

PRODUCTION OF SUGARS AND SIRUPS IN ALCOHOL PLANTS

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

REPORT

[To accompany S. J. Res. 162]

The Committee on Finance, to whom was referred the joint resolution (S. J. Res. 162) extending for 7 months the period of time during which alcohol plants are permitted to produce sugars or sirups simultaneously with the production of alcohol, having considered the same, report favorably thereon without amendment and recommend that the joint resolution do pass.

By the joint resolution approved November 5, 1945 (Public Law 210, 79th Cong.), the Congress authorized the production of sugars and sirups from potatoes and from high-moisture or damaged grain in industrial alcohol plants simultaneously with, or alternately with, the production of alcohol. The purpose of that legislation was to permit the use of a large surplus of potatoes and a large quantity of "wet" corn in the production of much needed sugars and sirups. Upon the cessation of hostilities in 1945 the Government owned a large stock pile of industrial alcohol and it was no longer necessary to operate alcohol plants at full production for the purpose of producing additional industrial alcohol. There was, however, great need for additional quantities of sugars and sirups. Under the law which was then in effect plants producing alcohol were prohibited from engaging in any other business or producing any other commodities. Therefore, in order to use alcohol plants for the production of sugars and sirups from surplus and damaged agricultural commodities, it was necessary to enact legislation specifically authorizing such production. The legislation enacted authorized that production until July 1, 1946.

Present indications are that the early summer and midsummer potato crops will be very large. It is therefore likely that there will be a large surplus of potatoes of a variety which cannot be stored but must be used soon after being harvested. It has been estimated

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that the surplus of the crop of early potatoes may amount to between 50,000 and 60,000 carloads. It has therefore seemed desirable to the committee to continue in effect for a limited period of time the authorization for alcohol plants to produce sugars and sirups from potatoes and from high moisture or damaged grain simultaneously with the production of alcohol. If this authorization is continued, it will be possible for the alcohol plants to use surplus potatoes for the production of alcohol and to use off grades of grain for making sirups. The result will be that the good grades of grain will be available for export to relieve starvation, while the domestic supplies of sugars and sirups will be maintained in large part from surplus and damaged agricultural commodities which could not be used for export.

The committee has been advised that the Department of Agriculture favors the enactment of the proposed legislation and that the Treasury Department interposes no objection to its enactment.

