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SENATE

} REPORT
} No. 1205

PROVIDING FOR EXEMPTION FROM DUTY OF CERTAIN METALLIC IMPURITIES IN TIN ORES AND CONCENTRATES WHEN SUCH IMPURITIES ARE NOT RECOVERED

JANUARY 6 (legislative day, JANUARY 4), 1950.—Ordered to be printed

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

REPORT

[To accompany H. R. 2585]

The Committee on Finance, to whom was referred the bill (H. R. 2585) to amend the Tariff Act of 1930 to provide for exemption from duty of certain metallic impurities in tin ores and concentrates when such impurities are not recovered, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

By virtue of this act, the Committee on Finance adopts the report of the Committee on Ways and Means, which is as follows:

GENERAL STATEMENT

The purpose of this bill is to amend paragraphs 391 and 393 of the Tariff Act of 1930 so as to exempt from duty the lead and zinc contained in tin ores if the lead and zinc are not actually recovered.

At the present time paragraph 391 of the Tariff Act of 1930 exempts from duty the lead contained in copper, gold, or silver ores or copper mattes unless the lead is actually recovered. The same treatment is, however, not now accorded to non-recoverable lead contained in tin ore because tin ore is not specifically mentioned in paragraph 391.

Paragraph 393 of the Tariff Act of 1930 contains a proviso with respect to the free entry of nonrecoverable zinc similar to the proviso in paragraph 391 with respect to lead. There is, however, no specific exemption from duty for non-recoverable zinc contained in tin ores, and it is therefore dutiable as in the case of nonrecoverable lead.

Your committee has been advised that a process has been developed for the commercial recovery of tin from low-grade tin ores and concentrates. Such processing has been deemed uneconomic in the past. Reports are that this process will treat ores and concentrates with a tin content as low as 18 percent, which is much lower than the content of tin ores and concentrates now being treated. In such low-grade ores, however, the proportion of unrecovered impurities in the form of lead and zinc is considerably larger than in the tin ores

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treated up to the present time. The exemption from duty, therefore, of the unrecovered lead and zinc contained in tin ores will materially assist in the development of this important new process by removing this artificial cost item.

The enactment of this legislation will have no appreciable effect on the present competitive situation with respect to lead and zinc, nor is it significant from the point of view of the revenue involved. Moreover, enactment of this proposed legislation will simplify the administration of paragraphs 391 and 393 of the Tariff Act of 1930, will relieve domestic processors of tin ore of much burdensome paper work, and will make unnecessary the payment of duties on materials which would be lost in the process of treating certain imported tin ores.

Favorable reports from interested Government agencies have been made on this proposed legislation.

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

"TARIFF ACT OF 1930

"PAR. 391. Lead-bearing ores, flue dust, and mattes of all kinds, 1½ cents per pound on the lead contained therein: *Provided*, That such duty shall not be applied to the lead contained in copper, gold, tin, or silver ores, or copper mattes, unless actually recovered: *Provided further*, That on all importations of lead-bearing ores, flue dusts, and mattes of all kinds the duties shall be estimated at the port of entry and a bond given in double the amount of such estimated duties for the transportation of the ores, flue dust, or mattes by common carriers bonded for the transportation of appraised or unappraised merchandise to properly equipped sampling or smelting establishments, whether designated as bonded warehouses or otherwise. On the arrival of the ores, flue dust, or mattes at such establishments they shall be sampled according to commercial methods under the supervision of Government officers who shall be stationed at such establishments and who shall submit the samples thus obtained to a Government assayer, designated by the Secretary of the Treasury, who shall make a proper assay of the sample and report the result to the proper customs officers, and the import entries shall be liquidated thereon. And the Secretary of the Treasury is authorized to make all necessary regulations to enforce the provisions of this paragraph."

NOTE.—The rate for the present is three-fourths of 1 cent, but upon 30 days after the termination of the emergency proclaimed by the President on May 27, 1941, the rate shall be 1.2 cents per pound. These modified rates have been established under the Trade Agreements Act of 1934, as amended.

"PAR. 393. Zinc-bearing ores of all kinds, except pyrites containing not more than 3 per centum zinc, 1½ cents per pound on the zinc contained therein: *Provided*, That such duties shall not be applied to the zinc contained in lead, tin, or copper ores unless actually recovered: *Provided further*, That on all importations of zinc-bearing ores the duties shall be estimated at the port of entry, and a bond given in double the amount of such estimated duties for the transportation of the ores by common carriers bonded for the transportation of appraised or unappraised merchandise to properly equipped sampling or smelting establishments, whether designated as bonded warehouses or otherwise. On the arrival of the ores at such establishments they shall be sampled according to commercial methods under the supervision of Government officers, who shall be stationed at such establishments, and who shall submit the samples thus obtained to a Government assayer, designated by the Secretary of the Treasury, who shall make a proper assay of the sample and report the result to the proper customs officers, and the import entries shall be liquidated thereon. And the Secretary of the Treasury is authorized to make all necessary regulations to enforce the provisions of this paragraph."

NOTE.—The present rate is three-fourths of 1 cent instead of 1½ cents. This rate was established under the Trade Agreements Act of 1934 as amended.

