

GENERAL AGREEMENT ON TARIFFS AND TRADE

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SCHEDULE XX - UNITED STATES

ITEM 1552 - BRIER PIPES

Action by the President on United States Tariff Commission Recommendation (Ref: LEGATT/AIR/29 and Corr.)

The United States Tariff Commission submitted to the President of the United States on 24 December 1952 a recommendation for increases in the duty on low-priced briar pipes bound in Schedule XX, item 1552. The following press release and letters of the President to the Chairman of the Tariff Commission and to the Chairmen of Congressional Committees, dated 18 February 1953, relating to the action taken by the President, are reproduced hereunder at the request of the United States Government for the information of the contracting parties:

Press Release

"The President today moved to obtain additional information from the Tariff Commission before he makes a final decision on its recommendations that import duties on low-priced briar pipes be increased.

"He is sending, simultaneously, a letter to the Tariff Commission, requesting that it conduct a further study of the briar pipe situation, and outlining several points in the case concerning which he feels information is essential. He also is sending identical letters reporting on his action to the Chairmen of the House Ways and Means Committee and the Senate Finance Committee.

"The President, in his State of the Union message, recommended that the Congress 'take the Reciprocal Trade Agreements Act under immediate study and extend it by appropriate legislation', which does not ignore the 'legitimate safeguarding of domestic industries, agriculture and labor standards'.

"In his letters to the Chairmen of the Congressional Committees, the President points out that earnest consideration is being given to the policies and actions required for our helpful economic cooperation with the free world but that basic to decisions in this field is the constant necessity that we preserve our own economic strength while being helpful to others.

"The President considers the brier pipe case to be one part of the general problem of foreign trade. He does not wish to make a final decision in this particular case until he has reviewed the additional facts, which he has requested from the Tariff Commission, and has developed at an early date recommendations on basic trade policies for the consideration of the Congress."

Letter to Chairman United States Tariff Commission

"I have examined with care the report of the Commission dated December 22, 1952, making recommendations pursuant to Section 7 of the Trade Agreements Extension Act of 1951, for adjustments in the duties of brier wood pipes valued at \$5.00 per dozen or less. As a result of my examination, I have today advised the Chairmen of the Committee on Ways and Means of the House of Representatives and of the Committee on Finance of the Senate that I shall not, at this time, disturb the existing tariffs on these products.

"In order to make an appropriate final decision I am anxious to have the help of the Commission in developing further facts which seem to me to be significant.

"I am advised that during the postwar period, large quantities of pipes acquired by our armed forces for sale through Ships Stores and Post Exchanges were placed on the market as surplus stocks. I should like to know the relationship of these sales to the industry's recent difficulties. I should also like to have any information which can be reasonably obtained by the Commission concerning the relevant foreign and domestic production costs for such pipes and bowls, including comparative labor costs. In addition, I should like to have the Commission's view of the significance of invoice data not heretofore available to the Commission which suggests that a large part of United States imports may have consisted of pipes of a quality and price range not generally produced by the domestic industry. Finally, there have been recent statements by leaders of the industry indicating a recent upturn in the domestic pipe business which would bear further investigation.

"May I, therefore, request the Commission to proceed with a further study of the problems of this industry especially those I have outlined above. Upon receipt of this further report, I shall re-examine the case and make such final decision as may be necessary and appropriate."

Letter to Senator Eugene D. Millikin, Chairman Senate Finance Committee,
and Representative Daniel A. Reed, Chairman House Ways and Means Committee.

"In December 1951, representatives of the briar pipe industry of the United States, pursuant to Section 7(c) of the Trade Agreements Extension Act of 1951, applied to the United States Tariff Commission for an investigation of the imports of briar wood pipes and bowls, contending that such imports into the United States were occurring in increased quantities and were causing or threatening to cause serious injury to the domestic industry producing like or directly competitive products. The Commission during the months of January and February 1952, held hearings and carried out staff investigations on the problem.

"On December 22, 1952, the Commission issued a report of its findings and recommended certain increases in the duties on briar wood pipes valued at \$5.00 per dozen or less. Pursuant to Section 7(c), I may 'make such adjustments in the rates of duty, impose such quotas, or make such other modifications as are found and reported by the Commission to be necessary to prevent or remedy serious injury to the respective domestic industry'. Since I am not taking such action within the 60 day period provided by Section 7(c), I am submitting this report.

"In reviewing the findings of the Commission, I have decided that I should like further assistance from it in developing additional facts which seem to me to be significant.

"I am advised that during the postwar period, large quantities of pipes acquired by our armed forces for sale through Ships Stores and Post Exchanges were placed on the market as surplus stocks. I should like to know the relationship of these sales to the industry's recent difficulties. I should also like to have any information which can be reasonably obtained by the Commission about the relevant foreign and domestic production costs for such pipes and bowls, including comparative labor costs. In addition, I should like to have the Commission's view of the significance of invoice data not heretofore available to the Commission which suggests that a large part of the United States imports may have consisted of pipes of a quality and price range not generally produced by the domestic industry. Finally, there have been recent statements by leaders of the industry indicating a recent upturn in the domestic pipe business which would bear further investigation.

"The Administration is giving earnest consideration to the policies and actions required for our helpful economic cooperation with the free world. Basic to decisions in this field is the constant necessity that we preserve our own economic strength while being helpful to others. I expect to develop at an early date recommendations on these important matters for the consideration of the Congress. The tariff problem typified by this case is one part of the whole question.

"So as to assist me in reaching an ultimate decision on this case, I am requesting the Commission to proceed with a further investigation of the problems of this industry, especially those I have outlined. I shall review its further report and make such final decision as may be necessary and appropriate."