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COMMITTEE ON FINANCE
1 UNITED STATES SENATE
HARRY FLOOD BYRD, *Chairman*

SUMMARY OF PROVISIONS OF H.R. 7969, TARIFF
SCHEDULES TECHNICAL AMENDMENTS ACT
OF 1965¹¹ AS PASSED BY THE HOUSE
OF REPRESENTATIVES₇



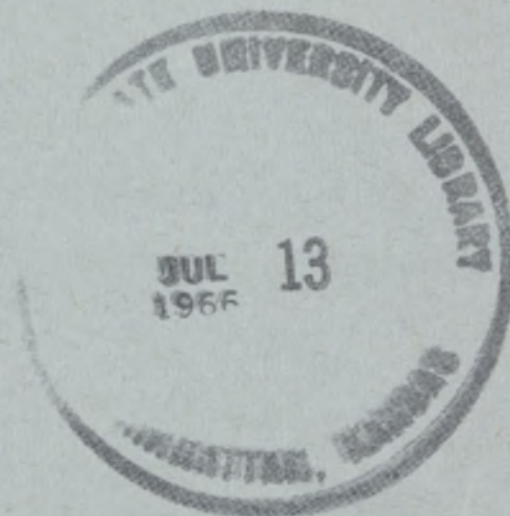
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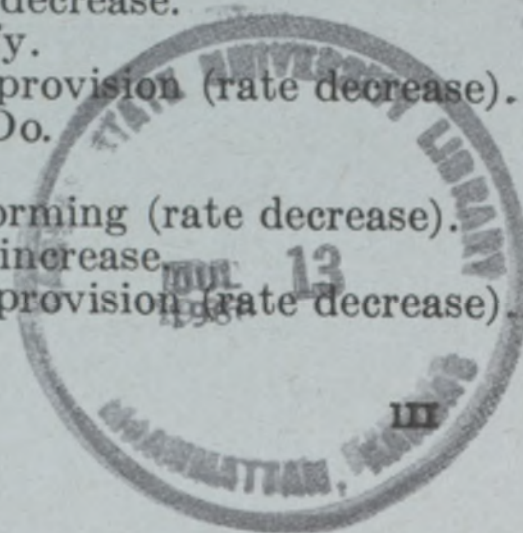
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CONTENTS

Section	Article	Purpose
41	Agricultural and horticultural machinery and implements, and parts thereof.	Clarify.
8	Agricultural bins and sprayers-----	Rate decrease to free.
50	Anesthetic apparatus-----	Court ruling (rate decrease).
72	Articles assembled abroad-----	Clarify.
71	Articles of hair-----	Clarify (increase or decrease).
30	Automobile, etc., parts-----	Generally clarifying.
	Automatic voltage-current regulators.	New provision (rate decrease).
	Ball bearings with integral shafts.	New provision.
	Electrical articles, parts of-----	Clarify (rate increase or decrease).
	Furniture designed for motor vehicle use.	New provision (rate decrease).
	Hairsprings-----	Do.
	Hinges and fittings, etc-----	Do.
	Ignition wiring sets, etc-----	Do.
	Lighting equipment-----	Do.
	Permanent magnets-----	Reaveraging (rate decrease).
	Pumps for liquids-----	New provision; reaveraging (rate decrease).
	Repair kits-----	New provision; ease administration (rate decrease).
	Speedometers and tachometers--	New provision (rate decrease).
16	Belting and belts for machinery-----	Clarify (rate decrease on V-belts).
9	Boxes and cases, certain covered or lined with textile fabrics.	Simplification (rate increase and decrease).
47	Brake regulators-----	Rate decrease.
61	Buckles and buckle slides-----	Court ruling (rate decrease).
34	Camping and picnic sets, certain-----	Clarify (rate decrease).
21	Cellulose compounds; lignin-----	Clarify (rate increase).
36	Chain and chains-----	Clarify.
73	Coconut, palm oils-----	Rate decrease.
68	Colostomy bags-----	Do.
44	Commutators-----	Do.
52	Comparators-----	Clarify.
23	Concrete-----	Do.
46	Conductors, copper insulated-----	New provision (rate increase).
4	Containers not imported empty-----	Clarify.
34	Dissecting tools fitted into cases containing microscopes.	Clarify (rate decrease).
54	Editors and combination editor splicers for motion picture films.	Customs ruling (rate increase).
20	Esters of monohydric alcohols-----	Clarify.
15	Fabrics, ornamented or with tucks---	Correct potential avoidance (rate increase).
32	Files and rasps-----	Clarify (rate decrease).
66	Fireworks-----	Rate decrease.
7	Florist articles-----	Clarify.
69	Fly ribbons-----	New provision (rate decrease).
10	Gasketing materials of ground or pulverized cork.	Do.
25	Glass, colored or special-----	Conforming (rate decrease).
5	Grape juice-----	Rate increase.
55	Halftone screens made photographically on plastics material.	New provision (rate decrease).



Section	Article	Purpose
35	Handtool, parts of-----	Clarify.
49	Headwear of fur not on the skin-----	Do.
48	Headwear of pandan-----	New provision (rate decrease).
37	Horseshoes-----	New provision (rate increase).
74	Import restrictions (sec. 22, Agricultural Adjustment Act).	Eliminates administrative burden.
40	Iron castings, rough-----	New provision (rate decrease).
42	Jacquard cards; parts of taps, valves, etc.	Clarify (rate increase).
62	Jewelry clasps-----	New provision (rate decrease).
60	Jewelry, costume-----	Rate increase.
18	Labels of manmade fibers-----	Court decision (rate decrease).
19	Lactic acid-----	Reaveraging of rates (increase).
57	Magnetic tape, recordings on, etc-----	Reaveraging of rates (decrease).
14	Manmade fiber, fabric containing-----	Correct avoidance device.
38	Metal products, enameled, miscellaneous.	Clarify.
58	Musical instruments, electronic-----	New provision (rate increase).
56	Papers, heat-sensitive-----	Reaveraging of rates (decrease).
33	Pencil sharpeners and lead and crayon pointers.	Clarify.
31	Picks and mattocks-----	Reaveraging of rates (decrease).
26	Platinum, certain semimanufactured-----	Rate decrease to free.
59	Playing cards-----	Rate decrease.
27	Round wire-----	New provision (rate increase).
67	Rubber and plastic film, strips, sheets, and plates.	Redefinition of sizes (increase and decrease).
70	Sausage casings-----	Reaveraging of rates; court ruling (decrease).
6	Seaweed-----	Rate decrease to free.
12	Shoeboard-----	Rate increase.
39	Shoe machinery and molds-----	Rate decrease to free.
63	Slide fastener parts-----	Clarify (rate decrease).
43	Speed changers, multiple-ratio-----	Rate decrease.
50	Stethoscopes-----	Court ruling (rate decrease).
24	Subporcelain refractory articles-----	Clarify (rate increase).
51	Surveying compasses-----	Rate increase.
44	Synchronous motors-----	Rate decrease.
22	Synthetic resins and plastic materials-----	Clarify (rate decrease).
17	Swiss-type curtains and drapes-----	Do.
28	Tableware and household utensils-----	Court ruling (rate increase or decrease).
13	Textile fabrics, coated, filled, or laminated with rubber or plastics; articles made from such fabrics.	Clarify (rate decrease).
45	Television picture tubes-----	New provision (rate increase).
65	Toothbrushes, electric-----	Rate increase.
53	Watch or clock movements, combination articles containing.	Correct potential avoidance (rate increase).
29	Wire fencing, certain galvanized-----	Court ruling (rate decrease).
11	Wood particleboard-----	Rate increase.
14	Wool fabrics, containing flax or ramie-----	Corrects avoidance device.
64	Wreaths, etc., dried-----	Rate decrease.
14	Yarns, measure of certain-----	Clerical.

PURPOSE OF H.R. 7969

The Tariff Schedules of the United States were adopted into law as of August 31, 1963, pursuant to authority provided by the Tariff Classification Act of 1962. The new schedules, several years in preparation, replaced the tariff structure which had been in effect since the Tariff Act of 1930.

Despite strong efforts, both on the part of the Tariff Commission and on the part of Congress, to avoid mistakes during the changeover, a number of instances have been found where, through oversight, inadvertance, or lack of information, the duty on particular articles either was increased or decreased in the transition. It was not the objective of the new schedules to change rates of duty, although in the interest principally of simplification, some incidental changes in duty were effected.

The purpose of H.R. 7969 is to correct errors found to involve family significant items of trade. The corrections generally cover instances where it is clear that errors were made through oversight, or inadvertance, or lack of information at the time the schedules were formulated, or in which clarifying language is desirable.

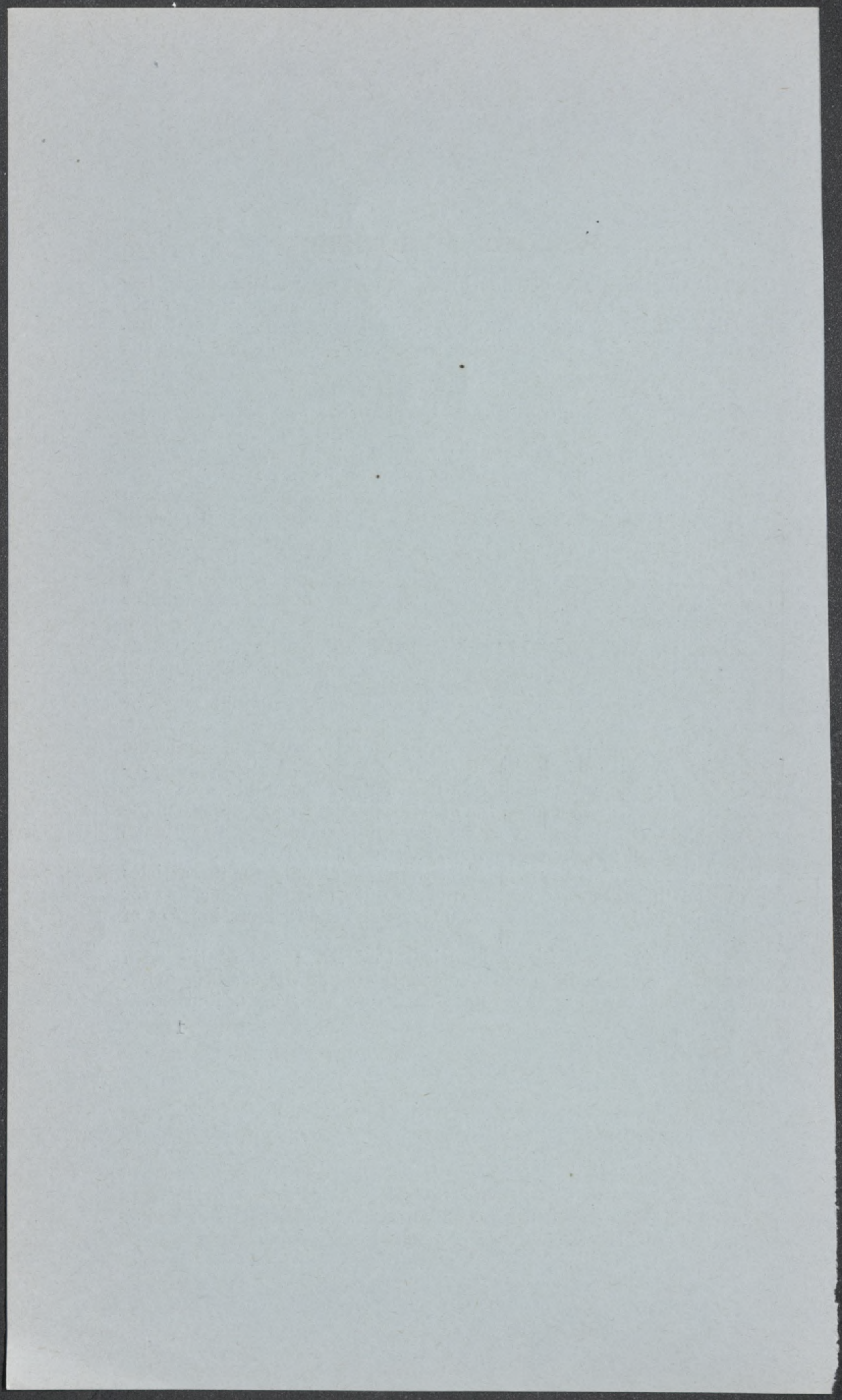
While it is recognized that there may be still further corrections to be made in the tariff schedules, the provisions in H.R. 7969, by and large, apply to those most in need of technical qualification or correction.

Those changes which cause a reduction in duty are made applicable by the bill to articles imported on or after August 31, 1963, and provision is made for refunds where a higher duty was paid.

The changes which increase the duty on particular articles are made applicable only with respect to articles imported more than 60 days after the date of the enactment of H.R. 7969.

Under the bill, it is provided that the rates of duty for the articles specified in the bill are to be the rates of duty taken into account for the purpose of trade negotiations under the Trade Expansion Act of 1962.

H.R. 7969 is substantially identical to H.R. 12253 of the 88th Congress, which passed the Senate on September 30, 1964, with amendments the House was unable to act on before Congress adjourned.



SUMMARY OF PROVISIONS

Section 1. Citation.—This section provides a short title for the bill' and cites title 1 of the Tariff Act of 1930 as "The Tariff Schedules of the United States."

Section 2. Effective date.—This provision makes the amendments in the bill applicable with respect to articles entered, or withdrawn from warehouse, for consumption after the 60th day following the date of enactment. It also provides that where duty under the bill would be lower, the importer may within 120 days of the date of enactment apply for reliquidation on the basis of the amendments made by this bill.

Section 3. Status of certain changes in tariff schedules.—This section provides that for purposes of trade agreements, the rates of duty in column 2 of the TSUS are the rates to be treated as existing on July 1, 1934, and the rates in column 1 are the rates to be treated as existing on July 1, 1962. It also indicates the extent to which the TSUS shall have the status of statutory provisions duly enacted by Congress.

Section 4. Containers not imported empty.—Under this provision, it is made clear that usual types of containers ordinarily sold at retail with their contents are not to be treated as imported articles when imported filled with merchandise. This conforms to practice under the old tariff structure.

Section 5. Grapejuice.—This provision increases the rate on grapejuice from 9 cents per gallon to 50 cents per gallon. It, in effect, restores the rate under the old schedules which was based upon the potential alcoholic content of the juice.

Section 6. Seaweeds.—This provision restores the duty-free treatment for certain prepared kelp imported for animal feed. This makes all seaweed duty free.

Section 7. Florist articles.—This section enlarges an existing tariff category to include sprays, wreaths, etc., made of any fresh plant parts, not just of fresh flowers. It recognizes a significant Christmas trade in these articles. No rate change is involved.

Section 8. Agricultural containers and sprayers.—

Bins: This amendment restores duty-free treatment to agricultural harvesting containers.

Sprayers: This amendment restores duty-free treatment to agricultural sprayers (particularly those not self-contained, having a capacity of more than 5 gallons).

Section 9. Certain boxes and cases covered or lined with textile fabrics.—This provision corrects a rate problem under which boxes covered or lined with manmade fabrics were dutiable at 2 cents per pound plus 4 percent ad valorem while boxes covered or lined with vegetable fabrics were dutiable at 2 cents per pound plus 8.5 percent ad valorem. Under the new schedules the duty on rayon-lined jewelry boxes was increased to the higher rate. This section provides a single rate of 2 cents a pound plus 5 percent ad valorem (the weighted

average of the two prior rates) in recognition of the significant trade in the low-rate boxes.

Section 10. Gasketing materials of ground or pulverized cork.—This section creates a separate category for gasketing material comprised primarily of ground or pulverized cork and provides a rate of 10 percent which is an estimated weighted average of the various rates (from 8.5 to 36 percent) which would otherwise apply depending upon the bonding agent used or component of chief value. The most significant trade under the old tariff structure was in gasketing materials in chief value of synthetic rubber, at 8.5 percent.

Section 11. Wood particleboard.—This amendment increases the rate of duty on wood particleboard from 12 to 20 percent.

Section 12. Shoeboard.—This provision deletes "leatherboard" as a separate category and substitutes a broader category covering all "shoeboard" whether or not made of leather fibers. With respect to nonleather shoeboard, this change involves a restorative rate increase.

Section 13. Textile fabrics, coated or filled, or laminated, with rubber or plastics.—These amendments make a number of changes in the provisions relating to textile fabrics, coated or filled, or laminated, with nontransparent rubber or plastics. Essentially, the changes provide that articles made of this fabric will be dutiable as textile articles to the extent that the textile fabric forms the outer or exposed surface of the article. Conversely, to the extent the nontransparent rubber or plastics forms the outer surface, the article will be treated as being of rubber or plastics, as the case may be.

Further amendments (a) conform the treatment of woven or knit fabrics laminated with foam or sponge sheet to such fabrics which are coated or filled with other forms of rubber or plastics; (b) restore the old lower rate for certain coated or filled textiles of manmade fibers; (c) provide a new category for inflatable articles, such as air mattresses (with no rate change) without regard to the material from which made; and (d) eliminate unnecessary language in the provision relating to plastic film, strips, and sheets.

Section 14. Measure of certain yarns; certain woven fabrics containing manmade fibers.—Subsection (a) of this provision makes conforming punctuation changes.

Subsection (b) corrects two avoidance problems.

Manmade fabric.—The first involves a situation under which a small amount of high value vegetable fiber may be combined with manmade fiber, so that the resulting cloth (in chief value of vegetable fiber) is dutiable at a lower rate (6½ or 10 percent). In these cases the vegetable fiber content is increased beyond that which is needed to produce a commercially marketable product, in order to obtain the advantage of the lower rate. This provision deals with this situation by restoring the rate of 25 cents per pound plus 22½ percent ad valorem which previously applied to this product. The bill describes the fabric involved in terms of the fiber composition of its yarns (such fibers must not exceed 5 inches in length and must contain not less than 50 percent by weight of manmade fiber).

Wool fabric.—The second avoidance problem involves a combination of high value flax or ramie with wool to create a fabric which can be imported at the lower nonwool rate of 10 percent. Under the old tariff structure this fabric would have been dutiable partly at the wool rate of 37.5 cents per pound plus 60 percent ad valorem and

partly at the nonwool rate of 10 percent. This provision treats this fabric, if it is more than 17 percent by weight of wool, at a compound rate of 30 cents per pound plus 45 percent ad valorem. This is the approximate equivalent of the duty which applied under the old structure.

Section 15. Ornamented fabrics; fabrics with tucks.—This amendment corrects a potential avoidance device by which simple ornamentations or tucks may be added to or made in a fabric and the resulting product could be imported at a significantly lower rate than would apply to the fabric alone. After importation, the ornamentation or tuck may be removed. The amendment provides that the duty applicable to the ornamented or tucked fabric (particularly, certain low value wool fabrics) is not to be less than the duty applicable to the plain fabric.

Section 16. Belting and belts for machinery.—This section provides a specific category for V-belts and establishes a 12-percent rate of duty (instead of 16 percent). This rate represents an estimated weighted average of the various rates formerly applicable to such belts depending upon their use. It also clarifies the duty treatment of other belts and beltings of textile fibers or of such fibers and rubber and plastics (without rate changes) by providing specific categories in the schedules.

Section 17. Swiss-type curtains and drapes.—This provision restores the duty of 30 percent (from 50 percent) which formerly applied to all Swiss-type curtains and drapes of cotton, but which, under the new schedule, is applied only to net furnishings.

Section 18. Labels of manmade fibers.—Section 18 reduces the duty on labels of manmade fibers (such as rayon) from 25 cents a pound plus 30 percent ad valorem to 25 cents a pound plus 19 percent ad valorem, conforming to a recent decision of the customs court (CD 2409).

Section 19. Lactic acid.—This provision increases the rate applicable to lactic acid from 12.5 to 16 percent, in accordance with new information which indicates that 16 percent more accurately reflects the ad valorem equivalent of the various specific rates formerly applied on the basis of lactic acid content.

Section 20. Esters of monohydric alcohols.—This change is clarifying only. It eliminates a possible interpretation which could remove ethyl chloride from the category where it is specifically named and classify it under the provision for esters.

Section 21. Cellulose compounds; surface-active agents.—The amendments made by this provision are largely clarifying; they provide specific categories for carboxymethyl cellulose salts and for lignin in recognition of their importance as items of trade. With respect to "cellulose compounds" the bill transfers the existing category to a more prominent place in the schedule to insure that the 16-cent-per-pound rate actually applies (rather than various other lower rates). No rate change is involved with respect to lignin; the other changes involve rate increases.

Section 22. Synthetic resins and plastics materials.—This provision simplifies the schedules (and provides some duty reductions) by providing that coal-tar additives (which are dutiable at the American selling price) to non-coal-tar synthetic plastics materials will not affect their classification as non-coal-tar synthetic plastics materials.

Section 23. Concrete.—This section narrows the definition of concrete (in the headnotes) to exclude plastics (resin), and thereby conforms the definition to the commonly understood meaning of the term. No rate change is involved.

Section 24. Subporcelain refractory articles.—This amendment corrects an oversight which permitted subporcelain articles to receive an unintended rate decrease from 45 to 15 percent ad valorem. Under the bill the 45-percent duty on these subporcelain articles is restored.

Section 25. Certain colored or special glass.—The amendments made by this section are merely conforming changes in certain dimensions (with incidental rate reductions) which were overlooked before the tariff schedules were adopted.

Section 26. Certain semimanufactured platinum.—This provision restores a customs practice under which drawn palladium of approximately three-sixteenths of an inch in diameter was admitted duty free under the old tariff structure. (Under the schedules this product would be dutiable at 40 percent in the absence of this provision.)

Section 27. Round wire.—This amendment in effect, restores the rate (8.5 percent) applicable under the old tariff structure to round wire of iron or steel valued at more than 6 cents per pound. In lieu of value as a distinguishing feature, the new schedules define the categories in terms of diameter of the wire, and the amendment further defines the specific wire involved by reference to weight of carbon included in the product.

Section 28. Tableware and other household utensils.—The changes made by this section assure uniformity between various provisions with respect to the tariff treatment of kitchen or tableware (or table, kitchen, or household utensils) of base metals whether they are of a type used indoors or outdoors. At present, it is not clear that all of these provisions include camping, barbecue, or patio utensils.

Section 29. Certain galvanized wire.—This amendment reflects the substance of a recent court decision (CD 2441) which indicated that in measuring the diameter of galvanized wire the galvanized coating should be included. The customs practice is to measure the wire without the coating (because the wire generally is uniform in diameter while the coating varies in thickness; moreover a higher duty could be obtained under the practice). Under the bill, the customs practice would be continued and the court decision is reflected by reducing diameters provided by the schedules sufficiently (to 0.075 inch from 0.08 inch) to account for the galvanized coating.

Section 30. Automobile, etc., parts.—This section makes a number of changes in the new schedules to clarify existing categories or to provide new categories. Generally the rate changes restore rates which applied under the old tariff structure.

(a) *Hinges.*—This provision creates a specific category for hinges, fittings, and mountings designed for motor vehicles and provides a rate of 8.5 percent (instead of 19 percent).

(b) *Hairsprings.*—This provision creates a specific category for "hairsprings" and provides a weighted average rate of 10 percent (instead of 19 percent). The weighted rate reflects uses other than automotive to which hairsprings may be adapted.

(c) *Pumps for liquids.*—This provision creates a specific category for fuel injection pumps for diesel type engines and provides a weighted average rate of 6 percent (rather than 12 percent). It also reduces

the weighted average rate for other pumps for liquids to 10 percent (from 12 percent). The weighted average rate reflects automotive and other uses to which these pumps may be adapted.

(d) *Bearings with integral shafts.*—This provision creates a specific category for ball bearings with integral shafts and provides a rate of 12 percent. (This is the same rate which the Customs Bureau applied when it classified this article as a "pump" part. But see subdivision (c) above.)

(e) *Repair kits.*—This provision creates a specific category for repair kits (containing three or more parts) for brakes or internal-combustion engine pumps or carburetors and provides a weighted average of 10 percent for these kits (instead of various rates which otherwise would apply to the various parts in the kits). This recognizes the significant trade in these kits and should ease administrative burdens.

(f) *Parts of electrical articles.*—This provision clarifies the tariff treatment of electrical parts by assuring that these parts (such as batteries, electronic tubes, bulbs, etc.) which are specifically provided for will not be treated as parts of other articles under schedule 7 where the rates may be different. It also assures that parts of the electromagnetic equipment are provided for and restores the rates which applied to these parts under the old tariff structure.

(g) *Permanent magnets.*—This provision reduces the rate from 18 percent to 16 percent (estimated weighted average) in recognition that there was trade in magnets under the old tariff structure at rates lower than 18 percent (e.g., loudspeaker parts at 12.5 percent, parts for magnetos at 6.75 percent).

(h) *Lighting equipment.*—This provision creates a specific category for lighting equipment designed for motor vehicles and provides a rate of 8.5 percent (instead of 19 percent).

(i) *Automatic voltage-current regulators.*—This provision clarifies the article description to insure that articles which control both voltage and current, as well as provide cutout relays will be treated uniformly. It also creates a separate category for automotive voltage-current regulators and restores the 8.5-percent rate (instead of 15 percent).

(j) *Ignition wiring sets.*—This provision creates a separate category for ignition wiring sets and wiring sets used in motor vehicles and craft and provides a rate of 10 percent (estimated weighted average) instead of 17 percent.

(k) *Speedometers and tachometers.*—This subsection simplifies the tariff treatment of bicycle speedometers by creating a separate category and providing a rate of 55 percent ad valorem (estimated weighted average) instead of the higher compound rate under the present schedules (\$2.25 each plus 35 percent ad valorem). It also insures uniform tariff treatment for tachometers and speedometers whether or not they are "electrical" instruments and provides a rate of 10 percent (estimated weighted average), instead of the various rates provided by the present schedules). The provision removes tachometers from the high compound rates and restores the equivalent of the treatment under the old tariff structure.

(l) *Furniture designed for motor vehicle use.*—This provision creates a separate category for furniture designed for motor vehicle use and restores a rate of 8.5 percent (instead of the various higher rates which would apply to the specific pieces of furniture).

Section 31. Picks and mattocks.—This amendment reduces the rate of duty on picks and mattocks to 7.5 percent ad valorem (from 19 percent) in recognition of the volume of trade which occurred under the old tariff structure at lower rates (e.g., free as agricultural tools; 1 $\frac{3}{8}$ cents a pound as railroad track tools).

Section 32. Files and rasps.—This amendment in effect restores the old tariff treatment under which files and rasps exactly 7 inches long (or longer) were dutiable at a lower rate than shorter ones. It accomplishes this by making the dividing point between the rate brackets 6.75 inches instead of "not more than 7 inches." Thus, 7-inch files and rasps will be dutiable at 17.5 cents per dozen (rather than 28 cents per dozen).

Section 33. Pencil sharpeners and lead and crayon pointers.—This provision creates a separate category for pencil sharpeners and lead and crayon sharpeners (other than crank types, which are classified as office machines) and provides a rate of 17 percent. This involves no rate change.

Section 34. Treatment of certain sets.—The amendments made by this section simplify the tariff treatment of certain camping sets and dissecting sets sold with microscopes.

(a) *Certain camping and picnic sets.*—This provision creates a separate category for camping and picnic sets comprised of a knife, fork, and spoon sold as a unit and provides a rate of 25 percent estimated weighted average (instead of the highest rate for any of the articles included in the set.) It also eliminates an inadvertence by removing this type of set from the escape clause tariff quota as stainless steel flatware.

(b) *Dissecting tools sold with microscopes.*—This provision insures that dissecting tools sold in a set with a microscope will be dutiable at the microscope rate (instead of the highest rate for any of the articles included in the set). It also insures that the microscope rate will not be increased because of the inclusion of the tools in the set. This should facilitate customs administration.

Section 35. Handtools.—This section corrects a technical oversight under which "parts" for certain handtools were omitted from the article description of such tools.

Section 36. Chain and chains.—This section clarifies the treatment of chain and chains to make certain that flat chains of iron or steel are provided for (at a rate of 19 percent), and that the customs practice of classifying certain chain on the basis of the diameter of link stock which is essentially round in cross section will be continued. No rate change is involved.

Section 37. Horseshoes.—This amendment in effect restores the treatment provided under the old tariff structure for horseshoes not made of iron or steel. It creates a separate category for horseshoes other than of iron or steel—(principally aluminum) and provides a rate of 19 percent ad valorem (instead of the lower 0.25-cent-per-pound rate).

Section 38. Miscellaneous metal products.—This amendment corrects a technical oversight by which reference to metal products "glazed with vitreous glasses" (or not so glazed) was omitted from the article description of enameled metal products in the transition to the new schedules. It insures continuation of the old tariff treatment and no rate changes are involved.

Section 39. Shoe machinery.—This provision insures that shoe machinery will continue to be duty free (instead of 12.5 percent), and that molds used with the shoe machinery also will remain duty free (rather than 11.5 percent). A headnote presently conflicts with and overrules, the specific provision exempting shoe machinery from duty.

Section 40. Rough iron castings.—This provision restores the 3. percent rate which applied under the old tariff structure (instead of 11.5 percent) to nonmalleable cast iron parts for purification and filtration systems.

Section 41. Agricultural and horticultural machinery, and parts.—

(a) *Headnote.*—This provision insures that certain electric agricultural implements remain duty free, rather than become dutiable (at 11.5 percent) by reason of a conflict between the specific provision exempting agricultural implements and a headnote.

(b) *Milking machines, etc.*—This provision clarifies the duty-free status of certain agricultural machinery and implements (and parts) by adding milking machines and onfarm equipment for the handling and drying of agricultural or horticultural products to the duty-free list.

Section 42. Jacquard cards; parts of taps, valves, etc.—This provision corrects two oversights.

(a) *Jacquard cards.*—This provision eliminates headnote language which incorrectly indicates that jacquard cards are not provided for as parts of textile machinery when in fact they are.

(b) *Parts of taps, valves, etc.*—This amendment corrects a technical oversight under which "parts" for hand-operated (and check) taps, cocks, valves, etc., were omitted from the article description of such items.

Section 43. Speed changers.—This provision reduces the duty on multiple-ratio speed changers to 9 percent (from a compound rate of 2.25 cents each plus 35 percent ad valorem). It thereby restores the duty treatment which applied to this article under the old tariff structure, and conforms it to the treatment of fixed-ratio speed changers.

Section 44. Synchronous motors; commutators.—

(a) *Synchronous motors.*—This provision restores the treatment (based on value) which applied under the old tariff structure to synchronous motors of less than one-fortieth horsepower. Under the amendment such motors valued over \$4 each will be dutiable at the old rate of 12.5 percent (instead of 50 percent).

(b) *Commutators.*—This provision creates a separate category for commutators (whether used in generators or motors) and provides a rate of 10 percent (instead of 15 percent). This is the estimated weighted average rate (based on the most recent data) determined from the rate under the old tariff structure of 15 percent for parts of generators and 8.5 percent or 12.5 percent for parts of motors.

Section 45. Television picture tubes.—This provision creates a separate category for television picture tubes and restores the rate of 30 percent which applied to such tubes (in chief value of glass) under the old tariff structure (instead of 12 percent). It also subordinates cathode ray tubes (and parts) to the "Other" category at a rate of 12.5 percent ad valorem (instead of 12 percent).

Section 46. Insulated conductors without fittings.—This amendment increases the rate on insulated conductors without fittings, contain-

ing more than 10 percent by weight of copper, from 15 to 17 percent ad valorem weighted average to reflect the import tax (as contrasted to duty) of 1.7 cents per pound on the copper content of the article.

Section 47. Brake regulators.—This section excludes brake regulators from the category for parts of railway cars and thereby reduces the rate applicable to such regulators to 11.5 percent (instead of 18 percent). This largely restores the rate treatment (9 percent for "machines, n.s.p.f.") which applied under the old tariff structure.

Section 48. Headwear of pandan.—This amendment restores the treatment of harvest hats made of pandan which applied under the old tariff structure. Thus, such hats (if valued not over \$3 per doz.) will continue to be dutiable at 6.25 percent (instead of 10 percent).

Section 49. Headwear of fur not on the skin.—This is a technical amendment which substitutes the term "fur not on the skin" for "fur felt" to conform to the style used elsewhere in the tariff schedules. No rate change is involved.

Section 50. Anesthetic apparatus; stethoscopes.—The amendments made by this section (1) create a separate category for anesthetic apparatus; (2) specifically list stethoscopes; and (3) provide a rate of 19 percent ad valorem (instead of 36 percent) for these items in conformity with recent court decisions (Abs. 68126 and CD 2402).

Section 51. Surveying compasses and parts.—This provision corrects a typographical error under which the duty applicable to surveying compasses and parts was misstated as 11.5 percent (instead of the rate of 28 percent). Under this bill the duty on these items is increased to 28 percent.

Section 52. Comparators.—This section corrects an inadvertent error under which the same article was specifically covered in two separate categories and at different rates; first as "profile projectors" at 35 percent, and then as "comparators" at 45 percent. Under this provision "comparators" is deleted and only the 35-percent duty which applied under the old tariff structure for this article is continued.

Section 53. Combination articles containing watch or clock movements.—This provision eliminates a potential avoidance device by restoring the rules of the old tariff structure under which combination articles which included a watch or clock movement (such as a barometer-thermometer-clock, or a clock-radio) were dutiable on the basis of the separate items. Under the present schedules, which provide a single rate for the combination article, it is possible to avoid the higher rate on clocks and watches by combining them with a low value thermometer, for example.

This provision also makes a conforming change in the rate applicable to certain of such combination articles to eliminate the weight given to the clock or watch in the set; and insures that the marking requirements generally applicable to watch and clock movements will apply to the movements in combination articles.

In addition, it provides an exception to the rules for separate treatment (and marking) in the case of watch and clock movements which are imported installed in vehicles or spacecraft or aircraft as (1) usual equipment or (2) "integral and essential parts, of laboratory industrial or commercial apparatus or equipment."

Section 54. Editors and combination editor-splicers, for motion picture films.—This provision increases the rate applicable to editors and combination editor-splicers to 35 percent ad valorem (from 11.5

percent) in conformity to a recent customs ruling (TD 55963) which classified them as optical instruments (at 35 percent).

Section 55. Halftone screens.—This provision creates a separate category for halftone screens made of plastics on which the crosslines are reproduced photographically and restores the rate of 8.5 percent which applied to such screens under the old tariff structure in recognition of the volume of prior trade in the lower rate article. The rate for other halftone screens will continue at 27.5 percent.

Section 56. Heat-sensitive paper.—This amendment reduces the rate applicable to heat-sensitive paper to 7.5 percent (from 15 percent) in recognition of imports of such paper which had been classified under the old tariff structure at the lower rate of 2 cents per pound plus 4.5 percent ad valorem. The new 7.5-percent rate is an estimated weighted average rate which takes into account the volume of trade in the low-rate articles.

Section 57. Recordings on magnetic tape.—This provision reduces the duty on prerecorded tapes (particularly multiple copy tapes) recorded on magnetic tape or other mediums (except wire) by changing both the specific duty and the base to which is applied. The new duty will be 2 cents per square foot (instead of 0.25 cents per square inch). This largely restores the duty of 12 percent ad valorem which applied under the old tariff structure.

Section 58. Electronic musical instruments.—This provision creates a separate category for "fretted stringed instruments" (a term which includes electric guitars) and provides a rate of 34 percent (instead of 17 percent). This restores the rate which applied to these electric guitars under the old tariff structure.

Section 59. Playing cards.—This provision corrects a typographical error under which the duty applicable to playing cards was misstated as 4 cents per pack plus 5 percent ad valorem (instead of 4 cents per pack plus 4 percent ad valorem). Under this bill the duty on these cards is reduced to 4 cents a pack plus 4 cents ad valorem.

Section 60. Costume jewelry; jewelry materials.

(a) *Costume jewelry.*—This amendment restores the treatment provided by the old tariff structure for costume jewelry valued at more than \$5 per dozen pieces or parts by restricting the lower rate applicable to such jewelry (35 percent ad valorem) to watch bracelets. All costume jewelry valued over \$5 per dozen (other than watch bracelets) is made dutiable at the higher 55-percent rate which applies to costume jewelry valued at more than 20 cents per dozen, just as under the old tariff structure.

(b) *Jewelry materials.*—This amendment clarifies the treatment of costume jewelry chain by eliminating the requirement (which was a carryover from one of the provisions of the old tariff structure dealing with jewelry materials) that the chain (or rope, cable, or similar article) not exceed 0.5 inch in any cross sectional dimension. Under the bill all such jewelry materials will be treated uniformly regardless of its dimension, thereby easing administrative problems. This change could either increase or decrease duties on specific items.

Section 61. Buckles and buckle slides.—This provision reduces the rate applicable to buckles and buckle slides valued over 29 cents per dozen to 19 percent ad valorem (from 55 percent) and thus conforms to a court ruling (CAD 448). It substitutes a single 19-percent category for the two categories in the present schedule and restores the prior practice.

Section 62. Jewelry clasps.—This provision creates a separate category for jewelry clasps of precious metal and provides a rate of 24 percent ad valorem (instead of 55 percent). This restores the treatment applicable under the old tariff structure to clasps of gold or platinum. Other clasps (valued over 20 cents a dozen) would continue to be dutiable at 55 percent.

In addition, this section clarifies the duty treatment of handbag and similar frames incorporating clasps by treating them under the clasp category at a rate of 17.5 percent. This is the estimated weighted average of the rates which applied to these frames under the prior tariff structure, depending upon the metal of which they are made.

Section 63. Slide fastener parts.—This provision excludes zipper tape without teeth (i.e., tape with cord sewn along one edge to receive the zipper teeth) from the slide fastener and parts category (dutiable at 50 percent) and permits such tape to be classified as a textile product (dutiable at 20 percent). This restores the duty treatment which applied to these tapes without teeth under the old tariff structure (but see TD56111 (107)).

In addition, it specifically includes in the slide fastener and parts category zipper tape in continuous length with teeth attached, thereby reinforcing the principle of a recent customs ruling (TD55937).

Section 64. Dried wreaths.—This amendment creates a separate category for bouquets, boutonnières, corsages, wreaths and similar articles made of natural plant materials which have only been dried or bleached and provides a rate of 10 percent ad valorem (instead of 25.5 percent). This restores the duty treatment which was available for these products under the old tariff structure.

Section 65. Electric toothbrushes.—This section insures that electric toothbrushes and other mechanical combs and brushes which are toilet articles will be classified as toilet articles. In the case of electric toothbrushes this restores the old compound rate of 0.8 cent each plus 17 percent ad valorem (instead of 12 percent as an electromechanical appliance).

Section 66. Fireworks.—This provision reduces the rate on fireworks (including firecrackers) to 12 cents per pound including the weight of all covering, packing material, and wrappings (from 32 percent, estimated weighted average). In the case of display type fireworks this restores the duty treatment which formerly applied under the old tariff structure.

Section 67. Rubber and plastics film, strips, sheets, and plates.—This section reduces the dimensions provided in the headnote description for rubber and plastics films, strips, sheets, and plates to 15 inches wide and 18 inches long (from 21 inches wide and 51 inches long). This will reduce the duty on (1) cellulose acetate film and sheets; (2) synthetic rubber sheets; (3) polyvinyl chloride film and sheets; and (4) casein sheets. It will increase the duty on small sizes of acrylic resin sheets. This has the effect of substantially restoring the duty treatment which was available under the old tariff structure.

Section 68. Colostomy bags.—This provision includes colostomy bags in a specific category dutiable at 12.5 percent. This restores the duty treatment which was provided under the old tariff structure for such bags.

Section 69. Fly ribbons.—This amendment creates a separate category for ribbon flycatchers and provides a rate of 14 percent (instead of 17.5 percent). This recognizes the volume of trade in this article

and restores the duty treatment which was available under the old tariff structure.

Section 70. Sausage casings.—This provision reduces the rate on sausage casings to 12.5 percent ad valorem (from 16 percent) the estimated weighted average of the various rates which applied under the old tariff structure. This rate also reflects a recent court decision (CD 2352) which held casings made of pig bungs with viscon liners to be dutiable at 10 percent under the old tariff structure. The new rate reflects the weight of trade in low-duty products.

Section 71. Articles of hair not specially provided for.—This provision creates a new "catchall" category for articles of hair, not specially provided for, and provides a rate of 14 percent (the old rate on articles of human hair, not specifically provided for).

Section 72. Articles assembled abroad.—Under the present tariff structure U.S. products may be sent abroad for assembly and returned duty free if they have not been advanced in value or improved in condition abroad *by any means other than the act of assembly.* [Emphasis added.] Thus, a U.S. motor could be exported for installation in a foreign motorboat and when the boat is imported with the U.S. motor, the portion of the value attributable to the motor would be duty free.

This bill (1) clarifies the type of articles which may be exported for assembly and then reimported; and (2) enlarges the class of activities which may be performed abroad without subjecting the U.S. product to duty.

Specifically, this amendment provides that the free entry provision of the new schedules would apply to articles assembled abroad in whole or in part of fabricated components, the product of the United States, which (a) were exported, in condition ready for assembly without further fabrication, for the purpose of such assembly and return to the United States; (b) have not lost their physical identity in such articles by change in form, shape, or otherwise; and (c) have not been advanced in value or improved in condition abroad except by being assembled and except by operations incidental to the assembly process such as cleaning, lubricating, and painting.

Section 73. Coconut, palm kernel, and palm oil.—This provision corrects an inadvertent mistake by which the temporary rate applicable to coconut, palm kernel, and palm oil (which applies until July 1, 1966), was not conformed to reflect the last trade concession reduction. This section substitutes 14 percent ad valorem (for 17.5 percent) and thereby conforms the temporary rate to the ad valorem rate in the permanent provision.

Section 74. Import restrictions—Section 22 of Agricultural Adjustment Act.—This provision makes two changes in the exceptions to the import restrictions proclaimed under section 22 of the Agricultural Adjustment Act.

The first change would permit articles (other than cotton) having an aggregate value not over \$10 to be imported for research notwithstanding the proclamation.

The other change would eliminate the weight limitation (100 pounds) in the exception for trade fairs (or research), and thus would permit greater quantities to be imported for these purposes (but in this case, only if the Secretary of Agriculture consents in writing).

