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DEPARTMENT OF THE INTERIOR
INFORMATION SERVICE

OFFICE OF TERRITORIES

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BILL PROPOSED TO ADMIT TRUST TERRITORY HANDICRAFT ITEMS DUTY-FREE

A bill has been proposed by the Department of the Interior to permit handicraft items from the Trust Territory of the Pacific Islands to enter the United States without the substantial duty which is now imposed upon them.

The bill would extend to the Trust Territory the benefits of Section 301 of the 1930 Tariff Act, which provides that articles coming into the United States from any of its insular possessions, except Puerto Rico, may be admitted duty-free.

In letters to the President of the Senate and the Speaker of the House of Representatives, Assistant Secretary of the Interior Hatfield Chilson said, "At this time the proposed bill would affect largely the Trust Territory's handicraft industry. The nature of the industry is such that it provides a secondary source of income throughout the Territory as a whole."

For a few of the islands, the handicraft industry is already a primary source of income, but at the present time, handicraft items from the Trust Territory are subjected to a substantial duty making it difficult for these items to compete in the highly competitive handicraft field.

Permitting these items to enter the United States duty-free is expected to benefit the economy of the Trust Territory and increase incentive in the handicraft industry.

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