

CUSTOMS SIMPLIFICATION ACT OF 1954

AUGUST 6 (legislative day, AUGUST 5), 1954.—Ordered to be printed

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

REPORT

[To accompany H. R. 10009]

The Committee on Finance, to whom was referred the bill (H. R. 10009) to provide for the review of customs tariff schedules, to improve procedures for the tariff classification of unenumerated articles, to repeal or amend obsolete provisions of the customs laws, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

PURPOSE

The Congress in 1953 adopted a Customs Simplification Act which has made considerable improvement in the administration of customs laws. It was recognized at the time of the consideration of that proposal that further simplification and improvement could and should be accomplished by future study and legislation.

H. R. 10009 would authorize a long-needed study of the classification of imported articles and improve the administration of the anti-dumping laws. It would correct some existing inequities and provide for more effective enforcement and administrative procedures.

GENERAL STATEMENT

H. R. 10009 would put into effect many of the recommendations relating to customs management contained in the message of the President to the Congress on March 30, 1954. Full hearings were held by the Ways and Means Committee of the House of Representatives on H. R. 9476 and that committee reported a complete new bill, H. R. 10009, which removed or corrected features which were objected to in the hearing and the amendments now proposed by the Finance Committee have further corrected or removed features that have appeared in any way controversial. Communications from

many interested parties indicate general acceptance of the bill as presently drafted.

The enactment of this bill would direct the Tariff Commission to institute a thorough study of tariff classification problems and in other matters will bring about a number of significant improvements in customs administration.

The commodity classifications of the Tariff Act of 1930 have not been studied since the adoption of that act. It is generally recognized that an overhauling of the classification schedules is needed so that among other things the large number of commodities which have been developed since 1930 might be classified in a logical manner.

Many anomalies and illogical results have developed over the long period since the tariff act was written and careful analytical consideration is necessary in order to modernize the whole tariff classification structure. The Tariff Commission should undertake such a study and reports its conclusions to the President and to the chairmen of the Senate Committee on Finance and House Ways and Means Committee. The bill provides for such a report within 2 years, and for a preliminary report by March 15, 1955, on the progress made and the problems encountered.

The committee amended title I of the bill in order to state simply and clearly a direction to the Tariff Commission to make a study of customs tariff schedules and classifications. Certain references in the House bill to stated methods, standards, and results to be achieved were deleted. The committee felt that these deletions were necessary in order to avoid confusing the real objectives of the study proposed to be made by the Tariff Commission. They are not intended to preclude the Commission from including a consideration of those subjects.

The amendments make plain that it is the intent of the committee that the Tariff Commission shall submit recommendations to accomplish desirable simplification of classifications: that any change in rates of duty is not to be recommended unless in the opinion of the Commission desirable simplification cannot be accomplished without such tariff rate change. Such recommendations involving any changes of rates shall not be made until after adequate public hearings of the affected industries have been held by the Commission for the purpose of determining the effect of such tariff rate changes on such industries.

The amendments proposed in title III to the Antidumping Act, 1921, are limited to matters of procedure. They will transfer the injury determination under the Antidumping Act from the Treasury Department to the Tariff Commission, resulting in a more efficient utilization of governmental facilities, and will limit the retroactivity of dumping duties, which under present law may be imposed against any importation unappraised at the time of a finding of dumping even though the delay in the appraisal may have had no relationship to the dumping question.

The bill would require the Tariff Commission to complete its determination as to injury within 90 days of the certification of a dumping price by the Secretary of the Treasury.

The committee feels that the Treasury Department should ordinarily make its determination within a period of 90 days and believes that it will conform to such a time limitation to the full extent practicable. In cases where a longer period is essential because of foreign complications or other matters preventing an earlier decision, the

Department undoubtedly will proceed to a conclusion as rapidly as possible.

The committee recognizes that further substantive changes in the antidumping law may be desirable, particularly in relation to price and injury definitions. The committee believes, for example, that it should be clear that injury in a particular geographical area may be sufficient for a finding of injury under the Anti-Dumping Act. Any change, however, relating to price or injury opens up a broad and difficult subject without time remaining in this session for its adequate consideration. The Assistant Secretary of the Treasury has written to the committee that he believes further substantive amendments may be necessary in connection with these subjects and that the Treasury Department is giving study to these questions which may lead to suggestions for further improvement of the act. The following letter from the Assistant Secretary to the chairman of the committee affirms this and also makes reference to other features of this section of the bill:

August 5, 1954.

HON. EUGENE D. MILLIKIN,
*Chairman, Committee on Finance,
United States Senate, Washington, D. C.*

DEAR SENATOR MILLIKIN: Discussions with persons interested in title III of H. R. 10000, passed by the House of Representatives on Monday, July 26, 1954, have elicited the following points which would eliminate objections to the bill and which the Treasury regards as either improvements or as unobjectionable:

(1) Change line 22 at page 7 to read "suspect, from the invoice or other papers or from information presented to him, or to any person to whom authority under this section has been delegated, that the purchase".

(2) Change lines 4 and 5 on page 8 to read "more than sixty days before the question of dumping has been raised by or presented to him or any person to whom authority under this section has been delegated, until the further order of the Secretary,".

(3) Change lines 16 and 17 on page 8 to read "(be-) fore the question of dumping was raised by or presented to the Secretary or any person to whom authority under section 201 has been delegated, and as to which no appraisement report has been made".

Another suggestion is that title III, which, as passed by the House, limits the retroactivity of antidumping duties to merchandise entered, or withdrawn from warehouse, 60 days prior to the raising of the question of dumping, be changed to permit 120 days of retroactivity. While the Treasury feels that limitation of the present indefinite extent of retroactivity as to merchandise remaining unappraised at the time of dumping finding is essential and that 60 days of retroactivity is adequate fully to protect the interests of American industry, it would have no objection to a modest extension of this period of retroactivity.

It has also been suggested that a 90-day limitation be placed on the period within which the Secretary of the Treasury may make a determination in a particular case whether a dumping price exists or not.

The Treasury believes that such a limitation would not be in the interest of American industry, for the reason that the Secretary, in order to certify a case of dumping to the Tariff Commission must make an affirmative finding of a dumping price. If the evidence developed in the proposed 90-day period were not sufficient to convince him of the existence of such a price, he would have no alternative but to make a negative finding and begin a new case, if his suspicion still existed. It does not seem to us, therefore, that the proposed 90-day limitation would perform the function intended by its proponents.

Additional inquiries have been received by the Treasury concerning the operation of, or its intentions with respect to, the proposed amendments of the Anti-dumping Act contained in title III, which it has answered as follows:

(a) With respect to the statement found at page 3 of Report No. 2453 of the House Committee on Ways and Means, stating the committee's expectation that the Tariff Commission in administering the injury provision of the Dumping Act would give interested parties notice of the institution of an injury investigation

and afford them reasonable opportunity to present their views at public hearings, the Treasury has said that it has no doubt that the Tariff Commission would afford the protection it uniformly gives to confidential data submitted by any company regarding its own affairs.

(b) The Treasury has published, for discussion purposes, proposed new regulations designed to promote more effective enforcement of the Antidumping Act, which, if adopted, would change the existing regulation relating to "fair value" as used in the Antidumping Act. It is not our intention, by suggesting to Congress the changes embodied in amendments to the Antidumping Act, to affirm in any way any of the legal interpretations contained in the proposed tentative regulations now under discussion. This point could perhaps be effectively reinforced by a statement to that effect in a committee report.

(c) The Treasury has also stated in answer to inquiries that the amendments to the Antidumping Act contained in title III of H. R. 10009 are not to be considered as reflecting any determination on its part that these are the only changes required to make the Antidumping Act effective to accomplish the purposes for which it is intended. The amendments of the Antidumping Act contained in the proposed title III represent the procedural changes which the Treasury is ready to recommend at this time. Further study is being given to the question of the proper definition of "injury" for the purpose of the Antidumping Act. There is great difficulty, under the existing statute and decisions construing it, in giving proper effect to the law in cases where the home market of the country in which the dumping originates is to any extent restricted in the way in which the commodity is offered for sale. This subject is also being studied. It may be that, as the result of these studies, the Treasury will have further suggestions regarding changes which, in its opinion, would improve the functioning of the act.

Sincerely yours,

H. CHAPMAN ROSE,
Assistant Secretary of the Treasury.

The committee has therefore recommended only the procedural changes to the Antidumping Act incorporated in title III which will result in more efficient operation of the act.

The committee amended the House bill by making the period of retroactivity in antidumping cases 120 days rather than 60 days, a period of time which the committee believes is necessary to assure adequate enforcement of the Antidumping Act.

Section 202 added to the bill by the Finance Committee will permit manufacturers of metal articles processed in the United States to export such articles for further processing abroad without payment of duty when they are reimported, except on the cost of the processing done in the foreign country.

SECTION-BY-SECTION ANALYSIS

TITLE I—REVIEW OF CUSTOMS TARIFF SCHEDULES

Section 101

Section 101 directs the United States Tariff Commission to proceed promptly to make a complete study of all classification provisions of the customs law for the purpose of compiling a suggested revision of such provisions which will be logical in arrangement and adapted to the changes which have occurred since 1930 in the character and importance of articles imported into the United States, which will eliminate anomalies, and which will simplify the determination and application of tariff classifications. The Commission is to try to accomplish the stated purposes without suggesting changes in rates of duty. Where, however, changes are suggested, an opportunity for public hearing will first be given and a statement of the probable effect on domestic industry will be made. The Tariff Commission is also directed to prepare statements of the data upon which the new rates

were based. This revision and accompanying statements are to be transmitted to the President and to the chairman of the House Ways and Means Committee and the Senate Finance Committee within 2 years after the enactment of this act. By March 15, 1955, the Commission is directed to make an interim progress report indicating the significant problems that have developed and suggesting standards and methods which might be adopted for making effective a simplification of existing tariff schedules without significant changes in tariff levels.

TITLE II—TARIFF CLASSIFICATION OF UNENUMERATED ARTICLES

Section 201

Imported articles not specifically enumerated in the schedules of the Tariff Act of 1930 now are classified under the so-called basket clause in paragraph 1558. Paragraph 1559, however, states an exception to this general rule and authorizes the classification of unenumerated articles by similitude, either in material, quality, texture, or use, and also provides for classification of unenumerated articles manufactured of two or more materials at the rate that would be chargeable if the article were wholly composed of the component material of chief value.

Section 201 would delete the mixed-materials clause. It would also provide for the classification of nonenumerated articles at the rates applicable to the enumerated articles to which they are most similar in use. In the event that such an article should be equally similar in use to two or more enumerated articles it would then be classified at the rate of duty applicable to that one of such articles which it most resembles in terms of material of composition.

Section 202

Section 202 will permit manufacturers of any article of metal (except precious metal) processed in the United States to export such articles for further processing and at the time of reimportation to pay duty on the cost of the processing done in the foreign country.

TITLE III—AMENDMENTS TO THE ANTIDUMPING ACT, 1921

Sections 301 and 302

Under present law an antidumping duty may be imposed against any importation subject to, and unappraised at the time of, a finding of dumping. In some cases imports which have not been appraised for a number of years because of difficulties entirely unrelated to the question of dumping are nevertheless subject to the dumping duty. This retroactive feature of the present law would be corrected by the amendments made by this title, which provide that duty would be applicable only to unappraised entries which had been entered within 120 days before the question of dumping was first raised by or presented to the Secretary of the Treasury.

This title would also transfer the injury determination under the dumping law to the Tariff Commission and provide that it be made within 3 months from the determination of the question of a dumping price by the Secretary.

TITLE IV—IMPORTATIONS FROM INSULAR POSSESSIONS

Section 401

Section 401 of the bill would add a new section to title III of the Tariff Act of 1930 to provide for the duty status of importations from the insular possessions of the United States. The new section would provide that all articles imported from an insular possession of the United States, except Puerto Rico, shall be dutiable at the same rates as are importations from foreign countries, except those which (1) are entirely of native origin or (2) are manufactured in such possession and do not contain over 50 percent of foreign materials or (3) are articles previously imported into the United States with full payment of duties and taxes which have been shipped from the United States directly to the possession without remission, refund, or drawback of such duties or taxes. This proposal would result in equal treatment for all the insular possessions of the United States, except Puerto Rico, which is within the customs territory of the United States.

Section 402

Section 402 of the bill would amend present law to make it clear that Guam and the Virgin Islands come within the general provision for importations from insular possessions added by section 401. Under existing law all products of Guam are duty free, whereas products of the Virgin Islands are subject to duty if they contain over 50 percent of foreign material.

TITLE V—CUSTOMS ADMINISTRATIVE PROVISIONS

Section 501

Section 501 of the bill would amend existing provisions of law so as to exempt undocumented pleasure vessels of the United States from the present requirements of entry and clearance and to remove the present requirement that yachts of over 15 gross tons make formal entry upon arrival from foreign ports. In addition, it would substitute for the present requirement of a manifest of all "dutiable" articles in the case of yachts not required to make entry a new requirement, for both yachts and undocumented pleasure vessels, that all articles for which a customs entry is required, whether dutiable or not, be reported to the collector of customs within 24 hours after arrival.

Section 502

Section 502 of the bill provides for the repeal of section 3062 of the Revised Statutes, as amended (U. S. C., 1952 edition, title 19, sec. 483), relating to forfeitures and penalties for aiding unlawful importation, and in lieu thereof proposes the insertion in the Tariff Act of 1930 of a revised provision which makes no important change in substance but more clearly expresses the intent.

Subsection (b) of section 3062 is presently limited in application to cases in which the value of the merchandise unlawfully introduced exceeds \$100. This limitation is removed by section 502 of the bill so that cases involving petty smuggling may be settled administratively by the assessment of a penalty equal to the value of the goods rather than by criminal action which is now the only possible action under this subsection when the value of the merchandise is \$100 or

less. The criminal sanction is eliminated since it is a practical duplication of section 545 of title 18, United States Code.

Section 503

Section 503 would amend section 451 of the Tariff Act of 1930, as amended (U. S. C., 1952 edition, title 19, sec. 1451), which requires that, in all cases where a party in interest requests the service of customs officers or employees in connection with unloading at night, or on Sunday or a holiday, a bond shall be given to indemnify the United States for any loss or liability which may occur or be occasioned by reason of the granting of a special license to unlade and to pay the compensation of customs officers and employees assigned to duty in connection with the unloading. The sole condition of the form of bond used in connection with requests for overtime services is that the principal shall pay promptly on demand the compensation and expense of customs officers and employees assigned to such overtime services pursuant to the request. The proposed amendment would permit the deposit of sufficient money to cover the costs of such service in lieu of the filing of the bond. The same provision is also made with respect to other night, Sunday, and holiday services requested under this section.

Section 504

Section 504 of the bill relates to section 581 of the Tariff Act of 1930 (U. S. C., 1952 edition, title 19, sec. 1581), which contains authority for the boarding of vessels and vehicles. Subsection (a) of section 581 provides that under the circumstances therein described a customs officer may "hail and stop such vessel or vehicle and use all necessary force to compel compliance"; and subsection (d) provides a penalty against the master in the event that a vessel fails to come to a stop and makes it the duty of customs officers to pursue such vessels. The proposed amendment to section 581 (d) would provide a penalty against the owner, operator, or person in charge of the vessel as well as the master.

Section 505

Section 505 of the bill would amend section 605 of the Tariff Act of 1930 (U. S. C., 1952 edition, title 19, sec. 1605), which provides that seized property shall be stored in the customs collection district where it is seized, and shall remain in the judicial district of seizure in order that the district court may have jurisdiction when condemnation proceedings are instituted. (*The Ann* (1815), 9 Cr. (13 U. S.) 288; *The Rio Grande* (1874), 23 Wall. (90 U. S.) 458.) This amendment would permit the Secretary to store such seized property in such places as he considers more convenient and appropriate, whether or not within the judicial district in which the property was seized. The amendment further provides that the storage of the property outside the judicial district in which it was seized shall in no way affect the jurisdiction of the court over such property.

There are occasions when there are no facilities or places to store and maintain seized property in the judicial district of seizure, but the Customs Service or the Government has storage facilities in an adjacent judicial district where the seizures may be adequately and economically stored and safeguarded pending forfeiture and disposition thereof. As a customs collection district may include only a part

of a State in which there are several judicial districts, or a collection district may cover a number of States, it is sometimes desirable to store seized property at the nearest customhouse or Government facility in the same collection district which may be in another judicial district or in an adjacent customs district which may be in another State.

Section 506

Section 506 of the bill would amend sections 607, 610, and 612 of the Tariff Act (U. S. C., 1952 edition, title 19, secs. 1607, 1610, and 1612) so as to permit summary forfeiture and disposition of seized property valued at not in excess of \$2,500. Under existing law, summary forfeiture is permitted only in cases involving not in excess of \$1,000.

Section 507

Section 507 would amend section 545 of title 18 of the United States Code, under which smuggled merchandise may be forfeited to the United States. Under that section the Government may not recover the value of goods illegally introduced into the commerce of the country (*National Atlas Elevator Co. v. United States* (C. C. A. 8th, 1938), 97 Fed. 2d 940). The amendment proposed by section 507 of the bill would permit the forfeiture of the value of merchandise imported contrary to law, to be recovered from persons involved or implicated therein when such merchandise is not available for seizure.

TITLE VI—EFFECTIVE DATE

Section 601

Section 601 provides that titles II, III, IV, and V will be effective on and after the 30th day following the date of enactment. Title I would be effective on the date of enactment.

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

TITLE I—DUTIABLE LIST

SECTION 1. That on and after the day following the passage of this Act, except as otherwise specially provided for in this Act, there shall be levied, collected, and paid upon all articles when imported from any foreign country into the United States or into any of its possessions (except the Philippine Islands, the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, and the island of Guam) the rates of duty which are prescribed by the schedules and paragraphs of the dutiable list of this title, namely:

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SCHEDULE 15—SUNDRIES

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[PAR. 1559. That each and every imported article, not enumerated in this Act, which is similar, either in material, quality, texture, or the use to which it may be applied to any article enumerated in this Act as chargeable with duty, shall be subject to the same rate of duty which is levied on the enumerated article which it most resembles in any of the particulars before mentioned; and if any

nonenumerated article equally resembles two or more enumerated articles on which different rates of duty are chargeable, there shall be levied on such non-enumerated article the same rate of duty as is chargeable on the article which it resembles paying the highest rate of duty; and on articles not enumerated, manufactured of two or more materials, the duty shall be assessed at the highest rate at which the same would be chargeable if composed wholly of the component material thereof of chief value; and the words "component material of chief value," wherever used in this Act, shall be held to mean that component material which shall exceed in value any other single component material of the article; and the value of each component material shall be determined by the ascertained value of such material in its condition as found in the article. If two or more rates of duty shall be applicable to any imported article, it shall be subject to duty at the highest of such rates.】

PAR. 1559. (a) *Each and every imported article, not enumerated in this Act, which is similar in the use to which it may be applied to any article enumerated in this Act as chargeable with duty, shall be subject to the same rate of duty as the enumerated article which it most resembles in the particular before mentioned; and if any nonenumerated article equally resembles in that particular two or more enumerated articles on which different rates of duty are chargeable, it shall be subject to the rate of duty applicable to that one of such two or more articles which it most resembles in respect of the materials of which it is composed.*

(b) *The words "component of chief value", wherever used in this Act, shall be held to mean that component material which shall exceed in value any other single component material of the article; and the value of each component material shall be determined by the ascertained value of such material in its condition as found in the article.*

(c) *If two or more enumerations shall be equally applicable to any article, it shall be subject to duty at the highest rate prescribed for any such enumeration.*

TITLE II—FREE LIST

SCHEDULE 16

AMERICAN GOODS RETURNED

(g) (1) Any article exported from the United States for repairs or alterations may be returned upon the payment of a duty upon the value of the repairs or alterations at the rate or rates which would apply to the article itself in its repaired or altered condition if not within the purview of this subparagraph (g).

(2) If—

(A) any article of metal (except precious metal) manufactured in the United States or subjected to a process of manufacture in the United States is exported for further processing; and

(B) the exported article as processed outside the United States, or the article which results from the processing outside the United States, as the case may be, is returned to the United States for further processing, then such article may be returned upon the payment of a duty upon the value of such processing outside the United States at the rate or rates which would apply to such article itself if it were not within the purview of this subparagraph (g).

(3) This subparagraph (g) shall not apply to any article exported—

(A) from bonded warehouse or from continuous customs custody elsewhere than bonded warehouse with remission, abatement, or refund of duty;

(B) with benefit of drawback through substitution or otherwise; or

(C) for the purpose of complying with any law of the United States or regulation of any Federal agency requiring exportation.

(4) For the purposes of this subparagraph (g), the value of repairs, alterations, or processing outside the United States shall be considered to be—

(A) the cost to the importer of such repairs, alterations, or processing; or

(B) if no charge is made, the value of such repairs, alterations, or processing, as set out in the invoice and entry papers; except that, if the Secretary of the Treasury concludes that the amount so set out does not represent a reasonable cost or fair value,

as the case may be, then the value of the repairs, alterations, or processing shall be determined in accordance with section 402 of this Act. No appraisement of the imported article in its repaired, altered, or processed condition shall be required unless necessary to a determination of the rate or rates of duty applicable to such article.

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TITLE III—SPECIAL PROVISIONS

PART I—MISCELLANEOUS

SEC. 301. INSULAR POSSESSIONS.

There shall be levied, collected, and paid upon all articles coming into the United States from any of its insular possessions, except Puerto Rico, the rates of duty which are required to be levied, collected, and paid upon like articles imported from foreign countries; except that all articles the growth or product of any such possession, or manufactured or produced in any such possession from materials the growth, product, or manufacture of any such possession or of the United States, or of both, which do not contain foreign materials to the value of more than 50 per centum of their total value, coming into the United States directly from any such possession, and all articles previously imported into the United States with payment of all applicable duties and taxes imposed upon or by reason of importation which are shipped from the United States without remission, refund, or drawback of such duties or taxes, directly to the possession from which it is being returned by direct shipment, shall be admitted free of duty upon compliance with such regulations as to proof of origin as may be prescribed by the Secretary of the Treasury. In determining whether an article produced or manufactured in any such insular possession contains foreign materials to the value of more than 50 per centum, no materials shall be considered foreign which, at the time such article is entered, or withdrawn from warehouse, in the United States for consumption, may be imported into the United States from a foreign country, other than Cuba or the Philippine Republic, free of duty.

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TITLE IV—ADMINISTRATIVE PROVISIONS

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PART II—REPORT, ENTRY, AND UNLOADING OF VESSELS AND VEHICLES

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SEC. 441. VESSELS NOT REQUIRED TO ENTER.

The following vessels shall not be required to make entry at the customhouse:

(1) * * *

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[(3) Yachts of fifteen gross tons or under not permitted by law to carry merchandise or passengers for hire and not visiting any hovering vessel, nor having at any time or, if forfeited to the United States or to a foreign government, at any time after forfeiture, become liable to seizure and forfeiture for any violation of the laws of the United States;]

(3) Licensed yachts or undocumented American pleasure vessels not engaged in trade nor in any way violating the customs or navigation laws of the United States and not having visited any hovering vessel: Provided, That the master of any such vessel which has on board any article required by law to be entered shall be required to report such article to the collector within twenty-four hours after arrival.

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SEC. 451. SAME—EXTRA COMPENSATION.

[Before any such special license to unlade shall be granted, the master, owner, or agent, of such vessel or vehicle shall be required to give a bond in the penal sum to be fixed by the collector conditioned to indemnify the United States for any loss or liability which might occur or be occasioned by reason of the granting of such special license and to pay the compensation and expenses of the customs officers and employees assigned to duty in connection with such unlading at night or on Sunday or a holiday, in accordance with the provisions of section 5 of the

Act entitled "An Act to provide for the lading or unlading of vessels at night, the preliminary entry of vessels, and for other purposes," approved February 13, 1911, as amended. In lieu of such bond the owner, or agent, of any vessel or vehicle or line of vessels or vehicles may execute a bond in a penal sum to be fixed by the Secretary of the Treasury to cover and include the issuance of special licenses for the unlading of vessels or vehicles belonging to such line for a period of one year from the date thereof.]

*Before any such special license to unlade shall be granted, the master, owner, or agent of such vessel or vehicle, or the person in charge of such vehicle, shall be required to deposit sufficient money to pay, or to give a bond in an amount to be fixed by the Secretary conditioned to pay, the compensation and expenses of the customs officers and employees assigned to duty in connection with such unlading at night or on Sunday or a holiday, in accordance with the provisions of section 5 of the Act of February 13, 1911, as amended (U. S. C., 1952 edition, title 19, sec. 267). In lieu of such deposit or bond the owner or agent of any vessel or vehicle or line of vessels or vehicles may execute a bond in an amount to be fixed by the Secretary of the Treasury to cover and include the issuance of special licenses for the unlading of such vessels or vehicles for a period not to exceed one year. Upon a request made by the owner, master, or person in charge of a vessel or vehicle, or by or on behalf of a common carrier or by or on behalf of the owner or consignee of any merchandiss or baggage, for overtime services of customs officers or employees at night or on a Sunday or holiday, the collector shall assign sufficient customs officers or employees if available to perform any such services which may lawfully be performed by them during regular hours of business, but only if the person requesting such services deposits sufficient money to pay, or gives a bond in [a penal sum] an amount to be fixed by the collector, conditioned to pay the compensation and expenses of such customs officers and employees, who shall be entitled to rates of compensation fixed on the same basis and payable in the same manner and upon the same terms and conditions as in the case of customs officers and employees assigned to duty in connection with lading or unlading at night or on Sunday or a holiday. Nothing in this section shall be construed to impair the existing authority of the Treasury Department to assign customs officers or employees to regular tours of duty at nights or on Sundays or holidays when such assignments are in the public interest: *Provided*, That the provisions of this section, sections 450 and 452 of this Act, and the provisions of section 5 of the Act of February 13, 1911, as amended (U. S. C., title 19, sec. 267), insofar as such section 5 requires payment of compensation by the master, owner, agent, or consignee of a vessel or conveyance, shall not apply to the owner, operator, or agent of a highway vehicle, bridge, tunnel, or ferry, between the United States and Canada or between the United States and Mexico, nor to the lading or unlading of merchandise, baggage, or persons arriving in or departing from the United States by motor vehicle, trolley car, on foot, or by other means of highway travel upon, over, or through any highway, bridge, tunnel, or ferry. At ports of entry and customs stations where any merchandise, baggage, or persons shall arrive in or depart from the United States by motor vehicle, trolley car, on foot, or by other means of highway travel upon, over, or through any highway, bridge, tunnel, or ferry, between the United States and Canada or between the United States and Mexico, the collector, under such regulations as the Secretary of the Treasury may prescribe, shall assign customs officers and employees to duty at such times during the twenty-four hours of each day, including Sundays and holidays, as the Secretary of the Treasury in his discretion may determine to be necessary to facilitate the inspection and passage of such merchandise, baggage, or persons. Officers and employees assigned to such duty at night or on Sunday or a holiday shall be paid compensation in accordance with existing law as interpreted by the United States Supreme Court in the case of the United States v. Howard C. Myers (320 U. S. 561); but all compensation payable to such customs officers and employees shall be paid by the United States without requiring any license, bond, obligation, financial undertaking, or payment in connection therewith on the part of any owner, operator, or agent of any such highway vehicle, bridge, tunnel, or ferry, or other person. As used in this section, the term "ferry" shall mean a passenger service operated with the use of vessels which arrive in the United States on regular schedules at intervals of at least once each hour during any period in which customs service is to be furnished without reimbursement as above provided.*

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PART V—ENFORCEMENT PROVISIONS

SEC. 581. BOARDING VESSELS.

(a) * * *

*(d) Any vessel or vehicle which, at any authorized place, is required to come to a stop by any officer of the customs, or is required to come to a stop by signal made by any vessel employed in the service of the customs displaying the ensign and pennant prescribed for such vessel by the President, shall come to a stop, and upon failure to comply, a vessel so required to come to a stop shall become subject to pursuit and the master thereof shall be liable to a fine of not more than \$5,000 nor less than \$1,000. It shall be the duty of the several officers of the customs to pursue any vessel which may become subject to pursuit, and to board and examine the same, and to examine any person or merchandise on board, without as well as within their respective districts and at any place upon the high seas or, if permitted by the appropriate foreign authority, elsewhere where the vessel may be pursued as well as at any other authorized place.】

(d) Any vessel or vehicle which, at any authorized place, is directed to come to a stop by any officer of the customs, or is directed to come to a stop by signal made by any vessel employed in the service of the customs and displaying proper insignia, shall come to a stop, and upon failure to comply a vessel or vehicle so directed to come to a stop shall become subject to pursuit and the master, owner, operator, or person in charge thereof shall be liable to a penalty of not more than \$5,000 nor less than \$1,000.

SEC. 596. AIDING UNLAWFUL IMPORTATION.

(a) Except as specified in the proviso to section 594 of this Act, every vessel, vehicle, animal, aircraft, or other thing used in, to aid in, or to facilitate, by obtaining information or in any other way, the importation, bringing in, unloading, landing, removal, concealing, harboring, or subsequent transportation of any article which is being or has been introduced, or attempted to be introduced, into the United States contrary to law, whether upon such vessel, vehicle, animal, aircraft, or other thing or otherwise, shall be seized and forfeited together with its tackle, apparel, furniture, harness, or equipment.

(b) Every person who directs, assists financially or otherwise, or is in any way concerned in any unlawful activity mentioned in the preceding subsection shall be liable to a penalty equal to the value of the article or articles introduced or attempted to be introduced.

SEC. 605. SAME—CUSTODY.

All vessels, vehicles, merchandise, and baggage seized under the provisions of the customs laws, or laws relating to the navigation, registering, enrolling or licensing, or entry or clearance, of vessels, unless otherwise provided by law, shall be placed and remain in the custody of the collector for the district in which the seizure was made to await disposition according to law.

Pending such disposition, the property shall be stored in such place as, in the collector's opinion, is most convenient and appropriate with due regard to the expense involved, whether or not the place of storage is within the judicial district or the customs collection district in which the property was seized; and storage of the property outside the judicial district or customs collection district in which it was seized shall in no way affect the jurisdiction of the court which would otherwise have jurisdiction over such property.

SEC. 607. SAME VALUE [\$1,000] \$2,500 OR LESS.

If such value of such vessel, vehicle, merchandise, or baggage returned by the appraiser, does not exceed [\$1,000] \$2,500, the collector shall cause a notice of the seizure of such articles and the intention to forfeit and sell or otherwise dispose of the same according to law to be published for at least three successive weeks in such manner as the Secretary of the Treasury may direct. For the purposes of this section and sections 610 and 612 of this Act merchandise the importation of which is prohibited shall be held not to exceed [\$1,000] \$2,500 in value.

SEC. 610. SAME—VALUE MORE THAN ~~[\$1,000]~~ \$2,500.

If the value returned by the appraiser of any vessel, vehicle, merchandise, or baggage so seized is greater than ~~[\$1,000]~~ \$2,500, the collector shall transmit a report of the case, with the names of available witnesses, to the United States attorney for the district in which the seizure was made for the institution of the proper proceedings for the condemnation of such property.

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SEC. 612. SAME—SUMMARY SALE.

Whenever it appears to the collector that any vessel, vehicle, merchandise, or baggage seized under the customs laws is liable to perish or to waste or to be greatly reduced in value by keeping, or that the expense of keeping the same is disproportionate to the value thereof, and the value of such vessel, vehicle, merchandise, or baggage as determined by the appraiser under section 606 of this Act, does not exceed ~~[\$1,000]~~ \$2,500, and such vessel, vehicle, merchandise, or baggage has not been delivered under bond, the collector shall, within twenty-four hours after the receipt by him of the appraiser's return proceed forthwith to advertise and sell the same at auction under regulations to be prescribed by the Secretary of the Treasury. If such value of such vessel, vehicle, merchandise, or baggage exceeds ~~[\$1,000]~~ \$2,500 the collector shall forthwith transmit the appraiser's return and his report of the seizure to the United States attorney, who shall petition the court to order an immediate sale of such vessel, vehicle, merchandise, or baggage, and if the ends of justice require it the court shall order such immediate sale, the proceeds thereof to be deposited with the court to await the final determination of the condemnation proceedings. Whether such sale be made by the collector or by order of the court, the proceeds thereof shall be held subject to claims of parties in interest to the same extent as the vessel, vehicle, merchandise, or baggage so sold would have been subject to such claim.

SECTIONS 201 AND 202 (a) OF THE ANTIDUMPING ACT, 1921
DUMPING INVESTIGATION

SEC. 201. (a) *[That whenever the Secretary of the Treasury (hereinafter in this Act called the "Secretary"), after such investigation as he deems necessary, finds that an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation into the United States of a class or kind of foreign merchandise, and that merchandise of such class of kind is being sold or is likely to be sold in the United States or elsewhere at less than its fair value, then he shall make such finding public to the extent he deems necessary, together with a description of the class or kind of merchandise to which it applies in such detail as may be necessary for the guidance of the appraising officers.] Whenever the Secretary of the Treasury (hereinafter called the "Secretary") determines that a class or kind of foreign merchandise is being, or is likely to be, sold in the United States or elsewhere at less than its fair value, he shall so advise the United States Tariff Commission, and the said Commission shall determine within three months thereafter whether an industry in the United States is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise into the United States. The said Commission, after such investigation as it deem necessary, shall notify the Secretary of its determination; and, if that determination is in the affirmative, the Secretary shall make public a notice (hereinafter in this Act called a "finding") of his determination and the determination of the said Commission. The Secretary's finding shall include a description of the class or kind of merchandise to which it applies in such detail as he shall deem necessary for the guidance of customs officers.*

[(b) Whenever, in the case of any imported merchandise of a class or kind as to which the Secretary has not so made public a finding, the appraiser or person acting as appraiser has reason to believe or suspect, from the invoice or other papers or from information presented to him, that the purchase price is less, or that the exporter's sales price is less or likely to be less, than the foreign market value (or, in the absence of such value, than the cost of production) he shall forthwith, under regulations prescribed by the Secretary, notify the Secretary of such fact and withhold his appraisement report to the collector as to such merchandise until the further order of the Secretary, or until the Secretary has made public a finding as provided in subdivision (a) in regard to such merchandise.]

(b) Whenever, in the case of any imported merchandise of a class or kind as to which the Secretary has not so made public a finding, the Secretary has reason to believe or suspect, from the invoice or other papers or from information presented to him or to any person to whom authority under this section has been delegated, that the purchase price is less, or that the exporter's sales price is less or likely to be less, than the foreign market value (or, in the absence of such value, than the cost of production), he shall forthwith authorize, under such regulations as he may prescribe, the withholding of appraisement reports as to such merchandise entered, or withdrawn from warehouse, for consumption, not more than one hundred and twenty days before the question of dumping has been raised by or presented to him or any person to whom authority under this section has been delegated, until the further order of the Secretary, or until the Secretary has made public a finding as provided for in subdivision (a) in regard to such merchandise.

SPECIAL DUMPING DUTY

SEC. 202. (a) [That in the case of all imported merchandise, whether dutiable or free of duty, of a class or kind as to which the Secretary has made public a finding as provided in section 201, and as to which the appraiser or person acting as appraiser has made no appraisement report to the collector before such finding has been so made public, if the purchase price or the exporter's sales price is less than the foreign market value (or, in the absence of such value, than the cost of production) there shall be levied, collected, and paid, in addition to the duties imposed thereon by law, a special dumping duty in an amount equal to such difference.] *In the case of all imported merchandise, whether dutiable or free of duty, of a class or kind as to which the Secretary of the Treasury has made public a finding as provided for in section 201, entered, or withdrawn from warehouse, for consumption, not more than 120 days before the question of dumping was raised by or presented to the Secretary or any person to whom authority under section 201 has been delegated, and as to which no appraisement report has been made before such finding has been so made public, if the purchase price or the exporter's sales price is less than the foreign market value (or, in the absence of such value, than the cost of production) there shall be levied, collected, and paid, in addition to any other duties imposed thereon by law, a special dumping duty in an amount equal to such difference.*

SECTION 28 (d) OF THE REVISED ORGANIC ACT OF THE VIRGIN ISLANDS

[(d) There shall be levied, collected, and paid upon all articles coming into the United States or its possessions from the Virgin Islands the rates of duty which are required to be levied, collected, and paid upon like articles imported from foreign countries, and the internal revenue taxes imposed by section 3350 of title 26, United States Code: *Provided*, That all articles, the growth or product of, or manufactured in, such islands, from materials grown or produced in such islands or in the United States, or both, or which do not contain foreign materials to the value of more than 50 per centum of their total value, upon which no drawback of custom duties has been allowed therein, coming into the United States from such islands shall be admitted free of duty. In determining whether such a Virgin Islands article contains foreign material to the value of more than 50 per centum, ~~no~~ material shall be considered foreign which, at the time the Virgin Islands article is entered, or withdrawn from warehouse, for consumption, may be imported into the continental United States free of duty generally.]

(d) All articles coming into the United States from the Virgin Islands shall be subject to or exempt from duty as provided for in section 301 of the Tariff Act of 1930 and subject to internal-revenue taxes as provided for in section 7652 (b) of the Internal Revenue Code of 1954.

SECTION 27 OF THE ACT OF AUGUST 1, 1950

[Sec. 27. Articles which are the growth, production, or manufacture of Guam coming into any State, Territory, or insular possession of the United States from Guam shall be entered at the several ports of entry free of duty.]

Sec. 27. All articles coming into the United States from Guam shall be subject to or exempt from duty as provided for in section 301 of the Tariff Act of 1930.

SECTION 545 OF TITLE 18 OF THE UNITED STATES CODE

§ 545. Smuggling goods into the United States

Whoever knowingly and willfully, with intent to defraud the United States, smuggles, or clandestinely introduces into the United States any merchandise which should have been invoiced, or makes out or passes, or attempts to pass, through the customhouse any false, forged, or fraudulent invoice, or other document or paper; or

Whoever fraudulently or knowingly imports or brings into the United States, any merchandise contrary to law, or receives, conceals, buys, sells, or in any manner facilitates the transportation, concealment, or sale of such merchandise after importation, knowing the same to have been imported or brought into the United States contrary to law—

Shall be fined not more than \$5,000 or imprisoned not more than two years, or both.

Proof of defendant's possession of such goods, unless explained to the satisfaction of the jury, shall be deemed evidence sufficient to authorize conviction for violation of this section.

Merchandise introduced into the United States in violation of this section, or the value thereof, to be recovered from any person described in the first or second paragraph of this section, shall be forfeited to the United States.

The term "United States", as used in this section, shall not include the Philippine Islands, Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, or Guam.

SECTIONS OF THE REVISED STATUTES OF THE UNITED STATES AMENDED OR REPEALED

【SEC. 3062. (a) All vessels, with the tackle, apparel, and furniture thereof, and all vehicles, animals, aircraft, and things with the tackle, harness, and equipment thereof, used in, or employed to aid in, or to facilitate by obtaining information or otherwise, the unloading, bringing in, importation, landing, removal, concealment, harboring, or subsequent transportation of any merchandise upon the same or otherwise unlawfully introduced, or attempted to be introduced into the United States, shall be seized and forfeited.

【(b) Any member of the crew of any such vessel and any person who assists, finances, directs, or is otherwise concerned in the unloading, bringing in, importation, landing, removal, concealment, harboring, or subsequent transportation of any such merchandise exceeding \$100 in value, or into whose control or possession the same shall come without lawful excuse, shall, in addition to any other penalty, be liable to a penalty equal to the value of such goods, to be recovered in any court of competent jurisdiction, or to imprisonment for not more than five years or both.】

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SEC. 4197. * * * If any vessel bound to a foreign port (other than a licensed yacht [not engaging] or an undocumented American pleasure vessel not engaged in any trade nor in any way violating the [revenue] customs or navigation laws of the United States) departs from any port or place in the United States without a clearance, or if the master delivers a false manifest, or does not answer truly the questions demanded of him, or, having received a clearance adds to the cargo of such vessel without having mentioned in the report outwards the intention to do so, or if the departure of the vessel is delayed beyond the second day after obtaining clearance without reporting the delay to the collector, the master or other person having the charge or command of such vessel shall be liable to a penalty of not more than \$1,000 nor less than \$500, or if the cargo consists in any part of narcotic drugs, or any spirits, wines, or other alcoholic liquors (sea stores excepted), a penalty of not more than \$5,000 nor less than \$1,000 for each offense, and the vessel shall be detained in any port of the United States until the said penalty is paid or secured: *Provided*, That in order that the commerce of the United States may move with expedition and without undue delay, the Secretary of the Treasury is hereby authorized to make regulations permitting the master of any vessel taking on cargo for a foreign port or for a port in noncontiguous territory belonging to the United States to file a manifest as hereinbefore provided, and if the manifest be not a complete manifest and it so appears upon such manifest, the collector of customs may grant clearance to the vessel in the case of an incomplete manifest, taking from the owner of the vessel, who may act in the premises by a duly author-

ized attorney in fact, a bond with security approved by the collector of customs in the penal sum of \$1,000, conditioned that the master or someone for him will file a completed outward manifest not later than the fourth business day after the clearance of the vessel. * * *

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【SEC. 4218. Every yacht, except those of fifteen gross tons or under exempted by law, visiting a foreign country under the provisions of sections forty-two hundred and fourteen, forty-two hundred and fifteen, and forty-two hundred and seventeen of the Revised Statutes shall, on her return to the United States, make due entry at the customhouse of the port at which, on such return, she shall arrive: *Provided*, That nothing in this act shall be so construed as to exempt the master or person in charge of a yacht or vessel arriving from a foreign port or place with dutiable articles on board from reporting to the customs officer of the United States at the port or place at which said yacht or vessel shall arrive, and deliver in to said officer a manifest of all dutiable articles brought from a foreign country in such yachts or vessels.】

