

UNITED STATES TARIFF COMMISSION

CUSTOMS VALUATION

**Preliminary Report to the Committee on Finance
of the United States Senate, on Investigation
No. 332-48, under Section 332 of the Tariff
Act of 1930, Pursuant to a Resolution of that
Committee Adopted February 9, 1966**



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(TC28355)

I. INTRODUCTION

This is a preliminary report requested in a resolution of the Committee on Finance of the United States Senate, dated February 9, 1966. The resolution directs the U.S. Tariff Commission, pursuant to section 332 of the Tariff Act of 1930, to make an investigation of the methods of valuation used by the United States and by the principal trading partners of the United States in determining the duty applicable to imports.

The resolution directs the Commission to include in its preliminary report (a) a description of the methods of valuation used by the United States and of the principal trading partners of the United States (including those instances where valuation is in excess of the landed value), and (b) a comparative analysis of the basic differences between such methods of valuation and the valuation results they produce.

The Commission's final report, to be submitted not later than February 28, 1967, is to include suggestions and recommendations for improvement of the customs valuation laws of the United States, including the Commission's views as to the feasibility and desirability of adopting the Brussels definition of value for customs purposes and

as to means appropriate for adopting such definition of value with the least practicable effect on trade. 1/

Notice of the Commission's investigation of the various valuation systems was published in the Federal Register of February 17, 1966 (31 F.R. 2878). 2/ In its notice the Commission urged all interested parties to submit written views pertinent to the investigation, no later than April 15, 1966. In addition to the information obtained from views submitted in response to that notice, 3/ the Commission obtained information regarding the valuation standards of the United States and its major trading partners from the Commission's files, from agencies of the U.S. Government, from various foreign governments through our U.S. Embassies, from the customs officials of several foreign countries, from the Valuation Committee of the Customs Co-operation Council, and from other interested parties.

Customs duties are assessed on the basis of specific rates (so much per unit), ad valorem rates (a percentage of value), or combinations thereof (compound rates). There is a trend among the principal trading nations toward greater use of ad valorem rates of duty.

1/ The Brussels definition is the name popularly used to refer to the definition of value for customs purposes which is annexed to the Convention on the Valuation of Goods for Customs Purposes, signed at Brussels, Belgium on December 15, 1950. The convention was drafted by the Customs Co-operation Council, which has offices in Brussels. The Council was established in 1950 for the purpose of studying and facilitating international cooperation in customs matters. A valuation committee, established in accordance with the convention, operates as a committee of the Council to insure effective coordination and uniformity of application of the Brussels definition of customs value.

2/ The Commission's notice, which includes the letter from the Senate Finance Committee requesting the investigation, is contained in appendix ₂ A to this report.

3/ The Commission has received 74 responses from individuals and associations.

While the principal function of the valuation of merchandise for customs purposes is to provide a basis for calculating ad valorem duties, such valuation has a number of other important functions. Customs value, for example, may provide a basis for determining the classification and rate of duty applicable to an import, and it may be used in conjunction with quotas to limit imports. Values determined for customs purposes are the basis for measurements of international trade used in tariff negotiations, in analyses of the international balance of payments, and in determining the extent of foreign competition in domestic markets.

For the purposes of this investigation the Commission has included 14 countries as the principal trading partners of the United States. These countries were selected for the most part on the basis of the volume of their trade with the United States; in the aggregate these countries account for 58 percent of the total of that trade. This selection of countries also provides a good sample of the principal types of valuation methods. The countries selected include 10 that have acceded to the Convention on the Valuation of Goods for Customs Purposes, signed at Brussels on December 15, 1950 (Belgium, Denmark, France, Italy, Luxembourg, the Netherlands, Norway, Sweden, West Germany, and the United Kingdom), 1/ and 4 nonsignatories to the convention (Brazil, Canada, Japan, and Mexico).

1/ Belgium, the Netherlands, and Luxembourg were selected on the basis of the trade of their customs union (Benelux).

This preliminary report describes the systems of valuation used by the United States and its principal trading partners, and makes a general comparison of the basic differences between such systems of valuation and the valuation results they produce. This report does not include the valuation systems used in special circumstances, such as in dumping investigations or for withdrawals from foreign-trade zones or from bonded manufacturing warehouses.

For convenience, the definition of value set forth in the above-cited convention is referred to hereafter in this report as the Brussels definition, and those countries that have acceded to that convention are referred to as the Brussels countries. Also, in this report a valuation "standard" refers to a method of valuation, such as the U.S. "export value," which states a set of criteria to be applied in determining the customs value of an article; such a term does not include customs practices employed in applying a standard. A valuation standard is referred to as "primary" when it represents a basic method of valuation, and as "alternate" when it represents a method of valuation to be used when customs value cannot be determined by the prescribed basic method. Some of the standards of value described in this report are popularly termed as f.o.b. or c.i.f. values; however, such popular references do not accurately describe any of these standards. 1/

1/ F.o.b. (free-on-board) refers to a price that includes all costs up to a certain point of departure or stage of delivery including transportation, packing, and insurance; c.i.f. (cost, insurance, and freight) refers to a price that includes the cost of the goods, the freight charges to a certain destination, and insurance on the shipment of the goods.

It should also be noted that the term "foreign value"--which is commonly used to refer to valuation based on the value of an imported article at some place in a foreign country--should not be confused with the U.S. valuation standard "foreign value".

II. DESCRIPTION OF CUSTOMS VALUATION STANDARDS

This section discusses generally the standards applied in determining customs values as contained in the General Agreement on Tariffs and Trade (GATT) and in the laws of the United States and its principal trading partners. The pertinent texts of the GATT, the Brussels definition, and the laws of these countries now in effect are included in appendix B to this report.

The individual laws of our principal trading partners vary widely in the extent to which they define their standards of valuation, and are sometimes so brief that they render them uncertain. The aid that administrative interpretations might bring is lacking because of the dearth of published rulings by the individual countries concerning their standards.

A. General Agreement on Tariffs and Trade

The GATT provides that the standards of valuation used by each contracting country should comply with certain principles set forth in the agreement. Under these principles the value for customs purposes should be the price at which the imported or like foreign merchandise is sold or offered for sale in the ordinary course of trade under fully competitive conditions. To the extent that the price is governed by the quantity, the price should be related to either comparable quantities or quantities no less favorable to importers than quantities in which the greater volume is sold in the

trade between the countries of exportation and importation. The agreement provides that the time and the place of the price are to be determined by the legislation of the country of importation.

Where value cannot be determined as indicated above, the agreement provides alternately that valuation should be based on the nearest ascertainable equivalent of such value. The agreement also provides that the customs value should not include internal taxes in the country of origin or export not applicable to the imported product and that customs valuation should not be based on the value of merchandise of national origin or on arbitrary or fictitious values.

The United States and its principal trading partners that are parties to the agreement have undertaken to conform their standards for customs valuation with the principles set forth in article VII of the agreement. The United States and certain of those principal trading partners are not precluded from continuing value criteria in their standards which, though inconsistent with the principles laid down in article VII, were contained in their valuation laws at the time the countries became contracting parties to the GATT.

B. The United States

U.S. law provides for customs purposes a system of primary and alternate valuation standards. The primary and alternate U.S. standards are set forth in sections 402 and 402a of the Tariff Act of 1930, as amended. The standard of value most often used is export value as defined in section 402 of the act. There are in addition eight other

standards of value which may apply, depending in some instances solely on the class of the goods, in some instances on conditions under which they are marketed, and in some instances on a combination of both.

The nine standards are:

<u>Section 402</u>	<u>Section 402a</u>
Export value	Foreign value
United States value	Export value
Constructed value	United States value
* * *	Cost of production
	* * *
American selling price	American selling price

The differences between section 402 and 402a, in all their accurate detail, are complicated and involve many legal and administrative niceties. In brief, however, section 402 is the basic U.S. method of valuation; it is a revision of previous methods and was made effective in 1958. Section 402a is a continuation, under certain circumstances, of the value system which was generally in effect prior to the revision. One feature of section 402a is the so-called "Final List" ^{1/} which freezes, by classification, certain articles which are to continue to be valued under its provisions.

^{1/} A list published by the Secretary of the Treasury in 1958 pursuant to sec. 6(a) of the Customs Simplification Act of 1956 (Public Law 927, 84th Cong.). This list was published in T.D. 54521, which is reproduced in appendix C to this report. The 1956 act provided new standards of valuation in sec. 402, transferred the old standards to sec. 402a, directed the Secretary to list all articles for which the new standards would result in a reduction of 5 or more percent in appraised value (based on imports in fiscal 1954), and directed that such listed articles be appraised under the old standards now set forth in sec. 402a.

The system by which the standards are applied consists of several primary standards and special orders of precedence of the alternate standards for articles identified on the "final list" and for articles, whether or not on that list, designated as subject to valuation on the basis of American selling price. ^{1/}

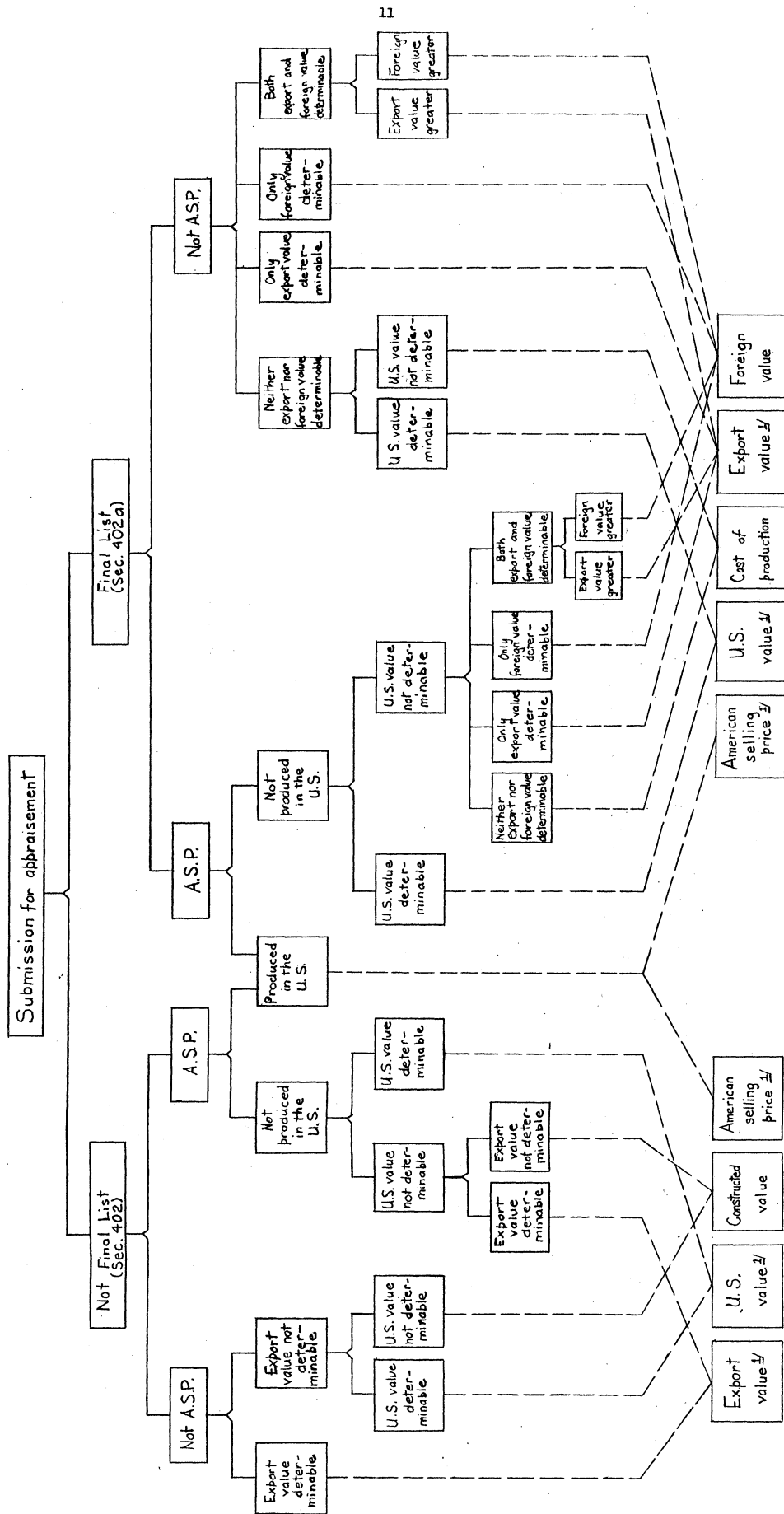
All ad valorem rates of duty (except those applicable to products which may be subject to the American-selling-price standard of valuation and those applicable to products specified in the final list) are applied on the basis of export value (a primary standard), United States value, or constructed value, in that order of precedence, and as defined in section 402. All ad valorem rates applicable to products specified on the final list and not subject to the American-selling-price standard of valuation are applied on the basis of the primary standards foreign or export value (whichever is higher), United States value, or cost of production, in that order of precedence, and as defined in section 402a. The primary standard for the application of ad valorem rates to products subject to the American-selling-price standard of valuation is the American-selling-price standard (a primary standard) as defined in section 402 or section 402a depending upon whether the products are on the final list.

^{1/} Benzenoid chemicals designated by part 1, Schedule 4, of the Tariff Schedules of the United States, in accordance with headnotes 4 and 5 of that part, and articles designated under the provisions of sec. 336 of the Tariff Act of 1930, as amended: (1) Canned clams and related products designated by headnote 1, part 3E, Schedule 1, (2) rubber-soled fabric-upper footwear designated by headnote 3(b), part 1A, Schedule 7, and (3) wool knit gloves designated by headnote 4, part 1C, Schedule 7. See appendix D for full list of these articles.

A benzenoid chemical subject to American-selling-price valuation, if no similar competitive chemical is produced in the United States, is subject to valuation on the basis of United States value. If United States value cannot be determined for such a chemical and it is not on the final list, it is subject to valuation on the basis of export value; if neither U.S. value nor export value can be determined, it is subject to valuation at constructed value. If that chemical is on the final list, it is subject to valuation at foreign value or export value (whichever is higher), or if neither of these values can be determined, at cost of production. The order of precedence of the alternate standards for the few articles made subject to American-selling-price valuation by action under section 336 of the Tariff Act of 1930, unlike the order for benzenoid chemicals, follows the usual order according to whether they are on the final list. These orders of precedence are shown in the diagram shown on page 11.

Articles not on the final list and valued at export value account for by far the greatest number of invoices and the greatest share of the aggregate value of all U.S. imports subject to ad valorem or compound rates of duty. Other valuation standards for goods not on the final list (U.S. value, constructed value, and American selling price) account for a very small share of these totals. Final-list goods account for a small share of the total imports, and of these the majority are valued at export value (the remainder being valued at foreign value, U.S. value, cost of production, or American selling price). American-selling-price valuations,

U.S. Selection of Valuation Standards



Note: The determinations and order of selection of standards for articles subject to A.S.P. valuation under Sec. 336 of the Tariff Act of 1930 are not shown.

1/ Although there appear to be identical standards under both sections 402 and 402a, each standard has a distinct definition.

regardless of whether the goods are on the final list, account for a very small share of the total number of invoices and of the aggregate value of imports. Despite the relatively small share of imports into the United States valued for customs purposes under the eight valuation standards other than the standard of "export value" in section 402, a very substantial part of the Commission's work in this investigation is in determining and treating with the problems and valuation differences resulting from these other standards.

Following are general descriptions of export value, U.S. value, American selling price, and constructed value which are defined under section 402, and of foreign value which is defined under section 402a. Separate descriptions of the other corresponding value standards defined under section 402a are not given below. (Constructed value defined in section 402 corresponds to the cost-of-production value defined in section 402a.) For detailed descriptions see appendix B2a to this report.

1. Export value

The price, at the time of exportation to the United States, at which the merchandise identical with imported or similar to the imported merchandise is freely sold or offered for sale in the usual wholesale quantities in the principal markets of the country of exportation for export to the United States, packed ready for shipment.

2. United States value

The price, at the time of exportation of the merchandise being valued, at which merchandise identical with or similar to the imported merchandise is freely sold or offered for sale in the usual wholesale quantities in the principal U.S. market, packed ready for delivery, less (a) the usual commissions or usual profit and general expenses on sales in the United States, (b) the usual cost of shipping it from the point of shipment in the foreign country to the place of delivery in the United States, and (c) all customs duties and other Federal taxes applicable by reason of importation.

3. Constructed value

The sum, at a time sufficiently before the date of exportation to permit production, of the cost of producing the imported or similar merchandise and the usual general expenses and profit on sales of such merchandise made in the country of exportation, in the usual wholesale quantities for shipment to the United States, packed ready for shipping to this country.

4. American selling price

The price, at the time of exportation of the imported article to the United States, at which an article ^{1/} produced in the United States and packed ready for delivery is sold or offered for sale for

^{1/} Like, similar, or competitive article depending on the class of merchandise; see the headnotes in appendix D to this report.

consumption in the principal U.S. market in the usual wholesale quantities; or the price which a U.S. manufacturer would have received or was willing to receive for it when sold for consumption in the United States.

5. Foreign value

The price, at the time of exportation to the United States, at which such or similar merchandise is freely offered for sale in the usual wholesale quantities for consumption in the exporting country to all purchasers in the principal markets in that country, plus the cost of packing the merchandise for shipment to the United States.

6. Differences in criteria in sections 402 and 402a valuation standards

There are several criteria common to the valuation standards appearing in sections 402 and 402a which, upon casual reading, appear to be identical. Some of the criteria appearing in section 402 have been defined by statute. However these definitions vary somewhat from the definitions established by judicial interpretations of the corresponding criteria appearing in section 402a. These differences in definition result for a few articles in significant differences in value.

C. Principal U.S. Trading Partners

1. Countries signatory to the Brussels definition

All of the signatories to the convention for the Brussels definition that are principal trading partners of the United States appear to have implemented the Brussels definition in their national laws, as required by that convention. A preliminary examination by the Commission of the definitions of value for customs purposes set forth in those laws has revealed no significant differences between the definitions contained therein and the Brussels definition. Therefore, the standard of value provided in the Brussels definition is described below instead of the standards contained in the separate laws of those 10 countries.

The Brussels definition identifies customs value as the "normal price", i.e., the price the imported goods would fetch at the time the import duty becomes payable on a sale in the open market between buyer and seller independent of each other for delivery at the place of importation. This price must include all expenses incidental to that sale and delivery of the goods to that place, including non-recoverable duties and taxes applicable outside the country of importation. When the invoice price is not the sole consideration given by the buyer or when that price does not reflect all of the rights conveyed in connection with the sale (such as the right to patents or trademarks), such values are to be reflected in the value of the goods for customs purposes.

2. Brazil

Brazilian law provides one primary standard of value for customs purposes. It is the price, at the time of exportation, at which such or similar goods are normally offered for sale on the wholesale market of the exporting country, plus expenses for packaging and freight and insurance to the port of entry into Brazil, minus foreign consumption taxes paid that are normally recovered on exportation of the goods.

When the foregoing value cannot be verified, the alternate standard for valuation is based on the Brazilian wholesale price of the import less taxes and 30 percent of that price for profit and expenses.

The law does not specify further alternative standards.

3. Canada

Canadian law provides two primary standards of value for customs purposes. The first such standard is based on the "fair market value," at the time of shipment of the imported goods, of like goods when sold at arm's length at the same place in the same or substantially the same quantities to purchasers in the same trade level for consumption in the exporting country in the ordinary course of trade under competitive conditions. Recoverable taxes paid in the country of exportation are not to be included in the customs value.

An alternate standard is set forth in the law for use when the criteria in the first primary standard cannot be met and there have been sales in the exporting country of similar goods under conditions otherwise meeting the criteria of the first primary standard. This

alternate standard of value is based on the sum of the cost of production of the imported goods and a calculated gross profit thereon. The calculated gross profit is based on the gross profit of the similar goods.

The second primary standard for valuation has been established for use in special circumstances. The Governor in Council may apply this standard when the Minister of National Finance reports to him that material injury has been or may be caused to any industry in Canada, or any portion thereof, by reason of the importation of any new or unused goods or class of such goods at a value for duty less than the cost of production thereof, plus a reasonable amount for gross profit. The dutiable value based on this primary standard is the cost of production in the producing country of those goods or that class of goods, plus a reasonable amount for gross profit to be based on the gross profit of similar goods or classes of goods.

Should circumstances preclude a valuation based on any of the foregoing standards, or should it be deemed impracticable by reason of unusual circumstances to apply the first primary valuation standard or its alternate standard, the Minister of National Revenue may prescribe how to determine customs value.

4. Japan

Japanese law provides one primary standard of valuation for customs purposes. This standard is the price of the imported goods or of the same kind of goods sold in ordinary wholesale quantities

and in the ordinary course of trade in the exporting country at the time of exportation, excluding recoverable taxes paid in the country of exportation, and, including expenses incurred up to the arrival of the goods at the port of importation, except that ordinary freight expenses are, in some cases, to be used in lieu of air freight.

When the above value cannot reasonably be determined on the basis of the imported goods, or similar goods recently arrived at the port of importation, the law provides that appraisement be based on the wholesale price of such or similar goods in Japan with allowance for customs duties and expenses incidental to delivery from the port of importation to the Japanese wholesale market. Reasonable adjustments are to be made in the wholesale price of the similar goods to take into account the differences between them and the imported goods.

The law does not specify further alternative standards.

5. Mexico

Mexican law provides two primary standards of value for customs purposes. They are the published official price as established by the Secretary of Finance and Public Credit or the invoice price, whichever is the higher. The official price is the prevailing wholesale price for the imported merchandise in the principal country exporting such goods to Mexico; however, if the official price is notably less than the prices for similar merchandise in the domestic market of the exporting country or the cost of production in Mexico, the customs value is to be the wholesale price or the cost of produc-

tion in Mexico. If there is no official price, the duty is based on the invoice price.

When it is not practicable to appraise on either primary standard, the alternate standard for the official price is the current wholesale price of equal or similar merchandise in the Mexican market. When none of these standards can be applied the customs value is fixed by estimation.

III. COMPARISON OF VALUATION STANDARDS

The Commission has found that the best method by which to compare valuation standards of the United States and its principal trading partners is to compare them on the basis of the principal conceptual elements of valuation, that is, the common aspects of value which must be fixed by one or more criteria in each standard in order to make the determination of value reasonably certain. The elements discussed are those which are designated as time, place, quantity, transaction level, and competition. This comparison as would be any other comparison of the valuation standards and the criteria therein, was complicated by differences in national approaches to valuation, exceptions to approaches adopted, different phraseology used to achieve similar results, similar phraseology used to achieve different results, the interdependence of criteria contained in a standard, vagueness of phraseology, and implementing and interpretive directives not included in the statutes setting forth the standards.

A. Time

The element of time is generally specified in valuation standards for the purpose of determining which of the various prices that prevail at different times is to be used for determining customs value. In all the standards of the United States, Brazil, and Japan, the time contemplated is the time of exportation of the imported article. Canada specifies the time of shipment. Mexico makes no specific reference to time in its standards.

The Brussels definition fixes value at the time when the duty becomes payable in the importing country. Of the 10 Brussels countries included in this report, 8 fix value at the time of entry, 1 at the time of examination of the goods, and 1 at the time of customs clearance of the goods. These distinctions do not appear to be significant. As the Customs Cooperation Council recommends that each country using its definition of value accept the prices paid, or payable, on a bona fide sale as a valid indication of the normal price specified in that definition, these countries usually accept that price as the current price for the purpose of determining value. They appear to follow this practice even if there has been a time lapse between the date of purchase and the date of entry into the country of importation. Such a time lapse, however, must be commonly accepted as normal in the particular trade concerned, or, for custom-made goods, must be equal to the production time plus normal shipping time.

It thus appears that the United States and all of its major trading partners except Mexico specify a time in their standards of valuation, and that virtually all of them accept invoice price as the most recent price information and use it as an aid in calculating the customs value of the imported article. ^{1/} In general, these countries specify either the time of exportation or the time of importation.

^{1/} The United States, however, adjusts invoice values to take account of price changes that occur after date of purchase and before date of exportation.

B. Place

The element of place is expressed in valuation standards to identify the place at which the price of the article is to be considered in calculating customs value. In all of the primary standards discussed herein the place element is expressed either as a market in the country of exportation or as some point in the course of the shipment of the goods from that market to the consumer. The place prescribed in each standard, regardless of the transaction level, also influences the inclusion of expenses associated with the physical handling of the goods (e.g., shipping expenses) and expenses or other additions to the sale price associated with the business transactions in that market (e.g., selling commissions and distribution markup). For this reason, the significance of the different places specified by the various standards is shown below by making first a comparison of the differences in the location of place, and then a comparison of the differences in the expenses reflected in the prices associated with those locations.

1. Location of place

Simply stated, the valuation standards designate place either in the country of exportation or in the country of importation. The primary standards that specify place only in the exporting country are those of the United States (except American selling price), Canada, and Mexico. Those specifying place only in the importing country are the U.S. primary standard of American selling price, and the standards 22

of the countries that have adopted the Brussels definition.

Brazil and Japan, in effect, specify both locations for different purposes.

The U.S. primary standards of export value and foreign value specify place as the principal markets of the country of exportation. The Canadian general primary standard specifies the place from which the imported goods were shipped directly to Canada; and, although the Canadian primary standard for cases of Ministerial findings of import injury does not specify place directly, it appears to contemplate the foreign place of production. The Mexican official prices are based on place in the principal country exporting the goods to Mexico.

The primary standards of these three countries that specify place in the exporting country specify different types of markets; the U.S. foreign value and the Canadian primary standards specify the market for domestic consumption; and the U.S. export value specifies the market for exportation. These three countries also specify different market locations in the exporting country; the U.S. specifies the principal markets and Canada specifies the same markets in which the imports were sold, but Mexico makes no such specification.

The Brazilian and Japanese primary standards specify place as the market of the exporting country; however, they also specify that the costs incurred in shipping the goods to the place of importation be added to it.

The U.S. primary standard of American selling price specifies place as the principal market of the United States for the domestic

article. The Brussels countries specify the port or place of importation into the customs territory.

Place as expressed in the primary standards of the United States, Brazil, Canada, Japan, and Mexico differs significantly from the form and approach used to express place in most of their alternate standards. Notwithstanding this difference, the approach in their alternate standards is for the most part an attempt to reconstruct place so as to cover the same basic costs reflected in the value contemplated by their primary standards.

2. Expenses associated with place

The standards specifying place at an early point in the course of shipment include fewer expenses than those specifying place at a later point, since a successively greater number of expenses are accumulated the further the prescribed place is located from the point of manufacture. The significant expenses most frequently identified are the costs of freight, insurance, packing, 1/ loading and unloading, buying and selling commissions, brokerage, documentation, and taxes.

The accumulation of these expenses can be readily shown by the increase in freight expense included in the customs value the further the specified place is located from the point of manufacture. The values at the market place in the exporting country specified by the

1/ Cost of containers and holders are not always included in the U.S. customs values. See general headnote 6(b) of the Tariff Schedules of the United States, which is contained in appendix B2 to this report, for the dutiable status of reusable containers.

U.S. standards of export value and foreign value and the Canadian and Mexican standards reflect the added cost of freight incurred, if any, beyond the place of manufacture to that market. The Brussels definition and the Brazilian and Japanese standards specify that the cost of freight to the port of importation are to be included in their customs values.

The same accumulation effect also occurs with the other expenses that are associated with the element of place. Unlike the accumulation of freight costs, however, some of these expenses (such as brokers' fees) are incurred by the passage of the goods through the levels of distribution rather than the distance they are shipped. Nevertheless, the element of place controls in part their inclusion in customs value to the extent that the same type of expense differs in amount for different locations of place.

As the foregoing comparisons of place show, the Brussels definition and the Brazilian and Japanese standards provide valuation standards that include more expenses than do any of the other standards considered herein. Such expenses are irrelevant in applying the American-selling-price standard because it specified that customs value be the price of the domestic article.

C. Quantity

Prices generally vary according to the quantity purchased; therefore, a criterion regarding the element of quantity is important in customs valuation. The United States and its principal trading

partners appear to use two basic approaches to the quantity element. Canada and the countries using the Brussels definition generally specify the price of the actual quantity; whereas the United States, Brazil, Japan, and Mexico make no such specification. The U.S. value criteria generally refer to "usual wholesale quantities." For articles not on the final list, the quoted term means the one quantity in which the merchandise is sold in the country of exportation in an aggregate volume which is greater than the aggregate volume sold in any other quantity. For articles on the final list, the quota term generally means the quantity in which the greatest number of sales are made in the country of exportation.

The laws of Brazil and Japan do not specify a precise quantity criterion; they specify the quantity in which the imported or similar goods are "normally offered for sale" and "the ordinary wholesale quantity" in which such goods are sold, respectively, in the market of the exporting country. It appears, however, that a range of quantities which are normal or ordinary would conform to these criteria.

The Mexican law does not specify quantity. Although that law does specify wholesale price, the law does not indicate whether it contemplates one quantity or a range of quantities at this price.

The Brussels countries generally specify the actual quantity imported. Cumulative quantity discounts are allowed in calculating the customs value, except retrospective quantity discounts with respect to shipments that have already cleared customs.

The Canadian law specifies the value for the same or substantially the same quantities as that being valued and allows quantity discounts to the extent that they are allowed in the exporting country.

D. Transaction Level

A criterion defining the level in the distributive channel is important in establishing customs value because differences in prices frequently prevail as the article passes from the manufacturers, through the various levels of intermediaries, to the consumer. There are several different approaches in the standards to expressing transaction level.

The United States, Brazil, and Japan specify value at the wholesale level. Mexico requires appraisement at its official prices (which are wholesale prices), or at the "trade invoice" price if it is higher or no official price has been set; such a system appears to result in either instance in valuation at approximately the wholesale level. The Brussels countries and Canada generally appraise goods at the level at which the importer actually purchased them.

E. Competition

The conditions of competition under which transactions take place vary widely and can cause wide differences in prices; therefore, the criteria specifying the extent of competition desired is also important in determining customs value. Depending on the extent of competition present in the transaction, the invoice price might or might 27

not reflect all of the considerations between buyer and seller in the transfer of the goods. Transactions that frequently include the exchange of considerations in addition to those of invoice price and the goods are the transactions between parent company and subsidiary, as well as those involving patents, franchises, and leased equipment.

It appears that all the countries considered in this report attempt to include in customs value these other considerations either by making adjustments to the invoice price to conform it to the degree of competition contemplated or by using alternate standards of valuation not involving the use of the invoice price. The U.S. valuation standards contemplate a price freely offered in the ordinary course of trade. The Brussels definition contemplates the price in the open market between buyer and seller independent of each other. The valuation standards of Brazil, Canada, and Japan deal less specifically with this element by contemplating normal prices, fair market values, and prices charged in the ordinary course of trade, respectively. Mexico does not deal with this element specifically, but it is somewhat reflected in the Mexican requirement that the official price be based on the prevailing wholesale price in the foreign market.

IV. BASIC DIFFERENCES IN RESULTS

The following is a comparison of results that tend to be produced by each element expressed by the criteria contained in the individual standards of valuation. It includes not only a comparison of the differences in customs values that tend to be produced, but also the differences in the duties that tend to be produced 1/ and the differences in trade that tend to be produced by those differences in duties. The individual criteria contained in a standard may reinforce or offset in varying degree the results that other criteria tend to produce. For this reason it is very difficult to isolate the difference in results the standards tend to produce.

The results produced by application of a standard depend on the criteria as construed and administered by customs officials. The effect that tends to be produced by a particular criterion also may be reenforced or offset in varying degree by the practices of such officials. For this reason, a brief comment on the relationship of customs practices to the criteria is included at the end of this section.

The comparison of results given in this report is based on the primary standards of valuation only. The results that criteria specified in alternate standards tend to produce are more difficult to isolate than those produced by criteria in primary standards, owing to the greater lack of specificity of the alternate standards.

1/ Under article II of the GATT a contracting party is prohibited from altering its method of determining dutiable value so as to impair the value of its tariff concessions.

A. Operation of the Elements

1. Time

The different criteria for the element of time appear to produce no significant difference in results for most goods. This lack of significant difference in results occurs because there is generally little or no change in prices during the relatively short time period between exportation and importation and because of the time lag allowed by the countries that fix customs value on the basis of the time the duty becomes payable in the importing country.

Differences in results usually occur only for goods subject to frequent and wide price changes, such as some basic agricultural commodities and raw materials, which are not regarded as reasonable or normal. For those goods, a rise in price during the shipment period would increase the difference in customs value and a reduction in price would decrease it.

2. Place

As pointed out earlier in this report, the standards considered herein differ in their specification of the element of place both in the type of market specified and in its location. The differences in location result in significant differences in the number of expenses incurred in the course of shipment between manufacturer and consumer that are included in customs value. Usually differences in results caused by specifying a particular market in the exporting country (U.S. foreign value or export value, and the Canadian standard) or not specifying one (the other standards) tend to be slight, except for 30

those countries in which noncompetitive artificial devices enforce or permit a two-price market. Probably for most trade the greatest differences in customs value produced by differences in location of the place are attributable to freight charges.

For the purpose of comparing differences in freight charges reflected in customs value, the countries here considered can be grouped according to those that do not include freight beyond the port of exportation (the United States, Canada, and Mexico) and those that include freight to the place of importation (the Brussels countries, Brazil, and Japan). These differences in the freight charges included tend to be significantly less for countries that are situated near their principal trading partners (such as those in Western Europe) than for countries more distant from most of their principal trading partners (such as the United States, Canada, and Mexico).

The differences in freight costs included in customs value tend to produce differences in the trade patterns, the type of goods shipped, and the method of shipment. The patterns of trade are affected in three ways. First, the inclusion of intercountry freight costs tends to contribute further to the discrimination between exporting countries already caused by differences in actual transportation expenses. Second, for a country distant from many of its principal trading partners, inclusion of those costs tends to reduce the competition between its distant and nearby sources of supply. Third, inclusion of those costs tends to encourage the use of ports of importation closer to the ports of exportation if the change would result in

lower freight costs. With respect to transoceanic shipments into the United States, this tendency would be limited to changes between ports of different freight zones (the West Coast, Gulf Coast, North Atlantic Coast, South Atlantic, and Great Lakes zones).

The type of imports also tends to be affected. The inclusion of intercountry freight costs tends to induce the importation of goods in a more advanced stage of production. This tendency results because the weight and displacement of the merchandise, per unit of value, usually decreases as goods become further advanced. The tendency is somewhat offset, however, by the practice of freight carriers to shift from displacement and weight to value as a basis for freight rates for the more advanced products.

The means by which goods are shipped are affected because inclusion of these costs tends to further encourage the use of the least costly means of transportation. Thus, their inclusion tends to encourage use of nonscheduled (tramp) in place of scheduled routing by boat. Whether a general tendency appears to exist, however, with respect to the use of the different means of transportation--boat, rail, truck, and air--is not clear.

3. Quantity

Significant differences in customs values can be produced by the differences in criteria expressing the element of quantity. Prices charged by the same seller frequently vary widely according to the quantities sold within the same level of distribution. Although the criteria specifying actual quantities (the Brussels countries and

Canada) might tend to produce higher levels of customs values than as specified by the other countries because they include sales in less than wholesale quantities, there is no readily available basis for comparing with them the wholesale quantities specified by the United States, Brazil, and Japan. Such a comparison would require data on the frequency distribution of actual wholesale quantities entered by these countries. Therefore, no general conclusions can currently be made about the differences in results that tend to be produced by the differences in quantity specified. The levels of customs values produced by applying the various standards to imports entering the same country, however, would tend to vary inversely with the size and wealth of that country; for example, the larger and wealthier is the country, ceteris paribus, the greater would tend to be the volume of articles included in each importation and the lower would tend to be the prices at which they were purchased and the customs values.

4. Transaction level

The differences between the criteria specifying transaction level in the standards of the United States, Brazil, and Japan as the wholesale level and those specifying it in the standards of the Brussels countries and Canada as the actual level tend to produce no significant difference in results for most international trade as it takes place at the wholesale level. For the imports actually purchased at a lower-than-wholesale transaction level, however, the difference in customs values that tends to be produced can be significant. Therefore, with

respect to the transaction-level element, the customs values tend to be higher under the Brussels definition and the Canadian standard than under the standards of the other countries.

5. Competition

As pointed out earlier all of the countries included herein incorporate the element of competition in their standards of valuation, at least indirectly. The application of criteria specifying this element results in higher customs values for articles invoiced at prices that do not significantly conform to those criteria. Because of the vagueness with which this element is specified in most of the standards, the differences in customs value that tend to be produced are difficult to determine.

6. Summary

The foregoing comparison of differences in results that tend to be produced by the different criteria indicates that the most generally significant apparent differences are those that tend to be produced by differences in criteria specifying the element of place. Differences with respect to the element of time tend to produce no significant results for most goods. The differences in the location of place tend to result in significant differences in results for most trade, principally because of differences in the treatment of intercountry freight costs; the inclusion of such costs by the Brussels countries, Brazil, and Japan tend to produce higher levels of customs values compared to those of the United States, Canada, and

Mexico. No general conclusions can currently be made with respect to difference in results that tend to be produced by the element of quantity. There appear to be no significant differences in results for most trade with respect to the element of transaction level. Although all of the standards appear to include the element of competition, at least indirectly, it is not clear if there are any significant differences in results produced with respect to this element.

B. Relationship of Administrative Practices

Much of the differences in results produced by the different standards of valuation occur because of (1) differences in the degree to which individual criteria lend themselves to easy and certain application and (2) differences in customs administration. 1/

1. Ease of application

The standards of valuation considered herein differ in ease of application principally between those specifying place in the exporting country (such as U.S. export value) and those specifying place in the importing country (the Brussels countries). This difference occurs because it is easier for an importer to produce facts that are obtainable in the importing country, and easier for customs officials to verify them, than facts originating outside that country. The ease

1/ The administrative provisions of the Tariff Act of 1930, as amended, relating to valuation are included in appendix E to this report.

of valuation at a place in the importing country, however, should not be confused with the ease of appraising goods sold on a c.i.f. or any other landed-cost basis, since appraisement on the latter bases retain all the difficulties of producing and verifying facts relating to valuation at a place in the exporting country plus the added difficulty of producing and verifying facts relating to the inter-country shipping costs.

Degree of specificity of the criteria also contributes to differences in ease of application and certainty of results. A high degree of specificity may contribute to or impair ease and certainty. When criteria of a valuation system are described so specifically that they might force the use of alternate standards, such a system tends to reduce the difficulty of application and certainty of results. This high degree of specificity contrasts sharply with the Brussels definition, which tends to permit wide latitude in the adjustment of values to conform them with the criteria.

Finally, the degree of certitude of results under a particular standard of valuation for a particular importer tends to vary directly with the frequency of his import entries. Importers making frequent entries soon develop a familiarity with the bases on which customs officials appraise imports and a greater degree of certainty of the value at which their subsequent importations are likely to be appraised. Furthermore, frequent entries by an importer generally result in an accumulation of historical information in customs files, which also contributes to greater certainty of results.

2. Customs practices

Customs practices can expedite valuation under a standard that is difficult to apply, or impair a readily applicable one, or contribute to the necessity of applying alternate standards. The Commission does not have at this time sufficient information to describe the differences in valuation that are produced by differences in the administrative practices of customs establishments in applying the different standards of valuation. It is clear, however, that these differences do exist. For example, there are differences in (a) the level of authority for making valuation final, including differences in both administrative and judicial review, (b) the existence and effectiveness of historical customs files on the appraisement of entries, and (c) the rigidity with which standards are interpreted.

V. APPENDIX

A. U.S. Tariff Commission, Notice of Investigation

UNITED STATES TARIFF COMMISSION
Washington

[332--48]

NOTICE OF INVESTIGATION OF VALUATION LAWS OF THE UNITED STATES
AND OF THE PRINCIPAL TRADING PARTNERS OF THE UNITED STATES --
PUBLIC INVITATION TO COMMENT

In response to a resolution of the Committee on Finance of the United States Senate, dated February 9, 1966, the United States Tariff Commission, under authority of section 332 of the Tariff Act of 1930, as amended (19 U.S.C. 1332), has instituted an investigation to determine the methods of valuation used by the United States and by the principal trading partners of the United States in determining the duty applicable to imports.

The resolution directs the Commission to submit to the Senate Finance Committee not later than June 30, 1966, a preliminary report containing (a) a description of the methods of valuation used by the United States and of the principal trading partners of the United States, (including those instances where valuation is in excess of the landed values) and (b) a comparative analysis of the basic differences between such methods of valuation and the valuation results they produce.

The resolution further directs the Commission to submit a final report not later than February 28, 1967, which shall include suggestions and recommendations for improvement of the customs

valuation laws of the United States, including the Commission's views as to the feasibility and desirability of adopting the Brussels definition of value for customs purposes and as to means appropriate for adopting such definition of value with the least practicable effect on trade. (The Brussels definition of value was established under the Convention on Valuation of Goods for Customs Purposes, signed on December 15, 1950.)

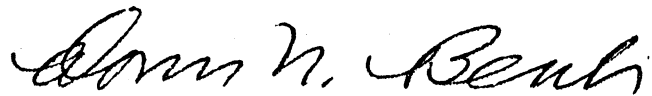
The Commission urges all interested parties to submit written views pertinent to the investigation at the earliest practicable date but no later than April 15, 1966. Because of the large anticipated response to this invitation, the Commission will merely acknowledge the receipt of timely submissions with the assurance that they will be given due consideration.

A public hearing, at which interested parties will be given opportunity to be present and to be heard, will be announced at a date subsequent to the Commission's preliminary report to the Senate Finance Committee.

Copies of the resolution of the Senate Finance Committee and the Brussels Definition of Value for Customs Purposes are appended. Detailed information concerning the definition is contained

in a publication of the Customs Co-operation Council, 40, Rue
Washington, Brussels 5, Belgium, titled "Customs Valuation",
Doc. 7500 (1960).

By direction of the Commission:

A handwritten signature in cursive script, reading "Donn N. Bent".

DONN N. BENT
Secretary

Issued February 11, 1966.

RESOLUTION

Be it resolved by the Committee on Finance, that the United States Tariff Commission is hereby directed, pursuant to section 332 of the Tariff Act of 1930, to make an investigation of the methods of valuation used by the United States and by the principal trading partners of the United States to determine the duty applicable to imports, and to submit to the Senate Finance Committee a preliminary report thereon not later than June 30, 1966, and a final report thereon as soon thereafter as practicable but not later than February 28, 1967.

The preliminary report shall set forth (a) a description of the methods of valuation used by the United States and of the principal trading partners of the United States, (including those instances where valuation is in excess of the landed value) and (b) a comparative analysis of the basic differences between such methods of valuation and the valuation results they produce.

The final report shall include suggestions and recommendations for improvement of the customs valuation laws of the United States, including the Commission's views as to the feasibility and desirability of adopting the Brussels definition of value for customs purposes and as to appropriate means for adopting

such definition of value with the least practicable effect on trade.

In the course of this investigation, the Commission shall hold hearings, giving adequate opportunity to interested parties to appear and be heard. It is the Committee's desire that the Treasury Department and other interested government agencies fully cooperate with the Tariff Commission in this investigation.

BRUSSELS DEFINITION OF VALUE FOR CUSTOMS PURPOSES 1/

1/ Text omitted as it is published in Appendix B.

B. Excerpts From Texts Setting Forth Standards
of Valuation

1. General Agreement on Tariffs and Trade

Article II

Schedules of Concessions

* * * * *

3. No contracting party shall alter its method of determining dutiable value or of converting currencies so as to impair the value of any of the concessions provided for in the appropriate Schedule annexed to this Agreement.

* * * * *

Article VII

Valuation for Customs Purposes

1. The contracting parties recognize the validity of the general principles of valuation set forth in the following paragraphs of this Article, and they undertake to give effect to such principles, in respect of all products subject to duties or other charges or restrictions on importation and exportation based upon or regulated in any manner by value. Moreover, they shall, upon a request by another contracting party review the operation of any of their laws or regulations relating to value for customs purposes in the light of these principles. The CONTRACTING PARTIES may request from contracting parties reports on steps taken by them in pursuance of the provisions of this Article.

2. (a) The value for customs purposes of imported merchandise should be based on the actual value of the imported merchandise on which duty is assessed, or of like merchandise, and should not be based on the value of merchandise of national origin or on arbitrary or fictitious values.

(b) "Actual value" should be the price at which, at a time and place determined by the legislation of the country of importation, such or like merchandise is sold or offered for sale in the ordinary course of trade under fully competitive conditions. To the extent to which the price of such or like merchandise is governed by the quantity in a particular transaction, the price to be considered should uniformly be related to either (i) comparable quantities, or (ii) quantities not less favorable to importers than those in which the greater volume of the merchandise is sold in the trade between the countries of exportation and importation.

(c) When the actual value is not ascertainable in accordance with sub-paragraph (b) of this paragraph, the value for customs purposes should be based on the nearest ascertainable equivalent of such value.

3. The value for customs purposes of any imported product should not include the amount of any internal tax, applicable within the country of origin or export, from which the imported product has been exempted or has been or will be relieved by means of refund.

4. (a) Except as otherwise provided for in this paragraph, where it is necessary for the purposes of paragraph 2 of this Article for a contracting party to convert into its own currency a price expressed in the currency of another country, the conversion rate of exchange to be used shall be based, for each currency involved, on the par value as established pursuant to the Articles of Agreement of the International Monetary Fund or on the rate of exchange recognized by the Fund, or on the par value established in accordance with a special exchange agreement entered into pursuant to Article XV of this Agreement.

(b) Where no such established par value and no such recognized rate of exchange exist, the conversion rate shall reflect effectively the current value of such currency in commercial transactions.

(c) The CONTRACTING PARTIES, in agreement with the International Monetary Fund, shall formulate rules governing the conversion by contracting parties of any foreign currency in respect of which multiple rates of exchange are maintained consistently with the Articles of Agreement of the International Monetary Fund. Any contracting party may apply such rules in respect of such foreign currencies for the purposes of paragraph 2 of this Article as an alternative to the use of par values. Until such rules are adopted by the CONTRACTING PARTIES, any contracting party may employ, in respect of any such foreign currency, rules of conversion for the purposes of paragraph 2 of this Article which are designed to reflect effectively the value of such foreign currency in commercial transactions.

(d) Nothing in this paragraph shall be construed to require any contracting party to alter the method of converting currencies for customs purposes which is applicable in its territory on the date of this Agreement, if such alteration would have the effect of increasing generally the amounts of duty payable.

5. The bases and methods for determining the value of products subject to duties or other charges or restrictions based upon or regulated in any manner by value should be stable and should be given sufficient publicity to enable traders to estimate, with a reasonable degree of certainty, the value for customs purposes.

Article X

Publication and Administration of Trade Regulations

1. Laws, regulations, judicial decisions and administrative rulings of general application, made effective by any contracting party, pertaining to the classification or the valuation of products for customs purposes, or to rates of duty, taxes or other charges, or to requirements, restrictions or prohibitions on imports or exports or on the transfer of payments therefor, or affecting their sale, distribution, transportation, insurance, warehousing, inspection, exhibition, processing, mixing or other use, shall be published promptly in such a manner as to enable governments and traders to become acquainted with them. Agreements affecting international trade policy which are in force between the government or a governmental agency of any contracting party and the government or governmental agency of any other contracting party shall also be published. The provisions of this paragraph shall not require any contracting party to disclose confidential information which would impede law enforcement or otherwise be contrary to the public interest or would prejudice the legitimate commercial interests of particular enterprises, public or private.

2. No measure of general application taken by any contracting party effecting an advance in a rate of duty or other charge on imports under an established and uniform practice, or imposing a new or more burdensome requirement, restriction or prohibition on imports, or on the transfer of payments therefor, shall be enforced before such measure has been officially published.

3. (a) Each contracting party shall administer in a uniform, impartial and reasonable manner all its laws, regulations, decisions and rulings of the kind described in paragraph 1 of this Article.

(b) Each contracting party shall maintain, or institute as soon as practicable, judicial, arbitral or administrative tribunals or procedures for the purpose, inter alia, of the prompt review and correction of administrative action relating to customs matters. Such tribunals or procedures shall be independent of the agencies entrusted with administrative enforcement and their decisions shall be implemented by, and shall govern the practice of, such agencies unless an appeal is lodged with a court or tribunal of superior jurisdiction within the time prescribed for appeals to be lodged by importers; Provided that the central administration of such agency may take steps to obtain a review of the matter in another proceeding if there is good cause to believe that the decision is inconsistent with established principles of law or the actual facts.

(c) The provisions of sub-paragraph (b) of this paragraph shall not require the elimination or substitution of procedures in force in the territory of a contracting party on the date of this Agreement which in fact provide for an objective and impartial review of administrative action even though such procedures are not fully or formally independent of the agencies entrusted with administrative enforcement. Any contracting party employing such procedures shall, upon request, furnish the CONTRACTING PARTIES with full information thereon in order that they may determine whether such procedures conform to the requirements of this sub-paragraph.

2. The United States: Tariff Act of 1930, as amended

a. Title IV, sections 402 and 402a

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 --

- (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 of 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 purpose 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 appraisement 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 appraisement.

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

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

(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 appraisal. 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 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.

SEC. 402a. VALUE (ALTERNATIVE).

(a) Basis.--For the purposes of this Act the value of imported articles designated by the Secretary of the Treasury as provided for in section 6(a) of the Customs Simplification Act of 1956 shall be--

(1) The foreign value or the export value, whichever is higher;

(2) If the appraiser determines that neither the foreign value nor the export value can be satisfactorily ascertained, then the United States value;

(3) If the appraiser determines that neither the foreign value, the export value, nor the United States value can be satisfactorily ascertained, then the cost of production;

(4) In the case of an article with respect to which there is in effect under section 336 a rate of duty based upon the American selling price of a domestic article, then the American selling price of such article.

(b) Review of Appraiser's Decision.--A decision of the appraiser that foreign value, export value, or United States value can not be satisfactorily ascertained shall be subject to review in reappraisal proceedings under section 501; but in any such proceedings, an affidavit executed outside of the United States shall not be admitted in evidence

if executed by any person who fails to permit a Treasury attache to inspect his books, papers, records, accounts, documents, or correspondence, pertaining to the value or classification of such merchandise.

(c) Foreign Value.--The foreign value of imported merchandise shall be the market value or the price at the time of exportation of such merchandise to the United States, at which such or similar merchandise is freely offered for sale for home consumption to all purchasers in the principal markets of the country from which exported, in the usual wholesale quantities and in the ordinary course of trade, including the cost of all containers and coverings of whatever nature, and all other costs, charges, and expenses incident to placing the merchandise in condition, packed ready for shipment to the United States.

(d) Export Value.--The export value of imported merchandise shall be the market value or the price, at the time of exportation of such merchandise to the United States, at which such or similar merchandise is freely offered for sale to all purchasers in the principal markets of the country from which exported, 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 costs, charges, and expenses incident to placing the merchandise in condition, packed ready for shipment to the United States.

(e) United States Value.--The United States value of imported merchandise shall be the price at which such or similar imported merchandise is freely offered for sale for domestic consumption, packed ready for delivery, in the principal market of the United States to all purchasers, at the time of exportation of the imported merchandise, in the usual wholesale quantities and in the ordinary course of trade, with allowance made for duty, cost of transportation and insurance, and other necessary expenses from the place of shipment to the place of delivery, a commission not exceeding 6 per centum, if any has been paid or contracted to be paid on goods secured otherwise than by purchase, or profits not to exceed 8 per centum and a reasonable allowance for general expenses, not to exceed 8 per centum on purchased goods.

(f) Cost of Production.--For the purpose of this title the cost of production of imported merchandise shall be the sum of--

(1) The cost of materials of, and of fabrication, manipulation, or other process employed in the manufacturing or producing such or similar merchandise, at a time preceding the date of exportation of the particular merchandise under consideration which would ordinarily permit the manufacture or production of the particular merchandise under consideration in the usual course of business;

(2) The usual general expenses (not less than 10 per centum of such cost) in the case of such or similar merchandise;

(3) The cost of all containers and coverings of whatever nature, and all other costs, charges, and expenses incident to placing the particular merchandise under consideration in condition, packed ready for shipment to the United States; and

(4) An addition for profit (not less than 8 per centum of the sum of the amounts found under paragraphs (1) and (2) of this subdivision) equal to the profit which ordinarily is added, in the case of merchandise of the same general character as the particular merchandise under consideration, by manufacturers or producers in the country of manufacture or production who are engaged in the production or manufacture of merchandise of the same class or kind.

(g) American Selling Price.--The American selling price of any article manufactured or produced in the United States shall be the price, including the cost of all containers and coverings of whatever nature and all other costs, charges, and expenses incident to placing the merchandise in condition packed ready for delivery, at which such article is freely offered for sale for domestic consumption to all purchasers in the principal market of the United States, in the ordinary course of trade and in the usual wholesale quantities in such market, or the price that the manufacturer, producer, or owner would have received or was willing to receive for such merchandise 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.

b. Title I - Tariff Schedules of the United States,
general headnote 6

6. Containers or Holders for Imported Merchandise. For the purposes of the tariff schedules, containers or holders are subject to tariff treatment as follows:

* * * * *

(b) Not Imported Empty: Containers or holders if imported containing or holding articles are subject to tariff treatment as follows:

(i) The usual or ordinary types of shipping or transportation containers or holders, if not designed for, or capable of, reuse, and containers of usual types ordinarily sold at retail with their contents, are not subject to treatment as imported articles. Their cost, however, is, under section 402 or 402a of the tariff act, a part of the value of their contents and if their contents are subject to an ad valorem rate of duty such containers or holders are, in effect, dutiable at the same rate as their contents, except that their cost is deductible from dutiable value upon submission of satisfactory proof that they are products of the United States which are being returned without having been advanced in value or improved in condition by any means while abroad.

(ii) The usual or ordinary types of shipping or transportation containers or holders, if designed for, or capable of, reuse, are subject to treatment as imported articles separate and distinct from their contents. Such holders or containers are not part of the dutiable value of their contents and are separately subject to duty upon each and every importation into the customs territory of the United States unless within the scope of a provision specifically exempting them from duty. ^{1/}

(iii) In the absence of context which requires otherwise, all other containers or holders are subject to the same treatment as specified in (ii) above for usual or ordinary types of shipping or transportation containers or holders designed for, or capable of, reuse.

^{1/} See TSUS items 808.00 and 864.45 regarding containers and other packaging entitled to separate duty-free tariff treatment.

3. Customs Cooperation Council: Convention on the Valuation of
Goods for Customs Purposes, signed at Brussels on December 15,
1950:

a. Annex I. The Definition of Value

ARTICLE I

(1) For the purposes of levying duties of customs, the value of any goods imported for home consumption shall be taken to be the normal price, that is to say, the price which they would fetch at the time when the duty becomes payable on a sale in the open market between buyer and seller independent of each other.

(2) The normal price of any imported goods shall be determined on the following assumptions:

- (a) that the goods are treated as having been delivered to the buyer at the port or place of introduction into the country of importation; and
- (b) that the seller will bear all costs, charges and expenses incidental to the sale and to the delivery of the goods at that port or place; but
- (c) that the buyer will bear any duties or taxes applicable in the country of importation.

ARTICLE II

(1) A sale in the open market between buyer and seller independent of each other pre-supposes:

- (a) that the price is the sole consideration; and
- (b) that the price made is not influenced by any commercial, financial or other relationship, whether by contract or other wise, between the seller or any person associated in business with him (other than the relationship created by the sale of the goods in question); and
- (c) that no part of the proceeds of the subsequent re-sale, use or disposal of the goods will accrue either directly or indirectly to the seller or any person associated in business with him.

(2) Two persons shall be deemed to be associated in business with one another if, whether directly or indirectly, either of them has any interest in the business or property of the other or both have a common interest in any business or property or some third person has an interest in the business or property of both of them.

ARTICLE III

When the goods to be valued

- (a) are manufactured in accordance with any patented invention or are goods to which any registered design has been applied; or
- (b) are imported under a foreign trade mark or are imported for sale under a foreign trade mark;

the normal price shall be determined on the assumption that the value of the right to use the patent, design or trade mark in respect of the goods is covered by the price.

b. Annex II. Interpretative Notes to the Definition of Value.

Addendum to Article I

Note 1.

"The time when the duty becomes payable" referred to in paragraph (1) of Article I may, in accordance with the legislation of each country, be either the time at which the entry is presented or registered, the time of payment of customs duty or the time of clearance.

Note 2.

The "costs, charges and expenses" mentioned in Article I, paragraph (2)(b) include, inter alia, any of the following:

- carriage and freight;
- insurance;
- commission;
- brokerage;
- costs, charges and expenses of drawing up outside the country of importation documents incidental to the introduction of the goods into the country of importation, including consular fees;
- the net amount (after allowing for repayments made or to be made) of duties and taxes applicable outside the country of importation;

----- cost of containers excluding those which are treated as
separate articles for the purpose of levying duties of cus-
toms; cost of packing (whether for labour, materials or
otherwise);
----- loading charges.

Note 3.

Where the normal price would depend upon the quantity in the sale, it shall be determined on the assumption that the sale is a sale of the quantity to be valued.

Note 4.

Where the determination of the value or of the price paid or payable depends upon factors which are expressed in a currency other than that of the country of importation, the foreign currency shall be converted into the currency of the importing country at the official rate of exchange of that country.

Note 5.

The object of the definition of value is to make it possible in all cases to calculate the duties payable on the basis of the price at which imported goods are freely available to any buyer in the open market at the port or place of introduction into the country of importation. It is a concept for general use and is applicable whether or not the goods are in fact imported under a contract of sale, and whatever the terms of that contract.

But the application of the Definition implies an enquiry into current prices at the time of valuation. In practice, therefore, when imported goods are the subject of a bona fide sale, the price paid or payable on that sale can generally be considered as a valid indication of the normal price mentioned in the Definition. This being so, the price paid or payable can reasonably be used as a basis for valuation, and Customs authorities are recommended to accept this price as the value of the goods in question, subject:

- (a) to proper safeguards aimed at preventing evasion of duty by means of fictitious or colourable contracts or prices; and
- (b) to such adjustment of the contract price as may be considered necessary on account of circumstances differentiating the contract from the notional concept embodied in the Definition of Value.

Addendum to Article III

Note 1.

The provisions of Article III (b) may also be applied to goods imported for sale, after further manufacture, under a foreign trade mark.

Note 2.

Sub-paragraph (b) of Article III. or that sub-paragraph amended in accordance with Note 1 above, may be extended so that it shall not apply to a trade mark registered within the country of importation, unless it is a mark used for the purpose of indicating that goods in relation to which it is used are those of:

- (a) any person by whom the goods to be valued have been grown, produced, manufactured, selected, offered for sale or otherwise dealt with outside the country of importation; or
- (b) a person associated in business with any such person as is referred to in (a) above; or
- (c) a person to whom any such person as is referred to in (a) or (b) above has assigned the goodwill of the business in connection with which the trade mark is used.

General Addendum

It is recommended that the concept of value expressed by the Definition and these Interpretative Notes be employed for the valuing of all goods subject to customs declaration, including duty-free goods and goods liable to specific customs duties.

4. Belgium

a. Preliminary Provisions of the Tariff of Import Duties, dated January 1, 1948

Chapter II - Value

Paragraph 10

1. For the application of the tariff, the value of any goods shall be taken to be the normal price, that is to say, the price those goods would fetch, on the day upon which entry is made, on a sale in the open market between buyer and seller independent of each other.
2. The normal price shall be determined on the following assumptions:
 - (a) that the goods are treated as having been delivered to the buyer at the first port or place at which they are introduced into the territory of the Contracting Parties or, in the case of goods imported by air, at the place at which they cross the limits of that territory;
 - (b) that the seller will bear all expenses incidental to the sale and to delivery to the port or place referred to in (a) above; such expenses are therefore includable in the price;
 - (c) that the buyer will bear any duties or taxes applicable in the territory of the Contracting Parties; such duties or taxes are therefore not includable in the price.
3. The normal price of the goods shall include such value as they may derive from:
 - (a) designs, plans, patterns or other technical, artistic or scientific creations, or from copyright, patent rights or other similar rights;
 - (b) the right to use a foreign trade mark which has been applied, to the goods, or under which they are to be sold, whether or not after processing or manufacture.

Paragraph 11

1. A sale in the open market between buyer and seller independent of each other presupposes:
 - (a) that the payment of the price of the goods is the sole consideration;
 - (b) that the price made is not influenced by any commercial, financial or other relationship, whether by contract or otherwise, between the seller or any person associated in business with him and the buyer or any person associated in business with him (other than the relationship created by the sale of the goods in question);
 - (c) that no part of the proceeds of the subsequent re-sale, use or disposal of the goods will accrue either directly or indirectly to the seller or any person associated in business with him.
2. Two persons shall be deemed to be associated in business with one another if, whether directly or indirectly, either of them has any interest in the business or property of the other or both have a common interest in any business or property or some third person has an interest in the business or property of both of them.

Paragraph 12

1. Where goods are delivered under a sale in the open market between buyer and seller independent of each other, the value may be taken to be the purchase price, i.e. the price actually paid or payable, increased by such costs, charges and expenses as are not included therein in accordance with paragraph 10 2 (b), and decreased by all charges, duties and taxes applicable in the territory of the Contracting Parties, in so far as such charges, duties and taxes are included in the price. In addition, the principles laid down by paragraph 10 for determination of the normal price shall apply.
2. The provisions of sub-paragraph 1. above shall not apply if the normal price is higher than the purchase price as determined in accordance with that sub-paragraph.

* * * * *

Paragraph 15

On the proposal of the Customs and Fiscal Commission, the competent Ministers shall lay down such provisions as are required for the implementation of paragraphs 10 to 14. They shall determine, inter alia, the costs, charges and expenses which are to be included in the price in accordance with the provisions of paragraph 10(2)(b).

* * * * *

b. Ministerial Order, dated January 1, 1948

Section 1

Paragraph 1

For the application of the tariff of import duties, the value of the separate parts of a whole, which do not in themselves constitute separate articles of commerce, shall be determined in proportion to the price of the whole of which they are taken to form part.

Paragraph 2

The costs, charges and expenses mentioned in paragraph 10 2 (b) of the Preliminary provisions of the Tariff of import duties include, inter alia, any of the following;

- carriage and freight; insurance; commission; brokerage;
- costs, charges and expenses of drawing up outside the territory of Belgium, Luxembourg and the Netherlands, documents incidental to the importation of the goods, including consular fees;
- the net amount (after allowing for repayments made or to be made) of duties and taxes applicable outside the territory of Belgium, Luxembourg and the Netherlands;
- cost of containers excluding those which are dutiable as separate articles for the purpose of levying duties of customs; cost of packing (whether for labour, materials or otherwise);
- loading charges.

The costs, charges and expenses enumerated above shall not be taken to include charges for unloading the goods from the means of transport on which they were brought from abroad.

5. Denmark: The Customs Act of 28 January 1959, as Amended

Section 136

The value for Customs purposes of goods liable to ad valorem duty shall be the normal price of the goods, that is to say, the price which they would fetch at the time when the goods are entered for clearance on a sale in the open market between buyer and seller independent of each other.

Paragraph 2. The normal price shall be determined on the assumption that the goods are delivered to the buyer at the port or place of introduction into the country of importation, that the seller will bear all costs incidental to the sale and to the delivery of the goods at that port or place, and that the buyer will bear any duties and taxes applicable within the customs area.

Section 137

A sale in the open market between buyer and seller independent of each other presupposes that the price is the sole consideration for the goods, that the price is not influenced by any special relationship, whether by contract or otherwise, between the seller or any person associated in business with him and the buyer or any person associated in business with him, and that no part of the proceeds of the re-sale or use of the goods will accrue either directly or indirectly to the seller or any person associated in business with him.

Paragraph 2. Two persons shall be deemed to be associated in business with one another if, whether directly or indirectly, either of them has any financial interest in the business or property of the other or both have a financial interest in any business or property of some third person or some third person has a financial interest in the business or property of both persons.

Section 138

When goods are patented or are of a registered design or are imported under a foreign trade mark or are imported for sale under such trade mark, the normal price shall include the value of the right to use the patent, design or trade mark.

Section 139

When goods are acquired by purchase the contract price shall be used as a basis for valuation; the value for customs purposes shall however be established subject to such adjustments as may be necessary when the goods are purchased on conditions differing from those mentioned in Section 136. Where appropriate, e.g., where goods are imported by subsidiaries or branches, the value may be established after adjustment by reference to the price at which the goods are re-sold by the importer.

Paragraph 2. Any changes in the price of goods acquired on purchase between the time of purchase and the time of clearance of the goods shall not involve any adjustment unless the time interval exceeds 6 months.

Paragraph 3. Adjustments which cannot be made solely on the basis of the invoice and other documents relating to the purchase and to the delivery of the goods shall not however be required where the Customs consider that such adjustments would have no appreciable effect on the amount of duty chargeable.

Section 140

The costs mentioned in paragraph 2 of Section 136 which the seller is assumed to bear and which shall accordingly be included in the value for customs purposes comprise, inter alia, any of the following:

- loading charges;
- carriage and freight, cf. Section 141.
- insurance;
- commission, brokerage and the like;
- costs of drawing up outside the customs area documents incidental to the importation of the goods;
- duties and taxes applicable outside the customs area (after allowing for any repayments of duties and taxes);
- costs of containers, cf. Section 142; and
- labour charges and other costs of packing.

Section 141

The value for customs purposes shall include all carriage and freight to the destination of the goods; if the importer is able to produce satisfactory evidence of the carriage and freight charges to the port or place of introduction such charges alone shall be included in the value.

Paragraph 2. For goods imported by ship or aircraft the first port of call (airport) of the ship (aircraft) within the customs area shall be taken to be the port or place of introduction. For goods imported otherwise the first boundary post in the customs area shall be taken to be the place of introduction.

Section 142

Costs of containers shall not be included in the value of the goods for customs purposes where the containers are treated as separate articles of commerce for the purpose of levying duties of customs, unless the containers are allowed to be imported duty-free in accordance with the provisions of Section 129, paragraph 18. ^{1/}

Paragraph 2. In cases in which the containers have previously been exported from the customs area or are to be exported therefrom within a year from the date of clearance, the costs of containers shall be assessed at the costs paid for using the containers including freight, carriage, and insurance, if such costs are stated separately in the entry by the importer. Otherwise the costs of containers shall be assessed at the value of the containers.

^{1/} According to Section 129, paragraph 18, containers which are considered separate articles of commerce may be allowed to be imported duty-free provided that the containers or containers of the same sort and quantity have either previously been exported by the importer less than a year before the date of import or are to be exported within a year from the date of clearance.

6. France

a. Customs Code of February 7, 1953, as amended February 27, 1961 by Decree No. 61-217

* * * * *

Section 35

1. The value to be declared on importation of goods shall be the normal price, that is to say the price they would fetch, at the time and place defined hereafter, on a sale in the open market between buyer and seller independent of each other.

When a sale is made under such conditions, the normal price may be determined from the price shown on the invoice.

2. The normal price of any imported goods shall be determined on the following assumptions:
 - (a) that the time is the time of registration of the entry by the Customs authorities;
 - (b) that the goods are treated as having been delivered to the buyer at the place of introduction into the Customs territory;
 - (c) that the seller will bear and include in the price the expenses of transportation of the goods; and all other costs, charges and expenses incidental to the sale and to the delivery of the goods at the place of introduction into the Customs territory;
 - (d) that the price does not include expenses incidental to transportation within the Customs territory, nor any duties or taxes applicable in that territory.
3. A sale in the open market between buyer and seller independent of each other pre-supposes:
 - (a) that the payment of the price of the goods is the sole consideration of the buyer;

- (b) that the price made is not influenced by any commercial, financial or other relationship, whether by contract or otherwise, between the seller or any person associated in business with him and the buyer or any person associated in business with him (other than the relationship created by the sale of the goods in question);
- (c) that no part of the proceeds of the use or subsequent disposal of the goods will accrue either directly or indirectly to the seller or any person associated in business with him.

Two persons shall be deemed to be associated in business with one another if, whether directly or indirectly, either of them has any interest in the business or property of the other or both have a common interest in any business or property or some third person has an interest in the business or property of both of them.

4. When the goods to be valued:

- (a) are manufactured in accordance with any patented invention or are goods to which any registered design has been applied;
- (b) or are imported under a foreign trade mark or are imported for sale under a foreign trade mark;

the normal price shall be determined on the assumption that the value of the right to use the patent, design or trade mark in respect of the goods is included in that price.

* * * * *

8. When the elements taken into consideration for determination of the normal price are expressed in a foreign currency, that currency shall be converted on the basis of the official rate of exchange for the day of registration of the entry.

b. Decree No. 61-217, dated February 27, 1961

Article 6

The provisions of section 35, paragraph 4,b, of the Customs Code are applicable to goods imported for sale, after further manufacture, under a foreign trade mark.

20

7. Italy: Preliminary Provisions of the Tariff Customs Duties
on Importation, approved by Decree No. 1339 of the
President of the Italian Republic, dated December 21, 1961

Section 1

Customs duties shall be levied regardless of the state in which the goods arrive; they shall not be waived or reduced on account of damage, whatever its cause.

However, the value of damaged goods liable to ad valorem taxation may be determined with due allowance for the damage.

The owner of goods which arrive from abroad in damaged condition may opt for their destruction at his own expense and on such conditions as may be determined by the Customs.

No exemption or relief from duty, other than as provided for in the tariff or the present provisions, shall be granted except by virtue of a law.

* * * * *

Section 18

The imported duty chargeable on goods liable to ad valorem duty shall be calculated on the basis of the dutiable value of such goods.

The dutiable value of such goods shall be their "normal price" as defined in Sections 19 to 22 below.

Subject to the provisions of Section 23, the invoice price may also be taken as the dutiable value.

Section 19

The normal price shall be taken to be the price which the imported goods would fetch on sale in the open market between a buyer and a seller independent of each other, on the date on which customs examination of the goods takes place, after entry has been made as prescribed by Section 16 of the Customs Act No. 1424 of 25th September 1940.

Section 20

A sale in the open market between buyer and seller independent of each other presupposes:

- (a) that the payment of the price of the goods is the sole consideration in the transaction;
- (b) that the price made is not influenced by any commercial, financial or other relationship, whether by contract or otherwise, between the seller or any person associated in business with him and the buyer or any person associated in business with him (other than the relationship created by the sale of the goods in question);
- (c) that no part of the proceeds of the re-sale, of the subsequent disposal or of the use of the goods will accrue either directly or indirectly to the seller or any person associated in business with him.

Two persons shall be deemed to be associated in business with one another if, whether directly or indirectly, either of them has any interest in the business of the other or both have a common interest in any business or some third person has an interest in the business of both of them.

Section 21

Where the normal price depends upon the quantity in the sale, it shall be determined on the assumption that the sale is a sale of the quantity of the goods produced and to be valued.

Section 22

When the goods to be valued:

- (a) are manufactured in accordance with any patented invention or are goods to which any registered design or copyright has been applied;
- (b) are imported under a foreign trade mark or are imported for sale under a foreign trade mark, whether or not after further manufacture;

the normal price shall be determined on the assumption that it includes the value of the right to use the patent, design, copyright or trade mark in respect of the goods.

Section 23

Where the imported goods are the subject of a sale in the open market between buyer and seller independent of each other, the price paid or payable on that sale may be considered as a valid indication of their normal price as defined in Section 19.

Loading charges, carriage and freight, insurance, commissions and all other costs, charges and expenses incidental to the sale, transport and delivery of the goods up to the port or place of introduction into the Customs territory of the Republic (Section 19, paragraph 3, sub-paragraph (b)) shall be added to the invoice price, if they are not already included therein. Any abnormal discount or any special reduction from the ordinary competitive price shall also be included in the dutiable value.

Any discounts or other price reductions granted to sole concessionaires, sole agents or similar intermediaries shall also be taken into consideration with a view to their inclusion in the dutiable value.

Section 24

The costs, charges and expenses mentioned in Section 19, paragraph 3, sub-paragraph (b) include:

- (a) carriage and freight;
- (b) insurance;
- (c) commissions;
- (d) brokerage;
- (e) costs, charges and expenses of drawing up abroad documents incidental to the introduction of the goods into the territory of the Republic, including consular fees;
- (f) the net amount (after allowing for repayments made or to be made) of duties and taxes directly chargeable on the goods abroad;
- (g) loading charges;

- (h) any other expenses incurred in connection with the sale, shipment and delivery of the goods up to the port or place of introduction into the customs territory of the Republic.

The dutiable value of goods shall be taken to include the cost of the internal and external containers and of packagings other than containers and packagings which are treated as separate articles for the purpose of levying duties of customs, and costs of packing (whether for labour, materials or otherwise). However, the value of goods placed in containers which, according to commercial practice, are normally returned to the consignor and as such are granted temporary admission to enable them to be emptied, shall not be taken to include the value of such containers unless the invoice shows their ownership to have been transferred or they are not re-exported.

Section 25

For the purposes of determining carriage and freight, the port or place of introduction into the customs territory of the Republic shall be taken to be:

- (a) in the case of importation by sea, the port at which the goods are unloaded;
- (b) in the case of importation by air, rail, road or lake, the place at which the first customs office is situated.

* * * * *

Section 27

The owner of the goods shall declare to the Customs authorities the dutiable value of the goods determined according to the provisions contained in the previous Sections and shall amend his declaration to take account of price fluctuations should Customs examination of the goods not take place immediately after such declaration has been made.

He shall also provide, in such form as the Administration may consider appropriate, all information and shall produce the invoice, the transport documents and such other commercial

documents (contracts, correspondence, etc.) relating to the sale, shipment and delivery of the goods as the Customs authorities may require in order to ascertain the dutiable value.

The requirements of the two previous paragraphs shall apply in respect of all goods for which an entry is required, including goods exempt from duties of Customs and goods on which specific duties are changeable.

The Finance Administration is empowered to make such inquiries as it may deem necessary to verify dutiable values.

8. Norway: Customs Tariff, as amended January 1, 1963

Section 8

A

1. For the purposes of levying duties of Customs, the value of any goods imported for home consumption shall be taken to be the normal price, that is to say, the price which they would fetch on the day that they are cleared through Customs, on a sale in the open market between buyer and seller independent of each other.

2. When goods to be valued are manufactured in accordance with any patented invention or are goods to which any registered design has been applied or are imported under a foreign trade mark or are imported for sale under a foreign trade mark, whether or not after having been processed or transformed, the normal price shall be determined on the assumption that the value of the right to use the patent, design or trade mark in respect of the goods is covered by the price.

B

1. The normal price of any imported goods shall be determined on the following assumptions:

that the goods are treated as having been delivered to the buyer at the place of importation;

that the seller will bear all costs, charges and expenses incidental to the sale and to the delivery of the goods at the place of importation;

the buyer will bear all duties and taxes applicables in Norway.

The expression, place of importation, shall be taken to be the Customs post or Customhouse at which the goods are disembarked or unloaded or, the case arising, the first Customs post or the first Customhouse at which the goods could virtually have been originally disembarked.

2. The normal price is to be taken to include the costs, charges and expenses entailed by any of the following: carriage and freight; insurance; commission and brokerage; costs, charges and expenses of drawing up outside the country of importation documents incidental to the introduction of the goods into Norway; the net amount (after allowing for repayments made or to be made) of duties and taxes applicable outside the country of importation; costs of containers excluding those which are treated as separate articles for the purpose 26 of levying customs duties, and loading charges.

3. The cost of packaging shall be calculated according to the expenses entailed by the use of the packaging when the packaging or packagings of the corresponding kind and quantity:

- (a) will be re-exported within the year following the date of importation; or
- (b) were exported by the owner of the goods during the year preceding importation, provided such importation was not as defined at (a) above

4. In other cases, the cost of packaging will be calculated according to their value.

C

1. A sale in the open market between buyer and seller independent of each other presupposes:

- (a) that the price is the sole consideration; and
- (b) that the price made is not influenced by any commercial, financial or other relationship, whether by contract or otherwise, between the seller or any other person associated in business with him and the buyer or any person associated in business with him (other than the relationship created by the sale of the goods in question); and
- (c) that no part of the proceeds of the subsequent resale, use or disposal of the goods will accrue either directly or indirectly to the seller or any person associated in business with him.

2. Two persons shall be deemed to be associated in business with one another if, whether directly or indirectly, either of them has any interest in the business or property of the other or both have a common interest in any business or property or some third person has an interest in the business or property of both of them.

D

1. Where goods covered by a sales contract, the agreed price shall be taken for the establishment of the normal price; however, the necessary adjustments should be made to the agreed price when purchase has been effected in other conditions than those defined under A and B above.

2. As regards goods covered by a sales contract, changes in the prices of such kinds of goods occurring between the date of purchase and the date of entry for clearance through Customs shall not entail a change in the dutiable value unless more than 6 months have elapsed between those two dates. Moreover, in general, adjustments which are not based only on the details given in the invoice and the other documents concerning the purchase and delivery of the goods may not be

made, unless, in the opinion of the Customs, such adjustments do not substantially affect the calculation of the duties. However, the importer shall have the faculty of requesting that the duties and taxes referred to in sub-paragraph B 1, and which he is able to prove, be deducted.

3. Adjustments may be made, in certain circumstances (for example when the goods are imported by branches or subsidiaries), on the basis of the price at which the goods will be re-sold by the importer.

9. Sweden

a. Customs Tariff Ordinance (May 13, 1960)

Section 3

1. The duty chargeable on goods liable to ad valorem duty shall be assessed on the normal price, that is to say, the price which they would fetch at the time when entry is presented on a sale in the open market between buyer and seller independent of each other.

The normal price shall be determined on the assumption that the goods are delivered to the buyer at the port or place of introduction, that the seller will bear all costs, charges and expenses, incidental to the sale and to the delivery of the goods at that port or place, and that the buyer will bear any duties or taxes applicable in Sweden.

2. If the goods have been acquired by purchase, the price paid or payable shall be accepted as the normal price subject to such adjustments as may be necessary when the goods are purchased on conditions differing from those mentioned in subsection 1.

b. Customs Tariff Proclamation (May 13, 1960)

Chapter 3 Valuation

Section 4

A sale in the open market between buyer and seller, independent of each other, as referred to in Section 3, subsection 1 of the Customs Tariff Ordinance presupposes:

- (i) that the price is the sole consideration;
- (ii) that the price made is not influenced by any special relationship, whether by contract or otherwise, between the seller or any person associated in business with him and the buyer or any person associated in business with him; and
- (iii) that no part of the proceeds of the subsequent re-sale, use or disposal of the goods will accrue either directly or indirectly to the seller or any person associated in business with him.

Two persons shall be deemed to be associated in business with one another if, whether directly or indirectly, either of them has any financial interest in the business or property of the other or both have a common financial interest in any business or property of some third person or some third person has a financial interest in the business or property of both persons.

Section 5

By port or place of introduction as referred to in Section 3, subsection 1, of the Customs Tariff Ordinance is meant, when goods are imported by ship or by aircraft, the port or the airport to which the goods are consigned or at which they are discharged from the ship or the aircraft for on-carriage to their destination, and when goods are imported otherwise, the frontier place within the Customs area.

Section 6

In the case of goods which are manufactured in accordance with any patented invention or are goods to which any registered design has been applied, or are imported under a foreign trade mark or are imported for sale under a foreign trade mark, the normal price shall be determined on the assumption that the value of the right to use the patent, design, or trade mark in respect of the goods is covered by the price.

Section 7

The "costs, charges and expenses" mentioned in Section 3, subsection 1, second paragraph, of the Customs Tariff Ordinance, include, inter alia, any of the following:

carriage and freight;

insurance

commission;

brokerage

costs, charges and expenses of drawing up, outside Sweden, documents incidental to the introduction of the goods into Sweden;

the net amount (after allowing for repayments made or to be made) of duties and taxes applicable outside Sweden;

cost of containers excluding those which are treated as separate articles; cost of packing the goods; and loading charges.

Carriage and freight incidental to the delivery shall not, however, if they are satisfactorily proved, be included in the normal price at an amount higher than thirty per cent of the normal price excluding the said costs.

Carriage and freight shall be calculated for the transportation of the goods to their destination within the Customs area, unless the carriage and freight to the port or place of introduction are satisfactorily proved.

Cost of containers shall be calculated as equal to the cost incidental to their use if the containers or other containers of the same kind and quantity either have been exported by the importer within one year before the importation (provided that this exportation had not formerly been invoked for determining the costs of packing in the manner now stated) or are intended to be exported by him within one year after the importation; otherwise the cost of containers shall be calculated as equal to their value.

Section 8

In determining the normal price of the goods by application of Section 3, subsection 2, of the Customs Tariff Ordinance, a price adjustment for the reason that the price of goods of the kind in question may have changed during the period between the purchase and the importation of the goods, shall not be considered necessary, unless the time interval exceeds six months.

Otherwise price adjustments shall not be made unless such adjustments would essentially affect the amount of duty chargeable or could be made merely on the basis of the invoice and other documents relating to the purchase and delivery of the goods.

10. United Kingdom:

a. Customs and Excise Act 1952

Part X

Section 258. Valuation of goods for purpose of
ad valorem duties

1. For the purpose of any enactment for the time being in force whereunder a duty of customs is chargeable on goods by reference to their value, the value of any imported goods shall be taken to be that laid down by the Sixth Schedule to this Act, and duty shall be paid on that value:
Provided that, in the case of goods imported under a contract of sale and entered for home use, duty shall be deemed to have been paid on that value if, before the goods are delivered for home use, duty is tendered and accepted on a declared value based on the contract price.
2. For the purpose of the proviso to the foregoing subsection:
 - (a) the declared value of any goods is their value as declared by or on behalf of the importer in making entry of the goods for home use;
 - (b) that value shall be deemed to be based on the contract price if, but only if, it represents that price properly adjusted to take account of circumstances differentiating the contract from such a contract of sale as is contemplated by the Sixth Schedule to this Act;

b. Customs and Excise Act of 1952, Sixth Schedule

Value of imported goods

- 1.-1. The value of any imported goods shall be taken to be the normal price, that is to say the price which they would fetch, at the time when they are entered for home use (or, if they are not so entered, the time of importation), on a sale in the open market between buyer and seller independent of each other.
2. The normal price of any imported goods shall be determined on the following assumptions:
 - (a) that the goods are treated as having been delivered to the buyer at the port or place of importation; and

- (b) that the seller will bear freight, insurance, commission and all other costs, charges and expenses incidental to the sale and the delivery of the goods at that port or place; but
- (c) that the buyer will bear any duty or tax chargeable in the United Kingdom.

2.- A sale in the open market between buyer and seller independent of each other pre-supposes:

- (a) that the price is the sole consideration; and
- (b) that the price made is not influenced by any commercial, financial or other relationship, whether by contract or otherwise, between the seller or any person associated in business with him and the buyer or any person associated in business with him (other than the relationship created by the sale of the goods in question); and
- (c) that no part of the proceeds of the subsequent resale, use or disposal of the goods will accrue either directly or indirectly to the seller or any person associated in business with him.

3.- Where the goods to be valued:

- (a) are manufactured in accordance with any patented invention or are goods to which any registered design has been applied; or
- (b) are imported under a foreign trade mark, or are imported for sale (whether or not after further manufacture) under a foreign trade mark;

the normal price shall be determined on the assumption that the price covers the right to use the patent, design or trade mark in respect of the goods.

4.- For the purpose of the last foregoing paragraph the expression "trade mark" includes a trade name and a get-up, and a foreign trade mark is a trade mark used for the purpose of indicating that goods in relation to which it is used are those of:

- (a) a person by whom the goods to be valued have been grown, produced, manufactured, selected, offered for sale or otherwise dealt with outside the United Kingdom; or

(b) a person associated in business with any such person as is referred to in sub-paragraph (a) of this paragraph; or

(c) a person to whom any such person is mentioned in subparagraph (a) or (b) of this paragraph has assigned the goodwill of the business in connection with which the trade mark is used.

5.- Two persons shall be deemed to be associated in business with one another if, whether directly or indirectly, either of them has any interest in the business or property of the other, or both have a common interest in any business or property, or some third person has an interest in the business or property of both of them.

11. West Germany: Customs Act of June 14, 1961

Section 29

Dutiable value; normal price

1. The dutiable value shall be the normal price which the imported goods would fetch at the date taken into account for valuation purposes, on a sale in the open market between buyers and sellers independent of each other (normal price).
2. The normal price shall be determined on the following assumptions:
 - 1 - that the goods are treated as having been delivered to the buyer at the place of introduction; and
 - 2 - that the seller will bear all costs, charges and expenses incidental to the sale and to the delivery of the goods at that place;
 - 3 - that the buyer will bear any import duties or taxes.
3. When the goods to be valued:
 - 1 - are manufactured in accordance with any patented invention or are goods to which any registered design has been applied; or
 - 2 - are imported under a foreign trade mark or are imported for sale under a foreign trade mark, whether or not after further processing,

the normal price of the goods shall include the value of the right to use the patent, design or trade mark.

Section 30

Sale in the open market

1. A sale in the open market between buyers and sellers independent of each other (Section 29-1.) pre-supposes:

- 1 - that the price is the sole consideration passing from the buyer in respect of the goods; and
 - 2 - that no part of the proceeds of the use or subsequent sale of the goods will accrue either directly or indirectly to the seller or any person associated in business with him; and
 - 3 - that the price made is not influenced by any commercial, financial or other relationship, whether by contract or otherwise, between the seller or any person associated in business with him and the buyer or any person associated in business with him (other than the relationship created by the sale of the goods in question).
2. Two persons shall be deemed to be associated in business with one another if, whether directly or indirectly, either of them has any interest in the business or property of the other or some third person has an interest in the business or property of both of them.

Section 31

Acceptance of the price paid or payable as the dutiable value

1. The price paid or payable on a sale shall be accepted as the dutiable value where:
 - 1 - the contract of sale is performed within a period corresponding to commercial usage, and
 - 2 - the said price corresponds to the price which the goods would fetch on a sale in the circumstances specified in Section 29, 1. and 3. above (ordinary competitive price) at the time when the contract is concluded or where the said price is adjusted as necessary, and
 - 3 - the said price does not meet the requirements of Section 29, 2. above but is adjusted as necessary.

Adjustments under paragraph 1. 2 - above may in particular be required with reference to abnormal discounts, reductions in price granted only to sole agents, or any other reduction from the ordinary competitive price.

2. Reductions in price granted only to sole agents shall be taken to be any difference between the price paid or payable and the ordinary competitive price at which the goods would be freely available to any buyer who, over and above the payment of the price paid or payable, gives no other consideration in respect of the imported goods (e.g. advertising or warranty services) in the interest of the seller.
3. The provisions of paragraph 1. above shall not apply where the person concerned requests valuation at the normal price. The Customs may require the person concerned to produce, in support of such request, documentary evidence of the normal price.

Section 32

Dutiable value : special provisions

1. In determining the dutiable value, the ordinary competitive price which the goods would fetch at the place of clearance shall be accepted, where the same terms of delivery apply, as equivalent to the ordinary competitive price which they would fetch at the place of introduction. This provision shall not apply where, under the same terms of delivery, the goods are sold at different prices according to the domicile of the buyer.
2. Any reductions in costs, charges or expenses granted to the buyer (Section 29, 2. 2 - above) shall not be allowed unless reasons are known at the date to be taken into account for valuation purposes.
3. The cost of packings shall be included in the dutiable value of the contained goods if the packings are admitted duty-free under Section 24, (1) 1 c. It shall not be so included if the packings:
 - 1 - are returned to the seller abroad, or
 - 2 - are free of revenue control in the Customs territory and have been supplied by a buyer domiciled either in that territory or in a free port.
4. The Federal Minister of Finance may, by Order:

- 1 - specify, having regard to the requirements of the various modes of transport the place to be regarded as the place of introduction for the purpose of determining the normal price (Section 29, 2. 1 -) and calculating the costs incidental to delivery of the goods (Section 29, 2. 2 -);
- 2 - prescribe that, subject to such conditions as he may determine, the carriage and freight to be included in the dutiable value of samples and goods of little value carried by air shall not be the amounts actually paid but those which would have been paid for surface transport.
5. In the cases envisaged in Section 8, (2) and Section 20, (2), the dutiable value shall be taken to be the proceeds of the sale; in the case envisaged in Section 20, (3), it shall be taken to be the proceeds of the sale less the import duties and taxes.
6. When goods which have not been imported have to be valued, their dutiable value shall be the ordinary competitive price which those goods would fetch in the Customs territory.

12. Brazil: Tariff Law (No. 3,244) of August 14, 1957

Chapter III - Basis of Calculation

Art. 5. -- The ad valorem duty shall be calculated on the basis of the external value of the goods plus the expenses for freight and insurance (CIF value).

The external value of the goods shall be considered as the price at which, at the time of their export, they or other similar goods are normally offered for sale on the wholesale market of the exporting country, plus the cost of any container or packaging and the expenses connected with transport to the port of exportation to Brazil, minus, when the case applies, the internal consumption taxes of the exporting country which are normally recovered on export of the goods.

Art. 6. -- The external value shall be indicated by the importer on the import declaration.

If, after checking the goods, the Customs official has any reason to question the declaration of the importer, he must, within a period of 8 days, by means of signed documents, establish the new value under which clearance may proceed.

Having been notified of the new value, the importer shall have 30 days in which to lodge his claim with the Inspector of Customs, who shall give his decision within the period of 30 days counted from the date of receiving the claim.

In the absence of a decision within the time established in the preceding paragraph, the value declared by the importer shall be temporarily accepted, merely for the purpose of releasing the goods and upon guarantee or deposit of the claimed difference, in accordance with the provisions of Article 14 and the paragraphs thereto of Decree Law No. 607, of August 10, 1938.

Recourse may be had against this decision under the terms of the legislation in force.

Art. 7. -- When the external value cannot be duly verified, the calculation for the duty shall be made on the basis of the domestic wholesale market, after deducting 30 percent for profit and expenses, as well as the duties incident upon the import.

Art. 8. -- In the calculation of the duty no distinction shall be made that has not already been established by Law or in the Tariff, between goods new or used, finished or partially finished, complete or incomplete, assembled or unassembled.

In the event of damage or intrinsic depreciation, casual or from means beyond control, a discount shall be granted on the external value of the goods in accordance with the prior appraisal made by the competent authorities.

Art. 9. -- A guide may be established for the minimum value of a product for which it is difficult to fix the external value because it is not regularly quoted on the national or international market, or which has been exported to Brazil under a dumping regime, in this case without prejudice to the provision of Paragraph 2 of Article 3 of this Law.

13. Canada: Customs Tariff

VALUATION FOR DUTY

Determination of value for duty.

35. (1) The value for duty of goods imported shall be determined in accordance with the provisions of sections 36 to 41A.

- (2) In this section and sections 36 to 41A, with reference to any goods,
- (a) "country of export" means the country from which the goods were shipped directly to Canada;
 - (b) "cost of production" means an amount that in accordance with good business principles and practices fairly reflects the manufacturing or production costs of the goods at the time of shipment to Canada; and
 - (c) "gross profit" means the fair market value of the goods when sold in the circumstances described in section 36, minus the cost of production thereof. Memo D43.

Valuation for duty.

36. (1) Subject to section 38, the value for duty shall, notwithstanding any invoice or affidavit to the contrary, be the fair market value, at the time when and place from which the goods were shipped directly to Canada, of like goods when sold

- (a) to purchasers located at that place with whom the vendor deals at arm's length and who are at the same or substantially the same trade level as the importer, and
- (b) in the same or substantially the same quantities for home consumption in the ordinary course of trade under competitive conditions.

Rules to be applied in ascertaining value.

- (2) The following rules apply in the application of subsection (1):
- (a) if there were no sales at the time when the goods were shipped to Canada, there shall be substituted therefor the most recent sales prior to the time of shipment that fairly reflect the market value of the goods at the time of shipment;
 - (b) if there were no purchasers located at the place from which the goods were shipped to Canada, there shall be substituted therefor sales to the purchasers located nearest thereto;
 - (c) where goods imported into Canada and goods sold for home consumption are like goods except only that the goods sold for home consumption have applied to them a trade mark, as defined in the Trade Marks Act, that is not applied to the goods imported into Canada, and goods like the goods imported are not sold for

home consumption, the goods imported and the goods sold for home consumption shall be deemed to be like goods for the purposes of this section, if, in the opinion of the Minister,

- (i) the goods are being imported into Canada without that trade mark applied to them in order to avoid the operation of subsection (1), and
 - (ii) it is probable that there will be applied to the goods, subsequent to their importation into Canada, that trade mark or any other mark so closely resembling that trade mark that it is likely to be taken therefor:
- (d) regard shall not be had to a sale for home consumption to a purchaser by a vendor who did not, at the same or substantially the same time, sell like goods in the ordinary course of trade to other persons in the country of export, not controlled by or in control of or otherwise related to the purchaser; and
- (e) where goods were not sold in the same or substantially the same quantities for home consumption
- (i) if the quantity shipped to Canada is larger than the largest quantity sold for home consumption, those quantities shall be deemed to be the same quantities,
 - (ii) if the quantity shipped to Canada is smaller than the smallest quantity sold for home consumption, the value for duty shall be based on the amount for which, in the opinion of the Minister, having regard to that trade, such smaller quantities would have been sold if they had been sold for home consumption.
- (3) Where the value for duty cannot be determined under subsections (1) and (2) for the reason that
- (a) there were no purchasers in the country of export (in this subsection called "home purchasers") who were at the same or substantially the same trade level as the importer, or
 - (b) although there were home purchasers who were at the same or substantially the same trade level as the importer, there were no sales to them in the circumstances described in subsections (1) and (2),

the home purchasers, if any, at the trade level nearest and subsequent to that of the importer to whom sales were made in the circumstances described in subsections (1) and (2) shall, for the purposes of those subsections, be deemed to have been at the same trade level as the importer.

When value for duty to be cost of production
plus profit.

37. Subject to section 38, where like goods were not sold for home consumption, or were not sold for home consumption in the circumstances

described in section 36, but similar goods were so sold, the value for duty shall, notwithstanding any invoice or affidavit to the contrary, be the aggregate of

- (a) the cost of production of the goods imported; and
- (b) an amount that is the same percentage of the cost of production of the goods imported as the gross profit on the similar goods is of the cost of production of the similar goods.

37A. Where the Governor in Council is satisfied, on a report from the Minister, that the application of subparagraph (1) of paragraph (e) of subsection (2) of section 36 or subsection (3) of section 36 is inequitable in that it results in discrimination against the importation of goods of a class from any country, as compared with the importation of goods of that class from any other country, the Governor in Council may prescribe the manner in which the value for duty of goods of that class, as determined under section 36 or 37, shall be reduced; but the value for duty of any imported goods upon being reduced as provided in this section shall not be less than an amount equal to the cost of production of the goods plus such amount for gross profit as is deemed reasonable by the Governor in Council.

. Special cases.

38. Where in any case or class of cases

- (a) the value for duty cannot be determined under section 36 or 37 for the reason that like or similar goods are not sold in the country of export or are not sold in such country in the circumstances described in those sections,
 - (b) the goods imported
 - (i) are intended to be assembled, packaged or further manufactured in Canada or are intended to enter into the course of manufacture in Canada,
 - (ii) are used or obsolete goods,
 - (iii) are not prime quality goods as known in the trade, or are known in the trade as remnants, close-outs or discontinued lines or are surplus goods,
 - (iv) constitute a job lot, or
 - (v) are intended to be used directly in the process of manufacture or production of goods and like goods are not sold in the country of export,
 - (c) like goods are leased but not sold in the country of export, or
 - (d) the Minister is of opinion that by reason of unusual circumstances the application of sections 36 and 37 is impracticable,
- the value for duty shall be determined in such manner as the Minister prescribes.

Cost plus reasonable profit.

39. (1) Where the Minister is satisfied that material injury has been or may be caused to any industry in Canada, or any portion thereof, by reason of the importation of any new or unused goods or class of such goods at a value for duty less than the cost of production thereof, plus a reasonable amount for gross profit, he may so report to the Governor in Council, and, notwithstanding anything in this Act, the Governor in Council may order that the value for duty of those goods or that class of goods shall be increased to an amount equal to the cost of production thereof plus a reasonable amount for gross profit, having regard to the gross profit generally earned in that trade in the country of export, to be determined in the manner prescribed in section 37.

(2) The Governor in Council may at any time revoke an order made under subsection (1) and, unless sooner revoked, an order made under subsection (1) expires at the end of one year after the making thereof.

Determination of cost of production,
gross profit, etc.

40. Where sufficient information has not been furnished or is not available to enable the determination of cost of production, gross profit or fair market value under section 36, 37 or 39, the cost of production, gross profit or fair market value, as the case may be, shall be determined in such manner as the Minister prescribes.

Minimum value.

40A (1) Notwithstanding anything in this Act, where the value for duty as determined under sections 36 to 40 is less than the amount for which the goods were sold to the purchaser in Canada, exclusive of all charges thereon after their shipment from the country of export, the value for duty shall be the amount for which the goods were sold, less the amount, if any, by which the fair market value of the goods has decreased between the time of purchase and the time of exportation.

(2) The amount of any internal tax imposed within the country of export or origin on any goods imported into Canada, from which such goods have been exempted or have been or will be relieved by means of a refund or drawback, shall be deducted from the value for duty of such goods as determined under sections 36 to 40.

(3) The Governor in Council may order that such import duties imposed within the country of export or origin as he specifies shall be deducted, in whole or in part, from the value for duty of any goods as determined under sections 36 to 40.

Discounts.

(4) In determining the value for duty of any goods, no discount or deduction shall be allowed that is not shown, allowed and deducted on invoices covering sales for home consumption in the country of export, in the ordinary course of trade.

Any Department rulings to the contrary, which authorized the deduction of a portion of the domestic credit terms on customs invoices as a trade discount, and allowable when deriving the value for ordinary duty purposes, are cancelled effective 1st August 1960. Memo D 50-58.

Value of best article in package.

(5) In determining the value for duty of goods of the same material, or of a similar kind but a different quality, that are shipped in the same package, and were invoiced or sold at an average price, the value for duty of the best article contained in such package shall be deemed to be the average value of all the goods.

Goods on consignment.

(6) For the purposes of sections 36 to 40, where goods are shipped to Canada on consignment,

- (a) if the goods were sold in the course of transit before importation, the person to whom such goods are sold shall be deemed to be the importer, and
- (b) in all other cases, the consignee shall be deemed to be the importer.

Value for duty where market price has declined.

(7) Notwithstanding anything in this Act,

- (a) where the market price of any manufactured goods in the country of export has, as the result of the advance of the season or the marketing period, declined to levels that do not reflect in the opinion of the Minister their normal price, the value for duty shall be the amount determined and declared by the Minister to be the average price, weighted as to quantity, at which the like or similar goods were sold for consumption in the country of export during a reasonable period, having regard to that trade, immediately preceding the date of shipment of the goods to Canada,
- (b) where the market price in the country of export of any fresh fruit or vegetable of a class or kind produced in Canada has, as a result of the advance of the season or the marketing period declined to levels that do not reflect in the opinion

- of the Minister their normal price, the value for duty of such fresh fruit or vegetable, when imported into such region or part of Canada and during such period as the Minister may specify, shall be the amount determined and declared by him to be the average value, weighted as to quantity, at which like fresh fruits or vegetables were imported during the three-year period immediately preceding the date of shipment to Canada, and
- (c) where at any time it appears to the satisfaction of the Governor in Council on a report from the Minister that goods of any kind not entitled to entry under the British Preferential tariff or any lower tariff are being imported into Canada under such conditions as prejudicially or injuriously to affect the interests of Canadian producers or manufacturers, the Governor in Council may authorize the Minister to determine the value for duty of any class or kind of such goods, imported into such region or part of Canada and during such period as the Minister may specify, or may authorize the Minister to prescribe the manner in which such value for duty shall be determined, and the value so determined shall be deemed to be fair market value of such goods.

Additions.

- 40B. (1) If the value for duty as determined under sections 36 to 40A does not include,
- (a) the amount of any subsidy or drawback of Customs duty that has been allowed by the Government of any other country, or
- (b) the amount or money value of any so-called royalty, rent or charge for use of any machine or goods of any description, that the seller or proprietor does or would usually charge thereon when the same are sold or leased or rented for use in the country of export,
- such amount shall be added thereto.

(2) There shall be added to the value for duty as determined under sections 36 to 40A the amount of consideration or money value of any special arrangement between the exporter and the importer, or between any persons interested therein, because of the exportation or intended exportation of such goods, or the right to territorial limits for the sale or use thereof."

Goods exported to Canada through another country.

41. Goods bona fide exported to Canada from any country but passing in transit through another shall, upon such terms and conditions as to shipment, documentation, warehousing, trans-shipment or the like as the Governor in Council may prescribe, be valued for duty as if they were imported direct from such first mentioned country.

- 41A. In the case of any imported goods that
- (a) were shipped indirectly to Canada from the country of origin through one or more other countries; and
 - (b) would, but for this section, be valued for duty under sections 36 to 40B at less than the value for duty of such goods would be if the country of export were the country of origin; the goods shall, notwithstanding subsection (1) of section 36, upon such terms and conditions as to shipment, documentation, warehousing, transshipment or the like as the Governor in Council may prescribe, be valued for duty as if they were imported direct from the country of origin at the time they were first shipped from that country.

14. Japan: Tariff Customs Law (Law No. 54) of April 15, 1910, as amended.

Value for customs duty

Article 4. The value as the basis of assessment (hereinafter referred to as "value for customs duty") of the imported goods chargeable with customs duty on the basis of value (hereinafter referred to as "ad valorem duty goods") or on the basis of value and quantity (hereinafter referred to as "ad valorem and specific duty goods") shall be taken to be the price of such goods or the goods of the same kind when sold in the ordinary wholesale quantity and in the ordinary course of trade in the exporting country at the time of exportation (exclusive of internal excise taxes to be reduced, exempted, or refunded at the time of their exportation) plus the ordinary expenses incurred prior and incidental to the loading of such goods on board the vessel at the port of exportation (including duties and charges thereon, if any) as well as the ordinary freight and insurance incurred up to the arrival of the goods at the port of importation (in case of such goods transported by air as may be prescribed by a Cabinet Order, freight and insurance for usual means of transportation other than air shall be taken).

2. The value for customs duty in the preceding paragraph shall, if it can be determined on the basis of invoice or any other documents accompanying import declaration, be determined on the basis of such documents.

3. When neither invoice nor other document is produced to the Customs at the time of import declaration, where the statement in such documents is not acceptable as a true account of the goods, or when there is reason to believe that these documents cannot be regarded as reliable, the value for customs duty shall be determined on the basis of such value for customs duty as has been determined under the preceding paragraph, if any, in respect of the goods of the same kind or similar goods recently arrived at the port of importation, or shall, if there arises any difference in prices of such goods owing to changes in the nature of the goods, the time of their importation, or some other situations, be determined on the basis of such value for customs duty, with such adjustments as may be deemed reasonable and necessary to be made for such price fluctuation.

4. In case where there is a long period between the time of arrival of the goods at a port of importation and the import permit of such goods (or the approval, if a delivery of the goods has been approved under Paragraph 1 of Article 73 (Delivery of goods prior to import permit) of the Customs Law). The same shall apply in Paragraph 1 of Article 10, and there arises so great fluctuation in their price during such period that it is found extremely improper to determine the value for customs duty on such goods under the provisions of Paragraph 2, the value for customs duty on such goods shall be determined in the same way as provided for in the preceding paragraph.

5. When the value for customs duty cannot be determined under any of the preceding paragraphs, the value for customs duty shall be determined at the domestic wholesale price of the goods of the same kind or similar goods in Japan, minus the amount of customs duty and any other duties as well as charges which would be imposed or charged upon such goods, if imported into Japan, and ordinary expenses incidental to delivery of such goods from the port of importation to the domestic wholesale market, with such adjustment as may be deemed reasonable and necessary to be made for price fluctuation resulting from changes in nature of such goods and others.

15. Mexico

a. Customs Tariff (Law of December 27, 1955, as amended)

Rule No. 20.

Art. 3. -- For the purpose of applying the ad valorem duty, the Ministry of Finance and Public Credit shall fix officially, on the advice of the Tariff Commission, the price of the various goods.

These official prices shall be published in the "Diario Oficial" of the Federation and shall enter into force on the date indicated in each case by the Ministry of Finance.

For the determination of the official prices being the subject of this Article, the Ministry of Finance shall comply with the rules published in the "Diario Oficial" of July 31, 1948, and completed by the provisions published in the "Diario Oficial" of May 4, 1951, for as long as such rules and provisions are not modified by the Executive Powers.

Art. 4. -- The ad valorem duty indicated in the Tariff is applied on the official price assigned to the goods in question unless the price appearing on the trade invoice exceeds the official price, in which case the ad valorem duty shall be calculated on the invoice price.

When no official price has been fixed, the ad valorem duty is levied on the price shown on the invoice.

In the case where no trade invoice exists or when the production thereof is not enforced by the provisions of the Customs Code, the value of the goods shall be fixed by the examiner entrusted with the Customs verification, who, for this purpose, shall use as basis the sales notes, statistics, catalogues and other documents which may be presented to him by the party concerned or, in the absence of such, shall fix the value by estimation.

The same procedure shall be followed when there is reason to suspect that the value stated in the invoice is not the true value and, if the inaccuracy is confirmed, the examiner shall make a report to be attached to the required administrative file relating to the investigations of the case.

Art. 5. -- The trade invoices covering the imported goods shall state the marked value of such goods at the place of purchase, no deduction being allowed except for freight and for insurance premiums. When other expenses or charges are included in the invoice, the amount thereof shall be divided proportionally to the value of each article specified in such invoice.

In the cases provided by law or when so deemed fit by the Ministry of Finance and Public Credit, the trade invoice shall bear a declaration under oath to tell the truth, made by the importer or the consignee and attesting that the price indicated in the said invoice is the marked price of the goods in question at the place of purchase. Any false declaration shall expose the declarant to the penalties legally laid down, without prejudice to the right of the Ministry of Finance to demand the payment of the duties in applying the ad valorem duty on the market value of the goods.

b. Official Journal, dated July 31, 1948

Official Prices and Commercial Invoices

Rules proclaimed July 13, 1948, which the Secretariat of Finance and Public Credit should observe in fixing prices for the application of the ad valorem quotas established in the General Import Tariff (Tariff of General Duty on Imports).

Based on the third article of the decree establishing the General Import Duty, I have proclaimed the following

RULES which the Treasury Department should observe in fixing prices for the application of the ad valorem quotas established in that Tariff:

First.--The wholesale price of the imported merchandise in the country of origin, of the principal country exporting such goods to Mexico, will be used.

Second.--In defining the wholesale price, the prevailing price of the merchandise under consideration in the market of origin will be taken into account. In order to do this, prices published in the daily newspapers, trade publications, catalogs or price lists generally available to the public will be taken into consideration. There also will be taken into account the official prices for certain merchandise made known by the respective Governments or in their official publications.

Third.--In case foreign publications which may serve as a base to determine these prices are not available, it will be necessary to request information directly from important foreign commercial establishments or to have the Mexican consulates furnish such information.

Fourth.--In case foreign prices cannot be obtained neither in publications nor in direct form as previously indicated, price estimates⁵¹ will have to be made with regard to the value(s) of equal or similar

merchandise in the national market. In order to do this, the current wholesale price in Mexico City will first be taken into consideration and if these are not available, those of other important markets in the Republic. For this purpose, prices published in periodicals, trade magazines, catalogs or price lists of important commercial establishments will be taken into account.

Fifth.--The Secretary of the Department of Finance and Credit will modify the official prices each time there is a change of 10 percent in a price previously fixed.

Sixth.--While studies are being completed and necessary adjustments are being made to fix prices in conformity with the aforementioned rules, these prices will be fixed by taking as a base the statistical average unit value of the merchandise included in each section of the Import Tariff of 1947, increased in relation to the price indices calculated for the current year, with the exception of the sections included in the Commercial Treaty with the United States.

In order to fix prices in accordance with the aforementioned conditions, for the merchandise included in the pertinent sections of this Treaty, the statistical average unit price for the first quarter of 1948 will be taken as the base.

Seventh.--Added by Executive Order of March 30, 1951, as published in the Official Journal of May 4, 1951.--In those instances in which the foreign wholesale price, on which the regulation applies, is notably less than that for similar merchandise in the domestic market or when it is less than the cost of production in this country, the Treasury Department shall fix official prices based on the wholesale prices or on the cost of domestic production.

(T. D. 54521)

VALUATION OF IMPORTS

Final list published by the Secretary of the Treasury pursuant to section 6 (a), Public Law 927, 84th Congress

TREASURY DEPARTMENT,

Washington, D. C., January 20, 1958.

To Collectors of Customs and Others Concerned:

The Secretary of the Treasury has determined and hereby makes public the list of articles set forth below as the final list required by section 6 (a) of the Customs Simplification Act of 1956, approved August 2, 1956, 70 Stat. 948 (Public Law 927, 84th Cong.).

Every article not specified in such final list which is entered, or withdrawn from warehouse, for consumption on or after the thirtieth day after the date of publication of such final list in the Federal Register, shall be appraised in accordance with the new valuation provisions of section 402 of the Tariff Act of 1930, as added by section 2 of the Customs Simplification Act of 1956.

Every article specified in such final list which is entered, or withdrawn from warehouse, for consumption on or after the thirtieth day after the date of publication of such final list in the Federal Register, shall be appraised in accordance with the provisions of section 402a of the Tariff Act of 1930, as amended.

The 30th day after the date of publication of this final list will be February 27, 1958.

Considerations of convenience to the public have suggested a listing with some deviations from existing principles of tariff classification, although the names and the order of the statutory schedules are maintained in the divisions of the list. It is to be emphasized that the order or position of any given article on this list does not in any sense represent an attempt to state, or affect, the classification of any article for tariff purposes.

Articles specified in this final list which were not specified in the preliminary list published in the Federal Register dated August 23, 1957 (22 F. R. 6842), but which have been added after investigation of timely representations made by manufacturers, producers, or wholesalers in the United States as provided for under section 6 (a) of the act, are marked with an asterisk (*). The asterisk identification is made solely for the purpose of information to the public and is not intended to have any effect upon the classification of any article for tariff purposes.

CHEMICALS, OILS AND PAINTS

Coal-Tar Products

Colors, Dyes, Stains, Color Acids, Bases, and Similar Products

- *Acetosol green BLS
- Acid anthracene red 3BL
- *Acid anthralan red HGK
- *Acid golden yellow 2R
- Acid leather brown GBL
- *Acid leather brown N3G
- *Acid leather brown S
- Acid leather dark brown G
- Acid leather dark brown R
- Acid light scarlet GL
- *Acid magenta
- Acid magenta FB extra
- *Acid pure blue BR

CHEMICALS, OILS AND PAINTS—Continued

Coal-Tar Products—Continued

Colors, Dyes, Stains, Color Acids, Bases, and Similar Products—Con.

- Acid pure blue R supra I
- Acid red 3BL
- *Acid red HGK
- *Acid red XB
- *Aciderm Havana SM
- *Acramin black FBRK
- *Acramin blue FFG
- *Acramin golden yellow FGR
- *Acramin green FB
- *Acramin red FITR
- *Acramin violet FFR
- Alcian blue 8GN
- *Alizarine fast blue BE
- Alizarine fast brown G
- *Alizarine fast violet FRL
- *Alizarine geranol B
- *Alizarine light blue 5GL
- Alizarine light blue ESE
- Alizarine light blue FG
- Alizarine light blue HR
- *Alizarine light blue HRL
- Alizarine light brown BL
- *Alizarine light red violet 3RL
- Alizarine light violet RCN
- Alizarine milling green B
- Alizarine pure blue BL
- Alizarine supra blue SES
- *Aluminum steel gray BM
- *Anodal light black new
- *Anodal light gray
- Anodal light orange
- *Anodal light orange #3
- Anthraquinone violet
- Anthraquinone violet D
- Anthrasol golden yellow IRK
- *Artisil blue GFL
- Artisil direct blue GFL
- Artisil direct orange RFL
- *Artisil orange RFL
- *Azoic black 3582
- *Azoic golden yellow IFG
- *BASF discharge blue 3G
- *Benzamine brilliant blue BBLS
- *Benzamine brilliant green 6G
- *Benzamine dark blue BLS
- *Benzamine green 3GS
- *Benzo brilliant green GLS
- *Benzo brilliant green L3G
- *Benzo orange BS
- *Benzyl fast orange G
- *Benzyl fast red 2BL

CHEMICALS, OILS AND PAINTS—Continued

Coal-Tar Products—Continued

Colors, Dyes, Stains, Color Acids, Bases, and Similar Products—Con.

*Benzyl fast rubine 4BN
 *Benzyl fast yellow GW
 *Benzyl red 3B
 *Benzyl red BN
 *Benzyl red R
 Bleachers tint
 Brilliant alizarine light blue 3F
 *Brilliant alizarine light red 4B
 Brilliant alizarine milling blue FGL
 Brilliant alizarine milling blue G
 Brilliant alizarine milling red FBL
 Brilliant alizarine milling violet FBL
 Brilliant alizarine sky blue 2GS
 Brilliant direct pink 3B
 Brilliant direct pink B
 Brilliant kiton red B
 Brilliant sky blue 8G
 Brilliant sky blue RRM
 Brilliant sulfon red 5B
 *Carbolan brilliant blue 2RS
 Carbolan crimson BS
 *Carbolan yellow 4G
 Chloramine brilliant green BN
 *Chloramine copper red 5BL
 Chloramine fast brown 2R
 Chloramine fast brown 4RL
 Chloramine fast brown R
 Chloramine light gray B
 Chloramine light gray R
 Chlorantine fast blue 2BLL
 *Chlorantine fast brilliant blue 2GLL
 Chlorantine fast brown 4RL
 Chlorantine fast brown 6GLL
 *Chlorantine fast gray 2BLL
 Chlorantine fast gray GLL
 Chlorantine fast gray NGLL
 *Chlorantine fast green F2GLL
 *Chlorantine fast navy blue RLL
 Chlorantine fast olive GLL
 Chlorantine fast orange 2RL
 Chlorantine fast red 5GL
 *Chlorantine fast red 5GLL
 Chlorantine fast rubine RNLL
 Chlorantine fast scarlet BNLL
 Chlorantine light gray B
 Chrome fast bordeaux FBL
 *Ciba pink BG
 *Cibacete blue 3GN
 *Cibalan black BGL
 Cibalan blue BL
 Cibalan bordeaux 3BL
 Cibalan bordeaux GRL
 *Cibalan brilliant blue G
 *Cibalan brilliant blue GL
 Cibalan brilliant yellow 3GL
 Cibalan brown 5RL
 Cibalan brown BL
 Cibalan brown TL
 Cibalan corinth BL

CHEMICALS, OILS AND PAINTS—Continued

Coal-Tar Products—Continued

Colors, Dyes, Stains, Color Acids, Bases, and Similar Products—Con.

Cibalan gray 2GL
 Cibalan gray BL
 Cibalan green GL
 Cibalan red 2GL
 Cibalan scarlet GL
 Cibalan violet RL
 *Cibalan yellow 2BRL
 Cibalan yellow GRL
 *Cibanone blue 2R
 Cibanone violet 6B
 Cibanone yellow 2GR
 Cloth fast bordeaux B
 Cloth fast brilliant red
 Cloth fast brilliant violet
 Cloth fast orange G
 Cloth fast red 2BL
 Cloth fast red 3B
 Cloth fast yellow 2G
 Coprantine black RLL
 Coprantine blue GLL
 Coprantine blue RLL
 Coprantine bordeaux 2RLL
 *Coprantine gray 2GL
 Coprantine gray 2RLL
 Coprantine green G
 Coprantine green 3GLL
 *Coprantine orange 2BRL
 Coprantine yellow 2G
 Coprantine yellow GRLL
 *Coprantine yellow brown GLL
 Cuprofix brown CRL
 Cuprofix gray 3LB
 Cuprofix navy blue CBL
 Cuprophenyl black RL
 Cuprophenyl brilliant blue 2BL
 Cuprophenyl brown GL
 Cuprophenyl brown 2GL
 Cuprophenyl brown 2RL
 *Cuprophenyl gray 2BL
 Cuprophenyl gray GRL
 Cuprophenyl navy blue BL
 Cuprophenyl navy blue RL
 Cuprophenyl red BL
 Cuprophenyl rubine RL
 *Cuprophenyl yellow 3GL
 Cuprophenyl yellow RL
 Cuprophenyl yellow brown RGL
 *Deorlene brilliant blue RL
 *Deorlene brilliant red R
 Derma blue 2B
 Derma carbon B
 *Derma carbon black B
 Derma carbon GTS
 Derma gray LL
 Diamine orange F
 *Diamond chrome brilliant violet SB
 Diazamine fast bordeaux 2BWL
 Diazamine fast scarlet RWL
 *Diazo brilliant green 6G

CHEMICALS, OILS AND PAINTS—Continued

Coal-Tar Products—Continued

Colors, Dyes, Stains, Color Acids, Bases, and Similar Products—Con.

Diazo brown BWA
 *Diazo fast blue 6GW
 *Diazo fast green BL
 *Diazo trikot fast blue BL
 Diazophenyl blue 8GW
 Diazophenyl brilliant green G
 Diazophenyl fast blue GL supra I
 Diazophenyl fast green 2GL
 Diazophenyl fast green GLN
 *Diazophenyl fast scarlet GL
 Diorlene blue 5G
 *Diorlene brilliant blue RL
 Diorlene brilliant red 3B
 Diphenyl brown BBN supra I
 Diphenyl fast blue 10GL
 Diphenyl fast blue green BL
 *Diphenyl fast bronze GL
 Diphenyl fast brown 2RL
 Diphenyl fast orange 3RL
 Diphenyl fast orange GRW
 Diphenyl fast red GL
 *Direct brilliant pink G
 *Erganil gray BC
 *Erganil light brown C
 Erio fast brown 5GL
 Erio fast brown 5RL
 Eriochrome azural G
 Eriochrome blue 2GK supra I
 *Eriochrome brown 5GL
 Eriochrome brilliant green GL
 Eriochrome brilliant violet B supra II
 Eriochrome brilliant violet R supra I
 Eriochrome geranol R supra I
 Eriochrome red G
 *Erioglaucine X
 Fast blue IM
 Fast jet black 2BRE
 Fast leather black CL
 *Fast leather brown CB
 Fast leather dark blue BR
 Fast silk sky blue
 Grasol blue R
 Grasol fast black G
 Grasol fast brilliant red BL
 Helizarine brilliant orange G
 Helizarine gold yellow G
 Helizarine gray B
 Helizarine olive green G
 Helizarine orange R
 Helizarine red B
 Helizarine red GR
 Helizarine red R
 Helizarine yellow G
 *Immedial new blue FBL
 *Indanthrene brilliant orange RR
 *Indigosol brilliant orange IRK
 Indocyanine B
 *Irgacet brown 2GL
 *Irgacet brown 7RL

CHEMICALS, OILS AND PAINTS—Continued

Coal-Tar Products—Continued

Colors, Dyes, Stains, Color Acids, Bases, and Similar Products—

*Irgacet gray BL
 *Irgacet orange RL
 *Irgacet red 3GL
 *Irgacet rubine RL
 *Irgacet yellow 2RL
 *Irgacet yellow GL
 Irgalan blue GL
 *Irgalan blue RL
 Irgalan bordeaux 2BL
 *Irgalan brilliant green 3GL
 Irgalan brown 2GL
 Irgalan brown 2RL
 Irgalan brown 3BL
 Irgalan brown 7RL
 Irgalan brown violet DL
 Irgalan dark brown 5R
 Irgalan gray BL
 Irgalan olive BGL
 Irgalan orange RL
 Irgalan red 3G
 *Irgalan red 3GN
 Irgalan rubine RL
 Irgalan violet 5RL
 Irgalan yellow GL
 Irganol green BLS
 Irganol red BLS
 Irganol yellow 5GLS
 *Kiton brown R
 *Kiton green A
 *Kiton rhodamine B
 Lanasyn brown RL
 Lanasyn brown 3RL
 Lanasyn orange RLN
 *Lanasyn red BL
 *Lanasyn yellow GL
 Leucophor B
 Leucophor BS
 Leucophor WS
 *Levacen blue GE
 *Levachrome brilliant violet SB
 *Levamine yellow GW
 *Levanol fast orange GS
 *Levanthrene red brown GR
 *Lugatol brown NGR
 *Lumatex black T
 *Lumatex blue B
 *Lumatex blue R
 *Lumatex brilliant orange G
 *Lumatex gray B
 *Lumatex olive green G
 *Lumatex orange R
 Lumicrease green 3LB
 Lumicrease yellow 3LG
 *Lunergan medium brown C
 *Lurantine supra turquoise blue FBL
 Luxanthol red R
 *Metachrome yellow KE
 Metomega chrome bordeaux 2BL
 Metomega chrome brown PGL

Coal-Tar Products—Continued

Colors, Dyes, Stains, Color Acids, Bases, and Similar Products—Con.

Metomega chrome brown PRL
 Metomega chrome gray BLC
 *Metomega chrome green BLL
 *Metomega chrome red 2GLL
 Methyl lyons blue, salt-free
 Microsol brilliant blue G
 *Microsol brown GR
 *Monolite fast brown BVS
 Naphthochrome violet R
 *Neolan flavine GFE
 *Neolan light brown C
 *Neolan red R
 Neolan yellow 8GE
 Neutral orange GX
 Neutral orange RX
 Neutral yellow GX
 Neutral yellow RX
 *Nigrosine T
 *Oil brown B
 *Oil red 3R
 *Oil red BB
 *Omega chrome brown G
 *Omega chrome olive GL
 Orange G dye for nitro cellulose lacquers
 *Orasol brilliant fast red RG
 *Orasol orange G
 *Orasol scarlet GR
 *Ortolan blue G
 *Oxanal black RLN
 *Oxanal red BL
 Oxanol turquoise blue FGLL
 Palanthrene cyanine B
 Paper fast bordeaux B
 *Pigment carmine FBB
 *Pigment fast black TW
 *Pigment fast carmine G
 *Pigment fast marine RLW
 *Pigment fast red R
 *Pigment red toner HR
 *Pigment yellow HR
 *Pilate fast navy blue RDN
 *Pilate fast red RN
 Polar blue G supra I
 Polar brilliant blue GAW
 Polar brilliant red B
 Polar brilliant red 3B
 Polar brilliant red BN
 Polar brilliant red 3BN
 Polar brilliant red 10B
 Polar brilliant violet BL
 Polar brown 2GL
 Polar gray
 Polar maroon V
 Polar red RL
 *Polar yellow 5GN
 *PV fast violet BL
 *PV fast yellow HR
 *Pyrazol discharge orange 3LG
 *Pyrazol fast blue FGL

Coal-Tar Products—Continued

Colors, Dyes, Stains, Color Acids, Bases, and Similar Products—Con.

*Pyrazol fast blue 2GLN
 *Pyrazol fast brown RLN
 *Pyrazol fast gray 2BL
 Pyrazol fast orange GLL
 Red B dye for nitro cellulose lacquers
 Red dye for nitro cellulose lacquers
 *Resoline blue FBL
 *Resoline blue RRL
 Rigan sky blue G
 *Ronagen black IL
 *Sandocryl orange RLCI
 *Sandocryl violet BLCI
 Sella acid brown B supra I
 Sella acid brown G supra I
 Sella acid brown R supra I
 Sella fast black FF
 *Sella fast brown DGR
 *Sella fast brown DR
 Setacyl blue for discharge G
 *Setacyl blue green BBN
 *Setacyl blue green BSN
 Setacyl brown 2GR
 Setacyl orange 2R
 Setacyl red GBN
 Setacyl violet 2R
 Setacyl violet BR
 Setopaline supra I
 *Shirosol
 Silk brown 3R
 Sirius black L
 Sirius supra brown G
 *Sirius supra brown 5G
 *Sirius supra gray GG
 *Sirius supra orange RRL
 Solar blue 2GLN
 *Solar blue F
 Solar blue FGL
 Solar brown RLN
 Solar discharge orange 3LG
 Solar gray 2BL
 Solophenyl bordeaux 2RL
 Solophenyl brown BL
 Solophenyl brown GL
 Solophenyl brown GRL
 Solophenyl brown RL
 Solophenyl dark green GBL
 Solophenyl gray 4GL
 Solophenyl olive GL
 Solophenyl orange 2RL
 Solophenyl red 4BL
 *Solophenyl rubine 3BL
 *Solophenyl turquoise blue GRL
 Sulfonine brilliant red 3B
 Sulfonine gray BWL
 Sulfonine gray G
 Sulfonine scarlet GWL
 Supramine red B
 *Telon brown GRL
 Tinopal SP

CHEMICALS, OILS AND PAINTS—Continued

Coal-Tar Products—Continued

Colors, Dyes, Stains, Color Acids, Bases, and Similar Products—Con.

Tinopal WR
 Uvitex GS
 Uvitex RI
 Uvitex RT
 Uvitex SI
 *Vat black brown NT
 *Vat brilliant scarlet RK
 *Verogen brilliant red AN-B
 *Verogen red AN-IFG
 Viscofil blue BL
 Viscofil blue green BL
 Viscofil green 2GL
 *Viscofil orange GL
 Viscofil red BL
 Viscofil yellow 3GL
 Viscolan fast brown 3G
 *Vulcan fast orange GG
 *Vulcan fast pink G
 *Vulcan fast yellow 5G
 Wool fast blue FBL
 Xylene cyanol FF
 Xylene fast orange P
 Xylene fast red P
 Xylene light yellow R
 Xylene milling yellow
 Xylene red B
 *Zapon fast scarlet CR

Intermediates

Adipic acid
 *Agent 31-11
 *Aniline hydrochloride (salt)
 *Beta naphthol
 Brenthol BA
 Caprolactum
 Carbazole
 *Cassopar GL
 Diketoinidoline (isatin)
 *Edolan A
 Epsilon amino caprolactum
 Epsilon caprolactum
 Fast black ANS salt
 Fast black K salt
 Fast blue RT salt
 *Fast blue VRT salt
 Fast corinth V salt
 Fast garnet GC base
 Fast red base
 Fast red RBE base
 Fast red SW base
 *Fast scarlet LG base
 *Gentisic acid
 1-Hydroxycyclohexyl hydroperoxide-1
 Metacresol—90% or more pure
 Naphthol AS-S
 *2-Nitro-p-phenylenediamine
 *Nonex WSL
 *Nonex WSP
 *Nonox
 Parachlormetacresol

CHEMICALS, OILS AND PAINTS—Continued

Coal-Tar Products—Continued

Intermediates—Continued

Textile assistants (coal-tar intermediates other than colors, dyes, stains, color acids, and bases)
 *Vinyl carbazole (mono)

Medicinals

Acetarsol
 *Anthralen (1,8-dihydroxyanthranol)
 *Methylacetanilide
 *3-Nitro-4 hydroxyphenyl arsonic acid
 *Pentazolum
 *Sulfaguanidine U. S. P.
 Sodium thialbarbitone

Other Finished Products

Chemicals, photographic, coal-tar
 Irgatan LV
 *Koresin
 *Monoline

Non-Coal-Tar Drugs and Medicinals

*Adenosine-5-phosphoric acid, not in medicinal doses
 *Adenosine triphosphate, crystalline disodium, not in medicinal doses
 Aloin, not in medicinal doses
 Ascorbic acid, (vitamin C), not in medicinal doses
 Atropine methyl nitrate, not in medicinal doses
 Atropine sulphate, not in medicinal doses
 Calciferol (vitamin D-2), not in medicinal doses
 Calcium lactate, not in medicinal doses
 Chloral hydrate, not in medicinal doses
 Cortisone acetate, not in medicinal doses
 Desoxycorticosterone acetate, not in medicinal doses
 Digitoxin, not in medicinal doses
 Ephedrine hydrochloride, natural, not in medicinal doses
 Estrone, not in medicinal doses
 Ethinyl estradiol, not in medicinal doses
 *Hydrocortisone, not in medicinal doses
 Hyoscyamine hydrobromide, not in medicinal doses
 Hyoscyamine sulphate, not in medicinal doses
 Licorice extract in paste, rolls, or any form other than in medicinal doses
 Lobeline hydrochloride, not in medicinal doses
 Methyl testosterone, not in medicinal doses
 Khellin, not in medicinal doses
 Mustard oil, genuine, not in medicinal doses
 Nucleic acid, not in medicinal doses
 Physostigmine sulphate, not in medicinal doses
 Pilocarpine hydrochloride, not in medicinal doses
 Pilocarpine nitrate, not in medicinal doses
 *Piperazine hexahydrate, not in medicinal doses
 *Sodium nucleate, not in medicinal doses
 Rauwolfia extract, not in medicinal doses
 Rutin, not in medicinal doses
 Scopolamine methyl nitrate, not in medicinal doses
 Testosterone, not in medicinal doses
 Testosterone enanthate, not in medicinal doses
 Testosterone propionate, not in medicinal doses
 Theophylline, not in medicinal doses
 Thymol, not in medicinal doses

CHEMICALS, OILS AND PAINTS—Continued

Non-Coal-Tar Drugs and Medicinals—Continued

Vitamin B-1 hydrochloride (thiamine hydrochloride) (B-thiazol compound), not in medicinal doses
Vitamin B-6 hydrochloride (pyridoxine hydrochloride), not in medicinal doses

Industrial Chemicals

*Allyl isothiocyanate, (volatile oil of mustard, NF VIII, synthetic)
Aluminum chloride, anhydrous
Ammonium biffuoride
Ammonium persulphate
Brucine alkaloid
Brucine sulphate
Chalk, whiting, or paris white, precipitated
Chemical products chiefly used as assistants in preparing or finishing textiles
Chlorine, liquid
Chlorophyll
Decyl alcohol derived from coconut oil
Ergosterol, unirradiated
Ethyl silicate
Eucalyptol
*Glutathione, oxidized
Lauryl alcohol, derived from coconut oil, not sulphated
*Melamine
Nicotine alkaloid
Nicotine sulphate
Ore, manganese, activated
Peroxide, hydrogen
*Polyvinyl methyl ether, 100% strength
*Polyvinyl methyl ether, 70% strength
*Polyvinyl pyrrolidone
Potassium chromium sulphate (chrome alum)
Potassium metabisulphite
Potassium persulphate
Resin, synthetic, polyethylene
Sodium alginate
*Sodium chlorite
Sodium perborate
*Thiourea
Trichloroethylene
Vinyl acetate, unpolymerized

Medicinal and Pharmaceutical Preparations

Cortisone, hydrocortisone, and compounds thereof, in capsules, pills, tablets, lozenges, troches, ampoules, jubes, or similar forms, including powders, put up in medicinal doses
Plasters, healing or curative
Throat lozenges and similar forms, not of animal origin, non-coal tar

Miscellaneous Products

Extract, flavoring, orange and lemon mixture, containing more than 50% alcohol
Extract, tanning, chestnut (solid and powdered)
Extract, tanning, valonia
Gelatin, edible, valued less than 40 cents per pound
Glue of animal origin, excluding glue size and fish glue, valued over 12 cents per pound and under 40 cents per pound

CHEMICALS, OILS AND PAINTS—Continued

Miscellaneous Products—Continued

Ink, drawing, liquid
Polish, boot or shoe, non-alcoholic
Polish, metal, liquid, non-alcoholic
Shopping reminders, composed of a synthetic resin plastic, synthetic resin not chief binding agent, (an item designed to remind housewives of articles to be purchased when marketing)
Tape, recording, of cellulose acetate

Oils, Distilled or Essential

Oakmoss, absolute, natural essence of, concentrated, not containing alcohol
Oil, eucalyptus, not containing alcohol
Oil, ocotea cymbarum, not containing alcohol
Oil, sage, not containing alcohol
Oil, vetivert, not mixed or compounded with or containing alcohol
Oil, violet leaf, not containing alcohol

Pigments, Paints and Varnishes

Acetylene black
Carbon black, in paste form
Chrome yellow, chrome green (chromic oxide), and all other chromium colors
Paint, temperature indicating
Pigments, synthetic, iron oxide or iron hydroxide

Soap and Toilet Preparations

Cream, face
Perfumery, including cologne and toilet waters, containing alcohol
Perfumery, not containing alcohol
Pomade, hair
Powder, dusting, perfumed
Powder, shampoo
Tint, hair, cream
Toilet waters, not containing alcohol

EARTHS, EARTHENWARE AND GLASSWARE

Earthenware

Beer steins, earthenware, composed of a nonvitrified absorbent body, colored, enameled, gilded, ornamented, painted, printed, stained, tinted or decorated in any manner, and valued over \$3 per dozen
Tiles, earthenware, floor and wall, glazed, valued not over 40 cents per square foot; 20 cm. x 20 cm., other than cement, ceramic mosaic, or quarry tiles

Earthy or Mineral Substances or Articles

Carbons, lighting, of all materials, ½ inch or more in diameter, for photocopying purposes
Grease, lubricating, in part of graphite
Talc, ground, valued over \$14 per ton
Tubes (except gauge glass tubes), of fused quartz or fused silica
Wheels, discs, handlaps, and similar diamond tools for cutting, grinding or polishing, metal bonded, in chief value of diamond, but not including truing tools
Wool, mineral, granulated (red top granulated wool) 58

EARTHS, EARTHENWARE AND GLASS-WARE—Continued

Glassware

Bell jars, glass
Cloth, woven, glass
Desiccators and parts thereof, glass
Laminated glass, and manufactures thereof
Museum jars, glass
Plate glass, $\frac{1}{2}$ inch or more in thickness, and over 1008 square inches in area
Sheet glass, colored, blown

Optical Goods

Colorimeters and polarimeters
Colposcopes
Condenser lenses, "plano-convex"
Endoscopes
Goggles, and frames, mountings, and parts thereof, to be used in conjunction with underwater swimming, and valued over \$2.50 per dozen
Microscopes, toolmakers', valued \$25 each and over
Optical flat reflectors and reflector carriages, designed for use with microptic automatic collimators
Optical squares in mounts designed for use with microptic automatic collimators
*Sunglasses, with plastic frames, valued not over \$0.65 per dozen pair
Polygons, glass, designed for use with microptic automatic collimators
Telescopes, valued over \$20 each
Viewers, stereoscopic, miniature, having self-contained subject matter

METALS AND MANUFACTURES OF

Bearings and Parts, Ball and Roller

Balls and rollers for bearings, anti-friction, except balls 1 millimeter in diameter
Bearings, ball, metal, and parts thereof (including cages)
Bearings, roller, metal, and parts thereof

Bullions, Metal Threads, Lame or Lahn, and Articles Made Therefrom

Lame, or lahn, of gold, silver, or other metal
Ribbons, tassels, and woven fabrics, wholly or in chief value of tinsel wire, metal thread, bullions, lame or lahn, or any of the foregoing combined with rubber
Wire, tinsel, of gold, silver, or other metal

Electric Articles and Parts Other Than Machinery

Detectors, gamma ray
Flashlights and flashlight cases wholly or in chief value of metal
Heaters, electric (simulated fireplace logs)
Irons, ultrasonic soldering
Loud speakers
Motors, electric, not over 75 horsepower
Radio phonographs, wholly or in chief value of metal
Repeaters, ship steering
Resistors, specially designed for electric compasses, metal chief value
Switches, radio, electrical, escapement type

METALS AND MANUFACTURES OF—Continued

Electric Articles and Parts Other Than Machinery—Continued

Telephone apparatus and parts, wholly or in chief value of metal
Television apparatus, and parts thereof (except cameras), wholly or in chief value of metal
Testers for electric motors
Testers, insulation
Tubes, radio receiving
Welders, spot gun, electrical

Household, Kitchen, and Table Utensils

Boards, ironing, steel
Bowls, platters, and similar table, household, or kitchen utensils or holloware of stainless steel, used in preparation or service of food
Colanders, household, of iron or steel
Graters or shredders, household (other than meat grinders), revolving disk or drum type, wholly or in chief value of iron or steel
Letter openers, gold-plated
Racks, wine bottle, wire
Spoons (tea, soup, or dessert), of stainless steel
Table, household, or kitchen utensils, of iron or steel, enameled or glazed with vitreous glasses

Knives, Including Machine Knives, and Cutlery

Cutlery, table (forks, knives, and steels), under 4 inches in length exclusive of handle, with handles of nickel silver
Forks, table, under 4 inches in length exclusive of handle, with handles of austenitic steel
Forks, table, under 4 inches in length exclusive of handle, with handles of china, earthenware, or other ceramic material, valued over \$3.75 per dozen
Knives, folding, stiletto type, with simple opening or switch blade, valued over \$6.00 per dozen
Knives, for meat-chopping or grinding machines
Knives, table, under 4 inches in length exclusive of handle, with handles of austenitic steel
Knives, table, under 4 inches in length exclusive of handle, with handles of china, earthenware, or other ceramic material, valued over \$3.75 per dozen

Machines, Machinery, and Parts Thereof

Apparatus, breathing, underwater, incorporating a mechanical contrivance, not having as an essential feature an electrical element or device
Closers, door, mechanical, not having as an essential feature an electrical element or device
Collets and chucks for machine tools
Comparators, dial, not having as an essential feature an electrical element or device
Compressors, air and gas, not having as an essential feature an electrical element or device, parts of
Cream separators, valued at more than \$100 each
Cream separators, valued at more than \$100 each, parts of, wholly or in chief value of metal or porcelain
Drills, portable (hobby shop type), having as an essential feature an electrical element or device

METALS AND MANUFACTURES OF—Continued

Machines, Machinery, and Parts Thereof—Con.

Drivers, screw, pneumatic, not having as an essential feature an electrical element or device
Engines, internal-combustion, carburetor type, having as an essential feature an electrical element or device
Guns, airplane riveting
Guns, paint spray, having as an essential feature an electrical element or device
Lathes (except watch and toolmakers')
Machinery, bookbinding (three-knife trimmers only)
Machinery, cotton spinning, parts of
Machinery, cotton twisting, parts of
Machinery, for bleaching, printing, dyeing, or finishing textiles and parts thereof
Machinery, printing presses, rotary type, for printing on paper, and other than duplicating machines
Machinery, wool spinning, parts of
Machines, adding, having as an essential feature an electrical element or device
Machines, automatic, numbering
Machines, automatic, silk screen printing
Machines, bag filling and closing, not having as an essential feature an electrical element or device, and parts thereof
Machines, bag making, not having as an essential feature an electrical element or device, and parts thereof
Machines, bakery dough mixing, having as an essential feature an electrical element or device
Machines, boring and milling
Machines, brewing, not having as an essential feature an electrical element or device, and parts thereof
Machines, calculating, having as an essential feature an electrical element or device, parts of, of a type specially constructed for multiplying and dividing
Machines, calculating, not having as an essential feature an electrical element or device, and parts thereof, specially constructed for multiplying and dividing, and of the full keyboard rotary type, not key driven
Machines, calibration, for calibrating magnetometers, not having as an essential feature an electrical element or device.
Machines, candy wrapping
Machines, centrifugal, and parts thereof, other than cream separators, for separation of liquids or liquids and solids
Machines, chain making
Machines, chalk marking, not having as an essential feature an electrical element or device
Machines, chocolate covering, confectionery, having as an essential feature an electrical element or device
Machines, coil winding, not having as an essential feature an electrical element or device
Machines, combination candy cutting and wrapping
Machines, combination jig-boring and milling
Machines, cookie depositor, having as an essential feature an electrical element or device
Machines, flour and grain milling, not having as an essential feature an electrical element or device, parts of
Machines for electro-polishing metal, having as an essential feature an electrical element or device
Machines, glass ampoule cutting, having as an essential feature an electrical element or device
Machines, grinding, tool and cutter

METALS AND MANUFACTURES OF—Continued

Machines, Machinery, and Parts Thereof—Con.

Machines, grinding, twist drill
Machines, indexing, metal engraving
Machines, jolt squeeze turnover molding (foundry type), not having as an essential feature an electrical element or device
Machines, knitting, automatic flat ("V"-bed type)
Machines, knitting, flat bed (hand knitting type) not having an essential feature an electrical element or device
Machines, lens grinding, having as an essential feature an electrical element or device
Machines, lifting and pulling, (similar to chain hoists), not having as an essential feature an electrical element or device
Machines, macaroni conveyor and dryer, having as an essential feature an electrical element or device
Machines, macaroni making, having as an essential feature an electrical element or device
Machines, metal thread cutting
Machines, milk pasteurizing, plate type (heat exchangers), not having as an essential feature an electrical element or device
Machines, noodle cutting, having as an essential feature an electrical element or device
Machines, pantograph, die-sinking
Machines, paper bag cutting, not having as an essential feature an electrical element or device
Machines, paper box, and parts thereof
Machines, paper cutting, (other than bookbinding), having as an essential feature an electrical element or device
Machines, paper shredding, having as an essential feature an electrical element or device
Machines, photocopying, having as an essential feature an electrical element or device
Machines, pie-making, having as an essential feature an electrical element or device
Machines, pleating, having as an essential feature an electrical element or device
Machines, rod-casting, not having as an essential feature an electrical element or device
Machines, rust chipping
Machines, semi-jig boring
Machines, tablet counting and filling, not having as an essential feature an electrical element or device
Machines, testing, other than laboratory, for determining the hardness of metals or metal articles, having as an essential feature an electrical element or device, and parts thereof
Machines, textile yardage measuring, and parts thereof
Machines, vinegar making, having as an essential feature an electrical element or device
Machines, wood chip vibration screening, not having as an essential feature an electrical element or device
Magnetometers, not having as an essential feature an electrical element or device
Presses, drill
Pumps, submersible, having as an essential feature an electrical element or device
Shapers, metal working
Sieves, having as an essential feature an electrical element or device
Turbochargers, gas, not having as an essential feature an electrical element or device
Winchdrums, not having as an essential feature an electrical element or device, and parts thereof

METALS AND MANUFACTURES OF—Continued

Mill Products

Aluminum

Tubing, aluminum

Wire, zipper, wholly or in chief value of aluminum or aluminum alloy

Nickel

Anodes, bars, castings (except machine parts), electrodes, plates, rods, sheets, strands, strips, or wire, wholly of nickel

Anodes, bars, castings (except machine parts), rods, sheets, strands, strips, or wire, of nickel alloys (except those provided for in paragraph 302 or 380)

Steel

Steel, feeler gauge, cold rolled, hardened, tempered and bright polished, thicker than 1/100 inch and not thicker than 5/100 inch, not over 8 inches wide

Steel, needle cutter, not thicker than 1/100 inch, not over 8 inches wide, alloyed

Steel, razor blade, alloyed, .881 inch by .005 inch

Steel, razor blade, alloyed, .750 inch by .009 inch

Steel, razor blade, cold rolled, .881 inch by .005 inch

Steel, strip, hot rolled, commercial quality, mill edge, specification 1055-F, thicker than 5/100 inch but not thicker than 23/100 inch, and over 8 inches but not over 16 inches wide

Steel, wood band saw, cold rolled, tempered, not over 8 inches wide, thicker than 1/100 inch but not thicker than 5/100 inch, and alloyed under the provisions of paragraph 305, Tariff Act of 1930

Tubing, steel, seamless, cold drawn

Wire, steel, flat, galvanized or coated with any metal, not over 8 inches wide, thicker than 1/100 inch and not over 5/100 inch

Miscellaneous Metal Articles

Assemblies and subassemblies of watch hands

Bolts and latches, panic, (of a type similar to those used on theater exit doors), and parts thereof, in chief value of metal

Calcium metal, in crowns, flattened

Chains and parts, of iron or steel, for the transmission of power, having not more than 2-inch pitch and more than three parts per pitch

Clips, aluminum, specially designed for use in packaging clothing or as bag closures

Cyclometers, for measuring distance, valued at not more than \$1.10 each

Darts, throwing, in chief value of steel or lead

Dials, watch—less than 1 77/100 inches wide—imported separately

Emblems, automobile, chief value iron or steel

Grease seals and washers, in chief value of metal

Grippers, for holding metal sheets, in chief value of metal

Lighters, pipe, valued over \$5 per dozen

Locks, luggage, metal, not plated with platinum, gold, or silver

Magnets, chief value of iron or steel, except electromagnets and except those designed for use as machine parts of electrical apparatus

Metallic packing, wholly or in chief value of lead

Pedestals, for ball or roller bearings, (not including machine parts), in chief value of iron or steel

Pillow blocks and parts thereof, (for ball or roller bearings), in chief value of iron or steel

METALS AND MANUFACTURES OF—Continued

Miscellaneous Metal Articles—Continued

Pins, sealing, aluminum, for airplanes

Pistols, automatic or magazine, and revolvers, valued over \$8 each

Plaques, wall, brass, not plated with platinum, gold, or silver, or gold lacquered

Pulleys, lamp, in chief value of metal

Racks, drying, printers, in chief value of iron or steel

Rivets, bifurcated, steel, machined

Rivets, tubular, aluminum, machined, plain or anodized

*Rivets, tubular, brass, brake lining, lathed, machined, or brightened

*Rivets, tubular shoe, steel or brass, lathed, machined, or brightened

Sashes or frames of structural iron or steel, louvre (Jalousie) type

*Screws, machine, brass, having shanks or threads 1/8 inch or over in diameter but not exceeding 24/100 inch or over in diameter

*Screws, machine, steel, having shanks or threads 1/8 inch or over in diameter but not exceeding 24/100 inch or over in diameter

Sharpeners, pencil, in chief value of metal

Shores, building, and parts, in chief value of metal

Skids, roller, in chief value of metal

Studs, horseshoe, in chief value of metal

Testers, freeness, for use in pulp making, in chief value of metal

Watch cases, parts of, in chief value of any base metal

Needles

Needles, embroidery machine

Needles, latch, for knitting machines

Needles or hooks, crochet, of iron or steel

Needles, sewing machine, household type

Needles, sewing machine, industrial type

Needles, shoe machine

Needles, surgical

Scientific, Laboratory, and Professional Apparatus, Instruments, and Equipment

Apparatus, laboratory, for analytical determination of gluten

Balances, analytical, and parts thereof

Burrs, dental

Electrophoresis equipment

Instruments and parts, laboratory, sound measuring

Instruments, laboratory, dissecting

Machines, therapy, ultrasonic, and accessories

Mills, laboratory

Sphygmomanometers

Thermobalances, laboratory

Tools and Gages

Calipers and parts thereof, which are hand tools of metal and capable of measuring finer than 1/32 of an inch

Gages, hand, stop and go type, chief value iron or steel

Gages, height, vernier, in chief value of metal

Saw blades, for bow saws

Saws, hand, in sets, with interchangeable blades, and universal handle

Saws, pocket, wire, (outdoorsman's or camper's)

METALS AND MANUFACTURES OF—Continued

Vehicles, Vessels, and Parts

Airplanes, seating six passengers or less, not including seaplanes, amphibians, or aircraft other than airplanes
Automobile parts, finished
Automobiles
Boats, pleasure, sail, steam or motor propelled, of fiberglass construction, valued at not more than \$15,000 each
Engines, parts of, internal combustion, carburetor type, for pleasure boats
Motorcycles, parts of
Motorscooters
Motorscooters, parts of
Pins, pin release (airplane parts)
Spokes, bicycle
Trucks, automobile, valued at \$1,000 or more each
Winches, sheet, for yachts, metal, bottom handle

WOOD AND MANUFACTURES OF

Barrels or kegs, beer, wooden
Blocks, wooden, hat
Figures, wooden, whistling
Flooring, hardwood, of maple (except Japanese), birch, or beech
Handles, wood, fan
Osier or willow, including chip and split willow, prepared for basket makers' use
Plywood, birch, including door panels

SUGAR, MOLASSES, AND MANUFACTURES OF

Candy, sugar, and all confectionery, valued at six cents or more per pound

AGRICULTURAL PRODUCTS AND PROVISIONS

Baked Articles

Biscuits, cake, cakes, wafers, and similar baked articles other than puddings or rice crackers; all the foregoing by whatever name known, whether or not containing chocolate, fruits, nuts, or confectionery of any kind

Dairy Products

Cheese, cheddar, whether or not in original loaves, but not processed otherwise than by division into pieces, having a score of 92 or more

Fruits and Preparations

Jelly, currant, red or black, four pound pack
Mixtures of two or more fruits, prepared or preserved, other than mincemeat

Fodders and Feeds

Dog food, unfit for human consumption, canned and dried, and containing a substantial amount of grain products
Feeds, mixed

Meat Products

Beef, brisket, canned, two pound pack and four pound pack
Beef, corned, canned, four pound pack and six pound pack
Beef, roast, canned, twelve ounce pack and five pound pack

AGRICULTURAL PRODUCTS AND PROVISIONS—Continued

Meat Products—Continued

Meatballs, cocktail, packed in celery sauce, in curry sauce, or in brine, in one pound cans
Sausages, cocktail, pork with beef, in 4½ ounce cans

Other Edible Preparations

Millet, hulled, for human consumption
Peppers, packed in brine or vinegar
Snails, other than marine, edible, canned
Soup mix, dehydrated, for human consumption
Soups, soup rolls, soup tablets or cubes, and other soup preparations
*Wheat gluten, vitalized

Nursery and Greenhouse Stock

Buds, lily (heads only), fresh cut
Bulbs, Begonia
Bulbs, Gloxinia
Corms and bulbs, Anemone

COTTON MANUFACTURES

Belts and belting, for conveyor machinery, of vegetable fiber and rubber, valued at 40 cents or more per pound
Cases or covers, for underwater fishing guns, wholly or in chief value of cotton
Covers, adding machine and cash register, wholly or in chief value of cotton
Cottons, embroidery, put up for hand work, in lengths not exceeding 840 yards
Felt, dryer, paper makers', wholly or in chief value of cotton, not in part of India rubber, and used as belts or belting on paper making machinery
Handbags, ladies, wholly or in chief value of cotton
Measures, tape, wholly or in chief value of cotton
Mop cloths, cotton, not pile fabric
Packing, mechanical, molded, cotton and rubber, chief value cotton
Tapestries, needlework, unfinished, wholly or in chief value of cotton
Tapestries and other Jacquard-figured upholstery cloth (not including bed ticking or pile fabric), in the piece, in chief value of cotton, and containing 17% or more by weight of wool
Velvets, other than upholstery velvets, cut or uncut, whether or not the pile covers the entire surface, wholly or in chief value of cotton

FLAX, HEMP, JUTE, AND MANUFACTURES OF

Canvas, flax, waterproof, brown
Cloth, lapping, woven, in chief value of vegetable fiber other than cotton or jute, containing over 17% by weight of wool, but not including woven fabrics of flax, hemp, or ramie, with woven or printed colored stripes in the warp
Floor coverings, felt base, including only those which are made with an asphalt impregnated paper felt or paper and rag felt base
Matting, sisal (not cut to specific size or shape), in rolls
Packing, mechanical, molded, linen and rubber, chief value linen
Tapestries, needlepoint, unfinished, wholly or in chief value of vegetable fibers other than cotton

WOOL AND MANUFACTURES OF

Blankets, wholly or in chief value of wool, not exceeding 3 yards in length, valued not over \$1 per pound, not handwoven

Carpets, wool, of oriental weave, produced on a power driven loom
Felts, belts, blankets, jackets, or other articles of machine clothing, for papermaking, printing, or other machines, wholly or in chief value of wool, woven as units or in the piece, finished or unfinished

Gloves and mittens, knit, finished or unfinished, wholly or in chief value of wool, valued as defined in subdivisions (c), (d), (e), and (f) of redesignated section 402a of the Tariff Act of 1930, in the order specified in section 402a (a) at not more than \$1.75 per dozen pairs

Sweaters, men's and women's, including pullovers, slipovers, cardigans, and similar articles, wholly or in part of cashmere, knit or crocheted, valued over \$5 per pound

Yarns, wholly or in chief value of wool or other hair (including mohair), fancies (including nub, flamme, slub, and similar types), valued over \$1.50 per pound

SILK MANUFACTURES

Fabrics, silk, woven, in the piece, except pile, exceeding 30 inches in width, jacquard-figured, bleached, printed, dyed, or yarn dyed, valued over \$14 per pound

Ribbons, velvet, silk pile

MANUFACTURES OF RAYON AND OTHER SYNTHETIC TEXTILES

Fabrics, pile (including velvets, chenilles, and plushes), wholly or in chief value of rayon or other synthetic textile

Filaments, other than waste, synthetic, not exceeding 30 inches in length, noncellulosic, for textile use

Gloves, composed of 15 denier knit nylon fabric, valued over \$1.50 per dozen pair

Ribbon, derived from pile fabrics, pile partly cut, in chief value of rayon or other synthetic textile

Ribbons, pile fabric, with pile wholly cut or wholly uncut, wholly or in chief value of rayon or other synthetic textiles

Yarn, fancy, composed of cotton and rayon, in chief value of rayon

Yarns, rayon, plied, having not more than 20 turns twist per inch and weighing 150 deniers or more

Yarns, rayon, singles, having not more than 20 turns twist per inch, weighing less than 150 deniers per length of 450 meters

*Yarns, spun, of rayon or other synthetic textile, plied

*Yarns, spun, of rayon or other synthetic textile, singles

PAPER AND BOOKS

Books and Other Printed Matter

Books, bound or unbound, of bona fide foreign authorship (not including catalogues, manuals and instruction books for automobiles, trucks, machinery or similar equipment, prayer books or books bound wholly or in part of leather)

Books, bound or unbound, not of bona fide foreign authorship (not including catalogues, manuals and instruction books for automobiles, trucks, machinery or similar equipment, prayer books, or books bound wholly or in part of leather)

PAPER AND BOOKS—Continued

Books and Other Printed Matter—Continued

Cards, greeting (other than valentines, tally cards, place cards, and all other social and gift cards, including folders, booklets, and cutouts), with greeting, title or other wording

Cards, social and gift, without greeting, title or other wording
Literature, tourist, of bona fide foreign authorship (not lithographically printed)

Music, in books or sheets, of bona fide foreign authorship

Papers

Carbon paper, uncoated

Coarse paper, uncoated, embossed

Decalcomania paper, simplex, not printed

Filter paper, in sheets, valued at \$0.75 or more per pound, not cut, die cut, or stamped into designs or shapes for articles

Filter paper, cut, die cut, or stamped into designs or shapes

Linmaster paper, uncoated, embossed

Newsprint paper, heavyweight, white, over .004 inches thick, over 35 pounds weight per ream, in rolls or sheets

Newsprint paper, novel news, white, .005 inches and over thick, 32 pounds to 35 pounds weight per ream, in rolls or sheets

Newsprint paper, trim news, white or colored, under 15 inches width, not over .004 inches thick, 32 pounds to 35 pounds weight per ream, in rolls only

Newsprint paper, various colors, not over .004 inches thick, 32 to 35 pounds weight per ream, in sheets only

Newsprint paper, yellow or canary color, 15 inches width or over, not over .004 inches thick, 32 pounds to 35 pounds weight per ream, in rolls only (includes pencil tablet paper)

Photographic paper, unsensitized, baryta coated

Roofing paper, felt

Sensitized paper to be used in photography

Surface coated paper, covered partly or wholly with metal or its solutions, weighing 15 pounds or more per ream (basis 20 x 25 inch sheet)

Unsensitized paper, basic, to be sensitized for use in photography
Vegetable parchment paper.

Board Products

Boards, wood pulp, including beer mat board (not plate finished, supercalendered, friction calendered, laminated by means of an adhesive substance, coated, surface stained or dyed, lined or vat-lined, embossed, printed, decorated or ornamented in any manner, or cut into shapes for boxes or other articles)

Boxboard, lined, folding

Container board of a bursting strength over 60 pounds per square inch by the Mullen or Webb test

Hardboard, plate-finished, in sheets

*Insulation board, asphalt impregnated or coated, $\frac{3}{16}$ inch and over in thickness

Paperboards, over 0.012 inches thick, for use as corrugating media (not coated, cut into shapes for boxes or other articles, decorated or ornamented in any manner, embossed, friction calendered or supercalendered, laminated by means of an adhesive substance, lined or vat-lined, plate-finished, printed, nor surface stained or dyed)

Test board of a bursting strength over 60 pounds per square inch by the Mullen or Webb test

PAPER AND BOOKS—Continued

Other Paper Articles

Dart boards of paper
Decalcomanias, in ceramic colors, weighing over 100 pounds per 1,000 sheets on the basis of 20 by 30 inches
Envelopes, filled or unfilled, plain, of writing paper, under 110 square inches in area
Napkins made of crepe paper, plain or printed (but not lithographed), and packed in bulk
Seat sets, toilet, chief value pulp
Thimbles, extraction, chief value pulp

SUNDRIES

Cameras and Photographic Supplies

Camera accessories in chief value of metal, consisting of lens hoods, holding arms, neck chains, lens caps, tripods, clips for cameras, close-up focussing attachments, extension tubes for close-up photography, adapters for auxiliary lenses, or trigger handles
Cameras and parts, photographic, lens not chief value, folding type, valued under \$10 each, and not including motion-picture or box type (set focus)
Cameras, lens chief value, parts of (other than photographic lenses imported separately)
Cameras, photographic, fixed focus, box type, of which the lens is not the component of chief value, and other than those specially constructed for use in aerial surveying
Cameras, photographic, lens not chief value, other than motion-picture, not box type (set focus), and valued at \$10 or more each
Cases, camera, leather, (other than reptile)
Film, motion-picture, sensitized, not exposed or developed, less than one inch in width
Film, photographic, cartridge or roll, (except motion-picture film one inch or more wide) sensitized, but not exposed or developed
Films, photographic (except motion-picture film one inch or more wide), sensitized, but not exposed or developed, and other than cartridge, roll, or x-ray film, but including film packs
Films, photographic, x-ray, sensitized, but not exposed or developed
Meters, exposure
Plates, photographic, dry
Range finders to be used with photographic cameras

Furs and Manufactures

Bodies, coat, unfinished, made of lamb fur pieces
Fur, coney or rabbit, dressed, not dyed
Fur, moleskins, dyed
Furs, hatters', or furs not on the skin, prepared for hatters' use, including fur skins, carroted
Plates, fur, made of ermine pieces, dressed, undyed
Plates, fur, made of mink pieces, dressed, undyed

Leather and Manufactures

Helmets, crash, wholly or in chief value of leather other than reptile, (of the type used predominately by motor-cyclists and racing car drivers)
Leather, made from hides or skins of cattle of the bovine species, other than calf or kip, processed by graining
Leather, patent, imitation, made of polyvinyl chloride

SUNDRIES—Continued

Leather and Manufactures—Continued

Leather, shell-cordovan, made from hides of animals of the horse family
Leather, sole, (other than flexible bend splits and offal), made from hides or skins of cattle of the bovine species
Leather, upper, calf or kip, made from hides or skins of cattle of the bovine species

Miscellaneous Articles

Brushes, toilet, not including tooth brushes, valued over 40 cents each, and having handles or backs of material other than cellulose compounds, and other than gold, silver, or platinum
Construction sets, toy, wholly or in chief value of metal, valued 30 cents or more per pound, and other than model airplane construction sets in chief value of metal valued at 75 cents or more each
Extract, seaweed, manufactured
Fiber, istle or Tampico, dressed or manufactured
*Flasks, vacuum, finished, (thermostatic bottles) not over one pint capacity
Insulating articles and products, electrical, high density, not laminated, composed of wood flour and having a synthetic resin or resin-like substance as chief binding agent
Leads, pencil, colored or crayon
Paper or cloth, or combinations thereof, coated with sand, emery, or other natural or artificial abrasives
Pencils, lead or crayon, of wood or other material except metal
Pencils, wood, stamped with names other than the manufacturer's name, trade name or trade mark
Plumes, chief value of feathers
Polyisobutylene
Powder, ficin
Spangles, gelatin
Spangles, rhodoid
Waste, mustard bran
Wax, scaling

Musical Instruments or Articles

Bassoons
Carillons, containing not more than 34 bells, and parts thereof
Metronomes
Music boxes, in the form of a feathered bird in a cage
Pianos, upright, non-player type, having 64 keys (5 1/3 octaves)

Ornamented or Embroidered Fabrics and Articles, and Laces, Nets, and Veilings

Fabrics, embroidered, wholly or in chief value of wool
Gloves, composed of 15 denier sheer knit nylon fabric and in part of all-overs, edgings, flouncings, flutings, fringes, galloons, insertings, ornaments, quillings, ruchings, trimmings, or tuckings
Gloves, embroidered (whether or not the embroidery is on a scalloped edge), tamboured, appliqued, ornamented with beads, bugles, or spangles, or from which threads have been omitted, drawn, punched, or cut, and with threads introduced after weaving to finish or ornament the open work, not including one row of straight hemstitching adjoining the hem, composed of 15 denier sheer knit nylon fabric

SUNDRIES—Continued

Ornamented or Embroidered Fabrics and Articles, and Laces, Nets, and Veilings—Continued

- Laces, lace fabrics and lace articles, wholly or in chief value of wool (except veils and veilings) made on a levers (including go-through) lace machine (whether or not embroidered and whether or not made full gauge on a machine of 12 point or finer)
- Napkins, of cotton, in chief value of lace made in designs or patterns formed wholly by joining machine made materials by handwork
- Nets and nettings, wholly or in chief value of silk, not embroidered, made on other than a bobbinet machine
- Tablecloths, of cotton, in chief value of lace made in designs or patterns formed wholly by joining machine made materials by handwork
- Trimmings, in part of cotton, chief value of beads
- Veilings, dyed or colored, wholly or in chief value of rayon or other synthetic textiles, made on any lace or net machine, whether or not embroidered, in bolt length, suitable for cutting to veil size
- Veilings, dyed or colored, wholly or in chief value of silk, made on any lace or net machine, whether or not embroidered, in bolt length suitable for cutting to veil size

Rubber Articles

- Boots, shoes, or other footwear (including athletic or sporting boots and shoes but not including footwear commonly known as "Tabi" or "Jikatabi"), the uppers of which are composed wholly or in chief value of wool, cotton, ramie, animal hair, fiber, rayon or other synthetic textile, silk or substitutes for any of the foregoing, with soles composed wholly or in chief value of India rubber or substitutes for rubber
- Boots, shoes, overshoes, or other footwear, wholly or in chief value of India rubber or substitutes for rubber
- Catheters, wholly or in chief value of rubber
- Combs, hard rubber, household and pocket type, valued over \$4.50 per gross
- Gloves, rubber

SUNDRIES—Continued

Rubber Articles—Continued

- Hose and tubing, polyethylene or polyvinyl chloride, having an inside diameter of less than $\frac{3}{8}$ inch
- Hose and tubing, rubber, not made of hard rubber, having at no point an inside diameter of less than $\frac{3}{8}$ inch
- Insulating material, rigid, in sheet or board form, chief value rubber
- Matting, rubber, floor, corrugated, in rolls
- Packing, rubber, in sheets
- Powder, rubber, chlorinated
- Rubber, synthetic
- Sheeting, rubber, designed for use in facing table tennis paddles
- Suits, rubber, designed for underwater use
- Tires and tubes, pneumatic, wholly or in chief value of rubber or substitutes for rubber, except bicycle tires and tubes
- Tissue, gutta percha

Sporting and Fishing Equipment

- Balls, lawn-tennis
- Balls, table tennis
- Bands, wholly or in chief value of rubber, suitable for underwater fishing guns
- Fins, swim, composed wholly or in chief value of rubber
- Floats, cork, for fish nets
- Floats, trawl, aluminum
- Frames, tennis racket, wood chief value, not in part of bamboo, osier or willow, or rattan, valued over \$3 each
- Guns, fishing, underwater
- Leaders, fishing, knotless, tapered, made of synthetic monofilament
- Line, fishing, nylon
- Shinguards, soccer
- Spoons, fishing
- Sticks, field hockey
- Sticks, ice-hockey, wholly or in chief value of wood
- Swivels, fishing
- Tees, golf, brass

A. GILMORE FLUES,
Acting Secretary of the Treasury.

D. Articles Designated in the Tariff Schedules of the United States (TSUS) Subject to American-Selling-Price Valuation

1. Benzenoid chemicals:

- a. TSUS headnote 4, part 1, schedule 4. The ad valorem rates provided in this part shall be based upon the American selling price, as defined in section 402 or 402a of this Act, of any similar competitive article manufactured or produced in the United States. If there is no similar competitive article manufactured or produced in the United States then the ad valorem rate shall be based upon the United States value, as defined in the said section 402 or 402a.
- b. TSUS headnote 5, part 1, schedule 4. For the purposes of this part, any product provided for in this part shall be considered similar to, or competitive with, any imported product which accomplishes results substantially equal to those accomplished by the domestic product when used in substantially the same manner.
- c. Articles listed in part 1, schedule 4, TSUS, that are subject to ad valorem rates

Item

Articles

Subpart B. - Industrial Organic Chemicals

Cyclic organic chemical products in any physical form having a benzenoid, quinoid, or modified benzenoid structure, not provided for in subpart A or C of this part:

403.02	Anthracene having a purity of 30% or more by weight
403.04	Carbazole having a purity of 65% or more by weight
403.06	Naphthalene which after the removal of all water present has a solidifying point of 79°C. or above
403.08	Phthalic anhydride
403.10	Styrene
	All distillates of coal tar, blast-furnace tar, oil-gas tar, and water-gas tar, which on being subjected to distillation yield in the portion distilling below 190°C. a quantity of tar acids equal to or more than 5% by weight of the original distillate or which on being subjected to distillation yield in the portion distilling below 215°C. a quantity of tar acids equal to or more than 75% by weight of the original distillate:
403.40	Phenol (Carbolic acid) which on being subjected to distillation yields in the portion distilling below 190°C. a quantity of tar acids equal to or more than 5% by weight of the original distillate

ItemArticles

- 403.42 Cresylic acid which on being subjected to distillation yields in the portion distilling below 215°C. a quantity of tar acids equal to or more than 75% by weight of the original distillate
- 403.44 Metacresol, orthocresol, paracresol, and metaparcresol, all the foregoing having a purity of 75% or more by weight
- 403.46 Other
- 403.48 Cyclic organic chemical products, etc. (con.):
2-Acetamido-3-chloroanthraquinone;
o-Acetoacetanilide;
o-Acetoacetotoluidide;
2',4'-Acetoacetoxylidide;
3'-Aminoacetophenone;
1-Amino-5-benzamidoanthraquinone;
o-Anilidine;
p-Anilidine;
6-Chloro-m-cresol $\angle \text{OH} = 17$;
m-Diethylaminophenol;
4-Chloro-2,5-dimethoxyaniline $\angle \text{NH}_2 = 17$;
1,8-Dihydroxy-4,5-dinitroanthraquinone;
2,4-Dimethoxyaniline;
3-Ethylamino-p-cresol;
Iminodianthraquinone;
5-Methoxy-m-phenylenediamine;
N-Methylaniline;
dl-Phenylephrine base;
Phenylsulfone;
2-Pyridinecarboxaldehyde;
Sodium tetraphenylboron;
2,4,6-Trimethylaniline (mesidine); and
Vinylcarbazole, mono
- 403.50 p-Aminobenzoic acid;
7-Amino-1,3-naphthalenedisulfonic acid and its salts;
5-Amino-2-naphthalenesulfonic acid and its salts;
8-Amino-1-naphthalenesulfonic acid and its salts;
8-Amino-2-naphthalenesulfonic acid and its salts;
6-Amino-1-naphthol-3-sulfonic acid and its salts;
8-Amino-1-naphthol-5-sulfonic acid and its salts;
4-Amino-2-stilbenesulfonic acid and its salts;
Biligradin acid;
3,5-Diacetamido-2,4,6-triiodobenzoic acid;
2,3-Dichloro-1,4-naphthoquinone;
m-Dimethylaminophenol;
Gentisic acid;
p-Hydroxybenzoic acid;
1-Hydroxy-2-carbazolecarboxylic acid;
Hydroxycinnamic acid and its salts;
2-Hydroxy-3-dibenzofurancarboxylic acid;
2-Naphthol-3,6-disulfonic acid and its salts;
7-Nitronaphth $\angle 1,2$ /oxadiazole-5-sulfonic acid and its salts;
p-Nitrotoluene;
p-Phenetidine;
m-Phenylenediamine;
o-Phenylenediamine;
N-Phenyl-2-naphthylamine;
2,4,4',5'-Tetrachlorophenylsulfone;
Toluene-2,4-diamine;
o-Toluenesulfonamide; and
2,4-Xylidine

403.60

Other

ItemArticles

All other products, by whatever name known, not provided for in subpart A or C of this part, including acyclic organic chemical products, which are obtained, derived, or manufactured in whole or in part from any of the cyclic products having a benzenoid, quinoid, or modified benzenoid structure provided for in the foregoing provisions of this subpart or in subpart A of this part:

403.70	Caprolactam monomer
403.75	Hexamethylene adipamide
403.78	Methylcyclohexanone
403.80	Other
403.90	Mixtures in whole or in part of any of the products provided for in this subpart

Subpart C. - Finished Organic Chemical Products

Products obtained, derived, or manufactured in whole or in part from any product provided for in subpart A or B of this part:

405.05	Explosives
405.10	Ink powders
405.15	Pesticides
405.20	Photographic chemicals
405.25	Plastics materials
405.30	Products chiefly used as assistants in preparing or finishing textiles
405.35	Products (except those in item 405.30) chiefly used for any one or combination of the following purposes: as detergents, wetting agents, emulsifiers, dispersants, or foaming agents
405.40	Products chiefly used as plasticizers
405.45	Sodium benzoate
405.55	Synthetic tanning materials

ItemArticles

- 406.02 Colors, dyes, stains, and related products:
Sulfur black, "Colour Index Nos. 53185, 53190,
and 53195"
- 406.04 Vat blue 1 (synthetic indigo), "Colour Index No.
73000"
- 406.10 Acid black 31, 50, 94, 129;
acid blue 45, 54, 106, 127, 129, 143;
acid brown 44, 46, 48, 58, 188, 189;
acid green 40;
acid red 130, 145, 174, 211;
acid violet 19, 31, 41, 48;
acid yellow 2, 75, 116;
basic blue 3;
basic orange 22;
basic red 13, 14;
basic yellow 1, 11, 13;
direct black 62, 91;
direct blue 86, 92, 106, 108, 109, 160, 172;
direct brown 103, 115, 116;
direct green 5, 29, 31;
direct orange 37;
direct red 83;
direct yellow 28;
disperse blue 30;
disperse red 4;
fluorescent brightening agent 18, 24, 32;
ingrain blue 2;
mordant black 8;
mordant green 47;
mordant red 17, 27;
reactive black 1;
reactive blue 1, 2, 4;
reactive orange 1;
reactive red 1, 2, 3, 5, 6;
reactive yellow 1;
solvent orange 11;
solvent yellow 25;
vat blue 2;
vat brown 3;
vat orange 2, 7;
vat red 44;
vat violet 9, 13;
vat solubilized orange 3; and
vat yellow 4, 20;
all the foregoing obtained, derived, or manufac-
tured in whole or in part from any product pro-
vided for in subpart A or B of this part
- 406.50 Colors, dyes, and stains (except toners), whether
soluble or not in water, obtained, derived, or
manufactured in whole or in part from any pro-
duct provided for in subpart A or B of this
part
- 406.60 Natural alizarin and natural indigo; colors, dyes,
and stains (except toners), whether soluble or
not in water, obtained, derived, or manufactured
in whole or in part from natural alizarin or
natural indigo; color acids, color bases,
indoxyl, indoxyl compounds, and leuco-compounds
(whether colorless or not), obtained, derived,
or manufactured in whole or in part from natural
alizarin, natural indigo, or any product provided
for in subpart A or B of this part
- 406.70 Color lakes and toners, obtained, derived, or
manufactured in whole or in part from natural
alizarin, natural indigo, or any product pro-
vided for in subpart A or B of this part
- 406.80 Fast color bases, fast color salts, and Naphthol
—AS and its derivatives.

ItemArticles

Products suitable for medicinal use, and drugs:
Obtained, derived, or manufactured in whole or
in part from any product provided for in sub-
part A or B of this part:

Products suitable for medicinal use:

407.02	Acetanilide
407.04	Benzaldehyde
407.06	Benzoic acid
407.08	2-Naphthol (Beta-naphthol)
407.10	Resorcinol
407.12	Salicylic acid and its salts
	Drugs:
407.20	Acetphenetidine (Phenacetin)
407.25	Acetylsalicylic acid (Aspirin)
407.30	Antipyrine
407.32	5-Chloro-7-iodo-8-quinolinol and 2 / 1-(p-chlorophenyl)-3-dimethyl- aminopropylpyridine maleate
407.35	Diethylaminoacetoxyldide (Xylocaine)
407.40	5-Ethyl-5-phenylhexahydropyrimidine- 4,6-dione
	Hydantoin derivatives:
407.45	Methylphenethylhydantoin
407.50	Other
	Imidazoline derivatives:
407.55	2-Benzyl-4,5-imidazoline hydrochloride
407.60	Phenylbenzylaminoethylimid- azoline hydrochloride
407.70	Other
407.72	Phenylephrine hydrochloride; sulfadiazine; sulfaguanidine; sulfamerazine; sulfamethazine; sulfapyridine; and salicylazosulfapyridine
407.75	Phenolphthalein
407.80	Salol
407.85	Other
	Drugs, from whatever source obtained, produced, or manufactured:
407.90	Guaiacol and its derivatives

ItemArticles

Aromatic or odoriferous compounds including flavors,
not marketable as cosmetics, perfumery, or toilet
preparations, and not mixed, and not containing
alcohol:

Obtained, derived, or manufactured in whole or in
part from any product provided for in subpart A
or B of this part:

- 408.05 Benzyl acetate
- 408.10 Benzyl benzoate
- 408.15 Diphenyl oxide
- 408.20 Heliotropin
- 408.25 Methyl anthranilate
- 408.30 Musk, artificial
- 408.35 Phenylacetaldehyde
- 408.40 Phenethyl alcohol
- 408.45 Saccharin
- 408.60 Other compounds

From whatever source obtained, derived, or manu-
factured:

- 408.70 Coumarin
- 408.75 Methyl salicylate
- 408.80 Vanillin

- 409.00 Mixtures in whole or in part of any of the products
provided for in this subpart

2. Canned clams and related products:

a. TSUS headnote 1, part 3E, schedule 1. Subject to the provisions of section 336(f) of this Act, the merchandise provided for in item 114.05 shall be subject to duty upon the basis of the American selling price of like or similar articles produced in the United States.

b. Articles designated by headnote 1, part 3E, schedule 1, TSUS:

<u>Item</u>	<u>Articles</u>
	Shellfish, fresh, chilled, frozen, prepared, or preserved (including pastes and sauces):
	Clams:
	In airtight containers:
114.01	Razor clams (<u>Siliqua patula</u>)
114.05	Other

3. Rubber-soled fabric-upper footwear:

a. TSUS headnote 3(b), part 1A, schedule 7, as amended. Subject to the provisions of section 336(f) of this Act, the merchandise in item 700.60 shall be subject to duty upon the basis of the American selling price, as defined in section 402 or 402a of this Act, of like or similar articles manufactured or produced in the United States.

b. Articles designated by headnote 3(b), part 1A, schedule 7, TSUS, as amended:

<u>Item</u>	<u>Articles</u>
	Footwear (whether or not described elsewhere in this subpart) which is over 50 percent by weight of rubber or plastics or over 50 percent by weight of fibers and rubber or plastics with at least 10 percent by weight being rubber or plastics:
	Hunting boots, galoshes, rainwear, and other footwear designed to be worn over, or in lieu of, other footwear as a protection against water, oil, grease, or chemicals or cold or inclement weather, all the foregoing having soles and uppers of which over 90 percent of the exterior surface area is rubber or plastics (except footwear with uppers of nonmolded construction formed by sewing the parts thereof together and having exposed on the outer surface a substantial portion of functional stitching):
700.51	Having soles and uppers of which over 90 percent of the exterior surface area is polyvinyl chloride, whether or not supported or lined with polyvinyl chloride but not otherwise supported or lined
700.52	Footwear (except footwear provided for in item 700.51), the uppers of which do not extend above the ankle, designed for use without closures, whether or not supported or lined
700.53	Other
	Other footwear (except footwear having uppers of which over 50 percent of the exterior surface area is leather):
700.55	Having uppers of which over 90 percent of the exterior surface area is rubber or plastics (except footwear having foxing or a foxing-like band applied or molded at the sole and overlapping the upper)
700.60	Other

4. Wool knit gloves:

a. TSUS headnote 4, part 1C, schedule 7. Subject to the provisions of section 336(f) of this Act, the merchandise provided for in item 704.55 shall be subject to duty upon the basis of the American selling price, as defined in section 402 or 402a of this Act, of like or similar articles manufactured or produced in the United States.

b. Articles designated by headnote 4, part 1C, schedule 7,
TSUS:

<u>Item</u>	<u>Articles</u>
	Gloves and glove linings, of textile materials:
	Gloves not of lace or net and not ornamented, and glove linings:
	Of wool:
	Gloves:
	Valued not over \$1.75
	per dozen pairs:
704.55	Knit

E. Administrative Provisions of the Tariff Act of
1930, as amended, Relating to Valuation

SEC. 481. INVOICE--CONTENTS.

(a) In General.-- All invoices of merchandise to be imported into the United States shall set forth--

- (1) The port of entry to which the merchandise is destined;
- (2) The time when, the place where, and the person by whom and the person to whom the merchandise is sold or agreed to be sold, or if to be imported otherwise than in pursuance of a purchase, the place from which shipped, the time when and the person to whom and the person by whom it is shipped;
- (3) A detailed description of the merchandise, including the name by which each item is known, the grade or quality, and the marks, numbers, or symbols under which sold by the seller or manufacturer to the trade in the country of exportation, together with the marks and numbers of the packages in which the merchandise is packed;
- (4) The quantities in the weights and measures of the country or place from which the merchandise is shipped, or in the weights and measures of the United States;
- (5) The purchase price of each item in the currency of the purchase, if the merchandise is shipped in pursuance of a purchase or an agreement to purchase;
- (6) If the merchandise is shipped otherwise than in pursuance of a purchase or an agreement to purchase, the value for each item, in the currency in which the transactions are usually made, or, in the absence of such value, the price in such currency that the manufacturer, seller, shipper, or owner would have received, or was willing to receive, for such merchandise if sold in the ordinary course of trade and in the usual wholesale quantities in the country of exportation;
- (7) The kind of currency, whether gold, silver, or paper;
- (8) All charges upon the merchandise, itemized by name and amount when known to the seller or shipper; or all charges by name (including commissions, insurance, freight, cases, containers, coverings, and cost of packing) included in the invoice prices when the amounts for such charges are unknown to the seller or shipper;
- (9) All rebates, drawbacks, and bounties, separately itemized, allowed upon the exportation of the merchandise; and
- (10) Any other facts deemed necessary to a proper appraisal, examination, and classification of the merchandise that the Secretary of the Treasury may require.

(b) Shipments Not Purchased and Not Shipped by Manufacturer.-- If the merchandise is shipped to a person in the United States by a person other than the manufacturer, otherwise than by purchase, such person shall state on the invoice the time when, the place where, the person from whom such merchandise was purchased, and the price paid therefor in the currency of the purchase, stating whether gold, silver, or paper.

(c) Purchases in Different Consular Districts.-- When the merchandise has been purchased in different consular districts for shipment to the United States and is assembled for shipment and embraced in a single invoice which is produced for certification under the provisions of paragraph (2) of subdivision (a) of section 482 of this Act, the invoice shall have attached thereto the original bills or invoices received by the shipper, or extracts therefrom, showing the actual prices paid or to be paid for such merchandise. The consular officer to whom the invoice is so produced for certification may require that any such original bill or invoice be certified by the consular officer for the district in which the merchandise was purchased.

(d) Exceptions by Regulations.-- The Secretary of the Treasury may by regulations provide for such exceptions from the requirements of this section as he deems advisable.

SEC. 482. CERTIFIED INVOICE.

(a) Certification in General.-- Every invoice required pursuant to section 484(b) of this Act to be certified shall, at or before the time of the shipment of the merchandise, or as soon thereafter as the conditions will permit, be produced for certification to the consular officer of the United States--

(1) For the consular district in which the merchandise was manufactured, or purchased, or from which it was to be delivered pursuant to contract;

(2) For the consular district in which the merchandise is assembled and repacked for shipment to the United States, if it has been purchased in different consular districts.

(b) Declaration.-- Such invoices shall have indorsed thereon, when so produced, a verified declaration, in a form prescribed by the Secretary of the Treasury, stating whether the merchandise is sold or agreed to be sold, or whether it is shipped otherwise than in pursuance of a purchase or an agreement to purchase, that there is no other invoice differing from the invoice so produced, and that all the statements contained in such invoice and in such declaration are true and correct.

(c) Making and Signing.-- Every certified invoice shall be made out in triplicate, or, for merchandise intended for immediate transportation under the provisions of section 552 of this Act, in quadruplicate, if desired by the shipper, and shall be signed by the

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seller or shipper, or the agent of either; but a person who has no interest in the merchandise except as broker or forwarder shall not be competent to sign any such invoice. Where any such invoice is signed by an agent, he shall state thereon the name of his principal.

(d) Certified Under Existing Law.-- Such invoices shall be certified in accordance with the provisions of existing law.

(e) Disposition.-- The original of the invoice and, if made, the quadruplicate shall be delivered to the exporter, to be forwarded to the consignee for use in making entry of the merchandise, and the triplicate shall be promptly transmitted by the consular officer to the collector of customs at the port of entry named in the invoice. The duplicate shall be filed in the office of the consular officer by whom the invoice was certified, to be there kept until no longer needed in conducting the current business of the consular office, at which time it may be disposed of as provided by law.

(f) Certification by Others than American Consul.-- When merchandise is to be shipped from a place so remote from an American consulate as to render impracticable certification of the invoice by an American consular officer, such invoice may be certified by a consular officer of a nation at the time in amity with the United States, or if there be no such consular officer available such invoice shall be executed before a notary public or other officer having authority to administer oaths and having an official seal: Provided, That invoices for merchandise shipped to the United States from the Virgin Islands, American Samoa, the island of Guam, or the Canal Zone may be certified by the collector of customs or the person acting as such, or by his deputy.

* * * * *

SEC. 484. ENTRY OF MERCHANDISE.

(a) Requirement and Time.-- Except as provided in sections 490, 498, 552, and 553 and in subdivision (j) of section 336 of this Act, and in subdivisions (h) and (i) of this section, the consignee of imported merchandise shall make entry therefor either in person or by an agent authorized by him in writing under such regulations as the Secretary of the Treasury may prescribe. Such entry shall be made at the customhouse within five days, exclusive of Sundays and holidays, after the entry of the importing vessel or report of the vehicle, or after the arrival at the port of destination in the case of merchandise transported in bond, unless the collector authorizes in writing a longer time.

(b) Production of Certified Invoice.-- The Secretary of the Treasury shall provide by regulation for the production of a certified invoice with respect to such merchandise as he deems advisable and for the terms and conditions under which such merchandise may be permitted entry under the provisions of this section without the production of a certified invoice.

(c) Production of Bill of Lading.-- The consignee shall produce the bill of lading at the time of making entry, except that--

(1) if the collector is satisfied that no bill of lading has been issued, the shipping receipt or other evidence satisfactory to the collector may be accepted in lieu thereof;

(2) The collector is authorized to permit entry and to release merchandise from customs custody without the production of the bill of lading if the person making such entry gives a bond satisfactory to the collector, in a sum equal to not less than one and one-half times the invoice value of the merchandise, to produce such bill of lading, to relieve the collector of all liability, to indemnify the collector against loss, to defend every action brought upon a claim for loss or damage, by reason of such release from customs custody or a failure to produce such bill of lading and to entitle any person injured by reason of such release from customs custody to sue on such bond in his own name, without making the collector a party thereto. Any person so injured by such release may sue on such bond to recover any damages so sustained by him; and

(3) The provisions of this subdivision shall not apply in the case of an entry under subdivision (h) or (i) of this section (relating to entry on carrier's certificate and on duplicate bill of lading, respectively).

(d) Signing and Contents.-- Such entry shall be signed by the consignee, or his agent, and shall set forth such facts in regard to the importation as the Secretary of the Treasury may require for the purpose of assessing duties and to secure a proper examination, inspection, appraisement, and liquidation, and shall be accompanied by such invoices, bills of lading, certificates, and documents as are required by law and regulations promulgated thereunder.

(e) Statistical Enumeration.-- The Secretary of the Treasury, the Secretary of Commerce, and the Chairman of the United States Tariff Commission are authorized and directed to establish from time to time for statistical purposes an enumeration of articles in such detail as in their judgment may be necessary, comprehending all merchandise imported into the United States, and as a part of the entry there shall be attached thereto or included therein an accurate statement specifying, in terms of such detailed enumeration, the kinds and quantities of all merchandise imported and the value of the total quantity of each kind of article.

* * * * *

(g) Statement of Cost of Production.-- Under such regulations as the Secretary of the Treasury may prescribe, the collector or the appraiser may require a verified statement from the manufacturer or producer showing the cost of production of the imported merchandise, when necessary to the appraisement of such merchandise.

* * * * *

SEC. 485. DECLARATION.

(a) Requirement--Form and Contents.-- Every consignee making an entry under the provisions of section 484 of this Act shall make and file therewith, in a form to be prescribed by the Secretary of the Treasury, a declaration under oath, stating--

(1) Whether the merchandise is imported in pursuance of a purchase or an agreement to purchase, or whether it is imported otherwise than in pursuance of a purchase or agreement to purchase;

(2) That the prices set forth in the invoice are true, in the case of merchandise purchased or agreed to be purchased; or in the case of merchandise secured otherwise than by purchase or agreement to purchase, that the statements in such invoice as to value or price are true to the best of his knowledge and belief;

(3) That all other statements in the invoice or other documents filed with the entry, or in the entry itself, are true and correct; and

* * * * *

(e) Separate Forms for Purchase and Nonpurchase Importations.-- The Secretary of the Treasury shall prescribe separate forms for the declaration in the case of merchandise which is imported in pursuance of a purchase or agreement to purchase and merchandise which is imported otherwise than in pursuance of a purchase or agreement to purchase.

* * * * *

SEC. 487. VALUE IN ENTRY--AMENDMENT.

The consignee or his agent may, under such regulations as the Secretary of the Treasury may prescribe, at the time entry is made, make in the entry such additions to or deductions from the cost or value given in the invoice as, in his opinion, may raise or lower the same to the value of such merchandise.

SEC. 488. APPRAISEMENT OF MERCHANDISE.

The collector within whose district any merchandise is entered shall cause such merchandise to be appraised.

* * * * *

SEC. 500. DUTIES OF APPRAISING OFFICERS. ^{1/}

(a) Appraiser.-- It shall be the duty of the appraiser under such rules and regulations as the Secretary of the Treasury may prescribe--

(1) To appraise the merchandise in the unit of quantity in which the merchandise is usually bought and sold by ascertaining or estimating the value thereof by all reasonable ways and means in his power, any statement of cost or cost of production in any invoice, affidavit, declaration, or other document to the contrary notwithstanding;

(2) To ascertain the number of yards, parcels, or quantities of the merchandise ordered or designated for examination;

(3) To ascertain whether the merchandise has been truly and correctly invoiced;

(4) To describe the merchandise in order that the collector may determine the dutiable classification thereof; and

(5) To report his decisions to the collector.

(b) Reports of Appraiser's Subordinates.-- The appraiser shall have power to review, revise, and correct the reports of his subordinate officers.

(c) Chief Assistant and Deputy Appraisers.-- The duties of the chief assistant appraiser and deputy appraisers shall be prescribed by the Secretary of the Treasury. During the absence or disability of the appraiser, or in the event that there is no appraiser, the chief assistant appraiser shall exercise the powers and perform the duties of the appraiser.

^{1/} Pursuant to Presidential Reorganization Plan No. 1 of 1965, the functions of collectors and appraisers were delegated to the various District Directors of Customs.

(d) Assistant Appraisers.-- It shall be the duty of an assistant appraiser--

(1) To examine and inspect such merchandise as the appraiser may direct, and to report to him the value thereof;

(2) To revise and correct the reports and to supervise and direct the work of such examiners and other employees as the appraiser may designate; and

(3) To assist the appraiser, under such regulations as the Secretary of the Treasury or the appraiser may prescribe.

(e) Examiners.-- It shall be the duty of an examiner to examine and inspect the merchandise and report the value and such other facts as the appraiser may require in his appraisal or report, and to perform such other duties as may be prescribed by rules and regulations of the Secretary of the Treasury or the appraiser.

(f) Acting Appraiser.-- The Secretary of the Treasury is authorized to designate an officer of the customs as acting appraiser at a port where there is no appraiser. Such acting appraiser shall perform all the duties and possess all the powers of an appraiser. The Secretary of the Treasury may appoint an officer of the customs who shall perform the functions of acting appraiser during the absence or disability of such acting appraiser.

SEC. 501. NOTICE OF APPRAISEMENT--REAPPRAISEMENT.

The collector shall give written notice of appraisal to the consignee, his agent, or his attorney, if (1) the appraised value is higher than the entered value, or (2) a change in the classification of the merchandise results from the appraiser's determination of value, or (3) in any case, if the consignee, his agent, or his attorney requests such notice in writing before appraisal, setting forth a substantial reason for requesting the notice. The decision of the appraiser, including all determinations entering into the same, shall be final and conclusive upon all parties unless a written appeal for a reappraisal is filed with or mailed to the United States Customs Court by the collector within sixty days after the date of the appraiser's report, or filed by the consignee or his agent with the collector within thirty days after the date of personal delivery, or if mailed the date of mailing of written notice of appraisal to the consignee, his agent, or his attorney. Every such appeal shall be transmitted with the entry and the accompanying papers by the collector to the United States Customs Court.

SEC. 502. REGULATIONS FOR APPRAISEMENT AND CLASSIFICATION.

(a) Powers of Secretary of the Treasury.-- The Secretary of the Treasury shall establish and promulgate such rules and regulations not inconsistent with the law, and may disseminate such information as may be necessary to secure a just, impartial, and uniform appraisement of imported merchandise and the classification and assessment of duties thereon at the various ports of entry, and may direct any appraiser, deputy appraiser, assistant appraiser, or examiner of merchandise to go from one port of entry to another for the purpose of appraising or assisting in appraising merchandise imported at such port.

(b) Reversal of Secretary's Rulings.-- No ruling or decision once made by the Secretary of the Treasury, giving construction to any law imposing customs duties, shall be reversed or modified adversely to the United States, by the same or a succeeding Secretary, except in concurrence with an opinion of the Attorney General recommending the same, or a final decision of the United States Customs Court.

(c) Duties of Customs Officers.-- It shall be the duty of all officers of the customs to execute and carry into effect all instructions of the Secretary of the Treasury relative to the execution of the revenue laws; and in case any difficulty arises as to the true construction or meaning of any part of the revenue laws, the decision of the Secretary shall be binding upon all officers of the customs.

SEC. 503. DUTIABLE VALUE.

(a) General Rule.-- Except as provided in section 562 of this Act (relating to withdrawal from manipulating warehouses), the basis for the assessment of duties on imported merchandise subject to ad valorem rates of duty shall be the final appraised value.

(b) Basis of Rate.-- For the purpose of determining the rate of duty to be assessed upon any merchandise when the rate is based upon or regulated in any manner by the value of the merchandise, the final appraised value shall (except as provided in section 562 of this Act) be taken to be the value of the merchandise.

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SEC. 509. EXAMINATION OF IMPORTER AND OTHERS.

Collectors and appraisers may cite to appear before them or any of them and to examine upon oath, which said officers or any of them are hereby authorized to administer, any owner, importer consignee, agent, or other person upon any matter or thing which they, or any of them, may deem material respecting any imported merchandise then under consideration or previously imported within one year, in ascertaining the classification or the value thereof or the rate or amount of duty; and they, or any of them, may require the production of any letters, accounts, contracts, invoices, or other documents relating to said merchandise, and may require such testimony to be reduced to writing, and when so taken it shall be filed and preserved, under such rules as the United States Customs Court may prescribe, and such evidence may be given consideration in subsequent proceedings relating to such merchandise.

SEC. 510. PENALTIES FOR REFUSAL TO GIVE TESTIMONY.

If any person so cited to appear shall neglect or refuse to attend, or shall decline to answer, or shall refuse to answer in writing any interrogatories, and subscribe his name to his deposition, or to produce such papers when so required by a judge of the United States Customs Court, or a division of such court, or an appraiser, or a collector, he shall be liable to a penalty of not less than \$20 nor more than \$500; and if such person be the owner, importer, or consignee, the appraisement last made of such merchandise, whether made by an appraiser, a judge of the United States Customs Court, or a division of such court, shall be final and conclusive against such person; and any person who shall willfully and corruptly swear falsely on an examination before any judge of the United States Customs Court, or division of such court, or appraiser or collector, shall be deemed guilty of perjury; and if he is the owner, importer, or consignee, the merchandise shall be forfeited or the value thereof may be recovered from him.

SEC. 511. INSPECTION OF IMPORTER'S BOOKS.

If any person importing merchandise into the United States or dealing in imported merchandise fails, at the request of the Secretary of the Treasury, or an appraiser, or person acting as appraiser, or a collector, or the United States Customs Court, or a judge of such court, as the case may be, to permit a duly accredited officer of the United States to inspect his books, papers, records, accounts, documents, or correspondence, pertaining to the value or classification of such merchandise, then while such failure continues the Secretary of the Treasury, under regulations prescribed by him, (1) shall prohibit the importation of merchandise into the United States by or for the account of such person, and (2) shall instruct the collectors to withhold delivery of merchandise imported by or for the account of such person. If such failure continues for a period of one year from the date of such instructions the collector shall cause the merchandise, unless previously exported, to be sold at public auction as in the case of forfeited merchandise.

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SEC. 516. APPEAL OR PROTEST BY AMERICAN PRODUCERS.

(a) Value.-- Whenever an American manufacturer, producer, or wholesaler believes that the appraised value of any imported merchandise of a class or kind manufactured, produced, or sold at wholesale by him is too low, he may file with the Secretary of the Treasury a complaint setting forth the value at which he believes the merchandise should be appraised and the facts upon which he bases his belief. The Secretary shall thereupon transmit a copy of such complaint to the appraiser at each port of entry where the merchandise is usually imported. Until otherwise directed by the Secretary, the appraiser shall report each subsequent importation of the merchandise giving the entry number, the name of the importer, the appraised value, and his reasons for the appraisement. If the Secretary does not agree with the action of the appraiser, he shall instruct the collector to file an appeal for a reappraisement as provided in section 501 of this Act, and such manufacturer, producer, or wholesaler shall have the right to appear and to be heard as a party in interest under such rules as the United States Customs Court may prescribe. The Secretary shall notify such manufacturer, producer, or wholesaler of the action taken by such appraiser, giving the port of entry, the entry number, and the appraised value of such merchandise and the action he has taken thereon. If the appraiser advances the entered value of merchandise upon the information furnished by the American manufacturer, producer, or wholesaler, and an appeal is taken by the consignee, such manufacturer, producer, or wholesaler shall have the right to appear and to be heard as a party in interest, under such rules as the United States Customs Court may prescribe. If the American manufacturer, producer, or wholesaler is not satisfied with the action of the Secretary, or the action of the appraiser thereon, he may file, within thirty days after the date of the mailing of the Secretary's notice, an appeal for a reappraisement in the same manner and with the same effect as an appeal by a consignee under the provisions of section 501 of this Act.

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SEC. 522. CONVERSION OF CURRENCY.

(a) Value of Foreign Coin Proclaimed by Secretary of Treasury.-- Section 25 of the Act of August 27, 1894, entitled "An Act to reduce taxation, to provide revenue for the Government, and for other purposes", as amended, is reenacted without change as follows:

Sec. 25. That the value of foreign coin as expressed in the money of account of the United States shall be that of the pure metal of such coin of standard value; and the values of the standard coins in circulation of the various nations of the world shall be estimated quarterly by the Director of the Mint and be proclaimed by the Secretary of the Treasury quarterly on the 1st day of January, April, July, and October in each year.

(b) Proclaimed Value Basis of Conversion.-- For the purpose of the assessment and collection of duties upon merchandise imported into the United States on or after the day of the enactment of this Act, whenever it is necessary to convert foreign currency into currency of the United States, such conversion, except as provided in subdivision (c), shall be made at the values proclaimed by the Secretary of the Treasury under the provisions of section 25 of such Act of August 27, 1894, as amended, for the quarter in which the merchandise was exported.

(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.

