THE COPPER TARIFF

On June 30 a tariff of 2 cents a pound on imported copper, suspended during the war, went back into effect. On Tuesday the Senate Finance Committee rejected by 9 to 4 a bill to restore that suspension. This seems to us a short-sighted and ill-advised decision. Copper is one of the most important raw materials in our defense program. The committee has chosen a time when we are facing great inflationary pressure to try to force a cut in our copper imports and add to consumer costs. At the same time, the tariff would deal a hard and unnecessary blow to Chile, where copper is the major export. Peru would also be hard hit, but it could stand the blow better. Chile is one of our true friends in Latin America and a country that has progressed well toward the sort of democracy we like to see. It is Chile that is leading the move to organize the Latin American countries into a collective effort for the United Nations in Korea. At the moment, Chilean economy is severely extended by inflationary factors and a reduction of her dollar income would be serious.

W. H. Hoover, president of the Anaconda Copper Mining Company, said last month that a restoration of the 2-cent duty on copper would not materially increase United States production. Chilean copper, he pointed out, is as integral a part of the United States industry as domestic copper. The Chilean industry is, moreover, largely owned by American companies. Of course, there are other American copper companies that want the protection and it is the legislators from mining states, or those who are willing to help them, who are now trying to restore the 2-cent duty. It is not, as if the domestic producers have to have this protection to keep going; they cannot produce nearly enough for present American consumption, let alone the strategic stock-piling that is now more necessary than ever.

From both the economic and diplomatic viewpoints it is wrong to re-impose the copper tariff. Our Good Neighbor policy cannot be measured in dollars and cents, but its value is nevertheless enormous. There is no adequate reason today to harm one of the most important Latin-American countries simply to provide some unnecessary help to a United States industry. The decision of the Finance Committee is not final and there is time to reverse it on the floor of the Senate. It would be the part of statesmanship and common sense to do so.