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TEMPORARY SUSPENSION OF DUTY ON CRUDE AND CALCINED BAUXITE

JULY 2, 1956.—Ordered to be printed

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

R E P O R T

[To accompany H. R. 8228]

The Committee on Finance, to whom was referred the bill (H. R. 8228) to suspend for 2 years the duty on crude bauxite and on calcined bauxite, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE

The bill H. R. 8228 as referred to the Committee on Finance would provide for the suspension of the import duty on bauxite, crude, not refined or otherwise advanced in condition in any manner, and bauxite, calcined, regardless of the purpose for which it is imported. The suspension would end at the close of July 15, 1958.

GENERAL STATEMENT

Bauxite is a mineral used almost entirely in the production of alumina, refractories, and abrasives and is vital to the industries producing aluminum, steel, and chemicals. It is one of the commodities considered vital to the national defense.

Domestic production has been maintained at a high level in recent years, but the increasing demand has been such that the domestic supply has had to be augmented by shipments from foreign sources. Domestic sources supply only about one-third of the requirements in this country and unless new domestic deposits are found the supply will be much lower within the foreseeable future.

Crude bauxite, not refined or otherwise advanced in condition in any manner, was originally dutiable under paragraph 207 of the Tariff Act, of 1930 at \$1 per long ton. The duty was reduced to 50 cents per long ton effective January 1, 1948. Calcined bauxite was originally dutiable under paragraph 214 of the Tariff Act of 1930 at the rate

of 30 percent ad valorem. The duty on calcined bauxite was reduced to 15 percent ad valorem effective January 1, 1948. Public Law 852 of the 81st Congress prescribed a duty of \$1 per long ton for "bauxite, calcined, when imported to be used in the manufacture of firebrick, or other refractories, * * *". Other imported calcined bauxite remained dutiable under paragraph 214 at the modified rate of 15 percent ad valorem. The effect of the prescription of a duty of \$1 per long ton on calcined bauxite for use in the manufacture of refractories was to reduce substantially the amount of duty collectible on this product. Public Law 499 of the 83d Congress suspended the duty for 2 years effective July 16, 1954, on crude bauxite, and on calcined bauxite, when imported for use in the manufacture of firebrick and other refractories.

H. R. 8228, in addition to continuing the suspension on the types already mentioned, would extend the temporary free entry to "abrasive grade" bauxite. The chemical composition of the ores are not dissimilar and they are, to some extent, interchangeable in cases where shortages exist.

The Departments of State, Treasury, Commerce, Labor, and the Interior favor or have no objections to the passage of the bill and the Finance Committee urges that the Senate concur with the House and enact it into law.

