

PERSONAL AND HOUSEHOLD EFFECTS

JUNE 16 (legislative day, MARCH 30), 1964.—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. 10465]

The Committee on Finance, to whom was referred the bill (H.R. 10465) to extend for a temporary period the existing provisions of law relating to the free importation of personal and household effects brought into the United States under Government orders, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

SUMMARY OF BILL

This bill would amend item 915.20 of the Tariff Schedules of the United States to continue for 2 years (from the close of June 30, 1964, until the close of June 30, 1966) the existing provisions of law relating to the free importation of personal and household effects brought into the United States under Government orders.

GENERAL STATEMENT

The act of June 27, 1942 (Public Law 633, 77th Cong.), allowed, until the day following the proclamation of peace by the President, the free entry of personal and household effects of any person returning to the United States under Government orders.

Public Law 450 of the 82d Congress extended the period of free entry until the close of April 1, 1953.

Public Law 20 of the 83d Congress continued the free entry privilege until the close of June 30, 1955.

Public Law 126 of the 84th Congress extended the period of free entry until the close of June 30, 1958, and also amended the basic law in several respects, particularly to prevent abuse of the free entry privilege with regard to alcoholic beverages and tobacco products.

Public Law 85-398 extended the period of free entry until the close of June 30, 1960; Public Law 86-563, until the close of June 30, 1962; and Public Law 87-790, until the close of June 30, 1964. For the period beginning on August 31, 1963, and ending at the close of June 30, 1964, free entry is provided for by item 915.20 of the Tariff Schedules of the United States which became effective on August 31, 1963.

This bill would further extend the free entry privilege for a period of 2 additional years, until the close of June 30, 1966.

The effect of this duty-free importation privilege is to avoid the imposition of undue administrative burdens upon persons evacuated to the United States, and constitutes an important morale factor and inducement to oversea service.

In view of the continued presence in many parts of the world of members of the Armed Forces of the United States and civilian Government personnel, the need for continuation of the exemptions from duty of personal and household effects brought into the United States under Government orders has not diminished. The basic legislation is safeguarded from abuse not only by restrictions contained in the act but also by appropriate regulations issued by the Treasury Department, the Department of State, and within the Department of Defense. In particular, attention is invited to the fact that Public Law 126 of the 84th Congress conferred specific authority upon the Secretary of the Treasury to provide safeguarding regulations with regard to alcoholic beverages and tobacco products.

It is the intention of your committee, as was the case with regard to enactment of Public Law 84-126, that the Secretary of the Treasury will not apply an overly rigid interpretation of the language of the basic act to mean that the employee must physically accompany the household effects, since there are instances where a person in the service of the United States who, although not returning to the United States on the termination of assignment to extended duty outside the customs territory of the United States, is ordered by the Government agency involved from the post or station of such duty to duty at another post or station outside the customs territory of the United States, necessitating the return to the United States of his personal and household effects.

The Departments of Defense and State recommended the passage of legislation continuing the existing free entry privilege with regard to personal and household effects brought into the United States under Government orders. Both agencies consider that the continuance of this exemption is important both in the inducement of getting people to serve abroad and also in contributing to the morale of U.S. personnel on duty outside the customs territory of the United States.

Your committee, like the Committee on Ways and Means of the House, is concerned that continued and increased diligence be exercised to assure that the exemption is not abused.

DEPARTMENTAL REPORT

The letter from the Department of the Navy, dated October 31, 1963, advocating the introduction and enactment of this legislation follows:

DEPARTMENT OF THE NAVY,
OFFICE OF THE SECRETARY,
Washington, D.C., October 31, 1963.

HON. LYNDON B. JOHNSON,
*The President of the Senate,
U.S. Senate, Washington, D.C.*

MY DEAR MR. PRESIDENT: There is enclosed a draft of proposed legislation to extend for a temporary period the existing provisions of law relating to the free importation of personal and household effects brought into the United States under Government orders.

This proposal is a part of the Department of Defense legislative program for the 88th Congress. The Bureau of the Budget advises that, from the standpoint of the administration's program, there is no objection to the presentation of this proposal for the consideration of the Congress. The Department of the Navy has been designated as the representative of the Department of Defense for this legislation. It is recommended that this proposal be enacted by the Congress.

PURPOSE OF THE LEGISLATION

The purpose of the proposed legislation is to extend for 2 years, until July 1, 1966, the existing provisions of law relating to the free importation of personal and household effects brought into the United States under Government orders.

The act of June 27, 1942 (ch. 453, 56 Stat. 461), as amended, in general provides that, under such regulations as the Secretary of the Treasury may prescribe, the personal and household effects of any person in the service of the United States, or his family, or of any person evacuated to the United States under Government orders, may be brought into the United States or any of its possessions, pursuant to Government orders or instructions, without the payment of any duty or tax imposed upon, or by reason of, importation. As originally enacted, this act was effective until the day following the proclamation of peace by the President. The period of free entry was extended until April 1, 1953, and then until July 1, 1955 (sec. 1(a)(18), act of July 3, 1952 (66 Stat. 332), and sec. 1, act of Apr. 4, 1953 (ch. 21, 67 Stat. 22)). The act of June 30, 1955 (69 Stat. 242), amended the basic law in several respects, including increased authority of the Secretary of the Treasury and restrictions as to persons eligible for the benefits of the statute. The effective period of the act as thus amended was until July 1, 1958.

The entry free period was successively extended until July 1 of 1960, 1962, and 1964, respectively (act of May 9, 1958, Public Law 85-398 (72 Stat. 107); act of June 30, 1960, Public Law 86-563 (74 Stat. 289), and act of October 10, 1962, Public Law 87-790 (76 Stat. 808)). The proposed legislation would extend this authority for another 2-year period.

In view of the continued presence in many parts of the world of members of the Armed Forces of the United States, as well as other persons in the service of the United States who are included within the scope of the act, there is a continued need for the exemption from import duty of personal and household effects granted by the act of June 27, 1942 (56 Stat. 461), as amended (50 U.S.C. App. 801). Termination of this authority would impose unwarranted burdens upon members of the Armed Forces and employees of the United

States, and would be seriously detrimental to morale in the Armed Forces. The privilege is and will continue to be safeguarded from abuse by appropriate regulations issued by the Department of the Treasury, the Department of Defense, and such other Government agencies as are substantially affected.

COST AND BUDGET DATA

Enactment of this proposal would cause no increase in the budgetary requirements of the Department of Defense.

Sincerely yours,

FRED KORTH,
Secretary of the Navy.

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 italic; existing law in which no change is proposed is shown in roman):

TARIFF ACT OF 1930

APPENDIX TO THE TARIFF SCHEDULES

Part 1. Temporary Legislation

Item	Articles	Rates of duty		Effective period
		1	2	
	PART 1. TEMPORARY LEGISLATION			
	Subpart A. Temporary Provisions for Additional Duties			
	Subpart B. Temporary Provisions Amending the Tariff Schedules			
	Subpart B headnotes: 1. Any article described in the provisions of this subpart, if entered during the period specified in the last column, is subject to duty at the rate set forth herein in lieu of the rate provided therefor in schedules 1 to 8, inclusive. 2. Articles exempted under item 915.20 from the payment of duty shall be exempt also from the payment of any internal-revenue tax imposed upon or by reason of importation.			
915.20	The personal and household effects (with such limitation on the importation of alcoholic beverages and tobacco products as the Secretary of the Treasury may prescribe) of any person in the service of the United States who returns to the United States upon the termination of assignment to extended duty (as defined in regulations issued in connection with this provision) at a post or station outside the customs territory of the United States, or of returning members of his family who have resided with him at such post or station, or of any person evacuated to the United States under Government orders or instructions (see part 2B of schedule 8).	Free (see headnote 2 of this subpart).	Free (see headnote 2 of this subpart).	On or before [6/30/64]. 6/30/68.