

## TEMPORARY SUSPENSION OF DUTY ON CERTAIN AMORPHOUS GRAPHITE

JUNE 14, 1962.—Ordered to be printed

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

### R E P O R T

[To accompany H.R. 10986]

The Committee on Finance, to whom was referred the bill (H.R. 10986) to continue for a temporary period the existing suspension of duty on certain amorphous graphite, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

#### PURPOSE

The purpose of H.R. 10986 is to continue the present suspension of the duties on amorphous graphite or plumbago (crude or refined) valued at \$50 per ton or less, for the period from May 14, 1962, through June 30, 1964.

#### 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 H.R. 10986 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plumbago, crude or refined, and regardless of value, was made dutiable in paragraph 213 of the Tariff Act of 1930, as originally enacted, at the rate of 10 percent ad valorem.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, 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.

In recent years Mexico has supplied about 80 percent of the total quantity of natural amorphous graphite imported into the United States. Most of the remainder came from Ceylon, Hong Kong, Norway, and West Germany. The imports of the natural products, originating in Ceylon, consist generally of high-grade or high-quality material which is suitable for certain strategic items required by the U.S. Air Force.

Favorable reports on this legislation came from the Departments of State, Treasury, Commerce, and Labor, as well as an informative report from the U.S. Tariff Commission. The Department of Labor reported that according to the most recent information received, the duty-free importation of amorphous graphite, under the terms of the present suspension of the duties thereon, has not adversely affected domestic employment.

#### 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):

#### ACT OF MAY 13, 1960

AN ACT To suspend for two years the import duty on certain amorphous graphite

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That amorphous graphite or amorphous plumbago, crude or refined, valued at \$50 per ton or less, provided for in paragraph 213 of the Tariff Act of 1930, shall be admitted free of duty if entered, or withdrawn from warehouse, for consumption, [during the two-year period beginning on the day after the date of the enactment of this Act] *after May 13, 1960, and before July 1, 1964.*