

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/4016

10 April 1974

Limited Distribution

Original: English

ARTICLE XIX ACTION BY THE UNITED STATES

Ball Bearings

The following communication, dated 29 March 1974, has been received from the Minister for Economic Affairs of the United States Mission.

In August 1973, I informed you of a United States Tariff Commission finding of serious injury as a result of increased imports of certain types of ball bearings (reference GATT document L/3897).

I have now been asked to inform you that the President of the United States, acting pursuant to the provisions of the Trade Expansion Act of 1962 and Article XIX of the General Agreement, has accepted the Tariff Commission finding that ball bearings entering under TSUS Item 680.35 (excluding radial ball bearings with an outside diameter of under 9 mm.) are, as a result in major part of concessions granted under trade agreements, being imported into the United States in such increased quantities as to cause serious injury to the domestic industry producing like or directly competitive products. The President has issued a proclamation increasing the prevailing rate of duty on selected categories of such bearings, if priced not over specified unit values, as follows:

- (a) TSUSA Item 680.3508 (9 mm. to not over 30 mm.) to 20 per cent ad valorem, if valued not over 60 cents per unit;
- (b) TSUSA Item 680.3512 (over 30 mm. but not over 52 mm.) to 20 per cent ad valorem, if valued not over 75 cents per unit;
- (c) TSUSA Item 680.3517 (over 52 mm. but not over 100 mm.) to 3.4 cents per pound plus 15 per cent ad valorem, if valued not over \$1.30 per unit.

Prevailing trade agreement rates will, however, continue to apply to imported bearings priced above the aforementioned specified unit values.

The increased rates will become effective 1 May 1974.

The Presidential Proclamation also provides that the tariff increases established for ball bearings covered by TSUSA Items 680.3508 and 680.3512 will be reduced to the trade agreement rate in three equal annual stages commencing 1 May 1976, and that established for ball bearings covered by TSUSA Item 680.3517 in two stages starting 1 May 1977.

The Presidential Proclamation does not affect the prevailing rates of duty applying (A) to ball bearings with integral shafts covered by TSUSA Item 680.3300, (B) bearings covered by TSUSA Item 680.3518 (over 100 mm.); and (C) bearings, other than radial, covered by TSUSA Item 680.3522.

The Presidential Proclamation also authorizes the provision of adjustment assistance for firms and workers in the domestic ball bearing industry to help them adjust to the impact of import competition.