CONSULTATION UNDER ARTICLE XIX CONCERNING ITEM 218(f)

The following communication has been received from the United States Government on 9 October 1953 for transmission to the CONTRACTING PARTIES.

Attention is drawn to the request that this communication be treated as strictly confidential.

Communication of the United States Government:

"On 26 September 1952 the United States Tariff Commission instituted an escape clause investigation with respect to hand-blown glassware provided for in paragraph 218(f) of Part I of the Tariff Act of 1930 and items 218(f) of the Geneva, Annecy, and Torquay Schedules XX of the General Agreement on Tariffs and Trade. The imported articles covered by the investigation were as follows:

"Table and kitchen articles and utensils, and all articles of every description not specially provided for (except Christmas tree ornaments), composed wholly or in chief value of glass, blown or partly blown from molten glass gathered by hand, whether or not coloured, cut, engraved, etched, frosted, gilded, ground, painted, printed in any manner, sand-blasted, silvered, stained, or decorated or ornamented in any manner, whether filled or unfilled, or whether their contents be dutiable or free.

"On 22 September 1953 the Tariff Commission submitted its report to the President. Three Commissioners found as follows:

(1) As a result in part of the customs treatment reflecting concessions granted thereon in the General Agreement on Tariffs and Trade, the following articles provided for in paragraph 218(f) of the Tariff Act of 1930 and in item 218(f) of Part I of Geneva Schedule XX of the General Agreement on Tariffs and Trade are being imported into the United States in such increased quantities, both actual and relative, as to cause serious injury to the domestic industry producing like or directly competitive products, and to threaten continuance of such injury:
Table articles and utensils, vases, and articles primarily designed for ornamental purposes; all the foregoing which are blown or partly blown from molten glass gathered by hand and valued at less than $3 each (except Christmas tree ornaments and articles and utensils commercially known as bubble glass).

(2) Products covered by the investigation, other than those described in finding (1), are not being imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry producing like or directly competitive products.

(3) The application, for an indefinite period, of the following rates of duty on the articles and utensils described in finding (1) is necessary to prevent the continuance of such serious injury to the domestic industry:

For cut or engraved articles and utensils valued at less than $3 but not less than $1 each  67 1/2% ad.val.
For other articles and utensils, valued at less than $3 each  90% ad.val.

The other three commissioners found no injury resulting from increased imports as a result of the concessions and attributed to other causes the present deterioration in the industry.

No statistical information is available with respect to the items on which three Commissioners found injury. However, import data for 1952 on the broader category of table and art glassware (foreign value) are as follows:

Germany - $756,000; Sweden - $669,000; Italy - $566,000; France - $338,000; United Kingdom - $215,000; Japan - $214,000; Netherlands - $167,000; Belgium - $147,000; Austria - $86,000; Finland - $42,000.

No decision has yet been reached on the action which the President will take. In a split decision like this, Section 201 of the Trade Agreements Extension Act of 1953, requires that the findings and recommendations of each group of commissioners shall be transmitted to the President and provides that the findings and recommendations of either such group may be considered by the President as those of the Commission.

In accordance with Article XIX, paragraph 2, the United States is prepared to consult with the CONTRACTING PARTIES jointly and with individual contracting parties having a substantial interest in exporting these
products to the United States. The President may or may not take advantage of the full sixty-day period allowed under the Act. In any case, the United States is prepared to complete the consultation even if action is taken in the meantime. The United States prefers consultation in the capital of the country concerned but will consider consultation in Washington or Geneva if the other country prefers.

"This information is strictly confidential. Any public disclosure may necessitate immediate implementation of the above recommendations.

"The United States has separately notified the following contracting parties: France, Italy, Netherlands, Belgium, Finland, Sweden, Germany and the United Kingdom. "