

AMENDING CERTAIN PROVISIONS OF THE INTERNAL REVENUE CODE RELATING TO THE PRODUCTION OF ALCOHOL

MARCH 5, 1942.—Ordered to be printed

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

REPORT

[To accompany H. R. 6543]

The Committee on Finance, to whom was referred the bill (H. R. 6543) to amend certain provisions of the Internal Revenue Code relating to the production of alcohol, having considered the same, report favorably thereon and recommend that the bill do pass.

The committee in considering the proposed legislation heard the testimony of representatives of the War Production Board and the Treasury Department, both agencies favoring the measure.

For the further information of the Senate there is appended hereto and made a part of this report the general statement of the Committee on Ways and Means of the House of Representatives contained in the report of that committee reading as follows:

Well-founded estimates of the Nation's industrial alcohol requirements for 1942 total some 275,000,000 gallons. Until recently the main suppliers of industrial alcohol have relied upon synthetic processes and the distillation of alcohol from molasses. It is estimated that those sources can reasonably be expected to produce no more than 230,000,000 gallons of alcohol in 1942. It is therefore essential that use be made for the production of industrial alcohol of the beverage distillers, who make alcohol from grain. This use has been authorized by the act of January 24, 1942 (Public, No. 412, 77th Cong.), which permits the withdrawal from registered distilleries for all tax-free purposes of alcohol which proofs 160° or higher. Two additional shortages necessitate the further amendment of the Internal Revenue Code provided by the bill herewith reported.

In the first place, a serious shortage in sugar threatens the Nation and it is therefore essential that the use of molasses in the production of industrial alcohol be reduced. Such a reduction will necessitate even greater production of industrial alcohol from grain and will, in the absence of this legislation, render it impossible to make full use of the distilling capacity of the molasses plants. Further, there is reason to believe that the beverage distillers will be unable to supply the deficiency in industrial alcohol because many of them have not the necessary equipment to distill spirits to a proof greater than 160°.

The bill, as reported, authorizes the removal from beverage distilleries of spirits of any proof and the transfer of those spirits to industrial alcohol plants for redistillation to higher degrees of proof. Thus the bill will serve a threefold purpose: First, making available to the production of alcohol for ultimate industrial uses all the equipment of the beverage distillers, including the small

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distilleries whose equipment is such as will not permit the distillation of alcohol of 160° of proof or greater; second, enabling the use of molasses for the production of industrial alcohol to be curtailed in order that the sugar shortage may be relieved; and third, retaining in useful production the rectifying columns of the industrial alcohol plants:

The adequate production of industrial alcohol for use in the manufacture of munitions and other essential war materials is a matter of critical necessity.

The technical features of the bill and the proposed amendments thereto are more fully discussed in the following letter received from the Treasury Department:

FEBRUARY 16, 1942.

HON. ROBERT L. DOUGHTON,
*Chairman, Committee on Ways and Means,
House of Representatives, Washington, D. C.*

MY DEAR MR. CHAIRMAN: Further reference is made to your letter of February 6, 1942, enclosing a copy of a bill (H. R. 6543, 77th Cong., 2d sess.), introduced by you on February 5, 1942, and referred to the Committee on Ways and Means. The declared purpose of the bill is "To amend certain provisions of the Internal Revenue Code relating to the production of alcohol." The bill would accomplish its declared purpose by adding to section 2883 of the Internal Revenue Code two new paragraphs, to be lettered (d) and (e). You have requested the recommendations or comments of this Department with respect to the bill.

Under the present laws and regulations there is a sharp cleavage between the production of alcohol in industrial alcohol plants and the production of distilled spirits other than alcohol in registered distilleries. The actual point of difference is the proof of the distilled spirits when removed from the cistern rooms.

When used hereafter in this report the word "alcohol" will be understood to mean distilled spirits of 160° of proof or greater, upon withdrawal.

Because of the provisions of title III of the National Prohibition Act (now secs. 3100 to 3124, Internal Revenue Code), and particularly that portion of section 11 thereof which is now section 3124 (s) (1), Internal Revenue Code, it has been administratively held since 1920 that spirits of 160° of proof or greater are alcohol and could be withdrawn only from an industrial alcohol plant. This construction was definitely confirmed by the Congress when it enacted section 308 of the Liquor Tax Administration Act of June 26, 1936 (now sec. 2883, Internal Revenue Code).

Section 2883 was recently amended by the act of January 24, 1942 (H. R. 6325), being Public Law 412. Neither the act of January 24, 1942, nor (apparently) the instant bill proposes any change in the distinction between the two classes of distilled spirits. The title of each indicates its relation to the production of alcohol, and the obvious purpose of each is to facilitate the withdrawal of alcohol from both alcohol plants and beverage distilleries. Before its amendment by the act of January 24, 1942, section 2883 authorized the removal from distilleries, for beverage purposes, of distilled spirits which had been deposited in receiving cisterns at registered distilleries at proofs of 160° or higher but reduced in such receiving cisterns to proofs of not more than 159° and not less than 100°. The section provided certain limitations upon the withdrawals, but they are not important here.

The act of January 24, 1942, added a new subsection (c) to section 2883, Internal Revenue Code, to: (1) Authorize the removal in bond of spirits of 160° of proof or greater from registered distilleries (including registered fruit distilleries) and the storage of such spirits in, and the removal of such spirits from, internal revenue bonded warehouses upon payment of tax, pursuant to the applicable provisions of the original section 2883, for beverage purposes; and (2) authorize the withdrawal of spirits of 160° of proof or greater from registered distilleries and internal revenue bonded warehouses without payment of tax for all of the tax-free purposes authorized by the provisions of the internal revenue laws relating to alcohol. It provides that when spirits of 160° of proof, or greater, are withdrawn for the tax-free alcohol purposes, they shall be subject to all applicable provisions of the alcohol laws.

Beverage distilleries may not be operated between 11 p. m. on any Saturday and 1 a. m. on the following Monday (sec. 2836, Internal Revenue Code). Distilled spirits may not be removed from any registered distillery or internal revenue bonded warehouse, among other places (but not including industrial alcohol plants and industrial alcohol bonded warehouses) between sunset and sunrise, in any cask or package containing more than 10 gallons (sec. 2870, Internal Revenue Code). Since the practical purpose of the act was to permit the removal of alcohol

from registered distilleries and internal revenue bonded warehouses in the same manner and subject to the same laws and regulations as govern the removal of alcohol from industrial alcohol plants and industrial alcohol bonded warehouses, the section provides that under regulations the manufacture, warehousing, withdrawal, and shipment of the distilled spirits of 160° of proof or greater covered by it may be exempted from the provisions of sections 2836 and 2870 of the Internal Revenue Code.

Recapitulating, in the interest of clarity: (1) The original section 2883 authorized the removal of spirits between 100° and 159° of proof (after distillation above 159° of proof and reduction in proof) from registered distilleries and internal revenue bonded warehouses for beverage purposes only; and (2) the amendment effected by the act of January 24, 1942, authorized the removal of spirits of 160° of proof or greater from registered distilleries and internal revenue bonded warehouses (a) for beverage purposes pursuant to the applicable provisions of the original section 2883 (subsec. (a)); and (b) practically as alcohol for the tax-free purposes for which alcohol may be withdrawn from industrial alcohol plants and industrial alcohol bonded warehouses.

Subsection (d) now proposed to be added to section 2883 reads as follows:

"(d) Under regulations to be prescribed by the Commissioner and approved by the Secretary, distilled spirits of any proof may be removed in approved containers, including pipe lines, from any registered distillery (including registered fruit distillers) or internal-revenue bonded warehouse to any other registered distillery (including registered fruit distilleries) or internal-revenue bonded warehouse for redistillation and removal as provided in (c): *Provided*, That any such spirits of one hundred and sixty degrees of proof or greater may be removed without redistillation from any internal-revenue bonded warehouse as provided in (c): *Provided further*, That such spirits may be stored in tanks in any internal revenue bonded warehouse: *And provided further*, That sections 2836 and 2870 shall not apply to the production and removal or redistillation and removal of such spirits."

This subsection authorizes the removal of spirits of any proof (1) from any registered distillery or internal revenue bonded warehouse to any other registered distillery for redistillation and removal of the redistilled spirits from the redistilling distilleries as provided in subsection (c) (act of January 24, 1942), that is, for beverage purposes pursuant to the provisions of subsection (a), as well as for all the tax-free purposes for which alcohol may be removed from industrial alcohol plants and industrial alcohol bonded warehouses, and (2) from any such distillery or warehouse to any internal revenue bonded warehouse for storage, pending removal to a registered distillery for redistillation and removal from such redistilling distillery for the same beverage and tax-free purposes indicated in (1) just above. The first proviso in the subsection authorizes the removal without redistillation from any internal revenue bonded warehouses of spirits of 160° of proof or greater, moved into such warehouses under authority of subsection (d), as provided in the subsection (c) added by the act of January 24, 1942, i. e. for beverage (tax-paid) purposes or for the tax-free purposes for which alcohol may be withdrawn. In the light of the proviso just discussed and the obvious intent of the act of January 24, 1942, and the instant bill to facilitate the production and removal of alcohol, it is our interpretation of the subsection that it is implicit in its authorization to remove spirits for redistillation that the spirits must be redistilled to a proof of 160° or greater.

The second proviso in the subsection (lines 6 and 7, on p. 2) reads as follows:

"*Provided further*, That such spirits may be stored in tanks in any internal revenue bonded warehouse: * * *"

Under this proviso distilled spirits of any proof may, after original distillation or redistillation as authorized by the subsection, be stored in tanks in internal revenue bonded warehouses.

Subsection (d) further provides that the prohibitions of sections 2836 and 2870 of the Internal Revenue Code against distilling on Sunday, and the removal of spirits after sunset and before sunrise, shall not apply to the production and removal, or redistillation and removal, of the spirits covered by the subsection.

The redistillation of spirits is an act of rectification (sec. 3254 (g), Internal Revenue Code) subjecting the redistilling distiller to the special tax of a rectifier (sec. 3250 (f) (1), Internal Revenue Code) and to the tax on the rectified product (sec. 2800 (a) (5), Internal Revenue Code). Since it is obviously not intended to classify the redistilling distiller as a rectifier nor to subject him to the two taxes solely because of his activities under the proposed bill, the subsection should be amended to exempt him from the provisions of the sections just discussed. These

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exemptions may be accomplished by amending the final proviso of the proposed subsection (d) (lines 7 to 10 on p. 2) to read:

"And provided further, That sections 2836 and 2870 shall not apply to the production and removal, and such sections and sections 2800 (a) (5) and 3250 (f) (1) shall not apply to the redistillation and removal, of such spirits."

Subsection (e) reads as follows:

*"(e) TRANSFER OF SPIRITS FOR REDISTILLATION.—Under regulations to be prescribed by the Commissioner and approved by the Secretary, and subject to the provisions of part II of subchapter C of this chapter, spirits of any proof may, without payment of tax and in bond, be removed in approved containers, including pipe lines, from registered distilleries (including registered fruit distilleries) and internal revenue bonded warehouses to industrial alcohol bonded warehouses and industrial alcohol plants for redistillation and/or removal for any tax-free purpose, or upon payment of tax for any purpose, authorized by said part II of subchapter C of this chapter: *Provided, That any such spirits of one hundred and sixty degrees of proof or greater, so removed and stored in any alcohol bonded warehouse, may be removed from such warehouse without redistillation for any tax-free purpose, or upon payment of tax for any purpose, so authorized: And provided further, That sections 2836 and 2870 shall not apply to the production or removal of spirits of any proof for such redistillation. This subsection and subsection (d) shall cease to be in effect upon the termination of the unlimited national emergency proclaimed by the President on May 27, 1941.*"*

This subsection down to the first proviso authorizes the removal, without payment of tax but under a bond covering the tax then due, of spirits of any proof from registered distilleries and internal revenue bonded warehouses to industrial alcohol bonded warehouses and industrial alcohol plants for (1) redistillation and removal for any tax-free purpose; (2) removal without redistillation for any tax-free purpose; (3) redistillation and removal, upon payment of tax, for any purpose for which alcohol may be removed; and (4) removal without redistillation upon payment of tax for any purpose for which alcohol may be removed. The exact language of the statement of the purpose of the removals from registered distilleries and internal revenue bonded warehouses to industrial alcohol bonded warehouses and industrial alcohol plants (lines 19 to 22 on p. 2) is "for redistillation and/or removal for any tax-free purpose, or upon payment of tax for any purpose, authorized by said part II of subchapter C of this chapter."

We have been informally advised that the inclusion of "/or" in line 20 was the result of inadvertence on the part of the proponents of the bill. The importance of that inclusion is this: If the language were "for redistillation and removal for any tax-free purpose, or upon payment of tax for any purpose, * * *" it would authorize the removal of redistilled spirits (1) for any tax-free purpose authorized by the alcohol laws, or (2) for any purpose for which alcohol may be used, upon payment of the tax. The subsection in its present form would permit the withdrawal (from both industrial alcohol plants and industrial alcohol bonded warehouses) of spirits of less than 160° of proof produced in a registered distillery at less than 160° of proof and transferred under the authority of the subsection, for purposes for which only alcohol (160° of proof or greater) may now be used under the alcohol laws. That it was not the purpose of the proponents of the bill to make such an authorization is definitely indicated, we believe, by the obvious purpose of the bill to facilitate the production of alcohol, and by the fact that following the language just discussed there appears in the proposed subsection this proviso (lines 22 to 25 on p. 2 and lines 1 and 2 on p. 3):

"Provided, That any such spirits of one hundred and sixty degrees of proof or greater, so removed and stored in any alcohol bonded warehouse, may be removed from such warehouse without redistillation for any tax-free purpose, or upon payment of tax for any purpose, so authorized."

Under this proviso spirits transferred to an industrial alcohol bonded warehouse from a registered distillery or internal revenue bonded warehouse under the provisions of subsection (e) may be removed therefrom, without redistillation, for any tax-free alcohol purpose authorized by law, or, upon payment of tax, for any purpose for which alcohol may be withdrawn, only if such spirits are of a proof of 160° or greater. Since this proviso creates an exception in favor of the removal of spirits which have not been redistilled but which are of 160° of proof or more, it would seem to be clear that the enacting part of the statute to which the exception is made was presumed by the draftsmen of the bill to apply only to the removal of spirits which had been redistilled to a proof of 160° or greater. It is our opinion that "/or" appearing in line 20 on page 2 should be eliminated.

Subsection (e) contains a further proviso that sections 2836 and 2870 relating to Sunday operations of beverage distilleries and nighttime removal of distilled

spirits shall not apply to the production or removal of spirits of any proof for redistillation. The liability of alcohol distillers as rectifiers because of the redistillation of distilled spirits is not presented by the bill as in the case of the beverage distiller because of the exception relating thereto now contained in the alcohol laws. The last sentence of subsection (e) provides that it and subsection (d) shall cease to be in effect upon the termination of the unlimited national emergency proclaimed by the President on May 27, 1941. Subsection (c) added to section 2883 by the act of January 24, 1942, contains a similar provision.

Subsection (e) (1) of section 2800 of the Internal Revenue Code (formerly sec. 3251 of the Revised Statutes) provides for liens upon distilleries to cover the taxes on spirits there distilled. Section 2814 (a) (1) of the Internal Revenue Code requires a distiller to give a bond conditioned in part upon payment of the tax on all spirits distilled by him at the distillery covered by the bond. Section 2879 (c) of the Internal Revenue Code requires each proprietor of an internal revenue bonded warehouse to give a bond covering the tax on distilled spirits in warehouse and in transit to such warehouse. It is the Department's interpretation of the effect of the proposed legislation upon these statutes that when spirits are removed from registered distilleries and internal revenue bonded warehouses under the act of January 24, 1942, and under the proposed subsections (d) and (e) of section 2883 of the Internal Revenue Code in such manner as to become subject to the provisions of the alcohol laws, the lien in respect of the tax on such spirits will be released as to the distiller, and the bond liability of the distiller and proprietor of the internal revenue bonded warehouse will be extinguished.

Attention has been directed to the fact that in the case of a shipment of spirits to a distillery for redistillation—a novel procedure under the law—no provision exists for requiring the receiving distiller to furnish bond covering the tax. This situation does not exist as to shipments to internal revenue bonded warehouses, or shipments subject to the provisions of the alcohol laws. Accordingly, it is suggested that the following proviso be inserted to insure such protection in subsection (d) in line 2 of page 2, immediately preceding the present first proviso:

“Provided, That in case of removals of distilled spirits to any registered distillery (including registered fruit distilleries) for redistillation, the receiving distiller shall undertake to assume liability for the payment of the tax on the spirits from the time they leave the warehouse or distillery, as the case may be.”

The operation of distilleries on Sunday; the operation of the internal revenue bonded warehouses on a 24-hour-day basis; and the various transfers of distilled spirits authorized by the bill will, of course, require the assignment of additional storekeeper-gagers to distilleries and internal revenue bonded warehouses from the present storekeeper-gager force. This may so increase the work of the storekeeper-gagers that the employment of more of them will be required. However, it cannot satisfactorily be estimated at this time just how many new storekeeper-gagers will be needed, or the cost thereof.

It is our opinion that the subsections proposed to be added to section 2883 by H. R. 6543 are unobjectionable in their purpose. If the bill is amended in accordance with the suggestions contained herein, the Treasury Department will offer no objection to its enactment into law.

In view of your request for expedition, this report has not been cleared with the Bureau of the Budget.

Very truly yours,

JOHN L. SULLIVAN,
Acting Secretary of the Treasury.

CHANGES IN EXISTING LAW

In compliance with paragraph 2 (a) of rule XIII of the Rules of the House of Representatives, 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 italics, existing law in which no change is proposed is shown in roman):

SEC. 2883. TRANSFER OF SPIRITS AT REGISTERED DISTILLERIES

(a) **REQUIREMENTS.**—Subject to the provisions of existing law, spirits produced at registered distilleries and reduced in the receiving cisterns in such distilleries to not more than one hundred and fifty-nine degrees of proof and not less

than one hundred degrees of proof, may be transferred, by means of pipe lines, direct to storage tanks in the internal-revenue bonded warehouse located on the bonded premises where produced and be warehoused in such storage tanks, or they may be drawn into approved containers and transferred to any internal-revenue bonded warehouse for storage therein, or they may be tax-paid in such approved containers in such cistern rooms, without being entered into an internal-revenue bonded warehouse. Such spirits may be drawn into approved containers from storage tanks in internal-revenue bonded warehouse located on the bonded premises of the distillery either for storage in bond or tax payment. Such spirits, upon tax payment, may be transported in approved containers for use for beverage purposes only. The Commissioner, with the approval of the Secretary, is hereby empowered to prescribe all necessary regulations relating to the drawing off, transferring, gauging, storing, and transportation of such spirits; the records to be kept and returns to be made; the size and kind of containers to be used; the marking, branding, numbering, and stamping of such containers, the kind of stamps, if any, to be used; and the kind of bond and the penal sum thereof: *Provided*, That under the provisions of this section insofar as applicable, the Commissioner may, under rules and regulations to be by him prescribed, subject to the approval of the Secretary, permit the transfer of fortifying spirits containing more than one hundred and fifty-nine degrees proof up to and including one hundred and ninety-two degrees proof by pipe line from registered fruit distilleries and receiving cisterns in such distilleries to storage tanks in the internal-revenue bonded warehouse located on the distillery premises to be warehoused in such storage tanks and transferred by pipe line to the fortification rooms of contiguous wineries when required.

(b) **TRANSFER OF DUTIES.**—For transfer of powers and duties of Commissioner and his agents, see section 3170.

(c) **TRANSFER OF SPIRITS FOR INDUSTRIAL USES.**—Distilled spirits of one hundred and sixty degrees of proof or greater may be withdrawn from registered distilleries (including registered fruit distilleries), and stored in and withdrawn from internal revenue bonded warehouses, pursuant to the applicable provisions of subsection (a): *Provided*, That such distilled spirits may also be withdrawn without payment of tax from registered distilleries (including registered fruit distilleries) and internal revenue bonded warehouses, for all the tax-free purposes authorized by part II of subchapter C of this chapter, and when so withdrawn shall be subject to all applicable provisions of such part. Under such regulations as the Commissioner may prescribe, the manufacture, warehousing, withdrawal, and shipment of distilled spirits of one hundred and sixty degrees of proof or greater may be exempted from the provisions of section 2836 and section 2870. This subsection shall cease to be in effect upon the termination of the unlimited national emergency proclaimed by the President on May 27, 1941.

(d) *Under regulations to be prescribed by the Commissioner and approved by the Secretary, distilled spirits of any proof may be removed in approved containers, including pipe lines, from any registered distillery (including registered fruit distilleries) or internal revenue bonded warehouse to any other registered distillery (including registered fruit distilleries) or internal revenue bonded warehouse for redistillation and removal as provided in (c): Provided, That in case of removals of distilled spirits to any registered distillery (including registered fruit distilleries) for redistillation, the receiving distiller shall undertake to assume liability for the payment of the tax on the spirits from the time they leave the warehouse or distillery, as the case may be: Provided further, That any such spirits of one hundred and sixty degrees of proof or greater may be removed without redistillation from any internal revenue bonded warehouse as provided in (c): Provided further, That such spirits may be stored in tanks in any internal revenue bonded warehouse: And provided further, That sections 2836 and 2870 shall not apply to the production and removal, and such sections and sections 2800 (a) (5) and 3250 (f) (1) shall not apply to the redistillation and removal, of such spirits.*

(e) **TRANSFER OF SPIRITS FOR REDISTILLATION.**—Under regulations to be prescribed by the Commissioner and approved by the Secretary, and subject to the provisions of part II of subchapter C of this chapter, spirits of any proof may, without payment of tax and in bond, be removed in approved containers, including pipe lines, from registered distilleries (including registered fruit distilleries) and internal revenue bonded warehouses to industrial alcohol bonded warehouses and industrial alcohol plants for redistillation and removal for any tax-free purpose, or upon payment of tax for any purpose, authorized by said part II of subchapter C of this chapter: *Provided*, That any such spirits of one hundred and sixty degrees of proof or greater, so removed and stored in any alcohol bonded warehouse, may be removed from such warehouse without redistillation for any tax-free purpose, or upon payment of tax for

any purpose, so authorized: And provided further, That sections 2836 and 2870 shall not apply to the reduction or removal of spirits of any proof for such redistillation. This subsection and subsection (d) shall cease to be in effect upon the termination of the unlimited national emergency proclaimed by the President on May 27, 1941.

[H. Rept. No. 6543, 77th Cong., 2d sess.]

A BILL To amend certain provisions of the Internal Revenue Code relating to the production of alcohol

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2883 of the Internal Revenue Code (relating to transfer of spirits at registered distilleries) is amended by adding at the end thereof the following:

"(d) Under regulations to be prescribed by the Commissioner and approved by the Secretary, distilled spirits of any proof may be removed in approved containers, including pipe lines, from any registered distillery (including registered fruit distilleries) or internal revenue bonded warehouse to any other registered distillery (including registered fruit distilleries) or internal revenue bonded warehouse for redistillation and removal as provided in (c): *Provided*, That in case of removals of distilled spirits to any registered distillery (including registered fruit distilleries) for redistillation, the receiving distiller shall undertake to assume liability for the payment of the tax on the spirits from the time they leave the warehouse or distillery, as the case may be: *Provided further*, That any such spirits of one hundred and sixty degrees of proof or greater may be removed without redistillation from any internal revenue bonded warehouse as provided in (c): *Provided further*, That such spirits may be stored in tanks in any internal revenue bonded warehouse: *And provided further*, That sections 2836 and 2870 shall not apply to the production and removal and such sections and sections 2800 (a) (5) and 3250 (f) (1) shall not apply to the redistillation and removal of such spirits.

"(e) TRANSFER OF SPIRITS FOR REDISTILLATION.—Under regulations to be prescribed by the Commissioner and approved by the Secretary, and subject to the provisions of part II of subchapter C of this chapter, spirits of any proof may, without payment of tax and in bond, be removed in approved containers, including pipe lines, from registered distilleries (including registered fruit distilleries) and internal revenue bonded warehouses to industrial alcohol bonded warehouses and industrial alcohol plants for redistillation and removal for any tax-free purpose, or upon payment of tax for any purpose, authorized by said part II of subchapter C of this chapter: *Provided*, That any such spirits of one hundred and sixty degrees of proof or greater, so removed and stored in any alcohol bonded warehouse, may be removed from such warehouse without redistillation for any tax-free purpose, or upon payment of tax for any purpose, so authorized: *And provided further*, That sections 2836 and 2870 shall not apply to the production or removal of spirits of any proof for such redistillation. This subsection and subsection (d) shall cease to be in effect upon the termination of the unlimited national emergency proclaimed by the President on May 27, 1941."

