

ADMINISTRATIVE PROVISIONS OF THE TARIFF ACT  
OF 1930

---

JUNE 10, 1938.—Ordered to be printed

---

Mr. McCORMACK, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H. R. 8099]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8099) to amend certain administrative provisions of the Tariff Act of 1930, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 6, 26, 29, 44, 45, and 71.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 7, 8, 9, 11, 14, 15, 16, 17, 18, 19, 20, 21, 22, 24, 25, 37, 38, 39, 41, 42, 48, 50, 52, 61, 68, 69, 72, 74, and 75; and agree to the same.

Amendment numbered 10:

That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows:

On page 2 of the Senate engrossed amendments, line 4, strike out "reasonably"; and the Senate agree to the same.

Amendment numbered 13:

That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with the following amendment:

Retain the matter proposed to be inserted by the Senate amendment, and on page 5, line 4, of the House bill strike out "(E)"; and the Senate agree to the same.

## Amendment numbered 23:

That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with the following amendments:

On page 3 of the Senate engrossed amendments, line 20, strike out "continuous customs custody", and in lieu thereof insert the following: *bonded warehouses, bonded manufacturing warehouses, or continuous customs custody elsewhere than in a bonded warehouse*; on page 4 of the Senate engrossed amendments, lines 15 and 16, strike out "continuous customs custody", and in lieu thereof insert the following: *bonded warehouses, bonded manufacturing warehouses, or continuous customs custody elsewhere than in a bonded warehouse*; on page 5 of the Senate engrossed amendments, line 9, after "Secretary of Commerce", insert the following: *that he has found*; and on page 5 of the Senate engrossed amendments, line 13, after "Treasury", insert the following: *that he has found*; and the Senate agree to the same.

## Amendment numbered 33:

That the House recede from its disagreement to the amendment of the Senate numbered 33, and agree to the same with the following amendment:

On page 11 of the Senate engrossed amendments, line 3, strike out "14", and in lieu thereof insert *13*; and the Senate agree to the same.

## Amendment numbered 55:

That the House recede from its disagreement to the amendment of the Senate numbered 55, and agree to the same with the following amendment:

On page 14 of the Senate engrossed amendments, line 18, strike out "27", and in lieu thereof insert *25*; and the Senate agree to the same.

## Amendment numbered 62:

That the House recede from its disagreement to the amendment of the Senate numbered 62, and agree to the same with the following amendment:

On page 15 of the Senate engrossed amendments, line 17, strike out "33", and in lieu thereof insert *31*; and the Senate agree to the same.

## Amendment numbered 63:

That the House recede from its disagreement to the amendment of the Senate numbered 63, and agree to the same with the following amendments:

On page 16 of the Senate engrossed amendments, line 2, strike out "34", and in lieu thereof insert *32*; and on page 16 of the Senate engrossed amendments, line 5, strike out "thirty", and in lieu thereof insert *fifteen*; and the Senate agree to the same.

## Amendments numbered 65 and 66:

That the House recede from its disagreement to the amendments of the Senate numbered 65 and 66, and agree to the same with the following amendment:

Beginning with the word "but" in line 17, page 33, of the House bill, strike out all down to and including "articles." On page 34, line 2, and insert in lieu thereof the following: *but such duties shall not be levied or collected on any merchandise (except white soft wastes, white threads and noils, which shall be dutiable at seven-eighths of such regular*

*duties when used or transferred for use otherwise than in the manufacture of the enumerated articles) resulting in the usual course of manufacture of such enumerated manufactured articles which cannot be used (with or without further preparation) in the usual course of the manufacture of such enumerated articles, or which is exported or destroyed; and the Senate agree to the same.*

Amendment numbered 76:

That the House recede from its disagreement to the amendment of the Senate numbered 76 and agree to the same with the following amendment:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following: *That (a) in the case of articles acquired in any country other than a contiguous country which maintains a free zone or free port, the exemption authorized by the preceding proviso shall apply only to articles so acquired by a returning resident who has remained beyond the territorial limits of the United States for a period of not less than forty-eight hours and (b) in the case of articles acquired in a contiguous country which maintains a free zone or free port, the Secretary of the Treasury shall by special regulation or instruction, the application of which may be restricted to one or more individual ports of entry, provide that the exemption authorized by the preceding proviso shall be applied only to articles acquired abroad by a returning resident who has remained beyond the territorial limits of the United States for not less than such period (which period shall not exceed twenty-four hours) as the Secretary may deem necessary in the public interest or to facilitate enforcement at the specified port or ports of the requirement that the exemption shall apply only to articles acquired as an incident of the foreign journey: Provided further, That the exemption authorized by the second preceding proviso shall apply only to articles declared in accordance with regulations to be prescribed by the Secretary of the Treasury by a returning resident who has not taken advantage of the said exemption within the thirty-day period immediately preceding his return to the United States: Provided further, That no such special regulation or instruction shall take effect until the lapse of ninety days after the date of such special regulation or instruction; and the Senate agree to the same.*

Amendment numbered 77:

That the House recede from its disagreement to the amendment of the Senate numbered 77 and agree to the same with the following amendment:

On page 39 of the House bill, strike out lines 17 to 19, inclusive, and insert in lieu thereof the following:

*Sec. 37. Sections 31 and 34 of this Act shall take effect on the date of enactment of this Act. Except as otherwise specially provided in this Act, the remainder of this Act shall take effect on the thirtieth day following the date of its enactment.*

And the Senate agree to the same.

Amendments numbered 27, 28, 30, 31, 32, 34, 35, 36, 40, 43, 46, 47, 49, 51, 53, 54, 56, 57, 58, 59, 60, 64, 67, 70, and 73:

That the House recede from its disagreement to the amendments of the Senate numbered 27, 28, 30, 31, 32, 34, 35, 36, 40, 43, 46, 47,

4 ADMINISTRATIVE PROVISIONS OF TARIFF ACT OF 1930

49, 51, 53, 54, 56, 57, 58, 59, 60, 64, 67, 70, and 73, and agree to the same with amendments, as follows:

In lieu of the matter proposed to be inserted by the Senate amendments, insert 8, 9, 10, 11, 12, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 26, 27, 28, 29, 30, 33, 34, 35, and 36, respectively; and the Senate agree to the same.

The committee of conference have not agreed on amendment numbered 12.

THOMAS H. CULLEN,  
MORGAN G. SANDERS,  
JOHN W. McCORMACK,  
HAROLD KNUTSON,

*Managers on the part of the House.*

DAVID I. WALSH,  
TOM CONNALLY,  
JOSIAH W. BAILEY,  
BENNETT CHAMP CLARK,  
A. H. VANDENBERG,

*Managers on the part of the Senate.*

## STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8099) to amend certain administrative provisions of the Tariff Act of 1930, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: This amendment changes the year in the short title of the act to agree with the year of enactment. The House recedes.

Amendments Nos. 2 and 3: These amendments provide that shipments to Wake Island, Midway Islands, or Kingman Reef shall be treated as exportations in the case of goods shipped from customs manipulation warehouses in the same manner as goods so shipped from other customs warehouses. The amendments are necessary to complete the separation of the places named from the territory subject to the customs laws of the United States. The House recedes.

Amendments Nos. 4 and 5: These are clerical amendments. The House recedes.

Amendment No. 6: The House bill authorized the Secretary of the Treasury to determine the character, method, and place of marking articles to indicate their origin, and to require additional marking to prevent deception or mistake. The Senate amendment eliminated this authority in the case of articles subject to special marking provisions of the tariff law. The Senate recedes.

Amendments Nos. 7, 8, and 9: The House bill provided that the Secretary of the Treasury may by regulation prescribe the method of marking imported goods to indicate the country of their origin. The Senate amendments provided that the requirements of the Secretary of the Treasury should be "reasonable." The House recedes.

Amendment No. 10: The House bill provided that the Secretary of the Treasury may provide by regulation the place on the article where the marking shall appear. The Senate amendment provided it should be a "reasonably conspicuous" place. The House recedes with an amendment to strike out the word "reasonably".

Amendment No. 11: This is a clerical amendment. The House recedes.

Amendment No. 13: This amendment expressly provides that the usual containers of importations need not be marked to indicate the origin of the containers. The House recedes with an amendment which retains the Senate amendment and in addition strikes out "(E)," on page 5, line 4, of the House bill.

Amendment No. 14: The House bill provided that when imported articles were not properly marked to indicate their origin, the examination packages from the shipment should not be delivered until the articles therein and all other articles of the importation were properly

marked. The Senate amendment adds a provision to authorize the release of the articles in examination packages if estimated marking duty on the unmarked articles is deposited. This will cover cases where articles released from customs custody cannot be recovered for proper marking and will not interfere with the collection of penalties under entry bonds for failure to redeliver the released goods where the importer has not been diligent to secure proper marking. The House recedes.

Amendment No. 15: This is a clerical amendment. The House recedes.

Amendments Nos. 16 and 17: These are clarifying amendments. The House recedes.

Amendments Nos. 18, 19, 20, 21, and 22: The House bill provided that nonresidents might import vehicles or boats for racing or personal transportation for a period not to exceed 90 days (or 6 months in the case of vehicles and craft from a country which accords a similar privilege to vehicles and craft of the United States) without furnishing a bond to assure exportation. The Senate amendments extend similar privileges to horses imported for like purposes. The House recedes.

Amendment No. 23: This amendment adds a new section to the bill which extends to foreign vessels and to domestic aircraft the privileges of free withdrawal of imported supplies now enjoyed by domestic vessels engaged in foreign trade. It also provides, on a basis of reciprocity, for the free withdrawal of imported supplies and equipment for a foreign aircraft engaged in international commerce. The House recedes with clarifying amendments.

Amendments Nos. 24 and 25: These amendments make changes in section numbers. The House recedes.

Amendment No. 26: This amendment provided for declaratory rulings by means of which the Treasury Department could advise importers and others concerning customs rights and liabilities and divest the Department of the power to reverse itself within a specified minimum of time, normally 1 year. The Senate recedes.

Amendments Nos. 27 and 28: These amendments make changes in section numbers. The House recedes with amendments further changing such section numbers.

Amendment No. 29: The House bill provided for the payment of overtime compensation to customs employees in all cases where overtime services are rendered in behalf of any private interests. Payment of such compensation cannot be required under existing law for services rendered otherwise than for a common carrier in connection with traffic over highway bridges and tunnels, but where such services are required it is the practice of the Treasury Department to maintain employees on regular tours of duty without requiring them to work overtime. The Senate amendment was designed to continue this situation by exempting the operators of highway bridges and tunnels from any liability for payment of overtime compensation. The Senate recedes.

Amendments Nos. 30, 31, and 32: These amendments make changes in section numbers. The House recedes with amendments further changing such section numbers.

Amendment No. 33: This amendment provides that agents of individuals or partnerships may sign the consignee's declarations

required by law for each importation of merchandise, provided such agents have acutal knowledge of the facts alleged in the declaration. Under existing law such declarations may be signed by agents only if the consignee is a corporation. The House recedes with an amendment changing the section number.

Amendments Nos. 34, 35, and 36: These amendments make changes in section numbers. The House recedes with amendments further changing such section numbers.

Amendment No. 37: The House bill provided that a special regulation or instruction of the Secretary of the Treasury permitting the examination of less than the usual 10 percent of each importation may be applicable only at one or more ports, to one or more importations, or to one or more classes of merchandise. The Senate amendment provides that all such regulations or instructions shall be published within 15 days after issuance and before the liquidation of any customs entries affected thereby. The House recedes.

Amendment No. 38: The House bill provided that no customs appraisalment shall be held invalid because less than the statutory quantity of merchandise was examined, unless the person claiming invalidity establishes that an incorrect appraisalment resulted from the failure to examine additional goods. The Senate amendment prevents retroactive effect of this provision. The House recedes.

Amendment No. 39: The House bill provided that appraising and examining officers should be competent to testify in customs valuation litigation as to facts within their knowledge or obtained from certain records notwithstanding an original appraisalment should be held invalid and the merchandise or samples thereof not be available for examination. The Senate amendment eliminated this provision and revised the remaining language for purposes of clarification. The House recedes.

Amendment No. 40: This amendment changes a section number. The House recedes with an amendment further changing such section number.

Amendment No. 41: The House bill amended the provisions of the Tariff Act of 1930 relating to protests by American manufacturers against the classification of competitive imports. The Senate amendment provides that such protests shall have precedence in the customs courts. The House recedes.

Amendment No. 42: This is a clarifying amendment. The House recedes.

Amendment No. 43: This amendment changes a section number. The House recedes with an amendment further changing such section number.

Amendments Nos. 44 and 45: These amendments added to the House bill by the Senate would have repealed provisions of existing law which require comptrollers of customs to verify all assessments of duties and allowances of drawback made by collectors. The Senate recedes.

Amendments Nos. 46 and 47: These amendments make changes in section numbers. The House recedes with amendments further changing such section numbers.

Amendment No. 48: The House bill provided that taxes on imports shall be construed to be customs duties only if the law under which they are imposed provides that they shall be treated as customs

duties. The Senate amendment makes it clear that the provision does not affect the jurisdiction of the customs courts. The House recedes.

Amendment No. 49: This amendment changes a section number. The House recedes with an amendment further changing such section number.

Amendment No. 50: The House bill contained a provision to permit the transportation of automobiles between foreign points through the United States otherwise than by common carrier, even though common-carrier facilities were available. The Senate struck out this provision and the House recedes.

Amendment No. 51: This amendment changes a section number. The House recedes with an amendment further changing such section number.

Amendment No. 52: This is a clarifying amendment. The House recedes.

Amendments Nos. 53 and 54: These amendments make changes in section numbers. The House recedes with amendments further changing such section numbers.

Amendment No. 55: This Senate amendment inserted a new section in the bill to permit manipulation of merchandise, such as may now be done in bonded warehouses, to be done elsewhere than in a bonded warehouse in cases where neither the protection of the revenue nor the proper conduct of customs business requires that such manipulation be done in a bonded warehouse. The House recedes with an amendment changing the section number.

Amendments No. 56, 57, 58, 59, and 60: These amendments make changes in section numbers. The House recedes with amendments further changing such section numbers.

Amendment No. 61: This is a clarifying amendment. The House recedes.

Amendment No. 62: Under existing law as construed by the Treasury Department, dates packed in brick-like units, weighing less than 10 pounds each and separated by strips of paper but not enclosed in separate containers may be imported without paying the rate of 7½ cents per pound provided in the tariff act for dates "in packages weighing with the immediate container not more than 10 pounds each." The Senate amendment gives effect to the original intent of Congress by applying the 7½-cent rate to such dates. The House recedes with an amendment changing the section number.

Amendment No. 63: Existing law provides that a claim for losses in excess of 10 percent in a package of imported liquor, resulting from leakage or damage on the voyage of importation, shall be allowed only if the loss is verified by an affidavit of the importer filed within 5 days after delivery of the merchandise. The Senate amendment extended the period for filing the affidavit to 30 days from the date of delivery of the merchandise. The House recedes with amendments to make the period 15 days from the date of delivery of the merchandise, and to change the section number.

Amendment No. 64: This amendment changes a section number. The House recedes with an amendment further changing such section number.

Amendments Nos. 65 and 66: The House bill provided that waste, whether white or colored, resulting in the usual course of manufacture



of carpets and other articles enumerated in the second proviso to paragraph 1101 (a) of the Tariff Act of 1930 should be subject to the regular duties provided for in the tariff act if they could be used, with or without further preparation, in the manufacture of such articles and were not so used; and that noils should be dutiable at the rate which was being applied on July 1, 1937. The Senate amendment provided that such wastes and noils should be subject to the regular duties when not used in the manufacture of the enumerated articles if they could be used (with or without further preparation) in the manufacture of the enumerated articles or in the manufacture of any knit or woven fabrics, blankets, or other textile articles. The conference agreement restores the provision contained in the House bill with an exception which provides that white soft wastes, white threads and noils shall be dutiable at seven-eighths of the regular duties in cases in which they are used or transferred for use otherwise than in the manufacture of the enumerated articles without regard to whether they can be used (with or without further preparation) in the manufacture of the enumerated articles. The Senate amendment also provided that no duty should be assessed on wastes and noils which are exported. The conference agreement extends this exemption to wastes and noils which are either exported or destroyed.

Amendment No. 67: This amendment changes a section number and makes a clerical amendment. The House recedes with an amendment further changing such section number.

Amendment No. 68: Existing law, as established by a recent court decision, provides that hat bodies and similar articles are dutiable under paragraph 1115 (b) of the Tariff Act of 1930 only if made from a material which existed as felt before the bodies and other articles were made. The Senate amendment provides that hat bodies and similar articles shall be dutiable under paragraph 1115 (b), as originally intended by the Congress, if they are in chief value of wool felt, regardless of the time when the material became felt. The House recedes.

Amendment No. 69: Existing law, as established by a court decision, provides that certain cheap Oriental rugs with a crude design made by colored threads on the narrow strip of base fabric appearing between the pile and fringe are dutiable as embroidered articles rather than as rugs. The Senate amendment provides that they shall be dutiable as rugs according to the original intent of the Congress. The House recedes.

Amendment No. 70: This amendment changes a section number. The House recedes with an amendment further changing such section number.

Amendment No. 71: This amendment provided for the free entry of containers of foreign merchandise made abroad from lumber exported from the United States. The Senate recedes.

Amendment No. 72: This is a clarifying amendment. The House recedes.

Amendment No. 73: This amendment changes a section number. The House recedes with an amendment further changing such section number.

Amendment No. 74: This is a clerical amendment. The House recedes.

Amendment No. 75: This amendment provides that not more than 100 cigars may be included in the \$100 exemption accorded residents of the United States returning from abroad for articles acquired for their personal use. The House recedes.

Amendment No. 76: Section 31 of the House bill provided that the \$100 exemption should be accorded only to returning residents who had remained abroad for not less than 48 hours. The Senate amendment eliminated this provision and provided that the Secretary of the Treasury might by special regulation or instruction, which could be restricted to one or more ports, provide that the exemption could be accorded returning residents who had remained abroad for such period as was required by the applicable special regulation or instruction except that such regulation or instruction could not require them to stay abroad more than 48 hours in order to get the exemption. The Senate amendment also provided that the section should not take effect until 90 days after the effective date of the act, and that no special regulation or instruction should become effective until 90 days after its issue. The conference agreement eliminates the Senate amendment postponing the effective date of the section for 90 days and restores the flat statutory 48-hour requirement as to articles acquired in countries other than Mexico. In the case of articles acquired in Mexico, the Secretary of the Treasury shall by special regulations or instructions, which may be restricted in their operation to one or more individual ports of entry, provide that the exemption may be accorded to a returning resident who has remained abroad for not less than such period (which shall not exceed 24 hours) as the Secretary deems necessary in the public interest or to facilitate enforcement at the specified port or ports of the requirement that the exemption shall be accorded only to articles which are acquired as an incident of the foreign journey.

Amendment No. 77: The House bill provided that, unless otherwise specially provided, the Act should not take effect until the thirtieth day after the enactment date. The Senate amendment made a change in the section number, to which the House receded with a further change in the section number and with the added provision that sections 31 and 34 should become effective on the enactment date.

On amendment No. 12 the conferees are unable to agree.

THOMAS H. CULLEN,  
MORGAN G. SANDERS,  
JOHN W. McCORMACK,  
HAROLD KNUTSON,

*Managers on the part of the House.*

