

## Public Law 927

## CHAPTER 887

## AN ACT

To amend certain administrative provisions of the Tariff Act of 1930 and to repeal obsolete provisions of the customs laws.

August 2, 1956  
[H. R. 6040]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Customs Simplification Act of 1956".

Customs Simplification Act of 1956.

SEC. 2. (a) Section 402 of the Tariff Act of 1930, as amended (U. S. C., 1952 edition, title 19, sec. 1402), is redesignated "**SEC. 402a. VALUE (ALTERNATIVE).**" and such Tariff Act of 1930 is amended by inserting therein immediately before the redesignated section 402a a new section 402 to read as follows:

46 Stat. 708.

**"SEC. 402. VALUE.**

"(a) **BASIS.**—Except as otherwise specifically provided for in this Act, the value of imported merchandise for the purposes of this Act shall be—

Value of imported merchandise.

- "(1) the export value, or
- "(2) if the export value cannot be determined satisfactorily, then the United States value, or
- "(3) if neither the export value nor the United States value can be determined satisfactorily, then the constructed value; except that, in the case of an imported article subject to a rate of duty based on the American selling price of a domestic article, such value shall be—

"(4) the American selling price of such domestic article.

"(b) **EXPORT VALUE.**—For the purposes of this section, the export value of imported merchandise shall be the price, at the time of exportation to the United States of the merchandise undergoing appraisement, at which such or similar merchandise is freely sold or, in the absence of sales, offered for sale in the principal markets of the country of exportation, in the usual wholesale quantities and in the ordinary course of trade, for exportation to the United States, plus, when not included in such price, the cost of all containers and coverings of whatever nature and all other expenses incidental to placing the merchandise in condition, packed ready for shipment to the United States.

"(c) **UNITED STATES VALUE.**—For the purposes of this section, the United States value of imported merchandise shall be the price, at the time of exportation to the United States of the merchandise undergoing appraisement, at which such or similar merchandise is freely sold or, in the absence of sales, offered for sale in the principal market of the United States for domestic consumption, packed ready for delivery, in the usual wholesale quantities and in the ordinary course of trade, with allowances made for—

"(1) any commission usually paid or agreed to be paid, or the addition for profit and general expenses usually made, in connection with sales in such market of imported merchandise of the same class or kind as the merchandise undergoing appraisement;

"(2) the usual costs of transportation and insurance and other usual expenses incurred with respect to such or similar merchandise from the place of shipment to the place of delivery, not including any expense provided for in subdivision (1); and

"(3) the ordinary customs duties and other Federal taxes currently payable on such or similar merchandise by reason of its importation, and any Federal excise taxes on, or measured by the value of, such or similar merchandise, for which vendors at wholesale in the United States are ordinarily liable.

"If such or similar merchandise was not so sold or offered at the time of exportation of the merchandise undergoing appraisement, the United States value shall be determined, subject to the foregoing specifications of this subsection, from the price at which such or similar merchandise is so sold or offered at the earliest date after such time of exportation but before the expiration of ninety days after the importation of the merchandise undergoing appraisement.

"(d) **CONSTRUCTED VALUE.**—For the purposes of this section, the constructed value of imported merchandise shall be the sum of—

"(1) the cost of materials (exclusive of any internal tax applicable in the country of exportation directly to such materials or their disposition, but remitted or refunded upon the exportation of the article in the production of which such materials are used) and of fabrication or other processing of any kind employed in producing such or similar merchandise, at a time preceding the date of exportation of the merchandise undergoing appraisement which would ordinarily permit the production of that particular merchandise in the ordinary course of business;

"(2) an amount for general expenses and profit equal to that usually reflected in sales of merchandise of the same general class or kind as the merchandise undergoing appraisement which are made by producers in the country of exportation, in the usual wholesale quantities and in the ordinary course of trade, for shipment to the United States; and

"(3) the cost of all containers and coverings of whatever nature, and all other expenses incidental to placing the merchandise undergoing appraisement in condition, packed ready for shipment to the United States.

"(e) **AMERICAN SELLING PRICE.**—For the purposes of this section, the American selling price of any article produced in the United States shall be the price, including the cost of all containers and coverings of whatever nature and all other expenses incidental to placing the article in condition packed ready for delivery, at which such article is freely sold or, in the absence of sales, offered for sale for domestic consumption in the principal market of the United States, in the ordinary course of trade and in the usual wholesale quantities, or the price that the manufacturer, producer, or owner would have received or was willing to receive for such article when sold for domestic consumption in the ordinary course of trade and in the usual wholesale quantities, at the time of exportation of the imported article.

"(f) **DEFINITIONS.**—For the purposes of this section—

"(1) The term 'freely sold or, in the absence of sales, offered for sale' means sold or, in the absence of sales, offered—

"(A) to all purchasers at wholesale, or

"(B) in the ordinary course of trade to one or more selected purchasers at wholesale at a price which fairly reflects the market value of the merchandise,

without restrictions as to the disposition or use of the merchandise by the purchaser, except restrictions as to such disposition or use which (i) are imposed or required by law, (ii) limit the price at which or the territory in which the merchandise may be resold, or (iii) do not substantially affect the value of the merchandise to usual purchasers at wholesale.

"(2) The term 'ordinary course of trade' means the conditions and practices which, for a reasonable time prior to the exportation of the merchandise undergoing appraisement, have been normal in the trade under consideration with respect to merchandise of the same class or kind as the merchandise undergoing appraisement.

“(3) The term ‘purchasers at wholesale’ means purchasers who buy in the usual wholesale quantities for industrial use or for resale otherwise than at retail; or, if there are no such purchasers, then all other purchasers for resale who buy in the usual wholesale quantities; or, if there are no purchasers in either of the foregoing categories, then all other purchasers who buy in the usual wholesale quantities.

“(4) The term ‘such or similar merchandise’ means merchandise in the first of the following categories in respect of which export value, United States value, or constructed value, as the case may be, can be satisfactorily determined:

“(A) The merchandise undergoing appraisalment and other merchandise which is identical in physical characteristics with, and was produced in the same country by the same person as, the merchandise undergoing appraisalment.

“(B) Merchandise which is identical in physical characteristics with, and was produced by another person in the same country as, the merchandise undergoing appraisalment.

“(C) Merchandise (i) produced in the same country and by the same person as the merchandise undergoing appraisalment, (ii) like the merchandise undergoing appraisalment in component material or materials and in the purposes for which used, and (iii) approximately equal in commercial value to the merchandise undergoing appraisalment.

“(D) Merchandise which satisfies all the requirements of subdivision (C) except that it was produced by another person.

“(5) The term ‘usual wholesale quantities’, in any case in which the merchandise in respect of which value is being determined is sold in the market under consideration at different prices for different quantities, means the quantities in which such merchandise is there sold at the price or prices for one quantity in an aggregate volume which is greater than the aggregate volume sold at the price or prices for any other quantity.

“(g) TRANSACTIONS BETWEEN RELATED PERSONS.—

“(1) For the purposes of subsection (c) (1) or (d), as the case may be, a transaction directly or indirectly between persons specified in any one of the subdivisions in paragraph (2) of this subsection may be disregarded if, in the case of any element of value required to be considered, the amount representing that element does not fairly reflect the amount usually reflected in sales in the market under consideration of merchandise of the same general class or kind as the merchandise undergoing appraisalment. If a transaction is disregarded under the preceding sentence and there are no other transactions available for consideration, then, for the purposes of subsection (d), the determination of the amount required to be considered shall be based on the best evidence available as to what the amount would have been if the transaction had occurred between persons not specified in any one of the subdivisions in paragraph (2).

“(2) The persons referred to in paragraph (1) are:

“(A) Members of a family, including brothers and sisters (whether by the whole or half blood), spouse, ancestors, and lineal descendants;

“(B) Any officer or director of an organization and such organization;

“(C) Partners;

“(D) Employer and employee;

“(E) Any person directly or indirectly owning, controlling, or holding with power to vote, 5 per centum or more

of the outstanding voting stock or shares of any organization and such organization; and

“(F) Two or more persons directly or indirectly controlling, controlled by, or under common control with, any person.”

46 Stat. 593. (b) Paragraph 27 (c) of the Tariff Act of 1930 (U. S. C., 1952 edition, title 19, sec. 1001, par. 27 (c)), is amended by striking out “(as defined in subdivision (g) of section 402, title IV),” and “, as defined in subdivision (e) of section 402, title IV”.

46 Stat. 594. (c) Paragraph 28 (c) of the Tariff Act of 1930 (U. S. C., 1952 edition, title 19, sec. 1001, par. 28 (c)), is amended by striking out “(as defined in subdivision (g) of section 402, title IV),” and “, as defined in subdivision (e) of section 402, title IV”.

46 Stat. 701. (d) Section 336 (b) of the Tariff Act of 1930 (U. S. C., 1952 edition, title 19, sec. 1336 (b)), is amended by striking out “(as defined in section 402 (g))”.

48 Stat. 943.  
19 USC 1351. (e) In any action relating to tariff adjustments by executive action, including action taken pursuant to section 350 of the Tariff Act of 1930, as amended, the United States Tariff Commission and each officer of the executive branch of the Government concerned shall give full consideration to any reduction in the level of tariff protection which has resulted or is likely to result from the amendment of section 402 of the Tariff Act of 1930 made by this Act.

Ante, p. 943.

Ante, p. 943.

(f) Redesignated section 402a of the Tariff Act of 1930 is amended by deleting the word “merchandise” in the introductory matter of subsection (a) and substituting therefor “articles designated by the Secretary of the Treasury as provided for in section 6 (a) of the Customs Simplification Act of 1956”.

Post, p. 948.

Conversion of  
currency.  
46 Stat. 740.

SEC. 3. Section 522 (c) of the Tariff Act of 1930 (U. S. C., 1952 edition, title 31, sec. 372) is amended to read as follows:

“(c) MARKET RATE WHEN NO PROCLAMATION.—

“(1) If no value has been proclaimed under subsection (a) for the quarter in which the merchandise was exported, or if the value so proclaimed varies by 5 per centum or more from a value measured by the buying rate at noon on the day of exportation, then conversion of the foreign currency involved shall be made—

“(A) at a value measured by such buying rate, or

“(B) if the Secretary of the Treasury shall by regulation so prescribe with respect to the particular foreign currency, at a value measured by the buying rate first certified under this subsection for a day in the quarter in which the day of exportation falls (but only if the buying rate at noon on the day of exportation does not vary by 5 per centum or more from such first-certified buying rate).

“(2) For the purposes of this subsection the term ‘buying rate’ means the buying rate in the New York market for cable transfers payable in the foreign currency so to be converted. Such rate shall be determined by the Federal Reserve Bank of New York and certified to the Secretary of the Treasury, who shall make it public at such times and to such extent as he deems necessary. In ascertaining such buying rate, the Federal Reserve Bank of New York may, in its discretion—

“(A) take into consideration the last ascertainable transactions and quotations, whether direct or through exchange of other currencies, and

“(B) if there is no market buying rate for such cable transfers, calculate such rate (i) from actual transactions and quotations in demand or time bills of exchange, or (ii) from the last ascertainable transactions and quotations outside the

United States in or for exchange payable in United States currency or other currency.

“(3) For the purposes of this subsection, if the day of exportation is one on which banks are generally closed in New York City, then the buying rate at noon on the last preceding business day shall be considered the buying rate at noon on the day of exportation.”

SEC. 4. (a) The following provisions of law are hereby repealed:

Repeals.

(1) Section 2649, Revised Statutes (U. S. C., 1952 edition, title 19, sec. 12).

(2) The provisions of law now codified in section 13 of title 19 of the United States Code (U. S. C., 1952 edition, title 19, sec. 13).

(3) Section 2651, Revised Statutes (U. S. C., 1952 edition, title 19, sec. 14).

(4) Section 2999, Revised Statutes (U. S. C., 1952 edition, title 19, sec. 15).

(5) Section 2940, Revised Statutes (U. S. C., 1952 edition, title 19, sec. 16).

(6) Section 2941, Revised Statutes (U. S. C., 1952 edition, title 19, sec. 17).

(7) Section 2942, Revised Statutes (U. S. C., 1952 edition, title 19, sec. 18).

(8) Section 2616, Revised Statutes (U. S. C., 1952 edition, title 19, sec. 21).

(9) Section 2614, Revised Statutes (U. S. C., 1952 edition, title 19, sec. 22).

(10) Section 2615, Revised Statutes (U. S. C., 1952 edition, title 19, secs. 23 and 376).

(11) Section 2617, Revised Statutes (U. S. C., 1952 edition, title 19, sec. 24).

(12) Section 2611, Revised Statutes (U. S. C., 1952 edition, title 19, sec. 26).

(13) Section 11 of the Act of February 8, 1875 (U. S. C., 1952 edition, title 19, secs. 24 and 27).

18 Stat. 309.

(14) Act of September 24, 1914 (U. S. C., 1952 edition, title 19, sec. 28).

38 Stat. 716.

(15) Section 2627, Revised Statutes (U. S. C., 1952 edition, title 19, sec. 40).

(16) Section 2687, Revised Statutes (U. S. C., 1952 edition, title 19, sec. 53).

(17) Section 2646, Revised Statutes (U. S. C., 1952 edition, title 19, sec. 54).

(18) Section 2647, Revised Statutes (U. S. C., 1952 edition, title 19, sec. 55).

(19) Section 2944, Revised Statutes (U. S. C., 1952 edition, title 19, sec. 56).

(20) Section 2648, Revised Statutes (U. S. C., 1952 edition, title 19, sec. 57).

(21) Section 2635, Revised Statutes (U. S. C., 1952 edition, title 19, sec. 59).

(22) Section 2580, Revised Statutes (U. S. C., 1952 edition, title 19, sec. 61).

(23) Act of December 18, 1890 (U. S. C., 1952 edition, title 19, sec. 62).

26 Stat. 690.

(24) Section 258, Revised Statutes (U. S. C., 1952 edition, title 19, sec. 67).

(25) Section 2612, Revised Statutes (U. S. C., 1952 edition, title 19, sec. 379).

- (26) Section 2918, Revised Statutes (U. S. C., 1952 edition, title 19, sec. 390).
- 18 Stat. 188. (27) Section 13 of the Act of June 22, 1874 (U. S. C., 1952 edition, title 19, sec. 494).
- (28) Section 3089, Revised Statutes (U. S. C., 1952 edition, title 19, sec. 526).
- (29) Section 2763, Revised Statutes (U. S. C., 1952 edition, title 19, sec. 541).
- 37 Stat. 665. (30) Act of February 10, 1913 (U. S. C., 1952 edition, title 19, sec. 542).
- (31) Section 3650, Revised Statutes (U. S. C., 1952 edition, title 31, sec. 549).
- (32) Section 960, Revised Statutes (U. S. C., 1952 edition, title 19, sec. 579).
- (33) So much of section 3689 of the Revised Statutes (U. S. C., 1952 edition, title 31, sec. 711 (7)) as reads: "Repayment of excess of deposits for unascertained duties, (customs): To repay to importers the excess of deposits for unascertained duties, or duties or other moneys paid under protest."
- (34) So much of section 1 of the Act of September 30, 1890 (26 Stat. 511), as reads: "And such clerks and inspectors of customs as the Secretary of the Treasury may designate for the purpose shall be authorized to administer oaths, such as deputy collectors of customs are now authorized to administer, and no compensation shall be paid or charge made therefor."
- 46 Stat. 730. (b) The second sentence of subsection (f) of section 500 of the Tariff Act of 1930 (U. S. C., 1952 edition, title 19, sec. 1500 (f)) is amended by striking out "take the oath," and by striking out the comma after "duties".
- 46 Stat. 748. (c) Section 583 of the Tariff Act of 1930 (U. S. C., 1952 edition, title 19, sec. 1583) is amended by striking out "the back of".
- Antidumping Act operation. SEC. 5. Nothing in this Act shall be considered to repeal, modify, or supersede, directly or indirectly, any provision of the Antidumping Act, 1921, as amended (U. S. C., 1952 edition, title 19, secs. 160-173).
- 42 Stat. 11. The Secretary of the Treasury, after consulting with the United States Tariff Commission, shall review the operation and effectiveness of such Antidumping Act and report thereon to the Congress within six months after the date of enactment of this Act. In that report, the Secretary shall recommend to the Congress any amendment of such Antidumping Act which he considers desirable or necessary to provide for greater certainty, speed, and efficiency in the enforcement of such Antidumping Act.
- Report to Congress. SEC. 6. (a) The Secretary of the Treasury shall determine and make public a list of the articles which shall be valued in accordance with section 402a, Tariff Act of 1930, as amended by this Act, as follows:
- List of articles to be valued. Ante, p. 943. As soon as practicable after the enactment of this Act the Secretary shall make public a preliminary list of the imported articles which he shall have determined, after such investigation as he deems necessary, would have been appraised in accordance with section 402 of the Tariff Act of 1930, as amended by this Act, at average values for each article which are 95 (or less) per centum of the average values at which such article was actually appraised during the fiscal year 1954. If within sixty days after the publication of such preliminary list any manufacturer, producer, or wholesaler in the United States presents to the Secretary his reason for belief that any imported articles not specified in such list and like or similar to articles manufactured, produced, or sold at wholesale by him would have been appraised in accordance with such section 402 at average values which are 95 (or less) per centum of the average values at which they were
- Ante, p. 943.

or would have been appraised under section 402a, Tariff Act of 1930, as amended by this Act, the Secretary shall cause such investigation of the matter to be made as he deems necessary. If in the opinion of the Secretary the reason for belief is substantiated by the investigation, the articles involved shall be added to the preliminary list and such list, including any additions so made thereto, shall be published as a final list. Every article so specified in the final list which is entered, or withdrawn from warehouse, for consumption on or after the thirtieth day following the date of publication of the final list shall be appraised in accordance with the provisions of section 402a, Tariff Act of 1930, as amended by this Act.

*Ante*, p. 943.

(b) The final list published in accordance with the provisions of subsection (a), together with explanatory data, shall be transmitted promptly to the chairmen of the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

Transmittal to  
Congressional  
committees.

SEC. 7. Notwithstanding the provisions of the last paragraph under the heading "CUSTOMS SERVICE" of the Act entitled "An Act making appropriations for sundry civil expenses of the Government for the fiscal year ending June thirtieth, nineteen hundred and fifteen, and for other purposes", approved August 1, 1914 (38 Stat. 623, 19 U. S. C. 2), the State of New Mexico shall hereafter constitute a separate customs collection district with headquarters either in Deming or Columbus, New Mexico, and such additional ports of entry as the Secretary of the Treasury may deem necessary.

New Mexico as  
collection district.

SEC. 8. This Act shall be effective on and after the day following the date of its enactment, except that section 2 shall be effective only as to articles entered, or withdrawn from warehouse, for consumption on or after the thirtieth day following the publication of the final list provided for in section 6 (a) of this Act, and section 3 shall be effective as to entries filed on or after the thirtieth day following the date of enactment of this Act.

Effective dates.

Approved August 2, 1956.

Public Law 928

CHAPTER 888

AN ACT

To amend further the Federal Civil Defense Act of 1950, as amended, to authorize the Administrator to pay travel expenses and per diem allowances to trainees in attendance at the National Civil Defense Staff College, and for other purposes.

August 2, 1956  
[H. R. 10432]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That subsection 201 (e) of the Federal Civil Defense Act of 1950 (64 Stat. 1245), as amended, is amended by striking out the words "including the furnishing of subsistence and quarters for trainees and instructors subject to reimbursement on terms prescribed by the Administrator", and substituting the following therefor: "including the payment of travel expenses, in accordance with the Travel Expenses Act of 1949, as amended, and the Standardized Government Travel Regulations, and per diem allowances, in lieu of subsistence for trainees in attendance or the furnishing of subsistence and quarters for trainees and instructors on terms prescribed by the Administrator".

Civil defense  
trainees,  
Travel expenses,  
64 Stat. 1249,  
60 USC app. 2281.

63 Stat. 166,  
5 USC 835 nota.

SEC. 2. There is hereby authorized to be appropriated not to exceed the sum of \$100,000 annually for the purpose of carrying out the provisions of this Act.

Appropriation.

Approved August 2, 1956.