

CONTINUED SUSPENSION OF DUTY ON CERTAIN ALUMINA AND BAUXITE

MAY 18, 1966.—Ordered to be printed
Filed under authority of the order of the Senate of May 17, 1966

Mr. LONG of Louisiana, from the Committee on Finance, submitted
the following

R E P O R T

[To accompany H.R. 12657]

The Committee on Finance, to which was referred the bill (H.R. 12657) to continue the suspension of duty on certain alumina and bauxite, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE

The purpose of H.R. 12657, as amended, is to continue for an additional 2 years, to the close of July 15, 1968, the suspension of duty applicable to alumina when imported for use in producing aluminum, and to continue for a like period the suspension of duties on calcined bauxite and bauxite ore.

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 therein. This duty-free treatment has been successively extended for additional 2-year periods by Public Law

2 CONTINUED SUSPENSION OF DUTY ON ALUMINA AND BAUXITE

86-441, Public Law 87-567, and Public Law 88-362. This duty-free treatment is reflected in the Tariff Schedules of the United States in items 907.15, 909.30, and 911.05 and is presently effective for the period on or before July 15, 1966. H.R. 12657, as amended, would continue the present suspensions of duty for another 2-year period, until the close of July 15, 1968.

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. Domestic reserves of bauxite are quite limited and the United States relies heavily upon foreign bauxite to fulfill the increasing demand for this raw material. U.S. production of bauxite accounts for only a small fraction of that needed for our expanding aluminum consumption. Free entry of alumina, processed from bauxite for subsequent use in aluminum, has the effect of increasing the domestic capacity to produce aluminum, and so far as we are aware poses no threat to domestic alumina producers or employment.

In its report on this legislation, the U.S. Tariff Commission informed your committee that:

The Commission believes that the considerations which led the Congress to suspend the duties on each article discussed herein still exist.

In view of this, and the experience gained under prior and present suspensions. The Committee on Finance agrees with the Committee on Ways and Means of the House that the further 2-year suspension of duty on alumina, calcined bauxite, and bauxite ore, until the close of July 15, 1968, as provided by the bill, is warranted.

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

TARIFF ACT OF 1930

APPENDIX TO THE TARIFF SCHEDULES

Item	Articles	Rates of duty		Effective period
		1	2	
	PART 1.—TEMPORARY LEGISLATION			
	SUBPART B.—TEMPORARY PROVISIONS AMENDING THE TARIFF SCHEDULES			
907.15	Aluminum oxide (alumina) (provided for in item 417.12, part 2C, schedule 4) when imported in use for producing aluminum.....	Free	Free	On or before 【7/15/66】 7/15/68
909.30	Bauxite, calcined (provided for in item 521.17, part 1J, schedule 5).....	Free	Free	On or before 【7/15/66】 7/15/68
911.05	Bauxite ore (provided for in item 601.06, part 1, schedule 6).....	Free	Free	On or before 【7/15/66】 7/15/68

○