

# Calendar No. 1128

75TH CONGRESS }  
1st Session }

SENATE

{ REPORT  
{ No. 1083

## EXEMPTING VESSELS ARRIVING FOR PURPOSE OF TAKING ON SHIP'S STORES AND CERTAIN SEA STORES FROM REQUIREMENT OF FORMAL ENTRY

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JULY 22 (calendar day, Aug. 5), 1937.—Ordered to be printed

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

### REPORT

[To accompany H. R. 4543]

The Committee on Finance, to whom was referred the bill (H. R. 4543) to amend the Tariff Act of 1930 to exempt vessels arriving for the purpose of taking on ship's stores and certain sea stores from the requirement of formal entry, having considered the same, report favorably thereon without amendment and recommend that the bill be passed.

The purpose of the proposed legislation is explained in the report from the Committee on Ways and Means of the House of Representatives, which is incorporated herein and made a part of this report.

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The Committee on Ways and Means, to whom was referred the bill (H. R. 4543) to amend the Tariff Act of 1930 to exempt vessels arriving for the purpose of taking on ship's stores and certain sea stores from the requirement of formal entry, having considered the same, report it back to the House without amendment and recommend that the bill do pass.

#### GENERAL STATEMENT

The purpose of this bill is to clarify the present provision of the Tariff Act of 1930. Section 441, subdivision 4 of that act, reads as follows:

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

\* \* \* \* \*

"(4) Vessels arriving in distress or for the purpose of taking on bunker coal, bunker oil, or necessary sea stores and which shall depart within twenty-four hours after arrival without having landed or taken on board any passengers, or any merchandise other than bunker coal, bunker oil, or necessary sea stores: *Provided*, That the master, owner, or agent of such vessel shall report under oath to the collector the hour and date of arrival and departure and the quantity of bunker coal, bunker oil, or necessary sea stores taken on board."

This means that any vessel coming into an American port and taking on bunker oil or bunker coal or food supplies, for either the crew or passengers, or both, is

exempt from the requirement of making entry and is not required to pay tonnage dues. If, however, this ship desires to purchase rope, paint, nails, soap, kerosene, brooms, rags, or other supplies necessary for the ship, then the ship is required to make formal entry and to pay the contingent costs, which amount to about \$200.

A year or so ago the question arose as to the definition of "sea stores." Mr. Weaver, of the Department of Commerce, wrote a very clear and definite opinion quoting court decisions, to the effect that "sea stores" include only commodities to be consumed during the voyage. This bill strikes out "or necessary sea stores" and broadens this subsection by inserting in lieu thereof "sea stores, or ship's stores."

The effect of the present law is to deprive American merchants in American seaports, where ships enter in distress, or for bunker coal, bunker oil, or food supplies, of a profitable business in supplying other needs of the ship. Enactment of this bill will correct that discrimination. The passage of this bill will in nowise deprive the Federal Government of any revenues that are now derived.

Stephen B. Gibbons, Acting Secretary of the Treasury, makes the following report to Hon. Robert L. Doughton, chairman, Committee on Ways and Means, House of Representatives:

TREASURY DEPARTMENT,  
Washington, May 22, 1937.

Hon. R. L. DOUGHTON,  
Chairman, Committee on Ways and Means,  
House of Representatives.

DEAR MR. CHAIRMAN: Reference is made to your letter of April 3, 1937, transmitting a copy of H. R. 4543, a bill to amend the Tariff Act of 1930 to exempt vessels arriving for the purpose of taking on ship's stores and certain sea stores from the requirement of formal entry, and requesting such comments and recommendations as this Department may care to make with respect to the proposed legislation.

Subdivision (4) of section 441 of the Tariff Act of 1930, as amended (U. S. C. (1934 ed., supp. II), title 19, sec. 1441) exempts vessels arriving for the purpose of taking on bunker coal, bunker oil, or necessary sea stores, under certain conditions, from the requirement of making entry. The bill provides for the amendment of this provision of law by striking out the language "or necessary sea stores" wherever it appears therein, and inserting in lieu thereof the words "sea stores, or ship's stores".

The requirement of entry of vessels is under the jurisdiction of the Department of Commerce. However, this Department is interested in the subject matter of the bill in its relation to the revenue.

The scope of section 441 (4) of the Tariff Act of 1930 will be enlarged if the bill becomes law. The revenue will, however, be afforded the same protection that it now enjoys, in view of the proviso in section 441 (4) which, after the proposed amendment, would require that the master, owner, or agent of such vessel report, under oath, to the collector the hour and date of arrival and departure and the quantity of bunker coal, bunker oil, sea stores, or ship's stores taken on board.

The Department, therefore, perceives no objection to the enactment of the proposed bill.

Very truly yours,

STEPHEN B. GIBBONS,  
Acting Secretary of the Treasury.

#### CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes 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):

"SEC. 441. VESSELS NOT REQUIRED TO ENTER.

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"(4) Vessels arriving in distress or for the purpose of taking on bunker coal, bunker oil, [or necessary sea stores] *sea stores, or ship's stores* and which shall depart within twenty-four hours after arrival without having landed or taken on board any passengers, or any merchandise other than bunker coal, bunker oil, [or necessary sea stores] *sea stores, or ship's stores*: *Provided, That* the master, owner, or agent of such vessel shall report under oath to the collector the hour and date of arrival and departure and the quantity of bunker coal, bunker oil, [or necessary sea stores] *sea stores, or ship's stores* taken on board; and".