

## INTERNATIONAL CONVENTION TO FACILITATE THE IMPORTATION OF COMMERCIAL SAMPLES AND ADVERTISING MATTER

August 12, 1957.—Ordered to be printed

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

### REPORT

[To accompany H. R. 5924]

The Committee on Finance, to whom was referred the bill (H. R. 5924) relating to the International Convention To Facilitate the Importation of Commercial Samples and Advertising Matter, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

#### PURPOSE

The purpose of the bill is to amend the Tariff Act of 1930 to provide for the importation of advertising materials, samples and advertising films so as to implement an international convention. The Convention was dated at Geneva, November 7, 1952, and was signed on behalf of the United States on May 28, 1953. The Senate gave its advice and consent to the ratification of the Convention in February 22, 1956.

#### GENERAL STATEMENT

The United States customs treatment of imports of advertising matter and samples has not been an appreciable barrier to foreign concerns opening or maintaining sales operations in this country and the enactment of the bill will not involve important changes in the tariff treatment of the imports involved. Nevertheless, enactment of the bill is necessary to bring such tariff treatment precisely into accord with that contemplated by the Convention. United States exporting interests place considerable importance on certain foreign countries accepting the Convention since it is believed that its provisions will facilitate the entry of samples and advertising matter into these countries from the United States.

H. R. 5924 would provide duty-free entry for import of catalogs, price lists, and trade notices relating to the sale or rental of foreign goods or services to United States residents. At present imports of such advertising material if imported in bulk for subsequent distribution to potential customers are subject to duty as books, pamphlets, or other printed or lithographed paper articles. However, imported advertising material distributed directly through the mails to potential customers is usually not subject to duty.

H. R. 5924 would provide for duty-free entry of certain samples to be used in the United States only for soliciting orders for products of foreign countries; the samples that could be so entered would be limited to ones valued at less than \$1 each or samples that have been mutilated in such ways as to leave them useful only as samples and the samples of alcoholic beverages and tobacco products that would be enterable free under the bill are very closely restricted.

At present samples, regardless of value, are enterable free of duty under bond, the bonds being subject to liquidation upon exportation of the samples so entered. Samples valued at less than \$1 each are also presently enterable free of duty under section 321 of the Tariff Act, a provision which authorizes collectors of customs under regulations issued by the Secretary of the Treasury to admit free of duty articles valued at not more than \$1 each. For this reason enactment of H. R. 5924 would not in important degree alter the present tariff treatment of samples.

Motion-picture advertising films are now dutiable under paragraph 1551 along with other motion-picture films. Thus motion-picture films to be used in advertising have no special privileges under existing law. If H. R. 5924 is enacted, motion-picture advertising films would be enterable free of duty under bond, the bonds being subject to liquidation after use upon the expiration of the films.

Favorable reports on H. R. 5924 were made by the Department of State and the Treasury Department.

Your committee is unanimous in recommending enactment of H. R. 5924.

#### 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):

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PAR. 1629. (a) Hydrographic charts and publications issued for their subscribers or exchanges by scientific or literary associations or academies, and publications of individuals for gratuitous private circulation, not advertising matter, and public documents issued by foreign Governments; books, maps, music, engravings, photographs, etchings, lithographic prints bound or unbound, and charts, which have been printed more than twenty years at the time of importation: *Provided*, That where any such books have been rebound wholly or in part in leather within such period, the binding so placed upon such books shall be dutiable as provided in paragraph 1410.

(b) X-ray film, exposed, whether or not developed.

(c) *Any catalog, price list, or trade notice relating to offers, by a person whose principal place of business or bona fide residence is in a foreign country, to sell or rent products of a foreign country or to furnish foreign or international transportation or commercial insurance services.*

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PAR. 1821. (a) *Except as provided in subparagraphs (b), (c), and (d), any sample to be used in the United States only for soliciting orders for products of foreign countries.*

(b) *Subparagraph (a) shall apply to a sample only if its value does not exceed \$1, except that this limitation shall not apply to (1) any sample which is marked, torn, perforated, or otherwise treated, in such a manner that such sample is unsuitable for sale or for use otherwise than as a sample, or (2) any sample which is covered by subparagraph (c) or (d).*

(c) *In the case of samples of alcoholic beverages, subparagraph (a) shall apply only to samples for the use of persons importing alcoholic beverages in commercial quantities. In no case shall subparagraph (a) apply to more than one sample of each alcoholic beverage product admitted during any calendar quarter for the use of each such person. No sample of a malt beverage shall contain more than 8 ounces, no sample of wine shall contain more than 4 ounces, and no sample of any other alcoholic beverage shall contain more than 2 ounces.*

(d) *In the case of samples of tobacco products, and cigarette papers and tubes, subparagraph (a) shall apply only to samples for the use of persons importing any such article in commercial quantities. In no case shall subparagraph (a) apply to more than one sample of each tobacco product, cigarette paper, or cigarette tube, admitted during any calendar quarter for the use of each such person. No such sample shall contain more than (1) 3 cigars, (2) 3 cigarettes, (3) 1/8th of an ounce of tobacco, (4) 1/8th of an ounce of snuff, (5) 3 cigarette tubes, or (6) 25 cigarette papers.*

(e) *Any article which is exempted by this paragraph from the payment of duty shall also be exempt from the payment of any internal revenue tax imposed on or by reason of importation and from the labeling requirements of the Federal Alcohol Administration Act and chapter 52 of the Internal Revenue Code of 1954.*

(f) *The Secretary of the Treasury shall prescribe such regulations as may be necessary to carry out the provisions of this paragraph.*

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