

TEMPORARY TARIFF TREATMENT OF CHICORY

—
MAY 3, 1960.—Ordered to be printed
—

Mr. BYRD of Virginia, from the Committee on Finance, submitted the following

REPORT

[To accompany H.R. 9308]

The Committee on Finance, to whom was referred the bill (H.R. 9308) to extend for 3 years the suspension of duty on imports of crude chicory and the reduction in duty on ground chicory, having considered the same, report favorably thereon with amendments, and recommend that the bill as amended do pass.

PURPOSE

The purpose of H.R. 9308 is to continue for a period of 3 years, until the close of June 30, 1963, the existing suspension of duty on crude chicory (except endive) and to continue for the same period the statutory rate of duty of 2 cents per pound for chicory, ground or otherwise prepared.

COMMITTEE AMENDMENT

The Committee on Finance amended the bill so that the termination date of the suspension would be June 30, 1963, so as to coincide with the end of the fiscal year.

The bill as passed by the House of Representatives provided a termination date of April 16, 1963. Since this House action, an amendment providing for a 90-day extension, until July 16, 1960, was enacted (H.R. 9307 as described below).

GENERAL STATEMENT

The Finance Committee on April 5, 1960, reported H.R. 9307 a bill providing for the temporary suspension of the duty on certain bauxite and alumina and amended that bill to provide for a short extension of the suspension of duty on chicory. It was felt by the committee that the bill concerning chicory should be examined very carefully and that the short time before the expiration of the existing suspension.

would not permit adequate study. The amendment therefore provided for an extension of 90 days, leaving the original bill, H.R. 9308, to be discussed later.

Hearings have now been held by the Finance Committee and efforts have been made to find whether any opposition to the present bill exists. No opposition appeared at the hearing and none has been registered with the committee.

Public Law 85-378, approved April 16, 1958, provided for the suspension of duty on crude chicory (except endive) for a period of 2 years. This legislation also provided that the duty on chicory, ground, or otherwise prepared be 2 cents per pound for the period during which the duty on crude chicory was suspended.

No chicory has been grown in the United States since 1954. Domestic processors of chicory have depended on imports of crude chicory for their supplies of the raw material. In addition there are imports of ground chicory which compete with domestically processed chicory. Before the enactment of Public Law 85-378, the rate of duty applicable to crude chicory was 1 cent per pound and that applicable to ground or otherwise prepared chicory was 2½ cents per pound. A portion of the duty on ground chicory was generally regarded as compensatory for the duty on crude chicory and the remainder as according protection to the domestic producer of ground chicory. With the suspension of the import duty on crude chicory, Public Law 85-378 also restored the spread between the duties on crude and ground chicory provided for in the Tariff Act of 1930, which was 2 cents per pound. The purpose of Public Law 85-378 was to assist domestic producers of ground chicory in competing with imports of the prepared product. H.R. 9308 would continue for an additional period of 3 years, until the close of June 30, 1963, the provisions of Public Law 85-378.

The following reports on H.R. 9308 were made by the Departments of Treasury, Commerce, and State and the Bureau of the Budget.

OFFICE OF THE SECRETARY OF THE TREASURY,
Washington, March 18, 1960.

Hon. HARRY F. BYRD,
Chairman, Committee on Finance,
U.S. Senate, Washington, D.C.

MY DEAR MR. CHAIRMAN: Reference is made to your letter of March 4, 1960, requesting the views of this Department on H.R. 9308, to extend for 3 years the suspension of duty on imports of crude chicory and the reduction in duty on ground chicory.

The proposed legislation would extend for 3 years Public Law 85-378 which provides for entry free of duty of crude chicory (except endive), and for the reduction in duty to 2 cents per pound on chicory, ground or otherwise prepared. Public Law 85-378 will expire on April 15, 1960.

The Department does not anticipate any administrative difficulty if the bill should be enacted.

This Department was advised by the Bureau of the Budget that there was no objection to the submission of an identical report to the House Committee on Ways and Means on this bill.

Very truly yours,

A. GILMORE FLUES,
Acting Secretary of the Treasury.

THE SECRETARY OF COMMERCE,
Washington, March 23, 1960.

HON. HARRY F. BYRD,
*Chairman, Committee on Finance,
U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: This letter is in reply to your request for the views of this Department with respect to H.R. 9308, an act to extend for 3 years the suspension of duty on imports of crude chicory and the reduction in duty on ground chicory.

The Department interposes no objection to the enactment of this act.

Prior to World War II practically all of the U.S. chicory consumption was from domestic production; however, the domestic production of chicory has declined very materially since the war. Although no data are available as to the current U.S. acreage, it is our understanding that the production of crude chicory has practically ceased. In view of this situation, the Department has no objection to the enactment of H.R. 9308.

We have been advised by the Bureau of the Budget that there is no objection to the submission of this report to your committee.

Sincerely yours,

PHILIP A. RAY,
Under Secretary of Commerce.

DEPARTMENT OF STATE,
Washington, March 15, 1960.

HON. HARRY F. BYRD,
*Chairman, Committee on Finance,
U.S. Senate.*

DEAR MR. CHAIRMAN: Reference is made to your letter of March 4, 1960, to which an interim reply was made on March 9, 1960. The following report is submitted on H.R. 9308, to extend for 3 years the suspension of duty on imports of crude chicory and the reduction in duty on ground chicory.

The Department of State has examined the bill from the standpoint of foreign economic policy and has no objection to the enactment of the proposed legislation.

We have been informed by the Bureau of the Budget that there is no objection to the submission of this report.

Sincerely yours,

WILLIAM B. MACOMBER, JR.,
Assistant Secretary
(For the Secretary of State).

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D.C., March 21, 1960.

HON. HARRY F. BYRD,
Chairman, Committee on Finance,
U.S. Senate, Washington, D.C.

MY DEAR MR. CHAIRMAN: This is in reply to your request of March 4, 1960, for a report on H.R. 9308, an act to extend for 3 years the suspension of duty on imports of crude chicory and the reduction in duty on ground chicory.

The Bureau of the Budget has no objection to the enactment of this legislation.

Sincerely yours,

PHILLIP S. HUGHES
Assistant Director for Legislative Reference.

CHANGES IN EXISTING LAW

In compliance with subsection 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets; new matter is printed in italic; existing law in which no change is proposed is shown in roman):

ACT OF APRIL 16, 1958 (72 STAT. 87; PUBLIC LAW 85-378)

AN ACT To suspend for two years the duty on crude chicory and to amend the Tariff Act of 1930 as it relates to chicory

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That effective with respect to articles entered, or withdrawn from warehouse, for consumption during the period beginning April 17, 1958, and expiring at the close of [July 16, 1960,] *June 30, 1963*, no duty shall be imposed upon crude chicory (except endive).

SEC. 2. Paragraph 776 of the Tariff Act of 1930 is amended—

(1) by inserting "ground, or otherwise prepared, 4 cents per pound;" before "chicory, crude"; and

(2) by striking out "any of the foregoing, ground, or otherwise prepared, 4 cents per pound;" and inserting in lieu thereof "ground, or otherwise prepared, 2 cents per pound;"

SEC. 3. The amendments made by section 2 of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption after April 16, 1958, and prior to the close of [July 16, 1960.] *June 30, 1963*.

