

**H.R. 11135—SUGAR ACT AMENDMENTS
OF 1965**

**COMPARISON BETWEEN HOUSE BILL
AND SENATE AMENDMENT**



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**Prepared by the Senate Finance Committee
for the Use of the Conferees**

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Provisions unchanged.—The following provisions are the same in the House bill and Senate amendment. They are not in conference.

Sec. 1. Short Title.

Sec. 2. Time for Making Consumption Estimates.

Sec. 3. (1) Domestic Quotas.

(2) Philippines Quota—Basic and Growth.

Sec. 6. Sugar Containing Products.

Sec. 8. Virgin Islands.

Sec. 9. (10 of Senate Amendments) Repeal of Import Fee.

Sec. 11. (12 of Senate Amendments) Miscellaneous Administrative Provisions.

Sec. 12. (13 of Senate Amendments) Extension of Sugar Act through December 31, 1971.

Provisions amended.—The following provisions were amended by the Senate. Section 9 of the Senate amendment, relating to industrial alcohol, the provision requiring foreign countries to give advance assurances that they will fill their quotas, and the provision authorizing limitations on imports during the first two quarters of a year are the only new features added to the bill.

Foreign quotas (sec. 3 (3) and (4)).—The following table shows the amount of sugar that the various countries can export to the United States when total consumption amounts to 9.7 million tons. The quantities based on the House bill and the Senate amendment are shown, together with the increases or decreases from the House bill made by the Senate amendment for each country.

Basic quotas and participation in the Cuban reserve for foreign countries at sugar requirements level of 3,700,000 tons

[In short tons, raw value]

Countries	Memo: Adminis- tration recom- mendations	House bill	Senate bill	Changes by Senate amendment in House-passed bill	
				Increase	Decrease
A. For countries in the Western Hemisphere:					
Mexico.....	390, 135	340, 925	390, 135	49, 210	-----
Dominican Republic.....	385, 854	340, 925	422, 512	81, 587	-----
Peru.....	240, 824	272, 013	272, 013	-----	-----
Brazil.....	221, 558	340, 925	272, 013	-----	68, 912
British West Indies.....	122, 017	150, 397	122, 017	-----	28, 380
Ecuador.....	49, 770	50, 267	49, 770	-----	497
Colombia.....	27, 829	42, 970	27, 829	-----	15, 141
Costa Rica.....	34, 786	42, 159	34, 786	-----	7, 373
Nicaragua.....	40, 672	38, 511	40, 672	2, 161	-----
Guatemala.....	35, 321	32, 836	35, 321	2, 485	-----
Venezuela.....	2, 676	30, 809	2, 676	-----	28, 133
El Salvador.....	17, 125	30, 403	17, 125	-----	13, 278
Haiti.....	18, 731	28, 782	18, 731	-----	10, 051
Panama.....	14, 449	25, 134	14, 449	-----	10, 685
Argentina.....	63, 685	21, 485	63, 685	42, 200	-----
British Honduras.....	4, 281	19, 864	4, 281	-----	15, 583
Bolivia.....	-----	4, 054	1, 000	-----	3, 054
Honduras.....	-----	4, 054	1, 000	-----	3, 054
Subtotal.....	1, 669, 713	1, 816, 513	1, 790, 015	177, 643	204, 141
B. For other countries:					
Australia.....	186, 772	162, 152	162, 152	-----	-----
China, Republic of.....	67, 431	67, 293	67, 431	138	-----
French West Indies ¹	² 50, 841	42, 970	42, 970	-----	-----
India.....	96, 865	64, 861	64, 861	-----	-----
South Africa.....	96, 865	29, 593	66, 584	36, 991	-----
Fiji Islands.....	45, 489	24, 323	35, 489	11, 166	-----
Thailand.....	-----	19, 864	-----	-----	19, 864
Mauritius.....	14, 985	14, 188	14, 985	797	-----
Swaziland.....	9, 098	6, 081	6, 081	-----	-----
Southern Rhodesia.....	9, 098	6, 081	6, 081	-----	-----
Malagasy Republic.....	7, 492	6, 081	7, 492	1, 411	-----
Ireland.....	2, 141	(³)	2, 141	2, 141	-----
Belgium.....	1, 605	-----	1, 605	1, 605	-----
Turkey.....	1, 605	-----	1, 605	1, 605	-----
Subtotal.....	590, 287	443, 487	479, 477	55, 854	19, 864
Total.....	2, 260, 000	2, 260, 000	* 2, 269, 492	233, 497	224, 005

¹ French West Indies included in House bill as a Western Hemisphere country.

² Including limited quantities from France and Reunion.

³ Quotas of 10,000 tons each provided for Ireland and the Bahamas but provisions of the same subsection preclude activation.

⁴ Totals do not add because a proportionate share of each country's quota is used to provide a total of 9,492 tons of quotas for Bolivia, Honduras, and the Malagasy Republic.

BASIC QUOTAS AND CUBAN RESERVE

Under the House bill, 44.25 percent of each amount represents that country's share of the Cuban reserve. The remainder, or 55.75 percent, represents the country's own quota.

Under the Senate amendment, 57.77 percent of each amount represents that country's share of the Cuban reserve. The remainder, or 42.33 percent, represents the country's own quota.

The House bill provided quotas of 10,000 tons each for Ireland and the Bahamas but other provisions of the House bill precluded these quotas from being activated.

DURATION OF FOREIGN QUOTAS

Under the House bill, the quotas for all foreign countries would be in effect beginning with 1966 through 1971. Under the Senate amendment, the quotas for foreign countries other than the Philippines would be in effect only for 1966 and 1967, and the quota for the Philippines would be in effect beginning with 1966 through 1971.

GROWTH

Under the House bill, increases in the basic foreign quotas resulting from market growth would be shared proportionately by all countries named in the table on page 3, except Ireland and the Bahamas. These two countries would not receive quota increases resulting from market growth. Increases in the Cuban reserve resulting from market growth up to 10 million tons would also be shared proportionately by all countries named in the table on page 3 (except Ireland and the Bahamas), but increases resulting from market growth in excess of 10 million tons would be shared proportionately only by the named countries which are members of the Organization of American States.

The Senate amendment provides that increases in the basic foreign quotas and the Cuban reserve resulting from market growth would be shared among all the countries except the French West Indies, Belgium, the Malagasy Republic, Bolivia, and Honduras. Those countries would not receive quota increases. The remaining countries would share on a pro rata basis except Australia and South Africa. For those two countries growth would be about 35 percent of the rate for the other countries.

EMERGENCY AUTHORITY

Both the House bill and Senate amendment authorize the Secretary to import sugar from any foreign country to meet increases in U.S. requirements during a year when it is not practicable to obtain the needed sugar from the countries to which the increase is apportioned under the law, or when limited supplies and increases in price have created or may create an emergency situation. The House bill requires the Secretary, in exercising this authority, to give special consideration to countries which agree to purchase for dollars additional quantities of U.S. agricultural commodities. The Senate amendment does not contain this limitation.

COUNTRIES WHICH ARE NET IMPORTERS OF SUGAR

The House bill prohibits the establishment of a quota for a country for a year if during the 24-month period ending June 30 preceding such year it has been a net importer of sugar.

The Senate amendment also contains this prohibition but exempts Ireland from its application.

Factual circumstances will determine whether, and for how long, this prohibition will prevent the establishment of quotas for Bolivia, Honduras, and the Bahamas.

REDUCTIONS FOR FAILURE TO FILL QUOTAS

Both the House bill and Senate amendment reduce the quota of a foreign country for future years if it fails to deliver its quota in any year, unless the country has notified the Secretary and he determines that the failure is due to crop disaster or other force majeure.

The House bill requires, in effect, all foreign countries to be prepared to meet an increase in their quotas of 15 percent over the preceding year, and in addition requires foreign countries with a quota of 200,000 or more tons to be prepared, during the first 6 months a year, to meet an increase of 30 percent over the preceding year.

The Senate amendment requires all countries to be prepared to meet an increase of 15 percent over the preceding year.

ADVANCE ASSURANCE BY FOREIGN COUNTRIES

The Senate amendment provides that the quota otherwise established by the bill for a foreign country other than the Philippines for years after 1965 shall be reduced to the amount to which the country gives assurance to the Secretary, before the end of 1965, that it can fill for such years.

The House bill did not contain this provision.

QUARTERLY LIMITATIONS ON IMPORTS

The Senate amendment authorizes the Secretary to limit the amount of sugar which may be imported during the first two quarters of any year.

The House bill did not contain this provision, but the substance of the Senate amendment is reflected in the House report.

Allocation and proration of deficits (sec. 4)

The House bill allocates 47.22 of all deficits to the Philippines, except that a deficit of a country which is a member of the Central American Common Market is first allocated to other member countries. The remainder of a deficit would be allocated as follows:

1. If the deficit arises in a domestic area or in any Western Hemisphere country, it is prorated to other Western Hemisphere countries.

2. If it arises in a non-Western Hemisphere country, it is prorated to other non-Western Hemisphere countries.

The House bill does not provide for allocation or proration of a Philippine deficit.

The Senate amendment also allocates 47.22 of all deficits to the Philippines. However, it prorates the remainder, regardless of where it arises, to Western Hemisphere countries. The Senate amendment includes the French West Indies as a non-Western Hemisphere country.

National interest.—Both the House bill and Senate amendment authorize the President to assign the remainder of deficits notwithstanding the above provisions, if he determines such action to be in the national interest. Under the House bill, the President can assign to any country which has a quota in effect, and under the Senate amendment he can assign to any Western Hemisphere country which has a quota in effect.

Marketing allotments; reserve acreage (sec. 5 and sec. 10 [sec. 11 of Senate bill])

Marketing.—

A. Cane.—The House bill authorizes the Secretary to establish a marketing allotment of 25,000 tons for a new sugarcane processing facility of mill after 1966, if the Secretary's estimate of consumption is sufficiently above 10,400,000 tons to permit such allotment from increases in the mainland cane sugar area quota.

The House bill also authorizes the Secretary (A) to increase the marketing allotment of any processor of sugarcane to an amount not in excess of the effective inventory on January 1 of the year for which the allotment is made

and (B) for 1965 only, to increase by 6,200 tons the marketing allotment of any processor (other than a processor-refiner) who had an effective inventory on January 1, 1964, equal to 55 percent of his 1963 crop. The total increases to all such processors of sugarcane for any year is not to exceed 25,000 tons.

These provisions are not in the Senate amendment.

B. Beets.—Both the House bill and the Senate amendment authorizes the Secretary to increase the marketing allotment of any nonaffiliated single plant processor of *sugarbeets* to an amount not in excess of 25,000 tons. (The total increases for all such processors would not exceed 25,000 tons for any year.)

Farm proportionate shares.—Section 10 of the bill (sec. 11 as amended by the Senate) contains conforming changes to the Secretary to reserve from farm proportionate share allotments the acreage required to carry out the provisions of the House bill and Senate amendment, respectively, described above.

Section 10 of the House bill also contains authorization for the Secretary to reserve acreage for the 1965 and 1966 crops of sugarcane (not exceeding the acreage needed to produce 25,000 tons of sugar) to relieve hardship for producers who first planted sugarcane in 1964 and 1965, with first consideration to producers who overplanted in 1965 by more than 200 percent of their farm proportionate shares.

Direct-consumption sugar (sec. 7).

Importation of direct-consumption sugar is permitted as follows:

	House bill	Senate amendment
Philippines.....	59,920 tons.....	59,920 tons.
Ireland.....	10,000 tons*.....	2,311 tons**.
Panama.....	3,817 tons.....	3,817 tons.
Belgium.....	182 tons.

Industrial alcohol (sec. 9 of Senate bill)

The Senate amendment permits the use of sugar (without regard to quota restrictions) in the production of alcohol, except alcohol and resulting by-products for human food consumption. The quota exemption under present law applies only to sugar used in the *distillation* of alcohol.

This provision is not in the House bill.

Effective dates (sec. 13 [sec. 14 of Senate amendment])

The House bill provides general effective date of January 1, 1965. The amendments made by section 4 (allocation of deficits) are to become effective January 1, 1966.

The Senate amendment is identical to the House bill except that it also provides an effective date for the new industrial alcohol provision. Under the Senate amendment this provision is to become effective on the date of enactment of the bill.