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REPORT  
No. 1491

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

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APRIL 28, 1958.—Ordered to be printed

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

### REPORT

[To accompany H. R. 2783]

The Committee on Finance, to whom was referred the bill (H. R. 2783) to amend the Tariff Act of 1930 to provide for the free importation of amorphous graphite, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

#### AMENDMENTS

The amendments to the bill H. R. 2783 as adopted by the Finance Committee are as follows:

A technical amendment to insert a comma after the word "Amorphous" on page 1, line 4.

Provide for a temporary period of free importation. Whereas the bill as passed by the House provided for permanent transfer of amorphous graphite to the free list, the Finance Committee amendment provides a suspension of duties until the end of June 30, 1960.

The title of the bill was amended to read as follows:

An Act to amend the Tariff Act of 1930 to provide for the temporary free importation of amorphous graphite.

#### PURPOSE

The purpose of H. R. 2783, as amended by the Finance Committee is to provide for the temporary free importation of amorphous graphite.

#### GENERAL STATEMENT

Natural graphite (plumbago) is a soft, black mineral occurring in disseminated flakes or in scaly, granular, compact, or earthy masses. The term "crystalline graphite" or "flake graphite" refers to varieties

that occur in crystals large enough to be visible to the unaided eye. The type covered by the bill is a very fine granular variety which is actually cryptocrystalline or featuring particles so fine that they are not recognizable individually except under a high-power microscope.

Amorphous graphite or plumbago, crude or refined, and regardless of value, was made dutiable in paragraph 213 of the Tariff Act of 1930, as originally enacted, at the rate of 10 percent ad valorem. The duty was reduced to 5 percent ad valorem pursuant to a bilateral trade agreement with the United Kingdom, effective January 1, 1939, and the reduced rate was bound against increase in a bilateral trade agreement with Mexico effective January 30, 1943. The reduced rate of 5 percent ad valorem was again bound against increase in the General Agreement on Tariffs and Trade, effective January 1, 1948. These concessions extended to both the natural and artificial product, both of which are classified under paragraph 213. Effective September 10, 1955, the duty on the natural product was further reduced to 2½ percent ad valorem, pursuant to a further concession. The duty on the artificial product was not further reduced and remains 5 percent ad valorem.

Amorphous graphite is a mineral which has a wide variety of uses. For example, it is used for "foundry facings" and in the manufacture of carbon brushes, dry-cell batteries, pencils and paints, lubricants, and brush stock for electric motors.

The United States has long been dependent on imports for nearly all of its requirements of natural amorphous graphite. Domestic production supplies only a negligible part of the domestic consumption of natural amorphous graphite, probably about 1 percent of the total, and this consists chiefly of the lower grades. There is a large domestic production of the artificial amorphous graphite which has supplied nearly all of the domestic requirements. The principal domestic manufacturers of the artificial material, themselves, consume practically their entire output at present and very little enters commercial channels in unfabricated form.

In recent years over 95 percent of the amorphous graphite imported for consumption in the United States originated in Canada, Ceylon, Mexico, and Norway. During the period 1951-56, Mexico supplied about 80 percent of the total quantity entered and about 41 percent of the total value. The imports of the natural products originating in Ceylon consist of, generally, high-grade or high-quality material which is suitable for certain strategic items required by the Air Force. Natural graphite, amorphous carbon lump, is among materials listed as strategic and critical for stockpiling purposes by the Federal Government.

#### CHANGES IN EXISTING LAW

In compliance with subsection 4 of the 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, 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, Johnston Island, 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 Virgin Islands, American Samoa, Wake Island, Midway Islands, Kingman Reef, Johnston Island, and the island of Guam), shall be exempt from duty:

\* \* \* \* \*

PAR. 1823. *Amorphous graphite or amorphous plumbago, crude or refined.*

