

The domestic brass mills stand in the same position in their field as steel and aluminum mills stand in theirs. The products are in direct competition with similar products of these industries as well as with plastics. The industry is under constant challenge in its production and marketing procedures to meet this competition. We can have no healthy economy in the United States without full production in the brass mill industry.

Besides its severe domestic competition, the industry has had to meet aggressive competition from abroad. To be marketable, brass mill products must conform with widely accepted standards of physical and chemical characteristics and performance. They must, therefore, be essentially identical whatever the source. There are, of course, no variations of style and appearance on which a competitive choice may be based. Price is a dominant factor. Under these circumstances, the much lower labor and related costs abroad give imports a substantial price advantage. This advantage is enhanced by the availability in this country of large markets for certain widely used brass mill products, established as a result of comprehensive research and promotion by the domestic industry.

THE BRASS MILL INDUSTRY IS EXPERIENCED IN U.S. FOREIGN TRADE POLICY

The brass mill industry has been directly involved in important aspects of our foreign trade policy since the enactment of the Reciprocal Trade Agreements Act in 1934. It has repeatedly informed the appropriate government agencies of the adverse effects of certain features of this policy on the domestic industry, beginning with the British Trade Agreement in 1938. In the course of the multilateral agreements made under the General Agreement on Tariffs and Trade (GATT), the Council has continued to amplify and update its statements. When the President announced the commodities which would be subject to reduction in tariffs in the negotiations in Geneva under the Trade Expansion Act of 1962, brass mill products were included. On that occasion the industry once again pointed out to the government agencies concerned how seriously imports were jeopardizing the integrity of the brass mill industry and that no further reduction in duties was warranted.

WHY TARIFFS ON BRASS MILL PRODUCTS SHOULD NOT HAVE BEEN REDUCED

In connection with the Kennedy Round proposals, our statements to the Tariff Commission (January 30 and March 11, 1964) clearly set forth, with supporting data, the adverse effects which the growing imports were having on the brass mill industry. They emphasized the threat to the industry from these imports if tariffs were further reduced. Similar statements were made to the Trade Information Committee (February 20 and March 11, 1964). In accordance with the request of the Office of the Special Representative for Trade Negotiations, a special technical representative for the brass mill industry was appointed and he was prepared to furnish such further information as might be required during the negotiations. The industry, therefore, cannot be held remiss in keeping these agencies adequately informed.

How unfair the full reduction in the tariffs on brass mill products actually was is clearly indicated in the following exhibits which are attached:

EXHIBIT B

COMPARATIVE WAGES IN MANUFACTURING INDUSTRIES IN THE U.S. AND IN PRINCIPAL FOREIGN COUNTRIES SHIPPING BRASS MILL PRODUCTS TO THE UNITED STATES

This shows that, whereas the United States has had the least percentage increase in wage rates between 1955 and 1967, its increase in cents per hour, which is the true determinant of labor costs, has been greater than that of any other country, except Sweden. The rates of all of the countries covered continue to be only a fraction of that in the United States.

EXHIBIT C

IMPORTS AND EXPORTS OF COPPER AND BRASS MILL PRODUCTS

This shows how imports have substantially increased over the years since 1949 (the effective beginning of the multilateral agreements), while exports have remained at a much lower volume.