

## EXTENSION OF SUGAR ACT OF 1937

OCTOBER 3 (legislative day, SEPTEMBER 18), 1940.—Ordered to be printed

Mr. JOHNSON of Colorado, from the Committee on Finance, submitted the following

### REPORT

[To accompany H. R. 9654]

The Committee on Finance, to whom was referred the bill (H. R. 9654) to extend, for an additional year, the provisions of the Sugar Act of 1937 and the taxes with respect to sugar, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

The bill extends for an additional year the provisions of the Sugar Act of 1937. Under existing law the quota provisions and the conditional-payment provisions expire on December 31, 1940. That is, no quota provisions will be in effect in, or benefit payments be made for, 1941 unless these provisions are extended. Section 1 of the bill makes these provisions expire 1 year later, December 31, 1941. As under present law, after 1941, the bill permits the Secretary of Agriculture to make accrued payments for the crop years 1941 and previous years. The bill also restores the limitations on direct-consumption sugar coming from Puerto Rico and Hawaii, which provisions expired on March 1 of this year. Such limitations contain a proviso that the quantity of direct-consumption sugar that may be brought in from such areas in the year 1940 shall not be less than the quantity actually brought in after December 31, 1939, and up to and including the date of enactment of this act.

The bill also continues the taxes on the manufacture and importation of sugar. These taxes expire on June 30, 1941. Section 2 of the bill extends the taxes for 1 year so that they will expire on June 30, 1942.

The Sugar Act (sec. 503) authorizes the appropriation of amounts equal to the taxes on sugar coming from and sugarcane grown in the Philippines to be paid to the Philippines for financing a program of economic adjustment there. Under present law no payment may be made with respect to manufacture or importation of sugar and cane after June 30, 1941. Section 3 of the bill extends this date to June 30, 1942.