

FREE IMPORTATION OF GIFTS FROM MEMBERS OF THE ARMED FORCES

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

REPORT

[To accompany H. R. 6304]

The Committee on Finance, to whom was referred the bill (H. R. 6304) to make permanent the existing privilege of free importation of gifts from members of the Armed Forces of the United States on duty abroad, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill do pass.

AMENDMENTS

H. R. 6304 as passed by the House would have made permanent the present temporary privilege accorded to servicemen stationed abroad to send to the United States bona fide gifts not exceeding \$50 in value. The present temporary privilege is scheduled to expire June 30, 1957. The Finance Committee amended the bill to extend the privilege for a period of 2 years, or until July 1, 1959.

GENERAL STATEMENT

The act of December 5, 1942 (Public Law 790, 77th Cong., 56 Stat. 1041), allowed, until the expiration of 6 months after the termination of hostilities (as determined by proclamation of the President, the entry, free of customs duties or internal revenue import taxes, of so much of any shipment as did not exceed \$50 in value if there were filed in connection with the entry satisfactory evidence that the articles were bona fide gifts from a member of the Armed Forces of the United States on duty outside the continental limits of the United States. Public Law 384 of the 80th Congress extended the period for free entry through June 30, 1949, and also amended the law by restricting the privileges so as to deny free entry on or after September 1, 1947, unless the article is purchased "in or through authorized agencies of the Armed Forces of the United States or in accordance

with regulations prescribed by the major geographical commands of the United States Armed Forces.”

Public Law 241 of the 81st Congress again extended the period for free entry through June 30, 1951.

Public Law 1 of the 82d Congress again extended the period for free entry through June 30, 1953.

Public Law 19 of the 83d Congress extended the period for free entry through June 30, 1955.

Public Law 190 of the 84th Congress extended the period for free entry through June 30, 1957.

Under H. R. 6304 as reported the existing free entry privilege would be extended for 2 years, except that in addition to the limit of \$50 on each shipment the privilege of free entry for alcoholic beverages and tobacco would be subject to such further limitation as the Secretary of the Treasury may prescribe. The further limitation prescribed by the Secretary of the Treasury could be on the basis of the quantity or value of such products in each shipment, on the basis of the quantity or value of such products shipped by or to any person during any period, or on any other appropriate basis.

In urging the enactment of this legislation, the Finance Committee realizes that a very definite morale factor is involved. It is important to servicemen on overseas duty that they be able to send small gifts to families and friends. It appears that members of the Armed Forces of the United States will continue to be stationed in many parts of the world at least for the period of the privileges extended by this bill.

On the other hand, it is important that Congress retain control of import regulations. Abuses can occur and nothing is lost by the Congress reviewing occasionally the operation of this special legislation. In fact, the temporary nature of the free importation privilege may serve as a restraint on those who might be tempted to commercialize and profit by evading the ~~real intent~~ of the bill.

The committee urges that the bill as amended do pass.

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):

ACT OF DECEMBER 5, 1942, AS AMENDED

(U. S. C., title 50 App., ~~secs. 846 and 847~~)

AN ACT To accord free entry to bona fide gifts from members of the armed forces of the United States on duty abroad

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That under such regulations as the Secretary of the Treasury shall prescribe so much of any shipment as does not exceed \$50 in [value shall] value, with such further limitation on the importation of alcoholic beverages and tobacco products as the Secretary may prescribe, shall be admitted into the United States or its Territories or possessions or the Commonwealth of Puerto Rico

free of all customs duties, charges, or exactions, or internal-revenue taxes imposed upon or by reason of importation, if there is filed in connection with the entry satisfactory evidence that the articles for which free entry is claimed were purchased in or through authorized agencies of the [armed forces] *Armed Forces* of the United States or in accordance with regulations prescribed by the major geographical commands of the United States [armed forces] *Armed Forces*, and are bona fide gifts from a member of the [armed forces] *Armed Forces* of the United States on duty outside the continental limits of the United States.

SEC. 2. This Act shall be effective with respect to articles entered for consumption or withdrawn from warehouse for consumption on or after the day following the date of its enactment and before [July 1, 1957.] *July 1, 1959.*

