

## TARIFF TREATMENT OF ARTICLES ASSEMBLED ABROAD OF PRODUCTS OF THE UNITED STATES

SEPTEMBER 13 (legislative day, SEPTEMBER 7), 1966.—Ordered to be printed

Mr. LONG of Louisiana, from the Committee on Finance, submitted  
the following

### R E P O R T

[To accompany H. R. 11216]

The Committee on Finance, to which was referred the bill (H. R. 11216) relating to the tariff treatment of articles assembled abroad of products of the United States, having considered the same, reports favorably thereon with amendments and recommends that the bill (as amended) do pass.

#### SUMMARY

(a) *House provision.*—H. R. 11216 as passed by the House simplifies the requirements in item 807.00 of the Tariff Schedules of the United States (TSUS) for qualifying imported articles for partial exemption from duty to the extent of the value of any U. S. components that have been assembled therein abroad. It does this by eliminating the requirement that the U. S. component must have been exported from the United States with the intent that it be returned to the United States as part of an assembled article. This provision was approved by the committee without substantive change.

(b) *Committee amendments.*—The committee added a number of amendments to the bill. These amendments (1) prevent avoidance of the U. S. button tariff by denying duty-free entry to buttons transshipped to the United States from an insular possession after drilling holes in, or otherwise processing, almost-finished buttons (or button blanks) imported into the possession from a foreign country; (2) provide duty-free entry for certain teaching aids used in the Montessori method of education; (3) provide duty-free entry for certain scientific instruments imported for the use of various universities in connection with their research work; and (4) provide duty-free entry for gifts from Canadians to the International Peace Garden, Dunseith, N. Dak.

## GENERAL STATEMENT

(a) *Articles assembled abroad.*—Paragraph 1615(a) of the old tariff schedules in effect prior to August 31, 1963, the effective date of the TSUS, provided for the free entry of—

Articles the growth, produce, or manufacture of the United States, when returned after having been exported, without having been advanced in value or improved in condition by any process of manufacture or other means.

This free-entry provision was construed by the courts to extend to U.S. products incorporated abroad in an article and returned to the United States, so long as the U.S. products had not been advanced in value or improved in condition and were readily identifiable notwithstanding their combination with foreign merchandise.

Item 807.00 of the new tariff schedules, as originally made effective, was based upon the practice under old paragraph 1615(a) growing out of the above-mentioned judicial interpretation of that tariff provision, but, among other things, eliminated the anomaly of not regarding the assembly operations abroad as advancing or improving the U.S. components. In its original form as it appeared in the tariff schedules of the United States, the article description for item 807.00 was as follows:

Articles assembled abroad in whole or in part of products of the United States which were exported for such purpose and which have not been advanced in value or improved in condition abroad by any means other than by the act of assembly.

But for one phrase in the above article description, the benefits available under old paragraph 1615(a) were essentially preserved. However, a new requirement was added by the inclusion of the language "which were exported for such purpose." Under old paragraph 1615(a) it was not necessary to establish that the particular U.S. product was exported for the purpose of assembly abroad. In explanation of the inclusion of the quoted phrase in item 807.00 the Tariff Commission stated, "[it] attempts to assist in the identification of the American parts by requiring that such parts be exported for the purpose of being assembled into articles abroad." (Tariff Classification Study, submitting report of the U.S. Tariff Commission, Committee on Ways and Means, vol. 9, p. 15.)

Your committee agrees with the Tariff Commission and the Committee on Ways and Means of the House that the benefits of item 807.00 should not be extended unless it is established in accordance with appropriate regulations that the components forming the basis of the claim in the imported foreign article are in fact of U.S. origin. However, we did not intend to impose unusual difficulty on U.S. business in complying with the requirements for obtaining the partial exemption from duty authorized by item 807.00. Yet that appears to be the inadvertent result of one phrase in the 1965 amendment (Public Law 89-241, approved Oct. 7, 1965) to the tariff schedules which modified the article description in item 807.00 to read in pertinent part, as follows:

Articles assembled abroad in whole or in part of fabricated components, the product of the United States, which (a) were

exported, in condition ready for assembly without further fabrication, for the purpose of such assembly *and return to the United States* \* \* \*. [Emphasis added.]

The committee was advised by the Customs Service that, where the exporter of the American component and the importer of the assembled article are the same person or concern, there is no special difficulty in establishing that the components were exported for the purpose of assembly into a specified article and that those components are in fact those returned to the United States. In such circumstances, arrangements are frequently made to have the assembler abroad keep track of the components and guarantee their presence in a particular article or group of articles, which he has assembled and shipped to the American exporter who sent the components to him for that purpose.

On the other hand, the committee was advised that where the American exporter and the foreign assembler are not the same firm, a more complex situation arises and difficult problems of proof frequently occur. The most difficult problems are in those cases in which the American components are sold to a purchaser abroad who will use them in the general course of assembling articles which have no predetermined destination. The basic pattern of distribution for the assembled articles may be in the country to which the components were exported or in other foreign countries.

Under present law, in order to establish eligibility for duty-free treatment of U.S. components imported as part of an article assembled abroad, it must be verified that the U.S. components—

- (1) Were exported in condition ready for assembly without further fabrication;
- (2) Were exported, without the allowance of drawback, for the purpose of such assembly and return to the United States of the assembled articles;
- (3) Have not lost their physical identity in such articles by change in form, shape, or otherwise; and
- (4) Have not been advanced in value or improved in condition abroad by unauthorized operations.

The "difficult problems of proof" referred to by the Customs Service apparently are rooted in condition (2) above, which in operation requires an intent at the time of exportation that the U.S. product will be returned to this country as part of an article assembled abroad.

The basic purpose of the House bill is to eliminate the "purpose clause" as a condition for gaining the benefits of item 807.00, provided that all other requirements of the item continue to be met. With the removal of the "purpose clause," compliance with the provisions of item 807.00 would be the establishment of the identity of the American components, the fact of assembly of such components without advancement in value or improvement in condition by unauthorized operations, the nonallowance of drawback on such components, and their cost or value as exported for the purpose of duty allowance on the imported article. It would still be required that the U.S. component be in condition ready for assembly at the time of its exportation.

Because of the passage of time since this bill was passed by the House, the Committee on Finance made technical changes in the effective date to insure that the relief intended by the bill is fully provided. As amended, the duty-free treatment will apply to U.S.

components incorporated in articles assembled abroad which are entered or withdrawn from warehouses for consumption on or after the date of the enactment of this act. The provision will also apply with respect to U.S. components of assembled articles imported after August 30, 1963, provided claim for refund is filed within 120 days after the date of enactment of this act.

(b) *Buttons from insular possessions.*—In 1965 Congress became concerned over the avoidance of U.S. tariffs on certain polyester or acrylic resin buttons. The avoidance practice involved the importation of almost-finished buttons at the low rates applicable to button blanks, followed by the drilling of holes and final polishing in this country. The button blanks involved in this avoidance device had been machined to shape, polished and otherwise processed and for practical purposes were finished buttons except for the drilling of holes. By importing almost-finished buttons under the button blank rate (36 percent), it was possible for the higher button rate (120 to 150 percent) to be avoided, yet at the same time practically all of the manufacturing operations had been accomplished outside this country.

Congress dealt with this device in the Tariff Schedules Technical Amendments Act of 1965 by limiting the button blank category to "raw or crude blanks suitable for manufacture into buttons." This change subjects articles that are further manufactured than the raw or crude blank stage to the operation of general headnote 10(h) and makes them classifiable as "buttons." Thus, for example a button blank which had been subjected to face finishing, polishing, beveling, or other finishing operations, would be dutiable at the rates applicable to buttons, while raw, unworked button blanks could continue to come in at the lower button blank rate. The committee report accompanying the 1965 amendment reflected our best judgment that the button blank provision "will effectively deal with this rate-avoidance problem."

However, we failed to recognize the peculiar advantage afforded by our tariff law to operations conducted in the insular possessions. This advantage consists of duty-free treatment for articles coming from the insular possessions if they meet two simple tests. First, the article arriving from the possession must have a value at least double the value of the foreign materials contained in it. Second, it must have been subjected to some manufacturing or processing operation in the possession.

The committee is advised that while Congress was acting to stop the button blank tariff avoidance device, the Customs Service issued a ruling to the effect that the process of drilling holes in foreign almost-finished buttons and final polishing of the finished button is a sufficient manufacturing process, and that the buttons so processed and transhipped from the possession would qualify for duty-free entry into the United States if the value requirement were satisfied.

Unfortunately, knowledge of this Customs' ruling did not reach Congress until after the 1965 legislation had been completed. Thus, by the time the 1965 amendment became effective to stop direct tariff avoidance, button blank operations had begun in the Virgin Islands and our button tariff continues to be avoided. As a matter of fact, the Virgin Island operation is even more lucrative as a tariff avoidance device than when the finishing processes were performed in this country. This is so because not only is the U.S. button tariff avoided

but the U.S. button blank tariff is also avoided. At best, only a 6-percent Virgin Island tariff need be paid on imported button blanks and in many instances new firms are granted exemption from this insular tariff as well.

Button blank operations are particularly suited for possessions operations. Buttons are small and their freight charges are low. They involve large markup (particularly the acrylic and polyester resin buttons) so the 50-percent value test is easily met. They are subject to high duty when imported directly into the United States from a foreign country so there is considerable incentive to take advantage of the duty-free privilege accorded to insular possessions. Finally, little skill is needed in the drilling and polishing operation and residents of the possessions can be easily trained to do the work necessary to qualify the buttons for duty-free entry.

Our desire in enacting the 1965 amendment was to prohibit avoidance of our button tariffs through the use of almost-finished foreign buttons (or button blanks). In order to carry out this intent, the committee has approved a new amendment to deny duty-free entry for buttons transshipped into this country from the insular possessions if they are manufactured or produced from button blanks or unfinished buttons which were the product of any foreign country. Under this amendment these buttons will be dutiable at the same rates as would apply if they were imported directly from the foreign country involved.

The amendment would become effective with respect to articles entered or withdrawn from warehouse for consumption more than 60 days after the date of enactment of this act.

(c) *Montessori teaching aids.*—Under present law (item 851.10 of the tariff schedules) many articles employed in educational processes may be imported free of duty. For this duty-free treatment to apply, however, the articles eligible for tariff-exemption must be imported “exclusively for the use of the institution involved, and not for distribution, sale, or other commercial use.” (Headnote 1 to pt. 4 of schedule 8 of the tariff schedules.) The articles eligible for tariff-free treatment under present law include books, charts, paintings, pastels, drawings, sketches, engravings, etchings, lithographs, woodcuts, maps, music, sound recordings, and photographic or other prints.

To a considerable extent the present law covers teaching aids used in ordinary classroom instruction. However, the present law does not permit duty-free treatment for many teaching aids needed for special instruction under unique teaching methods.

One such method which has become popular in this country in the last few years is the “Montessori” system. This system has been described as a sort of free discipline, combining permissiveness and strict order. Under it, the child proceeds at his own pace in an environment controlled to provide the means of learning. Imaginative teaching materials are the heart of the Montessori process. Each of them is self-correcting thus enabling the child to proceed at his own pace and see his own mistakes.

The Montessori system has been found particularly effective not only with respect to precocious children but also in the instruction of retarded, or culturally deprived children. One hallmark of the Montessori system is the emphasis on development of sight, smell, touch, and hearing. Backward children are uniquely benefited by this stimulation of their sensory perception.

The committee was advised by the Tariff Commission that the instructional materials and equipment used by the Montessori schools are quite varied. A portion of them consists of common articles of everyday use, and such articles as dishes and vases are most often obtained by each school from local stores and dealers. On the other hand, a number of sets of articles which are not available in local markets are fabricated to specification (precise lengths, widths, shapes, colors, and the like) by authorized manufacturers, none of whom is presently located in the United States. The sets presently produced collectively contain many hundreds of small individual pieces and are made of various materials but mostly of wood.

Although the sets are fabricated to specification and designed for the classroom instruction of children, a number of them are not distinctively different from common articles of commerce sold as educational toys or play items. For example, some of the sets consist of alphabet blocks, sets of small flags of the nations of the world, jigsaw type puzzle layouts, small tuned bells, maps, geometrical solids, etc. Included in the materials are so-called dressing frames which consist of frames on which have been stretched simulated parts of garments designed to enable children to learn to button clothing, lace shoes, fasten zippers, etc. Some of the articles consist of bottles, boxes, or other containers or holders into which are placed fragrant materials, hot or cold materials, etc., for the purpose of developing in children sensory perceptions of smell and touch. Some of the individual sets are put up in substantially built holders (e.g., boxes and small chests) for storage of the sets when not in use.

The committee was also advised that so far as the Tariff Commission could ascertain, the Montessori sets now being imported serve their maximum usefulness with the youngest age group; i.e., approximately 3 to 6 years of age. Collectively, the sets of Montessori materials for a class of 35 children cost approximately \$800 to \$1,000. It is these sets which the schools have been importing. As the children advance into the older age groups, it is understood that new applications are made of the basic 3- to 6-year-old sets; however, other Montessori materials are also required. In the more advanced groups, more and more use is made of conventional materials such as microscopes and other teaching aids.

The Tariff Commission further advised the committee that the sets produced by the authorized manufacturers are sold only to recognized Montessori schools and cannot be procured by other persons. Although the American Montessori Institute does not have effective legal means of preventing unauthorized schools from advertising and otherwise indicating that they are using the Montessori method of teaching, some control can be maintained in the sale of the sets in question.

Under present law, most Montessori teaching aids would be dutiable, at a rate of 16½ percent, as articles of wood not specially provided for. Some are dutiable at 20 percent or 25.5 percent while others are duty-free as maps and charts imported exclusively for use by an educational institution.

The Committee on Finance sees no reason to continue a duty on the teaching aids needed under the Montessori or similar methods of instruction while general types of teaching aids are already tariff free. Accordingly, it has approved an amendment to conform the tariff

treatment of these teaching aids to that presently available for most other instructional aids. For this duty-free treatment to apply, however, the articles involved must be imported "exclusively for the use of the institution involved." Moreover, under rulings of the Customs Service the duty-free treatment will not apply if the institution is organized or operated for profitmaking purposes.

The amendment providing duty-free treatment for these teaching aids describes the eligible articles to include letters, numbers, arithmetical materials, blocks, and other dimensional shapes, geometrical figures, tuned bells, and basic materials (not including musical instruments) for understanding music, and their containers. It is required, however, that the articles must be fabricated to specification and must be designed for the classroom instruction of children. This requirement distinguishes ordinary toys from true Montessori-type teaching aids and prevents avoidance of the tariff on toys.

Under the amendment, the duty-free treatment would apply with respect to articles entered or withdrawn from warehouse for consumption on or after the date of enactment of this act.

(d) *Scientific instruments for certain universities.*—The Committee on Finance also added amendments to the bill to permit certain scientific instruments to be imported duty-free for the use of specified universities in this country.

(1) *Rheogoniometer.*—One of these instruments is a rheogoniometer. It is a device capable of accurately measuring fluids under either steady-rate conditions and/or fluctuating rates of flow, and it represents a new development in viscometric measurement.

Because this type of duty-free treatment is consistent with prior legislation, the Committee on Finance has approved amendments to allow two of these instruments to be imported duty-free—one for the use of Case Institute of Technology and the other for the use of the University of Utah. In both instances, the machine involved is produced in England.

(2) *Mass spectrometer.*—The other scientific instrument for which duty-free treatment would be provided is a mass spectrometer. This is a device used by chemists and chemical engineers to provide chemical analyses, measurements, and other research features. In the use of a mass spectrometer, the material to be studied is subjected to an ionizing process after which the ions formed are physically separated according to mass by electromagnetic means so that a mass spectrum is produced.

The committee is satisfied that the conditions surrounding the acquisition of these foreign scientific instruments are sufficiently similar to prior instances in which duty-free treatment has been provided for mass spectrometers that the duty-free privilege is warranted. For this reason the committee has approved duty-free treatment for three mass spectrometers—one for the use of the University of Hawaii, one for the use of the University of Nebraska, and one for the use of Utah State University.

Under the committee amendment, duty-free treatment in the specified cases would apply not only with respect to the scientific instrument itself but also with respect to equipment, parts, accessories, and appurtenances which accompany the imported instrument. Moreover, the duty-free treatment will apply whether the instrument has already been imported (in which case refund of tariff is provided for

if application is made within 120 days after enactment of the bill) or is to come in at a later date.

(e) *International Peace Garden*.—The International Peace Garden is a nonprofit State park located at Dunseith, N. Dak. It was established to commemorate the more than 150 years of peace that has existed between the United States and Canada. The Peace Garden straddles the international boundary and the customs facilities at Dunseith are so placed that travelers from either country can, without passing through the customs of the other, visit all parts of the garden. Both Governments, in aid of the undertaking, have provided customs houses of unusual and monumental design. Gifts, contributions, and appropriations from individuals, organizations, and the local and Federal Governments of both countries have also furthered the development of the Garden.

Item 842.40 of the Tariff Schedules of the United States now provides for the free entry, upon request of the Department of State, of articles which are the property of a foreign government or of a public international organization for presentation as gifts to the United States, to any State or local government, or to any public institution organized in the United States. At least some of the gifts made to the International Peace Garden may, therefore, be duty free under present law. However, the duty-free privilege does not extend to gifts received from private Canadian individuals or organizations.

On the other hand, the committee is advised that articles donated by Americans to the Canadian side of the garden are free of the Canadian tariff.

This amendment would permit gifts to the American side of the International Peace Garden received from Canadian individuals or organizations to be imported without payment of duty. The duty-free treatment would apply with respect to gifts made on or after June 8, 1962, and refunds of duty for gifts received before the date of enactment of this act would be authorized if claim therefor is filed within 120 days after the date of enactment of this bill.

In order to assure that this duty-free privilege may not become a device for avoiding U.S. tariffs, the amendment further provides that if an article donated to the Peace Garden on a tariff-free basis should, within 5 years, be transferred to any person (other than the donor) or be used anywhere else in the United States, the International Peace Garden will become liable for the amount of tariff previously forgiven.

The executive departments are unanimous in their support of this amendment. The Commerce Department advised the committee that:

In view of the purpose for which the garden was established, this Department feels that donations by Canadian citizens to the U.S. section of the garden should receive reciprocal treatment and be entered free of duty. This treatment would be consonant with the fostering of good will and mutual friendship between Canada and the United States. It would assist the future development and eventual fulfillment of the International Peace Garden.

The Treasury Department reported that "the circumstances are so unusual that the bill would not be objectionable as discriminating against any person not similarly favored."



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

## TARIFF SCHEDULES OF THE UNITED STATES

## GENERAL HEADNOTES AND RULES OF INTERPRETATION

1. Tariff Treatment of Imported Articles. All articles imported into the customs territory of the United States from outside thereof are subject to duty or exempt therefrom as prescribed in general headnote 3.

2. Customs Territory of the United States. The term "customs territory of the United States", as used in the schedules, includes only the States, the District of Columbia, and Puerto Rico.

3. Rates of Duty. The rates of duty in the "Rates of Duty" columns numbered 1 and 2 of the schedules apply to articles imported into the customs territory of the United States as hereinafter provided in this headnote:

(a) Products of Insular Possessions.

(i) [Articles] *Except as provided in headnote 4 of schedule 7, part 7, subpart A, articles imported from insular possessions of the United States which are outside the customs territory of the United States are subject to the rates of duty set forth in column numbered 1 of the schedules, 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 customs territory of the United States, or of both, which do not contain foreign materials to the value of more than 50 percent of their total value, coming to the customs territory of the United States directly from any such possession, and all articles previously imported into the customs territory of the United States with payment of all applicable duties and taxes imposed upon or by reason of importation which were shipped from the United States, without remission, refund, or drawback of such duties or taxes, directly to the possession from which they are being returned by direct shipment, are exempt from duty.*

(ii) in determining whether an article produced or manufactured in any such insular possession contains foreign materials to the value of more than 50 percent, no material shall be considered foreign which, at the time such article is entered, may be imported into the customs territory from a foreign country, other than Cuba or the Philippine Republic, and entered free of duty.

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Item	Articles	Rates of duty	
		1	2
	<p><b>PART 7.—BUTTONS, BUCKLES, PINS, AND OTHER FASTENING DEVICES; ARTIFICIAL AND PRESERVED FLOWERS AND FOLIAGE; MILLINERY ORNAMENTS; TRIMMINGS; AND FEATHER PRODUCTS</b></p> <p><b>SUBPART A.—BUTTONS, BUCKLES, PINS, HOOKS AND EYES, AND SLIDE FASTENERS</b></p> <p><i>Subpart A headnotes:</i></p> <p>1. This subpart does not cover—                      (I) jewelry and other objects of personal adornment provided for in part 6A of schedule 7; or                      (II) harness and saddlery or riding-bridle hardware (see part 31) of schedule 6).</p> <p>2. For the purposes of this subpart—                      (a) the term "line" in the rates of duty columns (Items 745.20, 745.22, and 745.32) means the line button measure of one-fortieth of one inch; and                      (b) the term "button blanks" (Item 745.40) is limited to raw or crude blanks suitable for manufacture into buttons.</p> <p>3. Buttons of pearl or shell which are Philippine articles are entitled to admission free of duty under item 745.21 of this subpart if entered on or before December 31, 1973, but the total quantity of such buttons entered under this item during each calendar year shall not exceed—                      (a) 680,000 gross buttons during calendar years 1963 through 1964.                      (b) 510,000 gross buttons during calendar years 1965 through 1967.                      (c) 340,000 gross buttons during calendar years 1968 through 1970, and                      (d) 170,000 gross buttons during calendar years 1971 through 1973.</p> <p>4. Buttons (whether finished or not finished) provided for in item 745.32 which are the product of an insular possession of the United States outside the customs territory of the United States and which are manufactured or produced from button blanks or unfinished buttons which were the product of any foreign country shall be subject to duty under item 745.32 at the rate which applies to products of such foreign country.</p> <p>Buttons:</p>		
745.04	Of metal: Embossed with a design, pattern, or lettering.	18% ad val.	45% ad val.
745.08	Other: Valued not over 20 cents per dozen.....	10% ad val.	35% ad val.
745.10	Valued over 20 cents per dozen.....	55% ad val.	110% ad val.
745.20	Of pearl or shell.....	1.75¢ per line per gross+25% ad val.	1.75¢ per line per gross+25% ad val.
745.21	If product of the Philippines: If Philippine articles within tariff-rate quota (see headnote 3 of this subpart)..	Free.	
745.22	Other.....	1.75¢ per line per gross+25% ad val.	
745.25	Of casein.....	15% ad val.	45% ad val.
745.28	Of glass.....	18% ad val.	45% ad val.
745.30	Wholly of horn.....	17% ad val.	45% ad val.
745.32	Of acrylic resin, of polyester resin, or of both such resins.....	0.75¢ per line per gross+12.5% ad val.	1.5¢ per line per gross+25% ad val.
745.34	Other.....	10% ad val.	45% ad val.
745.40	Button blanks and molds, and parts of buttons.....	36% ad val.	45% ad val.

SCHEDULE 8. SPECIAL CLASSIFICATION PROVISIONS

PART 1. ARTICLES EXPORTED AND RETURNED

Item	Articles	Rates of duty	
		1	2
	<p><b>SUBPART B.—ARTICLES ADVANCED OR IMPROVED ABROAD</b></p> <p>Subpart B headnotes:</p> <p>1. This subpart shall not apply to any article exported—</p> <p>(a) from continuous customs custody with remission, abatement, or refund of duty;</p> <p>(b) with benefit of drawback;</p> <p>(c) to comply with any law of the United States or regulation of any Federal agency requiring exportation; or</p> <p>(d) after manufacture or production in the United States under item 864.05 of this schedule.</p> <p>• • • • •</p> <p>3. Articles assembled abroad with components produced in the United States.—The following provisions apply only to item 807.00:</p> <p>(a) The value of the products of the United States assembled into the imported article shall be—</p> <p>(i) the cost of such products at the time of the last purchase; or</p> <p>(ii) if no charge is made, the value of such product at the time of the shipment for exportation,</p> <p>as set out in the invoice and entry papers; except that, if the appraiser concludes that the amount so set out does not represent a reasonable cost or value, then the value of such products shall be determined in accordance with section 402 or 402a of this act.</p> <p>(b) The duty on the imported article shall be at the rate which would apply to the imported article itself, as an entirety without constructive separation of its components, in its condition as imported if it were not within the purview of this subpart. If the imported article is subject to a specific or compound rate of duty, the total duties shall be reduced in such proportion as the cost or value of such products of the United States bears to the full value of the imported article.</p> <p>4. No imported article shall be accorded partial exemption from duty under more than one item in this subpart.</p> <p>• • • • •</p>		
307.00	<p>Articles assembled abroad in whole or in part of fabricated components, the product of the United States, which (a) were exported [ ] in condition ready for assembly without further fabrication, [for the purpose of such assembly and return to the United States,] (b) have not lost their physical identity in such articles by change in form, shape, or otherwise, and (c) have not been advanced in value or improved in condition abroad except by being assembled and except by operations incidental to the assembly process such as cleaning, lubricating, and painting.....</p>	<p>A duty upon the full value of the imported article, less the cost or value of such products of the United States (see headnote 3 of this subpart).</p>	<p>A duty upon the full value of the imported article, less the cost or value of such products of the United States (see headnote 3 of this subpart).</p>

Item	Articles	Rates of duty	
		1	2
	<b>PART 4.—IMPORTATIONS OF RELIGIOUS, EDUCATIONAL, SCIENTIFIC, AND OTHER INSTITUTIONS</b>		
	Articles imported for the use of any public library, any other public institution, or any institution established solely for educational, scientific, literary, or philosophical purposes, or for the encouragement of the fine arts:		
851. 10	Books, charts, paintings, pastels, drawings, sketches, engravings, etchings, lithographs, woodcuts, maps, music, sound recordings, and photographic or other prints, all the foregoing whether bound or unbound, and exposed photographic films (including motion-picture films) whether or not developed.....	Free	Free
851. 15	<i>Letters, numbers, and other symbols; number cards and other arithmetical materials; printed matter; blocks and other dimensional shapes; geometrical figures, plane or solid; geographical globes; tuned bells and basic materials for understanding music; model articles and figures of animate objects; puzzles and games; flags; dressing frames; dummy clocks; bottles, boxes, and other containers or holders; all the foregoing, whether or not in sets, fabricated to specification and designed for the classroom instruction of children; and containers or holders fabricated to specification and designed for the storage of such instructional articles when not in use.....</i>	Free	Free
851. 20	Sculptures and statuary.....	Free	Free
851. 30	Regalia.....	Free	Free
851. 40	Any textile machine or machinery, or part thereof, solely for the instruction of students....	Free	Free
851. 50	Models of inventions and of other improvements in the arts, to be used exclusively as exhibits in exhibitions at any such institution.....	Free	Free

