

Calendar No. 1037

88TH CONGRESS }
2d Session }

SENATE

{ REPORT
No. 1094

ALUMINA AND BAUXITE

JUNE 16 (legislative day, MARCH 30), 1964.—Ordered to be printed

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

REPORT

[To accompany H.R. 9311]

The Committee on Finance, to whom was referred the bill (H.R. 9311) to continue for 2 years the suspension of duty on certain alumina and to make permanent the suspension of duty on certain bauxite, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

PURPOSE OF THE BILL AS AMENDED

This bill would continue for 2 years, until July 16, 1966, the suspension of duty on alumina when imported for use in producing aluminum, and on bauxite ore and calcined bauxite. The committee amendment deletes that provision of the House bill which would have placed bauxite permanently on the free list.

GENERAL STATEMENT

The duty on alumina, when imported for use in producing aluminum, was suspended for a 2-year period beginning July 17, 1956, by Public Law 725 of the 84th Congress. The duty on crude bauxite and calcined bauxite was suspended by Public Law 83-499, until July 16, 1956. Public Law 84-724 further suspended the duties on crude bauxite and calcined bauxite for an additional period of 2 years. Public Law 85-415 consolidated the provisions of Public Laws 724 and 725 of the 84th Congress and extended for 2 more years the periods of suspension provided for therein. These provisions were again extended for a 2-year period, to July 16, 1962, by Public Law 86-441, and they have been extended for a further 2-year period, until July 16, 1964, by Public Law 87-567. Your committee's bill would continue the present suspension of duty for an additional 2-year period, until

July 16, 1966. This further suspension of duty applies to calcined bauxite and bauxite ore as well as alumina.

Alumina is a product used for the production of aluminum, and the bulk of the alumina consumed in the United States is used for that purpose. Bauxite is a mineral used in the production of alumina (from which aluminum is produced), abrasives, chemicals, refractory products, and miscellaneous products, and is vital to domestic industries such as the aluminum, steel, and chemical industries.

The production of aluminum involves two main operations: the production of alumina from the crude ore—almost entirely bauxite—and the production of aluminum metal from alumina. A large part of the domestic production of aluminum in recent years has been derived from imported aluminum-bearing material, primarily from Jamaica and Surinam. Your committee has been advised that domestic reserves of bauxite are quite limited, and that the United States is relying heavily upon foreign bauxite to fulfill the increasing demand for this raw material.

The Department of the Interior in its report of June 5, 1964, has advised your committee as follows:

Domestic and international consumption of aluminum continues at a high level. Domestic reserves of good quality bauxite are small and insufficient to satisfy domestic demand. Since the domestic aluminum producers already depend heavily on foreign supply sources (a number of which are controlled by U.S. capital), it would be wise, in our view, to do whatever is feasible to lower the cost of the raw material to the producer, and thus to maintain or possibly reduce the present costs of aluminum commodities to the consumer.

In addition to holding down the consumer costs for aluminum commodities, we believe that H.R. 9311 might also be of the assistance in helping to hold export markets for U.S. aluminum already won and to expand export trade in U.S.-produced aluminum commodities.

In its report on this legislation, dated May 25, 1964, the U.S. Tariff Commission stated that—

The Commission believes that the considerations which led the Congress to suspend the duties in 1962 still exist.

In view of this, and the experience gained under prior and present suspensions, your committee is convinced that the further 2-year suspension of duty on alumina, calcined bauxite, and bauxite ore (until June 30, 1968) provided by the bill, as amended, is warranted.

Favorable reports on this legislation were received from the Departments of State, Defense, Treasury, Commerce, and Interior and from the Office of Emergency Planning and the Bureau of the Budget. An informative report has been received from the U.S. Tariff Commission.

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, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TARIFF ACT OF 1930

TITLE I.—TARIFF SCHEDULES OF THE UNITED STATES

APPENDIX TO THE TARIFF SCHEDULES

Part 1.—Temporary Legislation

Item	Articles	Rates of Duty		Effective Period
		1	2	
• • • 907.15	Aluminum oxide (alumina) (provided for in item 417.12, part 2C, schedule 4) when imported for use in producing aluminum.....	• • • Free	• • • Free	• • • On or before [7/15/64] 7/15/68
• • • 909.30	Bauxite, calcined (provided for in item 521.17, part 1J, schedule 5).....	• • • Free	• • • Free	• • • On or before [7/15/64] 7/15/68
011.05	Bauxite ore (provided for in item 601.06, part 1, schedule 6).....	Free	Free	On or before [7/15/64] 7/15/68

