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SENATE

REPORT

No. 1524

PROVIDING FOR THE TEMPORARY FREE IMPORTATION OF LEAD

JUNE 7 (legislative day, JUNE 1), 1948.—Ordered to be printed

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

REPORT

(To accompany H. R. 6489)

The Committee on Finance, to whom was referred the bill (H. R. 6489) to provide for the temporary free importation of lead, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

This bill suspends, through June 30, 1949, the import duties on lead-bearing ores, flue dust, and mattes of all kinds, lead bullion or base bullion, lead in pigs and bars, lead dross, reclaimed lead, scrap lead, antimonial lead, and antimonial scrap lead. Your committee is informed that, with continued high-level industrial activity, the domestic lead supply will fall short of our requirements and that, even with import duties suspended, imports will probably not be sufficient to fill the gap between domestic supply and demand.

Present duties are at the rates of three-quarters cent and 1½ cents per pound of lead content on lead in ores and in unmanufactured metal, respectively. These rates were provided for temporarily in the Mexican trade agreement, effective January 30, 1943. Under the terms of that agreement and in the absence of legislation, these rates will increase to 1½ cents and 1¾ cents, respectively, effective 30 days after the termination of the emergency. Lead scrap is already duty-free until June 30, 1948, and H. R. 6242, which the Senate passed on June 1, continues the duty-free status of lead scrap (along with iron and steel scrap and other nonferrous metal scrap) until June 30, 1949.

The report of the Tariff Commission on this bill states:

It is improbable that the temporary free importation of lead through June 30, 1949, would have any serious effect on the domestic lead-ore mining industry. * * * requirements for lead are likely to exceed domestic production by a wide margin, and the present outlook is that operators of lead mines in the United States will be able to market capacity output at an attractive price.

2 PROVIDING FOR TEMPORARY FREE IMPORTATION OF LEAD

The temporary suspension of the duty on lead would tend to encourage United States imports, but under present conditions it would probably have little, if any, tendency to reduce the domestic price of lead.

The report of the Ways and Means Committee of the House of Representatives on the bill follows:

GENERAL STATEMENT

This bill would provide for the temporary free importation of lead in various crude forms.

Because of the shortage in the United States of lead bullion, base bullion, lead in pigs and bars, lead dross, reclaimed lead, scrap lead, antimonial lead, and antimonial scrap lead, it is essential that every obstacle to the importation of greater quantities be removed. The price of these forms of lead has increased greatly within the last few years. Many domestic producers of finished lead products are operating at half capacity because of their inability to obtain raw material. These firms have, therefore, been unable to supply the needs of the automotive, electrical, transportation, construction, and other consuming industries. If more foreign lead could be attracted to this country, fabricators of lead products would be in a position to increase production and to more nearly meet requirements.

The Tariff Commission confirms the existence of a shortage of pig lead, and reports that many domestic producers of finished and semifinished materials are operating at as low as one-half capacity because of this shortage. The world price has been driven up as various countries have bid for the available supply. The Tariff Commission also indicates that the inclusion of semifinished materials, such as type metal, solder, pipes, shot, and wire in the proposal to suspend the duties would be an inducement on the part of the foreign countries, especially Mexico and Canada, to ship in the finished materials rather than the crude metal. Inasmuch as domestic producers are presently working at below capacity, it was deemed advisable to promote the importation of pig lead rather than finished or semifinished products.

The domestic lead-producing industry is in a position to supply large amounts of this essential metal but is incapable of keeping up with the present demand. The committee feels that a temporary suspension of the duties on lead will facilitate the production of many products without injury to the domestic industry. It urges unanimously that the bill do pass.

