

## TEMPORARY SUSPENSION OF DUTY ON CERTAIN ALUMINA

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

### REPORT

[To accompany H. R. 10269]

The Committee on Finance, to whom was referred the bill (H. R. 10269) to provide for the temporary suspension of the duty on certain alumina, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

#### PURPOSE

The purpose of H. R. 10269 is to suspend for 2 years the existing import duty on alumina under paragraph 6 of the Tariff Act of 1930, as amended, when such alumina is imported for use in producing aluminum, under regulations prescribed by the Secretary of the Treasury.

#### GENERAL STATEMENT

The bulk of the alumina consumed in the United States is used for the production of aluminum. For the period from 1952 through 1955 approximately 95 percent of all domestically produced alumina consumed was reduced to metal. 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 materials, and your committee is informed that this will continue to be the case in future years. The aluminum-bearing material has so far been imported almost entirely in the form of bauxite.

Under present law alumina is subject to duty under the provision for "refined bauxite" in paragraph 6 of the Tariff Act of 1930, as modified. Paragraph 6 originally provided for a rate of one-half cent per pound on refined bauxite. Pursuant to a concession granted

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in the General Agreement on Tariffs and Trade, effective January 1, 1948, the rate was reduced to one-fourth cent per pound, which is the rate currently in effect.

United States imports of alumina are small when compared with domestic production. In 1955, imports were one-tenth of 1 percent of domestic production. They amounted to 7,058,000 pounds (3,529 short tons), valued at \$321,000, and came principally from Canada. The 1955 imports were the largest since 1943 when 27,713,000 pounds (13,807 short tons), valued at \$1,108,000, were imported, most of which was duty-free for Government use.

The Director of the Office of Defense Mobilization has reported that aluminum facilities are being expanded for defense purposes and that domestic alumina productive capacity will not be adequate to satisfy requirements. He has stated further that if favorable action is taken with respect to the temporary free importation of alumina he will maintain close surveillance of alumina imports to determine whether there is any threat to our mobilization base as a result of the suspension.

Under these conditions and because of the importance of an adequate supply of alumina the Finance Committee urges the adoption of the bill.

