

## UNMANUFACTURED MICA AND MICA FILMS AND SPLITTINGS

August 5, 1958.—Ordered to be printed

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

### REPORT

[To accompany H. R. 6894]

The Committee on Finance, to whom was referred the bill (H. R. 6894) to amend the Tariff Act of 1930 as it relates to unmanufactured mica and mica films and splittings, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

#### PURPOSE OF THE BILL

The purpose of H. R. 6894 is to amend paragraph 208 of the Tariff Act of 1930 to provide a rate of duty of 4 cents per pound on all unmanufactured mica and to transfer to the free list mica films and splittings not cut or stamped to dimensions.

#### GENERAL STATEMENT ON BILL

Mica is a strategic, nonmetallic mineral which comprises a group of aluminum silicate minerals similar in composition and characterized by a high degree of cleavage which permits ready separation into thin sheets. As a strategic mineral, mica is being stockpiled by the Federal Government. Mica is essential in component parts of practically all electronic devices and is the most important insulating median in the electrical industry.

The following table sets forth the tariff status of mica as it would be affected by H. R. 6894:

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Import duties on mica which would be changed or abolished by H. R. 6894

Tariff Act paragraph	Description	Rate under—		
		Tariff Act of 1930	Trade agreement program	H. R. 6894
208 (a)...	Unmanufactured block mica "valued not above 15 cents per pound."	4 cents a pound..	4 cents a pound..	4 cents a pound.
	Unmanufactured block mica "valued above 15 cents per pound."	4 cents a pound plus 25 percent.	2 cents a pound plus 12½ percent.	4 cents a pound.
208 (c)...	Manufactured mica films and splittings: Not cut or stamped to dimension and not above 1/16 of an inch in thickness.	25 percent.....	12½ percent.....	Free.
	Manufactured mica films and splittings: Not cut or stamped to dimension and above 1/16 of an inch in thickness.	40 percent.....	20 percent.....	Free.

Enactment of H. R. 6894 would leave unchanged the rate of duty on unmanufactured mica valued not above 15 cents per pound, would reduce the rate of duty on unmanufactured mica valued over 15 cents per pound, and would remove the duty on uncut mica films. These changes in tariff treatment might result in a slight increase in imports of these types of mica; however, there would be a corresponding reduction in the imports of cut mica films and fabricated mica parts entered under paragraphs 208 (d) and 208 (e). The change in composition of mica imports would take place because the domestic mica fabricators should be able to purchase unmanufactured mica at somewhat lower prices, inasmuch as most of the countries shipping fabricated mica to the United States must import unmanufactured mica from the same sources as the United States. Also, mica fabricators in the United Kingdom, Western Germany, and Japan, the leading United States suppliers of fabricated mica, have a competitive advantage over United States fabricators because these countries do not assess a duty on imports of unmanufactured mica.

The Department of Commerce in reporting on similar legislation in the 84th Congress stated as follows:

\* \* \* it would reduce or abolish the existing tariff rates on only those classes of mica, i. e., films, splittings, and high quality block, for which United States industry is very largely dependent on foreign sources. The reduction or abolition of these duties should result in lowering the cost of production to domestic industry, primarily the electrical industry. Since this industry is competitive, the lower production costs should result in lower prices to domestic consumers and should enable the domestic manufacturers to compete more effectively in world markets.

The Department of Commerce also expressed the view that the changes in the tariff treatment of imports of mica proposed by H. R. 6894 would not have adverse effects on the domestic mining industry.