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CUSTOMS SIMPLIFICATION ACT OF 1953

JULY 24 (legislative day, JULY 6), 1953.—Ordered to be printed

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

REPORT

[To accompany H. R. 5877]

The Committee on Finance, to whom was referred the bill (H. R. 5877) to amend certain administrative provisions of the Tariff Act of 1930 and related laws, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill do pass.

PURPOSE

The administrative and procedural provisions of the customs laws of the United States have not kept pace with the rapid expansion of international trade and the many recent far-reaching changes in methods of transportation and the interchange of commodities. H. R. 5877 improves customs operations and reduces both the time and expense of administering them. It eliminates certain unnecessary annoyances and inequities which plague both the Government and private parties engaged in the import-export business. It lays the groundwork for substantial savings in the cost to the Government of handling the vast amount of goods entering this country from foreign sources.

The bill does not change the import classification of any items which might be imported. The bill was intended, and has as its primary purpose, the saving of time, money, and complications in the administration of our customs laws.

GENERAL STATEMENT

The Customs Administrative Act of 1938 made some changes in general customs procedure. With minor exceptions no modernization of methods has taken place since that time. With congressional sanction a private firm of management consultants has surveyed and studied (1) how the cost of customs operations could be reduced with-

out reducing the services rendered, and (2) how, and whether, the services rendered could be improved without substantially greater cost.

H. R. 5877 contains a number of the improvements recommended by the report of the management experts. It contains others suggested by the Treasury Department. The Finance Committee devoted several days to a painstaking study of the various sections of the bill and each provision has been carefully analyzed. Because of the urgency of the bill, and because of the delay in the receipt of it from the House, extensive hearings have not been possible. For this reason two sections which were highly controversial have been deleted by the committee and their study postponed until a later date.

In reporting favorably on this bill the committee does so, and acted on the bill in committee, without relation to the executive agreement known as the General Agreement on Tariffs and Trade (GATT), which was not approved nor disapproved.

AMENDMENTS

Two sections of the bill received from the House are not in the bill as reported by the Finance Committee.

Section 15 of the House bill would have made substantial changes in the methods of ascertaining the dutiable value of goods being imported into the United States. At the present time ad valorem duties must be paid on the "export value" or the "foreign value" whichever is higher. The export value is that value in foreign countries of the goods offered for sale and shipment to the United States, irrespective of the current price in the producing country for home consumption.

The bill as it came from the House would have established the "export value" as the dutiable value of imported merchandise, in all cases where that was ascertainable. Other methods were prescribed when export value was not available.

This section was highly controversial and the Finance Committee felt that it would not be justified in adopting it without hearings, which, judging from the volume of requests for hearings on that section, would have been rather extended. Time would not permit such hearings at this session.

Section 22 of the House bill was also deleted. This section would have made substantial changes in the statutes dealing with the conversion of foreign currencies for customs purposes. Subsection (a) of section 522 of the Tariff Act of 1930, as it would have been amended by this bill, would have required the Secretary of the Treasury to keep current a published list of par values which he found were maintained by foreign countries for their respective currencies. Those par values would then be used whenever, for customs purposes, it was necessary to convert foreign currency into United States currency except when such rates of exchange vary by more than 5 percent from the par value.

The more controversial part of section 22, had to do with multiple rates of exchange. That provision would have put into the statute a much objected to present practice of recognizing the use of multiple rates of exchange by foreign countries in the shipment of goods to the United States. It would have permitted, by law, multiple certification, and application of the rates among those certified, which would

reflect what the foreign country listed as the commercial value of the import in question.

The highly controversial nature of this section indicated that extended hearings would be needed for a proper study of the many ramifications and possibilities inherent in it. Such hearings were not possible at this time.

The committee also deleted paragraph (b) of section 7. This provision would have substantially altered the present law concerning the dutiable status of metal products which have been reimported after they have been exported and improved abroad by the addition of new materials and parts. This provision was not a part of the bill as reported by the Ways and Means Committee, but was an amendment introduced on the floor of the House. The Treasury Department made no report or recommendations to the House committee concerning this provision.

It was brought out in the Finance Committee's discussion of the bill with representatives of the Treasury that the administration of this provision would not in any way simplify customs procedures, and, on the contrary might serve to increase the workload.

The United States Tariff Commission in a report to the Finance Committee on this amendment made the following observations concerning the effect of the adoption of this section:

The precise scope of the proposed new language is not easily defined. It seems clear, however, that such new language would considerably enlarge the scope of the existing provision and its potential application to an infinite variety of new transactions involving foreign articles made abroad wholly or partly from American articles.

While the article "exported for further processing" would have to be composed "of metal (except precious metal)," it is noted that the new or different article returned to the United States "for further processing" would not have to be so composed.

The general policy of imposing the full duties on articles exported from the United States and returned after processing abroad has been in effect for many years and has been intended to protect American labor and enterprises from the competition of foreign processing of domestic materials for subsequent use in this country. Presumably that general principle was not intended to be appreciably impaired by the special provision with respect to assessment of duties on exported articles returned after repairs or alterations made abroad.

Custom officers also would have the added problem of determining that the article had been "manufactured in the United States or subjected to a process of manufacture in the United States," and that the article subsequently brought into the United States after further processing abroad was in fact thereafter further processed in the United States.

Under the proposed language of the bill, one importer might be granted an exemption, whereas another importer, with a case of equal merit involving like articles entered or withdrawn on the same day, might be denied the exemption because of a technicality having no relation to the merits of his claim, i. e., finality of liquidation by reason of section 514 of the Tariff Act.

It would appear from the foregoing that the proposed amendment is a measure designed essentially to provide tariff relief, and that the nature of the relief afforded is such that numerous export and import transactions would arise involving increased and difficult administrative and interpretive problems. Obviously, therefore, the proposed amendment is not a measure designed to provide for simplification of existing customs procedures.

The Finance Committee has endeavored to avoid procedural complications and tariff raising or lowering provisions. For these reasons the committee did not feel it could justify the inclusion of this paragraph in the bill.

An amendment was made to section 5 of the bill which would in no way affect the substance of that section, but which added a pro-

vision for securing greater uniformity in the measurements, for customs purposes, of imported cotton. This amendment was not opposed by the Treasury and it was indicated, insofar as present statutes permit, that Department is adjusting its regulations and procedures to conform to the purpose to which this amendment is directed.

The amendment would, under regulations prescribed by the Secretary of the Treasury, determine for all customs purposes the staple length of cotton by application of the Official Cotton Standards of the United States as established by the Secretary of Agriculture. The present varying standards have caused some confusion which will be eliminated by the adoption of this section.

A minor amendment, mostly clarifying in nature, was also adopted concerning paragraph (c) of section 11. This paragraph would amend section 3115 of the Revised Statutes to extend exemption from duty to equipment and materials used as dunnage for cargo or for the packing or shoring of bulk cargo in American-flag shipping vessels. The House provision did not put a time limit on the use of bulkheads, or other structural alterations for the purpose of shoring or storing cargo, although the intent appeared to be that permanent changes in ship structures should not be included.

The Finance Committee added a minor amendment to this paragraph to establish more clearly that the exemption should apply only to temporary alterations. The committee has been informed that the House sponsors would accept this change.

DETAILED DISCUSSION OF THE TECHNICAL PROVISIONS OF THE BILL

Section 1. Short title and effective date

This section contains a short title, the Customs Simplification Act of 1953, and provides that it will be effective 30 days after enactment, except as otherwise specially provided for.

Section 2. Repeal of obsolete accounting provisions

Section 2 repeals certain restrictive statutory provisions relating to accounting functions which are assigned to the comptrollers of customs. These provisions require detailed review and checking, resulting in the duplication of certain accounting processes which are performed in the offices of collectors of customs. The statutes are somewhat restrictive in that they preclude some of the procedures which should be part of a modern program of internal audit.

The repeal of these statutes will not result in any relaxation of safeguards to the revenue. Under the Budget and Accounting Act, the Secretary of the Treasury, like the head of every other executive agency, is required to maintain an effective system of internal control, including appropriate internal audit procedures. The Budget and Accounting Act also provides the Comptroller General with authority to conduct his external audits at the site of operations. This "site audit" which evaluates the effectiveness of the accounting system and the internal control of the agency, has already been instituted for the Bureau of Customs.

One of the statutes which this section repeals requires the comptroller of customs to verify all assessments of duties and drawback claims which have been acted upon by the collector of customs. This 100-percent verification is required regardless of the monetary size of either the entry or the drawback claim, including transactions

where no money is involved. With the repeal of this statutory requirement, the Treasury Department will be able to install a selective examination system which has been developed by representatives of the General Accounting Office, the Bureau of Accounts of the Treasury Department, and the Bureau of Customs.

Section 3. Effective dates of rates of duty

Section 315 of the Tariff Act (U. S. C., 1946 edition, title 19, sec. 1315) provides that on and after June 18, 1930, all goods, wares, and merchandise which are entered shall be subject to the rates of duties imposed by the Tariff Act of 1930. That act has been amended by many changes in rates of duty as a result of trade agreements, congressional action, and court decisions as to the proper classification of imported articles. Because no specific time during the importing process has been established for the application of the duty and because a series of court decisions have not been completely uniform, the Government and the importers have suffered delay, expense, and litigation. (The last decision on this point was the case of *United States v. Mussman & Shafer, Inc.*, decided by the United States Court of Customs and Patent Appeals on Jan. 14, 1953; C. A. D: 506.)

Subsection (a) of section 315 of the Tariff Act, as amended by subsection (a) of section 3 of this bill will make clear that merchandise is entered for consumption or withdrawn from warehouse for consumption, as the case may be, within the meaning of the various customs laws, proclamations, and regulations thereunder, when the documents comprising the entry for consumption or withdrawal from warehouse for consumption and any estimated or liquidated duties then required to be paid have been deposited with the appropriate customs officer in the form and manner prescribed by regulations of the Secretary of the Treasury. Under the amendment, the applicable rate of duty will be that in effect when the entry or withdrawal has taken place by the performance of the acts referred to in the preceding sentence, except that—

(1) the rate of duty on an article released under an informal mail entry will be the rate in effect when the preparation of the mail entry is completed, and

(2) in the case of merchandise entered for transportation in bond under section 552 of the act from the port of importation to another port for entry for consumption there, the rate of duty will be that in effect when the entry for immediate transportation is accepted by the collector at the port of importation, provided there is no delay in making entry or other factor at the port of destination which requires the collector at that port to take the merchandise into his custody under section 490 of the Tariff Act.

Subsection (b) of section 315 of the Tariff Act, as amended by subsection (a) of section 3 of the bill, would provide that any article which has been entered for consumption but which, before release from customs custody, is removed from the port or other place of intended release because of inaccessibility, overcarriage, strike, act of God, or unforeseen contingency, shall be subject to duty at the rate or rates in effect when the entry for consumption and any required duties were deposited in accordance with subsection (a) of section 315 of the Tariff Act, but only if the article is returned to such port or place within 90 days after the date of removal and

the identity of the article as that covered by the entry is established in accordance with regulations prescribed by the Secretary of the Treasury. If after the 90-day period such an article is returned to the port or other place of intended release, or if the article is returned to another port or other place of intended release, then such return will be a new importation to which subsection (a) of section 315 applies.

Subsection (b) of section 3 of the bill amends section 484 (f) of the Tariff Act. Experience has shown that in the case of merchandise transported in bond under section 552 it is desirable in the interests of economy and the efficient conduct of customs business to permit an entry for consumption or for warehouse to be filed at the port of destination designated in the immediate transportation entry for the entire quantity of merchandise covered by the transportation entry after any part of the shipment has arrived at the port of destination. The Mussman decision has raised a question as to the legality of such a procedure. The proposed amendment of section 484 (f) of the Tariff Act contained in subsection (b) of section 3 of the bill would authorize the continuation of this procedure. It would also specifically authorize merchandise entered for transportation in bond under section 552 to be transported to any place approved by the collector of customs in charge of the port of destination, with the right to file entry at that port for the entire shipment upon the arrival of any part of the shipment at the place to which such collector has authorized it to be transported under the immediate transportation entry.

Section 4. Marketing

The provisions of law involved are paragraphs 28, 354, 355, 357, 358, 359, 360, 361, and 1553 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1001, pars. 28, 354, 355, 357, 358, 359, 360, 361, and 1553). These paragraphs refer to specific items, such as knives, scissors, surgical instruments, coal-tar products, etc., to be imported and (except for par. 28) specify in detail that the articles enumerated shall have, when imported, the name of the maker or purchaser as well as the name of the country of origin conspicuously and indelibly marked on the outside of the articles. Paragraph 28 requires marking the containers of certain coal-tar products with detailed information as to the contents.

Subsection (a) of section 4 repeals entirely the marking provisions mentioned. The amendment to paragraph 28 would leave unaltered a requirement for information on invoices, a more practical method of conveying information to the industrial users of these products.

Articles formerly covered by special marking requirements will still be subject to the general marking provisions of section 304 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1304), so that they will indicate to the ultimate purchaser the country of their origin.

Representatives of the Treasury Department testifying before the Finance Committee on this bill have indicated that careful attention will be given to the general marking provisions, especially with regard to the permanent marking of the country of origin on cutlery, surgical instruments and the like, and to proper administration of the provisions as applied to other products. The adoption of this section of H. R. 5877 is not intended in any way to change or interfere with

the continued strict observance of the general marking statute. That statute states, among other things that—

Except as hereinafter provided, every article of foreign origin (or its container, as provided in subsection (b) hereof) imported into the United States shall be marked in a conspicuous place as legibly, indelibly, and permanently as the nature of the article (or container) will permit in such manner as to indicate to an ultimate purchaser in the United States the English name of the country of origin of the article.

Subsection (b) provides for the marking of containers when the nature of the article is such that it cannot be marked, or if it is a crude substance or is to be further processed in the United States. Cutlery and similar articles would not ordinarily be in this category.

Subsection (b) of section 4 repeals section 2934 of the Revised Statutes (U. S. C., 1946 edition, title 19, sec. 134) which relates to the marking of medicinal preparations imported into the United States. This provision of law is obsolete. At the present time, the Food and Drug Administration permits relabeling upon importation, under other statutory authority.

Subsection (b) also repeals sections 2885 and 2886 of the Revised Statutes (U. S. C., 1946 edition, title 19, secs. 273 and 274). These sections require the containers of imported liquors or distilled spirits to be marked or scored at the port of landing with the capacity, wine gallons, proof, proof gallons, and other detailed information, such marks to be obliterated upon sale. The marking of such containers serves no useful purpose since under paragraph 813 of the Tariff Act of 1930, as amended, imported alcoholic beverages are subject to customs duties only upon the quantities subject to internal-revenue taxes which are the quantities withdrawn from customs for consumption.

The general marking requirement of section 304 of the Tariff Act that all imported articles shall indicate the country of origin will not be changed except that subsection (c) of section 4 of the bill would amend section 304 (a) (3) of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1304 (a) (3)), to authorize the Secretary of the Treasury to exempt from the general marking provisions of the Tariff Act articles which are not properly marked before importation when the failure to mark was not due to any purpose to avoid compliance with the marking provisions and the articles cannot be marked after importation except at an expense which is economically prohibitive. This subsection will authorize relief for innocent importers in some cases involving undue hardship. However, Treasury officials have stated their intention to administer this section in such a manner that the "hardship" rule will not be subject to abuse.

Section 5. Procedure for customs examination of certain commodities

Section 5 (a) repeals that part of paragraphs 391 and 393 of the Tariff Act of 1930, as amended, which requires the transportation of imported lead-bearing and zinc-bearing ores from the ports of entry to sampling or smelting establishments for sampling and analysis there according to commercial methods under the supervision of Government officers. The repeal of these sections permits the promulgation of regulations by the Secretary to cover analyzing and sampling these ores.

A requirement that ores be transported to a place, possibly remote from the port of entry, for sampling and analysis when closer facilities

are available for doing the work efficiently may result in unwarranted inconvenience and expense to importers. The amendment brings paragraphs 391 and 393 into harmony with other methods as applied by paragraph 302 of the Tariff Act, relating to manganese, molybdenum, and tungsten ores; paragraph 1658, relating to copper ores; paragraph 1734, relating to ores of gold, silver, or nickel; and other paragraphs which do not contain provisions indicating the methods of sampling and assaying to be used.

Subsection (b) of this section was not in the bill as passed by the House. It would provide essentially the same type of regulations for the determination of the staple length of cotton for duty purposes as apply to wool. It would allow the Secretary of the Treasury to adopt standards for cotton staple length established by the Secretary of Agriculture to which the customs would conform. The adoption of this subsection will remove troublesome conflicts within the customs mechanism.

Section 6. Repeal of certain obsolete reciprocal provisions

Subsection (a) of section 6 repeals the proviso to paragraph 812 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1001, par. 812), which provides for the forfeiture to the United States of any sized casks or other packages of spirituous or distilled liquors imported from any country under whose laws such sized casks and other similar packages of liquors put up or filled in the United States are denied entry into such country. Subsection (b) repeals section 320 of the Tariff Act of 1930 (U. S. C., 1946 edition, title 19, sec. 1320), which provides that the Secretary of the Treasury and the Postmaster General, with the advice and consent of the President, may enter into a reciprocal agreement with any foreign country to provide for the entry free of duty of certain advertising matter. Although this provision has been in the law over 20 years, no action has ever been taken under it.

Section 7. American goods returned

Section 7 adds new language to paragraph 1615 (f) to provide a means of determining the amount of duty on reimported merchandise in cases when it is impracticable to determine the amount of drawback paid at the time of exportation or whether drawback has been allowed, because of the destruction of customs records or for any other cause.

The section would allow the collector to assess an amount of duty equal to the amount of drawback which he estimates would be allowable if the imported merchandise used in the manufacture or production of the reimported article were dutiable at the rate applicable to such merchandise on the date of importation. It further provides that the Secretary of the Treasury may determine the amounts of duty equal to drawback or internal-revenue tax which shall be applied to articles or classes or kinds of articles, and may exempt from duty certain articles or classes or kinds of articles where the expense and inconvenience to the Government would be disproportionate to the amount of duty.

As discussed under the section of this report entitled "Amendments" it has been explained that the committee deleted a House provision (subsec. (b) of sec. 7) which would have substantially altered the law concerning the dutiable status of metal products brought back into

the United States after having been improved abroad. This provision would have allowed the reimported articles to be dutiable only on the value of the products or materials added in the foreign country. The committee felt that this would have gone beyond the purposes of the bill.

Section 8. Free-entry provisions for travelers

Section 8 amends paragraph 1798 of the Tariff Act which is the free-entry provision for returning residents and other travelers. The amendment clarifies and realines for purposes of clarification the provisions of that paragraph and in addition makes certain substantive changes. The changes are as follows:

(1) Automobiles, trailers, aircraft, motorcycles, bicycles, baby carriages, boats, horse-drawn conveyances, horses, and similar instruments of transportation, and the usual equipment accompanying the foregoing, imported in connection with the arrival of a nonresident and to be used in the United States only for the transportation of such person, his family and guests, and such incidental carriage of articles as may be appropriate to his personal use of the conveyance, will be admitted free of duty. If such article is sold within 1 year after the date of importation, without prior payment of the duty, such article, or its value (to be recovered from the importer) will be subject to forfeiture, unless the sale is pursuant to a judicial order or in liquidation of the estate of a decedent. At the present time these items may be admitted free of duty under bond under the provisions of section 308 (5) of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1308 (5)).

(2) The exchange, free of duty, of an article entered free of duty by a returning resident for a like article of comparable value will be permitted, if the original article is exported within 60 days after its importation.

(3) A nonresident will be permitted to take with him through the United States, without the payment of duty, articles not in excess of \$200 in value. At the present time, travelers in transit must arrange for the bonded transportation of articles such as gifts which they are carrying to friends and relatives in foreign countries.

(4) The sale within 3 years after the date of arrival of the returning resident, of an article accorded the \$300 exemption will subject the article, or its value (to be recovered from the importer), to forfeiture. The same provision will be applicable to sales of jewelry or similar articles having a value of \$300 or more which have been accorded free entry on behalf of a nonresident.

Section 9. Free entry for noncommercial exhibitions

Paragraph 1809 (U. S. C., 1946 edition, title 19, sec. 1201, par. 1809) allows free entry of articles under bond for permanent noncommercial exhibitions, such as in museums. The duration of the bond is now unlimited, necessitating the retention of many old records and keeping open many old entries. The amendment in section 9 will limit duration of the bond to 5 years. After that the customs officers will no longer be required to check on the status of the articles.

Section 10. Temporary free entry for samples and other articles under bond

Section 308 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1308), permits the temporary free entry of certain enumerated articles under bond for reexportation within 6 months, which the Secretary of the Treasury may extend for another 6 months. These periods of time have proved insufficient. Section 10 (a) of the bill amends section 308 to provide for an original bond for 1 year and to authorize further extension to a total of 3 years.

Section 308 (3) of the Tariff Act permits the temporary free entry of samples for use in taking orders for merchandise, or for examination with a view to reproduction. Since the decision of the Customs Court in *McCall v. United States* (T. D. 47201) the Bureau of Customs has permitted temporary free entry privileges under this section to photoengraved printing plates. Subsection (b) of section 10 excludes from this section photoengraved printing plates imported to be reproduced.

Section 308 (4) of the Tariff Act provides for the temporary free entry under bond of articles intended for experimental purposes. Subsection (c) of section 10 amends section 308 (4) to include articles intended for testing or review purposes, including blueprints, plans, specifications, and other similar articles.

Section 308 (5) provides for the temporary free importation under bond of automobiles, motorcycles, bicycles, airplanes, airships, balloons, boats, racing shells, and similar vehicles and horses and the usual equipment of the foregoing, when brought temporarily into the United States by nonresidents (1) for the purpose of competing in races or other specific contests; or (2) for the transportation of such nonresidents, their families, and guests. Section 10 (d) would amend section 308 (5) to delete therefrom such enumerated articles as are brought in by nonresidents for transportation purposes, since section 8 of the bill includes these articles within the scope of paragraph 1798.

Subsection (e) amends section 308 (7) to extend the temporary free entry provision to containers and other articles, such as reels, etc., when they are being used to cover or hold merchandise during transportation and which are suitable for reuse for that purpose. The value of the container would not be included in the determination of the value of its contents under section 402. Under existing section 308 (7) containers for compressed gases, whether filled or empty, are entitled to temporary free entry.

Section 10 (f) further amends section 308 to include within its terms (1) animals and poultry brought into the United States for the purpose of breeding, exhibition, or competition for prizes, and the usual equipment therefor; (2) theatrical effects brought in by proprietors or managers of theatrical exhibitions for temporary use; and (3) works of art, drawings, engravings, photographic pictures, philosophical and scientific apparatus brought in by professional artists, etc., arriving from abroad for use by them for exhibition and in illustration, promotion, and encouragement of art, science, or industry in the United States. Under existing law, the items listed in (1) above may be brought in temporarily under bond for reexportation within 6 months (par. 1607), and the items in (2) and (3) may be brought in for 6 months with an extension of 6 months in the discretion of the Secretary (pars. 1747 and 1808).

Section 11. Supplies and equipment for vessels and aircraft

Subsection (a) amends section 309 (a) and (b) of the Tariff Act so as to extend the exemption from payment of duty and internal revenue tax now available to supplies for certain vessels and aircraft withdrawn from bonded warehouses, bonded manufacturing warehouses, or continuous customs custody elsewhere to supplies withdrawn from foreign trade zones. It also accords free entry for equipment withdrawn for foreign vessels. Further, it enlarges the classes of vessels and aircraft now covered to include all vessels and aircraft operated by the United States.

Subsection (b) amends section 317 (b) of the Tariff Act to extend to foreign ships the exemption from payment of duty and internal revenue tax now available for supplies used in the maintenance or repair of aircraft. The bill also provides an exemption for ground equipment for foreign flag aircraft from duties and taxes imposed on or by reason of importation.

Section 3115 of the Revised Statutes, as amended, provides for the remission or refund of duties for repairs to American vessels and the materials used therein when such 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. Section 11 (c) of the bill would amend section 3115 by adding a new subparagraph (3) 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.

A minor amendment, mostly clarifying in nature, was also adopted concerning paragraph (c) of section 11. This paragraph would amend section 3115 of the Revised Statutes to extend exemption from duty to equipment and materials used as dunnage for cargo or other similar devices for the packing or shoring of bulk cargo in shipping vessels. The House provision did not limit the time for the use of bulkheads or other special equipment, although the intent seemed to be that permanent alterations to ship structures should not be included.

The Finance Committee added a minor change to this paragraph to establish more clearly that the exemption should apply only to temporary alterations for particular cargoes. The committee has officially been informed that the House sponsors of the bill would accept this change.

Section 12. Drawback

Subsection (a) amends section 313 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1313), to extend from 1 year to 3 years the period during which substitution for drawback purposes may be made.

Section 313 (c) of the Tariff Act provides that upon the exportation of merchandise not conforming to samples or specifications upon which duties have been paid and which, within 30 days after release from customs, is returned to customs custody for exportation, the full amount of the duties paid upon such merchandise shall be refunded as drawback, less 1 percent of such duties. Subsection (b) of section 12 of the bill inserts new language in section 313 (c) to provide for the

refunding of duties in such cases where the merchandise upon which the duties have been paid was sent to the consignee without his consent and extends the period during which the merchandise can be returned to customs custody for exportation from 30 to 90 days or such longer period as the Secretary of the Treasury may allow. The purpose of the amendment is to prevent hardship in cases when the American consignee has paid duty on goods he did not order and wishes to return; and to extend the time for return to customs custody to a period reasonably adequate for discovery of latent defects or those which can only be ascertained by test or use. The Treasury Department reports frequent cases of hardship because of the inadequacy of this 30-day period.

Subsection (c) also amends section 313 (i) to broaden the authority of the Secretary of the Treasury to make such further regulations for the administration of the drawback provisions as may be necessary.

Section 13. Administrative exemptions

Section 321 of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1321), authorizes the Secretary of the Treasury to disregard a difference of less than \$1 between the total duties or taxes deposited or assessed with respect to any entry of merchandise and the total amount of duties or taxes accrued thereon. It further authorizes him to admit articles free of duty when the expense and inconvenience of collecting the duty or tax would be disproportionate to the amount of such duty, but it limits the amount imported by one person in any one day and exempted from the payment of duty, to not over \$5 in value in the case of articles accompanying and for the personal or household use of persons arriving in the United States, and to \$1 in value in any other case. Section 13 also amends section 321 of the Tariff Act to (1) increase from \$1 to \$3 the difference between deposited or assessed duties and actual duties which may be disregarded by the collector; (2) permit free entry of bona fide gifts from persons outside the United States to persons inside the United States up to \$10; (3) allow persons to bring with them articles up to \$10 in value for their personal use; and (4) continue to allow free entry up to \$1 in other cases. However, the Secretary would be enabled to reduce these amounts if he finds such action necessary to protect the revenue.

Section 14. International traffic and rescue work

This section adds a new section (322) to the Tariff Act of 1930, to grant to international traffic the customary and usual exceptions from customs requirements, now generally recognized but not explained clearly in the statutes. It does not change the customary exceptions as set out in the document, United States Import Duties (1952, p. 269). It would also permit the free entry of search, rescue, and salvage aircraft, and the temporary admission of equipment and supplies for fire fighting and disaster relief.

Section 15. Signing and delivery of manifests

This was section 16 of the House bill. It amends section 431 of the Tariff Act (U. S. C., 1946 edition, title 19, sec. 1431) to provide that the authorized agent of an air carrier may be responsible for signing and delivering the planes manifest. Under the present language of the act the pilot of the aircraft is the only person who may execute and deliver the manifest for the craft. This provision

is unduly restrictive. It is seldom that the pilot of the aircraft knows the details of the cargo aboard or is acquainted with the technical features of the manifests themselves. The adoption of this section would permit qualified and experienced personnel to handle this phase of the importation of goods by aircraft.

Section 16. Certified invoices and entry of merchandise

Section 16 (a) of the bill amends section 482 (a) of the Tariff Act (U. S. C., 1946 edition, title 19, sec. 1482 (a)) to correspond to the amendment made by section 16 (c), explained below.

Section 484 (a) of the Tariff Act (U. S. C., 1946 edition, title 19, sec. 1484 (a)) provides that entry of merchandise must be made within 48 hours, exclusive of Sundays and holidays, after the arrival of the importing vessel or vehicle, unless a longer period is authorized. Section 16 (b) of the bill amends section 484 (a) of the Tariff Act to extend this period to 5 days.

Section 484 (b) of the Tariff Act (U. S. C., 1946 edition, title 19, sec. 1484 (b)) provides that all merchandise entered shall be accompanied by an invoice certified by a United States consulate except in certain enumerated situations and further provides that the Secretary of the Treasury may grant certain other exceptions. Section 16 (c) amends section 484 (b) to grant the Secretary discretion to require certified invoices with respect to such merchandise as he deems advisable and to establish terms under which merchandise may be imported without a certified invoice. This amendment will permit the Secretary of the Treasury to make a thorough study of the utility of certified invoices, to require them only where they serve a useful purpose, and, if feasible, to eliminate them entirely.

Section 498 (a) (1) of the Tariff Act (U. S. C., 1946 edition, title 19, sec. 1498 (a) (1)) authorizes the Secretary of the Treasury to permit informal entries up to \$100 in value. Section 16 (d) of the bill amends section 498 (a) (1) to increase the figure to \$250. This section would in no way alter any duty or value for duty purposes, but applies only to the method of preparing the required entry papers. An informal entry is much easier to prepare and to process than the formal entry.

Section 16 (e) of the bill deletes an obsolete reference to the act of June 8, 1896, and adds a new paragraph to section 498 of the tariff act to permit informal entry of merchandise covered by paragraph 1631 of the tariff act (that is, books, maps, and certain other articles imported by religious, educational, and like institutions), without regard to the value of the shipments.

The act of June 8, 1896 (U. S. C., 1946 edition, title 19, secs. 472-475), provides for special delivery and appraisement of imported articles of limited value and weight. Section 16 (f) of the bill repeals this act, which has not been used for over 50 years.

Section 17. Verification of documents

This section adds language to section 486 of the Tariff Act (U. S. C., 1946 edition, title 19, sec. 1486) to authorize the Secretary of the Treasury to permit by regulation all documents required in the administration of laws by the customs service to be verified by a written declaration in lieu of any oath now required by law. This change would improve a situation that has been troublesome to importers and to the customs service. The Secretary now has similar

authority with reference to documents required under the internal-revenue laws (sec. 3809 (c) of the Internal Revenue Code).

Section 18. Amendment of entries

Subsection (a) amends section 487 of the Tariff Act to eliminate the present provision for amendment of entries to increase or decrease the entered value at any time before appraisement of the merchandise. Such amendments of entries represent a burden of paperwork on the customs service, and in view of the proposed amendments to sections 489, 501, and 503 of the Tariff Act made by section 19 the importers will no longer need to amend their entries to protect their interests.

Section 489 provides, in its first 2 paragraphs, for an undervaluation duty of 1 percent of the final appraised value of the merchandise for each 1 percent that such final value exceeds the value as "entered" by the importer. This undervaluation duty is not a penalty and it cannot be remitted, except in the case of a clerical error by the Treasury Department, or in a case in which the Customs Court finds, on the basis of satisfactory evidence, that the entry of the merchandise at less than the appraised value was without intention to defraud the revenue of the United States or conceal facts or to deceive the appraiser. Section 489 also provides that if the appraised value exceeds the entered value by more than 100 percent, the entry will be presumptively fraudulent, and the merchandise is to be subject to seizure and forfeiture. Subsection (b) of section 18 of the bill repeals these parts of section 489.

Subsection (c) amends section 501 of the present act to require additional notices of appraisement. Under present law, notice is given in most cases only if the appraiser "advances" the entered value, and amendments to entries are at times necessary to assure that notice will be given and judicial review thus made available. Subsection (c) also amends section 501 of the Tariff Act to make it clear that all determinations entering into the decision of the appraiser are subject to judicial review. The language of the amendment conforms to the language in section 514 of the Tariff Act relating to judicial review pursuant to protest against a collector's decision.

The amendment to section 503 by subsection (d) of section 18 of the bill is a companion to the preceding subsections and should be considered with them. Sections 489 and 503 of the present law, taken together, provide that an importer shall set a value on his merchandise. If he fixes too low a figure an undervaluation duty will be levied, and if to be on the safe side he fixes it too high, he can take no benefit from the final appraisement. The amendment does away with this anomaly, and is also necessary to make the change in section 487 (abolishing the amendment of entries) possible without unfairness to importers.

Section 19. Commingled merchandise

Section 508 of the Tariff Act (U. S. C., 1946 edition, title 19, sec. 1508) provides that where dutiable merchandise and merchandise which is free of duty or merchandise subject to different rates of duty are so packed together or mingled that the quantity of each class cannot be determined, the whole of such merchandise shall be subject to the highest rate of duty applicable to any part thereof, unless the importer or consignee shall segregate such merchandise at his own

risk and expense under customs supervision within 10 days after entry thereof.

Section 19 of the bill continues, with certain exceptions, the application of the highest rate of duty on unsegregated commingled merchandise and enumerates the means which the customs officer may use to segregate the respective classes of commingled merchandise. It extends the period during which the segregation must be accomplished to 30 days after the date of personal delivery or mailing of written notice to the consignee that the merchandise is commingled. Furthermore, the Secretary is authorized in his discretion to extend the period. Subsection (c) excepts from the operation of this section any part of the shipment when satisfactory proof is furnished by the consignee or his agent that such part is commercially negligible, is not capable of segregation without excessive cost, will not be segregated prior to its use in a manufacturing process or otherwise, and was not commingled to avoid the payment of lawful duties. Any merchandise meeting all these conditions shall be considered subject to the next lower rate of duty (including a free rate of duty) applicable to the merchandise with which it is commingled.

Similarly, subsection (d) excepts from the operation of this section any shipment when satisfactory proof is furnished by the consignee or agent that the value of the commingled merchandise is less than the aggregate value would be if the shipment were segregated, that the shipment is not capable of segregation without excessive cost and will not be segregated prior to its use, and was not commingled with an intent to avoid the payment of lawful duties. Merchandise meeting all these conditions is subject to duty at the rate (including a free rate) applicable to material present in greater quantity than any other material. This subsection is designed specifically to take care of waste-material imports.

Section 20. Correction of errors and mistakes

Section 520 (c) (1) of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1520 (c) (1)), provides that notwithstanding the fact that a valid protest was not filed, the Secretary of the Treasury may authorize a collector to reliquidate an entry to correct a clerical error in any entry or liquidation which is discovered within 1 year after the date of entry or within 60 days after liquidation when liquidation is made more than 10 months after the date of entry. Section 20 (a) of the bill amends section 520 (c) (1) to extend this relief provision to cover situations involving clerical errors, mistakes of fact, or any other inadvertence not amounting to an error in the construction of a law, in any entry, liquidation, appraisement, or other customs transaction, when such error, mistake, or other inadvertence is adverse to the importer and is manifest from the record or established by written evidence.

Section 520 (c) (2) of the Tariff Act permits the reliquidation of an entry to correct an assessment of duty on household or personal effects which by law were not subject to duty. Section 20 (b) of the bill amends section 520 (c) (2) to permit correction of assessments of duty on household or personal effects which are subject to duty.

Section 21. Transfers of goods in bonded warehouse.

Section 557 (b) of the Tariff Act of 1930, as amended (U. S. C., 1946 edition, title 19, sec. 1557 (b)) permits the transfer of the right to withdraw goods in bonded warehouses and makes such transfers irrevocable in cases where the transferee, in the bond provided for in that section, assumes the customs obligations of the transferor with respect to the transferred merchandise. It further provides that the transferee is entitled to receive all refunds of moneys paid by him and shall have all rights to file protests under section 514 of the Tariff Act of 1930, "which would otherwise be possessed by the transferor."

Judicial interpretations of section 557 (b) have conferred new rights of protest on transferees and necessitated liquidations and increased recordkeeping by the Treasury Department in behalf of such persons. Section 21 of the bill amends section 557 (b) to provide that all transfers shall be irrevocable; that in the case of each transfer the transferee shall file a bond undertaking to pay all unpaid duties, taxes, charges, and exactions on the merchandise the subject of the transfer; and that a transferee shall have no right to file a protest under section 514, or to a separate liquidation in his behalf, unless the rate of duty, tax, charge, or exaction has been changed pursuant to statute or proclamation after the right to withdraw the merchandise was transferred to him.

Section 22. Customs supervision

Section 22 adds a new provision to the Tariff Act of 1930 to permit the Secretary of the Treasury, in his discretion, to determine the degree of supervision by customs officers over activities which are required to be carried out under customs supervision. According to Treasury experts this ratifies and confirms existing practice. In many instances it has been impossible, because of limited budget and manpower, for the Treasury to conform rigidly to the laws interpreted by the courts as requiring constant and specific supervision of certain importing processes.

By allowing a more efficient distribution of manpower this provision would make possible better supervision than is presently possible.

Section 23. Saving clause

This section is intended to maintain the status quo on rights and liabilities already accrued under acts which would be repealed or modified by the bill.

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):

TARIFF ACT OF 1930, AS AMENDED

PAR. 28. Coal-tar products:

(a) * * *

* * * * *

(f) It shall be unlawful to import or bring into the United States any such color, dye, stain, color acid, color base, color lake, leuco-compound, indoxyl, or indoxyl

compound, unless [the immediate container and] the invoice shall bear a plain, conspicuous, and truly descriptive statement of the identity and percentage, exclusive of diluents, of such color, dye, stain, color acid, color base, color lake, leuco-compound, indoxyl, or indoxyl compound contained therein.

* * * * *

PAR. 354. Penknives, pocketknives, clasp knives, pruning knives, budding knives, erasers, manicure knives, and all knives by whatever name known, including such as are denominatively mentioned in this Act, which have folding or other than fixed blades or attachments, valued at not more than 40 cents per dozen, 1¼ cents each and 50 per centum ad valorem; valued at more than 40 and not more than 50 cents per dozen, 5 cents each and 50 per centum ad valorem; valued at more than 50 cents and not more than \$1.25 per dozen, 11 cents each and 55 per centum ad valorem; valued at more than \$1.25 and not more than \$3 per dozen, 18 cents each and 55 per centum ad valorem; valued at more than \$3 and not more than \$6 per dozen, 25 cents each and 50 per centum ad valorem; valued at more than \$6 per dozen, 35 cents each and 55 per centum ad valorem; blades, handles, or other parts of any of the foregoing knives or erasers shall be dutiable at not less than the rate herein imposed upon knives and erasers valued at more than 50 cents and not exceeding \$1.25 per dozen; cuticle knives, corn knives, nail files, tweezers, manicure or pedicure nippers, and parts thereof, finished or unfinished, by whatever name known, 60 per centum ad valorem; *Provided*, That any of the foregoing, if imported in the condition of assembled, but not fully finished, shall be dutiable at not less than the rate of duty herein imposed upon fully finished articles of the same material and quality, but not less in any case than 15 cents each and 55 per centum ad valorem [*Provided further*, That all the articles specified in this paragraph, when imported, shall have the name of the maker or purchaser and beneath the same the name of the country of origin die sunk conspicuously and indelibly on the shank or tang of at least one or, if practicable, each and every blade thereof].

PAR. 355. Table, butchers', carving, cooks', hunting, kitchen, bread, cake, pie, slicing, cigar, butter, vegetable, fruit, cheese, canning, fish, carpenters' bench, curriers', drawing, farriers', fleshing, hay, sugar-beet, beet-topping, tanners', plumbers', painters', palette, artists', shoe, and similar knives, forks, and steels, and cleavers, all the foregoing, finished or unfinished, not specially provided for, with handles of mother-of-pearl, shell, ivory, deer, or other animal horn, silver, or other metal than aluminum, nickel, silver, iron or steel, 16 cents each; with handles of hard rubber, solid bone, celluloid, or any pyroxylin, casein, or similar material, 8 cents each; with handles of any other material, if less than four inches in length, exclusive of handle, 2 cents each; if four inches in length or over, exclusive of handle, 8 cents each; any of the foregoing without handles, with blades less than six inches in length, 2 cents each; with blades six inches or more in length, 8 cents each; and in addition thereto, on all the foregoing, 45 per centum ad valorem [*Provided*, that all articles specified in this paragraph when imported, shall have the name of the maker or purchaser and beneath the same the name of the country of origin die sunk legibly and indelibly upon the blade in a place that shall not be covered].

* * * * *

PAR. 357. Nail, barbers', and animal clippers, pruning and sheep shears, and all scissors and other shears, and blades for the same, finished or unfinished, valued at not more than 50 cents per dozen, 3½ cents each and 45 per centum ad valorem; valued at more than 50 cents and not more than \$1.75 per dozen, 15 cents each and 45 per centum ad valorem; valued at more than \$1.75 per dozen, 20 cents each and 45 per centum ad valorem [*Provided*, That all articles specified in this paragraph, when imported, shall have die sunk conspicuously and indelibly, the name of the maker or purchaser and beneath the same the name of the country of origin, to be placed on the outside of the blade, between the screw or rivet and the handle of scissors and shears (except pruning and sheep shears), and on the blade or handle of pruning and sheep shears and clippers].

PAR. 358. Safety razors and safety-razor handles and frames, 10 cents each and 30 per centum ad valorem; razors and parts thereof, finished or unfinished, valued at less than 75 cents per dozen, 18 cents each; valued at 75 cents and less than \$1.50 per dozen, 25 cents each; valued at \$1.50 and less than \$3 per dozen, 30 cents each; valued at \$3 and less than \$4 per dozen, 35 cents each; valued at \$4 or more per dozen, 45 cents each; and in addition thereto, on all the foregoing, 30 per centum ad valorem; blades for safety razors, in strips, one-half of 1 cent each and 30 per centum ad valorem; all other, finished or unfinished, 1 cent each and 30 per

centum ad valorem: *Provided*, That all articles specified in this paragraph, when imported, shall have the name of the maker or purchaser and beneath the same the name of the country of origin die sunk conspicuously and indelibly on the blade or shank or tang on each and every blade and on safety razors and parts thereof].

PAR. 359. Surgical instruments, and parts thereof, including hypodermic needles, hypodermic syringes, and forceps, composed wholly or in part of iron, steel, copper, brass, nickel, aluminum, or other metal, finished or unfinished, 55 per centum ad valorem, unless in chief value of glass, in which case the rate shall be 70 per centum ad valorem; dental instruments, and parts thereof, including hypodermic needles, hypodermic syringes, and forceps, wholly or in part of iron, steel, copper, brass, nickel, aluminum, or other metal finished or unfinished, 35 per centum ad valorem, unless in chief value of glass, in which case the rate shall be 60 per centum ad valorem: *Provided*, That all articles specified in this paragraph, when imported, shall have the name of the maker or purchaser and beneath the same the name of the country of origin die sunk conspicuously and indelibly on the outside, or if a jointed instrument on the outside when closed].

PAR. 360. Scientific and laboratory instruments, apparatus, utensils, appliances (including surveying and mathematical instruments), and parts thereof, wholly or in chief value of metal, and not plated with gold, silver, or platinum, finished or unfinished, not specially provided for, 40 per centum ad valorem; drawing instruments, and parts thereof, wholly or in chief value of metal, 45 per centum ad valorem: *Provided*, That all articles specified in this paragraph, when imported, shall have the name of the maker or purchaser and beneath the same the name of the country of origin die sunk conspicuously and indelibly on the outside, or if a jointed instrument on the outside when closed].

PAR. 361. Slip-joint pliers, 60 per centum ad valorem; other pliers, pincers, and nippers, and hinged hand tools for holding and splicing wire, finished or unfinished, valued at not more than \$2 per dozen, 5 cents each and 60 per centum ad valorem; valued at more than \$2 per dozen, 10 cents each and 60 per centum ad valorem: *Provided*, That all articles specified in this paragraph, when imported, shall have the name of the maker or purchaser and beneath the same the name of the country of origin die sunk conspicuously and indelibly on the outside of the joint].

* * * * *

PAR. 391. Lead-bearing ores, flue dust, and mattes of all kinds, 1½ cents per pound on the lead contained therein: *Provided*, That such duty shall not be applied to the lead contained in copper, gold, or silver ores, or copper mattes, unless actually [recovered: *Provided further*, That on all importations of lead-bearing ores, flue dust, and mattes, of all kinds the duties shall be estimated at the port of entry and a bond given in double the amount of such estimated duties for the transportation of the ores, flue dust, or mattes by common carriers bonded for the transportation of appraised or unappraised merchandise to properly equipped sampling or smelting establishments, whether designated as bonded warehouses or otherwise. On the arrival of the ores, flue dust, or mattes at such establishments they shall be sampled according to commercial methods under the supervision of Government officers who shall be stationed at such establishments, and who shall submit the samples thus obtained to a Government assayer, designated by the Secretary of the Treasury, who shall make a proper assay of the sample and report the result to the proper customs officers, and the import entries shall be liquidated thereon. And the] recovered. The Secretary of the Treasury is authorized to make all necessary regulations to enforce the provisions of this paragraph.

* * * * *

PAR. 393. Zinc-bearing ores of all kinds, except pyrites containing not more than 3 per centum zinc, 1½ cents per pound on the zinc contained therein: *Provided*, That such duties shall not be applied to the zinc contained in lead or copper ores unless actually [recovered: *Provided further*, That on all importations of zinc-bearing ores the duties shall be estimated at the port of entry, and a bond given in double the amount of such estimated duties for the transportation of the ores by common carriers bonded for the transportation of appraised or unappraised merchandise to properly equipped sampling or smelting establishments, whether designated as bonded warehouses or otherwise. On the arrival of the ores at such establishments they shall be sampled according to commercial methods under the supervision of Government officers, who shall be stationed at such establishments, and who shall submit the samples thus obtained to a Government assayer,

designated by the Secretary of the Treasury, who shall make a proper assay of the sample and report the result to the proper customs officers, and the import entries shall be liquidated thereon. And the] recovered. The Secretary of the Treasury is authorized to make all necessary regulations to enforce the provisions of this paragraph.

* * * * *
 PAR. 783. (a) Cotton having a staple of one and one-eighth inches or more in length, 7 cents per pound.

(b) *Under regulations prescribed by the Secretary of the Treasury, the staple length of cotton shall be determined for all customs purposes by application of the Official Cotton Standards of the United States for length of staple, as established by the Secretary of Agriculture and in effect when the determination is to be made.*

* * * * *
 PAR. 812. No lower rate or amount of duty shall be levied, collected, and paid on the articles enumerated in paragraph 802 of this schedule than that fixed by law for the description of first proof; but it shall be increased in proportion for any greater strength than the strength of first proof, and all imitations of brandy, spirits, or wines imported by any names whatever shall be subject to the highest rate of duty provided for the genuine articles respectively intended to be represented, and in no case less than \$5 per proof gallon [: Provided, That any brandy or other spirituous or distilled liquors imported in any sized cask, bottle, jug, or other package, of or from any country, dependency, or province under whose laws similar sized casks, bottles, jugs, or other packages of distilled spirits, wine, or other beverage put up or filled in the United States are denied entrance into such country, dependency, or province, shall be forfeited to the United States].

* * * * *
 PAR. 1553. All thermostatic bottles, carafes, jars, jugs, and other thermostatic containers, or blanks and pistons of such articles, of whatever material composed, constructed with a vacuou or partially vacuou insulation space to maintain the temperature of the contents, whether imported, finished, or unfinished, with or without a jacket or casing of metal or other material, shall be subject to the following rates of duty, namely: Having a capacity of one pint or less, 15 cents each; having a capacity of more than one pint and not more than two pints, 30 cents each; having a capacity of more than two pints, 30 cents each and in addition thereto 5 cents for each pint or fraction thereof by which the capacity exceeds two pints; and in addition thereto, on all the foregoing, 45 per centum ad valorem; parts of any of the foregoing not including those above mentioned, 55 per centum ad valorem [: Provided, That all articles specified in this paragraph when imported shall have the name of the maker or purchaser and beneath the same the name of the country of origin legibly, indelibly and conspicuously etched with acid on the glass part, and die stamped on the jacket or casing of metal or other material, in a place that shall not be covered thereafter: Provided further, That each label, wrapper, box, or carton in which any of the foregoing are wrapped or packed, when imported, shall have the name of the maker or purchaser and beneath the same the name of the country of origin legibly, indelibly, and conspicuously stamped or printed thereon].

* * * * *
 [PAR. 1607. Animals and poultry, brought into the United States temporarily for a period not exceeding six months, for the purpose of breeding, exhibition, or competition for prizes offered by any agricultural, polo, or racing association; but a bond shall be given in accordance with regulations prescribed by the Secretary of the Treasury; also teams of animals, including their harness and tackle, and the wagons or other vehicles actually owned by persons emigrating from foreign countries to the United States with their families, and in actual use for the purpose of such emigration, under such regulations as the Secretary of the Treasury may prescribe; and wild animals and birds intended for exhibition in zoological collections for scientific or educational purposes, and not for sale or profit.]

PAR. 1607. (a) *Teams of animals, including their harness and tackle, and the wagons or other vehicles actually owned by persons emigrating from foreign countries to the United States with their families, and in actual use for the purpose of such emigration, under such regulations as the Secretary of the Treasury may prescribe.*

(b) *Wild animals and birds intended for exhibition in zoological collections for scientific or educational purposes, and not for sale or profit.*

* * * * *
 PAR. 1615. (a) * * *

* * * * *

(f) Upon the entry for consumption or withdrawal from warehouse for consumption of any article previously exported, which is excepted from free entry under this paragraph by the foregoing subparagraph (e) and is not otherwise exempted from the payment of duty, there shall be levied, collected, and paid thereon, in lieu of any other duty or tax, a duty equal to the total duty and internal-revenue tax, if any, then imposed with respect to the importation of like articles not previously exported from the United States, but in no case in excess of the sum of customs drawback, if any, proved to have been allowed upon the exportation of such article from the United States plus the amount of the internal-revenue tax, if any, imposed at the time such article is entered for consumption or withdrawn from warehouse for consumption upon the importation of like articles not previously exported from the United States. Manufactured tobacco subject to duty hereunder shall be retained in customs custody until internal-revenue stamps in payment of any part of the legal duties measured by a rate or amount of internal-revenue tax shall have been placed thereon. *When because of the destruction of customs records or for other cause it is impracticable to establish whether drawback was allowed, or to determine the amount of drawback allowed, on a reimported article excepted under subparagraph (e), there shall be assessed thereon an amount of duty equal to the estimated drawback and internal-revenue tax which would be allowable or refundable if the imported merchandise used in the manufacture or production of the reimported article were dutiable or taxable at the rate applicable to such merchandise on the date of importation, but in no case more than the duty and tax that would apply if the article were originally imported. In order to facilitate the ascertainment and collection of the duty provided for in this subparagraph, the Secretary of the Treasury is authorized to ascertain and specify the amounts of duty equal to drawback or internal-revenue tax which shall be applied to articles or classes or kinds of articles, and to exempt from the assessment of duty articles or classes or kinds of articles excepted under subparagraph (e) with respect to which the collection of such duty involves expense and inconvenience to the Government which is disproportionate to the probable amount of such duty.*

* * * * *

PAR. 1747. Professional books, implements, instruments, and tools of trade, occupation, or employment in the actual possession of persons emigrating to the United States owned and used by them abroad; but this exemption shall not be construed to include machinery or other articles imported for use in any manufacturing establishment, or for any other person or persons, or for sale, nor shall it be construed to include theatrical scenery, properties, and apparel; but such articles brought by proprietors or managers of theatrical exhibitions arriving from abroad, for temporary use by them in such exhibitions, and not for any other person, and not for sale, and which have been used by them abroad, shall be admitted free of duty under such regulations as the Secretary of the Treasury may prescribe; but bonds shall be given for the payment to the United States of such duties as may be imposed by law upon any and all such articles as shall not be exported within six months after such importation: *Provided*, That the Secretary of the Treasury may, in his discretion, extend such period for a further term of six months in case application shall be made therefor].

* * * * *

PAR. 1798. Wearing apparel, articles of personal adornment, toilet articles, and similar personal effects of persons arriving in the United States; but this exemption shall include only such articles as were actually owned by them and in their possession abroad at the time of or prior to their departure from a foreign country, and as are necessary and appropriate for the wear and use of such persons and are intended for such wear and use, and shall not be held to apply to merchandise or articles intended for other persons or for sale: *Provided*, That all jewelry and similar articles of personal adornment having a value of \$300 or more, brought in by a nonresident of the United States, shall, if sold within three years after the date of the arrival of such person in the United States, be liable to duty at the rate or rates in force at the time of such sale, to be paid by such person: *Provided further*, That in case of residents of the United States returning from abroad all wearing apparel, personal and household effects, and in the case of individuals returning from abroad, all professional books, implements, instruments, and tools of trade, occupation, or employment, taken by them out of the United States to foreign countries shall be admitted free of duty, without regard to their value, upon their identity being established under appropriate rules and regulations to be prescribed by the Secretary of the Treasury: *Provided further*, That up to but not exceeding \$200 in value of articles (including distilled spirits,

wines, and malt liquors aggregating not more than one wine gallon and including not more than one hundred cigars) acquired abroad by such residents of the United States as an incident of the foreign journey for personal or household use or as souvenirs or curios, but not bought on commission or intended for sale, shall be free of duty: *Provided further*, That (a) in the case of articles acquired in any country other than a contiguous country which maintains a free zone or free port, the exemption authorized by the preceding proviso shall apply only to articles so acquired by a returning resident who has remained beyond the territorial limits of the United States for a period of not less than forty-eight hours and (b) in the case of articles acquired in a contiguous country which maintains a free zone or free port, the Secretary of the Treasury shall by special regulation or instruction, the application of which may be restricted to one or more individual ports of entry, provide that the exemption authorized by the preceding proviso shall be applied only to articles acquired abroad by a returning resident who has remained beyond the territorial limits of the United States for not less than such period (which period shall not exceed twenty-four hours) as the Secretary may deem necessary in the public interest or to facilitate enforcement at the specified port or ports of the requirement that the exemption shall apply only to articles acquired as an incident of the foreign journey: *Provided further*, That the exemption authorized by the second preceding proviso shall apply only to articles declared in accordance with regulations to be prescribed by the Secretary of the Treasury by a returning resident who has not taken advantage of the said exemption within the thirty-day period immediately preceding his return to the United States: *Provided further*, That no such special regulation or instruction shall take effect until the lapse of ninety days after the date of such special regulation or instruction: *Provided further*, That in addition to the exemption authorized by the fourth preceding proviso, a returning resident who has remained beyond the territorial limits of the United States for a period of not less than twelve days, shall be permitted to bring into the United States up to but not exceeding \$300 in value of articles (excluding distilled spirits, wines, malt liquors and cigars) acquired abroad by such resident of the United States as an incident of the foreign journey for personal or household use or as souvenirs or curios, but not bought on commission or intended for sale, free of duty: *Provided further*, That any subsequent sale, within three years after the date of the arrival of such returning resident in the United States, of articles acquired and brought into the United States pursuant to the provisions of the immediately preceding proviso shall subject the returning resident declaring the articles to double the import duty which would have been collected had this additional exemption not been in effect: *Provided further*, That the additional exemption authorized by the second preceding proviso shall apply only to articles declared in accordance with regulations to be prescribed by the Secretary of the Treasury by such returning resident who has not taken advantage of the said exemption within the six-month period immediately preceding his return to the United States: *And provided further*, That all articles exempted by this paragraph from the payment of duty shall also be exempt from the payment of any internal-revenue taxes.]

PAR. 1798. (a) *Professional books, implements, instruments, and tools of trade, occupation, or employment, when imported by or for the account of any person arriving in the United States by whom or for whose account they were taken abroad.*

(b) *In the case of any person arriving in the United States who is not a returning resident thereof—*

(1) *wearing apparel, articles of personal adornment, toilet articles, and similar personal effects; all the foregoing if actually owned by and in the possession of such person abroad at the time of or prior to his departure for the United States, and if appropriate for his own personal use and intended only for such use and not for any other person nor for sale;*

(2) *automobiles, trailers, aircraft, motorcycles, bicycles, baby carriages, boats, horse-drawn conveyances, horses, and similar means of transportation, and the usual equipment accompanying the foregoing; any of the foregoing imported in connection with the arrival of such person and to be used in the United States only for the transportation of such person, his family and guests, and such incidental carriage of articles as may be appropriate to his personal use of the conveyance; and*

(3) *not exceeding \$200 in value of articles accompanying such a person who is in transit to a place outside United States customs territory and who will take the articles with him to such place.*

(c) *In the case of any person arriving in the United States who is a returning resident thereof—*

(1) all personal and household effects taken abroad by him or for his account and brought back by him or for his account; and

(2) articles (including not more than one wine gallon of alcoholic beverages and not more than one hundred cigars) acquired abroad as an incident of the journey from which he is returning, for his personal or household use, but not imported for the account of any other person nor intended for sale, if declared in accordance with regulations of the Secretary of the Treasury, up to but not exceeding in aggregate value—

(A) \$200, if such person arrives from a contiguous country which maintains a free zone or free port (see subparagraph (d)), or arrives from any other country after having remained beyond the territorial limits of the United States for a period of not less than forty-eight hours, and in either case has not claimed an exemption under this subdivision (A) within the thirty days immediately preceding his arrival; and

(B) \$300 in addition, if such person has remained beyond the territorial limits of the United States for a period of not less than twelve days and has not claimed an exemption under this subdivision (B) within the six months immediately preceding his arrival.

(d) In the case of persons arriving from a contiguous country which maintains a free zone or free port, if the Secretary of the Treasury deems it necessary in the public interest and to facilitate enforcement of the requirement that the exemption shall apply only to articles acquired as an incident of the foreign journey, he shall prescribe by regulation or instruction, the application of which may be restricted to one or more ports of entry, that the exemption authorized by subdivision (2) (A) of subparagraph (c) shall be allowed only to residents who have remained beyond the territorial limits of the United States for not less than a specified period, not to exceed twenty-four hours, and after the expiration of ninety days after the date of such regulation or instruction allowance of the said exemption shall be subject to the limitation so prescribed.

(e) Any article imported to replace a like article of comparable value previously exempted from duty under subdivision (c) of this paragraph shall be allowed free entry if the article previously exempted shall have been exported, under such supervision as the Secretary may prescribe, within sixty days after its importation because it was found by the importer to be unsatisfactory.

(f) All articles exempted by this paragraph from the payment of duty shall be exempt also from the payment of any internal-revenue tax imposed upon or by reason of importation.

(g) If any jewelry or similar articles of personal adornment having a value of \$300 or more which have been exempted from duty under subdivision (1) of subparagraph (b) or any article which has been exempted from duty under subdivision (2) (B) of subparagraph (c) is sold within three years after the date of importation, or if any article which has been exempted from duty under subdivision (2) of subparagraph (b) is sold within one year after the date of importation, without prior payment to the United States of the duty which would have been payable at the time of entry if the article had been entered without the benefit of this paragraph, such article, or its value (to be recovered from the importer), shall be subject to forfeiture. A sale pursuant to a judicial order or in liquidation of the estate of a decedent shall not be subject to the provisions of this subparagraph.

(h) The Secretary of the Treasury shall prescribe methods and regulations for carrying out the provisions of this paragraph. No exemption provided for in this paragraph shall be applied to any article which is not declared in accordance with such regulations.

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【PAR. 1808. Works of art, drawings, engravings, photographic pictures, and philosophical and scientific apparatus brought by professional artists, lecturers, or scientists arriving from abroad for use by them temporarily for exhibition and in illustration, promotion, and encouragement of art, science, or industry in the United States, and not for sale, shall be admitted free of duty, under such regulations as the Secretary of the Treasury shall prescribe; but bonds shall be given for the payment to the United States of such duties as may be imposed by law upon any and all such articles as shall not be exported within six months after such importation: *Provided*, That the Secretary of the Treasury may, in his discretion, extend such period for a further term of six months in cases where application therefor shall be made.】

PAR. 1809. Works of art, collections in illustration of the progress of the arts, sciences, agriculture, or manufactures, photographs, works in terra cotta, parian, pottery, or porcelain, antiquities and artistic copies thereof in metal or other

material, imported in good faith for exhibition at a fixed place by any State or by any society or institution established for the encouragement of the arts, sciences, agriculture, or education, or for a municipal corporation, and all like articles imported in good faith by any society or association, or for a municipal corporation, for the purpose of erecting a public monument, and not intended for sale nor for any other purpose than herein expressed; but bond shall be given, under such rules and regulations as the Secretary of the Treasury may prescribe, for the payment of lawful duties which may accrue should any of the articles aforesaid be sold, transferred, or used contrary to this provision *within five years after the date of entry hereunder*, and such articles shall be subject at any time *within such five-year period* to examination and inspection by the proper officers of the customs: *Provided*, That the privileges of this [and the preceding] paragraph shall not be allowed to associations or corporations engaged in or connected with business of a private or commercial character.

* * * * *

SEC. 304. MARKING OF IMPORTED ARTICLES AND CONTAINERS.

(a) **MARKING OF ARTICLES.**—Except as hereinafter provided, every article of foreign origin (or its container, as provided in subsection (b) hereof) imported into the United States shall be marked in a conspicuous place as legibly, indelibly, and permanently as the nature of the article (or container) will permit in such manner as to indicate to an ultimate purchaser in the United States the English name of the country of origin of the article. The Secretary of the Treasury may by regulations—

* * * * *

(3) Authorize the exception of any article from the requirements of marking if—

- (A) Such article is incapable of being marked;
- (B) Such article cannot be marked prior to shipment to the United States without injury;
- (C) Such article cannot be marked prior to shipment to the United States, except at an expense economically prohibitive of its importation;
- (D) The marking of a container of such article will reasonably indicate the origin of such article;
- (E) Such article is a crude substance;
- (F) Such article is imported for use by the importer and not intended for sale in its imported or any other form;
- (G) Such article is to be processed in the United States by the importer or for his account otherwise than for the purpose of concealing the origin of such article and in such manner that any mark contemplated by this section would necessarily be obliterated, destroyed, or permanently concealed;
- (H) An ultimate purchaser, by reason of the character of such article or by reason of the circumstances of its importation, must necessarily know the country of origin of such article even though it is not marked to indicate its origin;
- (I) Such article was produced more than twenty years prior to its importation into the United States; [or]
- (J) Such article is of a class or kind with respect to which the Secretary of the Treasury has given notice by publication in the weekly Treasury Decisions within two years after July 1, 1937, that articles of such class or kind were imported in substantial quantities during the five-year period immediately preceding January 1, 1937, and were not required during such period to be marked to indicate their origin: *Provided*, That this subdivision (J) shall not apply after September 1, 1938, to sawed lumber and timbers, telephone, trolley, electric-light, and telegraph poles of wood, and bundles of shingles; but the President is authorized to suspend the effectiveness of this proviso if he finds such action required to carry out any trade agreement entered into under the authority of the Act of June 12, 1934 (U. S. C., 1934 edition, title 19, secs. 1351-1354), as [extended.] *extended*; or
- (K) *Such article cannot be marked after importation except at an expense which is economically prohibitive, and the failure to mark the article before importation was not due to any purpose of the importer, producer, seller, or shipper to avoid compliance with this section.*

* * * * *

SEC. 308. TEMPORARY FREE IMPORTATION UNDER BOND FOR EXPORTATION.

The following articles, when not imported for sale or for sale on approval, may be admitted into the United States under such rules and regulations as the Secretary of the Treasury may prescribe, without the payment of duty, under bond for their exportation within **[six months]** *one year* from the date of importation, which **[period may, in the discretion of the Secretary of the Treasury (whether such articles are imported before or after this section becomes effective), be extended; upon application, for a further period not to exceed six months:]** *period, in the discretion of the Secretary of the Treasury, may be extended, upon application, for one or more further periods which, when added to the initial one year, shall not exceed a total of three years:*

(1) * * *

* * * * *

(3) Samples (*but not including photoengraved printing plates imported to be reproduced*) solely for use in taking orders for merchandise, or for examination with a view to reproduction;

[(4) Articles intended solely for experimental purposes, and upon satisfactory proof to the Secretary that any such article has been destroyed because of its use for experimental purposes such bond may be canceled without the payment of duty;]

(4) Articles intended solely for testing, experimental, or review purposes, including plans, specifications, drawings, blueprints, photographs, and similar articles for use in connection with experiments or for study, and upon satisfactory proof that any such article has been destroyed because of its use for any such purpose the obligation under such bond to export such articles shall be treated as satisfied;

(5) Automobiles, motorcycles, bicycles, airplanes, airships, balloons, boats, racing shells, and similar vehicles and craft, **[and horses,]** and the usual equipment of the foregoing; all the foregoing which are brought temporarily into the United States by nonresidents **[(A)]** for the purpose of taking part in races or other specific **[contests, or (B)]** for the transportation of such nonresidents, their families and guests, and such incidental carriage of articles as may be necessary and appropriate to the purposes of the journey but not to be used for the transportation of persons or articles for hire nor in any case primarily for the carriage of articles (but nothing in this chapter shall be construed as altering the customary exceptions of vehicles and other instruments of international traffic from the application of the customs laws); and in the case of horses, vehicles, and craft entered under this subdivision collectors of customs may, under such regulations as the Secretary of the Treasury may prescribe, defer the exaction of a bond for not to exceed ninety days (or six months in the case of such horses, vehicles, and craft from a country which accords a similar privilege to horses, vehicles, and craft from the United States) after the date of importation, but unless such horse, vehicle, or craft is exported or the bond is given within the period of such deferment, such horse, vehicle, or craft shall be subject to forfeiture **] contests;**

* * * * *

[(7) Containers for compressed gases which comply with the laws and regulations for the transportation of such containers in the United States;]

(7) Containers for compressed gases, filled or empty, and containers or other articles in use for covering or holding merchandise (including personal or household effects) during transportation and suitable for reuse for that purpose,

* * * * *

(9) Professional equipment, tools of trade, and camping equipment imported for their own use by nonresidents sojourning temporarily in the United States, and articles of special design for temporary use exclusively in connection with the manufacture or production of articles for **[export.]** *export;*

(10) Animals and poultry brought into the United States for the purposes of breeding, exhibition, or competition for prizes, and the usual equipment therefor;

(11) Theatrical scenery, properties, and apparel brought into the United States by proprietors or managers of theatrical exhibitions arriving from abroad for temporary use by them in such exhibitions; and

(12) Works of art, drawings, engravings, photographic pictures, and philosophical and scientific apparatus brought into the United States by professional artists, lecturers, or scientists arriving from abroad for use by them for exhibition and in illustration, promotion, and encouragement of art, science, or industry in the United States.

SEC. 309. SUPPLIES FOR CERTAIN VESSELS AND AIRCRAFT.

[(a) **EXEMPTION FROM CUSTOMS DUTIES AND INTERNAL-REVENUE TAX.**—Articles of foreign or domestic manufacture or production may, under such regulations as the Secretary of the Treasury may prescribe, be withdrawn from bonded warehouses, bonded manufacturing warehouses, or continuous customs custody elsewhere than in a bonded warehouse free of duty or internal-revenue tax, or from any internal revenue bonded warehouse, from any brewery, or from any winery premises or bonded premises for the storage of wine, free of internal-revenue tax for supplies (not including equipment) of vessels of war, in ports of the United States, of any nation which may reciprocate such privilege toward the vessels of war of the United States in its ports, or for supplies (not including equipment) of vessels employed in the fisheries or in the whaling business, or actually engaged in foreign trade or trade between the Atlantic and Pacific ports of the United States or between the United States and any of its possessions, or for supplies (not including equipment) of aircraft registered in the United States and actually engaged in foreign trade or trade between the United States and any of its possession, or for supplies (including equipment) maintenance, or repair of aircraft registered in any foreign country and actually engaged in foreign trade or trade between the United States and any of its possessions, where such trade by foreign aircraft is permitted.]

(a) **EXEMPTION FROM DUTIES AND TAXES.**—Articles of foreign or domestic origin may be withdrawn, under such regulations as the Secretary of the Treasury may prescribe, from any customs bonded warehouse, from continuous customs custody elsewhere than in a bonded warehouse, or from a foreign-trade zone free of duty and internal-revenue tax, or from any internal-revenue bonded warehouse, from any brewery, or from any winery premises or bonded premises for the storage of wine, free of internal-revenue tax—

(1) for supplies (not including equipment) of (A) vessels or aircraft operated by the United States, (B) vessels of the United States employed in the fisheries or in the whaling business, or actually engaged in foreign trade or trade between the Atlantic and Pacific ports of the United States or between the United States and any of its possessions, or (C) aircraft registered in the United States and actually engaged in foreign trade or trade between the United States and any of its possessions; or

(2) for supplies (including equipment) or repair of (A) vessels of war of any foreign nation, or (B) foreign vessels employed in the fisheries or in the whaling business, or actually engaged in foreign trade or trade between the United States and any of its possessions, where such trade by foreign vessels is permitted;

or
(3) for supplies (including equipment), ground equipment, maintenance, or repair of aircraft registered in any foreign country and actually engaged in foreign trade or trade between the United States and any of its possessions, where trade by foreign aircraft is permitted. With respect to articles for ground equipment, the exemption hereunder shall apply only to duties and to taxes imposed upon or by reason of importation.

(b) **DRAWBACK.**—Articles withdrawn from bonded warehouses, bonded manufacturing warehouses, [or] continuous customs custody elsewhere than in a bonded [warehouse and] warehouse, or from a foreign-trade zone, and articles of domestic manufacture or production, laden as supplies upon [any such foreign vessel or] any such vessel or aircraft of the United States or laden as supplies (including equipment) upon, or used in the maintenance or repair of, any such foreign vessel or aircraft, shall be considered to be exported within the meaning of the drawback provisions of this Act.

* * * * *

SEC. 313. DRAWBACK AND REFUNDS.

(a) * * *

(b) **SUBSTITUTION FOR DRAWBACK PURPOSES.**—If imported duty-paid sugar, or metal, or ore containing metal, or flaxseed or linseed, or flaxseed or linseed oil, and duty-free or domestic merchandise of the same kind and quality are used in the manufacture or production of articles within a period not to exceed [one year] three years from the receipt of such imported merchandise by the manufacturer or producer of such articles, there shall be allowed upon the exportation of any such articles, notwithstanding the fact that none of the imported merchandise may actually have been used in the manufacture or production of the exported articles, an amount of drawback equal to that which would have been allowable had the sugar, or metal, or ore containing metal, or flaxseed or linseed, or flaxseed or

linseed oil, used therein been imported; but the total amount of drawback allowed upon the exportation of such articles, together with the total amount of drawback allowed in respect of such imported merchandise under any other provision of law, shall not exceed 99 per centum of the duty paid on such imported merchandise.

(c) **MERCHANDISE NOT CONFORMING TO SAMPLE OR SPECIFICATIONS.**—Upon the exportation of merchandise not conforming to sample or specifications or shipped without the consent of the consignee upon which the duties have been paid and which have been entered or withdrawn for consumption and, within [thirty] ninety days after release from customs custody, unless the Secretary authorizes in writing a longer time returned to customs custody for exportation, the full amount of the duties paid upon such merchandise shall be refunded as drawback, less 1 per centum of such duties.

* * * * *

(h) **TIME LIMITATION ON EXPORTATION.**—No drawback shall be allowed under the provisions of this section [or of section 6 of the Act entitled "An Act temporarily to provide revenue for the Philippine Islands, and for other purposes," approved March 8, 1902 (relating to drawback on shipments to the Philippine Islands),] unless the completed article is [exported, or shipped to the Philippine Islands, within three] exported within five years after importation of the imported merchandise.

(i) **REGULATIONS.**—The Secretary of the Treasury is authorized to prescribe regulations governing (1) the identification of imported merchandise used in the manufacture or production of articles entitled to drawback of customs duties, the ascertainment of the quantity of such merchandise used, of the time when such merchandise was received by the manufacturer or producer of the exported articles, and of the amount of duties paid thereon, the determination of the facts of the manufacture or production of such articles in the United States and their exportation therefrom, the time within which drawback entries on such articles shall be filed and completed, to entitle such articles to drawback, and the payment of drawback due thereon; (2) the identification of merchandise withdrawn for consumption and returned to customs custody for exportation, the determination of the facts of nonconformity thereof to sample or specifications and of exportation thereof from the United States, and the payment of the drawback due thereon; (3) the determination and payment of drawback of internal-revenue tax on domestic distilled spirits and wines, including the requirement of such notices, bonds, bills of lading, and other evidence of payment of tax and exportation as the Secretary of the Treasury deems necessary; (4) the remission of duties on imported salt used in curing fish, including the production of proof that the salt has been so used; and (5) the refunding of duties paid upon imported salt used in curing exported meats, including the production of proof that the salt has been so used; and designating the person to whom refund or payment of drawback shall be made.]

(i) **REGULATIONS.**—Allowance of the privileges provided for in this section shall be subject to compliance with such rules and regulations as the Secretary of the Treasury shall prescribe, which may include, but need not be limited to, the fixing of a time limit within which drawback entries or entries for refund under any of the provisions of this section or section 309 (b) of this Act shall be filed and completed, and the designation of the person to whom any refund or payment of drawback shall be made.

* * * * *

[SEC. 315. EFFECTIVE DATE OF RATES OF DUTY.]

[On and after the day when this Act shall go into effect all goods, wares, and merchandise previously imported, for which no entry has been made, and all goods, wares, and merchandise previously entered without payment of duty and under bond for warehousing, transportation, or any other purpose, for which no permit of delivery to the importer or his agent has been issued, shall be subjected to the duties imposed by this Act and to no other duty upon the entry or the withdrawal thereof. Insofar as duties are based upon the quantity of any merchandise, such duties shall, except as provided in paragraph 813 and section 562 of this Act (relating respectively to certain beverages and to manipulating warehouses), be levied and collected upon the quantity of such merchandise at the time of its importation. No administrative ruling resulting in the imposition of a higher rate of duty or charge than the Secretary of the Treasury shall find to have been applicable to imported merchandise under an established and uniform practice shall be effective with respect to articles entered for consumption or withdrawn from warehouse for consumption prior to the expiration of thirty days after the date of publication in the weekly Treasury Decisions of notice of

such ruling; but this provision shall not apply with respect to the imposition of antidumping duties.]

SEC. 315. EFFECTIVE DATES OF RATES OF DUTY.

(a) Except as otherwise specially provided for, the rate or rates of duty imposed by or pursuant to this Act or any other law on any article entered for consumption or withdrawn from warehouse for consumption shall be the rate or rates in effect when the documents comprising the entry for consumption or withdrawal from warehouse for consumption and any estimated or liquidated duties then required to be paid have been deposited with the appropriate customs officer in the form and manner prescribed by regulations of the Secretary of the Treasury, except that—

(1) any article released under an informal mail entry shall be subject to duty at the rate or rates in effect when the preparation of the entry is completed; and

(2) any article which is not subject to a quantitative or tariff-rate quota and which is covered by an entry for immediate transportation made at the port of original importation under section 552 of this Act, if entered for consumption at the port designated by the consignee, or his agent, in such transportation entry without having been taken into the custody of the collector under section 490 of this Act, shall be subject to the rate or rates in effect when the transportation entry was accepted at the port of original importation.

(b) Any article which has been entered for consumption but which, before release from customs custody, is removed from the port or other place of intended release because of inaccessibility, overcarriage, strike, act of God, or unforeseen contingency, shall be subject to duty at the rate or rates in effect when the entry for consumption and any required duties were deposited in accordance with subsection (a) of this section, but only if the article is returned to such port or place within ninety days after the date of removal and the identity of the article as that covered by the entry is established in accordance with regulations prescribed by the Secretary of the Treasury.

(c) Insofar as duties are based upon the quantity of any merchandise, such duties shall, except as provided in paragraph 813 and section 562 of this Act (relating respectively to certain beverages and to manipulating warehouses), be levied and collected upon the quantity of such merchandise at the time of its importation.

(d) No administrative ruling resulting in the imposition of a higher rate of duty or charge than the Secretary of the Treasury shall find to have been applicable to imported merchandise under an established and uniform practice shall be effective with respect to articles entered for consumption or withdrawn from warehouse for consumption prior to the expiration of thirty days after the date of publication in the weekly Treasury Decisions of notice of such rulings; but this provision shall not apply with respect to the imposition of antidumping duties.

* * * * *

SEC. 317. TOBACCO PRODUCTS; SUPPLIES FOR AIRCRAFT.

(a) * * *

(b) The shipment or delivery of any merchandise for use as supplies (including equipment) upon, or in the maintenance or repair [of, aircraft registered in any foreign country and actually engaged in foreign trade or trade between the United States and any of its possessions, where such trade by foreign aircraft is permitted,] of any vessel or aircraft described in subdivision (2) or (3) of section 309 (a) of this Act, or for use as ground equipment for any such aircraft, shall be deemed an exportation within the meaning of the customs and internal-revenue laws applicable to the exportation of such merchandise without the payment of duty or internal-revenue tax. With respect to merchandise for use as ground equipment, such shipment or delivery shall not be deemed an exportation within the meaning of the internal-revenue laws relating to taxes other than those imposed upon or by reason of importation.

* * * * *

[SEC. 320. RECIPROCAL AGREEMENTS RELATING TO ADVERTISING MATTER.

[With the advice and consent of the President, the Secretary of the Treasury and the Postmaster General, jointly, may, on behalf of the United States, enter into a reciprocal agreement with any foreign country to provide for the entry free of duty in the respective countries of dispatches or shipments through the mails of circulars, folders, pamphlets, books, and cards, in the nature of advertising matter (except such matter as may be printed, manufactured, or produced in a foreign country, advertising the sale of articles by persons carrying on business in the United States or containing announcements relating to the merchandise or business of such persons) to individual addresses, and may, in the event any such agreement is entered into, prescribe such rules and regulations as they

may deem necessary relating to the customs and postal treatment of such matter in the United States.]

SEC. 321. ADMINISTRATIVE EXEMPTIONS.

【Collectors of customs are authorized, under such regulations as the Secretary of the Treasury may prescribe, to disregard a difference of less than \$1 between the total estimated duties or taxes deposited, or the total duties or taxes tentatively assessed, with respect to any entry of merchandise and the total amount of duties or taxes actually accruing thereon, and to admit articles free of duty when the expense and inconvenience of collecting the duty accruing thereon would be disproportionate to the amount of such duty, but the aggregate value of articles imported by one person on one day and exempted from the payment of duty under the authority of this section shall not exceed \$5 in the case of articles accompanying, and for the personal or household use of, persons arriving in the United States, or \$1 in any other case.】

(a) *The Secretary of the Treasury, in order to avoid expense and inconvenience to the Government disproportionate to the amount of revenue that would otherwise be collected, is hereby authorized, under such regulations as he shall prescribe, to—*

(1) *disregard a difference of less than \$3 between the total estimated duties or taxes deposited, or the total duties or taxes tentatively assessed, with respect to any entry of merchandise and the total amount of duties or taxes actually accruing thereon; and*

(2) *admit articles free of duty and of any tax imposed on or by reason of importation, but the aggregate value of articles imported by one person on one day and exempted from the payment of duty shall not exceed—*

(A) *\$10 in the case of articles sent as bona fide gifts from persons in foreign countries to persons in the United States, or*

(B) *\$10 in the case of articles accompanying, and for the personal or household use of, persons arriving in the United States who are not entitled to any exemption from duty or tax under paragraph 1798 (c) (2) of this Act, or*

(C) *\$1 in any other case.*

The privilege of this subdivision (2) shall not be granted in any case in which merchandise covered by a single order or contract is forwarded in separate lots to secure the benefit of this subdivision (2).

(b) *The Secretary of the Treasury is authorized by regulations to diminish any dollar amount specified in subsection (a) and to prescribe exceptions to any exemption provided for in such subsection whenever he finds that such action is consistent with the purpose of such subsection or is necessary for any reason to protect the revenue or to prevent unlawful importations.*

SEC. 322. INTERNATIONAL TRAFFIC AND RESCUE WORK.

(a) *Vehicles and other instruments of international traffic, of any class specified by the Secretary of the Treasury, shall be granted the customary exceptions from the application of the customs laws to such extent and subject to such terms and conditions as may be prescribed in regulations or instructions of the Secretary of the Treasury.*

(b) *The Secretary of the Treasury may provide by regulation or instruction for the admission, without entry and without the payment of any duty or tax imposed upon or by reason of importation, of—*

(1) *aircraft, equipment, supplies, and spare parts for use in searches, rescues, investigations, repairs, and salvage in connection with accidental damage to aircraft;*

(2) *fire-fighting and rescue and relief equipment and supplies for emergent temporary use in connection with conflagrations; and*

(3) *rescue and relief equipment and supplies for emergent temporary use in connection with floods and other disasters.*

Any articles admitted under the authority of this subsection and used otherwise than for a purpose herein expressed, or not exported in such time and manner as may be prescribed in the regulations or instructions herein authorized, shall be forfeited to the United States.

* * * * *

SEC. 431. MANIFEST—REQUIREMENT, FORM, AND CONTENTS.

(a) *The master of every vessel arriving in the United States and required to make entry shall have on board his vessel a manifest in a form to be prescribed by the Secretary of the Treasury and signed by such master under oath as to the truth of the statements therein contained. Such manifest shall contain:*

First. The names of the ports or places at which the merchandise was taken on board and the ports of entry of the United States for which the same is destined,

particularly describing the merchandise destined to each such port: *Provided*, That the master of any vessel laden exclusively with coal, sugar, salt, nitrates, hides, dyewoods, wool, or other merchandise in bulk consigned to one owner and arriving at a port for orders, may destine such cargo "for orders", and within fifteen days thereafter, but before the unloading of any part of the cargo such manifest may be amended by the master by designating the port or ports of discharge of such cargo, and in the event of failure to amend the manifest within the time permitted such cargo must be discharged at the port at which the vessel arrived and entered.

Second. The name, description, and build of the vessel, the true measure or tonnage thereof, the port to which such vessel belongs, and the name of the master of such vessel.

Third. A detailed account of all merchandise on board such vessel, with the marks and numbers of each package, and the number and description of the packages according to their usual name or denomination, such as barrel, keg, hogshead, case, or bag.

Fourth. The names of the persons to whom such packages are respectively consigned in accordance with the bills of lading issued therefor, except that when such merchandise is consigned to order the manifest shall so state.

Fifth. The names of the several passengers aboard the vessel, stating whether cabin or steerage passengers, with their baggage, specifying the number and description of the pieces of baggage belonging to each, and a list of all baggage not accompanied by passengers.

Sixth. An account of the sea stores and ship's stores on board of the vessel.

(b) *Whenever a manifest of articles or persons on board an aircraft is required for customs purposes to be signed, or produced or delivered to a customs officer, the manifest may be signed, produced, or delivered by the pilot or person in charge of the aircraft, or by any other authorized agent of the owner or operator of the aircraft, subject to such regulations as the Secretary of the Treasury may prescribe. If any irregularity of omission or commission occurs in any way in respect of any such manifest, the owner or operator of the aircraft shall be liable for any fine or penalty prescribed by law in respect of such irregularity.*

* * * * *

SEC. 439. DELIVERY OF MANIFEST.

Immediately upon arrival and before entering his vessel, the master of a vessel from a foreign port or place required to make entry shall mail or deliver to [the comptroller of customs for the district in which the port of entry is located] *such employee as the Secretary of the Treasury shall designate*, a copy of the manifest, and shall on entering his vessel make affidavit that a true and correct copy was so mailed or delivered, and he shall also mail or deliver to [said comptroller of customs] *such employee designated by the Secretary* a true and correct copy of any correction of such manifest filed on entry of his vessel. Any master who fails so to mail or deliver such copy of the manifest or correction thereof shall be liable to a penalty of not more than \$500.

SEC. 440. CORRECTION OF MANIFEST.

If there is any merchandise or baggage on board such vessel which is not included in or which does not agree with the manifest, the master of the vessel shall make a post entry thereof, and mail or deliver a copy to [the comptroller of customs for the district in which the port of entry is located] *such employee as the Secretary of the Treasury shall designate* and for failure so to do shall be liable to a penalty of \$500.

* * * * *

SEC. 482. CERTIFIED INVOICE.

(a) **CERTIFICATION IN GENERAL.**—Every invoice [covering merchandise exceeding \$100 in value] *required pursuant to section 484 (b) of this Act to be certified* shall, at or before the time of the shipment of the merchandise, or as soon thereafter as the conditions will permit, be produced for certification to the consular officer of the United States—

(1) For the consular district in which the merchandise was manufactured, or purchased, or from which it was to be delivered pursuant to contract;

(2) For the consular district in which the merchandise is assembled and repacked for shipment to the United States, if it has been purchased in different consular districts.

* * * * *

SEC. 484. ENTRY OF MERCHANDISE.

(a) **REQUIREMENT AND TIME.**—Except as provided in sections 490, 498, 552, and 553 and in subdivision (j) of section 336 of this Act, and in subdivisions (h) and (i) of this section, the consignee of imported merchandise shall make entry therefor either in person or by an agent authorized by him in writing under such regulations as the Secretary of the Treasury may prescribe. Such entry shall be made at the customhouse within [forty-eight hours] *five days*, exclusive of Sundays and holidays, after the entry of the importing vessel or report of the vehicle, or after the arrival at the port of destination in the case of merchandise transported in bond, unless the collector authorizes in writing a longer time.

[(b) **PRODUCTION OF CERTIFIED INVOICE.**—No merchandise shall be admitted to entry under the provisions of this section without the production of a certified invoice therefor, except that entry may be permitted if—

[(1) The collector is satisfied that the failure to produce such invoice is due to causes beyond the control of the person making entry;

[(2) Such person makes a verified declaration in writing that he is unable to produce such invoice and (A) files therewith a seller's or shipper's invoice, or (B) if he is not in possession of a seller's or shipper's invoice files therewith a statement of the value, or the price paid, in the form of an invoice; and

[(3) Such person gives a bond for the production of such certified invoice within six months.

[(The Secretary of the Treasury may by regulations provide for such exceptions from the requirements of this subdivision as he deems advisable.)]

(b) **PRODUCTION OF CERTIFIED INVOICE.**—*The Secretary of the Treasury shall provide by regulation for the production of a certified invoice with respect to such merchandise as he deems advisable and for the terms and conditions under which such merchandise may be permitted entry under the provisions of this section without the production of a certified invoice.*

* * * * *

(f) **PACKAGES INCLUDED.**—If any of the certificates or documents necessary to make entry of any part of merchandise arriving on one vessel or vehicle and consigned to one consignee have not arrived, such part may be entered subsequently, and notation of the packages or cases to be omitted from the original entry shall be made thereon. One or more packages arriving on one vessel or vehicle addressed for delivery to one person and imported in another package containing packages addressed for delivery to other persons may be separately entered, under such rules and regulations as the Secretary of the Treasury may prescribe. All other merchandise arriving on one vessel or vehicle and consigned to one consignee shall be included in one entry, unless the Secretary of the Treasury shall authorize the inclusion of portions of such merchandise in separate entries under such rules and regulations as he may [prescribe.] *prescribe; except that, in the case of articles not subject to a quantitative or tariff-rate quota, entry for the entire quantity covered by an entry for immediate transportation made under section 552 of this Act may be accepted at the port of entry designated by the consignee, or his agent, in such entry after the arrival of any part of such quantity at such designated port or at such other place of deposit as may be authorized in accordance with regulations prescribed by the Secretary of the Treasury.*

* * * * *

SEC. 486. ADMINISTRATION OF [OATHS.] OATHS—VERIFICATION OF DOCUMENTS.

(a) **CUSTOMS OFFICERS.**—The following officers and employees may administer any oaths required or authorized by law or regulations promulgated thereunder in respect of any matter coming before such officers or employees in the performance of their official duties: (1) Any customs officer appointed by the President; (2) the chief assistant of any such officer, or any officer or employee of the customs field service designated for the purpose by such officer or by the Secretary of the Treasury; and (3) any officer or employee of the Bureau of Customs designated for the purpose by the Secretary of the Treasury.

(b) **POSTMASTERS.**—The postmaster or assistant postmaster of the United States at any post office where customs officers are not stationed, is hereby authorized to administer any oaths required to be made to statements in customs documents by importers of merchandise not exceeding \$100 in value through the mails.

(c) **NO COMPENSATION.**—No compensation or fee shall be demanded or accepted for administering any oath under the provisions of this section.

(d) **VERIFICATION IN LIEU OF OATH.**—*The Secretary of the Treasury may by regulation prescribe that any document required by any law administered by the*

Customs Service to be under oath may be verified by a written declaration in such form as he shall prescribe, such declaration to be in lieu of the oath otherwise required.

SEC. 487. VALUE IN ENTRY—AMENDMENT.

The consignee or his agent may, under such regulations as the Secretary of the Treasury may prescribe, at the time entry is made, [or at any time before the invoice or the merchandise has come under the observation of the appraiser for the purpose of appraisement,] make in the entry such additions to or deduction from the cost or value given in the invoice as, in his opinion, may raise or lower the same to the value of such merchandise.

* * * * *

SEC. 489. ADDITIONAL DUTIES.

[If the final appraised value of any article of imported merchandise which is subject to an ad valorem rate of duty or to a duty based upon or regulated in any manner by the value thereof shall exceed the entered value, there shall be levied, collected, and paid, in addition to the duties imposed by law on such merchandise, an additional duty of 1 per centum of the total final appraised value thereof for each 1 per centum that such final appraised value exceeds the value declared in the entry. Such additional duty shall apply only to the particular article or articles in each invoice that are so advanced in value upon final appraisement and shall not be imposed upon any article upon which the amount of duty imposed by law on account of the final appraised value does not exceed the amount of duty that would be imposed if the final appraised value did not exceed the entered value, and shall be limited to 75 per centum of the final appraised value of such article or articles. Such additional duties shall not be construed to be penal and shall not be remitted nor payment thereof in any way avoided, except in the case of a clerical error, upon the order of the Secretary of the Treasury, or in any case upon the finding of the United States Customs Court, upon a petition filed at any time after final appraisement and before the expiration of sixty days after liquidation and supported by satisfactory evidence under such rules as the court may prescribe, that the entry of the merchandise at a less value than that returned upon final appraisement was without any intention to defraud the revenue of the United States or to conceal or misrepresent the facts of the case or to deceive the appraiser as to the value of the merchandise. If the appraised value of any merchandise exceeds the value declared in the entry by more than 100 per centum, such entry shall be presumptively fraudulent, and the collector shall seize the whole case or package containing such merchandise and proceed as in case of forfeiture for violation of the customs laws; and in any legal proceeding other than a criminal prosecution that may result from such seizure, the under valuation as shown by the appraisal shall be presumptive evidence of fraud, and the burden of proof shall be on the claimant to rebut the same, and forfeiture shall be adjudged unless he rebuts such presumption of fraud by sufficient evidence.

[Upon the making of such order or finding, the additional duties shall be remitted or refunded, wholly or in part, and the entry shall be liquidated or reliquidated accordingly. Such additional duties shall not be refunded in case of exportation of the merchandise, nor shall they be subject to the benefit of drawback. All additional duties, penalties, or forfeitures applicable to merchandise entered in connection with a certified invoice shall be alike applicable to merchandise entered in connection with a seller's or shipper's invoice or statement in the form of an invoice.]

Furniture described in paragraph 1811 shall enter the United States at ports which shall be designated by the Secretary of the Treasury for this purpose. If any article described in paragraph 1811 and imported for sale is rejected as unauthentic in respect to the antiquity claimed as a basis for free entry, there shall be imposed, collected, and paid on such article, unless exported under customs supervision, a duty of 25 per centum of the value of such article in addition to any other duty imposed by law upon such article.

* * * * *

SEC. 498. ENTRY UNDER REGULATIONS.

(a) **AUTHORIZED FOR CERTAIN MERCHANDISE.**—The Secretary of the Treasury is authorized to prescribe rules and regulations for the declaration and entry of—

[(1) Merchandise not exceeding \$100 in value, including such merchandise imported through the mails;]

(1) *Merchandise, imported in the mails or otherwise, when the aggregate value of the shipment does not exceed such amount, not greater than \$250, as the Secretary of the Treasury shall specify in the regulations, and the specified*

amount may vary for different classes or kinds of merchandise or different classes of transactions;

(2) Merchandise damaged on the voyage of importation, by fire or through marine casualty or any other cause, without fault on the part of the shipper;

(3) Merchandise recovered from a wrecked or stranded vessel;

(4) Household effects used abroad and personal effects, not imported in pursuance of a purchase or agreement for purchase and not intended for sale;

(5) Articles sent by persons in foreign countries as gifts to persons in the United States;

(6) Articles carried on the person or contained in the baggage of a person arriving in the United States;

(7) Tools of trade of a person arriving in the United States;

(8) Personal effects of citizens of the United States who have died in a foreign country;

(9) Merchandise within the provisions of sections 465 and 466 of this Act (relating to supplies, repairs, and equipment on vessels and railway cars) at the first port of arrival;

(10) Merchandise when in the opinion of the Secretary of the Treasury the value thereof cannot be declared; and

[(11) Merchandise within the provisions of the Act entitled "An Act to expedite the delivery of imported parcels and packages, not exceeding \$500 in value," approved June 8, 1896.]

(11) Merchandise within the provisions of paragraph 1631 of this Act.

* * * * *

SEC. 501. NOTICE OF APPRAISEMENT: REAPPRAISEMENT.

The collector shall give written notice of appraisement to the consignee, his agent, or his attorney, if (1) the appraised value is higher than the entered value, or (2) a change in the classification of the merchandise results from the appraiser's determination of [value.] value, or (3) in any case, if the consignee, his agent, or his attorney requests such notice in writing before appraisement, setting forth a substantial reason for requesting the notice. The decision of the [appraiser shall] appraiser, including all determinations entering into the same, shall be final and conclusive upon all parties unless a written appeal for a reappraisement is filed with or mailed to the United States Customs Court by the collector within sixty days after the date of the appraiser's report, or filed by the consignee or his agent with the collector within thirty days after the date of personal delivery, or if mailed the date of mailing of written notice of appraisement to the consignee, his agent, or his attorney. [No such appeal filed by the consignee or his agent shall be deemed valid, unless he has complied with all the provisions of this Act relating to the entry and appraisement of such merchandise.] Every such appeal shall be transmitted with the entry and the accompanying papers by the collector to the United States Customs Court.

* * * * *

SEC. 503. DUTIABLE VALUE.

(a) GENERAL RULE.—Except as provided in section 562 of this Act (relating to withdrawal from manipulating warehouses) [and in subdivision (b) of this section], the basis for the assessment of duties on imported merchandise subject to ad valorem rates of duty shall be [the entered value or] the final appraised value [, whichever is higher].

[(b) ENTRIES PENDING REAPPRAISEMENT.—If the importer certifies at the time of entry that he has entered the merchandise at a value higher than the value as defined in this Act because of advances by the appraiser in similar cases then pending on appeal for reappraisement or re-reappraisement, and if the importer's contention in such pending cases shall subsequently be sustained, wholly or in part, by a final decision on reappraisement or re-reappraisement, and if it shall appear that such action of the importer on entry was taken in good faith, the collector shall liquidate the entry in accordance with the final appraisement.]

[(c) (b) BASIS OF RATE.—For the purpose of determining the rate of duty to be assessed upon any merchandise when the rate is based upon or regulated in any manner by the value of the merchandise, the final appraised value shall (except as provided in section 562 of this Act) be taken to be the value of the merchandise.]

* * * * *

SEC. 508. COMMINGLING OF GOODS.

【Whenever dutiable merchandise and merchandise which is free of duty or merchandise subject to different rates of duty are so packed together or mingled that the quantity or value of each class of such merchandise cannot be readily ascertained by the customs officers, the whole of such merchandise shall be subject to the highest rate of duty applicable to any part thereof, unless the importer or consignee shall segregate such merchandise at his own risk and expense under customs supervision within ten days after entry thereof, in order that the quantity and value of each part or class thereof may be ascertained.**】**

(a) *Whenever dutiable merchandise and merchandise which is free of duty or merchandise subject to different rates of duty are so packed together or mingled that the quantity or value of each class of such merchandise cannot be readily ascertained by the customs officers (without physical segregation of the shipment or the contents of any entire package thereof), by one or more of the following means: (1) Examination of a representative sample, (2) occasional verification of packing lists or other documents filed at the time of entry, or (3) evidence showing performance of commercial settlement tests generally accepted in the trade and filed in such time and manner as may be prescribed by regulations of the Secretary of the Treasury, and if the consignee or his agent shall not segregate the merchandise pursuant to subsection (b), then the whole of such merchandise shall be subject to the highest rate of duty applicable to any part thereof.*

(b) *Every segregation of merchandise made pursuant to this section shall be accomplished by the consignee or his agent at the risk and expense of the consignee within thirty days after the date of personal delivery or mailing; by such employee as the Secretary of the Treasury shall designate, of written notice to the consignee that the merchandise is commingled, unless the Secretary authorizes in writing a longer time. Every such segregation shall be accomplished under customs supervision, and the compensation and expenses of the supervising customs officers shall be reimbursed to the Government by the consignee under such regulations as the Secretary of the Treasury may prescribe.*

(c) *The foregoing provisions of this section shall not apply with respect to any part of a shipment if the consignee or his agent shall furnish, in such time and manner as may be prescribed by regulations of the Secretary of the Treasury, satisfactory proof (1) that such part (A) is commercially negligible, (B) is not capable of segregation without excessive cost, and (C) will not be segregated prior to its use in a manufacturing process or otherwise, and (2) that the commingling was not intended to avoid the payment of lawful duties or any part thereof. Any merchandise with respect to which such proof is furnished shall be considered for all customs purposes as a part of the merchandise, subject to the next lower rate of duty (including a free rate), with which it is commingled.*

(d) *The foregoing provisions of this section shall not apply with respect to any shipment if the consignee or his agent shall furnish, in such time and manner as may be prescribed by regulations of the Secretary of the Treasury, satisfactory proof (1) that the value of the commingled merchandise is less than the aggregate value would be if the shipment were segregated; (2) that the shipment is not capable of segregation without excessive cost and will not be segregated prior to its use in a manufacturing process or otherwise; and (3) that the commingling was not intended to avoid the payment of lawful duties or any part thereof. Any merchandise with respect to which such proof is furnished shall be considered for all customs purposes to be dutiable at the rate (including a free rate) applicable to the material present in greater quantity than any other material.*

SEC. 520. REFUNDS AND ERRORS.

(a) * * *

* * * * *

(c) Notwithstanding a valid protest was not filed, the Secretary of the Treasury may authorize a collector to reliquidate an entry to correct—

【(1) A clerical error in any entry or liquidation discovered within one year after the date of entry, or within sixty days after liquidation when liquidation is made more than ten months after the date of entry; or**】**

(1) *a clerical error, mistake of fact, or other inadvertence not amounting to an error in the construction of a law, adverse to the importer and manifest from the record or established by documentary evidence, in any entry, liquidation, appraisement, or other customs transaction, when the error, mistake, or inadvertence is brought to the attention of the customs service within one year after the date of entry, appraisement, or transaction, or within sixty days after liquidation or exaction when the liquidation or exaction is made more than ten months after the date of the entry, appraisement, or transaction; or*

(2) **[Any]** any assessment of duty on household or personal effects **[which by law were not subject to duty and]** in respect of which an application for refund has been **[filed with the collector within]** *filed, with such employee as the Secretary of the Treasury shall designate, within one year after the date of entry.*

* * * * *

[SEC. 523. COMPTROLLERS OF CUSTOMS.

[Naval officers of customs in office on September 22, 1922, and their successors shall continue to be known as Comptrollers of Customs.

[Comptrollers of Customs shall examine the collector's accounts of receipts and disbursements of money and receipts and disposition of merchandise and certify the same to the Secretary of the Treasury for transmission to the General Accounting Office. They shall perform such other duties as the Secretary of the Treasury may from time to time prescribe, and their administrative examination shall extend to all customs districts assigned to them by the Secretary of the Treasury

[Comptrollers of Customs shall verify all assessments of duties and allowances of drawbacks made by collectors in connection with the liquidation thereof. In cases of disagreement between a collector and a Comptroller of Customs, the latter shall report the facts to the Secretary of the Treasury for instructions.

[This section shall not be construed to affect the manner of appointment, the terms of office, or the compensation of any such officer as now provided by law, nor to affect the provisions of the Budget and Accounting Act, 1921, approved June 10, 1921.

[So much of sections 2626 and 4158 of the Revised Statutes, as amended, as requires the countersigning of documents by naval officers (now Comptrollers of Customs) or by surveyors, and so much of section 4332 of the Revised Statutes, as amended, as requires the signing of documents by naval officers (now Comptrollers of Customs), is hereby repealed.]

SEC. 523. EXAMINATION OF ACCOUNTS.

The Secretary of the Treasury or such officer or employee as he shall designate, shall, under regulations and instructions prescribed by the Secretary—

- (1) *examine the collectors' accounts of receipts and disbursements of money and receipts and disposition of merchandise; and*
- (2) *verify, to such extent as the Secretary of the Treasury shall direct, assessments of duties and taxes and allowances of drawback.*

* * * * *

SEC. 557. ENTRY FOR WAREHOUSE—WAREHOUSE PERIOD—DRAWBACK.

(a) * * *

[(b) The right to withdraw any merchandise entered in accordance with subsection (a) of this section for the purposes specified in such subsection may be transferred upon compliance with regulations prescribed by the Secretary of the Treasury. So long as any such transfer remains unrevoked the transferee shall have, with respect to the merchandise the subject of the transfer, all rights to file protests, and to the privileges provided for in this section and in sections 562 and 563 of this Act which would otherwise be possessed by the transferor. The transferee shall also have the right to receive all lawful refunds of moneys paid by him to the United States with respect to the merchandise and no revocation of any transfer shall deprive him of this right. Any such transfer may be made irrevocable by the filing of a bond of the transferee in such amount and with such conditions as the Secretary of the Treasury shall prescribe, including an obligation to pay all unpaid regular, increased, and additional duties, charges, and exactions on the merchandise the subject of the transfer. Upon the filing of such bond the transferor shall be relieved from liability for the payment of duties, charges, and exactions on the merchandise the subject of the transfer, but shall remain bound by all other unsatisfied conditions of his bond.]

(b) The right to withdraw any merchandise entered in accordance with subsection (a) of this section for the purposes specified in such subsection may be transferred upon compliance with regulations prescribed by the Secretary of the Treasury and upon the filing by the transferee of a bond in such amount and containing such conditions as the Secretary of the Treasury shall prescribe. The bond shall include an obligation to pay, with respect to the merchandise the subject of the transfer, all unpaid regular, increased, and additional duties, all unpaid taxes imposed upon or by reason of importation, and all unpaid charges and exactions. Such transfers shall be irrevocable, shall relieve the transferor from all customs liability with respect

to obligations assumed by the transferee under the bond herein provided for, and shall confer upon the transferee all rights to the privileges provided for in this section and in sections 562 and 563 of this Act which were vested in the transferor prior to the transfer. The transferee shall also have the right to receive all lawful refunds of moneys paid by him to the United States with respect to the merchandise the subject of the transfer, but shall have no right to file any protest under section 514 of this Act except as to decisions with respect to his rights under subsection (c) of this section or under section 562 or 563 of this Act or against a decision as to the rate or amount of duty, tax, charge, or exaction when such rate or amount has been changed by statute or proclamation on or after the date of the transfer. The transferee shall have no right to file an appeal for reappraisal under section 501 of this Act, except when subsequent to the transfer and before a withdrawal for consumption has been deposited for the merchandise, it has been changed in condition pursuant to the provisions of section 562 or 311 of this Act in a manner which necessitates that it be appraised in its changed condition in order that the correct amount of duties may be assessed. No new or separate liquidation, reliquidation, or determination shall be made in the name of, or on behalf of, a transferee, except with regard to any matter which may arise under subsection (c) of this section or section 562 or 563 of this Act when the transferee has invoked either of these sections, and in the case of a statutory or proclaimed change in the rate of duty, tax, charge, or exaction applicable to the merchandise the subject of the transfer and effective on or after the date of the transfer. A transferee may further transfer the right to withdraw merchandise, subject to the provisions of this subsection relating to original transfers.

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SEC. 562. MANIPULATION IN WAREHOUSE.

Unless by special authority of the Secretary of the Treasury, no merchandise shall be withdrawn from bonded warehouse in less quantity than an entire bale, cask, box, or other package; or, if in bulk, in the entire quantity imported or in a quantity not less than one ton weight. All merchandise so withdrawn shall be withdrawn in the original packages in which imported unless, upon the application of the importer, it appears to the collector that it is necessary to the safety or preservation of the merchandise to repack or transfer the same: *Provided*, That upon permission therefor being granted by the Secretary of the Treasury, and under customs supervision, at the expense of the proprietor, merchandise may be cleaned, sorted, repacked, or otherwise changed in condition, but not manufactured, in bonded warehouses established for that purpose and be withdrawn therefrom for exportation to a foreign country or for shipment to the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, or the island of Guam, without payment of the duties, or for consumption, upon payment of the duties accruing thereon, in its condition and quantity, and at its weight, at the time of withdrawal from warehouse, with such additions to or reductions from the final appraised value as may be necessary by reason of change in condition. The basis for the assessment of duties on such merchandise so withdrawn for consumption shall be [the entered value or] the adjusted final appraised value, [whichever is higher,] and if the rate of duty is based upon or regulated in any manner by the value of the [merchandise such] merchandise, such rate shall be based upon or regulated by such adjusted final appraised value [; but for the purpose of the ascertainment and assessment of additional duties under section 489 of this Act adjustments of the final appraised value shall be disregarded]. The scouring or carbonizing of wool shall not be considered a process of manufacture within the provisions of this section. Under such regulations as the Secretary of the Treasury shall prescribe, imported merchandise which has been entered and which has remained in continuous customs custody may be manipulated in accordance with the provisions of this section under customs supervision and at the risk and expense of the consignee, but elsewhere than in a bonded warehouse, in cases where neither the protection of the revenue nor the proper conduct of customs business requires that such manipulation be done in a bonded warehouse.

* * * * *

SEC. 646. CUSTOMS SUPERVISION.

Wherever in this Act any action or thing is required to be done or maintained under the supervision of customs officers, such supervision may be direct and continuous or by occasional verification as may be required by regulations of the Secretary of the Treasury, or, in the absence of such regulations for a particular case, as the principal customs officer concerned shall direct.

REVISED STATUTES OF THE UNITED STATES

[SEC. 2621. At each of the ports for which there are a collector, comptroller, and surveyor, it shall be the duty of the collector:

[First. To receive all reports, manifests, and documents to be made or exhibited on the entry of any ship or vessel, according to the regulations of this title.

[Second. To record, in books to be kept for that purpose, all manifests.

[Third. To receive the entries of all ships or vessels, and of the goods, wares, and merchandise imported in them.

[Fourth. To estimate, together with the comptroller where there is one, or alone where there is none, the amount of the dues payable thereupon, indorsing such amount upon the respective entries.

[Fifth. To receive all moneys paid for duties, and take all bonds for securing the payment thereof.

[Sixth. To grant all permits for the unlading and delivery of goods.

[Seventh. To provide, with the approval of the Secretary of the Treasury, at the public expense, storehouses for the safekeeping of goods, and such scales, weights, and measures as may be necessary.]

[SEC. 2622. At ports at which there are a collector and surveyor only, the collector shall solely execute all the duties in which the cooperation of the comptroller is requisite at the ports where there is a comptroller. And he shall act in like manner in case of the disability or death of the comptroller, until a successor is appointed, unless there is a deputy duly authorized, who in that case shall continue to act until an appointment is made.]

[SEC. 2623. At ports at which there is a collector only, the collector shall solely execute all the duties in which the cooperation of the comptroller is requisite, at ports where a comptroller is appointed, and he shall also, as far as may be, perform all the duties prescribed for surveyors at ports where surveyors are authorized.]

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[SEC. 2626. At ports at which there are a collector, comptroller, and surveyor, it shall be the duty of the comptroller—

[First. To receive copies of all manifests and entries.

[Second. To estimate, together with the collector, the duties on all merchandise subject to duty, and no duties shall be received without such estimates.

[Third. To keep a separate record of such estimates.

[Fifth. To examine the collector's abstracts of duties and other accounts of receipts, bonds, and expenditures, and certify the same if found right.]

* * * * *

[SEC. 2639. Every collector, comptroller, and surveyor shall keep accurate accounts of all moneys received by him, and of all expenditures, specifying expenditures for rent, fuel, stationery, and clerk hire, and shall annually, within ten days after the 30th day of June, transmit the same, verified by oath, to the General Accounting Office. Every collector, comptroller, or surveyor who omits or neglects to keep such account, or to transmit the same so verified, shall be liable to a penalty of not more than \$500. The Secretary of the Treasury shall make appropriate rules and regulations for carrying out the provisions of this section.]

[SEC. 2640. Collectors, comptrollers, and surveyors shall attend in person at the ports at which their duties are to be performed; and shall keep fair and true accounts and records of all their transactions, as officers of the customs, in such manner and form as may from time to time be directed by the Secretary of the Treasury; and shall at all times submit their books, papers, and accounts to the inspection of such persons as may be appointed for that purpose; and shall once in every month, or oftener if they shall be required, transmit their accounts for settlement to the officer or officers whose duty it shall be to make such settlement. And if any collector, comptroller, or surveyor shall omit to keep fair and true accounts, or shall refuse to submit forthwith his books, papers and accounts to inspection as required by law, or if any collector shall omit or refuse to render his accounts for settlement, for a term exceeding three months after the same shall have been required by the proper officer, the delinquent officer shall be liable to a penalty of \$1,000 to be recovered with costs of suit.]

[SEC. 2641. Every collector, comptroller, and surveyor shall account to the Treasury for all the expenses incident to his office. Such accounts shall be

rendered on oath, at such times and in such forms, and shall be supported by such proofs, as shall be prescribed by the Secretary of the Treasury.】

* * * * *
 【SEC. 2643. Every collector, comptroller, and surveyor shall, together with his accounts of the expenses incident to his office, render a list of the clerks employed by him, stating the rate of compensation allowed to each, and the duties which they severally perform; and also an account of the sums paid for stationery, official or contingent expenses, fuel, and office rent, stating the purposes for which the premises rented are applied.】

* * * * *
 【SEC. 2885. The officers of inspection of any port where distilled spirits or wines shall be landed, shall, upon the landing thereof, and as soon as the casks, vessels, and cases containing the same shall be inspected, gauged, or measured, brand or otherwise mark in durable characters, the several casks, vessels, and cases containing the same, and the marks shall express the number of casks, vessels, or cases, whether of spirits or wines, marked by each officer respectively, in each year, in progressive numbers for each of the articles; also the port of importation, the name of the vessel, and the surname of the master; also each kind of spirits or wines, for which different rates of duty are or shall be imposed, the number of gallons in each cask or case, and the rate of proof if spirits; also the name of the surveyor or chief officer of inspection for the port, and the date of importation; of all which particulars the chief officers of inspections shall keep fair and correct accounts, in books to be provided for that purpose.】

【SEC. 2886. On the sale of any cask, vessel, or case, which has been or shall be marked as containing distilled spirits or wines, and which has been emptied of its contents, and prior to the delivery thereof to the purchaser, or any removal thereof, the marks and numbers, which shall have been set thereon by or under the direction of any officer of inspection, shall be defaced and obliterated in the presence of some officer of inspection or of the customs, who shall, on due notice being given, attend for that purpose, at which time the certificate which ought to accompany such chest, vessel, or case, shall also be returned and canceled. Every person who shall obliterate, counterfeit, alter, or deface any mark or number placed by an officer of inspection upon any cask, vessel, or case, containing distilled spirits or wines, or any certificate thereof; or who shall sell or in any way alienate or remove any cask, vessel, or case, which has been emptied of its contents, before the marks and numbers, set thereon pursuant to the provisions of the preceding section, shall have been defaced or obliterated, in presence of an officer of inspection; or who shall neglect or refuse to deliver the certificate issued to accompany the cask, chest, vessel or case, of which the marks and numbers shall have been defaced or obliterated in manner aforesaid, on being thereto required by an officer of inspection or of the customs, shall for every such offense be liable to a penalty of \$100, with costs of suit.】

* * * * *
 【SEC. 2934. All medicinal preparations, whether chemical or otherwise, usually imported with the name of the manufacturer, shall have the true name of the manufacturer and the place where they are prepared, permanently and legibly affixed to each parcel by stamp, label, or otherwise; and all medicinal preparations imported without such names so affixed shall be adjudged to be forfeited.】

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

(1) 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 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 States, or by members of the regular crew of such [vessel.] 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 temporary bulkheads or other similar devices for the control of bulk cargo, or in the preparation (without permanent repair or alteration) of tanks for the carriage of liquid cargo;

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 duly paid; and if such owner or master shall refuse to take such oath, or take it falsely, the vessel shall be seized and forfeited.

ACT OF JUNE 8, 1896

(19 U. S. C., secs. 472-475)

[AN ACT

[To expedite the delivery of imported parcels and packages not exceeding five hundred dollars in value,

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That articles, not merchandise intended for sale, not exceeding five hundred dollars in value, imported in packages not exceeding one hundred pounds in weight, in vessels of the United States, may be specially delivered to and appraised at the public stores, and the entry thereof liquidated by the collector under such regulations as the Secretary of the Treasury may prescribe, and after such appraisement and liquidation may be delivered, upon payment of the liquidated duties under the bond provided for in this Act, to express companies or other duly incorporated inland carriers bonded for the transportation of appraised or unappraised merchandise between the several ports in the United States: *Provided,* That not more than one such consignment to one ultimate consignee from the same consignor shall be imported in any one vessel: *And provided,* That the original appraisement of and liquidation of duties on such importations shall be final against the owner, importer, agent, or consignee, except in the case of manifest clerical errors, as provided for in section 24 of the Act of June tenth, eighteen hundred and ninety: *Provided,* That nothing contained in this Act shall apply to explosives, or any article the importation of which is prohibited by law.

[**SEC. 2.** That such express companies or other inland carriers shall be responsible to the United States under bond for the safe delivery of such articles to the ultimate consignee: *Provided,* That if any package shall not be delivered to the ultimate consignee by the express company or other inland carrier, and shall be returned to the collector of the port where such articles are entered under the provisions of this Act within ninety days from the date of importation intact, the collector shall take charge of such package and dispose of it as unclaimed merchandise, and the duties, including additional duties, if any, under section seven of the Act of June tenth, eighteen hundred and ninety, paid shall be refunded by the Secretary of the Treasury out of any moneys in the Treasury not otherwise appropriated; and the express company or other inland carriers shall be relieved of any liability therefor under its bond; and before any express company or other inland carrier shall be permitted to receive and transport any such articles they shall become bound to the United States in such bonds, in such form and amount, and with such conditions not inconsistent with law as the Secretary of the Treasury may require.

[**SEC. 3.** That articles transported under the provisions of this Act shall be corded and sealed in such manner as shall from time to time be prescribed by the Secretary of the Treasury; and the collector of the port of first arrival shall retain in his office a permanent record of such merchandise so forwarded.

[**SEC. 4.** That such packages may be consigned to and entered by the agents of the express company or other inland carrier or steamship company, who shall at the time of entry state the ultimate consignee, and in all cases where a certificate or other invoice is now required by law such invoice may be attached to or inclosed in the package, under such regulations as the Secretary of the Treasury may prescribe; and the delivery of such articles to the express company or other inland carrier shall not be delayed because of the nonarrival of the triplicate invoice, but the ultimate consignee shall be liable for any increased duty found due on reliquidation, if any, after receipt of said merchandise from the express company or other inland carrier or steamship company making entry under this Act; and the provisions of section twenty-eight hundred and fifty-seven, Revised Statutes, shall not apply to importations under this Act.]

ACT OF JULY 12, 1932

[[PUBLIC RESOLUTION—No. 37—72D CONGRESS]

[[H. J. Res. 336]

[JOINT RESOLUTION

[Construing section 503 (b) of the Tariff Act of 1930.

[Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That it was and is the true intent and meaning of section 503 (b) of the Act entitled "An Act to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, to protect American labor, and for other purposes," approved June 17, 1930, and of the concluding provision of section 489 of the Act entitled "An Act to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes," approved September 21, 1922, that imported merchandise entered in accordance with the provisions of said section 503 (b) and the concluding provision of said section 489 shall be appraised and reappraised in the same manner as though the merchandise was not so entered; that the appraisement and reappraisement of such merchandise shall have the same force and effect as in the case of merchandise not so entered; and that entries covered by certification of the importer as provided in said section 503 (b) and the concluding provision of said section 489 shall be liquidated in accordance with the final appraised value of the merchandise covered by such certificates.]

