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REPORT }
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SUSPENSION FOR 2 YEARS, THE DUTY ON CRUDE BAUXITE

JUNE 16 (legislative day, JUNE 11), 1954.—Ordered to be printed

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

REPORT

[To accompany H. R. 222]

The Committee on Finance, to whom was referred the bill (H. R. 222) to amend paragraph 207 and schedule 16 of the Tariff Act of 1930, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment is as follows:

On page 1, line 8, insert after the comma the following:

or upon calcined bauxite when imported for use in the manufacture of firebrick or other refractories under such regulations as the Secretary of the Treasury shall prescribe,

The title of the bill is amended so as to read:

An Act to suspend for two years the duty on crude bauxite and on certain calcined bauxite.

PURPOSE

H. R. 222 has as its purpose the suspension for 2 years of the import duty imposed under paragraph 207 of the Tariff Act of 1930, as amended, on bauxite, crude, not refined or otherwise advanced in condition in any manner and on calcined bauxite when imported for use in the manufacture of firebrick or other refractories.

GENERAL STATEMENT

Approximately four-fifths of the bauxite used in the United States is converted to aluminum. Under present law crude bauxite is dutiable at 50 cents per ton. This was reduced by trade agreement from the 1930 level of \$1 per ton.

Immediately prior to the war (1937 to 1939, inclusive), United States production of bauxite averaged annually about 370,000 tons,

against average annual imports of about 494,000 tons. Abnormally heavy demand during the war forced domestic production to 6,233,000 tons (1943) and imports to 1,548,000 tons (1943). In 1947, production was 1,215,000 tons and imports 1,822,000 tons.

Production has declined slowly in recent years although consumption has increased considerably. This increased demand has been filled by growing imports. Production amounted to 1,849,000 tons in 1951, 1,667,000 tons in 1952, and 1,582,000 tons in 1953. Imports amounted to 2,820,000 tons in 1951, 3,498,000 tons in 1952, and 4,389,000 tons in 1953. Imports during the first 3 months of 1954 amounted to 1,344,000 tons or a rate which if continued would amount to well over 5 million tons of imports in the full year 1954.

The average import value per ton of crude bauxite increased gradually from \$6.63 in 1952 to \$7.08 in the first 3 months of 1954. The average ad valorem equivalent of the 50 cents per ton specific duty amounts to approximately 7 percent.

As adopted by the House, H. R. 222 would have suspended the duty only on crude bauxite. Because of the demand for high grade calcined bauxite for use in refractories the committee felt that a temporary suspension of duties on this type would also be in order. One or two deposits in the United States of the type of bauxite suitable for refractory use have been depleted.

CONCLUSION

In view of the growing use of aluminum in our manufacturing industries, the importance of aluminum to the airplane industry, with its importance to our national defense, and the considerable drain on our diminishing deposits of bauxite suitable for the production of aluminum and refractories which occurred during the war, your committee recommends the enactment of this legislation to suspend the duty on crude bauxite and on certain calcined bauxite.

