

FREE IMPORTATION OF GUAR SEED

APRIL 28, 1958.—Ordered to be printed

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

REPORT

[To accompany H. R. 10112]

The Committee on Finance, to whom was referred the bill (H. R. 10112) to make permanent the existing privilege of free importation of guar seed, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE

The purpose of H. R. 10112 is to make permanent the existing temporary duty-free treatment of guar seed (*Cyamopsis tetragonoloba*).

GENERAL STATEMENT

The bill would make permanent the existing temporary duty-free treatment of guar seed. Public Law 1001, 84th Congress, placed guar seed on the free list for a period of 2 years, ending August 6, 1958. Guar seed was not mentioned by name in the Tariff Act of 1930, but was classified for duty purposes under the provision in paragraph 763 of that act for "all other grass and forage crop seeds not specially provided for." Guar seed was originally dutiable under the foregoing provisions at a rate of 2 cents per pound. Pursuant to a concession granted by the United States in the General Agreement on Tariffs and Trade, the rate of duty on guar seed was reduced to 1 cent per pound, effective January 1, 1948. Following a further concession, the duty was reduced to 0.9 cent per pound, effective June 30, 1956, with a provision for further reduction to 0.8 cent per pound, effective June 30, 1958. The rate of 0.9 cent per pound was applicable to guar seed when Public Law 1001, 84th Congress, was enacted. Thus, under existing law, the duty-free status of guar seed will terminate August 6, 1958, when such seed will become dutiable at 0.8 cent per pound.

Guar seed is a product of the guar plant, and is used to produce a gum which is utilized by the paper and textile industries, certain

food and pharmaceutical industries, and other industries, including uranium mining. The food, mining, textile, and paper industries utilize guar seed because of its unique gel and plasticizing properties. The guar plant has been experimentally grown in the United States with little success in very limited quantities. The Department of Agriculture reported to your committee that for some years agricultural research scientists endeavored to promote the production of guar seed with little success and at the present level of prices there is "little incentive for the development of domestic production on a commercial scale regardless of the duty" while "at the same time, the duty adds substantially to the cost of the important product." Commercial imports of guar seed come principally from India and Pakistan. The United States Tariff Commission has advised that imports for the first 10 months of 1957 amounted to approximately 2,200 tons.

The original bill which became Public Law 1001, 84th Congress, as reported by the Committee on Ways and Means, would have placed guar seed permanently on the free list. However, an amendment was added by the United States Senate to provide for a temporary suspension of the duty for a period of 2 years. Your committee is again of the opinion that guar seed should be placed permanently on the free list because it is a product which is not produced in any quantity in the United States and because this action will be of assistance to those industries which must import the product for their use.

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, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, existing law in which no change is proposed is shown in roman):

THE FIRST SECTION OF THE ACT OF AUGUST 6, 1956

(Public Law 1001—84th Cong.)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 201 of the Tariff Act of 1930 is amended by adding at the end thereof the following new paragraph:

"Par. 1820. Guar seed (Cyamopsis tetragonoloba)."

The amendment made by this section shall apply only in the case of articles entered for consumption, or withdrawn from warehouse for consumption, on or after the date of enactment of this Act [and prior to the expiration of two years after such date].

