

SUSPENSION OF DUTY ON MANGANESE ORE

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

R E P O R T

[To accompany H.R. 3652]

The Committee on Finance, to which was referred the bill (H.R. 3652) to continue until the close of June 30, 1970, the existing suspension of duties on manganese ore (including ferruginous ore) and related products, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE

The bill continues for 3 years (through June 30, 1970) the existing suspension of duties on certain manganese ores.

GENERAL STATEMENT

Public Law 88-338, enacted June 30, 1967, suspended the one-quarter cent per pound tariff on the metallic manganese content of manganese ore, ferruginous manganese ore, and manganiferous iron ore from that date through June 30, 1967. 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 1965, domestic ore accounted for less than 1 percent of the manganese ore consumed in the United States for metallurgical purposes; only about 14 percent of consumption in the manufacture of dry cell batteries; and about 5 percent of the ore used in producing chemicals and for miscellaneous applications. The balance of domestic consumption of manganese ore is supplied by imports, princi-

pally from Brazil, Gabon, Congo, Ghana, India, and the Union of South Africa.

H.R. 3652 would continue the existing suspension of duty until July 1, 1970. The duty suspension 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 be subject to tariff at the full rate of 1 cent per pound on manganese content as provided in item 601.27 of the Tariff Schedules.

Continued suspension of duty on manganese ore provided in H.R. 3652 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 render it noncompetitive with imported ore. In this connection the U.S. Tariff Commission has advised your committee as follows:

No significant changes have occurred in the domestic production of manganese ore since the suspension of the duty on July 1, 1964. A few small mines have continued to operate in the United States with output at the low levels which have prevailed since 1959 when a Government purchase program offering premium prices for domestic manganese ore was terminated. U.S. production of manganese ore was about 11,000 tons in 1963, 26,000 tons in 1964, and 29,000 tons in 1965.

Enactment of H.R. 3652 is also desirable from the standpoint of domestic producers of ferromanganese and other manganese alloys. Continued suspension of the duty on the basic raw materials will aid in reducing costs to these processors and enhancing the competitive position of domestically produced alloys in the market.

Favorable reports on H.R. 3652 have been received from the interested Federal departments and agencies, as well as an informative report from the U.S. Tariff Commission. The committee has received no information which would indicate any opposition to the legislation.

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):

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 style="text-align: center;">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>	.	.	.
911.07	Manganese ore, including ferruginous manganese ore, and manganiferous iron ore, all the foregoing containing over 10 percent by weight of manganese (provided for in item 601.27, part 1, schedule 6).....	Free	1¢ per lb. on manganese content	On or before [6/30/67] 6/30/70

