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Washington, Saturday, June 27, 1953

TITLE 3—THE PRESIDENT PROCLAMATION 3023

NATIONAL DAY OF PRAYER, 1953

BY THE PRESIDENT OF THE UNITED STATES
OF AMERICA
A PROCLAMATION

WHEREAS, at the very beginning of our national existence, the signers of the Declaration of Independence invoked "the protection of divine Providence" with faith and with humility; and

WHEREAS, since then, we as a Nation have been wont to turn to Almighty God for guidance and strength, especially in times of national stress; and

WHEREAS, in the words of Abraham Lincoln, penned on one such occasion in the year 1863, "it is the duty of nations as well as of men to own their dependence upon the overruling power of God, to confess their sins and transgressions in humble sorrow, yet with assured hope that genuine repentance will lead to mercy and pardon;" and

WHEREAS, in recognition of our continuing need for divine aid, the Congress, by a joint resolution approved on April 17, 1952, 66 Stat. 64, provided that the President should set aside and proclaim a suitable day each year, other than a Sunday, as a National Day of Prayer, on which the people of the United States may turn to God in prayer and meditation:

NOW, THEREFORE, I, DWIGHT D. EISENHOWER, President of the United States of America, do hereby designate Saturday, July 4, 1953—the one hundred and seventy-seventh anniversary of the adoption of the Declaration of Independence in firm reliance on God's transcendent power—as a National Day of Penance and Prayer; and I request all of our people to turn to Him in humble supplication on that day, in their homes or in their respective places of worship. With contrite hearts, let us pray for God's help in solving the grave problems which confront us, and render thanks to Him for watching over our Nation throughout its history.

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 twenty-third day of June in the year of our Lord nineteen hundred and fifty-three, and of the Independence of the United States of America the one hundred and seventy-seventh.

DWIGHT D. EISENHOWER

By the President:

JOHN FOSTER DULLES,
Secretary of State.

[F. R. Doc. 53-5741; Filed, June 26, 1953;
10:32 a. m.]

PROCLAMATION 3024

ADDING LANDS TO THE WHITE SANDS
NATIONAL MONUMENT

NEW MEXICO

BY THE PRESIDENT OF THE UNITED STATES
OF AMERICA
A PROCLAMATION

WHEREAS certain lands of the public domain lie within the boundaries of the White Sands National Monument, New Mexico, but are not now a part of the monument; and

WHEREAS it appears that the public interest would be promoted by adding such lands to the said monument in order to preserve the white sands and other features of scenic, scientific, and educational interest located thereon:

NOW, THEREFORE, I, DWIGHT D. EISENHOWER, President of the United States of America, under and by virtue of the authority vested in me by section 2 of the act of June 8, 1906, 34 Stat. 225 (16 U. S. C. 431), do proclaim that, subject to valid existing rights, the following-described lands in New Mexico are hereby added to and reserved as a part of White Sands National Monument:

NEW MEXICO PRINCIPAL MERIDIAN

T. 18 S., R. 8 E.,
Sec. 5, SW $\frac{1}{4}$ NW $\frac{1}{4}$ and NW $\frac{1}{4}$ SW $\frac{1}{4}$;
Sec. 6, lots 1, 2, 8, and 7, S $\frac{1}{2}$ NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$,
and E $\frac{1}{2}$ SW $\frac{1}{4}$.

The areas described aggregate 478.53 acres.

Public Land Order No. 833 of May 21, 1952, reserving the above-described

(Continued on p. 3685)

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(For use during 1953)

The following Supplements are now available:

Title 6 (\$1.50); Title 14: Part 400—end (Revised Book) (\$3.75); Title 32: Parts 1—699 (\$0.75); Title 38 (\$1.50); Title 43 (\$1.50); Title 46: Part 146—end (\$2.00)

Previously announced: Title 3 (\$1.75); Titles 4—5 (\$0.55); Title 7: Parts 1—209 (\$1.75), Parts 210—899 (\$2.25), Part 900—end (Revised Book) (\$6.00); Title 8 (Revised Book) (\$1.75); Title 9 (\$0.40); Titles 10—13 (\$0.40); Title 15 (\$0.75); Title 16 (\$0.65); Title 17 (\$0.35); Title 18 (\$0.35); Title 19 (\$0.45); Title 20 (\$0.60); Title 21 (\$1.25); Titles 22—23 (\$0.65); Title 24 (\$0.65); Title 25 (\$0.40); Title 26: Parts 80—169 (\$0.40), Parts 170—182 (\$0.65), Parts 183—299 (\$1.75); Title 26: Part 300—end, Title 27 (\$0.60); Titles 28—29 (\$1.00); Titles 30—31 (\$0.65); Title 32: Part 700—end (\$0.75); Title 33 (\$0.70); Titles 35—37 (\$0.55); Title 39 (\$1.00); Titles 40—42 (\$0.45); Titles 44—45 (\$0.60); Title 46: Parts 1—145 (Revised Book) (\$5.00); Titles 47—48 (\$2.00); Title 49: Parts 1—70 (\$0.50), Parts 71—90 (\$0.45), Parts 91—164 (\$0.40), Part 165—end (\$0.55); Title 50 (\$0.45)

Order from
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lands, together with other lands in New Mexico, for the use of the Department of the Army for military purposes, is hereby revoked so far as it affects the above-described lands.

Warning is hereby expressly given to all unauthorized persons not to appropriate, injure, destroy, deface, or remove any feature of this monument as hereby enlarged and not to settle upon any of the lands reserved by this proclamation.

The Director of the National Park Service, under the direction of the Secretary of the Interior, shall have the supervision, management, and control of these lands as provided in the act of Congress entitled "An Act to establish a National Park Service, and for other purposes," approved August 25, 1916, 39 Stat. 535 (16 U. S. C. 1-3), and acts supplementary thereto or amendatory thereof.

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 twenty-fourth day of June in the year of our Lord nineteen hundred and [SEAL] fifty-three, and of the Independence of the United States of America the one hundred and seventy-seventh.

DWIGHT D. EISENHOWER

By the President:

JOHN FOSTER DULLES,
Secretary of State.

[F. R. Doc. 53-5742; Filed, June 26, 1953; 10:32 a. m.]

EXECUTIVE ORDER 10464

DELEGATION OF FUNCTIONS OF THE PRESIDENT RESPECTING THE TRANSFER OF WHEAT TO PAKISTAN

By virtue of the authority vested in me by section 301 of title 3 of the United States Code, and as President of the United States, it is ordered as follows:

SECTION 1. Except as otherwise provided in sections 2 and 3 of this order, the Director for Mutual Security is hereby designated and empowered to perform, without the approval, ratification, or other action of the President, the functions vested in the President by the Act of June 25, 1953, entitled "An Act to provide for the transfer of price-support wheat to Pakistan."

SEC. 2. There are hereby excluded from the functions delegated by section 1 of this order the functions conferred upon the President by section 4 of the said Act of June 25, 1953, with respect to the termination of assistance.

SEC. 3. The Secretary of State is hereby designated and empowered to negotiate and enter into an agreement with Pakistan under the said Act of June 25, 1953.

SEC. 4. The functions delegated to the Director for Mutual Security by this order shall be subject to the responsibilities of the Secretary of State with respect to the foreign policy of the United States; it relates to the said functions.

SEC. 5. The meaning of the terms "perform" and "functions" as used in this order shall be the same as the meaning of those terms as used in chapter 4 of title 3 of the United States Code.

DWIGHT D. EISENHOWER

THE WHITE HOUSE,
June 25, 1953.

[F. R. Doc. 53-5723; Filed, June 25, 1953; 4:04 p. m.]

RULES AND REGULATIONS

TITLE 6—AGRICULTURAL CREDIT

Chapter IV—Production and Marketing Administration and Commodity Credit Corporation, Department of Agriculture

Subchapter C—Loans, Purchases, and Other Operations

[1952 C. C. C. Grain Price Support Bulletin 1, Amdt. 3 to Supp. 1, Hay and Pasture Seed]

PART 601—GRAINS AND RELATED COMMODITIES

SUBPART—1952-CROP HAY AND PASTURE SEED LOAN AND PURCHASE AGREEMENT PROGRAM

SCHEDULE OF BASIC SPECIFICATIONS AND RATES

The regulations issued by Commodity Credit Corporation and the Production and Marketing Administration, published in 17 F. R. 5601, 8223, 8319 and containing the specific requirements for the 1952 Crop Hay and Pasture Seed Price Support Program are hereby amended as follows:

Section 601.1983 *Schedule of basic specifications and rates*, paragraph (c) is amended by deleting the line "Chess, Cheat—*Bromus secalinus* Tectorum" from subparagraph (4), and by adding the following subparagraph (5):

(5) 1 noxious weed seed to 500 agricultural seeds or 500 per pound;

<i>Common name</i>	<i>Botanical name</i>
Chess, Cheat-----	<i>Bromus secalinus</i> ,
	<i>Bromus tectorum</i> .

(Sec. 4, 62 Stat. 1070, as amended; 15 U. S. C. Sup. 714b. Interprets or applies sec. 5, 62 Stat. 1072, secs. 301, 401, 63 Stat. 1051; 15 U. S. C. Sup. 714, 7 U. S. C. Sup. 1447, 1421)

Issued this 24th day of June 1953.

[SEAL] HOWARD H. GORDON,
Executive Vice President,
Commodity Credit Corporation.

Approved:

HOWARD H. GORDON,
Acting President,
Commodity Credit Corporation.

[F. R. Doc. 53-5690; Filed, June 26, 1953; 8:49 a. m.]

[1953 C. C. C. Cotton Bulletin 1]

PART 607—COTTON

**SUBPART—1953 COTTON LOAN PROGRAM
1953 COTTON BULLETIN**

Correction

Federal Register Document 53-5438, appearing at page 3517 of the issue for Friday, June 19, 1953, and corrected at page 3614 of the issue for Wednesday, June 24, 1953, is further corrected as follows:

In paragraph d of the correction the figure "1³/₁₆" should read "1³/₁₆".

TITLE 7—AGRICULTURE

Chapter IX—Production and Marketing Administration (Marketing Agreements and Orders), Department of Agriculture

[Lemon Reg. 490, Amdt. 1]

PART 953—LEMONS GROWN IN CALIFORNIA AND ARIZONA

LIMITATION OF SHIPMENTS

Findings. 1. Pursuant to the marketing agreement, as amended, and Order No. 53, as amended (7 CFR part 953), regulating the handling of lemons grown

in the State of California or in the State of Arizona, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended, and upon the basis of the recommendation and information submitted by the Lemon Administrative Committee, established under the said amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of the quantity of such lemons which may be handled, as hereinafter provided, will tend to effectuate the declared policy of the act.

2. It is hereby further found that it is impracticable and contrary to the public interest to give preliminary notice and engage in public rule making procedure, and postpone the effective date of this regulation until 30 days after publication thereof in the FEDERAL REGISTER (60 Stat. 237; 5 U. S. C. 1001 et seq.) because the time intervening between the date when information upon which this amendment is based became available and the time when this amendment must become effective in order to effectuate the declared policy of the Agricultural Marketing Agreement Act of 1937, as amended, is insufficient, and this amendment relieves restriction on the handling of lemons grown in the State of California or in the State of Arizona.

Order, as amended. The provisions in paragraph (b) (1) (ii) of § 953.597 (Lemon Regulation 490, 18 F. R. 3561) are hereby amended to read as follows:

(ii) District 2: 800 carloads.

(Sec. 5, 49 Stat. 753, as amended; 7 U. S. C. and Sup. 608c)

Done at Washington, D. C., this 24th day of June 1953.

[SEAL] S. R. SMITH,
Director, Fruit and Vegetable
Branch, Production and Marketing
Administration.

[F. R. Doc. 53-5683; Filed, June 26, 1953;
8:47 a. m.]

[Lemon Reg. 491]

PART 953—LEMONS GROWN IN CALIFORNIA
AND ARIZONA

LIMITATION OF SHIPMENTS

§ 953.598 *Lemon Regulation 491—(a) Findings.* (1) Pursuant to the marketing agreement, as amended, and Order No. 53, as amended (7 CFR Part 953), regulating the handling of lemons grown in the State of California or in the State of Arizona, effective under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and upon the basis of the recommendation and information submitted by the Lemon Administrative Committee, established under the said amended marketing agreement and order, and upon other available information, it is hereby found that the limitation of the quantity of such lemons which may be handled, as provided in this section, will tend to effectuate the declared policy of the act.

(2) It is hereby further found that it is impracticable and contrary to the pub-

lic interest to give preliminary notice, engage in public rule-making procedure, and postpone the effective date of this section until 30 days after publication thereof in the FEDERAL REGISTER (60 Stat. 237; 5 U. S. C. 1001 et seq.) because the time intervening between the date when information upon which this section is based became available and the time when this section must become effective in order to effectuate the declared policy of the act is insufficient, and a reasonable time is permitted, under the circumstances, for preparation for such effective time; and good cause exists for making the provisions of this section effective as hereinafter set forth. Shipments of lemons, grown in the State of California or in the State of Arizona, are currently subject to regulation pursuant to said amended marketing agreement and order; the recommendation and supporting information for regulation during the period specified in this section was promptly submitted to the Department after an open meeting of the Lemon Administrative Committee on June 24, 1953, such meeting was held, after giving due notice thereof to consider recommendations for regulation, and interested persons were afforded an opportunity to submit their views at this meeting; the provisions of this section, including its effective time, are identical with the aforesaid recommendation of the committee, and information concerning such provisions and effective time has been disseminated among handlers of such lemons; it is necessary, in order to effectuate the declared policy of the act, to make this section effective during the period hereinafter specified; and compliance with this section will not require any special preparation on the part of persons subject thereto which cannot be completed by the effective time of this section.

(b) *Order.* (1) The quantity of lemons grown in the State of California or in the State of Arizona which may be handled during the period beginning at 12:01 a. m., P. s. t., June 28, 1953, and ending at 12:01 a. m., P. s. t., July 5, 1953, is hereby fixed as follows:

- (i) District 1: Unlimited movement;
(ii) District 2: 750 carloads;
(iii) District 3: Unlimited movement.

(2) The prorate base of each handler who has made application therefor, as provided in the said amended marketing agreement and order, is hereby fixed in accordance with the prorate base schedule which is attached hereto and made a part hereof by this reference.

(3) As used in this section, "handled," "handler," "carloads," "prorate base," "District 1," "District 2" and "District 3," shall have the same meaning as when used in the said amended marketing agreement and order.

(Sec. 5, 49 Stat. 753, as amended; 7 U. S. C. and Sup. 608c)

Done at Washington, D. C., this 25th day of June 1953.

[SEAL] FLOYD F. HEDLUND,
Acting Director, Fruit and Vegetable
Branch, Production and Marketing
Administration.

PRORATE BASE SCHEDULE

DISTRICT NO. 2

Storage date: June 21, 1953

[12:01 a. m. June 28, 1953, to 12:01 a. m.
July 12, 1953]

Handler	Prorate base (percent)
Total	100.000
American Fruit Growers, Inc., Corona	.712
American Fruit Growers, Inc., Ful- lerton	.812
American Fruit Growers, Inc., Up- land	.509
Consolidated Lemon Co.	1.686
Ventura Coastal Lemon Co.	1.250
Ventura Pacific Co.	1.675
Chula Vista Mutual Lemon Associa- tion	.604
Index Mutual Association	.549
La Verne Cooperative Citrus Associa- tion	3.318
Ventura County Orange & Lemon As- sociation	2.394
Glendora Lemon Growers Associa- tion	2.101
La Verne Lemon Association	.974
La Habra Citrus Association	1.691
Yorba Linda Citrus Association	1.165
Escondido Lemon Association	3.080
Cucamonga Mesa Growers	1.989
Etiwanda Citrus Fruit Association	.461
San Dimas Lemon Association	1.971
Upland Lemon Growers Association	8.313
Central Lemon Association	1.253
Irvine Citrus Association	1.034
Placentia Mutual Orange Associa- tion	.786
Corona Citrus Association	.535
Corona Foothill Lemon Co.	3.892
Jameson Co.	1.250
Arlington Heights Citrus Co.	1.187
Collehe Heights Orange & Lemon As- sociation	4.375
Chula Vista Citrus Association, The- Escondido Cooperative Citrus As- sociation	.805
Fallbrook Citrus Association	.250
Lemon Grove Citrus Association	1.887
Carpinteria Lemon Association	.445
Carpinteria Mutual Citrus Associa- tion	1.327
Goleta Lemon Association	1.545
Johnston Fruit Co.	3.151
North Whittier Heights Citrus Asso- ciation	3.654
San Fernando Heights Lemon Associa- tion	.966
Sierra-Madre Lamanda Citrus Associa- tion	.351
Briggs Lemon Association	.763
Culbertson Lemon Association	2.302
Fillmore Lemon Association	.986
Oxnard Citrus Association	1.596
Rancho Sespe	4.048
Santa Clara Lemon Association	1.697
Santa Paula Citrus Fruit Associa- tion	3.066
Saticoy Lemon Association	4.353
Seaboard Lemon Association	2.741
Somis Lemon Association	2.971
Ventura Citrus Association	3.176
Ventura County Citrus Association	1.041
Limoneira Co.	.320
Teague-McKevett Association	2.450
East Whittier Citrus Association	.901
Murphy Ranch Co.	.794
Far West Produce Distributors	1.964
Huarte, Joseph D.	.043
Paramount Citrus Association, Inc.	.001
Santa Rosa Lemon Co.	.680
	.180

[F. R. Doc. 53-5730; Filed, June 26, 1953;
8:46 a. m.]

TITLE 8—ALIENS AND NATIONALITY

Chapter II—Office of Alien Property, Department of Justice

PART 511—BLOCKED ASSETS

MISCELLANEOUS AMENDMENTS

1. Section 511.32 *General License No. 32* is hereby revoked.
2. Section 511.53 *General License No. 53* is hereby revoked.
3. Section 511.53a *General License No. 53A* is hereby revoked: *Provided*, that such revocation shall in no way affect the status of property previously unblocked thereunder.
4. Section 511.97 *General License No. 97* is hereby revoked: *Provided*, that such revocation shall in no way affect the status of property previously unblocked thereunder.
5. Section 511.101 is added to read as follows:

§ 511.101 *General License No. 101.* (a) Notwithstanding § 511.211a (General Ruling No. 11A) a general license is hereby granted licensing all property now blocked under the order to be regarded as property in which no blocked country or national thereof has, or has had, any interest: *Provided, however*, that the license granted by this paragraph shall not apply to any property blocked by reason of the interest on or since the effective date of the order of any of the following:

(1) Bulgaria, Hungary, Rumania, Czechoslovakia, Poland, Estonia, Latvia, Lithuania, and Germany (except for any interest of Germany now owned by the Federal Republic of Germany, the City of Berlin (Western Sectors) or the Saar);

(2) Any individual, partnership, association, corporation, or other organization which on January 1, 1945, was in Bulgaria, Hungary or Rumania;

(3) Any individual, partnership, association, corporation, or other organization which on December 7, 1945, was in Czechoslovakia, Poland, Estonia, Latvia, or Lithuania;

(4) Any individual, partnership, association, corporation or other organization which on December 31, 1946, was in any of the areas of Germany under control or administration of the Union of Soviet Socialist Republics or Poland; or

(5) Any other partnership, association, corporation, or other organization which was a national of any country designated in subparagraph (1) of this paragraph by reason of the interest therein of any such country or by reason of the interest therein of any individual, partnership, association, corporation, or other organization specified in subparagraph (2), (3), or (4) of this paragraph.

(b) Nothing in this section shall be deemed to apply to any property subject to § 511.205 and § 511.205b (General Ruling Nos. 5 and 5B), relating to foreign and domestic scheduled securities.

(c) Nothing in this section shall be deemed to apply (1) to any property or interest that has been vested, or as to which an outstanding supervisory order

has been issued, by the Attorney General or the Alien Property Custodian or the Office of Alien Property Custodian, or (2) to any business enterprise and/or its property as to which the Attorney General or the Alien Property Custodian or the Office of Alien Property Custodian has issued an outstanding supervisory order, or which has been vested, or assets of or interests in which have been vested.

(d) Nothing in this section shall be deemed to authorize any transaction prohibited by the Foreign Assets Control regulations, 31 CFR, Chapter V, issued by the Treasury Department.

6. Section 511.102 is added to read as follows:

§ 511.102 *General License No. 102.* (a) Notwithstanding § 511.211a (General Ruling No. 11A), a general license is hereby granted licensing any property in any account where the total value of the property in the account on June 1, 1953, was not more than \$100 to be regarded as property in which no blocked country or national thereof has, or has had, any interest.

(b) Nothing in this section shall be deemed to apply to any property subject to § 511.205 and § 511.205b (General Ruling Nos. 5 and 5B), relating to foreign and domestic scheduled securities.

(c) Nothing in this section shall be deemed to apply (1) to any property or interest that has been vested, or as to which an outstanding supervisory order has been issued, by the Attorney General or the Alien Property Custodian or the Office of Alien Property Custodian or (2) to any business enterprise and/or its property as to which the Attorney General or the Alien Property Custodian or the Office of Alien Property Custodian has issued an outstanding supervisory order, or which has been vested, or assets of or interests in which have been vested.

(d) Nothing in this section shall be deemed to authorize any transaction prohibited by the Foreign Assets Control regulations, 31 CFR, Chapter V, issued by the Treasury Department.

7. Section 511.206 *General Ruling No. 6* is hereby revoked.

8. Section 511.217 *General Ruling No. 17* is hereby revoked.

(Sec. 5, 40 Stat. 415, as amended, 50 U. S. C. App. 5; E. O. 8389, Apr. 10, 1940, 5 F. R. 1400, as amended by E. O. 8785, June 14, 1941, 6 F. R. 2897, E. O. 8832, July 26, 1941, 6 F. R. 3715, E. O. 8963, Dec. 9, 1941, 6 F. R. 6348, E. O. 8998, Dec. 26, 1941, 6 F. R. 6785, and E. O. 9193, July 6, 1942, 7 F. R. 5205, 3 CFR, 1943 Cum. Supp.; E. O. 9989, Aug. 20, 1948, 13 F. R. 4891, 3 CFR, 1948 Supp.; E. O. 10348, Apr. 26, 1952, 17 F. R. 3769, 3 CFR, 1952 Supp.)

Executed at Washington, D. C., on June 24, 1953.

For the Attorney General.

[SEAL] DALLAS S. TOWNSEND,
Assistant Attorney General,
Director, Office of Alien Property.

[F. R. Doc. 53-5700; Filed, June 26, 1953; 8:50 a. m.]

TITLE 16—COMMERCIAL PRACTICES

Chapter I—Federal Trade Commission

[Docket 6049]

PART 3—DIGEST OF CEASE AND DESIST ORDERS

SORITE SEWING MACHINE COMPANY, INC., ET AL.

Subpart—*Advertising falsely or misleadingly*: § 3.15 *Business status, advantages or connections*—Producer status of dealer or seller—*Manufacturer*: § 3.70 *Fictitious or misleading guarantees*: § 3.235 *Source or origin*—*Maker*—Place—*Imported product or parts as domestic*. Subpart—*Appropriating trade name or mark wrongfully*: § 3.295 *Appropriating trade name or mark wrongfully*—Product. Subpart—*Misbranding or mislabeling*: § 3.1325 *Source or origin*—*Maker*—Place—*Imported product or parts as domestic*. Subpart—*Misrepresenting oneself and goods*—*Goods*: § 3.1745 *Source or origin*—*Maker*—Place—*Imported product or parts as domestic*. Subpart—*Neglecting, unfairly or deceptively, to make material disclosure*: § 3.1860 *Imported products or parts as domestic*. Subpart—*Offering unfair, improper, and deceptive inducements to purchase or deal*: § 3.1980 *Guarantee, in general*. Subpart—*Passing off*: § 3.2105 *Passing off*. Subpart—*Simulating competitor or another or products thereof*: § 3.2240 *Trade name of competitor*. Subpart—*Using misleading name*—*Goods*: § 3.2345 *Source or origin*—*Maker*—Place—*Foreign product or parts as domestic*. In connection with the offering for sale, sale, or distribution of sewing machines or sewing machine heads in commerce, (1) offering for sale, selling, or distributing foreign-made sewing machine heads, or sewing machines of which foreign-made heads are a part, without clearly and conspicuously disclosing on the heads the country of origin thereof and in such a manner that it cannot readily be hidden or obliterated; (2) using the word "Admiral", or any simulations thereof, as a brand or trade name to designate, describe, or refer to respondents' sewing machines or sewing machine heads; or representing, through the use of any other word or in any other manner, that their sewing machines or sewing machine heads are made by anyone other than the actual manufacturers thereof; (3) using cartons or boxes or cases for shipping their sewing machines or sewing machine heads which bear or contain the name, or portion of the name, of the manufacturer of any well-known brand of sewing machine; (4) representing, through the use of the word "manufacturer", or any other word or term of similar import or meaning, or in any other manner, that said respondents are the manufacturers of the sewing machine heads or sewing machines sold by them, unless and until such respondents actually own and operate, or directly and absolutely control, a factory wherein said products are manufactured by them; and, (5) representing, directly or

by implication, that any sewing machine head, or sewing machine, sold or offered for sale by respondents is guaranteed by the manufacturer, unless the manufacturer is obligated by a guarantee which sets forth clearly and conspicuously the nature and extent of the obligation and the manner in which the guarantor will perform thereunder; prohibited.

(Sec. 6, 38 Stat. 722; 15 U. S. C. 46. Interpret or apply sec. 5, 38 Stat. 719; 15 U. S. C. 45) [Cease and desist order, Sorite Sewing Machine Company, Inc., et al., Washington, D. C., Docket 6049, April 28, 1953]

In the Matter of Sorite Sewing Machine Company, Inc., a Corporation, and Samuel Berenson, Solomon Berenson and Etta Berenson, Individually and as Officers of Sorite Sewing Machine Company, Inc.; and Cleanrite Vacuum Stores, Inc., a Corporation, and Samuel Berenson and Etta Berenson, Individually and as Officers of Cleanrite Vacuum Stores, Inc.

This proceeding was heard by James A. Purcell, hearing examiner, upon the complaint of the Commission, respondents' answer, and a hearing at which a stipulation was entered into whereby it was stipulated and agreed that a statement of facts signed and executed by counsel for respondents and counsel for the Commission, and approved by the Chief, Division of Litigation, might be taken as the facts in the proceeding and in view of testimony in support of and in opposition to charges stated in the complaint.

Said stipulation further provided that said statement of facts might serve as the basis for findings as to the facts, conclusion based thereon, and order disposing of the proceeding without presentation of proposed findings and conclusions or oral argument, and expressly provided that upon appeal to or review by the Commission it might be set aside by it and the matter remanded for further proceedings under the complaint.

Thereafter the proceeding regularly came on for final consideration by said examiner upon the complaint, answer, and stipulation, which was approved by said examiner, who, after having duly considered the record in the matter and having found that the proceeding was in the interest of the public, made his initial decision comprising certain findings as to the facts,¹ conclusions drawn therefrom,² and order, including order to cease and desist, and order of dismissal as to a certain part of the complaint.

No appeal having been filed from said initial decision of said hearing examiner as provided for in Rule XXII, nor any other action taken as thereby provided to prevent said initial decision becoming the decision of the Commission thirty days from service thereof upon the parties, said initial decision, including said order to cease and desist, accordingly, under the provisions of said Rule XXII became the decision of the Commission on April 28, 1953.

Said order to cease and desist is as follows:

¹ Filed as part of the original document.

It is ordered, That the respondents, Sorite Sewing Machine Company, Inc., a corporation, and its officers, and Samuel Berenson, Solomon Berenson and Etta Berenson, individually and as officers of Sorite Sewing Machine Company, Inc., and Cleanrite Vacuum Stores, Inc., a corporation, and its officers, and Samuel Berenson and Etta Berenson, individually and as officers of Cleanrite Vacuum Stores, Inc., and respondents' representatives, agents and employees, directly or through any corporate or other device in connection with the offering for sale, sale or distribution of sewing machines or sewing machine heads in commerce, as "commerce" is defined in the Federal Trade Commission Act, do forthwith cease and desist from:

1. Offering for sale, selling or distributing foreign made sewing machine heads, or sewing machines of which foreign made heads are a part, without clearly and conspicuously disclosing on the heads the country of origin thereof and in such a manner that it cannot readily be hidden or obliterated;

2. Using the word "Admiral", or any simulations thereof, as a brand or trade name to designate, describe or refer to their sewing machines or sewing machine heads; or representing, through the use of any other word or in any other manner, that their sewing machines or sewing machine heads are made by anyone other than the actual manufacturers thereof.

3. Using cartons or boxes or cases for shipping their sewing machines or sewing machine heads which bear or contain the name, or portion of the name, of the manufacturer of any well known brand of sewing machine.

4. Representing, through the use of the word "manufacturer," or any other word or term of similar import or meaning, or in any other manner, that said respondents are the manufacturers of the sewing machine heads or sewing machines sold by them, unless and until such respondents actually own and operate, or directly and absolutely control, a factory wherein said products are manufactured by them.

5. Representing, directly or by implication, that any sewing machine head, or sewing machine, sold or offered for sale by respondents is guaranteed by the manufacturer, unless the manufacturer is obligated by a guarantee which sets forth clearly and conspicuously the nature and extent of the obligation and the manner in which the guarantor will perform thereunder.

It is further ordered, That that portion of the complaint charging misrepresentation as to retail value or price in excess of that at which respondents' sewing machines are customarily sold is hereby dismissed because of lack of proof.

By "Decision of the Commission and order to file report of compliance", Docket 6049, April 28, 1953, which announced and decreed fruition of said initial decision, report of compliance was required as follows:

It is ordered, That the respondents herein shall, within sixty (60) days after service upon them of this order, file with the Commission a report in writing setting forth in detail the manner and form in which they have complied with the order to cease and desist.

By the Commission.

Issued: April 28, 1953.

[SEAL]

D. C. DANIEL,
Secretary.

[F. R. Doc. 53-5685; Filed, June 26, 1953; 8:48 a. m.]

TITLE 17—COMMODITY AND SECURITIES EXCHANGES

Chapter II—Securities and Exchange Commission

PART 239—FORMS PRESCRIBED UNDER THE SECURITIES ACT OF 1933

REGISTRATION OF SECURITIES OFFERED PURSUANT TO EMPLOYEES STOCK PURCHASE PLANS

Purpose of form. On April 12, 1953, the Securities and Exchange Commission published notice that it had under consideration the adoption of a simplified form (Form S-8—§ 239.16b) for the registration of securities offered pursuant to employees stock purchase plans and invited the comments and suggestions of interested persons. Numerous issuers and their representatives commented favorably upon the proposal and submitted helpful and constructive suggestions. Many of these suggestions have been incorporated in the new Form S-8, which the Commission today adopted.¹

As stated in the notice previously circulated, most employees stock purchase plans provide an opportunity for the accumulation by employees of securities of the employer upon favorable terms. In consequence, it has been suggested that the investment decision required to be made by the employee is of a substantially different character than is involved where securities offered for the purpose of raising capital are sold upon the best obtainable terms.

Employee stock purchase plans are generally intended to stimulate interest and ownership by employees in the enterprise. Accordingly, these plans normally provide for some form of contribution by the employer which tends to encourage and assist the employee to participate in the plan.

The new Form S-8 will be available to companies which file reports pursuant to section 13 or 15 (d) of the Securities Exchange Act of 1934 and which have created stock purchase plans under which periodic contributions by the employer are made for the benefit of participating employees. The form may not be used, however, unless participating employees at all times have a right to withdraw at least the cash and securities representing their contributions.

The form is not intended for the registration of securities offered primarily for the purpose of raising capital, nor is it intended for an offering of interests

in a plan which does not involve an offering of securities of an employer.

Registration under the new form involves the filing of a short prospectus consisting, in the main, of a brief description of the plan and the securities offered thereunder, and certified financial statements which include a summary of earnings, a balance sheet as of the close of the issuer's latest fiscal year and an income statement for such year. The employer company sponsoring the plan will be required to deliver with the prospectus a copy of the most recent annual report to stockholders and, thereafter, to transmit to employees participating in the plan copies of all material distributed from time to time to stockholders. This material, other than the prospectus, however, is not deemed to be "filed" under the act except to the extent that any portion thereof is incorporated by reference in the prospectus.

Statutory basis. This action is taken pursuant to the Securities Act of 1933, particularly sections 7, 10 and 19 (a) thereof, the Commission deeming such action necessary and appropriate in the public interest and for the protection of investors and necessary to carry out the provisions of the act.

Effective date. The use of the foregoing form being optional it shall become effective immediately upon publication June 16, 1953.

(Secs. 19, 48 Stat. 85, as amended; 15 U. S. C. 77s. Interprets or applies secs. 7, 10, 48 Stat. 78, 81; 15 U. S. C. 77g, 77j)

By the Commission.

[SEAL] ORVAL L. DuBOIS,
Secretary.

JUNE 16, 1953.

[F. R. Doc. 53-5681; Filed, June 26, 1953; 8:47 a. m.]

TITLE 32—NATIONAL DEFENSE

Chapter VI—Department of the Navy

Subchapter D—Procurement, Property, Patents, and Contracts

PART 743—NAVY EMERGENCY FACILITIES DEPRECIATION BOARD

CONTRACTOR'S REQUEST FOR DETERMINATION OF TRUE DEPRECIATION

The first sentence of Appendix A of Part 743 (18 F. R. 1443-1444) is hereby amended to read as follows:

The Contractor shall submit to the Army, Navy or Air Force Emergency Facilities Depreciation Board (as appropriate), his request for a determination of true depreciation (original and four copies for all items other than Item number 2, and three copies for Item 2.).

(64 Stat. 798-822, as amended; 50 U. S. C. App. Sup., 2061-2166)

C. S. THOMAS,
Acting Secretary of the Navy.

[F. R. Doc. 53-5674; Filed, June 26, 1953; 8:45 a. m.]

Chapter VII—Department of the Air Force

PART 1021—AIR FORCE EMERGENCY FACILITIES DEPRECIATION BOARD

LIST OF CONTRACTOR INFORMATION ON TRUE DEPRECIATION

The introductory paragraph of Appendix A to Part 1021 (18 F. R. 1445) is revised to read as follows:

APPENDIX A—LIST OF CONTRACTOR INFORMATION ON TRUE DEPRECIATION

Information to be submitted by contractors to the Board to support requests for determination of true depreciation on emergency facilities covered by Certificates of Necessity. The Contractor shall submit to the Army, Navy, or Air Force Emergency Facilities Depreciation Board (as appropriate), his request for a determination of true depreciation by an original and four copies for all items other than item 2, and three copies for item 2. The request shall contain the information indicated below. With regard to certificates issued prior to December 10, 1952, the contractor shall, to the extent practicable, include all certificates issued in connection with any individual plant or location which he desires to have considered for determination of true depreciation in connection with defense contracts. The responses to these questions may be in narrative or tabular form as the contractor deems best suited to his circumstances with such amplification as he considers necessary. If the contractor considers a given question to be inapplicable in his particular case, then he should so state and give reasons therefor.

(AFMPE 160) (64 Stat. 798-822, as amended; 50 U. S. C. App. Sup., 2061-2166)

[SEAL] H. B. HOHMAN,
Colonel, U. S. Air Force,
Acting Air Adjutant General.

[F. R. Doc. 53-5673; Filed, June 26, 1953; 8:45 a. m.]

TITLE 32A—NATIONAL DEFENSE, APPENDIX

Chapter X—Defense Solid Fuels Administration, Department of the Interior

[DSFA Order SFO-1]

SFO-1—COAL MINES, COKE PLANTS, AND COAL AND COKE PREPARATION AND PROCESSING PLANTS

REVOCATION

DSFA Order SFO-1 (16 F. R. 3439, 5022) is hereby revoked.

This revocation does not relieve any person of any obligation or liability incurred under DSFA Order SFO-1, nor deprive any person of any rights received or accrued under said order prior to the effective date hereof.

(64 Stat. 816; Pub. Law 429, 82d Cong.; 50 U. S. C. App. Sup. 2154)

This revocation is effective as of July 1, 1953.

DEFENSE SOLID FUELS
ADMINISTRATION,
CHAS. W. CONNOR,
Defense Solid Fuels Administrator.

[F. R. Doc. 53-5717; Filed, June 25, 1953; 12:28 p. m.]

[DSFA Order SFO-2]

SFO-2—DIRECTIVES FOR SPECIFIC SHIPMENTS OF SOLID FUELS REVOCATION

DSFA Order SFO-2 (16 F. R. 3655) is hereby revoked.

This revocation does not relieve any person of any obligation or liability incurred under DSFA Order SFO-2, nor deprive any person of any rights received or accrued under said order prior to the effective date hereof.

(64 Stat. 816; Pub. Law 429, 82d Cong.; 50 U. S. C. App. Sup. 2154)

This revocation is effective as of July 1, 1953.

DEFENSE SOLID FUELS
ADMINISTRATION,
CHAS. W. CONNOR,
Defense Solid Fuels Administrator.

[F. R. Doc. 53-5718; Filed, June 25, 1953; 12:28 p. m.]

TITLE 33—NAVIGATION AND NAVIGABLE WATERS

Chapter I—Coast Guard, Department of the Treasury

PART 19—WAIVERS OF NAVIGATION AND VESSEL INSPECTION LAWS AND REGULATIONS

REPORTING OF EMPLOYMENT, DISCHARGE, OR TERMINATION OF SEAMEN

CROSS REFERENCE: For cancellation of § 19.23 Reporting of employment, discharge, or termination of seamen on vessels engaged exclusively in trade on the lakes other than the Great Lakes, bays, sounds, bayous, canals, and harbors see F. R. Doc. 53-5684, Title 46, Chapter I, Part 154, *infra*.

TITLE 46—SHIPPING

Chapter I—Coast Guard, Department of the Treasury

Subchapter O—Regulations Applicable to Certain Vessels During Emergency

[CGFR 53-30]

PART 154—WAIVERS OF NAVIGATION AND VESSEL INSPECTION LAWS AND REGULATIONS¹

REPORTING OF EMPLOYMENT, DISCHARGE, OR TERMINATION OF SEAMEN

The Commandant, United States Coast Guard, in a document signed June 9, 1953, and published in the FEDERAL REGISTER June 13, 1953 (18 F. R. 3418), extended the requirements for documents bearing security clearance endorsement as a condition of employment for any person employed as a member of the crew on all merchant vessels of 100 gross tons and upward operating on bays, sounds, lakes, bayous, canals, and harbors, and other navigable waters of the United States, except such vessels engaged exclusively in trade on the navigable rivers of the United States (33

¹ This is also codified in 33 CFR Part 19.

CFR 121.16), to be in effect on and after September 1, 1953.

The purpose of this order is to cancel the general waiver designated § 154.23, as well as 33 CFR 19.23, effective August 31, 1953, regarding the reporting of employment, discharge, or termination of services of seamen on vessels engaged exclusively in trade on the lakes other than the Great Lakes, bays, sounds, bayous, canals, and harbors. The effect of this cancellation of waiver is that masters of such vessels subject to the provisions of subsection (1) of R. S. 4551, as amended (46 U. S. C. 643 (1)), and 46 CFR 14.05-20 will be required on and after September 1, 1953, to report monthly the employment, discharge, or termination of the services of seamen on Coast Guard Form CG-735-T to the nearest Coast Guard Marine Inspection Office.

By virtue of the authority vested in me as Commandant, United States Coast Guard, by an order of the Acting Secretary of the Treasury, dated January 23, 1951, identified as CGFR 51-1 and published in the FEDERAL REGISTER dated January 26, 1951 (16 F. R. 731), the waiver order designated § 154.23, as well as 33 CFR 19.23, and entitled "Reporting of employment, discharge, or termination of seamen on vessels engaged exclusively in trade on the lakes other than the Great Lakes, bays, sounds, bayous,

canals, and harbors" is canceled effective August 31, 1953.

(Secs. 1, 2, 64 Stat. 1120; note preceding 46 U. S. C. Sup. 1)

Dated: June 22, 1953.

[SEAL] MERLIN O'NEILL,
Vice Admiral, U. S. Coast Guard,
Commandant.

[F. R. Doc. 53-5684; Filed, June 26, 1953;
8:47 a. m.]

Chapter II—Federal Maritime Board, Maritime Administration, Department of Commerce

Subchapter G—Emergency Operations

[Gen. Order 75, Amdt. 1]

PART 308—WAR RISK INSURANCE

TIME OF ATTACHMENT OF INSURANCE

Whereas, the Maritime Administrator has determined that interim war risk binders will be issued after the outbreak of war between any of the four great powers (France, Great Britain, or any of the British Commonwealth of Nations, the Union of Soviet Socialist Republics, the United States of America) upon payment of binding fees and premium current at the time of the issuance of the binders.

Therefore, it is ordered, That § 308.5 of General Order 75, published in the

FEDERAL REGISTER September 16, 1952 (17 F. R. 8295), be deleted and the following inserted in lieu thereof:

§ 308.5 *Time of attachment of insurance.* The war risk insurance to be provided under this part shall attach at such date and hour as the applicant shall designate, but not earlier than the date and hour commercial war risk insurance terminates by reason of the operation of the "forty-eight hour automatic termination clause", whether or not the vessel was covered by such commercial insurance: *Provided*, That if the designated time of attachment does not follow immediately upon the termination of commercial war risk insurance which covers the vessel until moored in port the owner shall warrant that the vessel is in port and in good safety at the time of the attachment of the risk.

Effective date. This amendment to General Order 75 shall be effective on the date of publication in the FEDERAL REGISTER.

(Sec. 204, 49 Stat. 1987, as amended, sec. 1209, 64 Stat. 775; 46 U. S. C. 1114, 46 U. S. C. Sup. 1289)

Dated: June 19, 1953.

[SEAL] EARL W. CLARK,
Acting Maritime Administrator.

[F. R. Doc. 53-5689; Filed, June 26, 1953;
8:49 a. m.]

PROPOSED RULE MAKING

DEPARTMENT OF AGRICULTURE

Production and Marketing Administration

[7 CFR Part 55]

SAMPLING, GRADING, GRADE LABELING, AND SUPERVISION OF PACKAGING OF EGGS AND EGG PRODUCTS

MINIMUM REQUIREMENTS FOR SANITATION, FACILITIES, AND OPERATING PROCEDURES IN OFFICIAL PLANTS PROCESSING AND PACKAGING EGG PRODUCTS

Notice is hereby given that the Department of Agriculture is considering the issuance of minimum requirements for sanitation, facilities, and operating procedures in official plants processing and packaging egg products, pursuant to regulations governing the sampling, grading, grade labeling, and supervision of packaging of eggs and egg products (7 CFR Part 55). This program is effective pursuant to the Department of Agriculture Appropriation Act, 1953 (Pub. Law 451, 82d Cong. approved July 5, 1952).

The proposed requirements specify the facilities, including the building, processing rooms, and equipment necessary for plant approval; set forth the operating procedures relating to such matters as selection of breaking stock, breaking, liquid cooling and the freezing and drying of the products; and establish sanitary standards to be met during

processing and packaging. The provisions contained herein are quite similar to the operating procedures, facilities, and sanitation requirements which heretofore have been applicable to egg products processed under the egg products inspection program, and are understood by the egg products industry generally.

All persons who desire to submit written data, views, or arguments with respect to the proposed revision should file the same in triplicate with the Chief of the Marketing Services Division, Poultry Branch, Production and Marketing Administration, U. S. Department of Agriculture, Washington 25, D. C., not later than 30 days after publication of this notice in the FEDERAL REGISTER.

The proposed minimum requirements are as follows:

§ 55.103 *Minimum requirements for sanitation, facilities, and operating procedures in official plants processing and packaging egg products—(a) Plant requirements.* (1) The plant shall be free from strong foul odors, dust, and smoke-laden air.

(2) The premises shall be free from refuse, rubbish, waste, and other materials and conditions which constitute a source of odors or a harbor for insects, rodents, and other vermin.

(3) The buildings shall be of sound construction and kept in good repair, such as to prevent the entrance or harboring of vermin.

(4) Rooms shall be kept free from refuse, rubbish, waste materials, odors, insects, rodents, and from any conditions which may constitute a source of odors or engender insects and rodents. Other materials and equipment in the rooms not currently needed shall be handled or stored in a manner so as not to constitute a sanitary hazard.

(5) Doors and windows that open to the outside shall be protected against the entrance of flies and other insects. Doors and windows serving rooms where edible product is exposed shall be adequately protected against the entrance of dust and dirt. All doors leading into rooms where edible product is processed shall be of solid construction and other than freezer and cooler doors, shall be fitted with self-closing devices.

(6) Doors and other openings which are accessible to rodents shall be of rodent-proof construction.

(7) There shall be an efficient drainage and plumbing system for the plant and premises. All drains and gutters shall be properly installed with approved traps and vents. The sewerage system shall have adequate slope and capacity to remove readily all waste from the various processing operations. All floor drains shall be equipped with traps, and constructed so as to minimize clogging.

(b) *Shell egg storage rooms.* (1) Storage rooms, either on or off the premises, shall be capable of pre-cooling all shell eggs to meet the temperature requirements (as set forth in paragraph

(j) of this section) for liquid eggs at time of breaking.

(2) Storage rooms shall be kept clean and free from objectionable odors and mold growth.

(c) *Candling room facilities.* (1) The room shall be adequately darkened and the equipment arranged so as to permit frequent removal of refuse, such as inedible or loss eggs, excess packing materials, and trash.

(2) The construction of the floor shall allow thorough cleaning. In new construction the floors shall be of water-resistant composition and provided with proper drainage.

(3) Ventilation shall be such as to provide for the rapid removal of objectionable odors and dust, preferably by means of an exhaust fan.

(4) Candling devices of an approved type shall be provided to enable candlers to detect inedible, dirty, checked eggs, and eggs other than hen eggs.

(5) Suitable metal containers shall be provided for edible leakers.

(6) Suitable metal containers shall be provided for inedible eggs and such containers shall be conspicuously marked.

(7) Suitable metal containers shall be provided for trash.

(8) Shell egg conveyors shall be constructed so that they can be thoroughly cleaned.

(d) *Candling room operations.* (1) Candling rooms shall be kept clean, free from cobwebs, dust, objectionable odors, and excess packing material.

(2) Candling room floors and benches shall be thoroughly cleaned daily.

(3) Wooden spools on mechanical candling machines shall be maintained in a clean and dry condition during operation.

(4) Containers for trash and inedible eggs shall be removed from the candling room as often as necessary but at least once daily; and shall be washed or rinsed after each use and shall be washed, rinsed, and disinfected at the end of each shift.

(5) Duck, turkey, guinea, and goose eggs shall be segregated and if processed they shall be processed separately from eggs to be identified with the inspection mark.

(6) Shell eggs received in cases having strong odors such as kerosene, gasoline, or other odors of a volatile nature, shall be candled and broken separately to determine their acceptability for egg meat purposes and each container of the resultant frozen product shall be drilled and examined organoleptically.

(7) The shell eggs shall be sorted and classified as edible, dirty, leakers, eggs from other than chickens, or loss, in a manner approved by the National Supervisor.

(i) All edible eggs shall be carefully placed on conveyors or into containers and handled in a manner which will minimize breakage.

(ii) Eggs shall be handled in a manner to minimize sweating prior to breaking.

(iii) Leakers and checks which are liable to be smashed in the shell egg containers or on the conveyor belt shall be placed into trays (not more than one

per cell) and shall be transferred promptly to the breaking room to be broken by specially trained personnel.

(iv) All shell eggs with adhering dirt shall be placed into separate containers or onto conveyors to egg washers.

(v) When egg products are to be produced from edible leakers, checks with adhering dirt, sound shell eggs with adhering dirt, or from eggs other than of current production, such breaking stock shall be properly segregated from other breaking stock.

(vi) All loss or inedible eggs, including black, white or mixed rots, green or bloody whites, stuck yolks, moldy eggs, developed embryos at or beyond the blood ring stage, and any other eggs which are filthy or decomposed, shall be placed in a designated container and be handled as required in § 55.102 (d).

(e) *Egg washing area.* (1) The egg washing room or area shall be separate from the breaking, drying, and sanitizing rooms. It shall be well-lighted and the floor shall be of waterproof composition and shall be constructed to allow thorough cleaning and adequate drainage. Ventilation, preferably by means of an exhaust fan, shall provide for the removal of objectional vapors and odors.

(2) Either hand or mechanical egg washing equipment that has been approved by the National Supervisor, shall be provided.

(f) *Egg washing operations.* (1) Shell eggs shall be washed with water approximately 20° F. higher than the temperature of the eggs.

(2) Shell eggs with adhering dirt shall be washed, rinsed with a water spray and immersed in or sprayed with a bactericidal solution and immediately dried in a manner approved by the National Supervisor.

(3) Shell eggs shall not be washed in the breaking or sanitizing rooms or any room where edible products are processed.

(4) Washed eggs shall be immediately broken after they are dried except that such eggs may be precooled prior to breaking to facilitate separating operations, but such precooled eggs shall be broken within 24 hours after they are washed.

(g) *Breaking room facilities.* (1) The breaking room shall have at least 10-foot candles of light on all working surfaces except the light intensity shall be at least 50-foot candles at breaking tables and inspection tables.

(2) The surface of the ceiling and walls shall be smooth and made of a tile, plaster, or other water-resistant material.

(3) The floor shall be of water-proof composition and reasonably free from cracks or rough surfaces, and intersections with walls and curbing shall be impervious to water with ample drainage provided.

(4) Ventilation shall provide for:

(i) Sufficient input of relatively odorless filtered air to cause a positive flow of air into the room;

(ii) Sufficient exhaust to cause a prompt and continuous removal of objectionable odors; and

(iii) Warm room air of suitable working temperature when rooms are operated during cold weather.

(5) There shall be provided adequate hand washing facilities, an adequate supply of potable warm water, paper towels, odorless soap, and metal containers for used towels. Hand washing facilities shall be operated by other than hand operated controls.

(6) Tables and receiving shelves shall be of approved metal construction and surfaces thereof shall be smooth and without open seams. Metal covered wooden tables are not acceptable.

(7) Conveyors for liquid eggs shall be so constructed as will prevent entrance of grease, dust, or other contaminants into the liquid-egg containers.

(8) Conveyors for shell eggs shall be so constructed as will permit them to be cleaned continuously while in operation. Shell egg conveyors of non-metallic belt type shall be of water-proof composition and so constructed as will permit them to be rinsed or sprayed and squeegeed continuously while in operation.

(9) Overhead conveyors which are used exclusively for carrying shell eggs, shall be so installed as will prevent egg meat which is being conveyed or is on the breaking table from being contaminated.

(10) Trays, racks, knives, cups, separators, spoons, buckets, dump tanks, churns, draw-off tanks, pumps, valves, and liquid-egg lines shall be of approved construction.

(11) All liquid-egg containers, including cups and buckets, shall be free from leaks and excessive dents, rust spots, and seams which make cleaning difficult.

(12) Frozen egg cans are not acceptable as liquid-egg buckets, but may be used, however, as temporary operational containers for liquid eggs prepared as provided in § 55.102 (d) (2).

(13) A metal inspection table shall be provided for the examination of questionable egg liquid. A suitably covered container bearing an identifying mark shall be placed near the inspection table for disposal of rejected egg liquid.

(14) Strainers, settling tanks, or centrifugal clarifiers of approved construction shall be provided for the effective removal of meat spots, shell particles, and foreign material, unless specific approval is obtained from the National Supervisor for other mechanical devices.

(15) Separate churn or draw-off rooms, if provided, shall meet requirements that are comparable to those listed under this paragraph.

(16) In the processing of whole eggs or albumen, hashers may be used when preceded by an approved settling tank, strainer, or followed by a centrifugal clarifier.

(h) *Breaking room operations.* (1) The breaking room shall be kept in a dust-free clean condition and free from flies, insects, and rodents. The floor shall be kept clean and reasonably dry during breaking operations and free of egg meat and shells.

(2) Shell egg containers coming into the breaking room shall be so handled that they do not pass directly over or

come in contact with liquid egg, liquid-egg containers, or drip trays.

(3) Belt type shell egg conveyors shall be continuously sprayed while in operation with clean, cool water, and squeezed. Wooden spool shell egg conveyors shall be kept dry and reasonably clean during operations.

(4) All breaking room personnel shall wash their hands thoroughly with odorless soap and water each time they enter the breaking room and prior to receiving clean equipment after breaking an inedible egg. Perfumes and nail polish shall not be used by breakers.

(5) Paper towels or tissues shall be used at breaking tables but shall not be re-used; cloth towels are not permitted.

(6) Breakers shall take a complete set of clean cups, knives, chutes, racks, trays, separators, and spoons, when starting work and after lunch periods. (All table equipment shall be rotated with clean equipment every 2 hours.)

(7) When cups are used, not more than three eggs (when separating, not more than six yolks) shall be broken into one cup; if cups are small not more than two eggs (when separating, four yolks) shall be broken into each cup. Cups shall not be filled to overflowing.

(8) Each cup of egg meat shall be carefully examined for odor and appearance before it is emptied into the egg meat bucket, or when egg chutes are used each egg shell shall be carefully examined for odor and the egg meat for appearance before it is emptied into the bucket. All egg meat shall be re-examined by a limited licensed inspector before being emptied into the tank or churn.

(9) Shell particles, meat and blood spots, and other foreign material accidentally falling into the cup or tray shall be removed with the use of a clean spoon or equivalent. Breakers shall keep their fingers out of the cups or trays at all times.

(10) Whenever an inedible egg is broken, the drip tray, racks, cups, other similar egg liquid receptacles, knife, and spoon shall be replaced with clean equipment, except that only the cup need be exchanged when bloody whites or blood rings are encountered.

(11) Inedible and loss eggs are defined to include black rots, white rots, mixed rots, green whites, bloody whites, crusted yolks, stuck yolks, developed embryos at or beyond the blood ring stage, moldy eggs, sour or musty eggs, and any other filthy and decomposed eggs.

(12) The contents of any cup or other similar egg-liquid receptacles containing one or more inedible and/or loss eggs shall be rejected.

(13) Cups containing questionable eggs shall be re-examined by specially trained personnel for final acceptance or rejection.

(14) All inedible eggs liquid must be placed in a clearly identified covered container containing a denaturant. This container shall be kept adjacent to, or in the sanitizing room, or near the inspection table and shall be removed from the breaking or sanitizing room as often as is necessary to maintain satisfactory operating conditions but at least once daily.

(15) Contents of drip trays shall be emptied into a cup and smelled carefully before pouring into egg-liquid bucket. Drip trays shall be emptied at least once for each fifteen dozen eggs or every 15 minutes.

(16) Liquid eggs recovered from shell egg containers shall be discarded as inedible.

(17) Eggs as described in paragraph (d) (7) (v) of this section, shall be broken at a separate table, processed separately, and the product properly identified.

(18) All egg liquid and ingredient containers used in connection with egg breaking operations shall be kept on suitable racks or shelves above floor level. Additives such as sugar, salt, and syrups shall be handled in a clean and sanitary manner.

(19) Liquid-egg containers shall not pass through the candling room.

(20) Test kits, which employ reagent tablets, standard color samples, or other acceptable methods which indicate the concentration of the solution, shall be used to determine the bactericidal strength. (See paragraph (x) of this section.) The instructions of the manufacturer of the test kit shall be followed carefully.

(21) All breaking room personnel shall wash their hands and rinse them in a bactericidal solution at the beginning of the day's operation before they handle sanitized equipment, and whenever their hands have come in contact with inedible egg liquid.

(22) All leaker trays shall be washed and sanitized before being returned to the candling room.

(23) Shell egg containers whenever dirty shall be washed and drained, and washed, rinsed, sanitized, and drained at the end of each shift.

(24) Belt type shell egg conveyors shall be washed, rinsed, and sanitized at the end of each shift, in addition to continuous spraying and squeezing during operation.

(25) Cups, knives, racks, separators, trays, spoons, liquid-egg pails, and other egg breaking receptacles shall be washed, rinsed, and sanitized at least every two hours. At the end of a shift this equipment shall be washed and rinsed and immediately prior to use again it shall be immersed in a bactericidal solution.

(26) Sanitized utensils shall be drained on aerated drain racks and shall not be nested.

(27) Dump tanks, draw-off tanks, pumps, low-pressure liquid-egg lines, and surface, tubular or plate coolers, shall be flushed following cessation of processing operations for 30 minutes or longer and such equipment shall be dismantled, washed, rinsed, and sanitized as soon as possible after each shift.

(i) Such equipment shall not be re-assembled more than two hours prior to use.

(ii) Such equipment shall be flushed with a bactericidal solution for at least one minute prior to placing in use, and, if other than chlorine compounds are used as sanitizing agents, it shall be rinsed with clean water.

(28) Strainers, clarifiers and other devices used for the removal of shell par-

ticles and other foreign material shall be washed, rinsed, and sanitized each time it is necessary to change such equipment, but at least once each two hours of operation when pressure strainers are used, and at least once each four hours of operation when clarifiers are used or strainers are of a self-cleaning gravity type.

(29) Breaking room processing equipment shall not be stored on the floor.

(30) Metal frozen egg containers and lids shall be thoroughly washed with hot water, or with water containing a detergent sanitizer, followed by a clean water rinse, immediately prior to filling.

(31) Liquid-egg holding vats or tanks shall be thoroughly rinsed with cool water under pressure, washed and rinsed after emptying and sanitized immediately prior to placing in use. If other than chlorine compounds are used as sanitizing agents, such equipment shall be rinsed with clean water following sanitizing.

(32) Drums, cans, and tank trucks used to hold or transport liquid eggs for drying or freezing, shall be washed, rinsed, and sanitized after each use and just prior to placing in use. If other than chlorine compounds are used as sanitizing agents, such equipment shall be rinsed with clean water following sanitizing.

(33) Tables shall be washed, scrubbed, and rinsed at the end of each shift.

(34) Mechanical egg breaking equipment shall be flushed with clean water under pressure at lunch periods and shall be thoroughly cleaned and sanitized at the end of each shift.

(35) Egg shell conveyors and shell containers shall be cleaned and sanitized daily.

(36) Containers for inedible egg liquids shall be washed, rinsed, and sanitized after each use.

(37) All equipment which comes in contact with exposed edible products shall be rinsed with clean water after sanitizing except that a rinse is not necessary when the equipment was sanitized by hypochlorite solutions.

(38) Breaking stock consisting of edible leakers, checks with adhering dirt, sound shell eggs with adhering dirt, or shell eggs of other than current production shall be processed separately from product eligible to bear the inspection mark. The resultant egg products may be identified with the rectangular stamp illustrated in Figure 2, paragraph (c) (2) § 55.102.

(39) All frozen egg products prepared under the egg products inspection service in official plants shall be examined by organoleptic examination after freezing to determine their fitness for human food. Any such products which are found to be unfit for human food shall be denatured and any official identification mark which appears on the containers of such unfit products shall be removed or completely obliterated.

(i) *Liquid egg cooling facilities.* (1) Liquid egg cooling units shall be of approved construction and shall have sufficient capacity to cool all liquid eggs to meet the temperature requirements specified in paragraph (j) of this section

for liquid eggs prior to drying or freezing.

(2) Surface type coolers shall be fitted with covers unless located in a separate room maintained under sanitary conditions.

(3) If adequate liquid cooling facilities are not provided, shell egg temperatures shall be such that the liquid egg temperature specified in paragraph (j) of this section will be produced at time of breaking.

(j) *Liquid cooling operations.* (1) Liquid-egg storage rooms, including surface cooler and holding tank room, shall be kept clean, free from objectionable odors, and condensation.

(2) All shell eggs shall be precooled to a temperature which will produce liquid eggs at less than 70° F. at time of breaking. However, this requirement shall not be applicable to eggs that are washed on the premises and immediately broken.

(3) All liquid whole eggs and plain yolks shall be cooled to a temperature of less than 45° F. within one hour after breaking and held at that temperature or less until frozen, dried, or delivered to consumer with the following exceptions:

(i) The product is packed in metal containers of 30 pounds or less capacity and is placed into a sharp freezer within 40 minutes from time of breaking, at such temperatures and under such stacking conditions that will lower the temperature of the product to 45° F. or below within one hour;

(ii) The product is to be stabilized by removal of glucose and is cooled to 45° F. or less immediately following stabilization;

(iii) The stabilized product that will be dried within 30 minutes after stabilization is completed; or

(iv) The product is to be pasteurized within one hour after breaking and immediately cooled to 45° F. or less within one hour after pasteurization. Liquid whole eggs and plain yolks if held more than 8 hours shall be reduced to a temperature of less than 40° F. and held at that temperature or less until frozen, dried, or delivered to consumer except as otherwise provided in subdivision (ii) of this subparagraph. Liquid whole eggs and yolks shall not be held in a liquid state in excess of 20 hours.

(4) Liquid whites that are to be frozen, yolks, and whole egg blends with salt or sugar added, shall be produced at temperatures not exceeding 70° F. and shall be placed in sharp freezing facilities as quickly as possible but at least within one hour after breaking. If handled otherwise, the temperature requirements of subparagraphs (2) and (3) of this paragraph shall apply.

(5) Liquid whites that are to be stabilized and dried shall be stabilized by removal of glucose by fermentation, enzymatic oxidation, or any other acceptable procedure. Liquid whites shall be held at a temperature not exceeding 70° F. until the stabilization process is begun. Drying will be carried out as soon as possible after the removal of the glucose and the capacity of the drier shall be sufficient to handle the volume of product stabilized so that the temporary

storage of stabilized liquid whites will not be necessary.

(6) Compliance with temperature requirements applying to liquid eggs shall be considered as satisfactory only if the entire mass of the liquid meets the requirements.

(7) Surface coolers must be kept covered at all times unless located in a separate room maintained under sanitary conditions.

(8) Agitators shall be operated in such a manner as will minimize the production of foam.

(9) When ice is used as an emergency refrigerant, by being placed directly into the egg meat, the source of the ice must be certified by the local or State Board of Health. Such liquid shall not be frozen and identified with the Department legend, but it may be dried and so identified. All ice shall be handled in a sanitary manner.

(k) *Liquid egg holding.* (1) All tanks, vats, drums, or cans used for holding liquid eggs shall be of approved construction, fitted with covers (except when held in vat rooms, egg breaking, or canning rooms) and located in rooms maintained in a sanitary condition.

(2) Liquid-egg holding tanks or vats shall be equipped with an agitator.

(3) Inlets to holding tanks or vats shall be such as to prevent excessive foaming.

(4) Gaskets, if used, shall be of a sanitary type.

(l) *Freezing facilities.* (1) Freezing rooms, either on or off the premises, shall be capable of freezing all liquid egg products in accordance with the freezing requirements as set forth in paragraph (m) of this section.

(2) Fans shall be provided to guarantee adequate air circulation in the freezing room.

(m) *Freezing operations.* (1) Freezing rooms shall be kept clean and free from objectionable odors.

(2) Freezing rooms shall be maintained at temperatures that will produce a solidly frozen product within 72 hours after it has been placed into the freezer, except that in the case of egg mixes, or blends, the freezer shall be operated at temperatures to preserve these products in a satisfactory condition.

(3) Containers shall be stacked so as to permit circulation of air around each individual container.

(4) The outside of liquid egg containers shall be clean and free from evidence of liquid egg.

(5) Frozen eggs not officially identified shall be stored in a specifically designated and segregated section of the storage room and each package shall be appropriately marked.

(n) *Defrosting facilities.* (1) Approved metal defrosting tanks or vats constructed so as to permit ready and thorough cleaning shall be provided.

(2) Frozen egg crushers, when used, shall be of approved metal construction. The crushers shall permit ready and thorough cleaning and the bearings and housings shall be fabricated in such a manner as to prevent contamination of the egg products.

(3) Service tables shall be of approved metal construction without open seams and the surfaces shall be smooth to allow thorough cleaning.

(4) Squeegees shall be provided for removing adhering egg meat from containers.

(o) *Defrosting operations.* (1) Frozen whole eggs and yolks shall be turned into a liquid state in a sanitary manner as quickly as possible after the defrosting process has begun.

(2) Each container of frozen eggs shall be checked for condition and odor just prior to being emptied into the crusher or receiving tank. Frozen eggs which have objectionable odors and are unfit for human food (e. g., sour, musty, oil, fermented, or decomposed odors) shall be denatured.

(3) Frozen whites used in the production of dried albumen may be defrosted at room temperature.

(4) Frozen whole eggs and yolks may be tempered or partially defrosted for not to exceed 48 hours at a room temperature no higher than 40° F., or not to exceed 24 hours at a room temperature above 40° F.: *Provided*, That no portion of the defrosted liquid shall exceed 50° F. while in or out of the container.

(i) Frozen eggs packed in metal containers may be placed in running cold tap water without submersion to speed defrosting.

(ii) The defrosted liquid shall be held at 40° F. or less except in the case of the product to be stabilized by glucose removal as provided in paragraph (j) (3) (ii) of this section. Defrosted liquid shall not be held more than 16 hours prior to drying.

(5) Sanitary methods shall be used in handling containers, extracting semi-frozen eggs and in removing adhering egg liquid.

(i) To rinse out containers the pouring of water from one container into another is not permitted.

(ii) Emptied cans shall not be stacked one on the other while waiting final removal of liquid.

(iii) Paper or fiber packages of frozen eggs shall not be immersed in water to speed defrosting.

(6) Crushers and other equipment used in defrosting operations shall be dismantled at the end of each shift and shall be washed, rinsed, and sanitized.

(i) Where crushers are used intermittently, they shall be flushed after each use and again before being placed in use.

(ii) Floors and work tables shall be kept clean.

(p) *Spray process drying facilities.* (1) Driers shall be of a continuous discharge type. Collectors shall be equipped with automatic bag shakers, vibrators, or sweeps, or so constructed that powder will not accumulate on the walls.

(2) Driers shall be of approved construction and materials, without open seams, and the surfaces shall be smooth to allow for thorough cleaning.

(3) Driers shall be equipped with approved air intake filters and with intake and exhaust recording thermometers.

(4) Air shall be drawn into the drier from sources free from foul odors or excessive dust and dirt.

(5) Indirect heat or the use of an approved premixing device or other approved devices for securing complete combustion in direct-fired units is required. A premix type burner, if used, shall be equipped with approved air filters at blower intake.

(6) High pressure pump heads and lines shall be of stainless steel construction or equivalent which will allow for thorough cleaning.

(7) Preheating units, if used, shall be of stainless steel construction or equivalent and shall be capable of flash heating liquid eggs to a temperature of not less than 138° F.

(8) Powder conveying equipment shall be so constructed as will facilitate thorough cleaning.

(9) Sifters shall be of approved construction and sifting screens shall be no coarser than the opening size specified for No. 16 mesh (U. S. Bureau of Standards). Sifters must be so constructed that accumulations of large particles or lumps of dried eggs can be removed continuously while the sifter is in operation.

(10) Cooling equipment for dried egg powder shall be provided and be capable of cooling all powder to a temperature requirement of 85° F. or less at time of packaging.

(q) *Spray process drying operations.*

(1) The drying room shall be kept in a dust-free, clean condition at all times and shall be free of flies, insects, and rodents.

(2) When liquid whole eggs and yolks are preheated they shall be heated to a temperature of not less than 138° F.

(3) Low pressure liquid-egg lines, high pressure pumps, low pressure pumps, homogenizers, and pasteurizers shall be flushed after each day's run, and dismantled, washed, and flushed thoroughly with clean water.

(i) Spray nozzles, orifices, cores, or whizzers shall be washed, rinsed, and sterilized immediately after being removed.

(ii) High pressure lines shall be flushed with cool water, flushed with acceptable detergents, and rinsed with a bactericidal solution after each drier shift.

(iii) Within two hours prior to resuming operations, equipment shall be reassembled and flushed with a bactericidal solution for not less than one minute and, if other than chlorine compounds are used as sanitizing agents, shall be rinsed with clean water prior to placing in use.

(iv) The drier should be started on water each day prior to drying liquid eggs.

(4) All powder shall be sifted through a No. 16 or finer mesh screen (U. S. Bureau of Standards) and such screens shall be replaced whenever torn or worn.

(5) Accumulations of large particles or lumps of dried eggs shall be removed from sifter screens continuously.

(6) All powder except albumen shall be cooled to 85° F. or below as it is discharged from the mechanical cooling unit. Powder not cooled to 85° F. or lower at the time it is discharged from the cooling equipment may be immediately recirculated through the cooling

unit until such time as the temperature requirement is met. When other approved methods are used to cool the powder, the temperature of the powder shall be lowered to 85° F. or below within one hour after being removed from the dryer. The temperature determination may be made before or after packaging.

(7) Drying units shall be brushed down whenever they are shut down and the temperature of the drying chamber is permitted to drop to 100° F. or lower, or whenever the shut-down exceeds five hours. The drier shall be washed, rinsed, and sanitized at least once each week and whenever it is to be shut down for more than 24 hours. Bags from bag collectors shall be dry cleaned or laundered at least once each month.

(8) Powder conveyors, mechanical powder coolers, and blenders shall be cleared of product and brushed down daily and washed at least once a week. Powder sifters shall be brushed down daily.

(9) All bag shakers, vibrators, or sweeps, on either secondary or primary chambers and/or collectors, shall be operated automatically so as to prevent powder accumulating on the walls.

(r) *Spray process powder; definitions and requirements—*(1) *Definition of product.* (i) "Primary powder" is that powder which is continuously removed from the primary or main drying chamber while the drying unit is in operation.

(ii) "Secondary powder" is that powder which is continuously and automatically removed from the secondary chamber and/or bag collector chamber while the drying unit is in operation.

(iii) "Sweep-down powder" is that powder which is recovered in the brush-down process from the primary or secondary chamber and conveyors.

(iv) "Dust-house powder" is that powder which accumulates in the dust house.

(v) "Brush bag powder" is that powder that is brushed from the collector bags when they are removed for cleaning.

(2) *Egg powder; blending.* (Subdivisions (i), (ii), and (v) of this subparagraph are applicable to all powder, and subdivisions (iii) and (iv) of this subparagraph are applicable only to whole eggs and yolks.)

(i) The powder shall be blended uniformly throughout the operation.

(ii) Secondary powder shall be blended with primary powder continuously by mechanical means.

(iii) Approximately the first and last 175 pounds of powder from the main drier for each continuous operation shall be set aside and checked for palatability.

(iv) Only powder scoring 6½ or higher in palatability shall be eligible for identification with the inspection mark. If it scores less than 6½ but not less than 4 it may be identified with the rectangular mark as provided in § 55.102 (o) (2). Powder scoring less than 6½ shall not be blended with higher scoring powder, if the resultant finished product is to be identified with the inspection mark. Palatability determinations shall be made from representative samples drawn by the USDA resident supervisor. The res-

ident supervisor may make the tests incidental to blending; however, palatability tests and certification with respect to the finished product shall be made on the basis of samples submitted to a USDA laboratory. Sweep-down powder and powder not eligible to bear the inspection mark because of palatability less than 6½ but not lower than 4, or in excess of 5 percent but not in excess of 8 percent moisture, may be officially identified as provided in § 55.102 (o) (2).

(v) Dust-house, brush bag, and badly scorched powder and screenings, shall not be blended or officially identified, but shall be denatured.

(s) *Albumen flake process drying facilities.* (1) Drying facilities shall be constructed in such a manner as will allow thorough cleaning and be equipped with approved intake filters and intake thermometers.

(2) The intake air source shall be free from excessive dust or dirt.

(3) Premix type burners, if used, shall be equipped with approved air filters at blower intake.

(4) Fermentation tanks, drying pans, trays or belts, scrapers, curing racks, and equipment used for pulverizing pan dried albumen, if used, shall be constructed of approved materials in such a manner as will permit thorough cleaning.

(5) Sifting screens shall be constructed of approved materials in such a manner as will permit thorough cleaning and be in accordance with the specifications for whichever type of albumen it is desired to produce.

(t) *Albumen flake process drying operations.* (1) The fermentation, drying, and curing room shall be kept in a dust-free, clean condition and free of flies, insects, and rodents.

(2) Drying units, racks, and trucks shall be kept in a clean and sanitary condition.

(3) Drying pans, trays, belts, or scrapers, if used, shall be kept in a clean condition, including curing racks if edible product comes into contact with racks.

(4) Oils and waxes used in oiling drying pans or trays shall be of edible quality.

(5) Equipment used for pulverizing or sifting dried albumen shall be kept in a clean condition.

(u) *Drying rooms and packing room facilities (on or off premises).* (1) The rooms shall be well-lighted.

(2) Ceilings and walls shall have a surface of tile, enamel, paint, or other water-resistant material.

(3) Floors shall be free from cracks or rough surfaces which form pockets for accumulation of water or dirt, and the intersections with walls shall be impervious to water with ample drainage provided.

(4) All packaging equipment and accessories which come into contact with the dried product shall be constructed without open seams and of materials that can be kept clean and which will have no deleterious effect on the product. Service tables shall be of approved metal construction without open seams and all metal surfaces shall be smooth to permit thorough cleaning.

(5) Storage racks or cabinets shall be provided for the storing of drying room and packaging room accessories and tools.

(6) Packaging rooms shall be kept in a clean condition free of flies, insects, and rodents.

(7) Package liners shall be inserted in a sanitary manner, and equipment and supplies used in the operation shall be kept off the floor.

(8) Utensils used in packaging dried eggs shall be kept clean at all times and whenever contaminated shall be washed, rinsed, and sanitized. When not in use scoops, brushes, tampers, etc., shall be stored in sanitary cabinets or on racks provided for this purpose.

(9) Automatic container fillers shall be of a type that will accurately fill given quantities of product into the containers. Scales shall be provided to accurately check the weight of the filled containers. All equipment used in mechanically packaging dried egg products shall be vacuum cleaned daily.

(v) *Dried egg storage.* (1) Dried egg storage shall be sufficient to adequately handle the production of the plant for a 48-hour period, and capable of maintaining temperatures in accordance with the requirements set forth in this section.

(2) Dried egg storage space shall be kept dry, clean, and free from objectionable odors.

(3) Spray process dried whole eggs and yolks shall be placed under refrigeration as soon as possible after packaging. Such products shall be placed under refrigeration at 50° F. or below within 24 hours after manufacture.

(4) Dried albumen may be stored at room temperature.

(w) *Washing and sanitizing room or area facilities.* (1) This room should be a separate room, well-lighted, and of sufficient size to permit operators to properly wash and sanitize all equipment at the rate required by the size of the operation. Adequate ventilation shall be provided to insure the prompt removal of odors and vapors and the air flow shall be away from the breaking room. If the washing and sanitizing room is not a separate room, it shall be an area well segregated from the breaking areas and it shall be well ventilated with air movement directed away from the breaking operations so that odors and vapors do not permeate the breaking areas.

(2) Ceiling and walls shall have a surface of tile, enamel, paint, or other water-resistant material.

(3) Floors shall be free from cracks or rough surfaces which form pockets for accumulation of water and dirt, and intersections with walls shall be impervious to water with ample drainage provided.

(x) *Washing and sanitizing requirements.* The bactericidal solution referred to in the following requirements shall be a hypochlorite or other approved bactericidal solution, carrying a minimum original strength of 200 p.p.m. of available chlorine or equivalent. The solution shall be changed whenever the strength of this solution drops to 100 p.p.m. of available chlorine or equivalent.

(1) Breaking room and washing and sanitizing room floors shall be scrubbed, rinsed with clean water, and squeegeed.

(2) Trash cans, inedible egg containers, and shell cans shall be scrubbed, rinsed with clean water and sprayed or flushed with a bactericidal solution.

(3) Service shelves, breaking, and service tables shall be washed, sprayed or flushed with bactericidal solution, and rinsed or flushed with clean water under pressure.

(4) Shell egg and belt egg shell conveyors shall be flushed with clean cool water under pressure, scrubbed with water containing washing compound, rinsed with clear water, and sprayed or flushed with a bactericidal solution. Wooden spool shell egg conveyors shall be cleaned in such a manner as to prevent their becoming a sanitary hazard.

(5) Worm type egg shell conveyor shall be flushed with clean water under pressure after each shift to remove adhering egg material and shells, and shall be thoroughly cleaned and sprayed or flushed with bactericidal solution once daily.

(6) Shell egg pails, leaker trays, knives, cups, separators, spoons, trays, tray racks, liquid egg pails, scrapers, liquid egg chutes, and spray nozzles (including orifices, cores, and whizzers) shall be washed in warm water containing washing compound, rinsed with cool or lukewarm clean water, and sanitized by immersing in a bactericidal solution for not less than one minute.

(7) Low pressure pumps, liquid egg lines, homogenizers, hashers, and preheaters shall be flushed with clean cool water, dismantled, brushed with washing compound solution, and rinsed with clean cool water. Within two hours prior to placing equipment in use it shall be reassembled and flushed with a bactericidal solution for not less than one minute.

(8) Dump tanks, churns, clarifiers and strainers, liquid egg cooling units, draw-off tanks, holding tanks, liquid cans or drums, tank trucks, crushers, and belts shall be flushed with clean cool water under pressure, brushed with washing compound solution, rinsed with clean cool water, and sprayed or flushed with a bactericidal solution just prior to use.

(9) Equipment which comes in contact with edible products shall be rinsed with clean water after it has been sanitized, if other than hypochlorites are used as sanitizing agents.

(y) *Health and hygiene of personnel.* (1) Personnel facilities, including toilets, lavatories, lockers, and dressing rooms shall be adequate and meet State and local requirements for food processing plants.

(2) Toilets and dressing rooms shall be kept clean and adequately ventilated to eliminate odors and kept adequately supplied with soap, towels, and tissues. Toilet rooms shall be ventilated to the outside of the building.

(3) No person affected with any communicable disease (including, but not being limited to tuberculosis) in a transmissible stage, or with open sores, or cloth bandages on hands shall be per-

mitted to come in contact with eggs in any form or with equipment used to process such eggs.

(4) All workers coming into contact with liquid or dried eggs, containers or equipment, shall wear clean outer uniforms.

(5) All plant personnel handling exposed edible product shall wash their hands before beginning work, and upon returning to work after leaving the work room.

(6) Expecting, or other unsanitary practices, shall not be permitted and should be reported to the management immediately.

(7) Use of tobacco in any form by workers shall not be permitted in rooms where edible products are exposed.

(8) Hair nets or caps shall be properly worn by all persons employed in breaking and packaging rooms.

(z) *Pasteurization of liquid whole eggs.* When liquid whole eggs are pasteurized the provisions of this section shall apply.

(1) *Pasteurizing facilities.* Adequate pasteurizing equipment of approved construction shall be provided so that all of the liquid whole egg will be processed as provided in subparagraph (2) of this paragraph. The pasteurizing equipment shall be provided with a holding tube, an automatic flow diversion valve with attached thermal controls, and recording devices which will control the flow of egg liquid in such a manner as will accomplish pasteurization as set forth in subparagraph (2) of this paragraph, and will record temperatures continuously and automatically during the process. It shall be equipped with automatic sound warning devices to indicate failure of proper operation. Refrigerated holding vats of sufficient capacity shall be provided to hold liquid eggs prior to and after pasteurization.

(2) *Pasteurizing operations.* The strained or filtered liquid egg shall be flash heated to not less than 140° F. and not more than 142° F. and shall be held at this temperature for not less than 3 minutes, and not more than 4 minutes. The flow diversion valve shall be installed so that all liquid not meeting the temperature requirements shall be diverted to a receiving tank and a warning given of failure to meet the temperature requirements. The sanitary pipe leading from the flow diversion valve shall be cleaned and sanitized every 2 hours, if during the preceding 2 hours of operation liquid egg was diverted through the line. The pasteurizing equipment shall be dismantled, cleaned, and sanitized at the end of each day's operation, and whenever there is evidence of liquid coagulation as shown by a temperature differential of 5° F. between the liquid egg temperature and the temperature of the water used in the pasteurizing equipment. If the eggs are pasteurized within 30 minutes after time of breaking, they need not be chilled to 45° F. prior to pasteurization. Immediately after pasteurization the liquid eggs shall be cooled as provided in paragraph (j) of this section unless they are dried immediately.

(aa) *Stabilized (acidified) dried whole eggs.* When liquid whole eggs are acidi-

fied with hydrochloric acid prior to drying and sodium bicarbonate added after drying, the provisions of this section shall apply.

(1) *Stabilizing facilities.* Vats or tanks use for collecting, holding, and acidifying liquid whole eggs shall be of approved metal construction. They shall be equipped with mechanical agitating devices of such design as will maintain continuous and uniform agitation without excess foaming. They shall be equipped with a recording potentiometer for the purpose of registering and recording continuously the "pH" of the entire quantity of liquid in the vat. The equipment used for introducing sodium bicarbonate into dried whole eggs shall be of approved construction and shall be capable of performing continuous accurate uniform addition of material to the dried whole eggs. It shall be located in an area free of vibration from other equipment that might interfere with its proper functioning.

(2) *Stabilizing operations.* (i) Acidification shall take place in equipment as provided in subparagraph (1) of this paragraph after pasteurization and in no instance before the liquid is cooled to 40° F.

(ii) Hydrochloric acid shall be added to the liquid egg in a diffused spray and while the liquid is in continuous rapid agitation until a "pH" of 5.5 plus or minus .1 is reached. It shall be added at a rate that will require 20 minutes to acidify each 1,000 pounds of liquid eggs.

The "HCl" shall be diluted with potable water at a ratio of not less than 6 parts of water to 1 part of "HCl."

(iii) Dry sodium bicarbonate shall be added to spray dried whole eggs continuously and at a uniform rate so as to produce a "pH" within the limits of 7.0 to 9.0 after reconstitution and cooking in accordance with procedures set forth in Code of Federal Regulations (Part 65 of this subchapter).

(iv) The hydrochloric acid and sodium bicarbonate used for the acidification and neutralization process shall be of U. S. Pharmacopoeia grade (U. S. P.).

(v) All equipment used in the acidification operation shall be washed clean and rinsed with bactericidal solution at the end of each shift. All equipment used in neutralization shall be cleaned at the end of each shift.

(bb) *Gas packing dried whole egg.* When dried whole eggs are to be gas packed the provisions of this section shall apply.

(1) *Gas packing facilities.* (i) Tables, storage bins, hoppers, and conveyors of approved construction shall be provided.

(ii) The gassing equipment used shall be capable of partially evacuating the air from the cans and introducing a gas mixture consisting of 80 percent by volume of nitrogen and 20 percent by volume of carbon dioxide as a replacement for the evacuated air.

(iii) The equipment used to supply the carbon dioxide and nitrogen shall have flow meters or similar devices so that there is evidence that there is 20 percent by volume of carbon dioxide and 80 percent by volume of nitrogen being delivered.

(iv) Metallic storage tanks for powder not canned directly from the drying unit shall be provided.

(v) Containers used for canning shall have the inside surfaced with acceptable lacquer or tin finish. The construction of the containers shall be such as to effect a complete seal upon completion of the canning operation.

(2) *Gas packing operations.* (i) Product from the drying unit shall be sifted and canned continuously unless it is stored temporarily in a storage tank.

(ii) The product shall be cooled to 85° F. at time of canning or temporary storage.

(iii) Following temporary storage in the tank the dried product shall be re-sifted in accordance with paragraph (p) (10) of this section prior to gas packing.

(iv) Oxygen determination shall be in accordance with the Orsat method as described in the latest edition of Scott's "Standard Methods of Chemical Analysis" and shall be made on an empty can immediately after sealing operations. The empty can shall be processed through the gassing chamber in the same manner as a can filled with finished product.

(v) Containers and lids used in canning shall be free of carbon dust, lint, oil, or other foreign material.

(vi) Can filling shall be effected with as little powder spillage as possible.

(vii) Conveyors, hoppers, scrapers, and canning equipment shall be thoroughly cleaned after each shift.

(cc) *Equipment construction.* Equipment and utensils used in processing shell eggs and egg products shall be of such design, material and construction as will (1) enable the examination, segregation, and processing of such products in an efficient, clean, and satisfactory manner, and (2) permit easy access to all parts to insure thorough cleaning and sanitizing. So far as is practicable, all such equipment shall be made of metal or other impervious material, if the metal or other impervious material will not affect the product by chemical action or physical contact.

(Pub. Law 451, 82d Cong. approved July 5, 1952)

Issued at Washington, D. C., this 24th day of June 1953.

[SEAL] ROY W. LENNARTSON,
Assistant Administrator, Production and Marketing Administration.

[F. R. Doc. 53-5691; Filed, June 26, 1953; 8:49 a. m.]

[7 CFR Part 975]

[Docket No. AO-179-A-11]

HANDLING OF MILK IN CLEVELAND, OHIO, MARKETING AREA

DECISION WITH RESPECT TO PROPOSED MARKETING AGREEMENT AND PROPOSED ORDER AMENDING ORDER NOW IN EFFECT

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and the applicable rules of practice and

procedure, as amended, governing proceedings to formulate marketing agreements and marketing orders (7 CFR Part 900), a public hearing was conducted at Cleveland, Ohio, on June 17, 1953, pursuant to notice thereof which was issued on June 10, 1953 (18 F. R. 3420).

The material issues of record related to:

(1) A revision of the pricing provisions applicable to Class I milk, with particular reference to the "supply-demand adjustment".

(2) The emergency character of marketing conditions and the need for immediate change in the order provisions.

This decision relates only to evidence relative to the Class I pricing provisions for July 1953. Evidence presented at the hearing relative to the Class I pricing provisions for months following July will be reviewed in a subsequent decision.

Findings and conclusions. The following findings and conclusions on the issues decided herein are hereby made upon the basis of the record of the hearing:

(1) The Class I price differential to be added to the basic formula price for the month of July 1953 should not be less than \$1.30 per hundredweight.

The order now provides a seasonally varying schedule of Class I differentials. The differential is \$1.00 per hundredweight during April, May and June, \$1.45 in February, March, and July, and \$1.90 in August through January. Effective July 1, 1953, these differentials are scheduled to be further subject to a "supply-demand adjustment" which is designed automatically to raise the differentials whenever supplies of producer milk are below normal in relation to Class I needs in the market, and to lower the differential in any period when supplies are above normal.

The supply-demand adjustment was included in Amendment No. 6 to the order, which became effective November 1, 1952. However, the amendment provided that actual operation of the adjustment be deferred until July 1, 1953, in order to allow the market a period of readjustment following the addition of four country plants as part of the regular market supply. These plants were qualified as pool plants in February and March 1952.

During recent months supplies have been sufficiently above the normal relationship to sales, as defined in the order, to have lowered the Class I differentials in April, May and June by 55 cents. The supply-demand adjustment for July 1953 is determined by receipts and sales in May and June. Based upon complete data for May and preliminary indications for June it is likely that the adjustment would also reduce the Class I differential for July by 55 cents. Thus, the regular Class I differential of \$1.45 for July would be reduced to a net of 90 cents per hundredweight, as compared with the Class I differential of \$1.00 during April, May and June when the adjustment was not in effect.

The proponents proposed that the supply-demand adjustment be permanently deleted from the order. With particular reference to the scheduled operation of the adjustment during July,

there were three major lines of evidence objecting to the prospective price decline. One was that a price differential of only 90 cents per hundredweight would result in substantially lower prices than are in prospect in the markets with which Cleveland handlers must compete for milk supplies. A second point made was that a contraseasonal decline in the Class I price would seriously disrupt the seasonal pricing plan which is relied upon to encourage more even milk production. Thirdly, it was maintained that the larger than normal supplies which have been evident during recent months in the market are part of a widespread increase in milk production resulting from favorable weather, abundant feed supplies and other conditions. It was held, therefore, that the large supplies in Cleveland did not represent a response to any unduly high prices or other conditions peculiar to this market.

Cleveland draws its supply of milk from a very extensive area. This brings the market into competition with the supply areas for numerous other cities in this highly populous, industrial area. Some of the major competing markets are Pittsburgh, Pa., and Youngstown to the east, Akron and Canton to the south, and Detroit, Mich., Toledo, Lima, Dayton-Springfield, Columbus and Cincinnati to the west and southwest. Intermarket competition becomes increasingly acute as production falls off seasonally. The stated Class I differential increases from \$1.00 in June to \$1.45 for July and to the peak of \$1.90 for August through January. In some of the competitive markets the incentive to fall production is provided by a base-rating or fall premium plan. However, of those markets which, like Cleveland, rely on seasonal variation in the Class I price, Toledo is scheduled for a 25-cent seasonal increase in July; Lima a 30-cent increase; and Fort Wayne, Indiana, a 40-cent increase. It was testified that any contraseasonal decline in the Cleveland price would require handlers to pay premiums over order prices in order to compete with the price increases in these other markets. Such premiums would not be uniform and the conditions so largely remedied by the amendments of November 1952 would recur.

The stated schedule of Class I differentials provides producers with a measure of the price rewards they may expect for increasing fall production and checking spring production. The Class I price may not fully reflect the seasonal changes in differentials because of changes in basic formula prices or in the supply-demand adjustment. The seasonal pattern in the stated differentials should, however, be maintained as closely as circumstances will permit. The prospective contraseasonal price decline is held to be a serious distortion of the seasonal incentive pricing plan.

The proponents make two points with regard to the apparent oversupply which results in a prospective 55-cent deduction from the July Class I price. One is that, in their judgment, the market requires a normal supply equal to 120 percent of Class I sales during November

instead of the 115 percent supply which is considered normal in the order. Their second point is that supplies in Cleveland are larger than normal only to the extent of the general increase in milk production which has occurred in recent months.

The question of the general level of the normal supply requires more extended consideration than can be given herein and is less crucial to the problem of emergency action for July than to the longer-range problem considered at the hearing.

As to the comparative supply position of Cleveland with other areas, it was brought out that receipts from Cleveland producers were 13 percent larger in April 1953 than in April 1952. The 13 percent increase compares with an 18 percent increase in the 6 other Federal order markets in Ohio, a 13 percent increase in 21 fluid milk markets in Ohio, and a 7 percent increase in total milk production in the United States. Production data do not reveal the entire situation, since sales requirements may also change. Monthly data on the percentage of producer receipts to Class sales were presented for the Federal order markets of Cleveland, Columbus, Dayton-Springfield, and Toledo. In April 1953, the ratio of receipts to sales in Cleveland was 7.5 percent higher than in April 1952. This 7.5 percent increase compares with increases of 8.2 percent in the Columbus ratio, 9.0 percent in Dayton-Springfield, and 14.7 percent in Toledo. The increase in Toledo is occasioned by a major addition to the supply, but the others more nearly reflect the general flush of production and show that the flush in Cleveland is somewhat less than in the adjacent markets.

The receipts-sales ratio in Cleveland also shows that the recent flush is tapering off in relation to market requirements. The January and February data are affected by the addition of four country stations, but the utilization ratio in March 1953 was 13 points over that of March 1952, the April ratio 12 points over, and the May ratio only 3 points over the ratio for May a year ago.

It appears that a minimum Class I differential of \$1.30 for July 1953 will largely resolve the difficulties which have been described in the foregoing paragraphs. This differential will provide about the same amount of seasonal increase as is in prospect in those adjacent markets which have similar seasonal pricing plans. It will also avoid the contraseasonal price movement which would be disruptive of producers' plans for leveling the seasonality of production. A minimum differential of \$1.30 compares with the scheduled differential, inclusive of the supply-demand adjustment of, 90 cents, and with the stated differential of \$1.45. The \$1.30 differential gives recognition to the fact that a large portion of the recent oversupply results from generally favorable conditions of production and that the production rate is diminishing. At the same time, it reflects the fact that supplies are currently larger than normal in relation to sales.

(2) The due and timely execution of the function of the Secretary under the act imperatively and unavoidably requires the omission of a recommended decision by the Assistant Administrator, Production and Marketing Administration, and the opportunity for exceptions thereto.

The conditions complained of are such that it is urgent that remedial action be taken as soon as possible. Delay beyond the minimum time required to make the attached order effective would defeat the purpose of such amendments. The time necessarily involved in the preparation, filing, and publication of a recommended decision, and exceptions thereto, would reduce the effectiveness of such relief and would tend to prevent the effectuation of the declared policy of the act. The omission of the recommended decision and filing of exceptions thereto was requested on the record by both handlers and producers, and no objections were raised.

General findings. (a) The proposed marketing agreement and the order, as amended, and as hereby proposed to be further amended, and all of the terms and conditions thereof will tend to effectuate the declared policy of the act;

(b) The parity prices of milk as determined pursuant to section 2 of the act are not reasonable in view of the price of feeds, available supplies of feeds and other economic conditions which affect market supply and demand for milk in the said marketing area, and the minimum prices specified in the proposed marketing agreement and in the order, as amended, and as hereby proposed to be further amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk and be in the public interest; and

(c) The proposed marketing agreement and the order, as amended and as hereby proposed to be further amended, will regulate the handling of milk in the same manner as, and are applicable only to persons in the respective classes of industrial and commercial activity specified in the said marketing agreement upon which a hearing has been held.

Determination of representative period. The month of April 1953 is hereby determined to be the representative period for the purpose of ascertaining whether the issuance of the order amending the order, now in effect, regulating the handling of milk in the Cleveland, Ohio, marketing area, in the manner set forth in the attached amending order is approved or favored by producers who, during such period, were engaged in the production of milk for sale in the marketing area specified in such marketing order.

Annexed hereto and made a part hereof are two documents entitled, respectively, "Marketing Agreement Regulating the Handling of Milk in the Cleveland, Ohio, Marketing Area," and "Order Amending the Order, as Amended, Regulating the Handling of Milk in the Cleveland, Ohio, Marketing Area," which have been decided upon as the detailed and appropriate means of effectuating the foregoing conclusions. These documents shall not become effective.

tive unless and until the requirements of § 900.14 of the rules of practice and procedure, as amended, governing proceedings to formulate marketing agreements and orders have been met.

It is hereby ordered, That all of this decision, except the attached marketing agreement, be published in the FEDERAL REGISTER. The regulatory provisions of said marketing agreement are identical with those contained in the order, as amended, and as hereby proposed to be further amended by the attached order which will be published with this decision.

This decision filed at Washington, D. C., this 24th day of June 1953.

[SEAL] TRUE D. MORSE,
Acting Secretary of Agriculture.

*Order Amending the Order, as Amended,
Regulating the Handling of Milk in the
Cleveland, Ohio, Marketing Area*

§ 975.0 Findings and determinations. The findings and determinations hereinafter set forth are supplementary and in addition to the findings and determinations previously made in connection with the issuance of the aforesaid order and of the previously issued amendments thereto; and all of said previous findings and determinations are hereby ratified and affirmed, except insofar as such findings and determinations may be in conflict with the findings and determinations set forth herein.

(a) Findings upon the basis of the hearing record. Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and the applicable rules of practice and procedure, as amended, governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), a public hearing was held upon certain proposed amendments to the tentative marketing agreement and to the order, as amended, regulating the handling of milk in the Cleveland, Ohio, marketing area. Upon the basis of the evidence introduced at such hearing and the record thereof, it is found that:

(1) The said order, as amended, and as hereby further amended, and all of the terms and conditions thereof, will tend to effectuate the declared policy of the act:

(2) The parity prices of milk as determined pursuant to section 2 of the act are not reasonable in view of the price of feeds, available supplies of feeds, and other economic conditions which affect market supply and demand for milk in the said marketing area, and the minimum prices specified in the order, as amended, and as hereby further amended, are such prices as will reflect the aforesaid factors, insure a sufficient quantity of pure and wholesome milk and be in the public interest; and

(3) The said order, as amended, and as hereby further amended, regulates the

handling of milk in the same manner as and is applicable only to persons in the respective classes of industrial and commercial activity specified in a marketing agreement upon which a hearing has been held.

Order relative to handling. It is therefore ordered, that on and after the effective date hereof the handling of milk in the Cleveland, Ohio, marketing area shall be in conformity to and in compliance with the terms and conditions of the aforesaid order, as amended, and as here by further amended, and the aforesaid order, as amended, is hereby further amended as follows:

1. Delete from § 975.61 (a) the phrase "and, effective July 1, 1953, add or subtract a 'supply-demand adjustment' computed as follows:" and substitute therefor the following words: "and add or subtract as the case may be, a 'supply-demand adjustment' computed as follows, except that for the month of July 1953 the amount to be added to the basic formula price shall not be less than \$1.30:".

[F. R. Doc. 53-5701; Filed, June 26, 1953;
8:50 a. m.]

FEDERAL POWER COMMISSION

[18 CFR Parts 101, 141, 201, 260]

[Docket No. R-126]

UNIFORM SYSTEM OF ACCOUNTS

NOTICE OF PROPOSED RULE MAKING AND
FIXING DATE FOR ORAL ARGUMENT

JUNE 16, 1953.

Amendment of Uniform Systems of Accounts prescribed for public utilities and licensees and Natural Gas Companies and of annual reports, Forms Nos. 1 and 2, to provide for accounting and reporting of provision for future income taxes resulting from accelerated amortization.

1. Pursuant to notice of proposed rule making issued January 15, 1953, the Commission heard oral argument on March 18, 1953, on the following question: "In view of accelerated amortization permitted pursuant to section 124A of the Internal Revenue Code, what rules, if any, should be promulgated by the Commission with respect to the treatment of Federal income taxes, for accounting or rate-making purposes, or both under either the Natural Gas Act or the Federal Power Act, or both?"

2. Prior to March 18, 1953, the Commission had received, in writing, the views of numerous interested parties on that question.

3. Subsequent to the oral argument, the Committee on Statistics and Accounts of the National Association of Railroad and Utilities Commissioners met in Washington, D. C., and discussed the question of accounting for income taxes by utilities who took advantage of accelerated amortization pursuant to section 124A of the Internal Revenue Code. As a result of such discussion, the Committee recommended the adoption of the amendments set forth in Attachments Nos. 1 and 2 hereto.

4. Notice is hereby given of the following proposed rule making in the above-entitled matter.

5. It is proposed to amend Part 101—Uniform System of Accounts Prescribed for Class A and Class B Public Utilities and Licensees and Part 201—Uniform System of Accounts for Natural Gas Companies, Subchapter C—Accounts, Federal Power Act, and Subchapter F—Accounts, Natural Gas Act, respectively, of Chapter I—Federal Power Commission, Title 18—Conservation of Power of the Code of Regulations, to prescribe therein the changes set forth in accompanying Attachments Nos. 1 and 2 hereto.

6. It is also proposed to amend § 141.1, entitled "Annual Report, Form No. 1, Electric Utilities and Licensees (Classes A and B)" of Part 141—Statements and Reports and § 260.1, entitled "Form No. 2, Annual Report for Natural Gas Companies (Classes A and B)" of Part 260—Statements and Reports, Subchapters D and G, respectively, approved forms, Federal Power Act and Natural Gas Act, Chapter I of Title 18, Code of Federal Regulations, to prescribe the changes set forth in accompanying Attachments Nos. 3 and 4 hereto.¹

7. The accompanying proposed amendments to the Commission's Uniform Systems of Accounts and Rules are proposed to be issued under the authority granted the Federal Power Commission by the Federal Power Act and the Natural Gas Act, particularly sections 3 (13), 4 (b) through (c), 301 (a), 304 (a), 309, and 311 of the Federal Power Act (49 Stat. 838, 839, 854, 855, 858, 859; 16 U. S. C. 796 (13), 797 (b) through (c), 825 (a), 825h, 825j) and Sections 8, 10, and 16 of the Natural Gas Act (52 Stat. 821, 825, 826, and 830; 15 U. S. C. 717g, 717i, and 717o).

The Commission finds: It is reasonable and appropriate for the purposes of the administration of the Natural Gas Act and the Federal Power Act and for carrying out the provisions thereof that oral argument be heard on the accompanying proposed amendments to the Commission's Uniform Systems of Accounts and Rules.

The Commission orders:

(A) Oral argument before the Commission on the accompanying proposed amendments to the Commission's Uniform Systems of Accounts and Rules be and the same is hereby fixed for September 9, 1953, at 10 a. m., e. d. s. t., in the Hearing Room of the Federal Power Commission, 441 G Street NW., Washington, D. C.

(B) Any interested person may submit to the Federal Power Commission, Washington 25, D. C., not later than August 19, 1953, data, views, and comments in writing concerning the proposed amendments. An original and nine copies should be filed of any such submittals. The Commission will consider these written submittals before acting upon the proposed amendments.

(C) On or before August 31, 1953, any person intending to participate in the

¹ This order shall not become effective unless and until the requirements of § 900.14 of the rules of practice and procedure, as amended, governing proceedings to formulate marketing agreements and orders have been met.

¹ Filed as part of the original document. Copies may be obtained from the Federal Power Commission.

oral argument shall advise the Secretary of such intention, together with the amount of time such person seeks to have allotted for the presentation of the oral argument.

[SEAL]

LEON M. FUQUAY,
Secretary.

Amendment of Uniform System of Accounts prescribed for public utilities and licensees, subject to the provisions of the Federal Power Act. Attachment No. 1 to notice of proposed rule making, June 16, 1953. Details of proposed amendments to 18 CFR Part 101.

NOTE: The references herein are to the account numbers and designations as they appear in the Commission's Uniform System of Accounts for Public Utilities and Licensees, which in the Code of Federal Regulations is designated as Part 101 of Title 18. Reference herein to, for example, "Account 538" refers to 18 CFR 101.538 of the Code of Federal Regulations.

1. The first change, as may be noted, is to add a new Account, "539 Provision for Future Income Taxes Resulting from Accelerated Amortization", to be added at page 88 of the present pamphlet publication of the system of accounts, immediately below what is now termed "Net Income" appearing below the designation of Account, "538, Miscellaneous Income Deductions." By virtue of the proposed addition of Account 539, the term "Net Income" would be changed to "Net Income before Provision for Future Income Taxes." In addition, a new title would be added; "Net Income After Provision for Future Taxes."

2. The second change is to add a new paragraph to the text of the Uniform System of Accounts, Account, "539, Provision for Future Income Taxes Resulting from Accelerated Amortization", to be added at page 95 of the present pamphlet publication of the System of Accounts, immediately following the textual material set forth under "538, Miscellaneous Income Deductions". In the Code of Federal Regulations the proposed new textual material would, if adopted, become § 101.539 of Part 101 of Title 18 of the Code.

3. The third change is to add a new Account 259 "Reserve for Future Income Taxes Resulting from Accelerated Amortization" to be added at page 17 of the present pamphlet publication of the System of Accounts, immediately following "258, Other Reserves."

4. The fourth change is to add a new paragraph to the text of the Uniform System of Accounts—Account, "259, Reserve for Future Income Taxes Resulting from Accelerated Amortization," to be added at page 36 of the present pamphlet publication of the System of Accounts, immediately following the textual material set forth under "258.2, Miscellaneous Reserves." In the Code of the Federal Regulations, the proposed new textual material would, if adopted, become § 101.259 of Part 101 of Title 18 of the Code.

§ 101.539 *Provision for future income taxes resulting from accelerated amortization.* (a) Where a utility elects or is directed to set up a reserve by a Commission for future income taxes by reason of claiming accelerated amortization

under section 124A of the Internal Revenue Code, there shall be charged to this account each year an amount equal to the reduction in income taxes due to the deduction of accelerated amortization. Concurrent credit shall be made to Account 259, *Reserve for future income taxes resulting from accelerated amortization.*

(b) After the period of accelerated amortization is terminated, credit to this account each year an amount equal to the amount accumulated in Account 259, divided by the average estimated remaining service life of the property, or such other amount as may be fixed by the Commission, with concurrent debit to Account 259, *Reserve for future income taxes resulting from accelerated amortization.*

§ 101.259 *Reserve for future income taxes resulting from accelerated amortization.* Credits and debits shall be made to this account as provided in the text of

Account 539, *Provision for future income taxes resulting from accelerated amortization.*

Any balances remaining in this account after the retirement of all property constructed under a particular certificate of accelerated amortization, shall be disposed of as directed by the Commission.

Amendment of Uniform System of Accounts prescribed for Natural Gas Companies, subject to the provisions of the Natural Gas Act. Attachment No. 2 to notice of proposed rule making, June 16, 1953. Details of proposed amendments to 18 CFR Part 201.

1. See note to Attachment No. 1.

2. Material will be the same as under Attachment No. 1, except that the pages of the Uniform System of Accounts Prescribed for Natural Gas Companies affected by the changes are 15, 37, 86, and 93.

[F. R. Doc. 53-5676; Filed, June 26, 1953; 8:46 a. m.]

NOTICES

DEPARTMENT OF AGRICULTURE

Office of the Secretary

SOUTH DAKOTA

SALE OF MINERAL INTERESTS; REVISED AREA DESIGNATION

Schedule A, entitled Fair Market Value Areas, and Schedule B, entitled One Dollar Areas, accompanying the Secretary's Order dated June 26, 1951 (16 F. R. 6318), are amended as follows:

1. In Schedule A, under South Dakota, in alphabetical order, add the counties "Aurora" and "Beadle".

2. In Schedule B, under South Dakota, delete the counties "Aurora" and "Beadle".

(Sec. 3, Pub. Law 760, 81st Cong.)

Done at Washington, D. C., this 26th day of June 1953.

[SEAL] TRUE D. MORSE,
Acting Secretary of Agriculture.

[F. R. Doc. 53-5745; Filed, June 26, 1953; 11:13 a. m.]

DEPARTMENT OF COMMERCE

Foreign-Trade Zones Board

[Order 32, Amdt.]

STATE BOARD OF HARBOR COMMISSIONERS,
SAN FRANCISCO, CALIF.

APPLICATION TO ESTABLISH TEMPORARY SUB-ZONE OF FOREIGN-TRADE ZONE NO. 3 FOR SPECIALIZED PURPOSE OF EXHIBITION OF FOREIGN MERCHANDISE

Pursuant to the authority granted in the Foreign-Trade Zones Act of June 18, 1934, as amended (48 Stat. 998-1003; 19 U. S. C. 81a-81u), and under the provisions of § 400.304 of the general regulations governing Foreign-Trade Zones in the United States, the Foreign-Trade Zones Board has adopted the following

order which is promulgated for the information and guidance of all concerned.

Whereas, on November 12, 1952, and June 19, 1953, respectively, the Board of State Harbor Commissioners for San Francisco, California, as grantee of Foreign-Trade Zone No. 3, made application and amended application for permission to establish a sub-zone for the specialized purpose of exhibition of foreign merchandise in the Gold Ball Room and Room A of the Palace Hotel in San Francisco, California, during the period of June 19 through June 30, 1953, in conjunction with the International Congress of Junior Chambers of Commerce and the San Francisco International World Trade Fair; and

Whereas, the Foreign-Trade Zones Board finds that the existing zone will not serve adequately the convenience of commerce with respect to the purpose of the proposed sub-zone;

Now, therefore, the Foreign-Trade Zones Board, after full consideration and a finding that the proposal is in the public interest, hereby orders:

1. That a sub-zone of Foreign-Trade Zone No. 3 be and it is hereby established to conform with Exhibit No. 10, filed with the application, in the Gold Ball Room and Room A of the Palace Hotel in San Francisco, California, during the period of June 19 through June 30, 1953, provided that the grantee segregates such area in a manner that will comply with the requirements of the Collector of Customs at San Francisco.

It is found that compliance with the notice, public rule making procedure, and effective date requirements of the Administrative procedure Act (5 U. S. C. 1003) is unnecessary in connection with the issuance of this order, because its application is restricted to one foreign-trade zone, and is of a nature that it imposes no burden on the parties of interest.

Signed at Washington, D. C., this 22d day of June 1953, the effective date of this order.

FOREIGN-TRADE ZONES BOARD,

[SEAL] **S. W. ANDERSON,**
*Acting Secretary of Commerce,
Chairman and Executive
Officer, Foreign-Trade Zones
Board.*

Attest:

THOS. E. LYONS,
Executive Secretary.

[F. R. Doc. 53-5682; Filed, June 26, 1953;
8:47 a. m.]

FEDERAL POWER COMMISSION

[Project No. 1927]

CALIFORNIA OREGON POWER CO.

NOTICE OF APPLICATION FOR AMENDMENT
OF LICENSE

JUNE 22, 1953.

Public notice is hereby given that the California Oregon Power Company, of Medford, Oregon, has made application for amendment of its license for Project No. 1927, pursuant to the provisions of the Federal Power Act (16 U. S. C. 791-825r), located in Douglas County, Oregon, and affecting vacant public lands and lands of the United States within Umpqua National Forest, to authorize construction, operation, and maintenance of a 138-kv transmission line extending about 42 miles from the Soda Springs development to the Dixonville Substation. The line is necessary to transmit the additional output from plants now under construction in the North Umpqua River Basin.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure of the Commission (18 CFR 1.8 or 1.10) on or before the 10th day of August 1953. The application is on file with the Commission for public inspection.

[SEAL] **LEON M. FUQUAY,**
Secretary.

[F. R. Doc. 53-5675; Filed, June 26, 1953;
8:45 a. m.]

**OFFICE OF DEFENSE
MOBILIZATION**

[ODM (DPA) Request No. 17—DPAV-17 (c)]

MAGIC CHEF, INC.

DELETION FROM LIST OF COMPANIES ACCEPTING REQUEST TO PARTICIPATE IN ACTIVITIES OF ARMY ORDNANCE INTEGRATION COMMITTEE ON 3.5" ROCKET

Pursuant to section 708 of the Defense Production Act of 1950, as amended, there is herewith published the name of the following company which has been deleted from the list of companies accepting the request to participate in the activities of the Army Ordnance Integration Committee on 3.5" Rocket, in accordance with the voluntary plan entitled "Plan and Regulations of Ord-

nance Corps Governing the Integration Committee on 3.5" Rocket," dated July 25, 1951. The request and original list of companies accepting such request were published in 17 F. R. 1527, on February 19, 1952.

Magic Chef, Inc., 1641 South Kingshighway Boulevard, St. Louis, Mo.

(Sec. 708, 64 Stat. 818, Pub. Law 429, 82d Cong., 50 U. S. C. App. Sup. 2158; E. O. 10200, Jan. 3, 1951, 16 F. R. 61; 3 CFR, 1951 Supp., as amended by E. O. 10433, Feb. 4, 1953, 18 F. R. 761)

Dated: June 25, 1953.

ARTHUR S. FLEMMING,
Director.

[F. R. Doc. 53-5714; Filed, June 25, 1953;
12:35 p. m.]

[ODM (DPA) Request No. 21—DPAV-27 (a)]

GIBBS MANUFACTURING AND RESEARCH CORP.

DELETION FROM LIST OF COMPANIES ACCEPTING REQUEST TO PARTICIPATE IN ACTIVITIES OF ARMY ORDNANCE INTEGRATION COMMITTEE ON ARTILLERY MECHANICAL TIME FUZES

Pursuant to section 708 of the Defense Production Act of 1950, as amended, there is herewith published the name of the following company which has been deleted from the list of companies accepting the request to participate in the activities of the Army Ordnance Integration Committee on Artillery Mechanical Time Fuzes, in accordance with the voluntary plan entitled "Plan and Regulations of the Ordnance Corps Governing the Integration Committee on Artillery Mechanical Time Fuzes," dated August 13, 1951. The request and original list of companies accepting such request were published in 17 F. R. 2939, on April 4, 1952.

Gibbs Manufacturing & Research Corp., 450 North Main Street, Janesville, Wis.

(Sec. 708; 64 Stat. 818, Pub. Law 429, 82d Cong., 50 U. S. C. App. Sup. 2158; E. O. 10200, Jan. 3, 1951, 16 F. R. 61; 3 CFR, 1951 Supp., as amended by E. O. 10433, Feb. 4, 1953, 18 F. R. 761)

Dated: June 25, 1953.

ARTHUR S. FLEMMING,
Director.

[F. R. Doc. 53-5715; Filed, June 25, 1953;
12:35 p. m.]

[ODM (DPA) Request No. 22—DPAV-25 (b)]

GEORGE W. BORG CORP.

DELETION FROM LIST OF COMPANIES ACCEPTING REQUEST TO PARTICIPATE IN ACTIVITIES OF ARMY ORDNANCE INTEGRATION COMMITTEE ON M21A4 BOOSTERS

Pursuant to section 708 of the Defense Production Act of 1950, as amended, there is herewith published the name of the following company which has been deleted from the list of companies accepting the request to participate in the activities of the Army Ordnance Integration Committee on M21A4 Boosters, in accordance with the voluntary plan

entitled "Plan and Regulations of Ordnance Corps Governing the Integration Committee on 21A4 Boosters," dated August 20, 1951. The request and original list of companies accepting such request were published in 17 F. R. 2872, on April 2, 1952.

Borg Production Division (The George W. Borg Corp.), 902 Wisconsin Street, Delavan, Wis.

(Sec. 708, 64 Stat. 818, Pub. Law 429, 82d Cong., 50 U. S. C. App. Sup. 2158; E. O. 10200, Jan. 3, 1951, 16 F. R. 61; 3 CFR, 1951 Supp., as amended by E. O. 10433, Feb. 4, 1953, 18 F. R. 761)

Dated: June 25, 1953.

ARTHUR S. FLEMMING,
Director.

[F. R. Doc. 53-5716; Filed, June 25, 1953;
12:35 p. m.]

CIVIL AERONAUTICS BOARD

[Docket No. 5148]

CONSOLIDATED WESTERN-INLAND MAIL RATE CASE

NOTICE OF ORAL ARGUMENT

Notice is hereby given pursuant to the provisions of the Civil Aeronautics Act of 1938, as amended, that oral argument in the above-entitled proceeding is assigned to be held on July 23, 1953, at 10:00 a. m., e. d. s. t., in Room 5042, Commerce Building, Constitution Avenue, between Fourteenth and Fifteenth Streets NW., Washington, D. C., before the Board.

Dated at Washington, D. C., June 25, 1953.

[SEAL] **FRANCIS W. BROWN,**
Chief Examiner.

[F. R. Doc. 53-5688; Filed, June 26, 1953;
8:48 a. m.]

[Docket No. 6164]

LAURETIDE AVIATION, LTD.; IRREGULAR SERVICE BETWEEN CANADA AND UNITED STATES

NOTICE OF HEARING

In the matter of the application of Laurentide Aviation, Limited, under section 402 of the Civil Aeronautics Act of 1938, as amended, for authorization to perform operations of a casual, occasional or infrequent nature, in common, carriage, into the United States.

Notice is hereby given pursuant to the Civil Aeronautics Act of 1938, as amended, that hearing in the above-entitled proceeding is assigned to be held on July 13, 1953, at 10:00 a. m., e. d. s. t., in Room E-210, Temporary Building No. 5, Sixteenth Street, south of Constitution Avenue NW., Washington, D. C., before Examiner Joseph L. Fitzmaurice.

Dated at Washington, D. C., June 23, 1953.

[SEAL] **FRANCIS W. BROWN,**
Chief Examiner.

[F. R. Doc. 53-5686; Filed, June 26, 1953;
8:48 a. m.]

[Docket No. 5132 et al.]

PENINSULAR AIR TRANSPORT; LARGE
IRREGULAR AIR CARRIER INVESTIGATIONNOTICE OF POSTPONEMENT OF ORAL ARGUMENT
REGARDING DISMISSAL OF APPLICATION

In the matter of the investigation of air services by large irregular carriers and irregular transport carriers.

Notice is hereby given, pursuant to the provisions of the Civil Aeronautics Act of 1938, as amended, that oral argument with respect to the dismissal of the application of Peninsular Air Transport, Docket No. 3868, heretofore consolidated in the above-entitled proceeding, now assigned for June 30, 1953, is hereby postponed to July 14, at 10:00 a. m., e. d. t., in Room 5042, Commerce Building, Constitution Avenue, between Fourteenth and Fifteenth Streets NW., Washington, D. C., before the Board.

Dated at Washington, D. C., June 24, 1953.

[SEAL]

FRANCIS W. BROWN,
Chief Examiner.[F. R. Doc. 53-5687; Filed, June 26, 1953;
8:48 a. m.]SECURITIES AND EXCHANGE
COMMISSION

[File No. 70-3084]

DUQUESNE LIGHT CO.

ORDER PERMITTING ISSUANCE OF SHORT-
TERM BANK LOAN NOTES

JUNE 23, 1953.

Duquesne Light Company ("Duquesne"), a public utility subsidiary of Philadelphia Company, a registered holding company, has filed a declaration, and an amendment thereto, pursuant to the act particularly section 7 thereof, with regard to the transactions therein set forth which are summarized as follows:

Duquesne presently has outstanding two 3 percent promissory bank loan notes having an aggregate principal amount of \$4,750,000 and maturing on December 16, 1953. It intends in the immediate future to make additional bank borrowings of \$6,150,000 under the exemption asserted to be available to it pursuant to section 6 (b) of the act, whereupon its short-term bank loan indebtedness will aggregate \$10,900,000. Duquesne proposes in the instant declaration to issue prior to July 30, 1953, further bank loan notes in the aggregate principal amount of \$2,500,000. Such notes are to be issued to Mellon National Bank and Trust Company, Pittsburgh, Pennsylvania, will mature on December 16, 1953, and will bear interest at not more than the prime rate prevailing on short-term bank borrowings at the date of issuance. Duquesne will have the right to prepay such notes without premium at any time prior to maturity. It is proposed to use the proceeds from such notes to defray part of Duquesne's current construction program involving estimated net expenditures of \$36,000,000 for 1953. It is stated that Duquesne intends to pay off all outstanding short-term notes with

the proceeds to be derived from a permanent financing program now being formulated. It is further stated that no fees or expenses will be incurred in connection with the proposed transactions other than miscellaneous expenses estimated at not more than \$100. Declarant states that no State Commission has jurisdiction over the proposed transactions.

Said declaration and amendment thereto having been filed and notice of said filing having been duly given in the form and manner prescribed by Rule U-23 promulgated pursuant to the act, and the Commission not having received a request for hearing with respect to said declaration, as amended, within the period specified in said notice, or otherwise, and not having ordered a hearing thereon; and

The Commission finding with respect to said declaration that the requirements of the applicable provisions of the act and rules thereunder are satisfied, and deeming it appropriate in the public interest and in the interest of investors and consumers that said declaration, as amended, be permitted to become effective forthwith:

It is ordered, Pursuant to Rule U-23 and the applicable provisions of the act, that said declaration, as amended, be, and the same hereby is, permitted to become effective forthwith, subject to the terms and conditions prescribed in Rule U-24.

By the Commission.

[SEAL]

NELLYE A. THORSEN,
Assistant Secretary.[F. R. Doc. 53-5677; Filed, June 26, 1953;
8:46 a. m.]

[File No. 70-3093]

COLUMBIA GAS SYSTEM, INC., AND MANUFACTURERS LIGHT AND HEAT CO.

NOTICE OF CAPITAL CONTRIBUTION AND
LOANS BY PARENT TO SUBSIDIARY

JUNE 23, 1953.

Notice is hereby given that the Columbia Gas System, Inc. ("Columbia"), a registered holding company, and its wholly owned public utility subsidiary the Manufacturers Light and Heat Company ("Manufacturers") have filed with this Commission a joint application-declaration pursuant to the Public Utility Holding Company Act of 1935 ("the act"), designating sections 6 (b), 9, 10, and 12 (b) of the act and Rule U-45 thereunder as applicable to the proposed transactions, which are summarized as follows:

Columbia proposes to supply Manufacturers with \$6,600,000 of new money required by the latter in financing its 1953 construction program, as follows:

(1) A cash capital contribution of \$3,000,000, to be credited by Manufacturers to its capital surplus.

(2) Loans aggregating \$3,600,000 to be evidenced by Manufacturers' unsecured installment promissory notes ("installment notes"), to be issued as required but not later than March 31, 1954, and to be payable in equal annual installments on February 15 of each of the years 1955 to 1979, inclusive. Interest

on the unpaid principal amount will be payable semi-annually on February 15 and August 15 at the rate of 4 percent per annum or such lower rate, being a multiple of one-eighth of 1 percent, as shall not be less than the "cost of money" to Columbia in respect to its next sale of Debentures.

It is stated that the issuance and sale of the installment notes by Manufacturers to Columbia are solely for the purpose of financing the business of Manufacturers, and that same will have been approved by the Public Utility Commission of Pennsylvania, in which State Manufacturers is organized and doing business.

It is further stated that there will be no fees, commissions or underwriting expenses in connection with the proposed transactions. Expenses are estimated at \$4,260 for Manufacturers and \$150 for Columbia.

It is requested that the Commission's order be expedited and made effective forthwith upon issuance.

Notice is further given that any interested person may, not later than July 3, 1953, at 5:30 p. m., e. d. s. t., request in writing that a hearing be held on such matter, stating the nature of his interest, the reasons for such request, and the issues of fact or law, if any, raised by said application-declaration which he desires to controvert; or he may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, 425 Second Street NW., Washington 25, D. C. At any time after said date said application-declaration, as filed or as amended, may be granted and permitted to become effective as provided in Rule U-23 of the rules and regulations promulgated under the act, or the Commission may exempt such transactions as provided in Rule U-20 (a) and Rule U-100 thereof.

By the Commission.

[SEAL]

NELLYE A. THORSEN,
Assistant Secretary.[F. R. Doc. 53-5678; Filed, June 26, 1953;
8:47 a. m.]

[File No. 70-3094]

COLUMBIA GAS SYSTEM, INC., AND NATURAL
GAS COMPANY OF WEST VIRGINIANOTICE OF PROPOSED SALE OF SECURITIES
BY SUBSIDIARY TO HOLDING COMPANY

JUNE 23, 1953.

Notice is hereby given that the Columbia Gas System, Inc. ("Columbia"), a registered holding company, and its wholly owned subsidiary Natural Gas Company of West Virginia ("Natural Gas") have filed a joint application with this Commission pursuant to the Public Utility Holding Company Act of 1935 ("the act") designating sections 6 (b), 9 and 10 of the act as applicable to the proposed transactions, which are summarized as follows:

Natural Gas is engaged in the production, purchase, storage, transmission and distribution of natural gas in the State of Ohio.

In order to raise the funds necessary to complete the financing of its 1953 construction program, Natural Gas will issue and sell, and Columbia will purchase (a) up to 3,500 shares of Natural Gas' common stock at the par value of \$100 per share, and thereafter (b) \$350,000 principal amount of its 7 Percent Installment Promissory Notes ("Installment Notes"). The Installment Notes will be issued as required, but not later than March 31, 1954, and they will become due in equal annual installments on February 15 of each of the years 1955 to 1979 inclusive. Interest on the unpaid principal thereof will be payable semi-annually at the rate of 4 percent per annum or such lower rate, being a multiple of one-eighth of 1 percent, as shall be not less than the cost of money to Columbia in respect to its next sale of Debentures.

Natural Gas has filed an application with the Public Utilities Commission of Ohio for authority to issue and sell said securities, and a copy of the State commission's order thereon will be filed herein by amendment.

It is stated that there will be no fees, commissions, or underwriting expenses in connection with the proposed transactions. Expenses are estimated at \$1,070 for Natural Gas and \$150 for Columbia.

It is requested that the Commission order be expedited and made effective forthwith upon issuance.

Notice is further given that any interested person may, not later than July 3, 1953, at 5:30 o'clock p. m., e. d. s. t., request in writing that a hearing be held on such matter, stating the nature of his interest, the reasons for such request, and the issues of fact or law, if any, raised by said application which he desires to controvert; or he may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, 425 Second Street NW., Washington 25, D. C. At any time after said date said application, as filed or as amended, may be granted as provided in Rule U-23 of the rules and regulations promulgated under the act, or the Commission may exempt such transactions as provided in Rule U-20 (a) and Rule U-100 thereof.

By the Commission.

[SEAL] NELLYE A. THORSEN,
Assistant Secretary.

[F. R. Doc. 53-5679; Filed, June 26, 1953;
8:47 a. m.]

[File No. 70-3095]

ELECTRIC ENERGY, INC., ET AL.

NOTICE OF PROPOSED ISSUANCE AND PRIVATE
SALE OF BONDS TO FINANCE FACILITIES
SERVING AN ATOMIC ENERGY PROJECT

JUNE 23, 1953.

In the matter of Electric Energy, Inc., Middle South Utilities, Inc., Union Electric Company of Missouri, Illinois Power Company, Kentucky Utilities Company; File No. 70-3095.

Notice is hereby given that a joint application-declaration has been filed with this Commission by Middle South Utili-

ties, Inc. ("Middle South"), a registered holding company, Union Electric Company of Missouri ("Union"), a registered holding company and a public utility company, Illinois Power Company ("Illinois") and Kentucky Utilities Company ("Kentucky"), both public utility companies and registered holding companies which are exempt as holding companies from the provisions of the act, and by Electric Energy, Inc. ("Electric Energy"), a public utility subsidiary of the foregoing companies. Electric Energy is also a subsidiary of Central Illinois Public Service Company ("Central") which is exempt under section 2 (a) (7) of the act from the provisions thereof applicable to holding companies. Applicants-declarants have designated sections 6, 7, and 12 (b) of the act and Rule U-45 thereunder as applicable to the proposed transactions which are summarized as follows:

Electric Energy is engaged in the construction of a 6-unit electric generating station and related transmission facilities at Joppa, Illinois, which are being built for the purpose of supplying up to 735,000 kw of firm power to an atomic energy project being constructed by the Atomic Energy Commission ("A. E. C.") at Paducah, Kentucky. These facilities are being constructed pursuant to two separate contracts with the A. E. C. The first of these contracts, which is definitive, is to supply, through 4 generating units (original facilities), up to 500,000 kw of firm power to the A. E. C. The second contract, which is conditioned upon the passage by Congress of certain pending legislation concerning the expansion of the Paducah project, is to supply, through 2 additional generating units (additional facilities), up to 235,000 kw of additional firm power.

The financing of these facilities and the execution of various related contracts have been the subject of prior applications to this Commission, and are described in the following memorandum opinions and orders of the Commission permitting them: January 15, 1951 (Holding Company Act Release No. 10340); June 26, 1951 (Holding Company Act Release No. 10639) and January 8, 1953 (Holding Company Act Release No. 11658). Our 1951 orders permitted the issuance and sale by Electric Energy of \$3,500,000 of common stock to its parent companies and \$100,000,000 of 3 percent First Mortgage Sinking Fund Bonds, due 1979, to two insurance companies in order to finance the original facilities. Our order of January 8, 1953, permitted the issuance and sale by Electric Energy of \$2,700,000 of additional common stock to the parent companies and \$65,000,000 of 3 3/4 Percent First Mortgage Sinking Fund Bonds, due 1982, to the same insurance companies, of which \$4,000,000 of the 3 3/4 percent bonds were to be used to finance increased costs incurred in connection with the original facilities and the balance to finance the additional facilities.

The instant application-declaration states that, because of further increases in the estimated costs of construction, Electric Energy proposes to use the proceeds from the \$4,000,000 of 3 3/4 percent bonds for the additional facilities, and to

issue and sell to the same insurance companies \$30,000,000 of 4 1/2 Percent First Mortgage Sinking Fund Bonds, due 1979, and to use the proceeds therefrom to finance the further increases in the costs of the original facilities.

Electric Energy has entered into a Bond Purchase Agreement with the insurance companies pursuant to which \$10,000,000 principal amount of 4 1/2 percent bonds will be issued during 1953 and the remaining \$20,000,000 of 4 1/2 percent bonds will be issued during 1954. Pursuant to this agreement, Electric Energy will pay a commitment fee of 1/2 percent a year on the unused portion of the commitment. The agreement also amends the prior bond purchase agreement so that the insurance companies are not required to purchase in excess of \$10,000,000 of 3 3/4 percent bonds during 1953. The application-declaration states that Electric Energy's 1953 construction program might require it to borrow as much as \$30,000,000 from banks, which borrowing will be the subject of a future filing with this Commission.

The original mortgage indenture securing the 3 percent series of bonds is to be supplemented, as of July 1, 1953, to secure the 3 3/4 percent and 4 1/2 percent series of bonds. The supplemental indenture will provide for separate 25 year sinking funds applicable to each series of bonds designed to retire all bonds of the several series at their respective maturity dates. There will be pledged under the indenture, as supplemented, various agreements described in Holding Company Act Release No. 11658, as modified to the extent necessary to reflect the instant proposals.

Electric Energy requests that the Commission exempt the proposed issuance and sale of 4 1/2 percent bonds from the competitive bidding requirements of Rule U-50.

The proposed issuance and sale of 4 1/2 percent bonds will be submitted to the Illinois Commerce Commission for its approval.

Notice is further given that any interested person may, not later than July 7, 1953, at 5:30 p. m., request the Commission in writing that a hearing be held on such matter, stating the nature of his interest, the reasons for such request and the issues of fact or law raised by said joint application-declaration which he desires to controvert, or may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed to the Secretary, Securities and Exchange Commission, 425 Second Street NW., Washington 25, D. C. At any time thereafter said joint application-declaration, as filed or as amended, may be granted and permitted to become effective as provided in Rule U-23 of the rules and regulations promulgated under the act, or the Commission may exempt such transactions as provided in Rule U-20 (a) and Rule U-100 thereof.

By the Commission.

[SEAL] NELLYE A. THORSEN,
Assistant Secretary.

[F. R. Doc. 53-5680; Filed, June 26, 1953;
8:47 a. m.]