

APPROVED  
OCT 19 1976

8 10/19/76

THE WHITE HOUSE  
WASHINGTON  
October 19, 1976

ACTION

Last Day: October 20

Posted  
10/20/76  
Archived  
10/20/76

MEMORANDUM FOR THE PRESIDENT  
FROM: JIM CANNON *Jim Cannon*  
SUBJECT: H.R. 12033 - Duty Suspension of Manganese Ore

Attached for your consideration is H.R. 12033, sponsored by Representative Schneebeili.

The enrolled bill continues until June 30, 1979, the existing suspension of duties on manganese ores and related products. This suspension has been renewed at three-year intervals since 1964. There is virtually no domestic production of manganese ores.

Additional information is provided in OMB's enrolled bill report at Tab A.

OMB, Max Friedersdorf, Counsel's Office (Lazarus), Bill Seidman, NSC and I recommend approval of the enrolled bill.

RECOMMENDATION

That you sign H.R. 12033 at Tab B.





EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

OCT 13 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 12033 - Duty suspension of  
manganese ore  
Sponsor - Rep. Schneebeli (R) Pennsylvania

Last Day for Action

October 20, 1976 - Wednesday

Purpose

Continues until June 30, 1979, the existing suspension of duties on manganese ores and related products.

Agency Recommendations

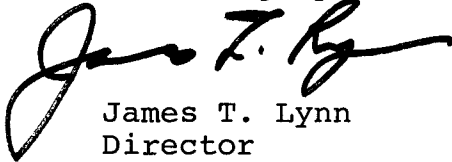
Office of Management and Budget	Approval
Department of the Treasury	Approval
Department of Commerce	Approval
Department of the Interior	Approval
Department of State	No objection
Office of the Special Representative for Trade Negotiation	No objection (Informally)

Discussion

H.R. 12033 would extend through June 30, 1979, the existing suspension of the column-1 duties on manganese ores and related products. This duty suspension is applicable only to imports from countries given most-favored-nation tariff treatment. The column-1 duty rate on manganese ores was originally suspended in 1964, and the suspension has been renewed at three-year intervals ever since.

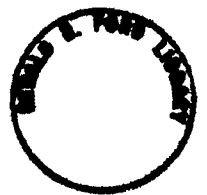


In its attached enrolled bill letter, the Department of Commerce notes that at present there is virtually no domestic production of manganese ores. The Department points out that domestic users of these ores (mostly ferromanganese alloy producers) are facing increased competition from imports of ferromanganese alloys, and that continued duty suspension would assist domestic producers in maintaining their current competitive position with respect to the foreign product.



James T. Lynn  
Director

Enclosures





**GENERAL COUNSEL OF THE  
UNITED STATES DEPARTMENT OF COMMERCE**  
Washington, D.C. 20230

OCT 8 1976

Honorable James T. Lynn  
Director, Office of Management  
and Budget  
Washington, D. C. 20503

Attention: Assistant Director for Legislative Reference

Dear Mr. Lynn:

This is in reply to your request for the views of this Department concerning H. R. 12033, an enrolled enactment

"To continue until the close of June 30, 1979, the existing suspension of duties on manganese ore (including ferruginous ore) and related products."

H. R. 12033 would extend until the close of June 30, 1979, the existing suspension of the column-1 duties, which are applicable to imports from countries accorded most-favored-nation tariff treatment, on manganese ore, including ferruginous manganese ore and manganiferous iron ore.

The column-1 rate of duty on manganese ore has been continuously suspended since July 1, 1964. In the absence of the suspension, imports of such ores would be subject to a duty of 0.12 cents per pound under item 601.27 of the Tariff Schedules of the United States. On the basis of 1975 import data the ad valorem equivalent of this duty is about 2 percent.

This Department recommends approval by the President of H. R. 12033.

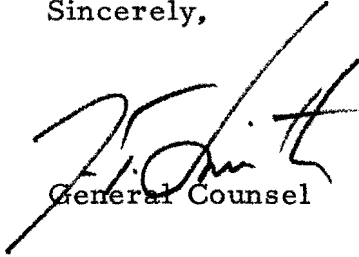
There is virtually no domestic production of manganese ores. Imports account for practically 100 percent of the total new supply in this country. The domestic users of manganese ores, for the most part ferromanganese producers, are facing increased competition from imports of ferromanganese. Extension of the duty-free treatment on manganese ores would assure a continued savings of \$2 to \$3 per ton to domestic ferromanganese producers and would assist them in their efforts to maintain their current competitive position with respect to the foreign product.



Also, this Department is not aware of any adverse effect the proposed extension of the existing duty suspension on manganese ore would have on the Administration's stockpile disposal program.

Enactment of this legislation will not involve the expenditure of any funds by this Department.

Sincerely,



General Counsel

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: October 15

Time: noon

FOR ACTION: Paul Leach *ok*  
George Humphreys *ok*  
Bill Seidman *ok*  
NSC/S *ok*  
*Ken Legurs on*

cc (for information): Jack Marsh  
Ed Schmults  
Steve McConahey *ok*

FROM THE STAFF SECRETARY *Mickus on*

DUE: Date: October 18

Time: 900am

SUBJECT:

H.R.12033-Duty suspension of manganese ore

ACTION REQUESTED:

- For Necessary Action
- For Your Recommendations
- Prepare Agenda and Brief
- Draft Reply
- For Your Comments
- Draft Remarks

REMARKS:

please return to judy johnston, ground floor west wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

K. R. COLE, JR.  
For the President



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

To - J. Johnston  
10-14-76  
11:30 a.m.

OCT 13 1976

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill H.R. 12033 - Duty suspension of manganese ore  
Sponsor - Rep. Schneebeli (R) Pennsylvania

Last Day for Action

October 20, 1976 - Wednesday

Purpose

Continues until June 30, 1979, the existing suspension of duties on manganese ores and related products.

Agency Recommendations

Office of Management and Budget	Approval
Department of the Treasury	Approval
Department of Commerce	Approval
Department of the Interior	Approval
Department of State	No objection
Office of the Special Representative for Trade Negotiation	No objection (Informally)

Discussion

H.R. 12033 would extend through June 30, 1979, the existing suspension of the column-1 duties on manganese ores and related products. This duty suspension is applicable only to imports from countries given most-favored-nation tariff treatment. The column-1 duty rate on manganese ores was originally suspended in 1964, and the suspension has been renewed at three-year intervals ever since.





THE DEPUTY SECRETARY OF THE TREASURY

WASHINGTON, D.C. 20220

OCT 8 1976

Director, Office of Management and Budget  
Executive Office of the President  
Washington, D. C. 20503

Attention: Assistant Director for Legislative  
Reference

Sir:

Reference is made to your request for the views of this Department on the enrolled enactment of H.R. 12033, "To continue until the close of June 30, 1979, the existing suspension of duties on manganese ore (including ferruginous ore) and related products."

The enrolled enactment would amend item number 911.07 of the Tariff Schedules of the United States. It would extend the existing temporary suspension of the column 1 rate of duty on manganese ore, including ferruginous ore and manganiferous iron ore, from June 30, 1976 to June 30, 1979.

In recent years less than 1 percent of domestic consumption of manganese ore has been supplied domestically. In view of the inability of domestic producers to supply demand, the Department favors an extension of the temporary duty suspension.

In view of the foregoing, the Department recommends that the President approve the enrolled enactment of H.R. 12033.

Sincerely yours,



George H. Dixon





# United States Department of the Interior

OFFICE OF THE SECRETARY  
WASHINGTON, D.C. 20240

**OCT 8 - 1976**

Dear Mr. Lynn:

This responds to your request for the views of this Department on the enrolled bill H.R. 12033, "To continue until the close of June 30, 1979, the existing suspension of duties on manganese ore (including ferruginous ore) and related products."

We recommend approval of the bill by the President.

H.R. 12033 would continue suspension of the column 1 (favored nation) rate of duty on manganese ore, including lower grade manganiferous ores (ferruginous manganese ore and manganiferous iron ore) containing over 10 percent by weight of manganese, through June 30, 1979. The column 2 (statutory) rate of 1 cent per pound of contained manganese would remain applicable to the U.S.S.R., People's Republic of China, and certain other countries having centrally controlled economies.

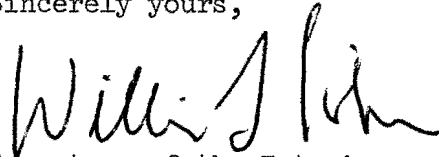
The column 1 rate of duty has been suspended in consecutive 3-year periods from July 1, 1964, through June 30, 1976. This rate of duty in 1964 was 0.25 cent per pound of contained manganese. Under the Kennedy Round trade agreements, beginning January 1, 1968, this suspended rate was reduced in five consecutive 1-year intervals to its present rate of 0.12 cent per pound of contained manganese.

Continued suspension of the duty will enhance the competitive position of the domestic producers of manganese ferroalloys without adversely affecting a domestic mining industry. There is currently no domestic manganese ore mining industry and imports of manganese ferroalloys have been at record levels for the past 4 years while domestic production of these alloys has dropped appreciably. Suspension of the duty does not appear to have been a matter of concern to the three domestic producers of manganiferous ores containing 10 to 35 percent manganese. They have raised no objections since the duty has



been suspended, and imports of the manganiferous ores have been of no consequence since 6,000 tons were imported in 1969.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "William J. Mohr".

**Acting** Secretary of the Interior

Honorable James T. Lynn  
Director, Office of  
Management and Budget  
Washington, D.C.



DEPARTMENT OF STATE

Washington, D.C. 20520

OCT 8 1976

Dear Mr. Lynn:

The Secretary has asked me to reply to your communication (Office of Management and Budget Memorandum, dated October 6, signed by Mr. Frey) requesting our views on H.R. 12033, an enrolled bill providing a continuation of duty free entry for manganese ores.

The Department of State has no objection to the enactment of H.R. 12033. The duty applicable to the manganese ores of interest was initially suspended in 1964 on the basis of a determination that such action would aid in reducing the raw material costs of United States producers of ferromanganese and other manganese alloys and enhancing the competitive position of domestically produced alloys in the market. The determination also included a finding that the duty suspension would not adversely affect a United States mining industry. We are informed that the considerations underlying the initial suspension of the duty continue to be valid.

Sincerely,

A handwritten signature in cursive script that reads "Kempton B. Jenkins".

Kempton B. Jenkins  
Acting Assistant Secretary  
for Congressional Relations

The Honorable  
James T. Lynn, Director,  
Office of Management and Budget.

~~THE~~ WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: October 15

Time: noon

FOR ACTION: Paul Leach  
George Humphreys  
Bill Seidman  
NSC/S  
Max Friedersdorf

cc (for information): Jack Marsh  
Ed Schmults  
Steve McConahey  
*Mike Duval*

FROM THE STAFF SECRETARY

DUE: Date: October 18

Time: 900am

SUBJECT:

H.R.12033-Duty suspension of manganese ore

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

please return to judy johnston, ground floor west wing

*Informed approval*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

James M. Cannon  
For the President

EX-115 RECD

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: October 15

Time: noon

FOR ACTION: Paul Leach  
George Humphreys  
Bill Seidman  
NSC/S  
Max Friedersdorf

cc (for information): Jack Marsh  
Ed Schmults  
Steve McConahey  
*Mike Duval*

FROM THE STAFF SECRETARY

DUE: Date: October 18

Time: 900am

SUBJECT:

H.R.12033-Duty suspension of manganese ore

ACTION REQUESTED:

*Approved  
JW*

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

please return to judy johnston, ground floor west wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

James M. Cannon  
For the President

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

7/8/15  
✓

Date: October 15

Time: noon

FOR ACTION: Paul Leach  
George Humphreys  
Bill Seidman  
NSC/S

cc (for information): Jack Marsh  
Ed Schmultz  
Steve McConahey  
*Mike David*

FROM THE STAFF SECRETARY

DUE: Date: October 18

Time: 900am

SUBJECT:

H.R.12033-Duty suspension of manganese ore

ACTION REQUESTED:

- For Necessary Action
- For Your Recommendations
- Prepare Agenda and Brief
- Draft Reply
- For Your Comments
- Draft Remarks

REMARKS:

please return to judy johnston, ground floor west wing

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

James M. Cannon  
For the President

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: October 15

Time: noon

FOR ACTION: Paul Leach  
George Humphreys  
Bill Seidman  
NSC/S

cc (for information): Jack Marsh  
Ed Schmults  
Steve McConahey  
*Mike Duval*

*B. Kilberg*  
FROM THE STAFF SECRETARY

DUE: Date: October 18

Time: 900am

SUBJECT:

H.R.12033-Duty suspension of manganese ore

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

please return to judy johnston, ground floor west wing

No objection -- Ken Lazarus 10/15/76

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

James M. Cannon  
For the President

THE WHITE HOUSE

ACTION MEMORANDUM

WASHINGTON

LOG NO.:

Date: October 15

Time: noon

FOR ACTION: Paul Leach  
George Humphreys  
Bill Seidman  
NSC/S  
Max Friedersdorf

cc (for information): Jack Marsh  
Ed Schmultz  
Steve McConahey  
*Mike Duval*

FROM THE STAFF SECRETARY

DUE: Date: October 18

Time: 900am

SUBJECT:

H.R.12033-Duty suspension of manganese ore

ACTION REQUESTED:

For Necessary Action

For Your Recommendations

Prepare Agenda and Brief

Draft Reply

For Your Comments

Draft Remarks

REMARKS:

please return to judy johnston, ground floor west wing

*Recommend Approval.*  
*mef*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.


If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

James M. Cannon  
For the President



NATIONAL SECURITY COUNCIL

October 19, 1976

MEMORANDUM FOR: JAMES M. CANNON  
FROM: Jeanne W. Day   
SUBJECT: H. R. 12033

The NSC Staff concurs in the proposed enrolled bill H. R. 12033 -  
Duty Suspension of Manganese Ore.

CONTINUATION OF TEMPORARY SUSPENSION OF DUTIES  
ON MANGANESE ORE AND RELATED PRODUCTS

JUNE 25 (legislative day, JUNE 18), 1976.—Ordered to be printed

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

REPORT

[To accompany H.R. 12033]

The Committee on Finance, to which was referred the bill (H.R. 12033) to continue until the close of June 30, 1979, 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.

I. BACKGROUND

The existing suspension of duties on manganese ore and related products has been extended by various public laws since it was originally enacted by Public Law 88-338 on June 30, 1964. The most recent extension was enacted on August 16, 1973 by Public Law 93-99 for a three-year period from June 30, 1973 to June 30, 1976.

Only the column 1 rate of duty (applicable to imports from countries accorded nondiscriminatory (MFN) tariff treatment) is suspended. The column 2 rate is not changed. The column 1 rate of duty on manganese (including ferruginous manganese ore) and manganeseferous iron ore under TSUS item 601.27 is 0.12¢ per pound on manganese content. Imports from eligible developing countries are subject to duty-free treatment under the Generalized System of Preferences (GSP).

Manganese ore is used primarily for metallurgical purposes in the production of steel. Much smaller amounts are used in the production of dry cell batteries and in the manufacture of manganese chemicals. The principal consumers of manganese ore are producers of ferro alloys, primarily ferromanganese and, to a lesser extent, silico-manganese. There are no satisfactory substitutes for manganese in

its principal use. Less than 1 percent of domestic consumption of manganese ore in recent years has been supplied by domestic production. In quantity terms imports were 577,509 short tons manganese content in 1974 and 765,592 short tons in 1975. In value terms imports increased from \$34.4 million in 1972 to \$43.3 million in 1974, and \$77.1 million in 1975. The principal sources of imports in recent years are Brazil, Gabon, South Africa, and Zaire. Approximately 45 percent of total imports are now subject to duty-free treatment under the GSP. Domestic shipments, which account for only about 5 percent of total new supply, totalled 34,804 short tons manganese content valued at about \$2.3 million in 1974. Demand for manganese in the U.S. is expected to increase at an annual rate of about 2 percent. Demand will continue to be supplied primarily by imports except as supplemented by shipments from government stockpile releases. There are no U.S. reserves of manganese ore.

The most recent extension of the temporary suspension passed both the House and Senate unanimously in 1975. No objections were received from the Executive branch agencies or from other sources. Continuation of the suspension was believed desirable in 1973 for domestic producers of ferromanganese and other manganese alloys by reducing the costs of basic raw materials to these processors and enhancing the competitive position of domestically produced alloys.

Two domestic producers of ferromanganese and other manganese products strongly favor the bill primarily on the grounds that restoration of the tariff on raw material imports would make the industry less price competitive with foreign producers of ferromanganese. The Department of Commerce supports the continuation of the present duty suspension. No objection to extension of the suspension has been made known to the Committee from any source.

## II. EXPLANATION OF THE BILL

H.R. 12033 as reported amends the termination date for item number 911.07 of the Tariff Schedules of the United States (TSUS) to extend the existing temporary suspension of the column 1 rate of duty on manganese ore (including ferruginous ore) and manganiferous iron ore from June 30, 1976 to June 30, 1979.

Subsection (b) applies the amendment to articles entered or withdrawn from warehouse, for consumption after June 30, 1976.

## III. COST OF CARRYING OUT THE BILL

In compliance with section 252(a) of the Legislative Reorganization Act of 1970, the following statement is made relative to the effect on the revenues of this bill. The existing suspension of the duty on manganese ore (including ferruginous) and related products results in an annual customs revenue loss of approximately \$1 million. The enactment of H.R. 12033 would result in no additional revenue loss.

## IV. VOTE OF COMMITTEE IN REPORTING THE BILL

In compliance with section 133 of the Legislative Reorganization Act of 1946, the following statement is made relative to the vote of the Committee on reporting this bill. This bill was ordered favorably reported by the Committee by voice vote.

## V. CHANGES IN EXISTING LAW MADE BY THE LAW

In compliance with paragraph 4 of rule XXIX of the 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						
*	*	*	*	*	*	*
Item	Articles	Rates of duty		Effective period		
		1	2			
PART 1.—TEMPORARY LEGISLATION						
*	*	*	*	*	*	*
	Subpart B.—Temporary Provisions Amending the Tariff Schedules					
*	*	*	*	*	*	*
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		On or before [6/30/76] 8/30/79.	1¢ per lb. on manga- nese content	



# Ninety-fourth Congress of the United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Monday, the nineteenth day of January,  
one thousand nine hundred and seventy-six*

## An Act

To continue until the close of June 30, 1979, the existing suspension of duties on manganese ore (including ferruginous ore) and related products.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) item 911.07 of the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by striking out "6/30/76" and inserting in lieu thereof "June 30, 1979".*

*(b) The amendment made by subsection (a) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption after June 30, 1976.*

*Speaker of the House of Representatives.*

*Vice President of the United States and  
President of the Senate.*