

REFINED COPPER IMPORTED DURING COPPER STRIKE

Data on individual import declarations as supplied by the Bureau of Customs to BDSA show that during October 1967–March 1968, domestic primary copper producers imported approximately 84,000 tons. This quantity represents 21 percent of *all refined copper imports during the six-month period*. Similar data for prior periods are not readily available to this agency.

Data are not available showing the names of foreign companies and their respective shares of copper sales to the United States during the strike. However, it is known that American companies have sizeable interests in many foreign copper companies. For example, the following reflects United States interests in Chile, Peru, and Zambia, the three major countries in which the United States has substantial financial interests.

Two American copper companies have financial interests in many Chilean copper properties ranging from 49 percent ownership to complete ownership. These properties account for approximately 80 percent of Chilean mine production. During the recent copper strike United States firms imported from Chilean sources 32,000 tons of refined copper (value \$34.2 million).

In Peru, one United States company has financial interest in several copper properties ranging from 22 percent ownership to complete ownership. These properties account for approximately 83 percent of Peru's total mine production. During the strike, Peru exported to the United States 23,000 tons of refined copper (value \$24.5 million).

In Zambia, one American company owns 44 percent of a Zambia corporation which accounts for 45 percent of Zambian mine production. During the strike, United States firms imported 16,000 tons of refined copper from Zambia (value \$17.1 million).

Mr. WIDNALL. I don't quite understand how materials are stockpiled. I believe that at one point in your testimony you said that the price that was received in selling from the stockpile was lower than you might think it should be because the quality of the material was not as high as in the stockpile.

Was this because inferior quality was bought initially or because of deterioration of the stockpile?

Mr. LAWRENCE. At the time the materials were acquired for the stockpile the standard commercial requirements for materials were lower than they are today. There is also some inferior material in the stockpile which was purchased under the domestic mining provisions of the law, not of this law, but other laws, but the majority of all material in the stockpile meets very rigid specifications of highest quality.

The only problem that we have is that stuff in the stockpile is now 10, 15, and 20 years old and the quality of the material, for example, nickel is much higher today than when we procured nickel back in Korea. This is one of the real problems of the stockpile.

Of course, it would cost us a considerable sum of money to keep continually upgrading the stockpile. We haven't taken that route.

Mr. WIDNALL. I am a little bit confused because in your testimony you said that for broad economic purposes you sometimes have to go beyond the purposes of the act in the purchase of materials.

Mr. DANIEL. No, sir; I did not say that we did that. I was speaking about a former administration, years ago. We do not do that and we think it is a mistake. I said very clearly, I believe before you entered the room—

Mr. WIDNALL. I get confused because I think you also said that you refused to go beyond selling during the copper strike, for instance.

Mr. DANIEL. Yes, sir.

In the statement that you are referring to, I was trying to say why it was that we had so much excess of some materials. And when I said