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SENATE

} REPORT
} No. 1110

EXEMPTING TEXTILE MACHINES AND PARTS FROM DUTY WHEN IMPORTED FOR INSTRUCTION OF STUDENTS BY EDUCATIONAL, RELIGIOUS, OR CHARITABLE INSTITUTIONS

JANUARY 24 (legislative day, JANUARY 10), 1952.—Ordered to be printed

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

REPORT

[To accompany H. R. 1012]

The Committee on Finance, to whom was referred the bill (H. R. 1012) to permit educational, religious, or charitable institutions to import textile machines and parts thereof for instructional purposes, having considered the same, report favorably thereon with amendment and recommend that the bill as amended do pass.

The amendment is as follows:

On page 1, line 12, after the word "prescribe", add a colon and the following: "*Provided, That any such textile machine or machinery or part thereof, or the substantial equivalent thereof, is not manufactured in the United States*".

GENERAL STATEMENT

It has been the historical policy of Congress to encourage the advancement of culture and science in the United States by admitting free of duty certain articles for use by religious, philosophical, educational, scientific, and literary institutions. Paragraph 1631 of the Tariff Act of 1930, as amended, provides for such free importation of books, maps, music, engravings, etc.

H. R. 1012, as passed by the House of Representatives, would permit the free entry, under the Tariff Act of 1930, as amended, of any textile machine, or machinery or parts thereof imported by any society or institution incorporated or established solely for educational, religious, or charitable purposes for its own use in the instruction of students and not for sale or for any commercial use under rules and regulations prescribed by the Secretary of the Treasury.

It was anticipated by the House committee that most of the textile machines which would be imported free of duty under this bill would be special machines or machines having special features and which are

not made in the United States at the time of importation. To effectuate this intent your committee has amended the language of the bill by adding a proviso that free entry be allowed only when the equivalent machinery is not being manufactured in this country.

The reports from the Department of State, Treasury Department, and United States Tariff Commission are as follows:

DEPARTMENT OF STATE,
Washington, D. C., February 14, 1951.

The Honorable WALTER F. GEORGE,
Chairman, Committee on Finance,
United States Senate.

MY DEAR SENATOR GEORGE: Reference is made to your letter of January 31, 1951, requesting the views of the Department of State on H. R. 1012, an act to permit educational, religious, or charitable institutions to import textile machines and parts thereof for instructional purposes.

This bill would amend the Tariff Act of 1930 to permit, under rules and regulations as may be prescribed by the Secretary of the Treasury, the duty-free entry of textile machinery or parts thereof for the above-mentioned use.

This Department has examined the bill for its possible relationship to United States commercial policy and has no objection to its enactment from that standpoint.

No comment has been made on possible administrative questions raised by this proposed legislation since such matters fall within the jurisdiction of the Treasury Department.

The Department has been informed by the Bureau of the Budget that there is no objection to the submission of this report.

Sincerely yours,

JACK K. McFALL,
Assistant Secretary
(For the Secretary of State).

TREASURY DEPARTMENT,
Washington, D. C., February 2, 1951.

Hon. WALTER F. GEORGE,
Chairman, Committee on Finance,
United States Senate, Washington, D. C.

MY DEAR MR. CHAIRMAN: Further reference is made to your letter of January 22, 1951, requesting a statement of this Department's views on the bill (H. R. 1012) to permit educational, religious, or charitable institutions to import textile machines and parts thereof for instructional purposes.

The proposed legislation would add a new paragraph to the free list of the Tariff Act of 1930, as amended, to provide for the importation free of duty by any society or institution incorporated or established solely for educational, religious, or charitable purposes of any textile machines or machinery, or part thereof, for its own use in the instruction of students and not for sale or for any commercial use, under rules and regulations prescribed by the Secretary of the Treasury.

The Department has had experience with somewhat similar language in other tariff provisions, such as paragraph 1631 of the Tariff Act of 1930, and, on the basis of such experience, anticipates no unusual administrative problems if the proposed legislation is enacted into law. This Department, therefore, would have no objection to the enactment of the proposed legislation.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this report to the committee.

Very truly yours,

JOHN S. GRAHAM,
Acting Secretary of the Treasury.

UNITED STATES TARIFF COMMISSION,
Washington 25, D. C., January 11, 1952.

MEMORANDUM FOR THE COMMITTEE ON FINANCE ON H. R. 1012, EIGHTY-SECOND CONGRESS (A BILL TO PERMIT EDUCATIONAL, RELIGIOUS, OR CHARITABLE INSTITUTIONS TO IMPORT TEXTILE MACHINES AND PARTS THEREOF FOR INSTRUCTIONAL PURPOSES)

H. R. 1012 proposes the addition of a new paragraph to the free list of the Tariff Act of 1930, to read as follows:

"PAR. 1817. Any society or institution incorporated or established solely for educational, religious, or charitable purposes may import free of duty any textile machine or machinery, or part thereof, for its own use in the instruction of students and not for sale or for any commercial use, under such rules and regulations as the Secretary of the Treasury may prescribe."

The enactment of this legislation would exempt from duty textile machinery when imported by the institutions and for the purposes specified in the proposed amendment which are now dutiable under paragraph 372 of the Tariff Act of 1930 at various rates. A table of 1930 and current tariff rates applicable to textile machinery under paragraph 372 of the Tariff Act of 1930, as amended, is attached.

It has been the historical policy of Congress to encourage the advancement of culture and science in the United States by providing duty-free treatment for a fairly extensive list of articles which are imported under prescribed conditions and the importation of which free of duty was considered by Congress to be in the interest of cultural or scientific advancement in the United States. Educational and religious institutions have been among those which have long been granted the privilege of free importation of specified articles, and the present policy of Congress in this respect is reflected in paragraph 1631 of the Tariff Act which reads as follows:

"PAR. 1631. Any society or institution incorporated or established solely for religious, philosophical, educational, scientific, or literary purposes, or for the encouragement of the fine arts, or any college, academy, school, or seminary of learning in the United States, or any State or public library, may import free of duty any book, map, music, engraving, photograph, etching, lithographic print, or chart, for its own use or for the encouragement of the fine arts, and not for sale, under such rules and regulations as the Secretary of the Treasury may prescribe."

It should be noted that throughout the history of the type of legislation under discussion, Congress has more or less limited the free-entry privilege to classes of articles whose importation would aid the development of the arts and sciences in the United States and which would necessarily customarily be of a type which was not readily available in the United States. The proposed legislation (H. R. 1012), which is in reality a proposed extension of the present exemption provided for in paragraph 1631 of the Tariff Act, would if enacted permit the free importation by specified institutions of "any textile machine or machinery, or part thereof"—a class of goods entirely unlike books, maps, music, engravings, photographs, etchings, lithographic prints, and charts, which are presently covered by paragraph 1631. Although there are some unique types of textile machines available abroad for which no counterpart could be found in the United States, it is probable that for the most part textile machines produced abroad can be or are duplicated by the domestic industry producing this class of machinery. Although it is possible that some textile machinery that would be imported under the bill if enacted would consist of machines of types manufactured in the United States, it is likely that most of such machines would be special machines or machines having special features, and of types not made in the United States at the time of importation.

Although the Commission has no information available as to the extent to which the proposed exemption, if enacted, would be utilized, it seems probable that the total imports of textile machinery under the provisions of the proposed bill would be small in proportion to normal domestic production and sales of such machinery in the United States. The real policy question involved here is whether Congress desires to expand the classes of articles which educational institutions may import free of duty to include textile machinery. Should this bill be enacted, institutions of the type named in the bill and similar institutions might seek privileges with respect to other types of equipment used in these institutions for the purposes specified and perhaps for other purposes.

Textile machinery and parts: Rates of duty in 1930 and current rates

	Percent ad valorem	
	1930 rate	Current rate
Embroidery machines, including shuttles for sewing and embroidery machines:		
Shuttles for sewing and embroidery machines.....	30	30
Other than shuttles.....	30	15
Lace-making machines, and machines for making lace curtains, nets, and nettings:		
Levers (including go-through).....	30	15
Other.....	30	10
Knitting, braiding, lace braiding, and insulating machines, and all other similar textile machinery, finished or unfinished, not specified:		
Knitting machines:		
Full-fashioned hosiery.....	40	20
Circular.....	40	15
Other.....	40	20
Textile machinery similar to knitting machines, other than braiding, lace braiding, and insulating machines.....	40	20
Braiding, lace braiding, and insulating machines, and similar textile machinery.....	40	20
Looms.....	40	20
Machinery for making synthetic textile filaments, bands, strips, or sheets.....	40	20
Bleaching, printing, dyeing, or finishing machinery.....	40	20
Machinery for textile manufacturing or processing prior to the making of fabrics or woven, knit, crocheted, or felt articles not made from fabrics:		
For manufacturing or processing vegetable fibers (except winding, beaming, warping, and slashing machinery and combinations thereof).....	40	10
Circular combs commonly known as Noble or Bradford combs.....	40	40
Other, including winding, beaming, warping, and slashing machinery and combinations thereof.....	40	20
Other textile machinery.....	40	15
Parts, not specified, wholly or in chief value of metal or porcelain, of any of the foregoing:		
Textile pins.....	40	20
Other.....	(1)	(2)

¹ The rate for the articles of which they are parts.

² The current rate for the articles.

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 in black brackets; new matter is in italics; existing law in which no changes are proposed is shown in roman):

TARIFF ACT OF 1930, AS AMENDED, PARAGRAPH 1817

PAR. 1817. Any society or institution incorporated or established solely for educational, religious, or charitable purposes may import free of duty any textile machine or machinery, or part thereof, for its own use in the instruction of students and not for sale or for any commercial use, under such rules and regulations as the Secretary of the Treasury may prescribe, Provided, That any such textile machine or machinery or part thereof, or the substantial equivalent thereof, is not manufactured in the United States.

