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REPORT
No. 1394

TEMPORARY SUSPENSION OF DUTY ON AUTOMOBILES IMPORTED FOR SHOW PURPOSES

MARCH 18 (legislative day, MARCH 17), 1958.—Ordered to be printed

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

REPORT

[To accompany H. R. 776]

The Committee on Finance, to whom was referred the bill (H. R. 776) to permit temporary free importation of automobiles and parts of automobiles when intended solely for show purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

PURPOSE

The purpose of H. R. 776 is to extend the provisions of section 308 of the Tariff Act of 1930, as amended (U. S. C., 1952 edition, title 19, sec. 1308), providing for the temporary free importation under bond for exportation of certain articles, to automobiles, automobile chassis, automobile bodies, cutaway portions of any of the foregoing, and parts for any of the foregoing, finished, unfinished, or cutaway, when intended solely for show purposes.

AMENDMENTS

The Finance Committee amended the bill to provide for a time limit of 6 months on the importation for show purposes of any one shipment of automobiles or parts and to provide for that temporary free entry only from countries that permit similar temporary free entry of cars made in the United States. Cars or parts imported for show purposes and remaining for longer than 6 months would be subject to duty and cars, even for show purposes and imported on a temporary basis, would be required to pay duty unless the country of origin provided similar free treatment for cars made in the United States which are sent abroad for show purposes.

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GENERAL STATEMENT

Section 308 of the Tariff Act of 1930, as amended, presently provides for the importation without payment of duty of 12 categories of articles not intended for sale or for sale on approval, under bond conditioned upon their exportation within 1 year, or within such longer period not to exceed 3 years, as the Secretary of the Treasury, in his discretion, may allow. As originally enacted in 1930, section 308 provided for 8 such categories; it has been amended from time to time so that it now provides for 12 categories.

H. R. 776 would include in section 308 an additional category consisting of automobiles, automobile chassis, automobile bodies, cutaway portions of any of the foregoing, and parts for any of the foregoing, finished, unfinished, or cutaway, when intended solely for show purposes. This new category would be subject to the same safeguards contained in section 308 presently applicable to the other categories of articles contained therein and, by the amendments of the committee, be limited to cars and parts imported from countries which, on a reciprocal basis, allow cars made in the United States similar privileges in their markets. The bill, as amended, would provide for a 6 months stay without payment of duty.

The Secretary of Commerce in reporting favorably on the bill stated as follows:

* * * We understand that the American automobile industry, which is one of the most active in arranging for the wide showing of its products in foreign countries, has no commercial objection to foreign-made products in its field being allowed temporary free admission into the United States for purely exhibition purposes. In fact, it favors new or unusual automotive products being freely brought to the attention of producers and users in this country.

Favorable reports on the bill were written by the Department of State, the Department of Labor, and the Treasury Department. An informative report was made by the Tariff Commission.

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

TARIFF ACT OF 1930

SEC. 308. TEMPORARY FREE IMPORTATION UNDER BOND FOR EXPORTATION.

The following articles, when not imported for sale or for sale on approval, may be admitted into the United States under such rules and regulations as the Secretary of the Treasury may prescribe, without the payment of duty, under bond for their exportation within one year from the date of importation, which period, in the discretion of the Secretary of the Treasury, may be extended, upon application, for one or more further periods which, when added to the initial one year, shall not exceed a total of three years:

(1) Articles to be repaired, altered, or otherwise changed in condition by processes which do not result in articles manufactured or produced in the United States;

* * * * *

(11) Theatrical scenery, properties, and apparel brought into the United States by proprietors or managers of theatrical exhibitions arriving from abroad for temporary use by them in such exhibitions; [and]

(12) Works of art, drawings, engravings, photographic pictures, and philosophical and scientific apparatus brought into the United States by professional artists, lecturers, or scientists arriving from abroad for use by them for exhibition and in illustration, promotion, and encouragement of art, science, or industry in the United States[.]; and

(13) *Automobiles, automobile chassis, automobile bodies, cutaway portions of any of the foregoing, and parts for any of the foregoing, finished, unfinished, or cutaway, when intended solely for show purposes; except that (A) the privileges granted by this subdivision in respect of imports from a foreign country shall be allowed only if the Secretary of the Treasury shall have found that such foreign country allows, or will allow, substantially reciprocal privileges in respect of similar imports to such country from the United States, and if the Secretary of the Treasury finds that a foreign country has discontinued, or will discontinue, the allowance of such privileges, the privileges granted shall not apply thereafter in respect of imports from such foreign country; and (B) articles imported under this subdivision shall be admitted under bond for their exportation within six months from the date of importation, in lieu of the period specified above, and such six months period shall not be extended.*

