

EXTENSION OF TEMPORARY DUTY SUSPENSION ON ELECTRODES FOR USE IN PRODUCING ALUMINUM

JUNE 13, 1968.—Ordered to be printed

Mr. LONG of Louisiana, from the Committee on Finance,
submitted the following

REPORT

[To accompany H.R. 17104]

The Committee on Finance, to which was referred the bill (H.R. 17104) to extend until July 15, 1969, the suspension of duty on electrodes for use in producing aluminum, having considered the same, reports favorably thereon with amendments and recommends that the bill as amended do pass.

COMMITTEE AMENDMENT

The committee amendment, which adds a new section to the Social Security Act, is designed to insure the orderly funding of the medicaid and other public assistance programs during the final quarter of each fiscal year.

SUSPENSION OF DUTIES ON ELECTRODES FOR USE IN PRODUCING ALUMINUM

The purpose of H.R. 17104, as it passed the House, is to continue until the close of July 15, 1969, the suspension of duties on electrodes imported for use in producing aluminum.

Under the permanent provisions of the tariff schedules of the United States, electrodes of the kind covered by the bill are currently dutiable under item 517.61 at 11 percent ad valorem, the first stage of a rate reduction to 6 percent as a result of the tariff concessions agreed to in the Kennedy round. However, the duty on electrodes imported for use in producing aluminum was suspended from October 7, 1965, under Public Law 89-241, until July 15, 1966, and was further suspended by Public Law 89-434 until July 15, 1968.

The committee is informed that the electrodes of the type covered by the bill usually are manufactured by aluminum companies themselves at the site where they are to be used in the electrolysis of alumina into aluminum. These electrodes, generally of carbon or graphite, are consumed in great quantities in the electrolysis process. The committee is informed that the small aluminum plant which has been importing electrodes due to an insufficient volume of aluminum production to permit efficient manufacture of electrodes at its plant is now planning to produce its own electrodes and should be doing so within 1 year. In view of this, the committee believes that an extension of the suspension of duty on electrodes imported for use in processing aluminum for a 1-year period, as provided in H. R. 17104, is warranted.

AMENDMENT TO THE SOCIAL SECURITY ACT

For some years, the Department of Health, Education, and Welfare Appropriation Acts have each year authorized that Department to make public assistance payments to States during the last months of the fiscal year even though the regular appropriation has been obligated and supplemental appropriations have not yet been made available. This is done through the device of "borrowing" funds from the following fiscal year's appropriation until a supplemental appropriation is enacted. The 1968 Health, Education, and Welfare Appropriation Act permits this "borrowing" to begin on May 1.

During the current fiscal year, the May 1 date proved too late. Health, Education, and Welfare began to run out of funds during April because of unanticipated increases in public assistance costs. To assure that recipients received their cash payments during April, Health, Education, and Welfare decided to defer all medicaid (title XIX) payments, and instead to use the limited funds available only for cash payments. Because of this, many nursing homes and other providers of medicaid services will not receive payment for April until supplemental appropriations become available.

The committee amendment is aimed at preventing this kind of problem by adding permanent authority to the Social Security Act permitting the Secretary of Health, Education, and Welfare during the last quarter of a fiscal year to "borrow" funds from the following year's appropriation for public assistance. This would permit the Department of Health, Education, and Welfare to continue to advance funds to States so that they could make payments to recipients and medical vendors during the last 3 months of the fiscal year (instead of only the last 2 months, as the 1968 Health, Education, and Welfare Appropriation Act provides).

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):

TARIFF SCHEDULES OF THE UNITED STATES

APPENDIX TO THE TARIFF SCHEDULES

Part 1.—Temporary Legislation

Item	Articles	Rates of duty		Effective period
		1	2	
	PART 1.—TEMPORARY LEGISLATION			
	• • • • •			
	Subpart B.—Temporary Provisions Amending the Tariff Schedules			
	• • • • •			
991.25	Electrodes (provided for in Item 517.01, part 1E, schedule 5) when imported for use in produc- ing aluminum.	Free	Free	On or before [7/15/68] 7/15/69.
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SOCIAL SECURITY ACT

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TITLE XI—GENERAL PROVISIONS

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**AUTHORITY OF SECRETARY TO MAKE CERTAIN PUBLIC ASSISTANCE
PAYMENTS**

SEC. 1122. The Secretary is authorized to make, after March 31 of any fiscal year (beginning with the fiscal year ending June 30, 1968), payments, out of any moneys in the Treasury not otherwise appropriated, to States under titles I, IV (except with respect to activities included under part C), V, X, XIV, XVI, and XIX for months of the last quarter of such fiscal year and for months of the first quarter of the next fiscal year. The obligations incurred and the expenditures made under the preceding sentence for payments under each of such titles for months of the last quarter of any fiscal year shall be charged to the appropriations for such fiscal year or the next fiscal year, and the obligations incurred and the expenditures made under the preceding sentence for payments under each of such titles for months of the first quarter of any fiscal year shall be charged to the appropriations for such fiscal year or the preceding fiscal year.

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