

the ordinary and yet we have been adversely affected by both Japanese and West Germany imports.

Your strong and immediate support of this proposed legislation will certainly be appreciated by our entire organization.

Yours very truly,

O. J. MITCHELL, JR., *Vice President.*

AMERICAN PIPE FITTINGS ASSOCIATION,
New York, N.Y., June 20, 1968.

HON. WILBUR D. MILLS,
*Chairman, Committee on Ways and Means of the House of Representatives,
U.S. House of Representatives, Longworth House Office Building, Washington
D.C.*

DEAR MR. CHAIRMAN: This letter and Brief are submitted on behalf of the producer-members of Malleable Iron Pipe Fittings of the American Pipe Fittings Association who respectfully urged that action presently be taken which would have the result of reducing imports of malleable iron pipe fittings (items USTS 610.7400 and 610.7000).

The industry's position and facts supporting it are given in detail in the body of the Brief, however, special emphasis is given to the facts by this summation.

(a) Fittings produced on the European Continent do not meet U.S. specifications, and vice versa. England uses castings to the same dimensions as the United States but the finished fitting has a different thread. Hence, there is virtually no trade between Continental Europe and the United States. However, Japan produces a malleable iron pipe fitting identical with the one produced in the United States. The American industry is being adversely affected seriously by imports from Japan.

(b) Nine domestic manufacturers, have discontinued manufacture, liquidated their facilities, and laid off employees since 1952. This included two of the largest firms in the industry each of whom had produced malleable iron fittings for over 100 years. The industry's production workers are mainly from a limited educational level and these layoffs add to that hard core segment of unemployment which today constitutes one of our Nation's major problems.

(c) The January 1, 1948 tariff rate on this product was reduced from 45% to 22½% ad valorem. At the "Kennedy Round" of GATT negotiations this was further reduced to 11% ad valorem.

(d) Since 1948 there has been a substantial increase in imports to the serious injury of the industry and its workers. More recently rough malleable iron pipe fittings castings are being offered by English foundries emphasizing that since devaluation of the English pound they are in position to quote very competitive prices.

(e) Since 1956 more than 95% of all imports have been from Japan, where the hourly labor rates are only 63¢* compared with \$2.83* in the United States. In this industry 50% of the cost content of the product is labor.

(f) Japanese imports have been taking an increasing amount of the American market and in July of 1967 the percentage was 13.66% (U.S. Bureau of Census Report).

(g) An assured timely domestic source for malleable iron pipe fittings is vital to National Security. Each 1,000 square feet of construction put in place requires 20.2 pounds of malleable iron pipe fittings. During World War II this requirement increased to 78.7 pounds. Without a dependable source construction for shelter, sanitation, welfare and defense would be jeopardized.

(h) Present domestic capacity is fully adequate to meet existing and future demands for this product.

WILLIAM C. SMITH, *President.*

Subject: Brief supporting recommendation on item 610.7400 and 610.7000 malleable iron pipe fittings on behalf of producer members of the American Pipe Fittings Association.

*Average hourly earnings in manufacturing, International Labour Office, Geneva. Japanese figure includes salaried employees, family allowances, mid- and end-of-year bonuses. In addition to U.S. figure fringe benefits paid by the pipe fittings industry amount to approximately 70 cents per hour.