

COPPER IMPORT-TAX SUSPENSION

JUNE 16 (legislative day, JUNE 11), 1954.—Ordered to be printed

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

REPORT

[To accompany H. R. 7709]

The Committee on Finance, to whom was referred the bill (H. R. 7709) to continue until the close of June 30, 1956, the suspension of certain import taxes on copper have considered the same, report favorably thereon with an amendment and recommend that the bill, as amended, do pass.

The amendment is as follows:

Page 1, line 7, strike out "June 30, 1956," and insert in lieu thereof "June 30, 1955".

PURPOSE

H. R. 7709 amends the act of May 22, 1951 (Public Law 38, 82d Cong.), so as to continue until June 30, 1955, the suspension of the 2-cents-per-pound import tax on copper imposed under section 3425 of the Internal Revenue Code (26 U. S. C., sec. 3425). Public Law 38 provides for the suspension of the tax until the close of June 30, 1954. In addition, Public Law 38 provides that the President shall revoke the suspension of the import tax if the average price of electrolytic copper for any calendar month falls below 24 cents per pound and this safeguard to our domestic copper mining industry is continued under H. R. 7709. The current domestic market price of copper has a range of 29½ to 30 cents a pound.

GENERAL STATEMENT

The Finance Committee is aware that the available domestic supply of copper is insufficient to meet current needs and it seems apparent that this shortage will continue for some time. Any unforeseen developments or sudden shifts in demand are provided for in the automatic revocation of the suspension whenever the price of copper

declines below 24 cents per pound. Nevertheless, the committee felt that the serious situation existing in the mining industry in general must be given careful consideration. Furthermore, recent experience with other suspensions, those on lead and zinc in particular, has demonstrated how very rapidly demand, supply, and price trends can reverse themselves. It might also be pointed out that a detailed study by the Congress of tariffs and trade agreements in general may be scheduled for next year. For these reasons the committee felt that this import tax suspension should be limited to 1 year.

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 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):

[PUBLIC LAW 38, 82D CONGRESS]

[CHAPTER 108, 1ST SESSION]

H. R. 3336

AN ACT To suspend certain import taxes on copper

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the import tax imposed under section 3425 of the Internal Revenue Code shall not apply with respect to articles (other than copper sulfate and other than composition metal provided for in paragraph 1657 of the Tariff Act of 1930, as amended, which is suitable both in its composition and shape, without further refining or alloying, for processing into castings, not including as castings ingots or similar cast forms) entered for consumption or withdrawn from warehouse for consumption during the period beginning April 1, 1951, and ending with the close of ~~June 30, 1954~~ ^{June 30, 1956}: *Provided,* That when, for any one calendar month during such period, the average market price of electrolytic copper for that month, in standard shapes and sizes, delivered Connecticut Valley, has been below 24 cents per pound, the Tariff Commission, within fifteen days after the conclusion of such calendar month, shall so advise the President, and the President shall, by proclamation, not later than twenty days after he has been so advised by the Tariff Commission, revoke such suspension of the import tax imposed under section 3425 of the Internal Revenue Code.

In determining the average market price of electrolytic copper for each calendar month, the Tariff Commission is hereby authorized and directed to base its findings upon sources commonly resorted to by the buyers of copper in the usual channels of commerce, including, but not limited to, quotations of the market price for electrolytic copper, in standard shapes and sizes, delivered Connecticut Valley, reported by the Engineering and Mining Journal's "Metal and Mineral Markets".

¹ The additional words "or the termination of the national emergency proclaimed by the President on December 16, 1950, whichever is earlier," as shown in the introduced bill, are in error, having already been eliminated from the above act by Public Law 4, 83d Congress.