

MAINTAINING CRUDE SILICON CARBIDE ON FREE LIST

JULY 19 (legislative day, JULY 2), 1954.—Ordered to be printed

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

REPORT

[To accompany H. R. 8628]

The Committee on Finance, to whom was referred the bill (H. R. 8628) to amend the Tariff Act of 1930 to insure that crude silicon carbide imported into the United States will continue to be exempt from duty, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE

Crude silicon carbide has been, and is being imported into the United States without payment of duty. Its principal use has been as an abrasive material and imports have been so classified under paragraph 1672 of the Tariff Act of 1930. H. R. 8628 would continue the free entry of crude silicon carbide even though imported for other uses.

GENERAL STATEMENT

The use of silicon carbide in metallurgy and refractories has been increasing rapidly in recent years and the actual amount imported for these purposes may have already exceeded that imported for use as an abrasive. Considerable doubt has arisen as to the propriety of continuing to class imports as abrasive material and the Treasury Department has so indicated.

The rate of duty, if applied, would most probably be 15 percent ad valorem, or approximately eighth-tenths of a cent per pound, an amount considerable higher than the duty presently applied on articles manufactured of this material.

Silicon carbide has been found to be most essential to our domestic economy, especially in times of emergency. During wartime shortages it has been in the strategic class because of its essential use in super-

refractories and steel and as a replacement in abrasives for the highly important diamond bort which is not available in this country. In some cases it has been necessary to substitute silicon carbide for industrial diamonds which have been in short supply.

The United States abrasive, steel, and refractory industries are almost entirely dependent on Canada for their supply of silicon carbide, and there is only one domestic producer of silicon carbide in commercial quantities. Statistics on United States production of crude silicon carbide are not separately reported. However, statistics are reported on production in the United States and Canada combined. (See table below.) In recent years imports have supplied about two-thirds of the total United States consumption of crude silicon carbide.

Crude silicon carbide: Production in the United States and Canada compared with United States imports for consumption, specified years 1939-53

Year	Production in the United States and Canada, combined		United States imports for consumption ¹	
	Quantity	Value	Quantity	Foreign value
	<i>Short tons</i>		<i>Short tons</i>	
1939.....	21,206	\$1,713,207	15,167	\$949,236
1943.....	69,766	5,912,590	47,074	3,693,445
1946.....	63,849	5,457,903	44,089	3,431,904
1947.....	63,724	5,635,811	45,074	3,378,874
1948.....	63,033	5,874,731	50,575	3,823,239
1949.....	67,539	6,055,763	39,283	3,126,125
1950.....	65,004	7,303,671	39,031	3,377,890
1951.....	² 100,493	11,734,812	65,985	5,684,492
1952 ³	² 91,531	12,040,946	50,684	4,862,090
1953 ⁴	(9)	(9)	46,294	5,326,018

¹ Nearly all from Canada; imports reported in pounds converted into short tons, the domestic unit of measure.

² About 70 percent of the total estimated to have been made in Canada.

³ Preliminary.

⁴ Not available.

Source: Production from official statistics of the U. S. Bureau of Mines; imports from official statistics of the U. S. Department of Commerce.

All of Canada's production of silicon carbide is accounted for by 6 branch plants of 5 United States companies. One of these five companies is the only domestic producer. Petroleum coke and high-grade silica sand, which are two major raw materials used in the manufacture of crude silicon carbide, are imported duty free from the United States by Canada.

Favorable reports have been received from all interested Government agencies, including the Departments of State, Treasury, and Commerce. No opposition has been received, and the bill passed the House unanimously.

The Finance Committee recommends that this important material be made as easily accessible as possible by insuring its continued importation free of duty. Such a continuation can only be assured by an act of Congress, and the committee urges the adoption of the bill.

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 italics; existing law in which no change is proposed is shown in roman):

PARAGRAPH 1672 OF THE TARIFF ACT OF 1930

TITLE II—FREE LIST

SECTION 201. That on and after the day following the passage of this Act, except as otherwise specially provided for in this Act, the articles mentioned in the following paragraphs, when imported into the United States or into any of its possessions (except the Philippine Islands, the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, and the island of Guam), shall be exempt from duty:

SCHEDULE 16

Par. 1601. * * *

* * * * *

Par. 1672. Emery ore and corundum ore, *crude silicon carbide*, and crude artificial abrasives, not specially provided for.

