

TANNING EXTRACTS

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JULY 24, 1963.—Ordered to be printed
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Mr. BYRD of Virginia, from the Committee on Finance, submitted the following

R E P O R T

[To accompany H.R. 2675]

The Committee on Finance to whom was referred the bill (H.R. 2675) to extend for 3 years the period during which certain tanning extracts, and extracts of hemlock or eucalyptus suitable for use for tanning, may be imported free of duty, having considered the same report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE

The purpose of H.R. 2675 is to extend for an additional 3 years (1) the period during which certain tanning extracts may be imported free of duty, and (2) the period during which extracts of hemlock or eucalyptus suitable for use for tanning (regardless of their chief use) may be imported free of duty.

GENERAL STATEMENT

Public Law 85-235, approved August 30, 1957, temporarily transferred from paragraph 38 of the dutiable list of the Tariff Act of 1930 to the free list of that act certain tanning extracts, establishing a separate provision therefor in a new subparagraph (b) of paragraph 1670. This suspension of duty was extended by Public Law 86-427, approved April 22, 1960, to the close of September 30, 1963, at which time, in the absence of further legislation, it will expire.

Section 4 of Public Law 85-645, approved August 14, 1958, made special provision for eucalyptus extract in paragraph 1670(b), and Public Law 86-288, approved September 16, 1959, made special provision for hemlock extract in the free-list provision. The original terminal dates for the duty-free treatment provided for in Public Laws 85-645 and 86-288 were the same as the terminal date provided in Public Law 85-235. Public Law 86-427 extended the

terminal dates of suspension in all three instances to the close of September 30, 1963. H.R. 2675 would further extend this terminal date to the close of September 30, 1966.

Among the considerations which led to the original suspensions of duties on these extracts were the following: The domestic tanning extract industry has been dependent upon domestic chestnut wood and bark for the domestic production of chestnut tanning extract, the only vegetable tanning material which has been produced in the United States in significant quantity. Because of the blight which virtually wiped out the chestnut trees along the Appalachian Range, domestic firms producing tanning extracts have been unable to secure raw materials. The domestic availability of tanning extracts has steadily declined and the firms which had been engaged in extract production have largely gone into other fields of activity. Public Law 85-235 provided for the suspension of duties with respect to tanning extracts chiefly used in the United States for tanning purposes at the time of importation. Section 4 of Public Law 85-645 provided that eucalyptus extract should be classified under paragraph 1670(b) irrespective of its chief use, so long as it was suitable for use for tanning. Public Law 86-288 provided that hemlock extract be included subject to the same rules as that applicable to eucalyptus extract because it was believed that hemlock also might be found to be no longer chiefly used for tanning, although it was suitable for use for tanning.

The Tariff Commission has advised that there is no information to indicate that the considerations which led to the previous legislation are not also pertinent at the present time, and that it is unaware of any complaints against the temporary duty-free treatment of these tanning extracts, which would be continued without substantive change by H.R. 2675.

DEPARTMENTAL REPORTS

Favorable reports were received from the Bureau of the Budget, U.S. Tariff Commission, Departments of Agriculture, Commerce, State, Treasury, and Interior.

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):

Public Law 86-427
86th Congress, H.R. 9820
April 22, 1960

AN ACT To extend the period during which certain tanning extracts, and extract of hemlock or eucalyptus suitable for use for tanning, may be imported free of duty.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the amendments made by the following provisions of law shall continue in effect with respect

to articles entered, or withdrawn from warehouse, for consumption before the close of September 30, [1963] 1966:

(1) The first section of Public Law 85-235 (71 Stat. 516), approved August 30, 1957 (amending paragraphs 38 and 1670(b) of the Tariff Act of 1930 to provide for the temporary free importation of certain tanning extracts);

(2) Section 4(a) of Public Law 85-645 (72 Stat. 602), approved August 14, 1958 (relating to the temporary free importation of certain extracts, decoctions, and preparations of eucalyptus suitable for use for tanning); and

(3) The first section of Public Law 86-288 (73 Stat. 568), approved September 16, 1959 (relating to the temporary free importation of certain extracts, decoctions, and preparations of hemlock suitable for use for tanning).

