

## TRANSFER OF AMORPHOUS GRAPHITE FROM DUTIABLE LIST TO FREE LIST

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

### R E P O R T

[To accompany H. R. 3653]

The Committee on Finance, to whom was referred the bill (H. R. 3653) to amend the Tariff Act of 1930, to provide for the free importation of amorphous graphite, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

On the first page of the bill, line 8, strike out "PAR. 1819" and insert in lieu thereof "PAR. 1820."

This change was made necessary to avoid duplication of paragraph numbers for different subjects. Another bill reported by the committee, if adopted as it passed the House, would also create a paragraph 1819, and if both bills passed and became law, two different paragraphs would carry the same number.

#### PURPOSE

H. R. 3653 would amend the Tariff Act of 1930 to transfer amorphous graphite or plumbago from paragraph 213 of the dutiable list to the free list.

#### GENERAL STATEMENT

Amorphous graphite or plumbago, crude or refined, was made dutiable in the Tariff Act of 1930 at the rate of 10 percent ad valorem. This mineral is presently dutiable at 2.5 percent ad valorem pursuant to negotiated tariff reductions under the trade-agreement authority.

Imports of natural amorphous material come principally from Mexico, Ceylon, and Canada. The product is listed by the Federal Government as strategic and critical and a considerable quantity is imported free for Government use.

Amorphous graphite is a mineral having a wide variety of essential uses such as in the production of foundry facings, carbon brushes, dry-cell batteries, and various paints. The United States is the most important consumer of amorphous graphite but over 90 percent of the requirements must be imported. Domestic reserves are small and generally are of low quality.

The following table shows imports by countries for the period 1950 through 1954. It will be noted that Mexico supplies much more in quantity than the other principal supplying countries, but that the unit value is much lower. Imports from Ceylon consist of high grade carbon with a value as high as \$103 per short ton, compared with about \$17 per short ton for imports from Mexico.

TABLE 1.—Natural amorphous graphite: United States imports for consumption, by principal sources, 1950-54<sup>1</sup>

(Quantity in thousands of pounds; value is foreign value)

Country	1950		1951	
	Quantity	Value	Quantity	Value
Mexico.....	57,202	\$482,027	70,674	\$582,257
Ceylon.....	11,996	621,537	10,992	716,896
Canada <sup>2</sup> .....	5,178	222,410	2,137	96,445
Norway.....	13	672	2,893	114,654
West Germany.....			4110	47,704
All other countries.....	121	8,496	854	43,538
Total.....	74,510	1,335,142	87,660	1,661,494

  

Country	1952		1953 <sup>3</sup>		1954 <sup>3</sup>	
	Quantity	Value	Quantity	Value	Quantity	Value
Mexico.....	54,642	\$447,248	63,272	\$553,443	49,687	\$414,845
Ceylon.....	6,457	648,862	3,140	171,204	4,860	251,570
Canada <sup>2</sup> .....	2,652	128,320	5,624	264,977	3,756	160,263
Norway.....	2,554	100,963	1,357	50,945	1,754	66,602
West Germany.....	442	21,758	2,274	126,190	993	48,617
All other countries.....	262	9,884	197	9,854	1,867	23,275
Total.....	67,009	1,357,035	80,764	1,176,613	62,907	965,172

<sup>1</sup> For these years imports entered free of duty for United States Government use have been as follows

Year	Total, all countries		Ceylon	
	Quantity	Value	Quantity	Value
1950.....	3,024	\$213,300	2,012	\$206,050
1951.....	1,187	109,949	728	81,781
1952.....	946	101,724	890	97,849

<sup>2</sup> Preliminary; beginning in 1954, individual importations for immediate consumption that do not amount to more than \$250 under a statistical classification are not included in this table.

<sup>3</sup> Includes Newfoundland and Labrador.

<sup>4</sup> Includes East Germany.

Source: Compiled from official statistics of the U. S. Department of Commerce.

No opposition to the bill has been found. The very low tariff of 2½ percent produces little revenue and creates a nuisance to importers as well as to the Government.

The committee recommends that the bill be adopted.

## 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):

## TARIFF ACT OF 1930

## TITLE I—DUTIABLE LIST

SECTION 1. That on and after the day following the passage of this Act, except as otherwise specially provided for in this Act, there shall be levied, collected, and paid upon all articles when imported from any foreign country into the United States or into any of its possessions (except the Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, and the Island of Guam) the rates of duty which are prescribed by the schedules and paragraphs of the dutiable list of this title, namely:

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## SCHEDULE 2.—EARTHS, EARTHENWARE, AND GLASSWARE

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PAR. 213. Graphite or plumbago, crude or refined: [Amorphous, 10 per centum ad valorem;] crystalline lump, chip, or dust, 30 per centum ad valorem; crystalline flake, 1<sup>6</sup>/<sub>100</sub> cents per pound. As used in this paragraph, the term "crystalline flake" means graphite or plumbago which occurs disseminated as a relatively thin flake throughout its containing rock, decomposed or not, and which may be or has been separated therefrom by ordinary crushing, pulverizing, screening, or mechanical concentration process, such flake being made up of a number of parallel laminae, which may be separated by mechanical means.

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## TITLE II—FREE LIST

SEC. 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:

\* \* \* \* \*

PAR. 1820. *Amorphous graphite or amorphous plumbago.*

