

CONTINUED SUSPENSION AND REDUCTION OF DUTY ON
CHICORY

JUNE 25, 1963.—Ordered to be printed

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

R E P O R T

[To accompany H.R. 2827]

The Committee on Finance, to whom was referred the bill (H.R. 2827) to extend until June 30, 1966, the suspension of duty on imports of crude chicory and the reduction in duty on ground chicory, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE

The purpose of H.R. 2827 is to continue for a period of 3 years, until the close of June 30, 1966, 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.

GENERAL STATEMENT

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. Public Law 86-441, approved April 22, 1960, and Public Law 86-479, approved June 1, 1960, successively extended the duty treatment provided under Public Law 85-378 for crude chicory and ground chicory to the close of June 30, 1963.

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. 2827 would continue for an additional period of 3 years, until the close of June 30, 1966, the provisions of Public Law 85-378.

The Departments of State, Treasury, Commerce, and Labor reported favorably on the bill. The Finance Committee urges its adoption.

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):

SECTIONS 1 AND 3 OF THE ACT OF APRIL 16, 1958 (19 U.S.C. 1001, PAR. 776 AND NOTE)

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 June 30, **[1963]** 1966, no duty shall be imposed upon crude chicory (except endive).

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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 June 30, **[1963]** 1966.

