

ELIMINATION OF DUTY ON CERTAIN NATURAL RUBBER

DECEMBER 30 (legislative day, DECEMBER 28), 1970.—Ordered to be printed

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

REPORT

[To accompany H.R. 19526]

The Committee on Finance, to which was referred the bill (H.R. 19526) to eliminate the duty on natural rubber containing fillers, extenders, pigments, or rubber-processing chemicals, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE

The purpose of H.R. 19526 is to amend the Tariff Schedules of the United States to make duty free the imports of natural rubber containing fillers, extenders, pigments, or rubber-processing chemicals when entered at the column 1 rate of duty under item 446.10 of the tariff schedules.

GENERAL STATEMENT

Imports of unprocessed natural rubber have long been free of duty. Processed natural rubber; that is, natural rubber containing fillers, extenders, pigments, or rubber-processing chemicals, is presently dutiable at 7 percent ad valorem (the most-favored-nation or trade agreement rate) under item 446.10 of the Tariff Schedules of the United States (TSUS). The rate of duty under TSUS item 446.10 is scheduled to be further reduced to 5 percent ad valorem by January 1, 1972, pursuant to the rate reduction agreed to in the Kennedy Round of Trade Negotiations.

Natural rubber consumers in this country, particularly small extruded-goods manufacturers, very often require natural rubber containing small amounts of processing chemicals. Such chemicals can easily be added in the country producing the natural rubber.

The committee is informed that elimination of the duty on TSUS item 446.10 will benefit domestic manufacturers by reducing the cost of this specialized rubber material. The committee also is informed

that domestic rubber manufacturers do not object to the elimination of the duty on processed natural rubber. Finally, developing countries which produce natural rubber, principally Malaysia, have expressed an interest in the removal of this tariff barrier to their exports.

H.R. 19526 was originally proposed in draft form to the Congress by the Secretary of Commerce. No objection to the bill was made by any other Government agency. The committee has received no objection from any other interested party.

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

SCHEDULE 4.—CHEMICALS AND RELATED PRODUCTS

Part 4.—Synthetic Resins and Plastics Materials; Rubber

Item	Articles	Rates of duty	
		1	2
446.10	Containing fillers, extenders, pigments, or rubber-processing chemicals.	[7% ad val.]	<i>Free</i> ... 20% ad val.
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