisions of this section.

Yellow cypress lumber sold by a small mill duly authorized by the Office of Price Administration under this section to sell South Central hardwood lumber either on its own inspection as provided in the preceding paragraph or under the conditions provided in paragraph (b) below, shall be sold under the appropriate provisions of Revised Maximum Price Regulation 97. (Note that maximum prices of graded yellow cypress sold by small mills on grades determined by National Hardwood Lumber Association inspection or on authorized buyer's inspection are established in § 1382.113 of Revised Maximum Price Regulation 97.)

(a) *Ungraded hardwood lumber; maximum prices.* The maximum prices for 1,000 feet board measure for the full product of the logs of ungraded South Central hardwood lumber, including yellow cypress, produced by small mills, of any species or combination of species in green or dry condition are as follows:

Lumber cut to dry to:

Thicknesses of 1", 1¼" and 1½"	$32.00
Thickness of 2"	29.00
Thicknesses over 2"	28.00

(b) *Graded hardwood lumber; maximum prices.* Only a "small mill" which has registered as such with the Office of Price Administration as required by paragraph (f) below, which does not grade its own hardwood lumber, and which does not sell ungraded hardwood lumber under (a) above, may sell hardwood lumber on grade subject to the maximum prices for the species, grades, and thicknesses established in this regulation under the following conditions:

(1) *N. H. L. A. inspection.* A "small mill" may sell hardwood lumber at the graded hardwood lumber prices established in this regulation for the grades determined by National Hardwood Lumber Association inspection at the point of origin only, with the cost of inspection borne by the seller. (Note: Any mill which sells graded hardwood lumber on its own inspection may, of course, sell graded hardwood lumber on National Hardwood Lumber Association inspection.)

(2) *Buyer's inspection*—(i) *Eligible buyers.* A "small mill" may sell hardwood lumber on buyer's inspection at graded hardwood lumber prices to a buyer authorized under the provisions of subparagraph (d) of this section by the Office of Price Administration, Washington, D. C., to buy on his own inspection.

(ii) *Maximum prices.* The maximum prices for this type of sale shall be the applicable maximum prices established in this regulation for the particular species, grades, and thicknesses of hardwood lumber, less 5%. Buyer's inspection on truck or rail shipments may be made at either the point of origin or at destination.

(3) *Residue sales.* A small mill which sells hardwood lumber on grade on National Hardwood Lumber Association or authorized buyer's inspection may sell any of its hardwood lumber ungraded at not more than $20 per 1,000 feet board measure.

(c) *Buyer's application.* In order to obtain authorization to buy hardwood lumber on grade by his own inspection, a buyer must apply to the Lumber Branch, Office of Price Administration, Washington 25, D. C., and submit the following information:

(1) Whether it was his continuous procedure before October 15, 1941 to buy hardwood lumber principally on separate species, grades and thicknesses as determined by his own inspection according to the effective rules issued by the National Hardwood Lumber Association and at a separate price for each item. If so, copies of settlement sheets and bills showing payment on this basis are to be submitted.

(2) Whether the efficiency, facilities and practices of his inspection procedure have been maintained.

(3) Names of inspectors, and for each inspector his period of employment by the buyer and his previous experience and employment in grading hardwood lumber.

(d) *Buyer's authorization.* Permission to purchase graded hardwood lumber on buyer's inspection, and on authorization number, will be given by the Administrator, or person delegated by him, if, in his judgment, the buyer is qualified to purchase on his own grading. The authorization will be denied or withdrawn if it is found that any material statements in the application were false or do not apply due to a change in circumstances, or that the hardwood lumber has been graded inaccurately by the buyer to such an extent as to show either intentional false grading, incompetence or negligence in grading. Where buyer's grading indicates abnormally high grade realization, the buyer's authorization may, in the absence of adequate explanation, be revoked. The buyer shall be held fully responsible for the grading. In addition to withdrawal of permission, the buyer, of course, is subject to the usual penalties imposed by law for any violation of this regulation.

After authorization is granted, the buyer must notify the Lumber Branch of the Office of Price Administration, Washington 25, D. C., of any changes in his position affecting his ability to inspect and grade hardwood lumber.

(e) *Records.* (1) The buyer shall furnish the seller a true copy of the inspection report and both the seller and the buyer shall maintain adequate records of each sale or purchase of hardwood lumber on buyer's inspection for a period of at least two years or for the duration of the Emergency Price Control Act of 1942, as amended, whichever is shorter. These records must show the buyer's authorization number, the name of the seller and of the buyer, the date of sale, the footage of each species, grade and thickness of hardwood lumber, the moisture condition (whether green, air-dried, or kiln-dried), the itemized prices received and paid therefor and a statement from the seller that he is qualified to sell on buyer's inspection under this section.

(2) The buyer shall submit quarterly to the Lumber Branch, Washington 25, D. C., a statement of the volume of his purchases of hardwood lumber on his own inspection broken down to show the total for each species by grades and thicknesses.

(f) *Registration of sellers.* Within 30 days from October 2, 1945 or, in the case of new sellers, within 30 days of the first sale under this section, every mill which does not sell its hardwood lumber on grade on its own inspection, must file a statement with the Lumber Branch of the Office of Price Administration, Washington 25, D. C., indicating which type of sales it will make under this § 1382.67. Any change in selling method thereafter made must be approved in writing by the Administrator upon application for approval of such change made to the Lumber Branch of the Office of Price Administration, Washington 25, D. C.

(g) *Prohibited practices.* To prevent evasion of this section the following practices are prohibited unless changes in selling methods have been approved by the Administrator under paragraph (f) above:

(1) Sales of hardwood lumber on grade, by a "small mill" that has been selling ungraded lumber.

(2) Sales of ungraded hardwood lumber, or graded hardwood lumber on buyer's inspection, by sellers previously selling on their own inspection.

(3) Sales of ungraded hardwood lumber or graded hardwood lumber on his own inspection by a seller who has been selling graded hardwood lumber on buyer's inspection, except as provided in paragraph (b) (3) of this section.

(4) Sales of hardwood lumber priced on grade by inspection of an unauthorized buyer.

(5) Sales of ungraded lumber under paragraph (a) which is not substantially the run of the log in the thickness sold.

(6) Sales of ungraded hardwood lumber by a seller who has been selling graded hardwood lumber.

The maximum price for lumber sold in any such manner shall be $20.00 per 1,000 feet board measure. The establishment of a maximum price of $20.00 per 1,000 feet board measure for such lumber does not mean that these sales are permitted, but is established solely for the purpose of providing a fair and equitable basis for determining the amount of overcharges in the event that such sales take place.

However, anything contained herein to the contrary notwithstanding, any mill may sell the products covered by Third Revised Maximum Price Regulation 216—Eastern Railroad Ties, or by Maximum Price Regulation 558—Eastern Wooden Mine Material and Industrial Blocking, or any superseding regulation at the applicable prices under such regulations.

(h) *Delivery.* The maximum prices of hardwood lumber under paragraph (a) in this section include loading on rail cars within 30 miles or delivery for 30 miles or less. Where delivery or car loading is over 30 miles, a charge of 10 cents per 1,000 feet board measure for each mile over 30 and up to 100 miles may be made, with no addition for the return trip. For example, if delivery is made for 50 miles, a delivery charge of $2.00 per 1,000 feet board measure may be added. If delivery is over 100 miles, the charge to be added may be only the carload rail freight for the whole distance from the nearest rail loading-out point to destination.

If the seller does not load the lumber on rail cars or provide delivery within 30 miles, or if it is necessary for the buyer to incur any delivery or loading expense within the 30 miles (except rail freight), the prices for hardwood lumber must be reduced by $2.50 per 1,000 feet board measure. Maximum delivery charges on sales made under paragraph (b) of this section shall be the charges set forth in § 1382.61 (g).

(i) *Intermediate sellers.* Any person who acts as a selling agent for "small mills," and does not take title to the lumber, stands in the same position as the mills whose lumber he sells.

(j) *Sales to United States Government or any of its agencies.* The United States Government or any of its agencies may purchase hardwood lumber on buyer's inspection without authorization from the Office of Price Administration.

[§ 1382.67 added by Am. 17, effective 10-2-45]

NOTE: All reporting and record-keeping requirements of this regulation have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

Issued this 27th day of September 1945.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 45-18148; Filed, Sept. 28, 1945; 4:54 p. m.]

PART 1364—FRESH, CURED AND CANNED MEAT AND FISH PRODUCTS

[MPR 579, Amdt. 11]

CERTAIN SPECIES OF FRESH AND FROZEN FISH AND SEAFOOD

A statement of the considerations involved in the issuance of this amendment has been issued simultaneously herewith and filed with the Division of the Federal Register.

Maximum Price Regulation No. 579 is amended in the following respects:

1. In Table IA of section 10.1 (a) Schedule No. 10, the first six items setting out the summer prices (April-November) are amended to read as follows:

Sched. No.	Species	Item No.	Style of dressing	Size	Season	A	B	C	D	E	F	G
10	Pollock	1	Drawn	All	Apr.-Nov	5	6¾	7¾	9¼	7½	8¾	9¾
		2	Round	Under 1½	do	2¼	3¼	4	6¾	4¾	6¾	8¼
		3	do	1½ to 2½	do	3	4	4¾	6½	5	6	7
		4	do	2½ up	do	3¼	4¾	5½	7¾	5¾	6¾	7¾
		5	Dressed	All	do		8	8¾	10¾	9	10¾	11¾
		6	Fillets	All	do		16	17¼	19¾	17½	19¾	20¾

2. In Table IB of section 10.1 (b) Schedule No. 10, is amended to read as follows:

Sched. No.	Species	Item No.	Style of dressing	Size	I	II	III	IV	V
10	Pollock	1	Drawn	All	8¼	9¼	9½	10¾	12¼
		2	Round	Under 1½	5¼	6	6¾	7¾	8¾
		3	do	1½ to 2½	6	6¾	7	8	9½
		4	do	2½ up	6¾	7½	7¾	8¾	10¼
		5	Dressed	All	10	11	11	12¾	13¾
		6	Fillets	All	17¼	18¾	19	20¾	22¾

This amendment shall become effective October 1, 1945.

Issued this 28th day of September 1945.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 45-18152; Filed, Sept. 28, 1945; 4:56 p. m.]

PART 1418—TERRITORIES AND POSSESSIONS

[RMPR 373,[1] Amdt. 35]

JEWELRY IN HAWAII

A statement of the considerations involved in the issuance of this amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.

Revised Maximum Price Regulation 373 is amended in the following respects:

1. Section 47 is revised to read as follows:

SEC. 47. *Maximum prices for certain shell jewelry in the Territory of Hawaii*—(a) *Maximum prices for Niihau shell leis.* (1) Maximum prices for sales in the Territory of Hawaii of Niihau shell leis made with live shells shall be:

	Size	Maximum wholesale price	Maximum retail price
Leis made exclusively or in chief part of white Niihau shells (mami kokeo).	20" strand	$1.00	$1.50
Leis made exclusively or in chief part of Niihau yellow or tan colored shells (mami lenalena).	do	1.25	1.00
Leis made exclusively or in chief part of Niihau small pink, red, or brown shells known as kahelelani.	do	1.50	2.25

(b) *Maximum prices for jewelry containing cat's eyes or cowry shells in the Territory of Hawaii*—(1) *Maximum prices for locally manufactured articles*—(i) *Manufacturers' maximum prices.* If you are a manufacturer of any item of jewelry made from cowry shells or cat's eyes, you determine your maximum prices for such items in the following manner: First, multiply the number of shells used by the wholesale price per shell listed in the Shell Price Table below, for the type of shell used. To this amount add the net cost of other materials used in the article being manufactured, which in no case may exceed the maximum wholesale price, plus allowable additions if actually incurred which are listed below in subparagraph (ii).

[1] 10 F.R. 6646, 7407, 7794, 7789, 8020, 8069, 8371, 8979, 9273, 9274, 9275, 9406, 9540, 9620, 9618, 9682, 9928, 10085, 10086, 10089, 10125, 10086, 10229, 10437, 11399.

SHELL PRICE TABLE

Type	Size	Maximum wholesale price for loose shells	Maximum retail price for loose shells
Cowry shells:			
White or cream money and/or goldringer cowries.	All sizes	$0.03	$0.05
Cowry shells other than white or cream, and/or goldringer cowries. (Measurement shall be made at maximum diameter. Intermediate sizes shall fall into the next nearest size group.)	To—		
	1¼"	.03	.05
	1½"	.07	.10
	2"	.10	.15
	2½"	.14	.20
	3"	.17	.25
	3½" and over.	.24	.35
Cat's eyes	All sizes	.40	.60

(ii) *Allowable additions* (which may be added in computing your manufacturer's selling price if this labor is actually performed):

(*a*) *Cat's eyes.*

	Per shell
Shaping cat's eyes into hearts or crosses	$1.25
Drilling holes in cat's eyes for insertion of links	.20
Polishing cat's eyes to remove calciferous coating	.05
Matching and grading cat's eyes to size and color	.05

(*b*) *Cowry shells.*

	Per shell
Hand painting with native Hawaiian designs, in oil paint, and varnishing painted surface	$0.10
Matching and grading cowry shells to size and color:	
Up to 6	.05
Over 6	.10
Grooving of cowry shells to insert chains or cords	.02
Drilling holes in cowry shells for insertion of links	.02

(iii) Then multiply the sum of the charges permitted under (i) and (ii) above by 1.50. The resulting price is your maximum manufacturer's price. The wholesale ceiling is the same as your manufacturer's price.

(c) *Retailers' maximum prices for cat's eye or cowry shell jewelry manufactured in the Territory of Hawaii or imported into the Territory of Hawaii.* (1) For locally manufactured jewelry containing cat's eyes or cowry shells: If you are a retailer you determine your maximum prices for sales of any item of jewelry locally made from cat's eyes or cowry shells in the following manner: First multiply your manufacturer's selling price by 1.50; then adjust this amount to the nearest nickel. The resulting price is your maximum retail price.

(2) For jewelry containing cat's eyes or cowry shells imported from the mainland by a retailer: Add the mainland manufacturer's or mainland original importer's selling price (as established under the Maximum Import Price Regulation) and transportation charges actually incurred and multiply by 1.50. Then adjust this amount to the nearest nickel. The resulting price is your maximum retail price.

(3) For jewelry containing cat's eyes or cowry shells imported direct from a foreign country by a retailer: Add the foreign exporter's selling price as shown on his invoice plus transportation charges actually incurred, and multiply by 1.50. To the resultant price, customs duties actually incurred may be added. The resultant price is your maximum retail price.

(4) For jewelry containing cat's eyes or cowry shells purchased from a mainland or local wholesaler: Add the manufacturer's or mainland importer's selling price (as established under the Maximum Import Price Regulation) to the wholesaler as shown on your supplier's invoice, to transportation charges actually incurred and multiplied by 1.50. The resultant price is your maximum retail price.

(d) *Assemblers' maximum prices*—(1) *For sales at wholesale.* First, compute your wholesale price for the jewelry items to be assembled under Territorial Consumer Goods Regulation 1, Supplement 1. Then add the wholesale price of cowry shells or cat's eyes used. If stones are removed from a completed jewelry item deduct 10% to cover the stones being removed.

(2) *For sales at retail.* Multiply the assembler's price as outlined in (1) above, by 1.50.

(e) *Inability to determine maximum prices.* If you are unable to determine your maximum price for any article covered by this section, you shall apply to the Office of Price Administration, Honolulu 2, T. H., for the establishment of a maximum price.

(f) *Definitions.* (1) "Shell jewelry" means all jewelry made of, set or mounted with natural shells or parts of shells.

(2) "Cowry shell" is the solid oval or pear-shaped shell of a certain mollusk. There are many species of cowries, differing both in color and size. Money cowries, ring cowries, goldringer cowries, measled cowries, tiger cowries, humpback cowries, and leho are among the names commonly given to these shells.

(3) "Cat's eye" is the thick calcareous operculum to a turbine shell. A cat's eye is convex on the exterior and polished, with ordinarily a bright green spot in the center.

(4) "Other materials used" include such materials as chains, pins, earrings, rings, etc., which are used in the manufacture of jewelry made with cowry shells and cat's eyes, but do not include cotton or other material used for packing the shells, cement, and similar incidental supplies.

(5) "Net cost" is the amount the manufacturer paid his supplier (a manufacturer or wholesaler) for "other materials used" less all discounts and allowances.

(6) "Niihau shell leis" mean leis made exclusively of shells commonly known in the Territory of Hawaii as Niihau shells.

(7) "A manufacturer" is a person who takes raw materials or jewelers' findings and changes their form to fashion a new item.

(8) "An assembler" is a person who takes a complete piece of jewelry that could be sold as a separate item and adds cat's eyes or cowry shells as an additional sales inducement. For example, a person who removes stones from a brooch or a bracelet or other items of jewelry and inserts cat's eyes or cowry shells, shall be considered an assembler.

This amendment shall become effective as of September 4, 1945.

Issued this 28th day of September 1945.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 45-18111; Filed, Sept. 28, 1945; 11:33 a.m.]

PART 1418—TERRITORIES AND POSSESSIONS

[RMPR 373,[1] Amdt. 34]

FRUITS AND VEGETABLES IN HAWAII

A statement of the considerations involved in the issuance of this amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.

Section 21 is amended in the following respects:

1. The table following paragraph (c) (1) is amended by changing the prices of two items and adding the new item "Tomatoes" as follows:

	Wholesale maximum price	Retail maximum price
		Per lb.
Garlic	$0.33 per lb.	$0.40
Potatoes, white, size A, large.	$5.05 per 100-lb. bag	.07
Tomatoes	$3.65 per lug	.17

2. The table following paragraph (d) (1) is amended by changing the prices of seven items as follows:

	Wholesale maximum price	Retail maximum price
		Per lb.
Apples	$6.25 per box	$0.21
Grapes	$4.05 per lug	.20
Lemons, all sizes	$7.40 per box	.14
Melons, cantaloupe	$7.70 per crate	.14
Oranges:		
252's	$6.30 per box	.12
288's	$5.80 per box	.11
344's	$4.60 per box	.09
Pears	$7.45 per lug	.23
Plums	$5.35 per crate	.23

This amendment shall become effective as of September 10, 1945.

Issued this 28th day of September 1945.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 45-18110; Filed, Sept. 28, 1945; 11:33 a. m.]

PART 1351—FOOD AND FOOD PRODUCTS

[RMPR 296, Amdt. 9]

FLOUR FROM WHEAT, SEMOLINA AND FARINA SOLD BY MILLERS, BLENDERS, PRIMARY DISTRIBUTORS AND FLOUR JOBBERS

A statement of the considerations involved in the issuance of this amend-

[1] 10 F.R. 6646, 7407, 7794, 7799, 8020, 8069, 8371, 8979, 9273, 9274, 9275, 9466, 9540, 9620, 9618, 9882, 9929, 10035, 10086, 10086, 10125, 10086, 10229, 10437, 11399, 11666.

ment, issued simultaneously herewith, has been filed with the Division of the Federal Register.

Revised Maximum Price Regulation 296 is amended in the following respect:

Appendix A (IX) (4) is revised to read as follows:

(4) The maximum prices for shipments or deliveries of 250 hundred weights or less, delivered at any destination except f. o. b. mill, f. o. b. seller's warehouse or f. o. b. team or industry track in a mixed car or a pool car shall be the maximum carload prices set forth in Appendix A plus (a) in the metropolitan areas of New York—Northeastern New Jersey, Philadelphia, Pennsylvania, and Chicago, Illinois, 50 cents per hundred weight; (b) in the metropolitan areas of San Francisco, California, Milwaukee, Wisconsin, New Orleans, Louisiana, Detroit, Michigan, Cleveland, Ohio, Baltimore, Maryland, Washington, District of Columbia, St. Louis, Missouri, Boston, Massachusetts, Pittsburgh, Pennsylvania, and Cincinnati, Ohio, 43 cents per hundred weight and (c) in all other areas, 33 cents per hundred weight; *Except*, in instances where the shipment has been made by truck or vehicle other than a rail car, barge or vessel, from either a mill or seller's warehouse located within the limits of the metropolitan areas described in (a) or (b) or from a rail car spotted on a team track within such areas, the addition applicable to such shipment shall be the appropriate addition set forth above for the metropolitan area in which such mill, warehouse or rail car is located.

The metropolitan districts of the cities referred to above shall be the metropolitan areas used in compiling the 16th Census of the United States as listed and described in Bulletin Series PH-1, issued by the Bureau of the Census of the United States Department of Commerce.

This amendment shall become effective October 6, 1945.

Issued this 1st day of October 1945.

CHESTER BOWLES,
Administrator.

Approved: September 21, 1945.

CLINTON P. ANDERSON,
Secretary of Agriculture.

[F. R. Doc. 45-18184; Filed, Oct. 1, 1945; 11:48 a. m.]

PART 1367—FERTILIZRS

[RMPR 205,[1] Amdt. 5]

FERTILZER RAW MATERIALS

A statement of the considerations involved in the issuance of this amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.

Section 21 (a) (1) of Revised Maximum Price Regulation 205 is amended so as to include a new point of production and maximum price to read as follows:

Pocatello, Idaho	$0.82

This amendment shall become effective October 6, 1945.

Issued this 1st day of October 1945.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 45-18182; Filed, Oct. 1, 1945; 11:48 a. m.]

[1] 9 F.R. 7426, 8061, 9356, 9399, 11610, 13586.

PART 1367—FERTILIZER

[RMPR 205, Amdt. 6]

FERTILIZER RAW MATERIALS

A statement of the considerations involved in the issuance of this amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.

Section 18 is amended to read as follows:

SEC. 18 *Process tankage.* The maximum price that may be charged for process tankage shall be:

(a) *Process tankage in bulk.* For sales f. o. b. cars at producer's plant at each producing point, the price specified for that point as listed below:

Production point:	*Price per unit of ammonia*
Norfolk Va	$3.50
Carrollville, Wis	3.20
Endicott, N. Y	3.20
Carteret, N. J	$3.15
Chemical, Ill	3.15

(b) *Imported process tankage.* The maximum prices at which process tankage originating outside of and imported into the continental United States, may be sold and delivered, within the United States, shall be:

(1) A price which would result in a delivered price no higher than the lowest maximum delivered price at final destination of equivalent domestic material, or

(2) A price to be determined upon application to the Office of Price Administration, Washington, D. C., applicant submitting a statement to that Office giving the ammonia or nitrogen content of the material, the quantity to be imported, the proposed selling price, the total landed costs with "foreign invoice price" itemized, transportation charges, any taxes, marine insurance, and any other expenses from the point of shipment abroad to the point designated by the importer prior to importation for delivery in the continental United States. The Office of Price Administration will promptly establish a price for the specified quantity of such material, and may require the seller to certify on his invoice that the material is imported and sold subject to the terms and provisions of this regulation and any appropriate order issued under it. The price shall be subject to adjustment by the Office of Price Administration at any time.

This amendment shall become effective October 6, 1945.

NOTE: All record keeping and reporting requirements of this amendment have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

Issued this 1st day of October 1945.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 45-18183; Filed, Oct. 1, 1945; 11:48 a. m.]

PART 1380—MACHINERY AND TRANSPORTATION EQUIPMENT

[RMPR 136, Amdt. 13]

MACHINES, PARTS, AND INDUSTRIAL EQUIPMENT

A statement of the considerations involved in the issuance of this amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.

Section 19 is amended by adding paragraph (k) to read as follows:

(k) *Construction machinery and equipment*—(1) *Manufacturers' temporary maximum prices.* Until, but not after December 31, 1945, the manufacturer of any item of construction equipment listed in this paragraph is authorized to increase by not more than 5% the base date maximum price which he had in effect for the sale of such item, or any repair or replacement part therefor, to any class of his purchasers. A manufacturer who increases his maximum prices pursuant to the authorization herein granted shall forthwith file with the Machinery Branch, Office of Price Administration, Washington 25, D. C., a report setting forth the prices established pursuant hereto.

(2) Resellers' temporary maximum prices. Until, but not after December 31, 1945, the maximum price of any reseller for the sale to any class of his purchasers of an item whose cost has been increased to him pursuant to subparagraph (1) above, shall be the price determined by increasing the maximum price which he had in effect to such purchaser, just prior to the issuance of this authorization, by the same percentage amount by which his invoiced cost of such item was increased. Accordingly, a reseller who customarily sold on the basis of the manufacturer's list price may continue to sell on the basis of the manufacturer's new list price as adjusted pursuant to this authorization, subject to the discounts and allowances, and terms or conditions of sale, which such seller had in effect just prior to the issuance of this authorization.

(3) For the period of its duration, this authorization shall suspend any action by the OPA upon an application for the adjustment of the maximum price of any item subject hereto which has been or may be filed with the OPA pursuant to section 21 of this regulation.

(4) *Commodities affected by this section.* This section shall apply to the following items of construction machinery and equipment:

Aerial tramways
Agitator mixers: Concrete, truck type
Airdrills, rock
Angle dozers
Augers, earth, power
Batchers
Bins, construction
Blades:
  Ditcher
  Grader
  Snow plow (except truck mounted)
Boosters, tank car
Borers, earth
Breakers, paving
Brooms, road, construction rotary

Buckets:
  Clamshell
  Concrete
  Drag scraper
  Dragline
  Orange peel
Buggies, concrete handling
Bull dozers
Bull graders
Carts: Concrete handling
Cement guns
Chutes, concrete
Circulator, asphalt plant
Concrete curing and spraying equipment
Construction equipment, tractor mounted
Conveyors, construction machinery
Crack and joint filling machinery
Cranes:
  Power, crawler
  Power, truck mounted
  Self-propelled
  Tractor mounted
Crushers, rock (construction)
Derricks, guy, stiffleg, floating (except oil drilling)
Dewatering and well point systems
Diggers:
  Clay
  Earth, power operated
Discs, road
Distributors:
  Bituminous
  Water
Ditchers:
  Blade
  Ladder and wheel
Draglines, crawler, slack line, walking
Drags, road
Dredges, construction
Drills, blast hole
Drivers, pile
Dryers, concrete aggregate
Elevators, construction
Excavators:
  Clam shell, dragline, trench hoe, etc.
Extractors, pile, construction
Feeders, aggregate
Finegraders
Finishers:
  Bituminous
  Concrete
Form tamping machines
Forms, road and sidewalk
Flushers, street
Gradation units
Graders, all types
Grapples, rock
Hammers, pile
Heaters:
  Concrete mixer
  Asphalt surface
  Tank car (stone, sand, bitumen)
Hoists, contractors
Hoppers, concrete
Jacks, mud
Joint levelers
Kettles, heating, bituminous
Loaders, belt
Loaders:
  Bucket
  Front end
  Snow
Maintainers, road
Maintenance Units, bituminous
Mixers:
  Aggregate pulv.
  Bituminous
  Concrete, truck, readymix
  Concrete
  Mortar
  Plaster
Pavers:
  Bituminous
  Concrete
Pile driving caps
Pipelayers
Plants:
  Asphalt
  Bulk cement
  Concrete, portable (except concrete block and pipe plants)
Plants—Continued.
  Crushing
  Crushing, portable
  Screening
  Soil stabilizer
Plows, snow (except truck mounted)
Plows, fire guard
Portable diggers, augers
Power control units, (tractor accessory)
Pulverizers, construction materials
Pumps, concrete
Rippers
Rock drilling and boring machinery
Rodding machines
Rollers:
  Road
  Sheepsfoot
  Tamping
Rooters:
  Cable laying
  Road
Scaffolds, metal
Scarifiers, power operated
Scrapers, power operated
Screens:
  Gravity
  Revolving } (Construction materials)
  Vibrating
Shovels:
  Power, crawler
  Power, truck mounted
  Tractor mounted
Sprayers, bituminous
Spreaders:
  Aggregate
  Concrete
  Sand
Sprinklers, highway, water
Subgraders
Surfacing machinery:
  Concrete
  Asphalt
Stump pullers
Towers:
  Asphalt
  Concrete placing
  Material handling
Tractors:
  Industrial wheel type
  Track laying
Trenchers
Trucks:
  Off highway type
  Street sweeping
  Sprinkling
  Half track
Vibrating screens
Vibrators, concrete
Wagons, crawler
Walkers, crane or dragline
Wellpoint systems
Winches:
  Contractors, except truck mounted, power take-off driven
  Tractor mounted

(5) *Base price.* As used in this section, the term "base price" applies to the following prices:

(i) A published list price which the manufacturer had in effect on October 1, 1941.

(ii) A list price established pursuant to Section 8 of this regulation for a modified item.

(iii) An established price in effect on October 1, 1941, as defined in section 28 (a) of this regulation.

This paragraph does not apply to maximum prices established by adjustment pursuant to section 21 or to maximum prices computed by formula pursuant to sections 9 and 10 of this regulation. However, a price established pursuant to section 9 (d) or (9) (e) on the basis of its in-lineness with maximum prices prevailing upon the base date may be revised by individual order.

This amendment shall become effective September 28, 1945.

Issued this 28th day of September 1945.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 45-18149; Filed, Sept. 28, 1945; 4:55 p. m.]

PART 1396—FINE CHEMICALS, DRUGS AND COSMETICS

[MPR 353, Amdt. 7]

CERTAIN FINE CHEMICALS

A statement of the considerations involved in the issuance of this amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.

Section 1396.59 (c) (2) is amended by adding at the end thereof a paragraph to read as follows:

Maywood Chemical Works, Maywood, New Jersey, may sell and deliver to industrial or commercial consumers anhydrous caffeine produced from tea waste at a price no higher than $4.05 per pound.

This amendment shall become effective October 6, 1945.

Issued this 1st day of October 1945.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 45-18185; Filed, Oct. 1, 1945; 11:48 a. m.]

PART 1407—RATIONING OF FOOD AND FOOD PRODUCTS

[Rev. RO 16,[1] Amdt. 66 to 2d Rev. Supp. 1]

MEAT, FATS, FISH AND CHEESE

Section 1407.3027 (a) is amended to read as follows:

(a) Foods covered by Revised Ration Order 16 shall have the point values set forth in the Official Tables of Consumer and Trade Point Values (OPA Form R-1313) No. 30 and in the Official Table of Consumer Point for Kosher Meats (OPA Form R-1611) No. 30 which are made a part hereof.

This amendment shall become effective at 12:01 a. m. September 30, 1945.

Issued this 28th day of September 1945.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 45-18146; Filed, Sept. 28, 1945; 4:57 p. m.]

PART 1407—RATIONING OF FOOD AND FOOD PRODUCTS

[Rev. RO 16,[1] Amdt. 67 to 2d Rev. Supp. 1]

MEAT, FATS, FISH AND CHEESES

The Official Table of Consumer Point Values (No. 30), referred to in § 1407.3027 (a) is amended by adding the phrase "above cuts of C and D grades zero point value" under each of the following head-

[1] 10 F.R. 48, 521, 857, 293, 294.

ings "beef steaks", "lamb steaks and chops" and "veal steaks and chops" and "Section A—Meats" of the Official Table of Trade Point Values (No. 30), referred to in § 1407.3027 (a) is amended by substituting the words '"XX" indicates listed cuts of D grade not transferable—Listed C grade cuts transferable at 0 (zero) point value' for the words '"XX" indicates these items not transferable'.

This amendment shall become effective at 12:01 a. m. September 30, 1945.

Issued this 28th day of September 1945.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 45-18147; Filed, Sept. 28, 1945; 4:55 p. m.]

PART 1407—RATIONING OF FOOD AND FOOD PRODUCTS

[Rev. RO 16,[1] Amdt. 76]

MEAT, FATS, FISH AND CHEESES

A rationale accompanying this amendment has been issued simultaneously herewith and has been filed with the Division of the Federal Register.

Revised Ration Order 16 is amended in the following respects:

1. Section 26.3 (c) is amended by deleting the third sentence in that paragraph and substituting in place thereof the following sentence: "For each succeeding allotment period his allotment is determined by multiplying the number of pounds of household salvage fats he acquired in the allotment period preceding the period in question by 4."

2. Sections 26.5a (b) (1) and (b) (2) are amended to read as follows:

(b) (1) *Allotments.* (1) His first allotment is determined by multiplying by four the number of pounds of household salvage fats which the district office estimates he will acquire between the date of his registration and the end of the next calendar month.

(2) His second allotment is determined by multiplying by four the number of pounds of household salvage fats he acquired during his first full calendar month of operation. The result is multiplied by the number of months remaining in the allotment period for which the allotment is made.

3. Section 26.7 (b) is amended to read as follows:

(b) *Allowable inventory.* An independent collector who registers is given an allowable inventory of points to enable him to acquire household salvage fats for sale or transfer. This allowable inventory is his working capital and is determined by multiplying by four the number of pounds of household salvage fats he acquired in October 1943. The district office will issue to him a certificate in this amount, less the number of points owed to him for household salvage fats he transferred, the number of points he has on hand and in his ration bank account, and the number of pounds of such fats multiplied by four which he has on hand on the date of his application. However, if he owes points for fats acquired by him, the amount of any certificate issued under this paragraph shall be increased by the number of points owed. An independent collector who does not register will have to operate on the basis of the stocks he has and the points he obtains from the persons to whom he sells or transfers such stocks.

4. Section 26.7 (c) is amended by deleting the last paragraph of that section and substituting in place thereof the following paragraph:

His allowable inventory is determined by multiplying by four the number of pounds of household salvage fats he acquired in the calendar month preceding the month in which the application is made, or if he was not in operation during that month (or if he was in operation during only part of that month), the number of pounds of such fats which the district office estimates he will acquire in the following calendar month. The district office will issue to him a check for an amount determined in the way described in paragraph (b).

5. Section 26.7 (d) is added to read as follows:

(d) An independent collector who has registered and whose allowable inventory has been established prior to October 1, 1945, may apply for and obtain an increase in his allowable inventory equal to the allowable inventory he has. Application must be made in writing, to the district office where his establishment or group of establishments is registered, and must state the establishment or group of establishments for which application is made, the date on which his allowable inventory was established, the amount of his allowable inventory and the amount in pounds of household salvage fat he had on hand on October 1, 1945. The district office may grant such an increase, and issue a certificate to him in the amount of the increase, less half the point value of the household salvage fat he had on hand on October 1, 1945.

6. Section 26.11 (b) (1) is amended to read as follows:

(b) (1) Household salvage fats have a point value of one point for each one-quarter pound. No points may be given for any fraction of less than one-quarter pound.

This amendment shall become effective 12:01 a. m. September 30, 1945.

NOTE: The reporting and record-keeping requirements of this amendment have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

Issued this 28th day of September 1945.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 45-18145; Filed, Sept. 28, 1945; 4:56 p. m.]

[1] 9 F.R. 6731.

PART 1411—COMPENSATORY ADJUSTMENT

[Rev. Compensatory Adjustment Reg. 1, Amdt. 6]

WARTIME INCREASE IN THE COST OF TRANSPORTING COAL

Revised Compensatory Adjustment Regulation No. 1 is amended in the following respect:

Section 1411.8 (b) (1) (ii) is amended by changing the second comma to a period and deleting all of the paragraph immediately following the second comma beginning with the phrase, "with the exception that."

This amendment shall become effective as of February 12, 1945.

Issued this 1st day of October 1945.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 45-18187; Filed, Oct. 1, 1945; 11:49 a. m.]

PART 1419—EXPLOSIVES

[RMPR 191, Amdt. 5]

COTTON LINTERS AND HULL FIBERS

A statement of the considerations involved in the issuance of this amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.

Revised Maximum Price Regulation No. 191 is amended in the following respects:

1. SECTION 9 (a) is amended by deleting the definitions of "chemical cotton linters", "free cotton linters" and "dealer" and substituting in lieu therof the following:

"Chemical cotton linters" means linters sold to a producer of chemical cotton pulp or to the United States or any agency thereof on the basis of alpha cellulose content as determined by chemical analysis.

"Nonchemical cotton linters" means linters other than chemical cotton linters, which are sold according to the grades set forth in Appendix B of this regulation.

"Dealer" means any person other than a producer and other than the United States or any agency thereof who offers to sell or sells cotton linters.

2. By substituting the words "nonchemical cotton linters" for "free cotton linters" wherever the same appear in the regulation.

3. By adding the following sentence to subparagraph (2) of Appendix A (b) immediately following the schedule of maximum prices: Chemical cotton linters rejected after August 19, 1945 shall be sold as nonchemical cotton linters.

4. By deleting paragraph (c) of Appendix A and substituting in lieu thereof the following:

(c) *Sales by the United States or any agency thereof.* The maximum prices for sales of any cotton linters or hull fibers by the United States or any agency thereof shall be the applicable maximum

prices established by this regulation plus $.00055 per pound, plus actual transportation and storage charges (if any) paid on the particular lot of linters involved.

5. The heading and text of paragraph (a) of Appendix B are amended to read as follows:

(a) *Sales by all sellers except dealers.* The following maximum prices are established for sales of nonchemical cotton linters. These prices are f. o. b. producer's shipping point and include all commissions, brokerage fees or other charges (except as otherwise provided by paragraph (c) of Appendix A of this regulation). The grades listed below are the official standards of the United States Government for American cotton linters, as described in Service and Regulatory Announcement No. 94 of the United States Department of Agriculture. (7 CFR §§ 28.201–28.211, inclusive.) Prices for linters classified as off-grade because of excess trash or other defects shall be appropriately reduced.

Grade	Cents per pound		
	High	Middle	Low
1	8.75	8.20	7.75
2	7.75	7.20	6.75
3	6.75	6.20	5.75
4	5.50	5.15	4.75
5	4.50	4.07	4.07
6	4.07	4.07	4.07
7	2.85	2.60	2.45

This amendment shall become effective October 6, 1945.

Issued this 1st day of October 1945.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 45-18181; Filed, Oct. 1, 1945; 4:55 p. m.]

PART 1439—UNPROCESSED AGRICULTURAL COMMODITIES

[MPR 426,[1] Amdt. 144]

FRESH FRUITS AND VEGETABLES FOR TABLE USE, SALES EXCEPT AT RETAIL

A statement of the considerations involved in the issuance of this amendment has been issued and filed with the Division of the Federal Register.

In Appendix I, Table 8a, Maximum Prices for Isle of Pines grapefruit, the phrase "August and September" in Column 4 and in Footnote 1 is amended to read "August 1–October 15".

This amendment shall become effective 12:01 a. m. September 30, 1945.

[1] 10 F.R. 7403, 7500, 7539, 7578, 7668, 7683, 7799, 8021, 8069, 8239, 8238, 8467, 8611, 8657, 8905, 8936, 9023, 9023, 9023, 9118, 9119, 9297, 9447, 9628, 9928, 10025, 10229, 10311, 10303.

Issued this 28th day of September 1945.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 45-18150; Filed, Sept. 28, 1945; 4:55 p. m.]

PART 1439—UNPROCESSED AGRICULTURAL COMMODITIES

[2d Rev. MPR 492, Amdt. 1]

SEED POTATOES

A statement of the considerations involved in the issuance of this amendment, issued simultaneously herewith, has been filed with the Division of the Federal Register.

1. Subparagraph (7) of section 8 (a) is amended to read as follows:

(7) "Wholesaler" means, with respect to a particular lot of certified seed potatoes or war approved seed potatoes, a person who purchases certified seed potatoes or war approved seed potatoes and resells the same to any person in quantities of 20,000 pounds or more, to retailers in quantities of less than 20,000 pounds, or to planters in quantities of 1,000 pounds or more.

2. Section 9 (c) is amended to read as follows:

(c) *Wholesaler.* If you are a wholesaler, your maximum price for the sale and delivery of certified seed potatoes or war approved seed potatoes depends on the quantity of such seed potatoes you are selling and the person to whom the sale is made.

(1) If you are selling certified seed potatoes or war approved seed potatoes to any person in quantities of 20,000 pounds or more, your maximum price for the sale and delivery of such seed potatoes shall be the appropriate base price in Appendix A for the kind of seed potatoes you are selling, plus transportation cost on the lot in question and plus $0.35 per 100 pounds.

(2) If you are selling certified seed potatoes or war approved seed potatoes to retailers in quantities of less than 20,000 pounds or to planters in quantities of 1,000 pounds or more, your maximum price for the sale and delivery of such seed potatoes shall be the appropriate base price in Appendix A for the kind of seed potatoes you are selling, plus transportation cost excluding local delivery cost, and plus $0.74 per 100 pounds.

This amendment shall become effective October 6, 1945.

Issued this 1st day of October 1945.

CHESTER BOWLES,
Administrator.

Approved: September 21, 1945.

CLINTON P. ANDERSON,
Secretary of Agriculture.

[F. R. Doc. 45-18186; Filed, Oct. 1, 1945; 11:49 a. m.]

Chapter XXIII—Surplus Property Board

[SPB Reg. 6,[1] Order 3]

PART 8306—SALE OF GOVERNMENT-OWNED PLANT EQUIPMENT IN CONTRACTORS PLANTS

WAIVER OF REQUIREMENT FOR SUBMISSION OF INVENTORY ON NOVEMBER 1, 1945

Pursuant to the authority of the Surplus Property Act of 1944 (58 Stat. 765; 50 U.S.C. App. Supp. 1611) and in accordance with § 8306.10; *It is hereby ordered,* That:

The requirements of § 8306.9 and Order 2 under Part 8306, June 24, 1945, entitled "Forms for Reporting Inventories and Sales" (10 F.R. 8374) that owning agencies submit to the Reconstruction Finance Corporation on or before November 1, 1945 a report as of September 30, 1945 of their inventories of government-owned plant equipment costing $350 or more and that the Reconstruction Finance Corporation submit summaries of such reports to the Surplus Property Board, are hereby waived.

This order shall become effective September 25, 1945.

SURPLUS PROPERTY BOARD,
By W. STUART SYMINGTON,
Chairman.

SEPTEMBER 25, 1945.

[F. R. Doc. 45-18172; Filed, Oct. 1, 1945; 10:57 a. m.]

TITLE 46—SHIPPING

Chapter I—Coast Guard: Inspection and Navigation

Subchapter D—Tank Vessels

PART 37—SPECIFICATIONS FOR LIFESAVING APPLIANCES

ELECTRIC WATER LIGHTS

By virtue of the authority vested in me by R. S. 4405 and 4417a, as amended (46 U. S. C. 375, 391a), and Executive Order 9083, dated February 28, 1942 (3 CFR, Cum. Supp.), I find that an emergency exists and the following amendment to the Tank Vessel Regulations is necessary in the conduct of the war and shall be made effective as of September 28, 1945.

Section 37.9-1 *Automatic electric water lights—TB/ALL* is amended in the second sentence by changing the date "October 1, 1945" to "January 1, 1946." (For text of regulation see FEDERAL REGISTER of August 23, 1945, 10 F.R. 10365.)

Dated: September 28, 1945.

L. T. CHALKER,
Rear Admiral, U. S. C. G.,
Acting Commandant.

[F. R. Doc. 45-18177; Filed, Oct. 1, 1945; 11:08 a. m.]

[1] 10 F.R. 6309, 6981, 8665, 10398.

TITLE 49—TRANSPORTATION AND RAILROADS

Chapter II—Office of Defense Transportation

PART 500—CONSERVATION OF RAIL EQUIPMENT

MERCHANDISE TRAFFIC

CROSS REFERENCE: For an exception to the provisions of § 500.2, see Part 520, *infra.*

[Gen. Permit ODT 1-7]

PART 520—CONSERVATION OF RAIL EQUIPMENT; EXCEPTIONS AND PERMITS

MERCHANDISE TRAFFIC

In accordance with the provisions of paragraph (g) § 500.2 of General Order ODT No. 1, as amended, it is hereby authorized, that:

§ 520.9 *Loading of not less than five net tons of merchandise freight in refrigerator cars permitted under stated circumstances.* Notwithstanding the provisions of § 500.2 of General Order ODT No. 1, as amended, any carrier by railroad may accept for shipment or forwarding, load or forward, from the city or town at which such car is originated, any RS type refrigerator car containing not less than five net tons of merchandise freight, when such car is forwarded westward to any destination in the States of California, southern Idaho (on the Union Pacific main and branch lines across southern Idaho, including the line from Pocatello to the Montana-Idaho State line and the branches north of Blackfoot, Idaho), Arizona, Nevada, or Utah, and moves in the direction of the normal flow of empty refrigerator cars: *Provided, however,* That any such car shall move from point of origin direct to point of destination, by-passing all transfer stations and not stopping for transfer of the freight en route.

General Permit ODT 1-6 is hereby revoked as of the effective date of this General Permit ODT 1-7.

This General Permit ODT 1-7 shall become effective October 1, 1945.

(E.O. 8989, as amended, 6 F.R. 6725, 8 F.R. 14183; General Order ODT No. 1, as amended, 7 F.R. 3046, 3213, 3763, 9744)

Issued at Washington, D. C., this 27th day of September 1945.

J. M. JOHNSON,
Director,
Office of Defense Transportation.

[F. R. Doc. 45-18135; Filed, Sept. 28, 1945; 3:20 p. m.]

Notices

DEPARTMENT OF THE INTERIOR.

Office of the Secretary.

UINTAH AND OURAY INDIAN RESERVATION, UTAH

ORDER OF RESTORATION

Whereas, pursuant to the provisions of the act of May 27, 1902 (32 Stat., 263), as amended, the unallotted lands of the Uintah and Ouray Indian Reservation in the State of Utah, were made subject to disposal under the laws of the United States applying to public lands, and

Whereas, there are now remaining undisposed of within said area approximately 217,000 acres of unallotted lands, which need closer administrative control in the interest of better conservation practices, and

Whereas, by relinquishment and cancellation of homestead entries within this area a limited additional acreage of land of similar character may later be included within this class of undisposed-of opened land, and

Whereas, the Tribal Council, the Superintendent of the Uintah and Ouray Agency, and the Commissioner of Indian Affairs have recommended restoration to tribal ownership of such undisposed-of surplus unallotted lands in the said reservation,

Now, therefore, by virtue of the authority vested in the Secretary of the Interior by sections 3 and 7 of the act of June 18, 1934 (48 Stat., 984), I hereby find that restoration to tribal ownership of all lands which are now or may hereafter be classified as undisposed-of opened lands of the Uintah and Ouray Reservation will be in the public interest, and the said lands are hereby restored to tribal ownership for the use and benefit of the Ute Indian Tribe of the Uintah and Ouray Reservation in Utah, and are added to and made a part of the existing reservation, subject to any valid existing rights.

HAROLD L. ICKES,
Secretary of the Interior.

AUGUST 25, 1945.

[F. R. Doc. 45-16290; Filed, Aug. 31, 1945; 9:42 a. m.]

FEDERAL POWER COMMISSION.

[Docket No. G-604]

CHICAGO DISTRICT PIPELINE CO.

NOTICE OF APPLICATION

SEPTEMBER 28, 1945.

Notice is hereby given that on September 17, 1945, an application was filed with the Federal Power Commission by Chicago District Pipeline Company (Applicant), an Illinois corporation with its principal place of business at Joliet, Illinois, for a certificate of public convenience and necessity pursuant to Section 7 of the Natural Gas Act as amended, to authorize the construction and operation of certain facilities hereinafter described.

Applicant is engaged in the purchase, transmission and sale of natural gas for resale to The Peoples Gas Light and Coke Company, Public Service Company of Northern Illinois, Western United Gas and Electric Company, and Northern Indiana Public Service Company. It obtains its natural gas supply from Natural Gas Pipeline Company of America at a point in Rutland Township, LaSalle County, near Wedron, Illinois, and at a point in Joliet Township, Will County, near Joliet, Illinois.

Applicant's present gas transmission system consists of two transmission pipe lines extending from a point near the City of Joliet, Illinois, to the City of Chicago, Illinois. One of its transmission pipe lines, known as the Calumet line, consists of approximately 41 miles of 24-inch pipe and extends easterly from a point near the City of Joliet through the City of Chicago Heights and thence northerly to a point of connection with the gas main of The Peoples Gas Light and Coke Company. Applicant's other line, known as the Crawford line, consists of approximately 34 miles of 24-inch and 20-inch pipe and extends northeasterly from a point near the City of Joliet, Illinois, following generally the north bank of the drainage canal of the Sanitary District of Chicago to a connection with a gas main of The Peoples Gas Light and Coke Company at the western City limits of Chicago, Illinois. Applicant's transmission system also has connections with the gas distribution systems of Public Service Company of Northern Illinois, Western United Gas and Electric Company, and Northern Indiana Public Service Company.

Applicant seeks authority to construct and operate two sections of 24-inch pipe line aggregating approximately 23 miles, paralleling two sections of its Crawford line in Will, Cook and DuPage Counties, Illinois, and additional necessary appurtenant facilities, and to serve the Public Service Company of Northern Illinois at a new point of delivery located near Volo, Lake County, Illinois.

The Applicant asserts that The Peoples Gas Light and Coke Company is engaged in the distribution and sale of gas to the general public in the City of Chicago, Illinois; that Public Service Company of Northern Illinois is engaged in the distribution and sale of natural gas in the communities of Ottawa, Streator, Marseilles, Seneca, in LaSalle County, Pontiac in Livingston County, and Morris in Grundy County, Illinois, and in contiguous areas through which its mains extend, in Kankakee, Will, Cook and Lake Counties, all in the State of Illinois; that Western United Gas and Electric Company is engaged in the distribution and sale of gas and electricity to the general public in and in the vicinity of certain Illinois municipalities located generally west of the City of Chicago; and that Northern Indiana Public Service Company is engaged in the distribution and sale of gas and electricity to the general public in and in the vicinity of certain municipalities located in northwestern portion of the State of Indiana.

The application recites that the capacity of the Crawford line will be increased from its present capacity of 140,000 Mcf of gas per day to 220,000 Mcf per day. It is further asserted by Applicant that the increase in the capacity of its Crawford line is intended to permit transmission through that line of additional natural gas which Natural Gas Pipeline Company of America proposes to make available to Applicant at Joliet and also to permit transmission through that line of the gas ordinarily to be transported through Applicant's Calumet line if the operation of the latter line

should be interrupted for reasons beyond its control.

Applicant submits that it does not now serve nor does it propose to serve any main line industrial customers directly from its system nor does it propose to serve any public utility corporation other than those referred to or any other natural gas company.

It is estimated that the total cost of construction of the proposed facilities will approximate $1,425,000. Applicant proposes to borrow all of the funds necessary to finance the construction from its parent company, The Peoples Gas Light and Coke Company.

The application recites that due to the natural growth of the communities served by the gas distributing utility companies above referred to, and the increased utilization of gas as a fuel, has brought about an increased public demand to such an extent that Applicant's present facilities have become inadequate to supply the immediate prospective natural gas requirements of such utilities and that the proposed facilities are necessary to meet such increased demands.

The making of the application is conditioned upon the granting by the Commission of the application of Natural Gas Pipeline Company of America and Texoma Natural Gas Company, Docket No. G-651.

Any person desiring to be heard or to make any protest with reference to said application should, on or before the 15th day of October, 1945, file with the Federal Power Commission, Washington 25, D. C., a petition or protest in accordance with the Commission's provisional rules of practice and regulations under the Natural Gas Act.

[SEAL] J. H. GUTRIDE,
Acting Secretary.

[F. R. Doc. 45-18158; Filed, Oct. 1, 1945; 9:46 a. m.]

OFFICE OF ALIEN PROPERTY CUSTODIAN.

[Dissolution Order 22]

ATLANTIC-PACIFIC TRADING CORP.

Whereas, by Vesting Order No. 1418, dated May 6, 1943 (8 F.R. 7787, June 10, 1943) the Alien Property Custodian vested all of the issued and outstanding shares of the capital stock of Atlantic-Pacific Trading Corporation; a Delaware corporation; and

Whereas, by said Vesting Order No. 1418, the Alien Property Custodian vested all right, title, interest and claim of Cementia Holding, A. G., in and to all obligations, owing to it by Atlantic-Pacific Trading Corporation and it has been ascertained that a certain claim in favor of Cementia Holding, A. G., in the amount of $1,450.86 against Atlantic-Pacific Trading Corporation was thereby vested in the Custodian; and

Whereas, Atlantic-Pacific Corporation has been substantially liquidated under the supervision of the Alien Property Custodian,

Now, under the authority of the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation;

1. Finding that the claims of all known creditors have been paid, except such claim, if any, as the Alien Property Custodian may have for monies advanced or services rendered to or on behalf of the corporation; and except a claim of Cementia Holding A. G., in the sum of $1,450.86, which has been vested by the Custodian as aforesaid; and

2. Having determined that it is in the national interest of the United States that said corporation be dissolved and that its assets be distributed, and a Certificate of Dissolution having accordingly been filed with the Secretary of State of the State of Delaware;

hereby orders, that the Officers and Directors of Atlantic-Pacific Trading Corporation (to wit: Robert Kramer, President and Director, Charles T. Cronan, Secretary and Director, and E. W. Hardy, Treasurer and Director, and their successors, or any of them) continue the proceedings for the dissolution of Atlantic-Pacific Trading Corporation, in accordance with the Statutes of the State of Delaware in such cases made and provided; and further orders, that the said Officers and Directors wind up the affairs of the corporation and distribute the assets thereof coming into their possession as follows:

a. They shall first pay the current expenses and reasonable and necessary charges of winding up the affairs of said corporation and the dissolution thereof; and

b. They shall then pay all known Federal, State and local taxes and fees owed by or accruing against said corporation;

c. They shall then pay over, transfer, assign and deliver to the Alien Property Custodian all of the funds and property, if any, remaining in their hands after the payments as aforesaid, the same to be applied in satisfaction of claim of the undersigned as the owner of the claim in the amount of $1,450.86 against the subject corporation as hereinbefore described;

d. They shall then pay over, transfer, assign and deliver to the Alien Property Custodian all other funds and property, if any, remaining in their hands after the payments as aforesaid, the same to be applied by him, first, in satisfaction of such claim if any as he may have for monies advanced or services rendered to or on behalf of the corporation, and second, as a liquidating distribution of assets to the undersigned as holder of all the issued and outstanding stock of the corporation; and

further orders, that nothing herein set forth shall be construed as prejudicing the rights, under the laws of the State of Delaware, of any persons who may claim against said corporation: *Provided, however,* That nothing herein contained shall be construed as creating additional rights in such persons; and such persons or any of them may file claims with the Alien Property Custodian against any funds or property received by the Alien Property Custodian and applied by him as a liquidating distribution of assets of the Alien Property Custodian as stockholder as above set forth; *Provided, however,* That any such claim shall be filed with or presented to the Alien Property Custodian within the time prescribed for such claims by the Statutes of Delaware; and further orders, that all actions taken and acts done by the said officers and directors of Atlantic-Pacific Trading Corporation, pursuant to this order and the directions contained herein shall be deemed to have been taken and done in reliance on and pursuant to paragraph (2) of subdivision (b) of section 5 of the Trading with the Enemy Act, as amended, and the acquittance and exculpation therein provided.

Executed at Washington, D. C., September 24, 1945.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

[F. R. Doc. 45-18170; Filed, Oct. 1, 1945; 10:49 a. m.]

[Dissolution Order 23]

THEODOR WILLE & CO., INC.

Whereas, by Vesting Order No. 1093, dated March 22, 1943 (8 F.R. 5189, April 20, 1943) amended May 3, 1943 (8 F.R. 7030, May 27, 1943), the Alien Property Custodian vested all the issued and outstanding shares of the capital stock of Theodor Wille & Co., Inc., a Louisiana corporation, and

Whereas, Theodor Wille & Co., Inc., has been substantially liquidated under the supervision of the Alien Property Custodian.

Now, under the authority of the Trading with the Enemy Act, as amended, and Executive Order No. 9095, as amended, and pursuant to law, the undersigned, after investigation:

1. Finding that the claims of all known creditors have been paid, except such claim if any as the Alien Property Custodian may have for money advanced or services rendered to or on behalf of the corporation; and

2. Having determined that it is in the national interest of the United States that said corporation be dissolved, and that its assets be distributed, and a consent to dissolution having accordingly been filed with the Secretary of State of the State of Louisiana, and with the Recorder of Mortgages for the Parish of Orleans;

hereby orders, that the officers and directors of Theodor Wille & Co., Inc. (to wit, Edward W. Hardy, President and Director, Edward H. Perbix, Secretary-Treasurer and Director, Stanley B. Reid, First Vice President and Director, Robert Kramer, Second Vice President and Francis J. Carmody, Assistant Secretary-Treasurer, and their successors, or any of them), and the liquidators of said corporation (to wit, Edward W. Hardy, and Stanley B. Reid, and their successors, or any of them), to continue the proceedings for the dissolution of Theodor Wille & Co., Inc., in accordance with the statutes of the State of Louisiana in such case made and provided; and further orders, that the said officers, directors and liquidators wind up the affairs of the corporation and distribute the assets thereof coming into their possession as follows:

(a) They shall first pay the current and reasonable necessary charges of winding up the affairs of said corporation and the dissolution thereof; and

(b) They shall then pay all known federal, state, and local taxes and fees owed by or accruing against the said corporation; and

(c) They shall then pay over, transfer, assign and deliver to the Alien Property Custodian, all other funds and property, if any, remaining in their hands after the payments as aforesaid, the same to be applied by him, first in satisfaction of such claims, if any, as he may have for monies advanced or services rendered to or on behalf of the corporation, and second, as a liquidating distribution of assets to the Alien Property Custodian as holder of all the issued and outstanding stock of the corporation; and

further orders, that nothing herein set forth shall be construed as prejudicing the rights, under the laws of the State of Louisiana, of any person who may claim against said corporation; *Provided, however,* That nothing herein contained shall be construed as creating additional rights in such persons; and such persons or any of them may file claims with the Alien Property Custodian against any funds or property received by the Alien Property Custodian and applied by him as liquidating distribution of assets to the Alien Property Custodian as stockholder as above set forth: *Provided, however,* That any such claim shall be filed with or presented to the Alien Property Custodian within the time prescribed for such claims by the statutes of the State of Louisiana; and further orders, that all actions taken and acts done by the said officers, directors and liquidators of Theodor Wille & Co., Inc., pursuant to this Order and the directions contained therein shall be deemed to have been taken and done in reliance on and pursuant to paragraph numbered (2) of subdivision (b) of section 5 of the Trading with the Enemy Act, as amended, and the acquittance and exculpation provided therein.

Executed at Washington, D. C., this 24th day of September, 1945.

[SEAL] JAMES E. MARKHAM,
Alien Property Custodian.

[F. R. Doc. 45-18171; Filed, Oct. 1, 1945; 10:49 a. m.]

OFFICE OF PRICE ADMINISTRATION.

[MPR 188, Order 4489]

ADMIRAL LAMP MFG. CORP.

APPROVAL OF MAXIMUM PRICES

For the reasons set forth in an opinion issued simultaneously herewith and filed with the Division of the Federal Register, and pursuant to § 1499.158 of Maximum Price Regulation No. 188; *It is ordered:*

(a) This order establishes maximum prices for sales and deliveries of certain articles manufactured by Admiral Lamp Mfg. Corp., 2326 Indiana Ave., Chicago, Ill.

(1) For all sales and deliveries to the following classes of purchasers by the sellers indicated below, the maximum prices are those set forth below:

Article	Model No.	For sales by the manufacturer to—		For sales by any person to consumers
		Jobbers	Retailers	
55" 3-way Mogul socket floor lamp with shade.	501	$13.18	$15.50	$27.00
54" medium base socket floor lamp with shade.	502	12.75	15.00	27.00
55" medium base socket floor lamp with shade.	503	14.88	17.50	31.50
55" 3-way Mogul socket floor lamp with shade.	504	13.00	16.00	23.80
54" medium base socket floor lamp with shade.	505	13.18	15.50	27.00
54" medium base socket floor lamp with shade.	506	14.88	17.50	31.50
65" 3-way Mogul socket torchier and glass reflector	507	14.03	16.50	29.70
60" 3-way Mogul socket onyx base and shade.	510	17.00	20.00	33.00
54" medium base socket floor lamp with shade.	511	13.00	16.00	23.80
54" medium base socket floor lamp with shade.	512	14.88	17.50	31.50

These maximum prices are for the articles described in the manufacturer's application dated May 25, 1945.

(2) For sales by the manufacturer, the maximum prices apply to all sales and deliveries since Maximum Price Regulation No. 188 became applicable to those sales and deliveries. For sales to persons other than consumers they are f. o. b. factory, 2% 10 days, net 30. The maximum price to consumers is net, delivered.

(3) For sales by persons other than the manufacturer, the maximum prices apply to all sales and deliveries after the effective date of this order. Those prices are subject to each seller's customary terms and conditions of sale on sales of similar articles.

(4) If the manufacturer wishes to make sales and deliveries to any other class of purchaser or on other terms and conditions of sale, he must apply to the Office of Price Administration, Washington, D. C., under the Fourth Pricing Method, § 1499.158 of Maximum Price Regulation 188, for the establishment of maximum prices for those sales, and no sales or deliveries may be made until maximum prices have been authorized by the Office of Price Administration.

(b) The manufacturer shall attach a tag or label to every article for which a maximum price for sales to consumers is established by this order. That tag or label shall contain the following statement, with the proper model number and the ceiling price inserted in the blank spaces:

Model No. _____
OPA Retail Ceiling Price—$_____
Do Not Detach

(c) At the time of, or prior to, the first invoice to each purchaser for resale, the manufacturer shall notify the purchaser in writing of the maximum prices and conditions established by this order for sales by the purchaser. This notice may be given in any convenient form.

(d) Jobbers' maximum prices for sales of the articles covered by this order shall be established under the provisions of section 4.5 of SR 14J.

(e) This order may be revoked or amended by the Price Administrator at any time.

(f) This order shall become effective on the 29th day of September 1945.

Issued this 28th day of September 1945.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 45-18116; Filed, Sept. 28, 1945; 11:35 a. m.]

[MPR 260, Amdt. 1 to Order 231]

KEYSTONE CIGAR CO.

AUTHORIZATION OF MAXIMUM PRICES

For the reasons set forth in an opinion accompanying this amendment and pursuant to § 358.102 (b) of Maximum Price Regulation 260: *It is ordered,* That:

The maximum prices for the "Lord Lancaster-Invincible" cigars set forth in paragraph (a) of Order No. 231 under Maximum Price Regulation No. 260, are amended to read as follows:

Brand	Size or frontmark	Packing	Maximum list price	Maximum retail price
Lord Lancaster	Invincible	50	*Per M* $60	*Cents* 2 for 15

This amendment shall become effective September 29, 1945.

Issued this 28th day of September 1945.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 45-18117; Filed, Sept. 28, 1945; 11:36 a. m.]

[MPR 260, Amdt. 1 to Order 254]

ROY R. SMITH CIGAR CO.

AUTHORIZATION OF MAXIMUM PRICES

For the reasons set forth in an opinion accompanying this amendment and pursuant to § 1358.102 (b) of Maximum Price Regulation 260: *It is ordered,* That:

The maximum prices for the "Jose Grande-Queens" cigar set forth in paragraph (a) of Order No. 254 under Maximum Price Regulation No. 260, are amended to read as follows:

Brand	Size or frontmark	Packing	Maximum list price	Maximum retail price
Jose Grande	Queens	50	*Per M* $60	*Cents* 2 for 15

This amendment shall become effective September 29, 1945.

Issued this 28th day of September 1945.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 45-18118; Filed, Sept. 28, 1945; 11:35 a. m.]

[MPR 260, Amdt. 1 to Order 262]

FRANCIS E. SITLER

AUTHORIZATION OF MAXIMUM PRICES

For the reasons set forth in an opinion accompanying this amendment and pursuant to § 1359.102 (b) of Maximum Price Regulation 260, *It is ordered*, That:

The maximum prices for the "Filibuster" and "Collie" cigars set forth in paragraph (a) of Order No. 262 under Maximum Price Regulation No. 260, are amended to read as follows:

Brand	Size or frontmark	Packing	Maximum list price	Maximum retail price
			Per M	*Cents*
Filibuster		50	$60	2 for 15
Collie		50	60	2 for 15

This amendment shall become effective September 29, 1945.

Issued this 28th day of September 1945.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 45-18119; Filed, Sept. 28, 1945; 11:35 a. m.]

[MPR 260, Amdt. 1 to Order 1077]

CURVIN E. MILLER

AUTHORIZATION OF MAXIMUM PRICES

For the reasons set forth in an opinion accompanying this amendment and pursuant to § 1358.102 (b) of Maximum Price Regulation 260; *It is ordered*, That:

The maximum prices for the "Millers de Luxe—Perfecto" cigar set forth in paragraph (a) of Order No. 1077 under Maximum Price Regulation No. 260, are amended to read as follows:

Brand	Size or frontmark	Packing	Maximum list price	Maximum retail price
			Per M	*Cents*
Millers de Luxe	Perfecto	50	$60	2 for 15

This amendment shall become effective September 29, 1945.

Issued this 28th day of September 1945.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 45-18120; Filed, Sept. 28, 1945; 11:36 a. m.]

[MPR 260, Amdt. 1 to Order 1554]

A. A. YOUNG & CO.

AUTHORIZATION OF MAXIMUM PRICES

For the reasons set forth in an opinion accompanying this amendment and pursuant to § 1358.102 (b) of Maximum Price Regulation 260; *It is ordered*, That:

The maximum prices for the "Purple Ribbon-Kings" cigar set forth in paragraph (a) of Order No. 1554 under Maximum Price Regulation No. 260, are amended to read as follows:

Brand	Size or frontmark	Packing	Maximum list price	Maximum retail price
			Per M	*Cents*
Purple Ribbon	Kings	50	$75	10

This amendment shall become effective September 29, 1945.

Issued this 28th day of September 1945.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 45-18121; Filed, Sept. 28, 1945; 11:36 a. m.]

[MPR 260, Order 1876]

LA PALMA CIGAR CO.

AUTHORIZATION OF MAXIMUM PRICES

For the reasons set forth in an opinion accompanying this order, and pursuant to § 1358.102 (b) of Maximum Price Regulation No. 260; *It is ordered*, That:

(a) La Palma Cigar Company, 2008 19th Street, Tampa 5, Fla. (hereinafter called "manufacturer") and wholesalers and retailers may sell, offer to sell or deliver and any person may buy, offer to buy or receive each brand and size or frontmark, and packing of the following domestic cigars at the appropriate maximum list price and maximum retail price set forth below:

Brand	Size or frontmark	Packing	Maximum list price	Maximum retail price
			Per M	*Cents*
La Palma	Petit Palmas	50	$82.50	11

(b) The manufacturer and wholesalers shall grant, with respect to their sales of each brand and size or frontmark of domestic cigars for which maximum prices are established by this order, the discounts they customarily granted in March 1942 on their sales of domestic cigars of the same price class to purchasers of the same class, unless a change therein results in a lower price. Packing differentials charged by the manufacturer or a wholesaler in March 1942 on sales of domestic cigars of the same price class to purchasers of the same class may be charged on corresponding sales of each brand and size or frontmark of cigars priced by this order, but shall not be increased. Packing differentials allowed by the manufacturer or a wholesaler in March 1942 on sales of domestic cigars of the same price class to purchasers of the same class shall be allowed on corresponding sales of each brand and size or frontmark of cigars priced by this order and shall not be reduced. If a brand and size or frontmark of domestic cigars for which maximum prices are established by this order is of a price class not sold by the manufacturer or the particular wholesaler in March 1942, he shall, with respect to his sales thereof, grant the discounts and may charge and shall allow the packing differentials customarily granted, charged or allowed (as the case may be) in March 1942 by his most closely competitive seller of the same class on sales of domestic cigars of the same March 1942 price class to purchasers of the same class.

(c) On or before the first delivery to any purchaser of each brand and size or frontmark of domestic cigars for which maximum prices are established by this order, the manufacturer and every other seller (except a retailer) shall notify the purchaser of the maximum list price and the maximum retail price established by this order for such brand and size or frontmark of domestic cigars. The notice shall conform to and be given in the manner prescribed by § 1358.113 of Maximum Price Regulation No. 260.

(d) Unless the context otherwise requires, appropriate provisions of Maximum Price Regulation No. 260, shall apply to sales for which maximum prices are established by this order.

(e) This order may be revoked or amended by the Price Administrator at any time.

This order shall become effective September 29, 1945.

Issued this 28th day of September 1945.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 45-18122; Filed, Sept. 28, 1945; 11:36 a. m.]

[MPR 260, Order 1877]

ROY R. SMITH CIGAR CO.

AUTHORIZATION OF MAXIMUM PRICES

For the reasons set forth in an opinion accompanying this order, and pursuant to § 1358.102 (b) of Maximum Price Regulation No. 260; *It is ordered*, That:

(a) Roy R. Smith Cigar Company, Wallick Alley, Red Lion, Pa. (hereinafter called "manufacturer") and wholesalers and retailers may sell, offer to sell or deliver and any person may buy, offer to buy or receive each brand and size or frontmark, and packing of the following domestic cigars at the appropriate maximum list price and maximum retail price set forth below:

Brand	Size or frontmark	Packing	Maximum list price	Maximum retail price
			Per M	*Cents*
Jose Grande	De Lux	50	$60	2 for 15

(b) The manufacturer and wholesalers shall grant, with respect to their sales of each brand and size or frontmark of domestic cigars for which maximum prices are established by this order, the discounts they customarily granted in March 1942 on their sales of domestic cigars of the same price class to purchasers of the same class, unless a change therein results in a lower price. Packing differentials charged by the manufacturer or a wholesaler in March 1942 on sales of domestic cigars of the same price class to purchasers of the same class may be charged on corre-

sponding sales of each brand and size or frontmark of cigars priced by this order, but shall not be increased. Packing differentials allowed by the manufacturer or a wholesaler in March 1942 on sales of domestic cigars of the same price class to purchasers of the same class shall be allowed on corresponding sales of each brand and size or frontmark of cigars priced by this order and shall not be reduced. If a brand and size or frontmark of domestic cigars for which maximum prices are established by this order is of a price class not sold by the manufacturer or the particular wholesaler in March 1942, he shall, with respect to his sales thereof, grant the discounts and may charge and shall allow the packing differentials customarily granted, charged or allowed (as the case may be) in March 1942 by his most closely competitive seller of the same class on sales of domestic cigars of the same March 1942 price class to purchasers of the same class.

(c) On or before the first delivery to any purchaser of each brand and size or frontmark of domestic cigars for which maximum prices are established by this order, the manufacturer and every other seller (except a retailer) shall notify the purchaser of the maximum list price and the maximum retail price established by this order for such brand and size or frontmark of domestic cigars. The notice shall conform to and be given in the manner prescribed by § 1358.113 of Maximum Price Regulation No. 260.

(d) Unless the context otherwise requires, appropriate provisions of Maximum Price Regulation No. 260, shall apply to sales for which maximum prices are established by this order.

(e) This order may be revoked or amended by the Price Administrator at any time.

This order shall become effective September 29, 1945.

Issued this 28th day of September 1945.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 45-18123; Filed, Sept. 28, 1945; 11:36 a. m.]

[MPR 591, Order 31]

COMBUSTION ENGINEERING CO., INC.

AUTHORIZATION OF MAXIMUM PRICES

For the reasons set forth in an opinion issued simultaneously herewith and filed with the Division of the Federal Register and pursuant to section 9 of Maximum Price Regulation No. 591, *It is ordered:*

(a) The maximum net prices excluding federal excise tax for sales by any person to consumers of the following electric water heaters manufactured by the Hedges-Walsh-Weidner Division of the Combustion Engineering Company shall be:

R-301 30 gallon Automatic Electric Storage Water heater, insulated, round cabinet, single heating element	$65.00
R-302 30 gallon Automatic Electric Storage Water heater, insulated, round cabinet, double heating element	74.50
R-401 40 gallon Automatic Electric Storage Water heater, insulated, round cabinet, single heating element	$75.00
R-402 40 gallon Automatic Electric Storage Water heater, insulated, round cabinet, double heating element	85.50
R-521 52 gallon Automatic Electric Storage Water heater, insulated, round cabinet, single heating element	88.50
R-522 52 gallon Automatic Electric Storage Water heater, insulated round cabinet, double heating element	95.00

(b) The maximum net prices excluding federal excise tax, f. o. b. point of shipment, for sales by any person to dealers of the following electric water heaters manufactured by the Hedges-Walsh-Weidner Division of the Combustion Engineering Company, Inc., shall be:

R-301 30 gallon Automatic Electric Storage Water heater, insulated, round cabinet, single heating element	$44.77
R-302 30 gallon Automatic Electric Storage Water heater, insulated, round cabinet, double heating element	51.43
R-401 40 gallon Automatic Electric Storage Water heater, insulated, round cabinet, single heating element	51.72
R-402 40 gallon Automatic Electric Storage Water heater, insulated, round cabinet, double heating element	59.80
R-521 52 gallon Automatic Electric Storage Water heater, insulated, round cabinet, single heating element	61.11
R-522 52 gallon Automatic Electric Storage Water heater, insulated, round cabinet, double heating element	65.34

(c) The maximum net prices excluding federal excise tax, f. o. b. point of shipment for sales by any person to jobbers of the following electric water heaters manufactured by the Hedges-Walsh-Weidner Division of the Combustion Engineering Company, Inc., Chattanooga, Tennessee, shall be:

R-301 30 gallon Automatic Electric Storage Water heater, insulated, round cabinet, single heating element	$37.00
R-302 30 gallon Automatic Electric Storage Water heater, insulated, round cabinet, double heating element	42.50
R-401 40 gallon Automatic Electric Storage Water heater, insulated, round cabinet, single heating element	49.50
R-521 52 gallon Automatic Electric Storage Water heater, insulated, round cabinet, single heating element	50.50
R-522 52 gallon Automatic Electric Storage Water heater, insulated, round cabinet, double heating element	54.00

(d) The maximum prices established by this order shall be subject to such discounts, allowances including transportation allowances, and the rendition of services which are at least as favorable as those which each seller extended or rendered or would have extended or rendered to purchasers of the same class on comparable sales of similar commodities during March 1942.

(e) The maximum prices for sales on an installed basis of the commodities covered by this order shall be determined in accordance with Revised Maximum Price Regulation No. 251.

(f) Each seller except on sales to consumers shall notify in writing each purchaser of the seller's maximum price established by this order at or before the time of the first invoice as well as the maximum prices established for each such purchaser on resale.

(g) The Hedges-Walsh-Weidner Division of the Combustion Engineering Company, Inc. shall stencil in a conspicuous place on each of the electric water heaters covered by this order the maximum price to consumers established by this order and shall identify such prices as the maximum price to consumers.

(h) This order may be revoked or amended by the Price Administrator at any time.

This order shall become effective September 29, 1945.

Issued this 28th day of September 1945.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 45-18124; Filed, Sept. 28, 1945; 11:37 a. m.]

[MPR 591, Order 32]

ACE ICE CREAM CABINET CO.

AUTHORIZATION OF MAXIMUM PRICES

For the reasons set forth in an opinion issued simultaneously herewith and filed with the division of the Federal Register and pursuant to section 9 of Maximum Price Regulation No. 591; *It is ordered:*

(a) The maximum net prices, f. o. b. point of shipment, for sales by any person of the following home freezer units manufactured by the Ace Ice Cream Cabinet Company of New York City and as described in its application dated August 21, 1945, which is on file with the Building Materials Price Branch, Office of Price Administration, Washington 25, D. C., shall be:

Model	On sales to distributors	On sales to dealers	On sales to consumers
No. 6 with ¼ hp. compressor	$160	$192	$320
No. 10 with ⅓ hp. compressor	215	258	430
No. 15 with ½ hp. compressor	270	300	500
No. 20 with ⅔ hp. compressor	340	408	680

(b) On sales by the Ace Ice Cream Cabinet Company, the maximum net prices established in (a) above may be increased by the following amount to each class of purchaser as a charge to cover the cost of crating, when crating is actually supplied: $4.00 for Model No. 6; $6.00 for Model No. 10, 15 and 20.

(c) The maximum net prices established by this order shall be subject to discounts and allowances and the rendition of services which are at least as favorable as those which each seller extended or rendered to purchasers of the

same class on comparable sales of similar commodities during March 1942.

(d) On sales by a distributor or dealer the following charges may be added to the maximum prices established in (a) above:

(1) The actual amount of freight paid to obtain delivery to his place of business. Such charges shall not exceed the lowest common carrier rates.

(2) Crating charges actually paid to his supplier but in no instance exceeding the amount noted above.

(e) Each seller of the commodity covered by this order, except a dealer, shall notify each of his purchasers, in writing, at or before the issuance of the first invoice after the effective date of this order, of the maximum prices established for purchasers upon resale, including allowable transportation and crating charges.

(f) The Ace Ice Cream Cabinet Company shall stencil on the inside of the lid or cover of the farm freezers covered by this order, the maximum net prices to consumers established by this order. The stencil shall contain substantially the following:

OPA Maximum Retail Price—$_____
Plus freight and crating as provided in Order No. 32 under Maximum Price Regulation No. 591.

(g) This order may be revoked or amended by the Price Administrator at any time.

This order shall become effective September 29, 1945.

Issued this 28th day of September 1945.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 45-18125; Filed, Sept. 28, 1945; 11:37 a. m.]

[MPR 591, Order 34]

THE BRUNSWICK-BALKE-COLLENDER CO.

AUTHORIZATION OF MAXIMUM PRICES

For the reasons set forth in an opinion issued simultaneously herewith and filed with the Division of the Federal Register and pursuant to section 9 of Maximum Price Regulation No. 591; *It is ordered:*

(a) The maximum net prices, f. o. b. point of shipment, for sales by any person of the following table top refrigerators manufactured by The Brunswick-Balke-Collender Company, of Chicago, Ill., and as described in the application dated August 30, 1945, which is on file with the Building Materials Price Branch, Office of Price Administration, Washington 25, D. C., shall be:

	On sales to distributors	On sales to A dealers	On sales to consumers	On sales to B dealers
Table top refrigerator—Model R	$225	$270	$450	$300

(b) The maximum net prices established in (a) above may be increased by the following amount to each class of purchaser to cover the cost of crating when crating is actually supplied: $6.00.

(c) The maximum net prices established by this order shall be subject to discounts and allowances and the rendition of services which are at least as favorable as those which each seller extended or rendered or would have extended or rendered to purchasers of the same class on comparable sales of similar commodities during March 1942.

(d) On sales by a distributor or dealer the following charges may be added to the maximum prices established in (a) above:

(1) The actual amount of freight paid to obtain delivery to his place of business. Such charges shall not exceed the lowest common carrier rates.

(2) Crating charges actually paid to his supplier but in no instance exceeding the amount specified in (b) above.

(e) Each seller covered by this order, except a dealer, shall notify each of his purchasers, in writing, at or before the issuance of the first invoice after the effective date of this order, of the maximum prices established by this order for each such seller as well as the maximum prices established for purchasers upon resale, including allowable transportation and crating charges.

(f) The Brunswick-Balke-Collender Company shall stencil on the inside of the lid or cover of the Table Top Refrigerator Model R, covered by this order, substantially the following:

OPA Maximum Retail Price—$_____
Plus freight and crating as provided in Order No. 34 under Maximum Price Regulation No. 591.

(g) This order may be revoked or amended by the Price Administrator at any time.

This order shall become effective September 29, 1945.

Issued this 28th day of September 1945.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 45-18126; Filed, Sept. 28, 1945; 11:37 a. m.]

[MPR 580, Revocation of Order 103]

PARAFFINE COMPANIES, INC.

ADJUSTMENT OF MAXIMUM PRICES

Order 103 under section 13 of Maximum Price Regulation 580, order of revocation. Docket No. 6063-580-13-217.

The opinion accompanying this order, issued simultaneously herewith, has been filed with the Division of the Federal Register.

(a) Order 103 under section 13 of Maximum Price Regulation 580, issued to The Paraffine Companies, Inc., on August 13, 1945, effective August 14, 1945, is hereby revoked subject to the provisions of Supplementary Order 40.

(b) The Paraffine Companies, Inc. shall send a copy of this Order of Revocation to each person to whom it forwarded a copy of Order 103 or whom it notified of the provisions of Order 103.

This order shall become effective September 28, 1945.

Issued this 28th day of September 1945.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 45-18156; Filed, Sept. 28, 1945; 4:56 p. m.]

[MPR 580, Amdt. 1 to Order 124]

CHATTANOOGA MATTRESS CO.

ESTABLISHMENT OF MAXIMUM PRICES

MPR No. 580, Order No. 124, Amendment 1. Establishing ceiling prices at retail for certain articles. Docket No. 6063-580-13-157. Chattanooga Mattress Company.

For the reasons stated in the opinion issued simultaneously herewith paragraph (a) of Order 124 is amended by changing the retail ceiling price of the mattress with the style name "Perfect Sleeper" from $29.50 to $39.50.

This amendment shall become effective September 28, 1945.

Issued this 28th day of September 1945.

CHESTER BOWLES,
Administrator.

[F. R. Doc. 45-18157; Filed, Sept. 28, 1945; 4:54 p. m.]

SECURITIES AND EXCHANGE COMMISSION.

[File Nos. 54-131, 70-1145]

CONSOLIDATED ELECTRIC AND GAS CO. ET AL.

NOTICE OF FILING, NOTICE OF AND ORDER FOR HEARING AND ORDER CONSOLIDATING HEARINGS

At a regular session of the Securities and Exchange Commission, held at its office in the City of Philadelphia, Pennsylvania, on the 27th day of September, A. D., 1945.

In the matter of Consolidated Electric and Gas Company, File No. 54-131; Federal Water and Gas Corporation, Southern Natural Gas Company, File No. 70-1145.

Notice is hereby given that Consolidated Electric and Gas Company ("Consolidated"), a registered holding company, has made a filing with this Commission pursuant to section 11 (e) of the Public Utility Holding Company Act of 1935 and that Federal Water and Gas Corporation ("Federal"), a registered holding company, and its direct subsidiary, Southern Natural Gas Company ("Southern"), a registered holding company and a natural gas transmission company, have filed a joint application-declaration designating sections 7, 10, 11 and 12 of the act and Rules U-42, U-43 and U-50 promulgated thereunder as being applicable thereto. All interested persons are referred to said documents which are on file in the offices of this Commission for a statement of the transactions therein proposed which may be summarized briefly as follows:

I. Consolidated, a registered holding company and presently the owner, among other investments, of all of the

outstanding common stock of Atlanta Gas Light Company ("Atlanta"), a gas utility company engaged in the manufacture of gas and the distribution of natural and manufactured gas in various municipalities in the State of Georgia, proposes, in pursuance of its program of divesting itself of all of its domestic public utility subsidiaries, to sell said common stock (represented by 240,145 shares, $25 per share par value) to Southern, a subsidiary of Federal, a registered holding company, for $11,000,000 in cash, subject to certain adjustments at the date of closing. The common stock of Atlanta at the present time is pledged as collateral under the collateral trust indenture of Consolidated securing its outstanding Collateral Trust Bonds.

As at June 30, 1945, the bond indebtedness of Consolidated consisted of Collateral Trust Bonds as follows: 6% Series, due August 1, 1957, $1,447,000 principal amount ("6% Series Bonds"); and 3%–6% Series, due August 1, 1952, $13,269,000 principal amount ("3%–6% Series Bonds") ($11,930,500 principal amount thereof being designated as Series A and $1,338,500 principal amount thereof being designated as Series B). The 6% Series Bonds are by their terms redeemable at the option of Consolidated at their principal amount and accrued interest to the date of redemption. The 3%–6% Series Bonds are by their terms redeemable at the option of Consolidated at 103% of principal amount thereof plus accrued interest to the date of redemption.

By the terms of the plan, Consolidated will satisfy and retire all of its outstanding bonds by payment in cash of the principal amount thereof plus accrued interest thereon to the date of payment but without the payment of the redemption premium applicable to the 3%–6% Series Bonds.

The proposed payment and satisfaction of the outstanding Collateral Trust Bonds of Consolidated are to be accomplished by the use of the proceeds of the sale of the common stock of Atlanta together with the proceeds either of the sale or other disposition of other investments of Consolidated, or of a bank loan; or in the alternative, by the use of proceeds from a bank loan which will in turn be discharged by the proceeds from the sale of the securiites of Atlanta and other investments of Consolidated;

Consolidated requests that this Commission, in the event that it approves said plan, apply to an appropriate Federal court in accordance with the provisions of sections 11 (e) and 18 (f) of the act to enforce and carry out the terms and provisions of said plan applicable to the payment, satisfaction and discharge of the 3%–6% Series Bonds. Consolidated has not requested court enforcement of the provisions of the plan relating to the payment, satisfaction and discharge of the 6% Series Bonds which are being redeemed pursuant to their terms. Within ten days after the entry of an appropriate court order regarding the plan, Consolidated proposes to give notice to the effect that it will satisfy and retire all of its 3%–6% Series Bonds. The date of payment is to be at least 30 days after the first publication of said notice and shall be on the first day of a month. The holders of the 3%–6% Series Bonds are to have the right to receive cash equal to the principal thereof and interest to the date fixed for payment at any time after the first publication of notice upon surrendering their bonds to Continental Illinois National Bank and Trust Company of Chicago, trustee under the indenture securing said bonds.

The plan further provides that from and after the date designated for payment, no further interest is to accrue upon any of the 3%–6% Series Bonds.

Consolidated further proposes that it have the right, subsequent to the issuance of an order of this Commission approving said plan, if such approval is given, to purchase 3%–6% Series Bonds in the open market through brokers or from the holders thereof but without solicitation by payment of cash equal to the principal amount thereof plus accrued interest thereon to the date of purchase.

The filing indicates that an appropriate additional filing will be made by Consolidated to provide for the needed bank loans.

Consolidated requests that such order or orders as this Commission shall issue herein regarding the proposed sale of the stock of Atlanta conform to the requirements of sections 371 (b), 371 (f) and 1808 (f) of the Internal Revenue Code, as amended, and contain the recitals and specifications required thereby.

II. Southern proposes to acquire from Consolidated all of the outstanding common stock of Atlanta as above described for a total base purchase price of $11,000,000. Southern further proposes to acquire and Federal proposes to sell to Southern 12,500 shares (all) of the common stock, no par value, of Mississippi Public Service Company ("Mississippi") for a base cash consideration of $1,173,484. Southern further proposes to acquire and Federal proposes to sell to Southern 7,500 shares (all) of the common stock, $100 per share par value, of Chattanooga Gas Company ("Chattanooga") for a base cash consideration of $1,000,000.

Southern proposes to issue and sell: (a) $18,000,000 principal amount of First Mortgage Pipe Line Sinking Fund Bonds, Series 1965 (at competitive bidding pursuant to Rule U-50), the price to Southern and the interest rate on the bonds to be determined by such competitive bidding; (b) $9,000,000 principal amount of serial notes maturing semi-annually during the ten years immediately succeeding the date of issue (the filing indicates that these securities are not to be issued at competitive bidding but does not indicate the identity of the proposed acquirer or acquirers); and (c) 281,842 shares of common stock, par value $7.50 per share. This stock is to be offered for subscription in the ratio of ⅓ of a share for each share held by the present stockholders of Southern. The offering price of said new common stock has not as yet been determined by the company. Transferable warrants evidencing subscription rights are to be issued by Southern as soon as practicable after the receipt by it of needed regulatory approval, such warrants to expire 30 days from the date of issuance thereof.

Southern further proposes to redeem its presently outstanding First Mortgage Pipe Line Sinking Fund Bonds 3¼% Series due 1956, outstanding as at June 30, 1945, in the aggregate principal amount of $13,214,000, these bonds being redeemable at any time prior to April 2, 1946, on not less than 30 days notice, at 105% of their principal amount plus interest accrued to the date of redemption; and 2½% Serial Notes, due November 1, 1945 (and semi-annually thereafter until May 1, 1947), outstanding as of June 30, 1945, in the aggregate face amount of $1,625 000.

Federal proposes to acquire from Southern a minimum of 153,004 shares of the new common stock of Southern, this being the number of shares Federal would be entitled to subscribe for as the holder of 765,022 shares of said stock at the present time. Federal further proposes to acquire all additional shares of new stock which are not subscribed for by the other stockholders of Southern. Federal further proposes to acquire in the open market or directly from the holders thereof subscription warrants to purchase shares of new common stock of Southern and to purchase said shares of common stock upon the exercise of such warrants in accordance with their terms. It is represented that warrants acquired by Federal will be purchased at the market price current at the time of purchase during the period between the issue and expiration date of such warrants.

Federal requests that such order or orders as this Commission may issue herein regarding the proposed sale by it of the stocks of Mississippi and Chattanooga and the proposed purchase of new stock of Southern recite that these transactions are necessary or appropriate to the integration or simplification of the holding company system of which Federal and Southern are members and that such order or orders conform to the requirements of sections 371 (b), 371 (f) and 1808 (f) of the Internal Revenue Code, as amended, and contain the recitals and specifications required thereby.

III. The Commission being required by the provisions of section 11 (e) of the act before approving any plan submitted thereunder to find after notice and opportunity for hearing that such plan, as submitted or as modified, is necessary to effectuate the provisions of section 11 (b) and is fair and equitable to the persons affected by such plan; and it appearing that it is appropriate in the public interest and in the interests of investors and consumers that a hearing be held with respect to the joint application-declaration of Federal and Southern and that said plan should not be approved or said joint application-declaration granted or permitted to become effective except pursuant to further order of this Commission; and

It further appearing to the Commission that the plan of Consolidated and the joint application-declaration of Federal and Southern involve common ques-

tions of law and fact and should be consolidated and heard together;

It is ordered, That the proceedings herein be, and they hereby are, consolidated for the purpose of considering the issues presented thereby;

It is further ordered, That a consolidated hearing under the applicable provisions of the Act and rules of the Commission promulgated thereunder be held on October 29, 1945, at 10:00 a. m., E. S. T., at the offices of the Securities and Exchange Commission, 18th and Locust Streets, Philadelphia 3, Pennsylvania, in such room as the hearing room clerk in Room 318 will at that time advise. All persons desiring to be heard or otherwise wishing to participate in the proceedings shall file with the Commission on or before October 26, 1945, a written request relative thereto as provided by Rule XVII of the rules of practice of the Commission.

It is further ordered, That jurisdiction be, and it hereby is, reserved to separate, either for hearing, in whole or in part, or to dispose, in whole or in part, of any issues or questions which may arise in these proceedings and to take such other action as may appear conducive to an orderly, prompt and economical disposition of the matters involved;

It is further ordered, That the Secretary of the Commission shall serve notice of the aforesaid hearing by mailing copies of this order by registered mail to Consolidated Electric and Gas Company, Federal Water and Gas Corporation, Federal Power Commission, Alabama Public Service Commission, Georgia Public Service Commission, Mississippi Public Service Commission, Tennessee Railroad and Public Utilities Commission, and Continental Illinois National Bank and Trust Company of Chicago, Trustee under the indenture securing the bonds of Consolidated Electric and Gas Company, and that notice of said hearing be given to all other persons by publication of this order in the FEDERAL REGISTER.

It is further ordered, That Consolidated give written notice of this hearing in such form as the Commission shall approve to the holders of its bonds and preferred stock (insofar as the identity of such security holders is known or is available to Consolidated) at least fifteen days prior to October 29, 1945.

It is further ordered, That Willis E. Monty, or any other officer or officers of this Commission designated by it for that purpose shall preside at such hearing. The officer so designated is hereby authorized to exercise all powers granted to the Commission under section 18 (c) of the act and to a trial examiner under the Commission's rules of practice.

It is further ordered, That, without limiting the scope of the issues presented by said filing, particular attention be directed at said hearing to the following matters and questions:

(1) Whether competitive conditions have been maintained in connection with the proposed sale by Consolidated of the securities of Atlanta and whether the consideration to be received by Consolidated is reasonable;

(2) Whether the proposed acquisition by Southern of the securities of Atlanta will tend towards interlocking relations or the concentration of control of public utility companies, of a kind or to an extent detrimental to the public interest or the interest of investors or consumers; will be detrimental to the publis interest or the interests of investors or consumers or the proper functioning of the holding company system of Southern; will be detrimental to the carrying out of the provisions of section 11; and whether the proposed acquisition will serve the public interest by tending towards the economical and efficient development of an integrated public utility system;

(3) Whether it is necessary or appropriate in the public interest or for the protection of investors or consumers to require, pursuant to Rule U-50 and Rule U-100, that the proposed sale by Consolidated be made on the basis of public invitations for bids, and, if so, whether Southern may appropriately be permitted to bid for said common stock;

(4) Whether the transactions proposed by Consolidated are necessary to effectuate the provisions of section 11 (b) of the act and are fair and equitable to all persons affected thereby and particularly whether the proposal that the indebtedness represented by the 3%-6% Series Bonds be satisfied by payment of the principal amount thereof with accrued interest to date of same in cash but without payment of any redemption premium thereon, is necessary to effectuate the provisions of section 11 (b), and is fair and equitable to the holders of said bonds, to the remaining security holders of Consolidated, and to all other persons affected thereby;

(5) Whether the plan appropriately provides for the payment of fees and expenses by Consolidated in connection with the plan;

(6) Whether and in what manner the proposed plan should be modified to insure adequate protection of the public interest and the interests of investors and consumers and compliance with all the applicable provisions of the act and rules promulgated thereunder;

(7) Whether the consideration proposed to be paid by Southern and received by Federal for the securities of Chattanooga and Mississippi is in all respects reasonable and appropriate; whether the acquisition by Southern of the securities of Mississippi and Chattanooga will be detrimental to the public interest or the interests of investors or consumers or the proper functioning of the Southern holding company system; and whether the proposed acquisition will serve the public interest by tending towards the economical and efficient development of an integrated public utility system and will not otherwise be detrimental to the carrying out of the provisions of section 11 of the act;

(8) Whether the securities proposed to be issued and sold by Southern are reasonably adapted to the earning power of Southern and to the security structure of Southern and other companies in the Federal holding company system and whether financing by the issue and sale of such securities in the respective amounts proposed is necessary or appropriate to the economical and efficient operation of the business in which Southern is engaged;

(9) Whether the proposed acquisitions by Federal of shares of the common stock of Southern in the manner and under the circumstances proposed meet all of the applicable requirements of the Act and rules promulgated thereunder;

(10) Whether the accounting entries to be made in connection with the proposed transactions are proper;

(11) Whether the fees, commissions or other remunerations to be paid directly or indirectly in connection with the proposed transactions are reasonable; and

(12) Generally, whether the proposed transactions comply with all of the applicable provisions and requirements of the Act and rules and regulations promulgated thereunder and whether it is necessary or appropriate in the public interest or for the protection of investors and consumers or to prevent the circumvention of any provisions of the act or rules, regulations, or orders thereunder to impose terms and conditions in connection with any of the proposed transactions.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 45-18159; Filed, Oct. 1, 1945; 9:46 a. m.]

[File Nos. 70-1160; 54-117, 59-72]

COLUMBIA GAS & ELECTRIC CORP. ET AL.

NOTICE OF FILING AND ORDER FOR HEARING

At a regular session of the Securities and Exchange Commission, held at its office in the City of Philadelphia, Pennsylvania, on the 28th day of September, 1945.

In the matters of Columbia Gas & Electric Corporation, The Dayton Power and Light Company, File No. 70-1160; and Columbia Gas & Electric Corporation, File No. 54-117; and Columbia Gas & Electric Corporation and its subsidiaries, Respondents, File No. 59-72.

Notice is hereby given that Columbia Gas & Electric Corporation (Columbia), a registered holding company and a subsidiary of The United Corporation, also a registered holding company, and Columbia's subsidiary, The Dayton Power and Light Company (Dayton), have filed a joint application-declaration, pursuant to the provisions of the Public Utility Holding Company Act of 1935 regarding a series of transactions which may be summarized as follows:

(1) Dayton will purchase Columbia's holdings of the common stock and indebtedness of The Miami Development Company (Miami) at an estimated price of $620,964 representing the aggregate principal amount of indebtedness due by Miami to Columbia plus the aggregate underlying book value of the common stock of Miami.

(2) Columbia will make a capital contribution of $2,000,000 to Dayton.

(3) Dayton will issue and sell at competitive bidding $28,850,000 principal amount of First Mortgage Bonds and

will apply sufficient of the proceeds thereof to the redemption of all of its outstanding indebtedness consisting of $1,326,000 principal amount of First Mortgage Bonds, 3¼% Series, due 1962, and $23,256,000 principal amount of First Mortgage Bonds, 3% Series, due 1970.

According to the filing, the approval of the Public Utilities Commission of Ohio will be obtained with respect to the issue and sale of the New First Mortgage Bonds.

Columbia states that the proposed transactions constitute one of the steps to be taken by it in carrying out its program of compliance with section 11 (b) of the act and the Order of this Commission, dated November 30, 1944 (Holding Company Act Release No. 5455) directing, among other things, that Columbia dispose of its interests in Dayton and Miami. Columbia requests that the Order to be issued with respect to the proposed transactions conform with the provisions of sections 371, 373 and 1808 (f) of the Internal Revenue Code, as amended.

It appearing to the Commission that some of the evidence in the consolidated proceedings under sections 11 (b) (1), 11 (b) (2) and 11 (e) of the act with respect to Columbia Gas & Electric Corporation and its subsidiaries (File Nos. 54-117 and 59-72) is or may be relevant to the issues presented by the instant application-declaration and may involve common questions of law and fact and should be consolidated with the instant proceedings; and

It appearing to the Commission that it is appropriate in the public interest and in the interests of investors and consumers that a hearing be held with respect to said application-declaration and that said application-declaration shall not be granted except pursuant to further order of the Commission;

It is hereby ordered, That the proceedings with respect to the instant application-declaration and the proceedings under File Nos. 54-117 and 59-72 be, and the same hereby are, consolidated, and that a hearing on said consolidated proceeding under the applicable provisions of the Act and the rules of the Commission thereunder be held on October 9, 1945, at 10:00 a. m., e. s. t., in the offices of the Securities and Exchange Commission, 18th and Locust Streets, Philadelphia, Pennsylvania. On such day the hearing room clerk in Room 318 will advise as to the room in which such hearing will be held.

It is further ordered, That Charles S. Lobingier, or any other officer or officers of the Commission designated by it for that purpose, shall preside at such hearing. The officer so designated to preside at such hearing is hereby authorized to exercise all powers granted to the Commission under section 18 (c) of said act and to a trial examiner under the Commission's rules of practice.

It is further ordered, That the Secretary of the Commission shall serve, by registered mail, a copy of this order on the applicants and declarants herein, on the Public Utilities Commission of the State of Ohio, on The United Corporation, and on the City Solicitor of Dayton, Ohio; and that notice of said hearing be given to all other persons by publication of this order in the FEDERAL REGISTER. Any person desiring to be heard in connection with these proceedings, or proposing to intervene herein, shall file with the Secretary of the Commission on or before October 5, 1945, his request or application therefor, as provided by Rule XVII of the rules of practice of the Commission.

It is further ordered, That without limiting the scope of the issues presented by said application-declaration, particular attention will be directed at said hearing to the following matters and questions:

(1) Whether the proposed issue and sale by Dayton of New First Mortgage Bonds is solely for the purpose of financing the business of said company and has been expressly authorized by the State Commission of the state in which it is organized and doing business.

(2) Whether the terms and conditions of the issue of the New First Mortgage Bonds are detrimental to the public interest or to the interests of investors or consumers.

(3) Whether the acquisition by Dayton of the securities of Miami will be detrimental to the carrying out of the provisions of section 11 and will have the tendency required by section 10 (c) (2) of the act and will otherwise meet the requirements of section 10.

(4) Whether it is necessary that the security structure of Miami be revised prior to the transfer of the securities of that company by Columbia to Dayton and, if so, what action is required in that connection.

(5) Whether the proposed accounting entries to be recorded on the books of Dayton and Columbia reflecting the proposed transactions are consistent with sound accounting principles and conform to the standards of the act.

(6) Whether the fees, commissions or other remuneration to be paid in connection with the proposed transactions are reasonable.

(7) Generally, whether the proposed transactions comply with the applicable provisions of the act or the rules and regulations promulgated thereto.

(8) Whether in the event the application-declaration shall be granted and permitted to become effective, it is necessary to impose any terms or conditions to ensure compliance with the standards of the act.

It is further ordered, That the Commission reserve the right, if at any time it appears conducive to an orderly, efficient or economic disposition of any proceeding or proceedings herein, to order a separate hearing concerning any of the issues in the consolidated proceedings, to close the record with respect to any such issue or to take action on any such issues prior to the closing of the record on the other issues therein.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 45-18160; Filed, Oct. 1, 1945; 9:46 a. m.]

[File No. 59-15]

NORTHERN NEW ENGLAND CO. AND NEW ENGLAND PUBLIC SERVICE CO.

NOTICE OF FILING OF PLAN AND ORDER RECONVENING HEARING

At a regular session of the Securities and Exchange Commission, held at its office in the City of Philadelphia, Pa., on the 28th day of September, 1945.

New England Public Service Company, a registered holding company, having on July 16, 1945 filed an amendment deleting from its amended plan of reorganization theretofore filed all provisions under the heading, "Recapitalization of Industrials", and any other provisions of said amended plan insofar as they might be inconsistent with the sale for cash by New England Public Service Company of all of its interests in New England Industries, Inc., Keyes Fibre Company and Bucksport Water Company; and having also on the same date filed an application stating that it had entered into a contract to sell such interests to Coffin & Burr, Incorporated and The First Boston Corporation for $15,839,000 in cash (subject, however, to the approval of its stockholders), and requesting the Commission to enter an order requiring, authorizing, permitting or approving the aforesaid sale to effectuate the provisions of section 11 (b) of the act, to recite in its order that the transfers and exchanges embodied in such sale were necessary or appropriate to the simplification or integration of the New England Public Service Company system, and to specify and itemize the debt and stock which should be ordered to be transferred, exchanged and sold, all in accordance with the meaning and requirements of the Internal Revenue Code, as amended, including section 1803 (f) and Supplement R thereof; and

Hearings having been held on said amendment and on said application and having been continued to a date, time and place thereafter to be designated by the Commission or the trial examiner;

Notice is hereby given; That New England Public Service Company has filed, pursuant to section 11 of said act, an application for approval of "A Plan to Eliminate Industrial and Water Companies from Holding Company System".

All interested persons are referred to said document which is on file in the offices of this Commission for a statement of the transactions therein proposed, which is summarized as follows:

New England Public Service Company will sell all of its interests in New England Industries, Inc., Keyes Fibre Company and Bucksport Water Company to Coffin & Burr, Incorporated, and The First Boston Corporation for the sum of $16,500,000 in cash (in lieu of $15,839,000 as previously proposed). It is not proposed, as was done previously, to make the sale subject to the approval of stockholders. It is requested that the Commission (1) find such plan, as submitted or as later modified, necessary to effectuate the provisions of section 11 (b) of said act, and fair and equitable to the persons affected by said plan; (2) make

an order approving such plan; and (3) apply to a court, pursuant to the applicable provisions of said act, to enforce and carry out the terms and provisions of such plan.

It appearing to the Commission that it is appropriate in the public interest and the interest of investors and consumers that a hearing be held upon the issue raised by said plan;

It is ordered, That the hearings in this proceeding be reconvened on October 8, 1945, at 10 a. m., e. s. t., at the offices of the Securities and Exchange Commission, 18th and Locust Streets, Philadelphia 3, Pennsylvania, before William W. Swift, the trial examiner heretofore designated, in such room as may be designated on such date by the hearing room clerk in Room 318, for the purpose of adducing evidence with respect to said plan;

It is further ordered, That, without limiting the scope of the issues presented by said plan particular attention be directed at the reconvened hearing to the following matters and questions:

1. Whether or not the plan is necessary to effectuate the provisions of section 11 (b) of the Public Utility Holding Company Act of 1935, and fair and equitable to the persons affected thereby.

2. Whether or not the proposed sale is in all respects in conformity with the applicable provisions of the Public Utility Holding Company Act of 1935 and the rules, regulations and orders promulgated thereunder.

It is further ordered, That any person desiring to be heard or otherwise wishing to participate in this proceeding, who has not already done so, should notify the Commission in the manner provided by Rule XVII of its rules of practice on or before the date of the reconvening of the hearing.

It is further ordered, That notice of said hearing be given to the parties hereto and to persons heretofore granted participation in this proceeding by mailing copies of this notice and order forthwith by registered mail, and that notice be given to all other persons by publication of a copy of this notice and order in the FEDERAL REGISTER.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 45-18161; Filed, Oct. 1, 1945; 9:46 a. m.]

[File No. 70-1146]

NORTHERN INDIANA PUBLIC SERVICE CO.

NOTICE OF FILING AND ORDER FOR HEARING

At a regular session of the Securities and Exchange Commission, held at its office in the City of Philadelphia, Pa., on the 28th day of September 1945.

Notice is hereby given that a declaration or application (or both) has been filed with this Commission, pursuant to the Public Utility Holding Company Act of 1935, by Northern Indiana Public Service Company, a subsidiary of Midland Utilities Company, a registered holding company. All interested persons are referred to said declaration or application which is on file in the offices of the Commission for a statement of the transactions therein proposed which may be summarized as follows:

Northern Indiana Public Service Company proposes to redeem, at the redemption price of $108 per share plus accrued dividends to date of redemption, 20,000 shares of its outstanding 231,380 shares of $100 par value 5% cumulative preferred stock. If, prior to the publication and giving of the notice of redemption, the company should be able to purchase in the open market over-the-counter shares of its preferred stock at less than the redemption price, it proposes to make such purchases, but in such event the amount so purchased will be at a cost of less than $50,000.

It appearing to the Commission that it is appropriate in the public interest and in the interest of investors and consumers that a hearing be held with respect to said matter and that said declaration shall not become effective nor said application granted except pursuant to further order of this Commission:

It is ordered, That a hearing on such matter under the applicable provisions of said act and rules of the Commission thereunder be held on October 12, 1945, at 10:30 a. m., e. s. t., at the offices of the Securities and Exchange Commission, 18th and Locust Streets, Philadelphia 3, Pennsylvania, at which time the hearing room clerk in room 318 will advise as to the room in which such hearing will be held. At such hearing cause shall be shown why such declaration or application (or both) shall become effective or shall be granted. Any person desiring to be heard in such proceeding shall file with the Commission on or before October 8, 1945, his request therefor as provided by Rule XVII of the rules of practice of the Commission.

It is further ordered, That Allen MacCullen or any other officer or officers of the Commission designated by it for that purpose, shall preside at the hearings on such matter. The officer so designated to preside at any such hearing is hereby authorized to exercise all powers granted to the Commission under section 18 (c) of said act and to a trial examiner under the Commission's rules of practice.

It is further ordered, That, without limiting the scope of the issues presented by said declaration or application, particular attention be directed at such hearing to the following matters and questions:

1. Whether the proposed acquisition and redemption of its preferred stock by Northern Indiana Public Service Company satisfies the standards of section 12 (c) of the act and Rule U-42 promulgated thereunder.

2. The propriety of the proposed accounting treatment of the transactions on the books of Northern Indiana Public Service Company.

3. Whether the fees, commissions and other expenses to be incurred are for necessary services and reasonable in amount.

4. Generally, whether the proposed transaction complies with all applicable provisions and requirements of the Public Utility Holding Company Act of 1935 and the rules and regulations promulgated thereunder, and, if not, whether and what modifications or terms and conditions should be required to be imposed to satisfy the statutory standards.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 45-18162; Filed, Oct. 1, 1945; 9:47 a. m.]