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SENATE

} REPORT
No. 672

EXTENDING FOR 2 YEARS THE EXISTING PRIVILEGE OF FREE IMPORTATION OF GIFTS FROM MEMBERS OF THE ARMED FORCES OF THE UNITED STATES ON DUTY ABROAD

JULY 14 (legislative day, JUNE 2), 1949.—Ordered to be printed

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

REPORT

(To accompany H. J. Res. 242)

The Committee on Finance, to whom was referred the resolution (H. J. Res. 242) extending for 2 years the existing privilege of free importation of gifts from members of the armed forces of the United States on duty abroad, having considered the same, report favorably thereon without amendment and recommend that the resolution do pass.

By virtue of this act, the Committee on Finance adopts the report of the Committee on Ways and Means, which is as follows:

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 was 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 Eightieth 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."

The proposed legislation will continue this free-entry privilege, as restricted under present law, for members of the armed forces for an additional 2 years.

The Bureau of Customs stated to your committee that it had encountered no serious administrative difficulties in administering this law, and it was explained to your committee that this legislation is safeguarded from abuse not only by the restrictions imposed by Public Law 384 of the Eightieth Congress, but also by both appropriate Treasury Department regulations and instructions from the armed services.

When this legislation was first recommended by the War Department in 1942, it was pointed out to the Congress that during the Christmas and other holiday seasons many gifts sent by members of our armed forces to their relatives would not reach their intended donees if the donees were required to pay the customs duties. The principal reason for this is because of the attendant delay and burden falling on the serviceman's relatives, and not because the amount of the customs duties are large. In view, therefore, of the continuing need to garrison a substantial number of our armed forces in Germany and Japan, your committee believes that a 2-year extension of this modest free-entry privilege is warranted.

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, 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):

ACT OF DECEMBER 5, 1942 (CH. 680, 56 STAT. 1041)

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 be admitted into the United States or its Territories or possessions 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 of the United States or in accordance with regulations prescribed by the major geographical commands of the United States armed forces, and are bona fide gifts from a member of the 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, 1949]** *July 1, 1951*.

