

## SUSPENSION OF DUTY ON CERTAIN TROPICAL HARDWOODS

---

JANUARY 20, 1966.—Ordered to be printed

---

Mr. LONG of Louisiana, from the Committee on Finance, submitted the following

### REPORT

[To accompany H. R. 7723]

The Committee on Finance, to which was referred the bill (H. R. 7723) to amend the Tariff Schedules of the United States to suspend the duty on certain tropical hardwoods, having considered the same, reports favorably thereon with amendments and recommends that the bill as amended do pass.

#### SUMMARY OF COMMITTEE AMENDMENTS

The committee amendments eliminate the provision in the House bill which would have authorized the President to proclaim continued duty-free treatment for the tropical hardwoods affected by the bill beyond December 31, 1967, if he determined it was required to carry out a trade agreement entered into under the Trade Expansion Act. Under the bill, as amended, the duty on tropical hardwoods would be suspended until January 1, 1968.

The Trade Expansion Act permits the duty on many of the hardwoods affected by this bill to be eliminated immediately rather than by progressive reductions over a period of years, and this amendment does not cut back on that authority. Thus, in the event of a successful trade agreement permanent and continued elimination of the duty on most of these hardwoods could be assured.

There are some tropical hardwoods, however, notably mahogany, with respect to which the duty can be eliminated only over a period of years. If a trade agreement is entered into during the period of suspension of duty provided by this bill, it would have to provide for

progressive elimination of the duty unless Congress later acted to terminate it altogether.

#### GENERAL STATEMENT

The products covered by new TSUS items 916.20, 916.22, and 916.23 to be added by the bill are hardwood lumbers, rough, dressed, or worked, which the Tariff Commission has determined, pursuant to section 213(c) of the Trade Expansion Act, to be tropical forestry commodities (as defined in sec. 213(b) of that act) of kinds not produced in significant quantities in the United States. All of the products covered by the bill were found by the Tariff Commission, pursuant to section 256(7) of the Trade Expansion Act, to be dutiable at rates not exceeding 5 percent ad valorem (or ad valorem equivalent). While logs are already free of U.S. duty, the lumber remains subject to duties, albeit the duties are quite low, ranging from less than 1 to 2.5 percent ad valorem (or equivalent). The 10 leading supplying countries of tropical hardwood lumber to the United States in 1964 were Colombia, Ghana, British Honduras, Malaysia, Nicaragua, Thailand, Ecuador, Mexico, Nigeria, and Brazil.

Although the Trade Expansion Act of 1962 provides authority for the elimination of duties on tropical hardwood lumber under the trade agreements procedures, the elimination of the duties under that authority cannot be accomplished until after the conclusion of the Kennedy round negotiations. Your committee believes that the U.S. foreign economic policy interests would be served by immediate temporary suspension of these duties pending arrangements for their permanent elimination by the trade agreements process.

The lumber covered by the bill was the subject of notice for public hearings by the Tariff Commission and the Trade Information Committee of the Office of the Special Representative for Trade Negotiations in connection with possible elimination of the duties under the authorities of the Trade Expansion Act of 1962. No objection to the elimination of the duties was received by either of these bodies. The Department of Commerce, which favors the enactment of the bill, advised your committee that the Department knows of no objection that domestic industry would have to the bill. No objection to the bill has been made known to your committee. The Departments of State, Commerce, and Treasury also reported favorably on the bill, and the Tariff Commission submitted a detailed informative report thereon.

b. *Provisions of the bill.*—Section 1 of the bill would add four new items to subpart B of part 1 of the appendix to the Tariff Schedules of the United States by which the column 1 rates of duty for the lumber described in the items would be suspended until January 1, 1968. (The col. 2 rates for these lumbers, which apply to the products of the Communist countries listed in general headnote 3(d) to the tariff schedules, will not be suspended.) The suspensions of the duties would apply to the lumbers included in the bill whether rough, dressed, or worked. The suspension would not apply to such processed lumber products as plywood, siding, molding, or flooring.

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):

**TARIFF ACT OF 1930**

**TARIFF SCHEDULES OF THE UNITED STATES**

**APPENDIX TO THE TARIFF SCHEDULES**

**PART 1.—TEMPORARY LEGISLATION**

**SUBPART A.—TEMPORARY PROVISIONS FOR ADDITIONAL DUTIES**

\* \* \* \* \*

**SUBPART B.—TEMPORARY PROVISIONS AMENDING THE TARIFF SCHEDULES**

Subpart B headnotes:

1. Any article described in the provisions of this subpart, if entered during the period specified in the last column, is subject to duty at the rate set forth herein in lieu of the rate provided therefor in schedules 1 to 8, inclusive.

2. Articles exempted under item 915.20 from the payment of duty shall be exempt also from the payment of any internal-revenue tax imposed upon or by reason of importation.

\* \* \* \* \*

**4 SUSPENSION OF DUTY ON CERTAIN TROPICAL HARDWOODS**

Item	Articles	Rates of duty		Effective period
		1	2	
916.20	Hardwood lumber, rough, dressed, or worked, provided for in item 202.39	Free	\$5 per 1,000 ft., board measure	On or before 12/31/67
916.21	Hardwood lumber, rough, dressed, or worked, provided for in item 202.39	Free	\$5.10 per 1,000 ft., board measure	On or before 12/31/67
916.22	Hardwood lumber, rough, dressed, or worked, provided for in item 202.41, except Borwood ( <i>Buzus</i> spp.), Japanese maple ( <i>Acer</i> spp.), and Japanese white oak ( <i>Quercus</i> spp.)	Free	15% ad val.	On or before 12/31/67
916.23	Hardwood lumber, rough, dressed, or worked, provided for in item 202.43, except Alder ( <i>Alnus</i> spp.), Almon ( <i>Shorea almon</i> ), Ash ( <i>Frazinus</i> spp.), Aspen and cottonwood ( <i>populus</i> spp.), Baglikan ( <i>Parashorea plicata</i> ), Basswood ( <i>Tilia</i> spp.), Beech ( <i>Fagus</i> spp.), Birch ( <i>Betula</i> spp.), Black or tupelo gum ( <i>Nyssa</i> spp.), Buckeye ( <i>Aesculus</i> spp.), Cherry ( <i>Prunus</i> spp.), Elm ( <i>Ulmus</i> spp.), Eucalyptus ( <i>Eucalyptus</i> spp.), Hickory ( <i>Carya</i> spp.), Lauan, red ( <i>Shorea negrosensis</i> ), Lauan, white ( <i>Pentacme contorta</i> and <i>P. mindanensis</i> ), Magnolia ( <i>Magnolia</i> spp.), Maple ( <i>Acer</i> spp.), Mayapis ( <i>Shorea squamata</i> ), Meranti ( <i>Shorea</i> spp.), Oak ( <i>Quercus</i> spp.), Sen ( <i>Kalopanax</i> spp.), Seraya, red ( <i>Shorea</i> spp.), Seraya white ( <i>Parashorea</i> spp.), Sweet (red or sap) gum ( <i>Liquidambar</i> spp.), Sycamore ( <i>Platanus</i> spp.), Tangile ( <i>Shorea polysperma</i> ), Tlaong ( <i>Shorea</i> spp.), Walnut ( <i>Juglans</i> spp.), Willow ( <i>Salix</i> spp.), and Yellow poplar ( <i>Liriodendron</i> spp.)	Free	\$5 per 1,000 ft., board measure	

