Common Market to reduce its barriers. The world aluminum industry and trade therein should not be shackled to the refusal of one trading region to go along with liberal trade conditions.

If the Trade Expension Act be continued as set forth in the pending bill, we strongly support utilization of the remaining tariff reduction authority to effect a further reduction in the duty on this important industrial material.

Over the years imports of aluminum ingot into the Untied States have been an important and essential source of supply for the United States industry, reaching a level of 500,000 tons in recent years. While Norway has been a significant supplier for many years and France and Japan have been offshore suppliers on a more intermittent basis. Canada is by far the major supplier of unwrought aluminum imports into the United States.

Tariff reductions which have taken effect in the series of GATT negotiations will have reduced the United States rate of duty on unwrought aluminum to an eventual 1¢ per pound after the Kennedy Round is fully implemented. Throughout the period of past reductions the use of aluminum in the United States has expanded greatly. The companies and the number of workers engaged in producing and fabricating it have grown steadily. We believe this growth has been encouraged by the reduction of U.S. tariff levels because of its adding to the assurance of the consumer that adequate supplies of metal will be available at competitive prices.

In 1947 when total United States industry shipments were just over 1 million tons there were three integrated aluminum producers in the United States and a small number of independent fabricators. During the intervening years when United States import duties have been declining, those major U.S. producers have expanded to record size, six other U.S. fabricators have established domestic sources of aluminum ingot supply, and now represent approximately 18% of total ingot capacity, total annual U.S. industry shipments have passed the level of 4.5 million tons, and the number of independent fabricators has grown more than tenfold. Independent fabricators have seen their share of the mill product market rise steadily from less than 5% in 1952 to 31% in 1967. This rise in market share of the independent fabricators has been, in part, due to the assurance of continued supply from foreign sources. The U.S. aluminum industry in all its segments is indeed a growing viable force in the United States economy.

The aluminum industry worldwide is characterized by a most rapid growth rate; consumption has been doubling every ten years for many decades; present productive capacity in the Free World totals about 7,300,000 tons. A doubling of this capacity over the next ten years would cost approximately $5.5 billion, exclusive of the cost of power facilities to service this capacity. Financing this type of expansion has been and will continue to be a difficult problem for the industry as a whole. Customs duties and non-tariff barriers inhibit and distort international trade and represent an unnecessary burden on the aluminum industry's future growth.

It is not always recognized that the United States aluminum industry is fundamentally dependent upon imports in one form or another. The U.S. Bureau of Mines chart attached to this statement illustrates that in 1966, 90% of the U.S. aluminum demand was dependent upon imports of either bauxite, alumina or aluminum, most of which came from areas contiguous or close to the United States. The producers of primary aluminum in the United States have long been dependent on sources outside the United States for their principal supplies of bauxite. More recently, the trend to importing alumina has been growing.

The recent action of this Committee approving H.R. 7735 to provide for immediate free entry of bauxite and alumina will be of substantial benefit to the primary producers. In the case of bauxite, the relief will be roughly equal to $6,000,000 annually or about 4% of the value of the imports on an ad valorem basis. On alumina, the relief on 1967 levels equalled about $4,800,000, or close to 10% of the value of the imports on an ad valorem basis, and the volume of such imports is on a strong rising trend.

Independent fabricators of aluminum in the United States are dependent, to a very substantial extent, on sources outside the United States for a continuous and assured supply of their basic material, primary aluminum. This industry—these hundreds of aluminum fabricators—it is suggested, might well also be given encouragement through a broadening of the principles of H.R. 7735 to encourage an available supply of primary aluminum to them.