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*Forty-seventh*  
**Annual Report**  
*of the*  
**United States Tariff Commission**

◆  
*Fiscal Year Ended June 30*  
**1963**

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TC Publication 119

**REPORTS OF THE UNITED STATES TARIFF COMMISSION ON THE  
OPERATION OF THE TRADE AGREEMENTS PROGRAM**

**Operation of the Trade Agreements Program, June 1934 to April 1948 (Rept. No. 160, 2d ser., 1949):**

- \*Part I. Summary
- \*Part II. History of the Trade Agreements Program
- \*Part III. Trade-Agreement Concessions Granted by the United States
- \*Part IV. Trade-Agreement Concessions Obtained by the United States
- \*Part V. Effects of the Trade Agreements Program on United States Trade

- \*Operation of the Trade Agreements Program: Second Report, April 1948–March 1949 (Rept. No. 163, 2d ser., 1950)
- \*Operation of the Trade Agreements Program: Third Report, April 1949–June 1950 (Rept. No. 172, 2d ser., 1951)
- \*Operation of the Trade Agreements Program: Fourth Report, July 1950–June 1951 (Rept. No. 174, 2d ser., 1952)
- \*Operation of the Trade Agreements Program: Fifth Report, July 1951–June 1952 (Rept. No. 191, 2d ser., 1954)
- \*Operation of the Trade Agreements Program: Sixth Report, July 1952–June 1953 (Rept. No. 193, 2d ser., 1954)
- \*Operation of the Trade Agreements Program: Seventh Report, July 1953–June 1954 (Rept. No. 195, 2d ser., 1955)
- \*Operation of the Trade Agreements Program: Eighth Report, July 1954–June 1955 (Rept. No. 197, 2d ser., 1956)
- \*Operation of the Trade Agreements Program: Ninth Report, July 1955–June 1956 (Rept. No. 199, 2d ser., 1957)
- \*Operation of the Trade Agreements Program: 10th Report, July 1956–June 1957 (Rept. No. 202, 2d ser., 1959)
- \*Operation of the Trade Agreements Program: 11th Report, July 1957–June 1958 (Rept. No. 204, 2d ser., 1959)
- \*Operation of the Trade Agreements Program: 12th Report, July 1958–June 1959 (TC Publication 9, 1961)
- Operation of the Trade Agreements Program: 13th Report, July 1959–June 1960 (TC Publication 51, 1962), 45¢

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**NOTE.**—The reports preceded by an asterisk (\*) are out of print. The report followed by a price may be purchased from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C., 20402. (See inside back cover for other available reports.) All U.S. Tariff Commission reports reproduced by the Government Printing Office may be consulted in the official depository libraries throughout the United States.

*Forty-seventh*  
**Annual Report**  
*of the*  
**United States Tariff Commission**  
*Fiscal Year Ended June 30*  
**1963**



U.S. GOVERNMENT PRINTING OFFICE  
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**UNITED STATES TARIFF COMMISSION**

**BEN DORFMAN, *Chairman***

**JOSEPH E. TALBOT**

**WALTER R. SCHREIBER**

**GLENN W. SUTTON**

**JAMES W. CULLITON**

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**DONN N. BENT, *Secretary***

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**Address all communications  
UNITED STATES TARIFF COMMISSION  
Washington, D.C. 20436**

**LETTER OF TRANSMITTAL**

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UNITED STATES TARIFF COMMISSION,  
*Washington, December 2, 1963.*

SIR: I have the honor to transmit to you the *Forty-seventh Annual Report of the United States Tariff Commission*, in compliance with the provisions of section 332 of the Tariff Act of 1930.

Respectfully,

BEN DORFMAN,  
*Chairman.*

THE PRESIDENT OF THE SENATE,  
THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.



## PREFACE

This, the *Forty-seventh Annual Report of the United States Tariff Commission*,<sup>1</sup> covers the period July 1, 1962, through June 30, 1963; it was prepared in conformity with the provisions of section 332(g) of the Tariff Act of 1930.<sup>2</sup> References in this report to fiscal 1963 are to the fiscal year that ended June 30, 1963.

For the purposes of this report, the current work of the Tariff Commission—described in parts I, II, III, and IV—has been classified under the following headings: Public investigations; special reports and activities; furnishing technical information and assistance; and other activities. Part V of the report deals with the membership and staff of the Commission, and its finances and appropriations. As required by section 332(g), summaries of all reports made by the Commission during 1963 are included herein; they appear under the appropriate headings in parts I and II of this report.

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<sup>1</sup> The U.S. Tariff Commission was created by act of Congress approved Sept. 8, 1916 (39 Stat. 795), and was formally organized on Mar. 31, 1917.

<sup>2</sup> 19 U.S.C. 1332.





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## PART I. PUBLIC INVESTIGATIONS

Specific provisions of law and certain Executive orders direct the U.S. Tariff Commission to conduct various investigations. The directives in effect on July 1, 1962, were set forth in sections 3<sup>1</sup> and 7<sup>2</sup> of the Trade Agreements Extension Act of 1951, as amended; Executive Order 10401;<sup>3</sup> sections 332,<sup>4</sup> 336,<sup>5</sup> and 337<sup>6</sup> of the Tariff Act of 1930, as amended; section 22 of the Agricultural Adjustment Act, as reenacted and amended;<sup>7</sup> and section 201(a) of the Antidumping Act, 1921, as amended.<sup>8</sup> During the period covered by this report, the Commission's responsibilities under sections 3 and 7 of the Trade Agreements Extension Act of 1951 were replaced by similar responsibilities provided for in sections 221 and 301(b) of the Trade Expansion Act of 1962.<sup>9</sup> In addition, section 225 and sections 301(c) (1) and 301(c) (2) of the 1962 act gave the Commission responsibilities not provided for in earlier legislation. On January 15, 1963, the President by Executive Order 11075<sup>10</sup> revoked Executive Order 10401. The directives contained in Executive Order 10401 have been replaced by similar responsibilities contained in sections 351(d) (1) and 351(d) (2) of the Trade Expansion Act of 1962.

During fiscal 1963 the Commission conducted investigations under all of these statutes and Executive orders except section 3 of the Trade Agreements Extension Act of 1951, as amended, and sections 221 and 225 of the Trade Expansion Act of 1962. As in the preceding several years, activities relating to public investigations continued to account for the major part of the Commission's work.

### Section 221 (b) of the Trade Expansion Act of 1962

Section 221 of the Trade Expansion Act of 1962 replaced section 3 of the Trade Agreements Extension Act of 1951.<sup>11</sup> Section 221(b)

<sup>1</sup> 19 U.S.C. 1360.

<sup>2</sup> 19 U.S.C. 1364.

<sup>3</sup> 3 CFR, 1949-1953 Comp., 901.

<sup>4</sup> 19 U.S.C. 1332.

<sup>5</sup> 19 U.S.C. 1336, 1352.

<sup>6</sup> 19 U.S.C. 1337, 1337a.

<sup>7</sup> 7 U.S.C. 624.

<sup>8</sup> 19 U.S.C. 160 *et seq.*

<sup>9</sup> 76 Stat. 872.

<sup>10</sup> 28 F.R. 473.

<sup>11</sup> Sec. 3 of the 1951 act had established the statutory procedure for the so-called peril-point determinations made in connection with trade-agreement negotia-

provides for the Tariff Commission to submit advice to the President in connection with possible trade-agreement concessions by the United States. Before the President can offer any concessions, he must publish and furnish the Commission with lists of articles which might be considered for U.S. concessions. Within 6 months after receipt of a list, the Commission must advise the President, with respect to each article, of its judgment of the probable economic effect of a reduction in the import duty on the domestic industry or industries producing like or directly competitive articles. The Commission's advice is intended to assist the President in making an informed judgment of the impact that the concessions under consideration might have on U.S. industry, agriculture, and labor.

In conjunction with preparing its advice to the President, the Commission is required to hold public hearings. To the extent practicable, the Commission is directed to (1) investigate the conditions, causes, and effects of competition between the foreign industries producing the articles in question and the domestic industries producing the like or directly competitive articles; (2) analyze the production, trade, and consumption of each like or directly competitive article, taking into consideration data on employment, profit levels, the use of the U.S. productive facilities, and such other economic factors in those industries as the Commission considers relevant (such as prices, wages, sales, inventories, patterns of demand, capital investment, obsolescence of equipment, and diversification of production); (3) describe in its report the probable nature and extent of any significant change that trade-agreement concessions on the listed articles would cause in employment, profit levels, use of productive facilities, and such other conditions as it deems relevant in the domestic industries concerned; and (4) make special studies of particular proposed concessions whenever it deems such studies to be warranted, including within the scope of these studies data on the real wages paid in foreign supplying countries.

The President may not offer a trade-agreement concession on any article until he has received the Tariff Commission's advice concerning the likely impact of imports of such article, or until 6 months after the Commission has received from him the list of articles to be considered for trade-agreement concessions, whichever occurs first. In addition to the articles mandatorily required to be reserved from negotiations for reductions in duty or other import restrictions or for elimination

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tions; the provision for these determinations was not continued in sec. 221 of the 1962 act. That part of the Commission's prenegotiation responsibilities became obsolete with the end of the period during which the President could negotiate under sec. 350 of the Tariff Act of 1930, as amended.

of the duty, the President must reserve from trade-agreement negotiations any of the articles included in the list he furnished to the Commission that he determines to be appropriate, taking into consideration, among other things, the Commission's advice submitted under section 221 (b). After concluding a trade agreement, the President must promptly transmit to each House of Congress a copy of the agreement, together with a statement of his reasons for entering into it. The statement is to be made in the light of the Tariff Commission's advice under section 221 (b) and of other relevant considerations.

During fiscal 1963 the Commission began preparing for an anticipated investigation under section 221. The Commission had been informed that a public list would be forthcoming from the President in the fall of 1963 for a sixth round of tariff negotiations, planned by the Contracting Parties to the General Agreement on Tariffs and Trade (GATT), to begin sometime in 1964. In October 1962 the Commission began compiling and analyzing data and other information on about 5,000 articles, and in April 1963 it began incorporating that information in more than 1,500 digests. When completed, the digests will include data relating to the tariff status, description and uses, U.S. production, imports, exports, and consumption of the products involved. By the end of the period covered by this report, June 30, 1963, the President had not yet submitted to the Commission any list of articles under section 221.<sup>12</sup>

#### **Section 225 (b) of the Trade Expansion Act of 1962**

Section 225 (b) of the Trade Expansion Act of 1962 sets forth the following criteria for the reservation of certain articles from trade-agreement negotiation when they have been included for the first time in a list that the President has furnished the Tariff Commission under section 221 of the act: (1) The Commission, as a result of an escape-clause investigation, found by majority vote before October 11, 1962, that such article was being imported in such increased quantities as to cause or threaten serious injury to a domestic industry; (2) no escape action taken under section 7 of the Trade Agreements Extension Act of 1951 was in effect on October 11, 1962; (3) a request for reservation on behalf of the industry was filed with the Commission not later than 60 days after the date of the publication of the President's list of articles; and (4) the Commission found and advised the President that the economic conditions in the industry had not substantially improved since the date of its

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<sup>12</sup> The President submitted a list of articles to the Commission under sec. 221 on Oct. 22, 1963; the list included virtually every article in the Tariff Schedules of the United States.

report to the President of its escape-clause finding. If the Commission so advises the President under section 225(b), he must reserve the article concerned from negotiation during the 5-year period ending on October 10, 1967.

Inasmuch as the President had not submitted a public list to the Commission by the end of the period under review, no investigations were instituted by the Commission under section 225(b)(3) during fiscal 1963.

### **Section 7 of the Trade Agreements Extension Act of 1951**

Section 7 of the Trade Agreements Extension Act of 1951, as amended, established a statutory escape-clause procedure.<sup>13</sup> It provided that the Tariff Commission, upon the request of the President, upon resolution of either House of Congress, upon resolution of either the Senate Committee on Finance or the House Committee on Ways and Means, upon its own motion, or upon application by any interested party (including any organization or group of employees), was to promptly conduct an investigation to determine whether any product on which a trade-agreement concession had been granted was, as a result, in whole or in part, of the customs treatment reflecting such concession, being imported 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.

Section 7(a) required the Commission to hold a hearing at which interested parties were afforded an opportunity to be heard, whenever it found evidence of serious injury or threat of serious injury, or whenever it was so directed by resolution of either the Senate Committee on Finance or the House Committee on Ways and Means.

The Commission was required to make a report on an escape-clause investigation within 6 months of the date it received an application. In arriving at its findings and conclusions in an escape-clause investigation, the Commission was required to take into consideration, without excluding other factors, a downward trend of production, employment, prices, profits, or wages in the domestic industry concerned, or a decline in sales, an increase in imports, either actual or relative to domestic production, a higher or growing inventory, or a decline in the proportion of the domestic market supplied by domestic producers. Increased imports, either actual or relative to domestic production, were to be considered as the cause or threat of serious

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<sup>13</sup> Sec. 7 was repealed during the period covered by this report by sec. 257(e)(1) of the Trade Expansion Act of 1962. Sec. 257(e)(3) of the 1962 act provided that any sec. 7 investigations in progress at the time of repeal were to be continued under sec. 301 of the 1962 act.

injury to the domestic industry producing like or directly competitive products when the Commission found that such increased imports had contributed substantially toward causing or threatening serious injury to such industry.

Whenever the Commission found, as a result of its investigation, the existence or threat of serious injury as a result of increased imports, either actual or relative, due, in whole or in part, to the duty or other customs treatment reflecting the concession, it was required to recommend to the President, to the extent and for the time necessary to prevent or remedy such injury, the withdrawal or modification of the concession, the suspension of the concession in whole or in part, or the establishment of an import quota. The Commission was also required to immediately make public its findings and recommendations to the President, including any dissenting or separate findings and recommendations, and to publish a summary thereof in the *Federal Register*. When, in the Commission's judgment, no sufficient reason existed for a recommendation to the President that a trade-agreement concession be modified or withdrawn, the Commission was to make and publish a report stating its findings and conclusions.

**Status of investigations pending at one time or another between July 1 and October 11, 1962**

On July 1, 1962, four escape-clause investigations were pending before the Tariff Commission. One additional escape-clause investigation was instituted by the Commission prior to October 11, 1962, the date on which section 7 of the Trade Agreements Extension Act of 1951 was repealed by the Trade Expansion Act of 1962. The Commission had completed one of these five escape-clause investigations by October 11, 1962; the remaining four were continued by the Commission on October 12 under section 301 of the 1962 act.<sup>14</sup>

The nature and status of the five escape-clause investigations that were pending before the Commission at one time or another during the period July 1–October 11, 1962, are shown in the following compilation:<sup>15</sup>

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<sup>14</sup> Continuance of escape-clause investigations pending on the date the Trade Expansion Act of 1962 was enacted was provided for by sec. 257(e)(3) of that act.

<sup>15</sup> This compilation shows the status of only those escape-clause investigations that were pending before the Commission at one time or another between July 1 and Oct. 11, 1962. Lists of investigations instituted before the period covered by this report, and their status on various dates, are given in earlier annual reports of the Commission.

*Escape-clause investigations pending before the U.S. Tariff Commission  
at one time or another during the period July 1-Oct. 11, 1962*

Commodity	Status
1. Vanillin----- (Investigation No. 112; sec. 7)	<p><i>Origin of investigation:</i> Application by Sterling Drug, Inc., New York, N.Y., and on the Commission's own motion.</p> <p><i>Application received:</i> Feb. 19, 1962.</p> <p><i>Investigation instituted:</i> Mar. 8, 1962.</p> <p><i>Hearing held:</i> May 31 and June 1, 1962.</p> <p><i>Investigation completed:</i> Aug. 20, 1962.</p> <p><i>Finding of the Commission:</i> No injury or threat thereof.</p> <p><i>Vote of the Commission:</i> 5-0.</p> <p><i>Reference:</i> U.S. Tariff Commission, <i>Vanillin: Report on Escape-Clause Investigation No. 7-112 . . .</i>, TC Publication 65, 1962 [processed].</p>
2. Household china table- ware and kitchen- ware. (Investigation No. 113; sec. 7)	<p><i>Origin of investigation:</i> Application by the American Fine China Guild, Inc., Nyack, N.Y.</p> <p><i>Application received:</i> May 4, 1962.</p> <p><i>Investigation instituted:</i> May 15, 1962.</p> <p><i>Hearing held:</i> July 24-27 and July 30-Aug. 1, 1962.</p> <p><i>Investigation continued under sec. 301(b)(1) of the Trade Expansion Act of 1962:</i> Oct. 12, 1962.</p>
3. Earthenware table and kitchen articles. (Investigation No. 114; sec. 7)	<p><i>Origin of investigation:</i> Application by the United States Potters Association, East Liverpool, Ohio.</p> <p><i>Application received:</i> May 25, 1962.</p> <p><i>Investigation instituted:</i> May 29, 1962.</p> <p><i>Hearing held:</i> July 25 and Aug. 1 and 2, 1962.</p> <p><i>Investigation continued under sec. 301(b)(1) of the Trade Expansion Act of 1962:</i> Oct. 12, 1962.</p>
4. Hatters' fur (3d in- vestigation). (Investigation No. 115; sec. 7)	<p><i>Origin of investigation:</i> Application by the Hatters' Fur Cutters Association of the U.S.A., New York, N.Y.</p> <p><i>Application received:</i> June 4, 1962.</p> <p><i>Investigation instituted:</i> June 22, 1962.</p> <p><i>Hearing held:</i> Sept. 11, 1962.</p> <p><i>Investigation continued under sec. 301(b)(1) of the Trade Expansion Act of 1962:</i> Oct. 12, 1962.</p>
5. Softwood lumber----- (Investigation No. 116; sec. 7)	<p><i>Origin of investigation:</i> Application by the Lumbermen's Economic Survival Committee, Seattle, Wash.</p> <p><i>Application received:</i> July 23, 1962.</p> <p><i>Investigation instituted:</i> July 26, 1962.</p> <p><i>Hearing held:</i> Oct. 2-5 and 9-12, 1962.</p> <p><i>Investigation continued under sec. 301(b)(1) of the Trade Expansion Act of 1962:</i> Oct. 12, 1962.</p>

**Investigation completed**

On March 8, 1962, in response to an application by Sterling Drug, Inc., the Tariff Commission instituted an escape-clause investigation of vanillin provided for in paragraph 28(a) of the Tariff Act of 1930. It held a public hearing on May 31 and June 1, 1962, and issued a report on August 20, 1962.<sup>16</sup> On the basis of the investigation, the Commission found no serious injury or threat thereof. Accordingly,

<sup>16</sup> For citation of this report, see the preceding tabulation.



no sufficient reason existed for a recommendation to the President that escape-clause action be taken under the provisions of section 7 of the Trade Agreements Extension Act of 1951, as amended.

### **Section 301 (b) of the Trade Expansion Act of 1962**

Section 301(b) of the Trade Expansion Act of 1962 replaced the escape-clause procedure provided under section 7 of the Trade Agreements Extension Act of 1951. Under section 301(b) the Tariff Commission—upon request of the President, upon resolution of either the Committee on Finance of the Senate or the Committee on Ways and Means of the House of Representatives, upon the Commission's own motion, or upon the filing of a petition by a trade association, firm, certified or recognized union, or other representative of an industry—must promptly make an investigation to determine whether, as a result in major part of concessions granted under trade agreements, an article is being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to the domestic industry producing an article which is like or directly competitive with the imported article. In making its determination, the Commission is directed to take into account all economic factors which it considers relevant, including the idling of productive facilities, the inability to operate at a level of reasonable profit, and unemployment or underemployment. Furthermore, section 301(b) requires that increased imports are to be considered as having caused, or threatened to cause, serious injury to the domestic industry, if the Commission finds that such increased imports have been the major factor in causing or threatening to cause such injury.

The Commission is required to make a report of its determination under section 301(b) not later than 6 months after the date on which the petition was filed (or the date on which the request by the President or congressional resolution was received, or the date on which the Commission instituted the investigation on its own motion, as the case may be). In the course of each investigation the Commission is required to hold public hearings. Should the Commission, as a result of its investigation, make a finding under section 301(b) of the existence or threat of serious injury as a result of increased imports due in major part to the concessions granted under trade agreements, it must find the amount of the increase in, or imposition of, any duty or other import restriction on such imports that is necessary to prevent or remedy the injury and must include the finding in its report to the President.

The Commission is directed to report to the President the results of each of its investigations under section 301(b) and include in each report any dissenting or separate views of the Commission. The

Commission is also to furnish the President a transcript of the hearings and any briefs submitted in connection with the investigation. Upon making its report to the President, the Commission must promptly make its report public and must publish a summary thereof in the *Federal Register*.

Within 60 days after the date the President receives a finding of injury or threat thereof from the Commission under section 301(b), he may request additional information from the Tariff Commission under section 351(a) of the act. The latter section requires that the Commission furnish a supplemental report to the President containing the additional information as soon as possible, but in no event more than 120 days after the date it received the President's request.

**Status of investigations pending at one time or another between October 12, 1962, and June 30, 1963**

On October 12, 1962, in accordance with section 257(e) (3) of the Trade Expansion Act of 1962, the four escape-clause investigations pending before the Commission under section 7 of the Trade Agreements Extension Act of 1951 were continued under section 301(b) of the 1962 act. During the period October 12, 1962, to June 30, 1963, the Commission instituted one additional investigation. By the close of that period the Commission had completed all five escape-clause investigations.<sup>17</sup>

The vote of the Commission in each of the five investigations under section 301(b) is shown below:

Commodity	Vote of the Commission	
	For escape action	Against escape action
Household china tableware and kitchenware.....	0	6
Earthenware table and kitchen articles.....	0	6
Hatters' fur (3d investigation).....	0	6
Softwood lumber.....	0	1 5
Certain whisky.....	0	6

<sup>1</sup> 1 member of the Commission did not participate in the investigation.

The nature and status of the aforementioned investigations are shown in the following compilation:

<sup>17</sup> The Commission's reports on the investigations, all of which have been released, are summarized in a subsequent section of this report.

*Investigations under sec. 301(b) of the Trade Expansion Act of 1962 pending before the U.S. Tariff Commission at one time or another during the period Oct. 12, 1962-June 30, 1963*

Commodity	Status
1. Household china tableware and kitchenware. (Investigation No. TEA-I-1; sec. 301(b))	<p><i>Origin of investigation:</i> Continuation of investigation pending under sec. 7 of the Trade Agreements Extension Act of 1951.  <i>Investigation completed:</i> Apr. 5, 1963.  <i>Determination of the Commission:</i> No injury or threat thereof.  <i>Vote of the Commission:</i> 6-0.  <i>Reference:</i> U.S. Tariff Commission, <i>Household China Tableware and Kitchenware: Report to the President on Investigation No. 7-113 (TEA-I-1)</i> . . . , TC Publication 84, 1963 [processed].</p>
2. Earthenware table and kitchen articles. (Investigation No. TEA-I-2; sec. 301(b))	<p><i>Origin of investigation:</i> Continuation of investigation pending under sec. 7 of the Trade Agreements Extension Act of 1951.  <i>Investigation completed:</i> Apr. 11, 1963.  <i>Determination of the Commission:</i> No injury or threat thereof.  <i>Vote of the Commission:</i> 6-0.  <i>Reference:</i> U.S. Tariff Commission, <i>Earthenware Table and Kitchen Articles: Report to the President on Investigation No. 7-114 (TEA-I-2)</i> . . . , TC Publication 86, 1963 [processed].</p>
3. Hatters' fur (3d investigation). (Investigation No. TEA-I-3; sec. 301(b))	<p><i>Origin of investigation:</i> Continuation of investigation pending under sec. 7 of the Trade Agreements Extension Act of 1951.  <i>Investigation completed:</i> Mar. 13, 1963.  <i>Determination of the Commission:</i> No injury or threat thereof.  <i>Vote of the Commission:</i> 6-0.  <i>Reference:</i> U.S. Tariff Commission, <i>Hatters' Fur, Report to the President on Investigation No. 7-115 (TEA-I-3)</i> . . . , TC Publication 82, 1963 [processed].</p>
4. Softwood lumber----- (Investigation No. TEA-I-4; sec. 301(b))	<p><i>Origin of investigation:</i> Continuation of investigation pending under sec. 7 of the Trade Agreements Extension Act of 1951.  <i>Investigation completed:</i> Feb. 14, 1963.  <i>Determination of the Commission:</i> No injury or threat thereof.  <i>Vote of the Commission:</i> 5-0.  <i>Reference:</i> U.S. Tariff Commission, <i>Softwood Lumber: Report to the President on Investigation No. 7-116 (TEA-I-4)</i> . . . , TC Publication 79, 1963 [processed].</p>
5. Certain whisky----- (Investigation No. TEA-I-5; sec. 301(b))	<p><i>Origin of investigation:</i> Petition by Publicker Industries, Inc., Philadelphia, Pa.  <i>Petition received:</i> Jan. 7, 1963.  <i>Investigation instituted:</i> Jan. 11, 1963.  <i>Hearing held:</i> Feb. 26, 1963.  <i>Investigation completed:</i> Apr. 26, 1963.  <i>Determination of the Commission:</i> No injury or threat thereof.  <i>Vote of the Commission:</i> 6-0.  <i>Reference:</i> U.S. Tariff Commission, <i>Whisky (Except Irish, Irish Type, Scotch, and Scotch Type): Report to the President on Investigation No. TEA-I-5</i> . . . , TC Publication 89, 1963 [processed].</p>

**Investigations completed**<sup>28</sup>

*Household china tableware and kitchenware.*—On application by the American Fine China Guild, Inc., of Nyack, N.Y., the Tariff Commission on May 15, 1962, instituted under the authority of section 7 of the Trade Agreements Extension Act of 1951 an escape-clause investigation of household china tableware and kitchenware provided for in paragraph 212 of the Tariff Act of 1930. The Commission held a public hearing July 24 to 27 and July 30 to August 1, 1962. On October 12, 1962, it continued this investigation under section 301(b) of the Trade Expansion Act of 1962.

The Commission submitted a report to the President on April 5, 1963. On the basis of its investigation the Commission unanimously found that the chinaware covered by the investigation was not, as a result in major part of concessions granted under trade agreements, being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to the domestic industry producing like or directly competitive articles. The Commission based its finding primarily on the determination that the increased imports were not a result in major part of trade-agreement concessions; it had also determined that the industry was not being seriously injured or threatened with serious injury within the meaning of the Trade Expansion Act of 1962.

*Earthenware table and kitchen articles.*—On application by the United States Potters Association, of East Liverpool, Ohio, the Tariff Commission on May 29, 1962, acting under the authority of section 7 of the Trade Agreements Extension Act of 1951, instituted an escape-clause investigation of earthenware table and kitchen articles provided for in paragraph 211 of the Tariff Act of 1930. A public hearing was held on July 25 and August 1 and 2, 1962. On October 12, 1962, it continued the investigation under section 301(b) of the Trade Expansion Act of 1962.

The Commission submitted a report on its investigation to the President on April 11, 1963. The Commission unanimously found that the earthenware covered by the investigation was not, as a result in major part of concessions granted under trade agreements, being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to the domestic industry producing like or directly competitive articles. The Commission based its finding primarily on the determination that the increased imports of earthenware were not a result in major part of trade-agreement concessions; it had also determined that increased imports were not the major factor causing the difficulties that confronted the domestic industry.

*Hatters' fur.*—On application by the Hatters' Fur Cutters Association of the U.S.A., the Tariff Commission on June 22, 1962, acting

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<sup>28</sup> For citation of the reports mentioned in the discussion below, see the preceding tabulation.

under the authority of section 7 of the Trade Agreements Extension Act of 1951, instituted an escape-clause investigation of hatters' fur provided for under paragraph 1520 of the Tariff Act of 1930. The Commission held a public hearing on September 11, 1962. On October 12, 1962, it continued the investigation under section 301(b) of the Trade Expansion Act of 1962.

The Commission submitted its report on the investigation to the President on March 13, 1963. It unanimously found that hatters' fur was not, as a result in major part of concessions granted under trade agreements, being imported in such increased quantities as to cause, or threaten to cause, serious injury to the domestic industry producing a like or directly competitive article. The Commission concluded that the increased imports of hatters' fur were not at the time of its finding the major factor causing the difficulties of the domestic industry concerned.

*Softwood lumber.*—On application by the Lumbermen's Economic Survival Committee, Seattle, Wash., the Tariff Commission on July 26, 1962, acting under the authority of section 7 of the Trade Agreements Extension Act of 1951, instituted an escape-clause investigation of certain softwood lumber provided for under paragraphs 401 and 1803(1) of the Tariff Act of 1930. As originally instituted the investigation was limited to sawed lumber and timber of fir, spruce, pine, hemlock, and larch; however, on August 29 the scope of the investigation was broadened to include additional species of softwood lumber. The Commission held a public hearing October 2 to 5 and 9 to 12, 1962. On October 12, 1962, it continued the investigation under section 301(b) of the Trade Expansion Act of 1962.

The Commission submitted a report on its investigation to the President on February 14, 1963. The Commission unanimously found<sup>19</sup> that softwood lumber was not, as a result in major part of concessions granted under trade agreements, being imported in such increased quantities as to cause, or threaten to cause, serious injury to the domestic industry producing the like article. The Commission concluded that the increase in imports of softwood lumber was not attributable in major part to trade-agreement concessions.

*Certain whisky.*—On petition by Publicker Industries, Inc., Philadelphia, Pa., the Commission on January 11, 1963, instituted under the authority of section 301(b)(1) of the Trade Expansion Act of 1962 an investigation of whisky (except Irish, Irish type, Scotch, and Scotch type) provided for in paragraph 802 of the Tariff Act of 1930. A public hearing was held on February 26, 1963.

The Commission submitted a report on its investigation to the President on April 26, 1963. It unanimously found that the whisky covered by the investigation was not, as a result in major part of

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<sup>19</sup> Commissioner James W. Culliton, who became a member of the Commission on Dec. 5, 1962, did not participate in this investigation.

concessions granted under trade agreements, being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to the domestic industry producing like or directly competitive whisky. The Commission based its finding primarily on the determination that the trade-agreement concessions had not been an important factor in causing the increase in imports.

### Executive Order 10401

The standard escape-clause included in U.S. trade agreements provides that any escape-clause action is to be continued only for the time necessary to prevent or remedy the injury. This principle was reflected in section 7 of the Trade Agreements Extension Act of 1951. Formal procedures for Tariff Commission review of the continued application of import restrictions imposed under the escape-clause procedures of section 7 of the 1951 act were established by the President in Executive Order 10401 of October 14, 1952.<sup>20</sup> Those review procedures were replaced by similar procedures established in section 351(d) of the Trade Expansion Act of 1962.<sup>21</sup> During fiscal 1963 the Tariff Commission made reviews under both the 1952 Presidential and the 1962 legislative directives; the latter are described separately in the following section of this report.

Paragraph 1 of Executive Order 10401 directed the Tariff Commission to keep under review developments relating to products on which trade-agreement concessions had been modified or withdrawn under the escape-clause procedure, and to make periodic reports to the President concerning such developments. The Commission was required to make the first such report in each case not more than 2 years after the original escape-clause action, and thereafter at intervals of 1 year as long as the concession remained withdrawn, suspended, or modified in whole or in part.

Paragraph 2 of Executive Order 10401 required the Commission to institute a formal investigation whenever, in the Commission's judgment, changed conditions of competition warranted it, or whenever requested by the President, to determine whether and, if so, to what extent the withdrawal, suspension, or modification of a trade-agreement concession remained necessary to prevent or remedy serious injury or the threat thereof to the domestic industry concerned. Upon completing such an investigation, including a public hearing, the Commission was to report its findings to the President.

During the period July 1 to October 11, 1962, the Commission submitted five reports to the President under the provisions of para-

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<sup>20</sup> 3 CFR, 1949-1953 Comp., 901.

<sup>21</sup> The directives in Executive Order 10401 that pertained to the Tariff Commission were formally revoked by Executive Order 11075 on Jan. 15, 1963 (28 F.R. 473).

graph 1 of Executive Order 10401. These reports are discussed briefly in the following sections. No reports were submitted by the Commission to the President during this period under paragraph 2 of the Executive order.

#### **Linen toweling**

In 1956, after an escape-clause investigation and report by the Tariff Commission, the President withdrew the concession that the United States granted in the General Agreement on Tariffs and Trade on the linen toweling (i.e., fabrics used chiefly for making towels) provided for in paragraph 1010 of the Tariff Act of 1930, and increased the rate of duty on such toweling from 10 percent to 40 percent ad valorem. The withdrawal of the concession became effective after the close of business on July 25, 1956.

As required by paragraph 1 of Executive Order 10401, the Commission on July 25, 1962, submitted to the President its fifth periodic report on developments in the trade in the linen toweling involved in the escape-clause action.<sup>22</sup> On the basis of its review, the Commission unanimously concluded that the conditions of competition between imported and domestic toweling had not so changed as to warrant the institution of a formal investigation under the provisions of paragraph 2 of Executive Order 10401. On August 27, 1962, the President concurred with the Commission's conclusion.

#### **Watch movements**

In 1954, after an escape-clause investigation and report by the Tariff Commission, the President modified the concession that the United States granted on watch movements in the bilateral trade agreement with Switzerland, and increased the import duties on such watch movements. The modification of the concession became effective on July 27, 1954.

As required by paragraph 1 of Executive Order 10401, the Commission on July 25, 1962, submitted to the President its seventh periodic report on developments in the trade in watch movements involved in the escape-clause action.<sup>23</sup> On the basis of its review, the Commission unanimously concluded that the conditions of competition between imported and domestic watch movements had not so changed as to warrant the institution of a formal investigation under the provisions of paragraph 2 of Executive Order 10401. On August 27, 1962, the President concurred with the Commission's conclusion.

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<sup>22</sup> U.S. Tariff Commission, *Toweling of Flax, Hemp, or Ramie: Report to the President (1962) Under Executive Order 10401*, TC Publication 62, 1962 [processed].

<sup>23</sup> U.S. Tariff Commission, *Watch Movements: Report to the President (1962) Under Executive Order 10401*, TC Publication 61, 1962 [processed].

**Dried figs**

In 1952, after an escape-clause investigation and report by the Commission, the President modified the concession that the United States granted on dried figs in the General Agreement on Tariffs and Trade, and increased the import duty on such figs from 2½ cents to 4½ cents per pound. The modification of the concession became effective at the close of business on August 29, 1952.

As required by paragraph 1 of Executive Order 10401, the Commission on August 30, 1962, submitted to the President its ninth periodic report on developments relating to dried figs.<sup>24</sup> On the basis of its review, the Commission unanimously concluded that conditions of competition between imported and domestic dried figs had not so changed as to warrant institution at that time of a formal investigation under the provisions of paragraph 2 of Executive Order 10401. On January 9, 1963, the President concurred with the Commission's conclusion.

**Cotton typewriter-ribbon cloth**

In 1960, after an escape-clause investigation and report by the Tariff Commission, the President modified the concession that the United States granted on broadwoven cotton typewriter-ribbon cloth in the General Agreement on Tariffs and Trade, and restored the higher statutory rates of duty on such cloth. The modification of the concession became effective at the close of business on September 22, 1960.

As required by paragraph 1 of Executive Order 10401, the Commission on September 21, 1962, submitted to the President its first periodic report on developments relating to cotton typewriter-ribbon cloth.<sup>25</sup> On the basis of its review the Commission unanimously concluded that conditions of competition between imported and domestic cotton typewriter-ribbon cloth had not so changed as to warrant the institution of a formal investigation under the provisions of paragraph 2 of Executive Order 10401. On January 9, 1963, the President concurred with the Commission's conclusion.

**Lead and zinc**

In 1958, after an escape-clause investigation and report by the Tariff Commission, the President modified the concessions that the United States granted on unmanufactured lead and zinc in the General Agreement on Tariffs and Trade, and limited imports of such lead and zinc to 80 percent of the average annual commercial imports during the 5-year period 1953-57. The quota was allocated among exporting countries and was subdivided by calendar quarters and by tariff sched-

<sup>24</sup> U.S. Tariff Commission, *Figs, Dried: Report to the President (1962) Under Executive Order 10401*, TC Publication 67, 1962 [processed].

<sup>25</sup> U.S. Tariff Commission, *Cotton Typewriter-Ribbon Cloth: Report to the President (1962) Under Executive Order 10401*, TC Publication 70, 1962 [processed].



ule classifications. The modification of the concessions became effective on October 1, 1958.

As required by paragraph 1 of Executive Order 10401, the Commission on October 1, 1962, submitted to the President its third periodic report on developments relating to unmanufactured lead and zinc.<sup>26</sup> On the basis of its review, the Commission unanimously concluded that conditions of competition between imported and domestic lead and zinc had not so changed as to warrant institution at that time of a formal investigation under the provisions of paragraph 2 of Executive Order 10401. On January 9, 1963, the President concurred with the Commission's conclusion.

### Section 351 (d) of the Trade Expansion Act of 1962

Section 351(d) (1) of the Trade Expansion Act of 1962 directs the Tariff Commission, as long as increased import restrictions proclaimed pursuant to section 7 of the Trade Agreements Extension Act of 1951 or section 351(a) of the 1962 act remain in effect, to keep under review developments relating to the industry concerned and to make annual reports to the President concerning these developments.

Section 351(d) (2) of the 1962 act directs the Commission to advise the President, either at his request or on its own motion, of its judgment as to the probable economic effect on the industry concerned of the reduction or termination of increased restrictions proclaimed pursuant to either section 7 of the 1951 act or section 351(a) of the 1962 act. The Commission's advice must be taken into account by the President before he can reduce or terminate these restrictions prior to the date they would automatically terminate.<sup>27</sup>

Section 351(d) (3) of the 1962 act directs the Tariff Commission to advise the President—when petitioned on behalf of the industry concerned—of the Commission's judgment as to the probable economic effect on that industry of the termination of the increase in import restrictions.<sup>28</sup> After taking into consideration such advice and after

<sup>26</sup> U.S. Tariff Commission, *Lead and Zinc: Report to the President (1962) Under Executive Order 10401*, TC Publication 71, 1962 [processed].

<sup>27</sup> Under sec. 351(c) of the 1962 act, increased import restrictions proclaimed pursuant to sec. 7 of the Trade Agreements Extension Act of 1951 will automatically terminate on Oct. 11, 1967, unless specific action under sec. 351(d) (3) is taken to extend them. Increased import restrictions proclaimed pursuant to sec. 351(a) of the 1962 act will automatically terminate 4 years after such actions are proclaimed, unless similar action is taken to extend them.

<sup>28</sup> The petition on behalf of the industry must be filed with the Commission not earlier than 9 months nor later than 6 months before the increased import restrictions would have otherwise automatically terminated. The President can extend the restrictions for such periods (not in excess of 4 years at any one time) as he may designate. The Tariff Commission will have no occasion to submit advice to the President under sec. 351(d) (3) before 1967, inasmuch as none of the import restrictions concerned are due to terminate automatically until then.

seeking the advice of the Secretaries of Commerce and Labor, the President can extend the increased restrictions in whole or in part beyond the date they would otherwise terminate, if he determines that such extension is in the national interest.

The Tariff Commission, in advising the President under either subsection 351(d)(2) or 351(d)(3) as to the probable economic effect on the industry concerned, is directed to take into account all economic factors which it considers relevant, including idling of productive facilities, inability to operate at a level of reasonable profit, and unemployment or underemployment. The advice is to be given on the basis of an investigation during the course of which the Commission must hold a public hearing at which interested persons are given an opportunity to present evidence and to be heard.

#### Reports made under section 351(d)(1)

During fiscal 1963 the Tariff Commission submitted to the President three reports on its annual reviews under section 351(d)(1) and one report under section 351(d)(2).<sup>29</sup> These reports are discussed briefly below.

*Stainless-steel table flatware.*—In 1959, after an escape-clause investigation and report by the Tariff Commission, the President modified the concession that the United States granted in the General Agreement on Tariffs and Trade on certain stainless-steel table flatware. By Presidential Proclamation 3323, effective November 1, 1959, he established an annual tariff quota on imports of table spoons, table knives, and table forks, wholly of metal and in chief value of stainless steel, not over 10.2 inches in overall length and valued under \$3 per dozen pieces. The tariff quota was fixed at 69 million single units (aggregate quantity); the duties on imports within the quota were not changed, but the duties on imports in any quota year in excess of that quantity were increased to the following rates: Table spoons, 60 percent ad valorem; table knives and table forks less than 4 inches long, exclusive of handle, 3 cents each and 67½ percent ad valorem; and table knives and table forks 4 inches or more long, exclusive of handle, 12 cents each and 67½ percent ad valorem.

As required by section 351(d)(1), the Commission on November 1, 1962, submitted to the President its second annual report on developments in the trade in stainless-steel table flatware involved in the

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<sup>29</sup> The report submitted under sec. 351(d)(2)—on clinical thermometers—was also submitted as a report under sec. 351(d)(1). The two reports submitted under sec. 351(d)(1)—those on stainless-steel table flatware and on safety pins—were also submitted under Executive Order 10401, because the Trade Expansion Act of 1962 had been placed in effect but the Executive order had not yet been revoked at the time those two reports were submitted.

escape-clause action.<sup>30</sup> On the basis of its review, the Commission advised the President that it was unanimously of the view that the conditions of competition between imported and domestic stainless-steel table flatware had not so changed as to warrant the institution of a formal investigation under the provisions of section 351(d)(2) of the Trade Expansion Act of 1962.

*Safety pins.*—In 1957, after an escape-clause investigation and report by the Tariff Commission, the President modified the concession that the United States granted in the General Agreement on Tariffs and Trade on safety pins, provided for in paragraph 350 of the Tariff Act of 1930, and increased the rate of duty on them from 22½ percent ad valorem to 35 percent ad valorem. The modification of the concession became effective after the close of business on December 30, 1957.

As required by section 351(d)(1) of the Trade Expansion Act of 1962, the Commission on December 31, 1962, submitted to the President its fourth annual report on developments with respect to the safety pins involved in the escape-clause action.<sup>31</sup> On the basis of its review, the Commission advised the President that it was unanimously of the view that the conditions of competition between imported and domestic safety pins had not so changed as to warrant the institution of a formal investigation under the provisions of section 351(d)(2) of the Trade Expansion Act of 1962.

#### **Report made under section 351(d)(2)**

In 1958, after an escape-clause investigation and report by the Tariff Commission, the President withdrew the concession that the United States granted in the General Agreement on Tariffs and Trade on finished or unfinished clinical thermometers, classifiable under paragraph 218(a) of the Tariff Act of 1930, and increased the rate of duty on such thermometers from 42½ to 85 percent ad valorem. The withdrawal of the concession became effective after the close of business on May 21, 1958.

As required by paragraph 1 of Executive Order 10401, the Commission on May 22, 1961, submitted to the President its second periodic report on developments relating to the clinical thermometers involved in the escape-clause action. The Commission had scheduled its third such report under paragraph 1 for submission to the President on May 22, 1962. However, after reviewing the developments in the

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<sup>30</sup> U.S. Tariff Commission, *Stainless-Steel Table Flatware: Report to the President (1962) Under Executive Order 10401 and Section 351(d)(1) of the Trade Expansion Act of 1962*, TC Publication 73, 1962 [processed]. This report was the first annual report on stainless-steel table flatware submitted under section 351(d)(1).

<sup>31</sup> U.S. Tariff Commission, *Safety Pins: Report to the President (1962) Under Executive Order 10401 and Section 351(d)(1) of the Trade Expansion Act of 1962*, TC Publication 78, 1962 [processed]. This was the first annual report on safety pins submitted under section 351(d)(1).

trade in clinical thermometers after the submission of its second report, the Commission concluded that conditions of competition relating to the trade in imported and domestically produced clinical thermometers had so changed as to warrant a formal investigation under paragraph 2 of the Executive order to determine whether, and if so, to what extent, the withdrawal of the concession on clinical thermometers remained necessary in order to prevent or remedy serious injury or the threat thereof to the domestic industry concerned. The Commission instituted an investigation of clinical thermometers under the provisions of paragraph 2 of Executive Order 10401 on May 18, 1962, and held a public hearing on August 28, 1962. The Commission informed the President on May 22, 1962, that in view of this action no periodic report under paragraph 1 was being submitted at that time. On October 24, 1962, the Commission issued a public notice that it was continuing the investigation under section 351(d) of the Trade Expansion Act of 1962.

The Commission submitted a report to the President on May 2, 1963.<sup>32</sup> On the basis of its investigation the Commission advised the President in its report that a reduction or termination of the increase in duty on clinical thermometers would probably idle production facilities, weaken an already low profit position, lead to a further decline in employment, interrupt a readjustment movement then taking place in domestic production, and cause firms to curtail research and capital investment programs which are taking place. By June 30, 1963, the close of the period covered by this report, the President had taken no action.<sup>33</sup>

### Section 301(c) of the Trade Expansion Act of 1962

Section 301(c) of the Trade Expansion Act of 1962 requires the Tariff Commission to conduct two new types of investigations; the Commission must determine in these investigations whether individual firms (sec. 301(c)(1)) and groups of workers (sec. 301(c)(2)) are eligible to apply for the assistance provided for in the act in their attempt to adjust to competition from imports.

#### Section 301(c)(1) (petitions by firms)

Section 301(c)(1) of the act provides that the Tariff Commission, upon petition by a firm or its representative for a determination of eligibility to apply for adjustment assistance, must promptly make an investigation to determine whether, as a result in major part of concessions granted under trade agreements, an article like or directly com-

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<sup>32</sup> U.S. Tariff Commission, *Clinical Thermometers: Report to the President on Investigation No. TEA-IA-1* . . . , TC Publication 90, 1963 [processed].

<sup>33</sup> On Sept. 23, 1963, the President announced that he had determined not to modify the escape-clause rate of duty then in force on clinical thermometers.

petitive with an article produced by the firm is being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to that firm. In making its determination the Commission is directed to take into account all economic factors which it considers relevant, including idling of productive facilities of the firm, inability of the firm to operate at a level of reasonable profit, and unemployment or underemployment in the firm. Increased imports are to be considered as having caused or threatened to cause serious injury if the Commission finds that such increased imports have been the major factor in causing, or threatening to cause, such injury.

The Commission is required to make a report to the President on its investigation, including any dissenting or separate views, not later than 60 days after the date on which the petition was filed. As a part of the investigation, the Commission is required to hold a public hearing if one is requested by the petitioner, or if, within 10 days after notice of the filing of the petition, a hearing is requested by any other party showing a proper interest. In addition to its report to the President, the Commission is to furnish him with a transcript of the hearings and any briefs submitted in connection with the investigation.

Between October 12, 1962, and June 30, 1963, the Tariff Commission instituted two investigations under section 351(c)(1), one of which was completed by the end of that period.

*American Ceramics Products, Inc.*—On petition by the American Ceramics Products, Inc., located at Santa Monica, Calif., the Tariff Commission on February 28, 1963, instituted under section 301(c)(1) an investigation of the effect on that firm of imported household china tableware, kitchenware, and table and kitchen utensils, not containing 25 percent or more of calcined bone provided for in paragraph 212 of the Tariff Act of 1930. No public hearing was requested or held.

The Commission submitted a report on its investigation to the President on April 9, 1963.<sup>34</sup> The Commission unanimously found that the chinaware covered by the investigation was not, as a result in major part of concessions granted under trade agreements, being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to American Ceramic Products, Inc.

*Industrial Biochemicals, Inc.*—On petition by Industrial Biochemicals, Inc., located at Edison, N.J., the Tariff Commission on May 29, 1963, instituted under section 301(c)(1) of the Trade Ex-

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<sup>34</sup> U.S. Tariff Commission, *Tariff Commission Reports to the President on Petition for Adjustment Assistance by American Ceramic Products, Inc.*, (TEA-F-1), TC Publication 85, 1963 [processed]. The whole of the Commission's report was not made public because it contained certain information received in confidence.

pansion Act of 1962 an investigation of the effect on that firm of imported sodium gluconate, technical, provided for in paragraph 5 of the Tariff Act of 1930. At the close of the period covered by this report—June 30, 1963—this investigation was in process.

**Section 301(c)(2) (petitions by workers)**

Section 301(c)(2) of the Trade Expansion Act of 1962 provides that the Tariff Commission, upon petition by a group of workers or by their certified or recognized union or other duly authorized representative for a determination of eligibility to apply for adjustment assistance, must promptly make an investigation to determine whether, as a result in major part of concessions granted under trade agreements, an article like or directly competitive with an article produced by such workers' firm, or an appropriate subdivision thereof, is being imported into the United States in such increased quantities as to cause, or threaten to cause, unemployment or underemployment of a significant number or proportion of the workers of such firm or subdivision. Increased imports are to be considered as having caused or threatened to cause such unemployment or underemployment if the Commission finds that such increased imports have been the major factor in causing, or threatening to cause, such unemployment or underemployment.

The Commission is required to make a report to the President on its investigation, including any dissenting or separate views, not later than 60 days after the date on which the petition was filed. As a part of the investigation the Commission is required to hold a public hearing if one is requested by the petitioner, or if, within 10 days after notice of the filing of the petition, a hearing is requested by any other party showing a proper interest. In addition to making its report to the President, the Commission is required to furnish him with a transcript of the hearings and any briefs submitted in connection with the investigation.

Between October 12, 1962, and June 30, 1963, the Tariff Commission instituted four investigations under section 301(c)(2), three of which were completed by the end of that period.

*Zinc workers.*—On petition by the International Union of Mine, Mill and Smelter Workers on behalf of a group of workers of the zinc mine and mill at Hanover, N. Mex., owned and operated by the New Jersey Zinc Co., the Tariff Commission on January 14, 1963, instituted under section 301(c)(2) of the Trade Expansion Act of 1962 an investigation of the effect of imported unmanufactured zinc (provided for in paragraphs 393 and 394 of the Tariff Act of 1930) on the employment of those workers. No public hearing was requested or held.

The Commission submitted a report on its investigation to the President on March 11, 1963.<sup>35</sup> The Commission unanimously found that unmanufactured zinc was not, as a result in major part of concessions granted under trade agreements, being imported in such increased quantities as to cause the unemployment of a significant number or proportion of the workers at the zinc mine and mill of the New Jersey Zinc Co. at Hanover, N. Mex.

*Transistor radio workers.*—On petition by the International Union of Electrical, Radio, and Machine Workers (IUE), AFL-CIO, on behalf of a group of workers from the plant at Sandusky, Ohio, owned and operated by the Philco Corp., the Tariff Commission on March 29, 1963, instituted under section 301(c)(2) an investigation of the effect of imported transistor radios (provided for in par. 353 of the Tariff Act of 1930) on the employment of those workers. The Commission held a public hearing on May 1, 1963.

The Commission submitted a report to the President on May 17, 1963.<sup>36</sup> The Commission found that transistor radios were not, as a result in major part of concessions granted under trade agreements, being imported in such increased quantities as to cause unemployment of a significant number or proportion of the workers at the plant of the Philco Corp. at Sandusky, Ohio.<sup>37</sup>

*Iron ore mine workers.*—On petition by the United Steelworkers of America, AFL-CIO, on behalf of a group of workers from the Ishkooda and Wenonah iron ore mines at Red Mountain, near Fairfield, Ala., operated by the Tennessee Coal and Iron Division of the United States Steel Corp., the Tariff Commission on May 3, 1963, instituted under section 301(c)(2) an investigation of the effect of imported iron ore (provided for in par. 1700 of the Tariff Act of 1930) on the employment of those workers. No public hearing was requested or held.

The Commission submitted a report to the President on June 28, 1963.<sup>38</sup> The Commission unanimously found that iron ore was not,

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<sup>35</sup> U.S. Tariff Commission, *Tariff Commission Reports to the President on Zinc Workers' Petition for Adjustment Assistance*, (TEA-W-1), TC Publication 81, 1963 [processed]. The whole of the Commission's report was not made public because it contained data received in confidence.

<sup>36</sup> U.S. Tariff Commission, *Tariff Commission Reports to the President on Transistor Radio Workers' Petition for Adjustment Assistance*, (TEA-W-2), TC Publication 91, 1963 [processed]. The whole of the Commission's report was not made public because it contained certain information received in confidence.

<sup>37</sup> Commissioner Sutton was on official duty with the U.S. Navy, and Commissioner Dowling was unavoidably absent when the finding was made. Both Commissioners, however, indicated that they concurred in the finding of the other Commissioners.

<sup>38</sup> U.S. Tariff Commission, *Tariff Commission Reports to the President on Iron-Ore Mine Workers' Petition for Adjustment Assistance*, (TEA-W-3), TC Publication 96, 1963 [processed]. The whole of the Commission's report was not made public because it contained certain information received in confidence.

as a result in major part of concessions granted under trade agreements, being imported in such increased quantities as to cause the unemployment of a significant number or proportion of the workers from the iron ore mines of the Tennessee Coal and Iron Division of the United States Steel Corp. at Red Mountain.

*Cotton sheeting mill workers.*—On petition by the Textile Workers Union of America, AFL-CIO, CLC, on behalf of a group of workers of the Indian Head Mills, Inc., Cordova, Ala., the Tariff Commission on May 22, 1963, instituted under section 301(c)(2) an investigation of the effect of imported cotton sheeting (carded yarn) (provided for in par. 904 of the Tariff Act of 1930) on the employment of those workers. The Commission held a hearing on June 27, 1963.

At the close of the period covered by this report the investigation was still in process.

### Section 22 of the Agricultural Adjustment Act

Section 22 of the Agricultural Adjustment Act, as amended, authorizes the President to restrict imports of any commodity, by imposing either fees or quotas (within specified limits), whenever such imports render or tend to render ineffective, or materially interfere with, programs of the U.S. Department of Agriculture relating to agricultural commodities or products thereof. Section 22 requires the Tariff Commission, when so directed by the President, to conduct an investigation of the specified commodity, including a public hearing, and to make a report and appropriate recommendations to him. Under subsection (f) of section 22, as amended by section 8(b) of the Trade Agreements Extension Act of 1951, no trade agreement or other international agreement entered into at any time by the United States may be applied in a manner inconsistent with the requirements of section 22.

An amendment to section 22 of the Agricultural Adjustment Act by section 104 of the Trade Agreements Extension Act of 1953<sup>39</sup> provides that the President may take immediate action under section 22 without awaiting the Tariff Commission's recommendation whenever the Secretary of Agriculture determines and reports to him, with regard to any article or articles, that a condition exists requiring emergency treatment. Such action by the President may continue in effect pending his receipt of, and his action on, the report and recommendations of the Commission after an investigation under section 22.

During the period covered by this report, the Commission had pending before it one investigation under the provisions of section 22 of the Agricultural Adjustment Act, as amended. On November 22, 1961, at the request of the President, the Tariff Commission instituted an

<sup>39</sup> 67 Stat. 472.



investigation, under the provisions of section 22(a), of articles or materials wholly or in part of cotton. The purpose of the investigation was to determine whether the above-mentioned cotton products were being, or were practically certain to be, imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, the programs or operations undertaken by the U.S. Department of Agriculture with respect to cotton or products thereof, or to reduce substantially the amount of any product processed in the United States from cotton or products thereof with respect to which such programs or operations were being undertaken. The Commission held public hearings February 13-16, 19, and 23, 1962.

The Commission reported the results of its investigation to the President on September 6, 1962.<sup>40</sup> It found (Commissioners Schreiber and Sutton dissenting) that articles or materials containing cotton were not being, and were not practically certain to be, imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, the aforementioned programs or to reduce the amount of any product processed in the United States from cotton or products thereof to which such programs applied. Accordingly, the Commission concluded that no import fee was necessary for the purposes of section 22.

On September 6, 1962, the President acknowledged the Commission's report and its findings. The announcement stated that he was requesting the Department of Agriculture to give immediate attention to the formulation of a domestic program to deal with the inequity of the two-price system for the sale of U.S. cotton.

### **Section 332 of the Tariff Act of 1930**

Section 332 of the Tariff Act of 1930 directs the Tariff Commission to place at the disposal of the President, the House Committee on Ways and Means, and the Senate Committee on Finance all information at its command whenever requested to do so. It also directs the Commission to make such investigations and reports as may be requested by the President, by either of the above-mentioned committees, or by either House of Congress.

At one time or another during fiscal 1963, four investigations under the provisions of section 332 of the Tariff Act of 1930 were pending before the Commission.

#### **Beryllium, cobalt, and manganese**

On October 5, 1961, in response to Senate Resolution 206, 87th Congress, the Tariff Commission instituted separate investigations—under the provisions of section 332—of conditions in the industries

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<sup>40</sup> U.S. Tariff Commission, *Cotton Products: Report to the President on Investigation No. 22-25 Under Section 22 . . .*, TC Publication 69, 1962 [processed].

producing beryllium, cobalt, and manganese. The resolution directed the Commission to conduct investigations of conditions in the industries producing those commodities and to report to the Congress not later than August 31, 1962.<sup>41</sup> It also directed the Commission to include in its report of each investigation a summary of the facts relating to the domestic industry, domestic production, foreign production, imports, consumption, channels and methods of distribution, U.S. exports, and other factors affecting the competition between domestic and imported products.

The Commission held public hearings in the above-mentioned investigations on the following dates: Beryllium industry, April 17, 1962; cobalt industry, May 15, 1962;<sup>42</sup> manganese industry, June 12, 1962.

The Commission submitted its report on the cobalt industry to the Congress on August 15, 1962;<sup>43</sup> that on the beryllium industry on August 29, 1962;<sup>44</sup> and that on the manganese industry on August 31, 1962.<sup>45</sup>

The Commission, in its reports on these industries, described the domestic industry; discussed production, imports, and consumption in the United States; described U.S. Government programs and marketing practices; and provided data on employment and wages, inventories, and prices. The reports also included general information on production of the specified commodities in foreign countries.

#### **Micron grading of wool**

On November 1, 1962, the Commission issued a report on the results of its investigation of micron grading of wool.<sup>46</sup> The Commission's report described the visual method of grading imported wool and compared it with the micron method of grading, examined the dis-

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<sup>41</sup> The resolution also directed the Commission to investigate conditions in the industries producing lead and zinc, fluorspar, and mercury; the Commission's reports on these three industries were submitted to Congress during fiscal 1962.

<sup>42</sup> No witness appeared at this hearing.

<sup>43</sup> U.S. Tariff Commission, *Cobalt: Report to the Congress on Investigation No. 332-42 Under Section 332 of the Tariff Act of 1930 Made Pursuant to Senate Resolution 206, 87th Congress, Adopted September 23, 1961*, TC Publication 64, 1962 [processed].

<sup>44</sup> U.S. Tariff Commission, *Beryllium: Report to the Congress on Investigation No. 332-41 Under Section 332 of the Tariff Act of 1930 Made Pursuant to Senate Resolution 206, 87th Congress, Adopted September 23, 1961*, TC Publication 66, 1962 [processed].

<sup>45</sup> U.S. Tariff Commission, *Manganese: Report to the Congress on Investigation No. 332-43 Under Section 332 of the Tariff Act of 1930 Made Pursuant to Senate Resolution 206, 87th Congress, Adopted September 23, 1961*, TC Publication 68, 1962 [processed].

<sup>46</sup> U.S. Tariff Commission, *Micron Grading of Wool: Report on Investigation No. 332-34 (Supplemental) Under Section 332 . . .*, TC Publication 74, 1962 [processed].

tion between improved and unimproved wools, and assessed the reliability of micron grading.

The report was submitted in response to a resolution adopted by the Senate Committee on Finance on April 28, 1958. In order to comply with the resolution, the Tariff Commission, on April 29, 1958, had instituted an investigation—under the provisions of section 332 of the Tariff Act of 1930, as amended—of the grades and qualities of wool imported into the United States for use in the manufacture of carpets and papermakers' felts and of domestic wools similar in grade and character. The resolution specified that the Commission should submit a report on its investigation on or before September 30, 1959, and that the report should include—besides other pertinent data—an analysis of the present method of grading and sampling of imported wools, and an analysis of any alternative methods of grading and/or sampling, as the Commission's study might develop.

The alternative method of grading wool that was considered by the Commission in the report that it submitted in September 1959 was the micron method. This method is based on laboratory measurement in microns (millionths of a meter) of the diameter of the wool fibers. Arrangements were made for the testing of samples by three laboratories to determine the reliability of this method. Only part of the results of the tests by only one of the laboratories had been received by the Commission in time to be incorporated in the 1959 report.

After the Commission issued its report in 1959, considerable interest in the micron method of grading wool was shown by both private industry and other Government agencies. Moreover, Public Law 86-557, approved June 30, 1960, which authorized the Secretary of Agriculture to determine and establish the standards to be used for grading imports of wool, made possible the use of the micron method of grading imported wool. In view of these and other factors, the Commission decided to prepare a report on the reliability of the micron grading method, based on all of the results of the tests finally received by the Commission from all three laboratories. As noted above, the Commission issued this report in November 1962.

### **Section 336 of the Tariff Act of 1930**

Section 336 of the Tariff Act of 1930, the so-called flexible-tariff provision, sets forth the procedure under which the import duty on an article may be changed by proclamation of the President to equalize differences in costs of production at home and abroad after investigation and report by the Tariff Commission of the differences between the costs of production in the United States and in the country that is the principal foreign supplier. However, the provisions of section 336 are inapplicable to any commodity on which a tariff concession is in effect pursuant to a trade agreement. As the United States has progressively extended the coverage of trade-agreement

concessions, it has correspondingly reduced the scope of possible action under the provisions of section 336.

During fiscal 1963 no investigations under the provisions of section 336 were pending before the Commission.

### **Section 337 of the Tariff Act of 1930**

Section 337 of the Tariff Act of 1930 authorizes the Tariff Commission to investigate alleged unfair methods of competition and unfair acts in the importation of articles or in the sale of imported articles in the United States. When the effect or tendency of such methods or acts is to destroy or substantially injure a domestic industry, efficiently and economically operated, or to prevent the establishment of such an industry, or to restrain or monopolize trade and commerce in the United States, the articles involved may, pursuant to Executive order, be excluded from entry into the United States.

At one time or another during fiscal 1963, two complaints under section 337 were pending before the Commission, and the President took action on one recommendation submitted to him during fiscal 1962.

#### **Household automatic zigzag sewing machines and parts thereof**

On January 15, 1959, the Singer Manufacturing Co., of New York, N.Y., filed a complaint with the Tariff Commission alleging unfair methods of competition and unfair acts in the importation and sale in the United States of certain household automatic zigzag sewing machines and parts thereof.

On January 21, 1959, the Commission initiated a preliminary inquiry into the allegations, to determine whether institution of a full investigation under section 337 was warranted and whether the issuance of a temporary order of exclusion from entry under section 337(f) was warranted. On March 16, 1959, having completed the preliminary inquiry, the Commission instituted a full investigation with respect to the matters alleged in the complaint. The Commission held a public hearing in the investigation May 5-8 and 11-15, 1959.

On January 12, 1960, the Commission announced that it had decided to hold in abeyance its decision, pending the outcome of an antitrust action filed by the Department of Justice against the Singer Manufacturing Co. on December 22, 1959, in the U.S. District Court for the Southern District of New York.

In the Commission's investigation under section 337, Singer predicated its charge of unfair methods of competition and unfair acts on its allegation that certain imported automatic zigzag sewing machines sold in the United States had been made in accordance with the invention disclosed in the Singer-owned "Gegauf" patent, a U.S. patent which had been assigned to Singer by Gegauf, a Swiss citizen. In its antitrust action against Singer, the Department of Justice

charged, among other things, that Singer entered into arrangements with Gegauf and an Italian sewing-machine manufacturer whereby Gegauf would assign his patent rights to Singer for the purpose of enabling Singer to prevent U.S. imports from Japan; that Singer would use the Gegauf patent rights along with its own to exclude imports; that the parties would determine which European manufacturers would be permitted to export household automatic zigzag sewing machines to the United States; and that Singer, in carrying out the attempt to monopolize, obtained and used patent rights for these exclusionary purposes.

On May 1, 1962, the court dismissed the complaint and stated that the Department of Justice had failed to support any of the charges of unlawful acts it had made against the Singer Manufacturing Co. The Department of Justice filed a notice of appeal to the U.S. Supreme Court; on June 17, 1963, the court held that the Singer Manufacturing Co. had acted in violation of the Sherman Act.<sup>47</sup> On June 24, 1963, the Commission received a request from that company for permission to withdraw its complaint under section 337 and for the dismissal of the investigation. In view of the outcome of the antitrust litigation, the Commission granted the request for withdrawal of the complaint and dismissed the investigation.

#### **Self-closing containers**

On June 2, 1960, the Quikey Manufacturing Co., Inc., of Akron, Ohio, filed a complaint with the Tariff Commission. The complainant alleged that certain foreign-manufactured self-closing containers (squeeze-type coin purses) embodying or containing the invention disclosed in a U.S. patent owned by the complainant were being imported into the United States and sold domestically without license from the complainant, and that as a result unfair methods of competition were being employed or unfair acts were being committed which had caused and would continue to cause substantial injury to the complainant. On June 15, 1960, the complainant moved that the Commission order the temporary exclusion of the complained-of imports from entry into the United States (except under bond) pending the Commission's finding. On June 21, 1960, the Commission granted the complainant's motion, and initiated a preliminary inquiry into the allegations of the complaint. The purpose of the preliminary inquiry was to enable the Commission to determine whether institution of a full investigation under section 337 was warranted, and whether a temporary exclusion order was warranted.

On June 14, 1961, the Commission completed the preliminary inquiry and instituted a full investigation. On June 22, 1961, the Commission transmitted a report to the President recommending that a temporary exclusion order be issued, pending completion of the Com-

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<sup>47</sup> *U.S. v. Singer Manufacturing Co.*, 374 U.S. 174.

mission's investigation; <sup>48</sup> however, the President decided not to issue such an order. The Commission held a public hearing on October 3, 1961.

On April 26, 1962, the Commission issued a report on its investigation of self-closing containers.<sup>49</sup> The Commission found (Chairman Dorfman dissenting) that the importation and domestic sale of the coin purses in question were in violation of section 337. The Commission majority found that the imported coin purses embodied or contained the invention disclosed in a U.S. patent owned by the complainant and that the effect or tendency of the importation and domestic sale of the purses was to substantially injure an efficiently and economically operated domestic industry. Chairman Dorfman concluded that no substantial injury to a domestic industry had been established; he therefore found no need to determine whether the imported purses were "infringements" of the patent in question. Under the provisions of section 337(c), the Commission could grant a rehearing on questions of either fact or law, and the Court of Customs and Patent Appeals could hear an appeal made by an importer or consignee on questions of law only. No request for a rehearing was received by the Commission within the period it prescribed, and no appeal was received by the court within the period prescribed by statute; therefore, the Commission's findings were final.

On June 26, 1962, the official record of the investigation—consisting of the transcript of the hearing and the final findings and recommendations of the Commission—was transmitted to the President. On October 16, 1962, the President rejected the majority recommendation of the Commission.

#### **Folding doors**

On February 4, 1963, the Clopay Corp. of Cincinnati, Ohio, filed a complaint with the Tariff Commission alleging unfair methods of competition and unfair acts in the importation and sale of certain folding doors. On February 15, 1963, the Commission initiated a preliminary inquiry into the allegations, to determine whether institution of a full investigation under section 337 was warranted and whether the issuance of a temporary order of exclusion from entry under section 337(f) was warranted.

On June 7, 1963, having completed the preliminary inquiry, the Commission dismissed the complaint without prejudice. The Commission determined that only one domestic concern had imported the folding doors in question, that the complainant had not instituted an

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<sup>48</sup> Chairman Dorfman was not a member of the Commission at the time the Commission made the recommendation.

<sup>49</sup> U.S. Tariff Commission, *Self-Closing Containers (Squeeze-Type Coin Purses): Investigation No. 337-18, Under the Provisions of Section 337 of Title III of the Tariff Act of 1930, as Amended*, TC Publication 55, 1962 [processed].

infringement action in a Federal court against the importer or any person, and that the complainant had not notified the importer of the alleged infringements and demanded they be terminated. It was the opinion of the Commission that in these circumstances the complainant had an adequate remedy in the Federal courts.

#### **Section 201 (a) of the Antidumping Act, 1921, as Amended**

Section 201 of the Antidumping Act, 1921, as amended, provides that whenever the Secretary of the Treasury advises the Tariff Commission that a class or kind of foreign merchandise is being, or is likely to be, sold domestically or elsewhere at less than its fair value, the Commission shall within 3 months thereafter determine whether a domestic industry is being, or is likely to be, injured, or is prevented from being established, by reason of the importation of such merchandise. On completion of its investigation the Commission notifies the Secretary of the Treasury of its determination, and, if the determination is affirmative, the Secretary thereupon issues a "finding" of dumping; dumping duties are thenceforth applicable.

The Antidumping Act, as amended, provides that when the Secretary of the Treasury determines whether foreign merchandise is being, or is likely to be, sold in the United States at less than its fair value, and that when the Tariff Commission makes an injury determination under the Antidumping Act, each shall publish such determination in the *Federal Register*, with a statement of the reasons therefor, whether such determination is affirmative or negative. It also provides that an evenly divided vote of the Commission shall be deemed to be affirmative.

At one time or another during fiscal 1963, eight investigations were pending before the Commission under the provisions of section 201 (a) of the Antidumping Act, 1921, as amended. Six of these investigations were completed during fiscal 1963; two were in process at the close of the period covered by this report.

#### **Sheet glass from Czechoslovakia**

On August 23, 1962, in response to advice received from the Assistant Secretary of the Treasury, the Tariff Commission instituted an investigation—under the provisions of section 201(a)—of sheet glass, in jalousie louver sizes, from Czechoslovakia. The Commission held a public hearing October 16–18, 1962.

On November 20, 1962, the Commission announced that it had determined (Commissioner Schreiber dissenting)<sup>50</sup> that no industry in the United States was being, or was likely to be, injured, or prevented from being established, by reason of the importation of sheet glass, in

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<sup>50</sup> Chairman Dorfman, who was abroad on official business, and Commissioner Dowling, who was absent on leave, did not participate in the determination.

jalousie louver sizes, from Czechoslovakia, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended.<sup>51</sup>

#### **Portland cement from the Dominican Republic**

On January 24, 1963, in response to advice from the Acting Assistant Secretary of the Treasury, the Tariff Commission instituted an investigation—under the provisions of section 201(a)—of portland cement, other than white, nonstaining portland cement, from the Dominican Republic. No public hearing was held in the investigation.

On April 19, 1963, the Commission announced that it had determined (Chairman Dorfman dissenting) that an industry in the United States was likely to be injured by reason of the importation of portland cement, other than white, nonstaining portland cement, from the Dominican Republic, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended.<sup>52</sup>

#### **Technical vanillin from Canada**

On January 25, 1963, in response to advice from the Acting Assistant Secretary of the Treasury, the Tariff Commission instituted an investigation—under the provisions of section 201(a)—of technical vanillin from Canada. No public hearing was requested or held.

On April 19, 1963, the Commission announced that it had unanimously determined that an industry in the United States was not being, and was not likely to be, injured, or prevented from being established, by reason of the importation of technical vanillin from Canada, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended.<sup>53</sup>

#### **Hot-rolled carbon steel wire rods from Belgium**

On March 21, 1963, in response to advice from the Treasury Department, the Tariff Commission instituted an investigation—under the provisions of section 201(a)—of hot-rolled carbon steel wire rods from Belgium. The Commission held a public hearing May 7–9, 1963.

On June 19, 1963, the Commission announced that it had unanimously determined<sup>54</sup> that an industry in the United States was not being, and was not likely to be, injured, or prevented from being

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<sup>51</sup> U.S. Tariff Commission, *Sheet Glass from Czechoslovakia: Determination of No Injury or Likelihood Thereof*, TC Publication 75, 1962 [processed]; 27 F.R. 11568.

<sup>52</sup> U.S. Tariff Commission, *Portland Cement From the Dominican Republic: Determination of Likelihood of Injury*, TC Publication 87, 1963 [processed]; 28 F.R. 4047.

<sup>53</sup> U.S. Tariff Commission, *Technical Vanillin From Canada: Determination of No Injury or Likelihood Thereof*, TC Publication 88, 1963 [processed]; 28 F.R. 4048.

<sup>54</sup> Commissioners Schreiber and Dowling did not participate in the determination because of absence.



established, by reason of the importation of hot-rolled carbon steel wire rods from Belgium, sold at less than fair value, within the meaning of the Antidumping Act, 1921, as amended.<sup>55</sup>

**Hot-rolled carbon steel wire rods from Luxembourg**

On March 21, 1963, in response to advice from the Treasury Department, the Tariff Commission instituted an investigation—under the provisions of section 201 (a)—of hot-rolled carbon steel wire rods from Luxembourg. The Commission held a public hearing on May 9, 1963.

On June 19, 1963, the Commission announced that it had unanimously determined<sup>56</sup> that an industry in the United States was not being, and was not likely to be, injured, or prevented from being established, by reason of the importation of hot-rolled carbon steel wire rods from Luxembourg, sold at less than fair value, within the meaning of the Antidumping Act, 1921, as amended.<sup>57</sup>

**Hot-rolled carbon steel wire rods from West Germany**

On April 4, 1963, in response to advice from the Treasury Department, the Tariff Commission instituted an investigation—under the provisions of section 201 (a)—of hot-rolled carbon steel wire rods from West Germany. The Commission held a hearing May 14, 1963.

On June 21, 1963, the Commission announced that it had unanimously determined<sup>58</sup> that an industry in the United States was not being, and was not likely to be, injured, or prevented from being established, by reason of the importation of hot-rolled carbon steel wire rods from West Germany, sold at less than fair value, within the meaning of the Antidumping Act, 1921, as amended.<sup>59</sup>

**Hot-rolled carbon steel wire rods from France**

On May 29, 1963, in response to advice from the Treasury Department, the Tariff Commission instituted an investigation—under the provisions of section 201 (a)—of hot-rolled carbon steel wire rods from France. At the close of the period covered by this report, June 30, 1963, the investigation was in process.

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<sup>55</sup> U.S. Tariff Commission, *Hot-Rolled Carbon Steel Wire Rods From Belgium: Determination of No Injury or Likelihood Thereof*, TC Publication 93, 1963 [processed]; 28 F.R. 6474.

<sup>56</sup> Commissioners Schreiber and Dowling did not participate in the determination because of absence.

<sup>57</sup> U.S. Tariff Commission, *Hot-Rolled Carbon Steel Wire Rods From Luxembourg: Determination of No Injury or Likelihood Thereof*, TC Publication 94, 1963 [processed]; 28 F.R. 6476.

<sup>58</sup> Commissioner Schreiber did not participate in the determination because of absence.

<sup>59</sup> U.S. Tariff Commission, *Hot-Rolled Carbon Steel Wire Rods From West Germany: Determination of No Injury or Likelihood Thereof*, TC Publication 95, 1963 [processed]; 28 F.R. 6606.

**Titanium dioxide from France**

On June 25, 1963, in response to advice from the Treasury Department, the Tariff Commission instituted an investigation—under the provisions of section 201(a)—of titanium dioxide from France. At the close of the period covered by this report, June 30, 1963, the investigation was in process.

## PART II. SPECIAL REPORTS AND ACTIVITIES

In addition to the public investigations that it conducts and the services that it renders to the Congress, to the President, and to other Government agencies, the U.S. Tariff Commission is directed by law and Executive order to make certain special reports and to engage in certain special activities.

Section 332 of the Tariff Act of 1930, which sets forth the general powers of the Tariff Commission, directs the Commission to investigate and report on a wide range of subjects related to tariffs, commercial policy, and international trade. These subjects include, among others, the fiscal and industrial effects of, and the operation of, the customs laws; the effects of various types of import duties; tariff relations between the United States and foreign countries; commercial treaties; the volume of imports compared with domestic production and consumption; and the competition of foreign industries with those of the United States. Over the years the Commission has, under the provisions of section 332, issued various editions of its *Summaries of Tariff Information*, various editions of its compilation of information on U.S. import duties, periodic reports on synthetic organic chemicals, reports on the commercial policies of certain foreign countries, and other special reports, including those on specific commodities and industries.

The Tariff Commission has been one of the agencies from which the President seeks information before he concludes trade agreements with foreign countries. The Commission under various laws and Executive orders has regularly supplied the interdepartmental trade agreements organization factual data on articles on which the United States proposed to consider granting concessions in trade agreements. Moreover, the Commission has been required to keep informed concerning the operation and effect of the provisions of trade agreements relating to duties and other import restrictions of the United States, and to submit a factual report to the Congress, at least once each year, on the operation of the trade agreements program.

### Classification of U.S. Foreign Trade

Over the years the Tariff Commission has devoted considerable time and effort to matters relating to the classification of U.S. foreign trade for both tariff and statistical purposes. The Commission has periodically brought up to date a compilation of the U.S. tariff provisions in the easily usable form of *United States Import Duties* (USID). It has also assisted in the continuing work of revising

*Schedule A* (imports) and *Schedule B* (exports)—the statistical classifications under which official U.S. foreign trade statistics have been published. As a part of its work in connection with improving statistical reporting, the Commission assisted in publishing and keeping up to date *United States Import Duties Annotated* (USID Annotated), which has been used for the statistical reporting of import data on customs documents.

During 1963 the Commission continued to work on a complete revision of the tariff and statistical classifications of imports. Under the provisions of the Tariff Classification Act of 1962, a revision of the tariff schedules that had been proposed by the Commission (hereinafter referred to as the TCA schedules) became effective on August 31, 1963, as the Tariff Schedules of the United States (TSUS).<sup>1</sup> On that date the TSUS replaced the tariff schedules that the Commission previously published in *USID*. In conjunction with adoption of the TSUS, the Commission issued a legal text of the TSUS, *Tariff Schedules of the United States, Effective August 31, 1963*. The Commission also published *Tariff Schedules of the United States Annotated* (TSUS Annotated), which contains a system of reporting information on customs entry documents, as well as the legal text of the TSUS. This new system replaced that previously appearing in *USID Annotated* and the statistical classifications previously appearing in *Schedule A* under which official commodity trade statistics were published.

#### **Tariff classification**

Since the early 1930's, the Tariff Commission, in cooperation with the Bureau of Customs, has periodically issued documents, which the Commission compiled for the use of the customs service, the public, and the Congress, that show changes made in the duties on imported articles, as well as related changes made in the special and administrative provisions of prevailing tariff law.

At the end of June 1963 the latest compilations issued by the Tariff Commission were *United States Import Duties (1963)*,<sup>2</sup> issued in June 1963, and *Special and Administrative Provisions (Titles III and IV) of the Tariff Act of 1930, as Amended, as in effect on December 1, 1960*, issued in March 1961. The *USID (1963)* was the final restatement by the Commission of U.S. tariff provisions prior to the date the TSUS were placed in effect. The 1963 restatement included a list of the rates of duty applicable to imported commodities as of July 1, 1963, a list of the items that were free of duty, a list of the items that were subject to import taxes under the Internal Revenue Code, and references to various statutes that provided for special and additional import duties and for special exemptions from duty. It

<sup>1</sup> The term "TSUS" and the title "Tariff Schedules of the United States" are appropriate in referring to those schedules only after Aug. 31, 1963.

<sup>2</sup> TC Publication 92, 1963.

reflected all of the changes that were placed in effect on July 1, 1963, most of which were the result of trade-agreement concessions granted at the fifth round of GATT tariff negotiations in Geneva during 1960-62.

In culmination of work by the Tariff Commission beginning in 1954, the President placed in effect on August 31, 1963, the complete revision by the Commission of the U.S. tariff schedules,<sup>3</sup> the Tariff Schedules of the United States (TSUS),<sup>4</sup> and they became title I of the Tariff Act of 1930, as amended, replacing "Title I—Dutiable List" and "Title II—Free List" of the 1930 act. The new schedules had been prepared under the authority contained in title I of the Customs Simplification Act of 1954, as amended.<sup>5</sup> That legislation directed the Tariff Commission to make a comprehensive study of U.S. laws prescribing the tariff status of imported articles and to submit to the President and to the chairmen of the Senate Committee on Finance and the House Committee on Ways and Means a revision and consolidation of those laws that, in the Commission's judgment, would accomplish to the extent practicable the following purposes:

- (1) Establish schedules of tariff classifications that will be logical in arrangement and terminology and adapted to the changes that have occurred since 1930 in the character and importance of articles produced in and imported into the United States and in the markets in which they are sold;
- (2) Eliminate anomalies and illogical results in the classification of articles; and
- (3) Simplify the determination and application of tariff classifications.

On November 15, 1960, the Commission submitted a final report on its tariff classification study, including the proposed revised and consolidated tariff schedules, to the President and to the chairmen of the Senate Committee on Finance and the House Committee on Ways and Means.<sup>6</sup> Thereafter, certain legislative modifications of tariff treat-

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<sup>3</sup> Presidential Proclamation No. 3548, dated Aug. 21, 1963.

<sup>4</sup> Although the TSUS were not adopted until Aug. 31, 1963, the major part of the work on them was completed during fiscal 1963. For this reason this report covers those final stages of the work.

<sup>5</sup> 68 Stat. 1136; 70 Stat. 955.

<sup>6</sup> The final report submitted by the U.S. Tariff Commission consisted of 10 volumes. The volume containing the submitting report with general explanatory notes and discussion of the problems of implementation was *Tariff Classification Study: Submitting Report*, 1960; the second volume, consisting of the proposed revised schedules, together with cross-references showing the distribution of the existing tariff provisions in the proposed revision was *Tariff Classification Study: Proposed Revised Tariff Schedules of the United States*, 1960; the other 8 volumes, each of which includes material relating to a specific tariff schedule, were *Tariff Classification Study: Explanatory and Background Materials, Schedule . . .*, 1960.

ment, court decisions, and administrative actions occurred which affected some of the provisions in the study. The Commission also received suggestions from interested parties for changes in the proposed tariff schedules contained in the study. A proposed first supplemental report was released to the public on October 31, 1961, and a public hearing was held on the report. That report was thereafter revised and was submitted by the Commission to the President and to the chairmen of the Senate Committee on Finance and the House Committee on Ways and Means on January 16, 1962.<sup>7</sup>

On May 24, 1962, the Tariff Classification Act of 1962 was approved by the President.<sup>8</sup> This law provided for the adoption and implementation of the revised tariff schedules (the TCA schedules) prepared by the Tariff Commission, as well as for procedures for making certain further changes in the schedules before they were placed in effect.

During fiscal 1963 the Commission prepared additional supplemental reports under both sections 101(b)(4) and 101(c) of the Tariff Classification Act. These reports contained the changes in the TCA schedules that the Commission deemed necessary to keep the schedules current—changes required by virtue of legislation, Presidential proclamations (including those placing in effect the concessions granted at the 1960–62 Geneva tariff negotiations), and significant rulings of the Bureau of Customs and of customs courts. The Commission also included in the supplemental reports proposed changes in the TCA schedules that the Commission deemed necessary to correct errors or to clarify the schedules. The Tariff Commission submitted five supplemental reports between May 1962 and August 1963.<sup>9</sup> The Commission held public hearings in connection with four of these reports.<sup>10</sup> The reports also contained explanations of the changes, as well as the written views and the oral testimony received by the Commission concerning those changes.

The President had the Tariff Schedules of the United States (TSUS) published in the *Federal Register*<sup>11</sup> on August 17, 1963, in

<sup>7</sup> U.S. Tariff Commission, *Tariff Classification Study: First Supplemental Report, Report to the President and to the Chairmen of the Committee on Ways and Means of the House and the Committee on Finance of the Senate Pursuant to Title I of the Customs Simplification Act of 1954, 1962.*

<sup>8</sup> 76 Stat. 72.

<sup>9</sup> *Tariff Classification Study:*

- (1) *Second Supplemental Report*, June 29, 1962.
- (2) *Third Supplemental Report*, May 7, 1963.
- (3) *Fourth Supplemental Report*, May 9, 1963.
- (4) *Fifth Supplemental Report*, May 16, 1963.
- (5) *Sixth Supplemental Report*, May 23, 1963.

<sup>10</sup> No hearing was held on the changes contained in the third supplemental report; however, opportunity was given interested parties to file written statements with the Commission.

<sup>11</sup> 28 F.R. 8599; corrected by 28 F.R. 9131.

conformity with section 101(d) of the Tariff Classification Act of 1962.<sup>12</sup> During 1963 he also took the action he deemed necessary to bring the U.S. schedules annexed to trade agreements into conformity with the TSUS, as required by section 102 of the Tariff Classification Act of 1962, as amended.<sup>13</sup> Having accomplished these two prerequisites, the President placed the TSUS in effect with respect to articles entered, or withdrawn from warehouse, for consumption, on or after August 31, 1963. As published in the *Federal Register* and as placed in effect, the TSUS incorporated the TCA schedules as originally published and the changes thereto contained in the Commission's second through seventh reports supplemental to the *Tariff Classification Study*.<sup>14</sup>

#### Statistical classification

Section 484(e) of the Tariff Act of 1930 directs the Secretary of the Treasury, the Secretary of Commerce, and the Chairman of the Tariff Commission to establish for statistical purposes an enumeration of the articles imported into the United States. Representatives of those officials prepare for statistical purposes the enumerations of articles for reporting merchandise imported into the United States, such as *Schedule A—Statistical Classification of Commodities Imported Into the United States*. Frequent revision of the statistical classifications of imports have been made advisable by many factors, such as changes in tariff classification description, changes in rates of duty as a result of trade agreements, changes in the character of various products, the appearance of new products, and the need for recording separate statistics for some products previously included in groups of loosely related articles, as well as changes in statistical reporting procedures.

Before 1960, importers, brokers, and customs officials reported imports in terms of the two commodity classification systems shown in *USID* (for tariff purposes) and *Schedule A* (for statistical purposes). In order to overcome the difficulties connected with using two separate reporting systems concurrently and to aid in improving the ac-

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<sup>12</sup> The Tariff Commission subsequently issued in October 1963 a republication of the TSUS as they were published and corrected in the *Federal Register*—U.S. Tariff Commission, *Tariff Schedules of the United States, Effective August 31, 1963*, TC Publication 112, 1963.

<sup>13</sup> The work of the Commission relating to the action of the President in bringing the U.S. schedules annexed to trade agreements into conformity with the TSUS is discussed later in this report.

<sup>14</sup> On Aug. 14, 1963, the Tariff Commission submitted a seventh supplemental report to the President and the Congress (*Seventh Supplemental Report, Tariff Classification Study . . .*), which sets forth certain changes in the TSUS which the Commission decided were necessary to correct clerical errors in certain provisions of the schedules and to reflect changes in the tariff treatment of imported articles made by certain statutes and administrative and judicial rulings.

curacy of reporting on the import entries, the Bureau of the Census, the Bureau of Customs, and the Tariff Commission issued jointly *USID Annotated*. The latter publication—first issued on January 1, 1960—was the result of a correlation of the statistical commodity classifications used in *Schedule A* and the tariff classifications shown in *USID*. Under the statistical procedures placed in effect on that date, data were reported on import entry papers in terms of the *USID Annotated* and were subsequently converted and published as official import statistics in terms of the *Schedule A*.

During fiscal 1963 the Commission continued to assist in the revision of *Schedule A*, and several supplements thereto were issued during the year. The Commission also worked on a revision of *USID Annotated*,<sup>15</sup> which it issued in June 1963. The revisions of both of these publications reflect all of the changes in customs treatment that had been placed in effect by July 1, 1963—principally the changes resulting from the trade-agreement concessions granted at the fifth round of GATT tariff negotiations.

When, on August 31, 1963, the TSUS were made effective, the statistical classifications appearing in *USID Annotated* were also replaced. Section 201 of the Tariff Classification Act of 1962 authorized the Tariff Commission to issue a publication containing the TSUS, as well as any other information that might be needed for reporting statistics. During 1963 the Commission worked on a statistical annotation of the TSUS and issued the annotated schedules in July 1963 as the *Tariff Schedules of the United States Annotated (1963)*.<sup>16</sup> These statistical annotations prescribe the statistical information to be supplied on customs entry and withdrawal forms with respect to articles imported into the customs territory of the United States after August 31, 1963. In connection with the Tariff Commission's continuing work on *TSUS Annotated*, a member of the Commission's staff is the chairman of the interdepartmental Committee for Statistical Annotation of Tariff Schedules. In addition to its chairman, this committee is comprised of staff members of the Bureau of Customs and the Bureau of the Census. It was established to consider and decide (subject to approval by the Commission, the Treasury Department, and the Department of Commerce) all questions relating to the statistical annotation of the TSUS.

In anticipation of the need to publish data on imports that would use the reporting system provided by *TSUS Annotated*, the Tariff Commission began work in June 1962 on a statistical classification system which classifies each of more than 5,000 *TSUS Annotated* items under the appropriate 180 three-digit group numbers appearing in the *Standard International Trade Classification (SITC)*.<sup>17</sup> A prelimi-

<sup>15</sup> Not to be confused with *USID (1963)*.

<sup>16</sup> TC Publication 103.

<sup>17</sup> A statistical system of classifying import and export data adopted and issued by the Statistical Office of the United Nations.



nary concordance between the *SITC* and the *TSUS Annotated* was submitted in May 1963 to the U.S. Government agencies primarily concerned and to the members of the Interagency Advisory Committee on Foreign Trade Statistics for use in considering preparation of import data by the Bureau of the Census.<sup>18</sup>

During fiscal 1963 the Commission was also preparing a concordance of the *TSUS* and *Schedule A* that would enable the Bureau of the Census to reclassify trade data already published in *Schedule A* form into *TSUS* form.<sup>19</sup> The availability of the reclassified data for years prior to August 1963 was needed for the U.S. negotiations at the sixth round of GATT tariff negotiations.

In addition to working on the above-mentioned classifications during 1963, the Commission continued to cooperate with the Department of Commerce in revising *Schedule B—Statistical Classification of Domestic and Foreign Commodities Exported from the United States*, and to assist in coordinating all revisions of statistical classifications. Also, the Commission periodically reviewed any changes in the statistical commodity code so as to maintain convertibility of the import and export statistical schedules to other coding manuals, such as the *SITC*.

#### **Work Relating to the Trade Agreements Program**

In addition to fulfilling the aforementioned responsibilities relating to the U.S. trade agreements program,<sup>20</sup> the Tariff Commission during fiscal 1963 continued to supply information and assistance to the President and to the interdepartmental organization charged with the administration of the trade agreements program. The implementation of the provisions of the Trade Expansion Act of 1962 resulted in the establishment of the Office of the Special Representative for Trade Negotiations, under which a reorganized trade agreements organization operates.

As required by sections 241 and 242 of the Trade Expansion Act of 1962, the President in January 1963 appointed the Special Representative for Trade Negotiations and established the Trade Expansion Act Advisory Committee, which is comprised of the Special Representative (Chairman) and the Secretaries of State, Treasury, Defense,

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<sup>18</sup> This concordance was not prepared to comply with the requirements of sec. 211(b)(2) of the Trade Expansion Act of 1962; compliance with that section of the act is discussed later in this report under trade-agreement activities.

<sup>19</sup> The Commission provided the Bureau in October 1963 with such a concordance for reclassifying data published for 1961.

<sup>20</sup> See the several sections earlier in this report dealing with the Trade Expansion Act of 1962, the Trade Agreements Extension Act of 1951, and Executive Order 10401.

Interior, Agriculture, Commerce, and Labor.<sup>21</sup> Under the authority vested in him, the Special Representative subsequently created in 1963 (1) the Trade Executive Committee (TEC), which is comprised of assistant secretaries of the aforementioned agencies, (2) the Trade Staff Committee (TSC), and (3) the Trade Information Committee (TIC). A member of the staff of the Tariff Commission (designated by its Chairman) is a member of the TSC; the Commission is not represented on any of the other committees. The Tariff Commission member of the TSC is a nonvoting member, and he does not participate in the Committee's discussion of policy matters. These limitations are similar to those which the Tariff Commission had previously imposed on its staff as members of various other interdepartmental committees concerned with the trade agreements program.

During fiscal 1963 Commissioners and members of the Tariff Commission's staff assisted the various interdepartmental trade-agreement committees as consultants and technical advisers. This assistance related principally to work connected with (1) the changes in U.S. trade-agreement obligations made necessary by the placing in effect of the TSUS, and (2) U.S. preparations for the sixth round of GATT tariff negotiations.

#### **The TSUS**

Section 102 of the Tariff Classification Act of 1962 required that the President take such action as he deemed necessary to bring the U.S. schedules of concessions annexed to foreign trade agreements into conformity with the TCA schedules and that such action be completed before he placed the TCA schedules in effect by proclamation.<sup>22</sup> During fiscal 1963 these actions involved principally (1) obtaining a waiver by the Contracting Parties to the General Agreement on Tariffs and Trade (GATT) of certain U.S. obligations that would enable the United States to place the TCA schedules in effect before completing the negotiations required by article XXVIII, and (2) preparing for negotiations with the contracting parties primarily affected by the proposed changes in U.S. concessions granted under GATT required to bring the existing U.S. GATT concessions into conformity with the TCA schedules.

In conjunction with the foregoing, the Tariff Commission prepared a consolidation of the existing U.S. concessions granted under GATT and a draft consolidated schedule of U.S. concessions that conformed

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<sup>21</sup> Executive Orders 11075 of Jan. 15, 1963 (28 F.R. 473) and 11106 of Apr. 18, 1963 (28 F.R. 3911).

<sup>22</sup> The "column 1" of the TCA schedules was to include those rates which were required or were appropriate to carry out the foreign trade agreements to which the United States was a contracting party after the schedules of U.S. tariff concessions annexed to foreign trade agreements were brought into conformity with the TCA schedules. The "column 2" of the schedules was to include rates which were to be given the status of statutory rates.

with the TCA schedules. The Commission also prepared most of the substantial volume of statistical material needed for supporting the U.S. request for a waiver, as well as material to be used at the negotiations.<sup>23</sup> Between September 25, 1962, and June 30, 1963, six members of the Tariff Commission's staff served at one time or another as tariff experts at consultations held in Brussels and Geneva, as well as in Washington, D.C., in connection with the efforts of the U.S. trade agreements organization to obtain the GATT waiver.

During fiscal 1963 the Tariff Commission also prepared additional supporting material for use in negotiations with individual countries to bring commitments in existing bilateral trade agreements into conformity with the TCA schedules.

#### **GATT tariff negotiations**

The Chairman of the Tariff Commission and the Commission's General Counsel attended the GATT Meeting of Ministers as technical advisers to the U.S. delegation between May 16 and 21, 1963. The major purpose of the meeting was to obtain agreement on the general principles and procedures under which the sixth general round of negotiations would take place.

Much of the Tariff Commission's work during fiscal 1963 in connection with U.S. preparation for the sixth round of the GATT tariff negotiations was specifically required of the Commission by the Trade Expansion Act of 1962 (hereinafter referred to as the TEA). Other preparatory work under the provisions of the act was also delegated to the Commission either by the President or by the Special Representative. In addition, a substantial part of the Commission's work was devoted to assisting the interdepartmental trade agreements organization in its preparations for the sixth round.

In addition to the Commission's major work relating to the preparations for trade-agreement negotiations—that under section 221 of the TEA—several other responsibilities were assigned to the Commission in connection with identification of the articles that were exempt from the 50-percent limitation on duty reductions specified in section 201(b)(1) of the TEA, i.e., articles on which the President could reduce duties by more than 50 percent, or reduce them to zero. Four groups of such articles were specified in separate provisions of the act: (1) Articles for which the rate of duty existing on July 1, 1962, was not more than 5 percent ad valorem or its equivalent (sec. 202); (2) articles in any category for which the United States and all the countries of the European Economic Community (EEC) together accounted for 80 percent or more of the free-world export value of all the articles in that category (sec. 211); (3) articles listed in Agricultural Handbook No. 143, published by the U.S. Department of Agri-

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<sup>23</sup> The negotiations on the changes in schedule XX began in Geneva, Switzerland, in October 1963.

culture (sec. 212);<sup>24</sup> and (4) certain tropical agricultural and forestry articles (sec. 213).<sup>25</sup>

On June 18, 1963, the President, by letter, requested the Tariff Commission to prepare a list of all articles for which the U.S. rate of duty existing on July 1, 1962, was not more than 5 percent ad valorem or the equivalent thereof. The President had already delegated to the Commission the authority to determine ad valorem equivalents, which had been conferred on him by section 256 (7) of the act.<sup>26</sup> The Commission began preliminary work on determining the ad valorem equivalents of all U.S. duties in March 1963.<sup>27</sup>

The Tariff Commission is directed by section 211 of the TEA to perform two different functions. Section 211 (b) (2) of the act directs the Commission to determine and publicly identify the articles that fall within each category of the classification system selected by the President to be used by him in determining the articles in any category for which the United States and the countries of the EEC together accounted for 80 percent or more of the free-world export value of all the articles in that category (which would therefore be exempt from the 50-percent limitation on duty reductions). The work by the Commission under this directive consists essentially of providing a concordance of the classification of articles under the system selected by the President and the classifications of the TSUS. By the close of the period covered by this report, June 30, 1963, the President had not made public his selection of a classification system, and therefore the Commission had undertaken no work under section 211 (b) (2).

The Commission is directed by section 211 (d) of the act, upon request of the President, to make findings and advise him concerning (1) the representative period for each category of articles, (2) the aggregated free-world export value of the articles included within each category, and (3) the percentage of the aggregated free-world export value of such articles accounted for by the United States and the countries of the EEC. The work by the Commission under section 211 (d)—unlike that under 211 (b) (2)—consists essentially of statistical compilation and analysis. By the close of the period covered by this report, June 30, 1963, the President had not announced the classification system he would select, and he had not requested the Commis-

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<sup>24</sup> The Commission was requested by the Office of the Special Representative for Trade Negotiations on July 12, 1963—after the close of the period covered by this report—to identify by TSUS item number the articles listed in the handbook, since the classification system of the articles in the handbook did not correspond to tariff classifications.

<sup>25</sup> The provisions of secs. 211 and 212 are limited to trade-agreement negotiations with the EEC.

<sup>26</sup> Sec. 5, Executive Order 11075, dated Jan. 15, 1963.

<sup>27</sup> Determinations for most of the articles on a TSUS basis were completed in October 1963; the Commission submitted to the President on Oct. 11, 1963, a list of those articles that it had determined met the "5 percent" criterion.

sion to make findings under section 211(d); however, the Commission by that time had investigated the availability of data and considered procedures that might be required in advising the President under section 211(d).

Section 213(c) of the TEA directed the Tariff Commission, on request of the President, to make findings and to advise him (1) whether any article is an agricultural or forestry commodity of which more than one-half of the world production is in the area of the world between 20° north latitude and 20° south latitude, and (2) whether the like article is produced in significant quantities in the United States. On June 18, 1963, the President, by letter, requested the Commission to prepare a list of all commodities meeting those criteria and to advise him of its findings. In anticipation of such a request the Commission in October 1962 began preparing the information it would need to make such findings. The Commission had not completed its findings by the close of the period covered by this report, June 30, 1963.<sup>28</sup>

#### **Other trade agreements program activities**

During fiscal 1963 the Chairman of the Tariff Commission served as a member of the U.S. delegation to the 20th Session of the Contracting Parties to the GATT, which was held from October 23 to November 16, 1962. During the year the Commission assisted the Trade Staff Committee in its preparation for U.S. participation in the 21st Session of the Contracting Parties to the GATT and in the meetings of the Council of Representatives of the Contracting Parties that took place throughout the year.

During the year the Commission provided technical assistance to the interdepartmental trade agreements organization in its negotiations with the EEC on the withdrawal by the Federal Republic of Germany of a tariff concession it had previously granted the United States on poultry and the imposition by the EEC of additional import restrictions on U.S. exports of frozen poultry to the Community.

#### **Report on the operation of the trade agreements program**

Since 1947 the Tariff Commission has been directed, either by law or Executive order, to submit to the Congress, at least once a year, a factual report on the operation of the trade agreements program. The present directive is contained in section 402(b) of the Trade Expansion Act of 1962.

On June 30, 1963, the Commission was in the process of completing the 14th report on the operation of the trade agreements program. The period which that report is to cover was extended to 2 years—the period July 1, 1960, to June 30, 1962—in order to cover in one volume all of the material relating to the fifth general round of GATT tariff negotiations, as well as an analysis of the concessions granted by the

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<sup>28</sup> The Commission submitted its findings to the President on Sept. 17, 1963.

United States in connection with those negotiations. The negotiations took place in Geneva from September 1960 to July 1962. By June 30, 1963, the Commission had begun preparation of the 15th annual report on the trade agreements program, which is to cover the period July 1, 1962, to June 30, 1963.

### Reports on Synthetic Organic Chemicals

During fiscal 1963 the Tariff Commission released various preliminary and final reports on U.S. production, sales, and imports of synthetic organic chemicals. These reports continue the annual series on production and sales that the Commission has published since 1918. The reports, which are made under the Commission's general powers, are an outgrowth of the continuing requests for this information by various Government agencies, as well as by industry and the general public.

#### Preliminary monthly reports

During 1963 the Tariff Commission continued to issue its series of preliminary monthly reports on U.S. production and sales of plastics and resin materials and its series of preliminary monthly reports on U.S. production of selected synthetic organic chemicals. These two series of reports include preliminary data for most of the domestic producers of the more important synthetic organic chemicals and plastics materials and hence provide a good indication of the monthly trends for the industry as a whole.<sup>29</sup>

The Commission's monthly reports on plastics and resin materials show data obtained from more than 200 companies. The materials included in this series are classified as thermosetting resins—such as alkyd, epoxy, polyester, phenolic, urea, and melamine resins; as thermoplastic resins—such as styrene and polyolefin plastics, vinyl resins, and polypropylene; and as cellulose plastics. The classes of materials and the end-use designations used in this series of reports were established with the assistance of industry and Government representatives.

The monthly reports on selected synthetic organic chemicals show data obtained from 186 companies and cover approximately 70 different organic chemicals. The chemicals covered were selected, with the advice and assistance of industry and Government representatives, on the basis of their economic importance, seasonality, and specified uses. The chemicals selected are grouped as coal-tar crudes, intermediates, bulk medicinal chemicals, pesticides and other organic agricultural chemicals, and miscellaneous chemicals and products.

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<sup>29</sup> The reports on plastics and resins are designated S.O.C. (Synthetic Organic Chemicals) Series P; the reports on selected synthetic organic chemicals are designated S.O.C. Series C.

**Preliminary annual reports on production and sales**

The Tariff Commission's preliminary annual reports on production and sales of synthetic organic chemicals in 1962 consisted of 14 separate reports, each of which dealt with one segment of the synthetic organic chemicals industry. The preliminary report for each segment of the industry was issued during 1963 as soon as the statistics were substantially complete for the calendar year 1962, in order to make the information available to industry and to Government agencies at the earliest possible date. The 14 preliminary annual reports covered production and sales of tars and tar crudes, crude products from petroleum and natural gas for chemical conversion, cyclic intermediates, coal-tar dyes, synthetic organic pigments (lakes and toners), bulk medicinal chemicals, flavor and perfume materials, plastics and resin materials, rubber-processing chemicals, elastomers (synthetic rubbers), plasticizers, surface-active agents, pesticides and other organic agricultural chemicals, and miscellaneous chemicals.

**Final annual report on production and sales**

On October 3, 1962, the Tariff Commission issued its final annual report on U.S. production and sales of synthetic organic chemicals in 1961.<sup>30</sup> The final annual report combines in one volume revised data on the 14 segments of the synthetic organic chemicals industry which the Commission included in its separate preliminary annual reports on production and sales in 1961. The statistics on production and sales included in the final report were compiled from data supplied by 722 primary producers of synthetic organic chemicals. The report covers the production and sales of more than 6,000 individual chemicals and chemical products, gives statistics for many of them separately, and lists the manufacturers of each item for which production and sales data were reported in 1961. The report also includes statistics on general imports in 1961 of certain synthetic organic chemicals entered under paragraphs 27 and 28 of the Tariff Act of 1930—dutiable coal-tar intermediates and finished coal-tar products—classified by end use.

According to the report, 100.7 billion pounds of synthetic organic chemicals and their raw materials was produced in 1961, 4.1 percent more than was produced in 1960. Sales of synthetic organic chemicals and their raw materials in 1961 amounted to 58.4 billion pounds, valued at \$8.0 billion, compared with 55.5 billion pounds, valued at \$7.5 billion, in 1960.

The report divides production and sales into two major sections—chemical raw materials and synthetic organic chemicals (cyclic intermediates and finished synthetic organic chemical products). The first section includes statistics on tars, tar crudes, and crude chemicals

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<sup>30</sup> U.S. Tariff Commission, *Synthetic Organic Chemicals, United States Production and Sales, 1961*, TC Publication 72, 1962.

derived from petroleum and natural gas. Total production of tars in 1961 amounted to 650 million gallons (6.5 billion pounds), 8.4 percent less than was reported for 1960. Production in 1961 of tar crudes amounted to 9.4 billion pounds, compared with 9.5 billion pounds in 1960; the most important individual products in this group are coal-tar-derived benzene, toluene, xylene, and solvent naphtha. The output of crude chemicals from petroleum and natural gas in 1961 amounted to 28.6 billion pounds, compared with 26.1 billion pounds in 1960; included in this group are benzene, toluene, xylene, and other cyclic products, and aliphatic hydrocarbons such as ethylene, propane, and 1,3-butadiene.

Production of cyclic intermediates in 1961, which is covered in the second section of the report, amounted to 10.3 billion pounds—7 percent more than was reported for 1960. In 1961, as in earlier years, more than 60 percent of the output of cyclic intermediates was used by the original manufacturers to produce more advanced products. The remainder was sold to other companies for further processing.

Production of finished synthetic organic chemicals and chemical products, which is also covered in the second section of the report, amounted to 45.9 billion pounds in 1961, compared with 44.4 billion pounds in 1960. Of this total for 1961, cyclic finished products accounted for 8.4 billion pounds and acyclic products accounted for 37.5 billion pounds. In terms of quantity, production of 9 of the 11 groups of finished synthetic organic products was greater in 1961 than in 1960. The groups for which such increases in output were the largest are flavor and perfume materials (16.4 percent), surface-active agents (12.9 percent), plastics and resin materials (9.2 percent), and pesticides and other organic agricultural chemicals (8.0 percent). Groups for which the output declined in 1961, compared with 1960, were toners and lakes (12.5 percent) and elastomers (4.9 percent).

#### **Annual report on imports of coal-tar products**

In July 1962 the Tariff Commission released its annual report on U.S. imports of coal-tar intermediates entered in 1961 under paragraph 27 of the Tariff Act of 1930, and on coal-tar dyes, medicinals, pharmaceuticals, flavor and perfume materials, and other coal-tar products entered under paragraph 28.<sup>31</sup> The data on these coal-tar products (which are synthetic organic chemicals), covering imports through all U.S. customs districts, were obtained by analyzing customs invoices covering general imports of coal-tar products entering the United States during 1961.

The report shows that general imports of coal-tar chemicals entered under paragraph 27 in 1961 totaled 19.0 million pounds, with a foreign invoice value of \$12.3 million, compared with imports in-

<sup>31</sup> U.S. Tariff Commission, *Imports of Coal-Tar Products, 1961, 1962* [processed].



1960 of 19.8 million pounds, valued at \$11.5 million. Most of the coal-tar chemicals imported in 1961 were declared to be "competitive" (hence the duty was based on "American selling price"). About 45 percent of total imports of these products in 1961 came from West Germany; other principal sources were Japan, the United Kingdom, and Switzerland.

Imports of all finished coal-tar products that were dutiable under paragraph 28 totaled 12.4 million pounds, with a foreign invoice value of \$25.9 million, in 1961, compared with imports of 12.3 million pounds, with a foreign invoice value of \$22.2 million, in 1960. In 1961, coal-tar dyes were the most important group of imported finished coal-tar products, accounting for 43 percent of the total value of all such imports in that year. Imports of medicinals and pharmaceuticals were the next most important group of such imports.

### **Digest of the LAFTA Treaty**

A digest of the Treaty Establishing the Latin American Free Trade Association (the Montevideo Treaty), an organization that came into being in June 1961, was issued by the Tariff Commission on July 11, 1962.<sup>32</sup> The association consists of nine countries—Argentina, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, and Uruguay. By the middle of 1962 these countries had inaugurated programs under the treaty to achieve a degree of integration of their economies. Although the initial membership consisted of the aforementioned countries, and the initial goal was a free-trade area, the ultimate object of LAFTA was to establish a common market embracing all the countries of Latin America.

The digest was designed by the Tariff Commission to provide an understanding of the major provisions of the treaty. To this end it contains discussions of the nature and objectives of the treaty, the organization and administration of the association, the methods by which LAFTA is being developed, and the manner by which additional economic integration was to be achieved by the participating countries. The digest also includes interpretations of certain provisions of the treaty and an account of the pertinent regulations adopted by the Contracting Parties of the association after the treaty entered into force. It does not contain an analysis of the likely effects of the treaty or a discussion of the economic relationships between the member countries.

### **Study of Changes in the Prices of Copper**

In granting a reduction in the import tax on copper at Geneva in 1956, the U.S. Government provided in a note appended to the sched-

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<sup>32</sup> U.S. Tariff Commission, *The Latin American Free Trade Association*, TC Publication 60, 1962 [processed].

ule item number for that concession—item 4541(3) of the U.S. schedule of concessions granted in 1956 under the General Agreement on Tariffs and Trade—that the reduction is to be effective only when the average market price of electrolytic copper (delivered Connecticut Valley) is 24 cents or more per pound. Under the terms of the note the Tariff Commission is required to advise the Secretary of the Treasury when the price of copper falls below 24 cents per pound. Inasmuch as the price of copper did not fall below this level during fiscal 1963, the Commission made no report during the year to the Secretary of the Treasury.

### **PART III. FURNISHING TECHNICAL INFORMATION AND ASSISTANCE**

A considerable part of the work of the U.S. Tariff Commission is devoted to furnishing technical information and assistance to the Congress, other agencies of the U.S. Government, industrial and commercial concerns, and the general public. Section 332 of the Tariff Act of 1930 directs the Commission to gather information relating to the tariff and commercial policy and to place it at the disposal of the President, the Senate Committee on Finance, and the House Committee on Ways and Means, "whenever requested." Section 334 of the Tariff Act of 1930 directs the Commission to cooperate with other Government agencies in appropriate matters.

#### **Work for the Congress**

During 1963, as in previous years, the Commission's work in response to directives or requests from the Congress constituted an important part of its activities. This section of the report deals only with direct requests from congressional committees and from individual Members of Congress for information or comments on proposed legislation, and for assistance at congressional hearings. Other phases of the Commission's work, even though based directly or indirectly on congressional directives or requests, are discussed in other sections of this report.

#### **Services to committees of the Congress**

The Congress regularly requests the Tariff Commission to analyze proposed legislation relating to tariff and trade matters. Most of the requests come from the Senate Committee on Finance and the House Committee on Ways and Means. Analyses of, and comments on, bills and resolutions often involve considerable work and extensive reports by the Commission. During the period covered by this report, congressional committees requested the Commission to prepare analyses of, or comments on, a large number of bills and resolutions on a wide variety of subjects.

Congressional committees often request that Tariff Commission personnel assist them at their hearings, or supply them orally with technical and economic information in executive sessions of the committees. During 1963, members of the Commission's staff appeared on numerous occasions before the House Committee on Ways and Means during consideration of proposed legislation, including some on the subjects mentioned below.

The following is a representative list of titles of the bills and resolutions which the Commission prepared analyses of, and/or comments on, during 1963:

- To amend the Tariff Act of 1930 to provide that limestone spalls, fragments, and fines may be imported duty free.
- To amend the Tariff Act of 1930 (relating to footwear).
- To amend the Tariff Act of 1930 to provide for the duty-free importation of certain wools for use in the manufacture of polishing felts.
- To provide for the exemption of fowling nets from duty.
- To amend title 13 of the U.S. Code to provide for the collection and publication of foreign commerce and trade statistics.
- To amend the Tariff Act of 1930 to protect the interests of consumers and the public.
- To amend the Tariff Act of 1930 to permit certain natural grasses and other natural materials to be imported free of duty.
- To provide for the temporary suspension of the duty on cork stoppers.
- To provide for the tariff classification of certain particle board.
- To amend the Internal Revenue Code of 1954 with respect to exportation of imported distilled spirits, wines, and beer.
- To provide that certain caps shall be dutiable under paragraph 1504 of the Tariff Act of 1930.
- To promote the economic and social development of the Trust Territory of the Pacific Islands.
- To amend the Tariff Act of 1930 to provide that polished sheets and plates of iron or steel shall be subject to the same duty as unpolished sheets and plates.
- To amend the Tariff Act of 1930 to require the marking of lumber and wood products to indicate to the ultimate purchaser in the United States the name of the country of origin.
- To provide for tariff import quotas on sheep, lambs, mutton, and lamb.
- To regulate agricultural and forestry imports.

#### **Services to individual Senators and Representatives**

Each year the Commission receives many requests from individual Senators and Representatives for various types of information.<sup>1</sup> Some of these requests can be answered from data that are readily available in the Commission; others require research and often the preparation of extensive new statistical compilations and trade analyses. Many of the requests relate to investigations that are pending before the Commission.

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<sup>1</sup> During the period covered by this report, the Commission received more than 800 letters from individual Congressmen requesting information on various matters. In addition, the Commission received a large number of congressional telephone requests for information. Responses to these telephoned requests, like the responses to congressional letters, involved considerable work by the Commission and its staff.

### Cooperation With Government Agencies

Over the years, direct cooperation with other Government agencies, as well as cooperation with them as members of interdepartmental committees, has accounted for a considerable part of the Tariff Commission's activity. During fiscal 1963 the Commission cooperated with a score of Government agencies, the most important work being with the Bureau of the Census, the Bureau of Customs, and the Department of State. The Commissioners and staff members served on about 25 interdepartmental committees, including the various trade-agreement committees. Furnishing factual information to individual Government agencies either directly or through committees required considerable research, sometimes involving as much as several hundred man-hours of staff work. At times, cooperation with Government agencies involved detailing members of the Commission's staff to those agencies for short periods. Selected aspects of the Commission's work in cooperation with Government agencies during 1963 are reviewed below.

During 1963 the U.S. Government agencies concerned with the problems of defense continued to call upon the Tariff Commission for needed information on strategic and critical materials. All the technical divisions of the Commission supplied such information.

The Commission's commodity divisions furnished the Office of Emergency Planning of the Executive Office of the President with information on strategic and critical materials. Members of the Commission's commodity divisions serve on each of the seven interdepartmental commodity advisory committees which are under the chairmanship of the Office of Emergency Planning. These committees are concerned with the following groups of commodities: Iron, steel, and ferroalloys; light metals; nonferrous metals; nonmetallic minerals; chemicals and rubber; forest products; and fibers.

During the year the Chemicals Division of the Tariff Commission continued to furnish the Business and Defense Services Administration of the Department of Commerce with monthly data on U.S. production and sales of the most important organic chemicals and plastics materials, and annual data on production and sales of synthetic organic chemicals. These data were used by the Business and Defense Services Administration in performing its industrial defense mobilization planning functions. Several of the other commodity divisions of the Commission also furnished information to the Business and Defense Services Administration.

Besides assisting the Department of State in trade-agreement matters, the Commission during 1963 furnished that Department with a wide range of data on U.S. tariffs and trade for other purposes. As mentioned earlier in this report, the Commission was represented on the Trade Staff Committee (under the chairmanship of the Office of the Special Representative for Trade Negotiations).

### Assistance to Nongovernmental Research Agencies

During fiscal 1963 the Commission also assisted certain quasi-official organizations by providing information on trade and tariff matters. A member of the Commission's Ceramics Division served on the Committee on Ceramic Whitewares of the American Society for Testing and Materials, a national technical society composed of representatives of industry, the Federal Government, and engineering schools. The assistance given this society related chiefly to nomenclature and classification of ceramic products. Members of the Commission's Chemicals Division served on the Committee on the Handbook of Nonsystematic Names, sponsored by the American Chemical Society and the Synthetic Organic Chemical Manufacturers Association, and on the *Colour Index* Editorial Committee of the American Association of Textile Chemists and Colorists. A member of the Commission's Lumber and Paper Division served on the Paper-Plastics Committee of the Technical Association of the Pulp and Paper Industry.

### Assistance to Business Concerns and the Public

In response to many requests from outside the Federal Government, the Tariff Commission furnishes information on a variety of subjects within its area of competence. These requests come from industrial and commercial organizations, as well as from research workers, lawyers, teachers, editors, students, and others. Supplying the requested information entails a variety of work, such as preparing appropriate letters and statistical compilations, and conferring with individuals and representatives of organizations. The Commission maintains no public relations staff.

To assist individuals and organizations interested in studying recent developments in U.S. commercial policy, the Commission periodically issues a list of selected publications relating to U.S. tariff and commercial policy and to the General Agreement on Tariffs and Trade. A complete revision of the list, issued by the Commission in March 1963, cites publications of the Tariff Commission, the Department of State, the Department of Commerce, the Congress, special governmental boards and commissions, and the Contracting Parties to the General Agreement on Tariffs and Trade, and it indicates where those publications may be obtained.<sup>2</sup>

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<sup>2</sup> U.S. Tariff Commission, *List of Selected Publications Relating to United States Tariff and Commercial Policy and to the General Agreement on Tariffs and Trade*, 7th ed., TC Publication 83, 1963 [processed].

## **PART IV. OTHER ACTIVITIES**

### **Research and Assembling of Basic Data**

Prerequisite to the varied activities of the U.S. Tariff Commission is the continuing task of assembling, maintaining, coordinating, and analyzing pertinent basic economic, technical, and statistical information. Section 332 of the Tariff Act of 1930 directs the Commission to gather such information and to place it at the disposal of the President, the House Committee on Ways and Means, and the Senate Committee on Finance whenever requested. It also directs the Commission to make such investigations and reports as may be requested by the President, by either of the above-mentioned committees, or by either branch of the Congress. Over the years the Commission's staff has devoted a large part of its time to such work.

Basic information on many thousands of individual commodities is collected by the Commission's various divisions. This basic information includes technical data on the nature of the commodities and their processes of production; on U.S. production, imports, exports, marketing practices, and prices; on production, imports, exports, and prices for the leading foreign producing and exporting countries; and on the conditions of competition between foreign and domestic products. Such information is obtained primarily through the assembly, collation, and analysis of data obtained from Foreign Service reports, from Government publications, from trade journals, and from individual firms, and through fieldwork by the Commission's technical experts. On commodities involved in special investigations, the Commission also obtains data—through questionnaires and public hearings—on costs, profits, employment, and other pertinent subjects. Another major class of the Commission's basic data pertains to foreign countries—their exports, imports, industries, and resources; their economic, financial, and trade position; and their commercial policies.

To assist in this research, the Tariff Commission Library maintains a unique and comprehensive collection of material on the U.S. tariff, U.S. commercial policy, and international trade, amounting to approximately 63,000 volumes. The library also maintains a large collection of related material on economic and business conditions in the United States and foreign countries, as well as an excellent collection of information on the technical and economic aspects of industry, including material on the production of raw materials and the manufacture of various individual commodities. Original source material includes extensive files of official foreign-trade statistics. The library currently receives more than 1,200 periodicals, including eco-

conomic and technical trade journals. Although the library was established primarily for the use of the Commission and its staff of experts, the resources of the library are also available to private organizations, individual research students, and other Government agencies. The Legal Division's legislative reference service follows congressional legislation that is of interest to the Commission and its staff, and maintains a complete file of pertinent legislative documents.

The large amount of fieldwork by the Commission's commodity and economic experts is an essential part of the Commission's work in obtaining basic data and other information. A substantial part of the information that the Commission uses in preparing its reports is obtained by conferences of its staff members with producers, importers, and other groups. Through years of experience the Commission has found that neither public hearings nor inquiries by mail can supply all the details needed for making decisions in its investigations and for verifying information on production, costs, industrial practices, and competitive factors. During 1963 the Commission's experts visited representative manufacturing and importing firms in their fields of specialization in order to keep abreast of technical and trade developments. Representatives of the Commission also attended several conferences of trade and technical associations in order to keep abreast of developments affecting competition in domestic markets.

#### **Work of the Office in New York City**

The Tariff Commission's work frequently requires special tabulations and analyses of original customhouse documents and the statistical copies of these documents. The Commission also receives many requests by other Government agencies for special analyses of these invoices. The original customhouse documents and statistical copies provide certain information not available elsewhere. The New York City office of the Commission obtains the information shown on the customhouse documents for the foreign trade entering the United States through the customs district of New York. That office also maintains contacts with manufacturers, importers, exporters, customs examiners and appraisers, and others in the New York area. In this way it assists the Commission's specialists in maintaining up-to-date information in their respective fields.

#### **Revision of Rules of Practice and Procedure**

In fiscal 1963 the Commission completely revised its rules of practice and procedure and had them published in the *Federal Register* on December 7, 1962.<sup>1</sup> The revised rules were placed in effect Decem-

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<sup>1</sup> 27 F.R. 12117. Reprints have been made available to the public; see U.S. Tariff Commission, *Rules of Practice and Procedure, 1962*.



ber 11, 1962. The principal purpose of the revision was to provide rules by which the Commission could properly discharge its functions as changed and enlarged by the Trade Expansion Act of 1962.



## **PART V. ADMINISTRATION AND FINANCES**

### **Membership of the Commission**

Section 330 of the Tariff Act of 1930 provides that the U.S. Tariff Commission shall consist of six members appointed by the President and confirmed by the Senate for terms of 6 years, one term expiring each year. This section of the act also provides that not more than three Commissioners may be of the same political party. The President annually designates the Chairman from the membership of the Commission; no Vice Chairman has been designated since June 16, 1961.

#### **Members of the Commission on June 30, 1963**

On June 30, 1963, the close of the period covered by this report, the members of the Commission and the dates on which their respective terms expire were as follows :

Chairman-----	Ben Dorfman, Democrat from the District of Columbia (June 16, 1967).
Commissioner ----	Joseph E. Talbot, Republican from Connecticut (June 16, 1965).
Commissioner ----	Walter R. Schreiber, Republican from Maryland (June 16, 1964).
Commissioner ----	Glenn W. Sutton, Democrat from Georgia (June 16, 1966).
Commissioner ----	James W. Culliton, political independent from Indiana (June 16, 1968).
Commissioner ----	(Vacancy).

#### **Appointments and changes during 1963**

On October 9, 1962, the President announced the recess appointment of James W. Culliton, political independent from Indiana, as a member of the Commission for the term expiring June 16, 1968. Mr. Culliton entered on duty December 5, 1962. The Senate confirmed his appointment on February 21, 1963.

On June 15, 1963, the President redesignated Ben Dorfman as Chairman for the period ending June 16, 1964. Mr. Dorfman began serving as Chairman on October 30, 1961.

On June 30, 1963, the personnel of the Tariff Commission consisted expired on June 16, 1963. By June 30, 1963, the close of the period covered by this report, the vacancy had not been filled.<sup>1</sup>

### Personnel of the Commission

On June 30, 1963, the personnel of the Tariff Commission consisted of 5 Commissioners and 283 staff members. The total of 288 persons consisted of 165 men and 123 women.

### Finances and Appropriations, Fiscal Year 1963

During the fiscal year 1963, the appropriated funds available to the Tariff Commission amounted to \$2,950,000. Reimbursements received by the Commission amounted to \$9,563, making a grand total of \$2,959,563 available to the Commission for expenditure during fiscal year 1963. The unobligated balance as of June 30, 1963, was \$179,939.

Expenditures for the fiscal year 1963 were as follows:

Salaries:	
Commissioners .....	\$111, 111
Employees:	
Departmental .....	2, 205, 541
Field .....	50, 435
Overtime .....	12, 944
Federal Insurance Contributions Act tax.....	634
Federal Employers' Group Life Insurance Act contribu- tions .....	8, 018
Federal employers' retirement contributions.....	151, 757
Federal employers' health benefits contributions.....	14, 503
Travel expense and transportation of persons.....	40, 603
Transportation of things.....	259
Books of reference and other publications.....	8, 939
Rentals and communications service.....	17, 444
Penalty mail.....	13, 500
Contractual services.....	38, 392
Office supplies and equipment.....	88, 655
Printing and reproduction.....	16, 889
 Total .....	 2, 779, 624

<sup>1</sup> On Aug. 24, 1963, after the close of the period covered by this report, the President announced the appointment of Dan H. Fenn, Jr., Democrat from Massachusetts, as a member of the Commission for the term expiring June 16, 1969. The Senate confirmed Mr. Fenn's appointment on Oct. 2, 1963, and he entered on duty on Oct. 18, 1963.

**RECENT REPORTS OF THE UNITED STATES TARIFF COMMISSION  
ON SYNTHETIC ORGANIC CHEMICALS**

**Synthetic Organic Chemicals, United States Production and Sales, 1961 (TC  
Publication 72, 1962), \$1.25**

**Synthetic Organic Chemicals, United States Production and Sales, 1962 (TC  
Publication 114, 1963), \$1.50**

**OTHER RECENT REPORTS**

**Tariff Schedules of the United States Annotated (1963) (TC Publication 103),  
\$5.00 (including supplementary service for an indefinite period); \$1.25  
additional for foreign mailing**

**Tariff Schedules of the United States, Effective August 31, 1963 (TC Publica-  
tion 112), \$4.00 (including supplementary service for an indefinite period);  
\$1.00 additional for foreign mailing**

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**NOTE.—The reports listed above may be purchased from the Superintendent of Documents,  
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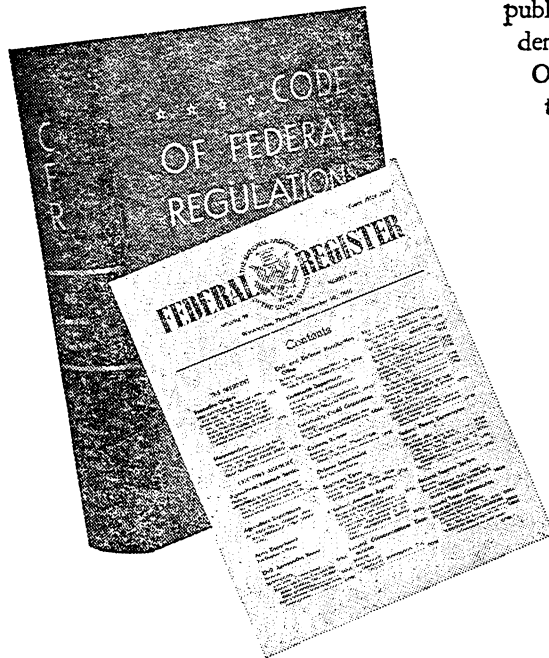
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