

TEMPORARY FREE IMPORTATION OF CERTAIN TANNING EXTRACTS

APRIL 5, 1960.—Ordered to be printed

Mr. BYRD of Virginia, from the Committee on Finance, submitted the following

R E P O R T

[To accompany H.R. 9820]

The Committee on Finance, to whom was referred the bill (H.R. 9820) to extend the period during which certain tanning extracts, and extracts of hemlock or eucalyptus suitable for use for tanning, may be imported free of duty, having considered the same, report favorably thereon without amendment, and recommend that the bill do pass.

PURPOSE

The purpose of H.R. 9820 is to extend for an additional 3 years (1) the period during which certain tanning extracts may be imported free of duty, and (2) the period during which extracts of hemlock or eucalyptus suitable for use for tanning (regardless of their chief use) may be imported free of duty.

GENERAL STATEMENT

Public Law 85-235, approved August 30, 1957, temporarily transferred from paragraph 38 of the dutiable list of the Tariff Act of 1930 to the free list of that act certain tanning extracts, establishing a separate provision therefor in a new subparagraph (b) of paragraph 1670. This suspension of duty will expire at the close of September 28, 1960.

Section 4 of Public Law 85-645, approved August 14, 1958, made special provision for eucalyptus extract in paragraph 1670(b), and Public Law 86-288, approved September 16, 1959, made special provision for hemlock extract in the free-list provision. The terminal dates for the duty-free treatment provided for in Public Laws 85-645 and 86-288 are the same as the terminal date provided in Public Law 85-235. H.R. 9820 would extend the terminal dates of suspension in all three instances to the close of September 30, 1963.

The conditions which gave rise to the three previous pieces of legislation continue in effect today. Among these are that the domestic tanning extract industry has been dependent upon domestic chestnut wood and bark for the domestic production of chestnut tanning extract, the only vegetable tanning material which has been produced in the United States in significant quantity. Because of the blight which virtually wiped out the chestnut trees along the Appalachian Range, domestic firms producing tanning extracts have been unable to secure raw materials. The domestic availability of tanning extracts has steadily declined and the firms which had been engaged in extract production have largely gone into other fields of activity. Public Law 85-235 provided for the suspension of duties with respect to tanning extracts chiefly used in the United States for tanning purposes at the time of importation. Section 4 of Public Law 85-645 provided that eucalyptus extract should be classified under paragraph 1670(b) irrespective of its chief use, so long as it was suitable for use for tanning. Public Law 86-288 provided that hemlock extract be included subject to the same rule as that applicable to eucalyptus extract because it was believed that hemlock also might be found to be no longer chiefly used for tanning, although it was suitable for use for tanning. The present bill would merely extend these provisions of existing law for an additional 3-year period, without any substantive modification.

No opposition to the passage of the bill has been made known to the Committee on Finance.

DEPARTMENTAL REPORTS

The following reports were received from the Departments of Commerce and Treasury, the Bureau of the Budget, and the U.S. Tariff Commission:

THE SECRETARY OF COMMERCE,
Washington, March 28, 1960.

HON. HARRY F. BYRD,
Chairman, Committee on Finance,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your request for the views of this Department with respect to H.R. 9820 which would extend until September 30, 1963, the present provisions for duty-free entry of certain tanning extracts and extracts and preparations of eucalyptus and hemlock suitable for tanning as contained in section 1 of Public Law 85-235, section 4(a) of Public Law 85-645, and section 1 of Public Law 86-288.

The Department interposes no objection to the proposed extension of the period during which these products may be imported free of duty.

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

Sincerely yours,

PHILIP A. RAY,
Under Secretary of Commerce.

OFFICE OF THE SECRETARY OF THE TREASURY,
Washington, March 29, 1960.

HON. HARRY F. BYRD,
Chairman, Committee on Finance,
U.S. Senate, Washington, D.C.

MY DEAR MR. CHAIRMAN: Reference is made to your letter of March 4, 1960, requesting the views of this Department on H.R. 9820, to extend the period during which certain tanning extracts, and extracts of hemlock or eucalyptus suitable for use for tanning, may be imported free of duty.

The proposed legislation would extend until the close of September 30, 1963, the period during which certain tanning extracts may be imported free of duty. The existing suspension of duty will terminate in September 1960.

This Department anticipates no unusual administrative difficulties under the proposed legislation.

This Department was advised by the Bureau of the Budget that there was no objection to the submission of a similar report to the House Committee on Ways and Means on this bill.

Very truly yours,

A. GILMORE FLUES,
Acting Secretary of the Treasury.

EXECUTIVE OFFICE OF THE PRESIDENT,
 BUREAU OF THE BUDGET,
Washington, D.C., March 21, 1960.

HON. HARRY F. BYRD,
Chairman, Committee on Finance,
U.S. Senate,
New Senate Office Building, Washington, D.C.

MY DEAR MR. CHAIRMAN: This is in reply to your request of March 4, 1960, for a report on H.R. 9820, a bill to extend the period during which certain tanning extracts, and extracts of hemlock or eucalyptus suitable for use for tanning, may be imported free of duty.

The Bureau of the Budget has no objection to enactment of the bill.

Sincerely yours,

PHILLIP S. HUGHES,
Assistant Director for Legislative Reference.

U.S. TARIFF COMMISSION,
Washington D.C., March 10, 1960.

HON. HARRY F. BYRD,
Chairman, Committee on Finance,
U.S. Senate.

DEAR MR. CHAIRMAN: This is in response to your request of March 4, 1960, for a report on H.R. 9820 of the 86th Congress, a bill to extend the period during which certain tanning extracts, and extracts of hemlock or eucalyptus suitable for use for tanning, may be imported free of duty which was passed by the House of Representatives on March 2, 1960.

The Commission does not believe it to be necessary to add to the factual information pertaining to the proposed legislation set forth in the general statement contained in the report of the Committee on Ways and Means (H. Rept. 1266, 86th Cong., 2d sess.).

Sincerely yours,

JOSEPH E. TALBOT, *Chairman.*

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):

THE FIRST SECTION AND SECTION 2 OF THE ACT OF AUGUST 30, 1957

(Public Law 85-235)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) so much of paragraph 38 of the Tariff Act of 1930 (19 U.S.C., sec. 1001, par. 38) as precedes "not specially provided for" is amended to read as follows:

"PAR. 38. Extracts, dyeing: Chlorophyll, fustic, logwood, Persian berry, saffron, safflower, saffron cake, and other extracts, decoctions, and preparations of vegetable origin used for dyeing, coloring, or staining,".

(b) Paragraph 1670 of the Tariff Act of 1930 (19 U.S.C., sec. 1201, par. 1670) is amended by inserting "(a)" after "PAR. 1670.", and by adding at the end thereof the following new subparagraph:

"(b) Extracts tanning: Chestnut, cutch, divi-divi, hemlock, man-grove, myrobalan, oak, quebracho, sumac, valonia, wattle, and other extracts, decoctions, and preparations of vegetable origin used for tanning, and combinations and mixtures of the foregoing; all the foregoing not containing alcohol and not specially provided for."

SEC. 2. The amendments made by the first section of this Act shall apply only in the case of articles entered for consumption, or withdrawn from warehouse for consumption, [during the three-year period beginning on the thirtieth day after the date of the enactment of this Act] *before the close of September 30, 1963.*

SECTION OF THE ACT OF AUGUST 14, 1958

(Public Law 85-645)

SEC. 4. (a) Paragraph 1670(b) of the Tariff Act of 1930, as amended (19 U.S.C., sec. 1201, par. 1670(b)), is amended by striking out "all the foregoing" and inserting in lieu thereof the following: "and extracts, decoctions, and preparations of eucalyptus (irrespective of their chief use) suitable for use for tanning; all the foregoing".

(b) The amendment made by subsection (a) of this section shall apply to articles entered, or withdrawn from warehouse, for consump-

tion on or after the date of the enactment of this Act and [prior to September 29, 1960] *before the close of September 30, 1963*, and to articles covered by entries or withdrawals which have not been liquidated or the liquidation of which has not become final on such date of enactment.

ACT OF SEPTEMBER 16, 1959

(Public Law 86-288)

AN ACT To amend the Tariff Act of 1930 to provide for the temporary free importation of extracts, decoctions, and preparations of hemlock suitable for use for tanning.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That paragraph 1670(b) of the Tariff Act of 1930, as amended (19 U.S.C., sec. 1201, par. 1670(b)) is amended by striking out "hemlock," after "divi-divi," and by striking out "eucalyptus (irrespective of their chief use)" and inserting in lieu thereof "eucalyptus or hemlock (irrespective of their chief use)".

SEC. 2. The amendment made by the first section of this Act shall apply to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act and [prior to September 29, 1960] *before the close of September 30, 1963*, and to articles covered by entries or withdrawals which have not been liquidated or the liquidation of which has not become final on such date of enactment.

PARAGRAPHS 38 AND 1670(b) OF THE TARIFF ACT OF 1930

For the information of the Senate, paragraphs 38 and 1670 of the Tariff Act of 1930, as they would be continued in effect by the bill, as reported are shown as follows:

TARIFF ACT OF 1930

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 Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, Johnston Island, 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:

SCHEDULE 1.—CHEMICALS, OILS, AND PAINTS

* * * * *

¹ PAR. 38. Extracts, dyeing: Chlorophyll, fustic, logwood, Persian berry, saffron, safflower, saffron cake, and other extracts, decoctions,

¹ As amended by the first section of Public Law 85-235.

and preparations of vegetable origin used for dyeing, coloring, or staining, not specially provided for, and combinations and mixtures of the foregoing articles in this paragraph, 15 per centum ad valorem:² *Provided*, That no article containing alcohol shall be classified for duty under this paragraph.

* * * * *

TITLE II—FREE LIST

SECTION 201. That on and after the day following the passage of this Act, except as otherwise specially provided for in this Act, the articles mentioned in the following paragraphs, when imported into the United States or into any of its possessions (except the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, Johnston Island, and the island of Guam), shall be exempt from duty:

SCHEDULE 16

* * * * *

PAR. 1670. (a) * * *

(b) Extracts, tanning: Chestnut, cutch, divi-divi, mangrove, myrobalan, oak, quebracho, sumac, valonia, wattle, and other extracts, decoctions, and preparations of vegetable origin used for tanning, and combinations and mixtures of the foregoing; and extracts, decoctions, and preparations of eucalyptus or hemlock (irrespective of their chief use) suitable for use for tanning; all the foregoing not containing alcohol and not specially provided for.

¹ The 15 per centum ad valorem rate has been reduced, in the case of a number of articles, pursuant to section 350 of the Tariff Act of 1930 (relating to foreign trade agreements).

² As amended by—

- (1) the first section of Public Law 85-235,
- (2) section 4(a) of Public Law 85-645, and
- (3) the first section of Public Law 86-288.

