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SENATE

} REPORT
No. 1829

AMENDING SECTION 3115 OF THE REVISED STATUTES

JUNE 26 (legislative day, JUNE 21), 1952.—Ordered to be printed

Mr. GEORGE, from the Committee on Finance, submitted the following

REPORT

[To accompany H. R. 6245]

The Committee on Finance, to whom was referred the bill (H. R. 6245) to amend section 3115, Revised Statutes, as amended, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

By virtue of this act, the Committee on Finance accepts the report of the Committee on Ways and Means which is as follows:

GENERAL STATEMENT

Section 3114 of the Revised Statutes imposes a duty on "equipments, or any part thereof, including boats, purchased for, or the repair parts or materials to be used, or the expenses of repairs made in a foreign country" upon American-flag vessels engaged in the foreign or coasting trade. Section 3115 of the Revised Statutes provides for the remission or refund of the duties imposed by section 3114 in certain cases. The effect of the bill as reported is to add a new paragraph (3) to section 3115 of the Revised Statutes to provide for the remission or refund of duties upon equipments, or parts thereof, or materials, or labor, used as dunnage for cargo, or for the packing or shoring thereof, or in the erection of bulkheads or other similar devices for the control of bulk cargo, or in the preparation of tanks for the carriage of liquid cargo, if the need for such equipments, or parts thereof, or materials could not reasonably have been foreseen when the vessel left the United States.

The committee has been advised that the provisions of the bill would be beneficial to foreign trade in American-flag vessels and that there would be no actual loss of business to our shipyards as a result of its provisions.

The following reports on the bill, as introduced, were received from the Department of Commerce and the Department of the Treasury.

THE SECRETARY OF COMMERCE,
Washington 25, D. C.

Hon. R. L. DOUGHTON,
*Chairman, Committee on Ways and Means,
House of Representatives, Washington, D. C.*

DEAR MR. CHAIRMAN: This letter is in reply to your communications of February 1, 1952, and March 31, 1952, requesting the comments of the Department concerning H. R. 6245, a bill to amend section 3115, Revised Statutes, as amended.

The bill would amend section 3115 of the Revised Statutes, as amended (19 U. S. C., sec. 258), relating to remission of duties imposed on foreign-made equipment or repairs for vessels under section 3114, in order to provide for remission or refund of duties on foreign equipment, materials, or labor used in connection with dunnage for cargo or for packing, bulkheads, or other devices for cargo control.

The amendment would permit installation abroad, without payment of duty, of facilities on vessels for handling shipments of a type not usually carried, and thus enable vessels to secure cargoes for homeward voyage which they would not otherwise be equipped to handle. The proposal should benefit all operators of the United States flag vessels and would appear to have no adverse effect on the activities of the Department. It is believed that it would be beneficial to foreign trade in American-flag vessels and that there would be no actual loss of business to our shipyards from this provision.

The proposed amendment was included in a bill, H. R. 6512, of the Eighty-first Congress, which, however, contained other amendments which were of a controversial character, by reason of alleged adverse effect upon the shipbuilding and repair industry.

The Department of Commerce believes that it is desirable to condition remission or refund on a showing that the need for the repairs or equipment could not reasonably have been foreseen when the vessel left the United States.

Subject to the suggestion made above, this Department recommends enactment of H. R. 6245.

Due to the urgency of your request, we have been unable to secure clearance from the Bureau of the Budget. If we can be of further assistance in this matter, please call upon us.

Sincerely yours,

THOMAS W. S. DAVIS,
Acting Secretary of Commerce.

APRIL 2, 1952.

Hon. ROBERT L. DOUGHTON,
*Chairman, Committee on Ways and Means,
House of Representatives, Washington, D. C.*

MY DEAR MR. CHAIRMAN: Further reference is made to your letter of February 5, 1952, requesting a statement of this Department's views on H. R. 6245, to amend section 3115, Revised Statutes, as amended.

Section 3115, Revised Statutes, as amended, provides for the remission or refund of duties for repairs to vessels and the parts used therein when a vessel is compelled, by stress of weather or other casualty to put into a foreign port and purchase equipment or make repairs to secure the safety and seaworthiness of the vessel in order to enable her to reach her port of destination. The proposed legislation would amend this section to extend such exemption from duty to equipment, or parts thereof, or materials, or labor, used as dunnage for cargo, or for the packing or shoring thereof, or in the erection of bulkheads or other similar devices for the control of bulk cargo, or in the preparation of tanks for the carriage of liquid cargo.

The Department anticipates no unusual administrative difficulties, and therefore, would have no objection to the enactment of the proposed legislation.

The Department has been advised by the Bureau of the Budget that there would be no objection to the submission of this report to your committee.

Very truly yours,

JOHN S. GRAHAM,
Acting Secretary of the Treasury.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

SECTION 3115 OF THE REVISED STATUTES, AS AMENDED (19 U. S. C. 258)

SEC. 3115. If the owner or master of such vessel furnishes good and sufficient evidence—

(1) **[That]** *that* such vessel, while in the regular course of her voyage, was compelled, by stress of weather or other casualty, to put into such foreign port and purchase such equipments, or make such repairs, to secure the safety and seaworthiness of the vessel to enable her to reach her port of destination; or

(2) **[That]** *that* such equipments or parts thereof or repair parts or materials, were manufactured or produced in the United States, and the labor necessary to install such equipments or to make such repairs was performed by residents of the United State.. or by members of the regular crew of such vessel **[,]**; or

(3) *that such equipments, or parts thereof, or materials, or labor, were used as dunnage for cargo, or for the packing or shoring thereof, or in the erection of bulkheads or other similar devices for the control of bulk cargo, or in the preparation of tanks for the carriage of liquid cargo, and that the need for such equipments, or parts thereof, or materials could not reasonably have been foreseen when the vessel left the United States,*

then the Secretary of the Treasury is authorized to remit or refund such duties and such vessel shall not be liable to forfeiture, and no license or enrollment and license, or renewal of either, shall hereafter be issued to any such vessel until the collector to whom application is made for the same shall be satisfied, from the oath of the owner or master, that all such equipments *or parts thereof or materials* and repairs made within the year immediately preceding such application have been duly accounted for under the provisions of this and the preceding sections, and the duties accruing thereon duty paid; and if such owner or master shall refuse to take such oath, or take it falsely, the vessel shall be seized and forfeited.