

## CUSTOMS TREATMENT OF WOOD DOWELS

JUNE 16 (legislative day, JUNE 11), 1954.—Ordered to be printed

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

### REPORT

[To accompany H. R. 2763]

The Committee on Finance, to whom was referred the bill (H. R. 2763) to amend the Tariff Act of 1930 so as to modify the duty on the importation of wood dowels, and for other purposes, having considered the same, report thereon without amendment and recommend that the bill do pass.

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

#### GENERAL STATEMENT

H. R. 2763 amends paragraph 401 of the Tariff Act of 1930 and section 3424 of the Internal Revenue Code to provide for the assessment of duty and import tax on dowels of certain species of wood at the same rate applicable to lumber of the same species of wood. It also amends paragraph 1803 of the Tariff Act of 1930 to provide for the entry free of duty of dowels not of fir, spruce, pine, hemlock, or larch.

At the present time, dowels, rough dowels, and rough rounds are classified as wood, unmanufactured, not specially provided for, under paragraph 405, Tariff Act of 1930 (T. D. 53142 (1)). This ruling of the Bureau of Customs was made necessary by the decision of the Customs Court in *Superior Dowel Co. v. United States* ((1950) Abs. 54751, 25 Cust. Ct. 292), which overturned the previous practice of classifying dowels as lumber. The bill returns dowels to their dutiable status prior to the ruling of the Customs Court.

This bill was favorably reported on by the Departments of State, Commerce, and the Treasury. The committee is unanimous in urging its adoption.

## 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 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):

## PARAGRAPHS 401 AND 1803 OF THE TARIFF ACT OF 1930

## SCHEDULE 4—WOOD AND MANUFACTURES OF

PAR. 401. Timber hewn, sided, or squared, otherwise than by sawing, and round timber used for spars or in building wharves; sawed lumber and timber not specially provided for; all the foregoing, if of fir, spruce, pine, hemlock, or larch, \$1 per thousand feet, board [measure,] *measure; dowels, if of fir, spruce, pine, hemlock, or larch, 25 cents per thousand feet, board measure;* and in estimating board measure for the purposes of this paragraph no deduction shall be made on account of planing, tonguing, and grooving.

## PAR. 1803. Wood:

(1) Timber hewn, sided, or squared, otherwise than by sawing, and round timber used for spars or in building wharves; sawed lumber and timber, not further manufactured than planed, and tongued and grooved; *dowels;* all the foregoing not specially provided for.

(2) Logs; timber, round, unmanufactured; pulpwoods; firewood, including fuel made by compression from bark, sawdust, or other wood waste of the saw or planing mill; handle bolts, shingle bolts; gun blocks for gunstocks, rough hewn or sawed or planed on one side; and laths; all the foregoing not specially provided for.

(3) Evergreen Christmas trees.

## SECTION 3424 OF THE INTERNAL REVENUE CODE

## SEC. 3424. LUMBER.

(a) Lumber, rough, or planed or dressed on one or more sides, except flooring made of maple (except Japanese maple), birch, and beech, \$3 per thousand feet, board measure; *dowels made of fir, spruce, pine, hemlock, larch, or cedar (except cedar commercially known as Spanish cedar), 75 cents per thousand feet, board measure; dowels made of Japanese maple, Japanese white oak, teak, box, ebony, lancewood; or lignum vitae, \$3 per thousand feet, board measure; dowels made of other wood, \$1.50 per thousand feet, board measure;* but the tax on the articles described in this section shall apply only with respect to the importation of such articles. The tax imposed by this subsection shall not apply to lumber of Northern white pine (*pinus strobus*), Norway pine (*pinus resinosa*), Western white spruce, and Engelmann spruce.

(b) In determining board measure, for the purposes of this section no deduction shall be made on account of planing, tonguing, and grooving. As used in this section, the term "lumber" includes sawed timber. This subsection shall apply (1) unless in conflict with any international obligation of the United States or (2) if so in conflict, then on the termination of such obligation otherwise than in connection with the undertaking by the United States of a new obligation which continues such conflict.

