

AMENDING THE TARIFF ACT OF 1930 SO AS TO EXTEND TO FLAX-
SEED AND LINSEED AND FLAXSEED AND LINSEED OIL THE
PRIVILEGE OF SUBSTITUTION FOR DRAWBACK OF DUTIES

MAY 17, 1951.—Ordered to be printed

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

REPORT

[To accompany H. R. 2192]

The Committee on Finance, to whom was referred the bill (H. R. 2192) to amend section 313 (b) of the Tariff Act of 1930, having considered the same, report favorably thereon with amendments and recommend that the bill do pass.

The committee amendments are as follows:

On page 1, line 5, and on page 2, lines 3, 7, and 9, delete the word "draw-back" and insert in lieu thereof the word "drawback".

On page 1, line 6, and on page 2, line 4, delete the semicolon following the word "sugar" and in each case insert in lieu thereof the following: ", or".

On page 1, lines 6 and 7, and on page 2, line 5, delete the semicolon following the word "metal" wherever it appears and in each case insert in lieu thereof the following: ", or".

On page 1, line 7, and on page 2, lines 5 and 6, strike out the words "flaxseed and linseed; and flaxseed and" and in each case insert in lieu thereof the following: "flaxseed or linseed, or flaxseed or".

On page 2, line 10, delete the comma following the word "merchandise".

GENERAL STATEMENT

The purpose of this bill is to extend to flaxseed and linseed and flaxseed and linseed oil the privilege of substitution for draw-back of duties paid on these items in certain cases. This would be accomplished by amending section 313 (b) of the Tariff Act of 1930.

At present, section 313 (b) of the Tariff Act of 1930 permits substitution for draw-back purposes in the case of sugar, nonferrous metals, and ores containing nonferrous metals. This section provides that if imported duty-paid sugar or nonferrous metal, or ore containing nonferrous metal, and duty-free or domestic merchandise of the same kind and quality, are used in the manufacture or production of articles

within a period not to exceed 1 year from the receipt of such imported merchandise by the manufacturer or producer of such articles, there shall be allowed upon the exportation of any such articles, notwithstanding the fact that none of the imported merchandise may actually have been used in the manufacture or production of the exported articles, an amount of draw-back equal to that which would have been allowable had the sugar or nonferrous metal, or ore containing nonferrous metal, used therein been imported; but that the total amount of draw-back allowed upon the exportation of such articles, together with the total amount of draw-back allowed in respect of such imported merchandise under any other provision of law, shall not exceed 99 percent of duty paid on such imported merchandise.

Section 313 (a) of the Tariff Act of 1930 presently allows a refund as draw-back of 99 percent of duties paid on imported merchandise used in the manufacture of articles exported from the United States except imported wheat made into flour or byproducts.

Section 313 (b) made special provision for sugar, nonferrous metals and ore containing nonferrous metals due to the expense and difficulties encountered in identifying such imported merchandise in the completed article.

The same expense and difficulties are experienced in the case of flaxseed and linseed and flaxseed and linseed oil and your committee feels that the same privilege of substitution for draw-back purposes should be made applicable to these products.

This bill would add flaxseed and linseed and flaxseed and linseed oil to section 313 (b) and the same provisions would be applicable as are now applicable to sugar and nonferrous metals.

The amendments accepted by the committee are to clarify and perfect the language of the bill,

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

SECTION 313 (B) OF THE TARIFF ACT OF 1930

(b) SUBSTITUTION FOR DRAWBACK PURPOSES.—If imported duty-paid sugar, or nonferrous metal, or ore containing nonferrous metal, *or flaxseed or linseed, or flaxseed or linseed oil*, and duty free or domestic merchandise of the same kind and quality are used in the manufacture or production of articles within a period not to exceed one year from the receipt of such imported merchandise by the manufacturer or producer of such articles, there shall be allowed upon the exportation [(or shipment to the Philippine Islands)] of any such articles [,]; notwithstanding the fact that none of the imported merchandise may actually have been used in the manufacture or production of the exported articles, an amount of drawback equal to that which would have been allowable had the sugar, or nonferrous metal, or ore containing nonferrous metal, *or flaxseed or linseed, or flaxseed or linseed oil*, used therein been imported; but the total amount of drawback allowed upon the exportation of such articles, together with the total amount of drawback allowed in respect of such imported merchandise under any other provision of law, shall not exceed 99 per centum of the duty paid on such imported merchandise.