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SENATE }

REPORT
No. 1085

MANGANESE ORE

JUNE 16 (legislative day, MARCH 30), 1964.—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. 7480]

The Committee on Finance, to whom was referred the bill (H.R. 7480) to suspend for a temporary period the import duty on manganese ore (including ferruginous ore) and related products, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE

This bill would suspend until June 30, 1967, the import duty on certain manganese ore.

GENERAL STATEMENT

The principal use of manganese ore is for metallurgical purposes in the production of steel. Much smaller amounts are consumed in the production of dry-cell batteries and in the manufacture of manganese chemicals.

Consumers of manganese ore in the United States are principally producers of manganese ferroalloys, primarily ferromanganese, and to a lesser extent silicomanganese.

During 1962 domestic ore accounted for only about 1 percent of the manganese ore consumed in the United States for metallurgical purposes; only about 12 percent of consumption in the manufacture of dry-cell batteries; and about 4 percent of the ore used in producing chemicals and for miscellaneous applications. The balance of domestic consumption of manganese ore is supplied by imports, principally from Brazil, Ghana, India, Morocco, and the Union of South Africa.

H.R. 7480 would temporarily suspend the present reduced rate of duty, established pursuant to trade agreement concessions, on manganese ore, including ferruginous manganese ore, and manganese ore

ore, containing over 10 percent by weight of manganese. This reduced rate of duty is presently one-fourth cent per pound on the metallic manganese content of the ore. During the period 1958 through 1962 the duties collected on imports of manganese ore totaled between \$3 and \$4 millions per year. Under the bill this duty would be suspended until June 30, 1967.

The suspension provided by the bill does not apply to ore importations from Communist or Communist-controlled or dominated countries specified in general headnote 3(d) of the tariff schedules of the United States. Ore from such countries would still be subject to the full rate of 1-cent per pound on manganese content as provided in item 601.27 of the Tariff Schedules.

Your committee is convinced that the temporary suspension of duty on manganese ore provided in H.R. 7480 is fully justified and warranted. In addition to the fact that there is little production of manganese ore in the United States, in many respects the characteristics of the ore that is mined domestically rendered it noncompetitive with imported ore. In this connection the U.S. Tariff Commission has advised your committee, as follows:

Suspension of the import duty on manganese ore would have little effect upon domestic ore production, output of which is already minute in comparison with demand. The existing duty affords little protection to domestic ore producers, at least some of whom rely upon the peculiar qualities of the ore they mine to meet special demands of certain consumers, notably the producers of dry cell batteries. U.S. resources of manganese ore are very largely low grade and practically noncompetitive with the much higher grade imports upon which consumers rely almost entirely.

Your committee also believes that enactment of this bill is desirable from the standpoint of domestic producers of ferromanganese and other manganese alloys. Suspension of the existing duty on the basic raw materials will reduce costs to these processors and should result in enhancement of the competitive position of domestically produced alloys in the market.

DEPARTMENTAL REPORTS

Favorable reports on this bill were received from the Departments of Treasury, Agriculture, Interior, State, and the Office of Emergency Planning.

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 material is printed in italic; existing law in which no change is proposed is shown in roman):

TITLE I OF THE TARIFF ACT OF 1930

APPENDIX TO THE TARIFF SCHEDULES

Part 1. Temporary Legislation

| Item | Articles | Rates of Duty | | Effective period |
|--------|---|---------------|---------------------------------|----------------------|
| | | 1 | 2 | |
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| | <p>Subpart B. Temporary Provisions Amending the Tariff Schedules</p> <p>Subpart B headnotes: 1. Any article described in the provisions of this subpart, if entered during the period specified in the last column, is subject to duty at the rate set forth herein in lieu of the rate provided therefor in schedules 1 to 8, inclusive.</p> | | | |
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| 911.07 | <p>Manganese ore, including ferruginous manganese ore, and manganesiferous iron ore, all the foregoing containing over 10 percent by weight of manganese (provided for in item 801.27, part 1, schedule 6).....</p> | Free | 1c per lb. on manganese content | On or before 6/30/67 |