CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., May 28, 1968.

Hon. WILBUR D. MILLS,
Chairman, Committee on Ways and Means,
House of Representatives,
Washington, D.C.

DEAR MR. CHAIRMAN: Enclosed is a statement, in triplicate, prepared by Mr. George W. Miller, Chairman of the Board of Battenfeld Grease & Oil Corp., in my congressional district, in support of my bill H.R. 2406. I understand this bill will be considered along with other proposals relating to tariff and trade proposals in hearings scheduled before your Committee beginning on June 4, 1968.

In order to save the time of the Committee, we are submitting this written statement in lieu of a request to be heard in person. I respectfully request that this statement be made a part of the hearing record and that it be given full consideration at the appropriate time.

Thank you for your attention to this matter.

Sincerely yours,

HENRY P. SMITH, III,
Member of Congress.

Enclosures.

BATTENFELD GREASE & OIL CORP.,
North Tonawanda, N.Y., May 24, 1968.

AFFIDAVIT OF TESTIMONY PERTAINING TO H.R. 2406

This Bill is an amendment to the Tariff Schedules of the United States to allow containers for certain petroleum products and derivatives to be temporarily imported without payment of duty.

Battenfeld Grease & Oil Corporation of New York is an exclusively wholesale manufacturer of lubricants for the Petroleum Industry. These products are packaged mainly in metal containers of various sizes.

For the past seven or eight years Canadian industry has been producing such containers and our Canadian customers are demanding that the lubricants we produce for them be packaged in Canadian made containers. To aid the Canadian purchaser, the Canadian government has eliminated the duty on such containers when returned to Canada filled. However, we are required to pay 10% import duty on these containers empty. For approximately five years we have been requesting the U.S. government to drop this duty on such containers—that is allow them to be temporarily imported duty free, filled with lubricants we manufacture and returned to Canada. As stated previously, the Canadian government already has eliminated the return duty on Canadian manufactured metal containers.

Our Canadian business represents about 25% of our total output. We have lost about 5% of this tonnage in the past several years because we could not meet Canadian competition.

We cannot purchase metal containers in the U.S.A. at a price (plus Canadian import duty on U.S. made containers) that will allow us to continue this portion of our operation. Also, as stated before, Canadian customers are insisting on the use of Canadian made containers—in many cases it is a necessity, since the large accounts purchase very large volumes of Canadian made metal containers lithographed with their designs. Most of these containers are utilized within Canada for products of Canadian manufacture. The cost of lithographed containers decreases as the total volume purchased goes up. For us to have these same type containers produced and lithographed in the U.S. is an additional expense, due to the relatively small volume we use compared with their total overall volume.

While a 10% saving on package cost sounds small, we work on very close volume margins and this amount is the straw that breaks the camel's back. Unless we are afforded some relief, we will shortly be faced with the loss of the balance of our Canadian accounts. This, of course, would be a Corporate hardship and would undoubtedly mean a reduction in our labor force, resulting in further unemployment in this area. We are what is termed "small business" and 25% of our total volume means considerable to us and this area. Also,