

Fifty-first
Annual Report
of the
United States Tariff Commission

◆
Fiscal Year Ended June 30
1967

TC Publication 227

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

**Synthetic Organic Chemicals, United States Production and Sales,
(TC Publication 167, 1965), \$1.25**

**Synthetic Organic Chemicals, United States Production and Sales,
(TC Publication 206, 1967), \$1.00**

TARIFF SCHEDULES

**Tariff Schedules of the United States Annotated (1968) (TC Publication 1
\$6.00 (including supplementary service for an indefinite period), \$1.00
additional for foreign mailing**

NOTE.—The reports listed above may be purchased from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20462. (See inside front cover for 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.

Fifty-first
Annual Report
of the
United States Tariff Commission

Fiscal Year Ended June 30
1967



U.S. GOVERNMENT PRINTING OFFICE
WASHINGTON : 1968

UNITED STATES TARIFF COMMISSION

STANLEY D. METZGER, *Chairman*

GLENN W. SUTTON, *Vice Chairman*

JAMES W. CULLITON

PENELOPE H. THUNBERG

BRUCE E. CLUBB

DONN N. BENT, *Secretary*

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

LETTER OF TRANSMITTAL

UNITED STATES TARIFF COMMISSION,
Washington, December 1, 1967.

SIR: Transmitted herewith is the *Fifty-first Annual Report of the United States Tariff Commission.*

Respectfully,

STANLEY D. METZGER,
Chairman.

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

PREFACE

This, the *Fifty-first Annual Report of the United States Tariff Commission*, describes the Commission's activities during the year July 1, 1966, through June 30, 1967. During this period, the Commission engaged principally in public investigations and special studies related to U.S. trade, activities in connection with the Kennedy Round trade negotiations, and services to Congress and the business community.

During the period under review, the Commission conducted numerous public investigations and prepared reports thereon. Pursuant to provisions of the Trade Expansion Act of 1962, the Commission conducted investigations and advised the President regarding the economic conditions of industries producing articles on which trade-agreement concessions had previously been made and the probable economic effect of proposed trade-agreement concessions. Other investigations, under the Automotive Products Trade Act of 1965, provided information for the use of the Automotive Agreement Adjustment Assistance Board in determining the eligibility of auto workers to apply for adjustment assistance. Investigations were conducted pursuant to the Antidumping Act of 1921 to determine whether domestic industries had been injured by sales of foreign merchandise at less than fair value. In addition, at the request of the President, the Commission conducted an extensive study of certain dairy products pursuant to the Agricultural Adjustment Act.

Under section 332 of the Tariff Act of 1930, the Commission prepared several comprehensive studies. They related to (1) the "American selling price" basis for assessing ad valorem duties on designated imports, (2) the methods of valuation used by the United States and its principal trading partners in determining the dutiable value of imports, and the effect of U.S. customs valuation laws, (3) competition between olives packed in the United States in retail containers and olives so packed outside the United States, and (4) loopholes in the U.S. tariff on certain wool products.

Throughout the year, work continued on a new series of the Commission's *Summaries of Trade and Tariff Information*, which is to replace a series published in 1948-50. The revised 62-volume version, several volumes of which were published during the year, will provide a concise compendium of trade information on all articles included in the Tariff Schedules of the United States.

The Commission continued to supply both personnel and technical assistance in connection with the Kennedy Round negotiations. As in earlier years, the Commission submitted its annual report to the Congress on the operation of the trade agreements program and supplied trade information to the Congress, the President, and the public.

CONTENTS

	Page
Preface.....	v
Part I. Public investigations.....	1
Trade Expansion Act of 1962.....	1
Section 221.....	1
Section 301(b).....	2
Section 351(d)(1).....	2
Wilton, Brussels, velvet, and tapestry carpets and rugs.....	2
Stainless-steel table flatware.....	3
Section 351(d)(2).....	3
Section 351(d)(3).....	4
Typewriter-ribbon cloth.....	4
Wilton, Brussels, velvet, and tapestry carpets and rugs.....	4
Stainless-steel table flatware.....	5
Sheet glass (blown or drawn flat glass).....	5
Tariff Act of 1930.....	5
Section 332.....	5
Title 19 of the United States Code.....	6
American-selling-price basis of valuation.....	6
Valuation laws.....	7
Ceramic floor and wall tile.....	8
Olives.....	8
Fabrics containing wool and other fibers.....	8
Dairy products.....	9
Section 337.....	9
In-the-ear hearing aids.....	10
Vehicle seat suspension systems.....	10
Antidumping Act, 1921, as amended, section 201(a).....	10
Leather work shoes from Czechoslovakia.....	11
Steel jacks from Canada.....	11
Cast iron soil pipe from Poland.....	11
Automotive Products Trade Act of 1965.....	11
Agricultural Adjustment Act, section 22.....	15
Part II. Reports and other activities.....	17
Activities relating to the trade agreements program:	
Tariff negotiations.....	17
Seventeenth report on the operation of the trade agreements program.....	18
Other activities relating to U.S. foreign trade.....	18
Summaries of trade and tariff information.....	20
Reports on synthetic organic chemicals.....	20
Annual report on production and sales of synthetic organic chemicals in 1965.....	20
Preliminary annual reports on production and sales of synthetic organic chemicals in 1965 and 1966.....	21
Preliminary monthly reports on production and sales of synthetic organic chemicals.....	21
Report on imports of benzenoid chemicals and products in 1965.....	21
Research and assembling of basic data.....	21
Work of the Commission's office in New York City.....	22

	Page
Part III. Technical information and assistance.....	23
Work for the Congress.....	23
Cooperation with Government agencies.....	23
Assistance to nongovernmental research agencies.....	24
Assistance to business concerns and the public.....	24
Part IV. Administration and finances:	
Membership of the Commission.....	25
Organization.....	25
Finances and appropriations, fiscal year 1967.....	26

PART I. PUBLIC INVESTIGATIONS

Specific provisions of law direct the U.S. Tariff Commission to conduct a variety of investigations relating primarily to U.S. imports and their impact on domestic industry. During the year under review, the Commission conducted investigations under the following statutes: The Trade Expansion Act of 1962 (TEA), the Tariff Act of 1930, the Antidumping Act of 1921, the Automotive Products Trade Act of 1965, and the Agricultural Adjustment Act. These investigations are summarized below.

Trade Expansion Act of 1962

The Trade Expansion Act consists essentially of two parts: one providing the President with tariff-reducing authority and the other providing safeguards for segments of the U.S. economy adversely affected by trade concessions. As in earlier legislation, the President is authorized by the act to increase duties or impose quotas to aid industries injured by imports. In addition, the act enables the President to authorize adjustment assistance (in the form of technical assistance, loans, and tax benefits) for adversely affected firms and (in the form of unemployment compensation, provision for retraining, and relocation allowances) for groups of workers. To aid the President in making determinations under the various provisions of the act, the Tariff Commission is required to conduct investigations relating to the economic conditions of the industries, firms, or workers concerned and to submit reports thereon. During the period covered by this report, the Commission conducted 10 investigations under the Trade Expansion Act.

Section 221

Section 221 of the Trade Expansion Act¹ provides for the Tariff Commission to advise the President in order to assist him in making an informed judgment as to the impact that proposed modifications of duties or other import restrictions might have on U.S. industry, agriculture, and labor.

On August 18, 1966, pursuant to section 221, the President furnished the Commission a supplemental list of articles to be considered for modification of duties or other import restrictions, in connection with trade-agreement negotiations. The Commission advised the President on November 3, 1966, as to the probable economic effect of such modifications on the industries producing like or directly competitive articles. In preparation for advising the President, the Commission held a public hearing September 26-30, 1966.

¹ 19 U.S.C. 1841.

On April 26, 1967, the President furnished the Commission another supplemental list of articles pursuant to section 221. The Commission advised the President on May 17, 1967, regarding the probable economic effect that the modification of duties or other import restriction on the listed articles would have on the industries producing like or competitive articles. In neither of the two instances cited above was the Commission's advice released to the public.

Section 301(b)

During the year, the Commission conducted one investigation under section 301(b) of the Trade Expansion Act.²

In such investigations the Commission determines 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 that is like or directly competitive with the imported article. Investigations may be initiated upon the 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.

On petition by the International Union of Electrical, Radio and Machine Workers and its subordinate affiliate, the Optical Council of the IUE, the Commission on April 12, 1967, instituted an investigation under section 301(b) regarding frames and mountings for eye glasses, lorgnettes, goggles, and similar articles. At the close of the period covered by this report, the investigation was in process.

Section 351(d)(1)

During fiscal 1967, the Commission, under section 351(d)(1), reviewed conditions in two domestic industries in whose interest import restrictions had previously been imposed by escape-clause action, and submitted reports thereon to the President.

Section 351(d)(1) provides that, as long as import restrictions imposed or increased pursuant to section 7 of the Trade Agreements Extension Act of 1951 or section 351 of the Trade Expansion Act remain in effect, the Commission shall keep under review developments relating to the industry concerned and make annual reports thereon to the President.

The reports on the two annual reviews conducted during the year are summarized below.

Wilton, Brussels, velvet, and tapestry carpets and rugs.—In 1962 following an escape-clause investigation and report by the Tariff Commission, the President increased the rate of duty applicable to Wilton

² 19 U.S.C. 1901(b).

³ 19 U.S.C. 1981(d)(1).

brussels, velvet, and tapestry carpets and rugs. The increased rate of duty became effective after the close of business on June 17, 1962. On September 13, 1966, the Commission submitted to the President its fourth periodic report concerning such carpets and rugs.⁴ The report emphasized developments that had occurred after those described in the Commission's report in September 1965.

Stainless-steel table flatware.—After an escape-clause investigation and report by the Tariff Commission, the President established an annual tariff quota and increased the rates of duty applicable to imports of certain stainless-steel table flatware in excess of the quota, effective November 1, 1959. On January 7, 1966, the President relaxed the increased restrictions (retroactive to November 1, 1965) by enlarging the tariff quota and by reducing, but not eliminating, the increases in the rates of duty on imports entered in excess of the enlarged quota. On November 1, 1966, the Commission submitted its fifth periodic report on such stainless-steel table flatware;⁵ it focused on developments that had occurred since the Commission submitted its report to the President on April 14, 1965, under section 351(d)(2).

Section 351(d)(2)

The Commission conducted one investigation under section 351(d)(2)⁶ during the period under review.

This section directs the Commission to advise the President, either at his request or upon its own motion, of its judgment regarding the probable economic effect on the industry concerned of moderating any restrictions that had been imposed or increased pursuant to either section 7 of the 1951 act or section 351 of the 1962 act. After taking into account the Commission's advice, the President may reduce or terminate these restrictions prior to the date on which they would terminate under section 351(c) of the TEA.⁷

On June 16, 1966, the Commission announced its investigation—stituted on its own motion pursuant to section 351(d)(2)—with respect to cotton typewriter-ribbon cloth. Following an escape-clause investigation and report by the Tariff Commission, the President had increased the rates of duty on cotton typewriter-ribbon cloth, effective after the close of business on September 22, 1960. On December 5, 1966, the Commission reported to the President that restoration of

⁴ *Wilton, Brussels, Velvet, and Tapestry Carpets and Rugs: Report to the President (No. TEA-IR-5-66) Under Section 351(d)(1) of the Trade Expansion Act of 1962*, TC Publication 187, 1966 [processed].

⁵ *Stainless-Steel Table Flatware: Report to the President (No. TEA-IR-1-66) Under Section 351(d)(1) of the Trade Expansion Act of 1962*, TC Publication 9, 1966 [processed].

⁶ 19 U.S.C. 1981(d)(2).

⁷ Under sec. 351(c) of the 1962 act, increased import restrictions proclaimed pursuant to sec. 7 of the Trade Agreements Extension Act of 1951 were scheduled to terminate at the close of Oct. 11, 1967, and those proclaimed pursuant to sec. 1(a) of the 1962 act will terminate 4 years after such increases are proclaimed, unless action under sec. 351(d)(3) is taken to extend them.

the concession rates of duty on cotton typewriter-ribbon cloth would not be likely to jeopardize the economic position of the domestic industry because the reduction in duty would not be large enough to offset other forces.⁸ In connection with its investigation, the Commission held a public hearing on September 12, 1966.

Section 351(d)(3)

During fiscal 1967 the Commission initiated four investigations under section 351(d)(3).⁹ At the close of the period covered by this report, the Commission had completed one of them.

Section 351(d)(3) directs the Commission, when petitioned on behalf of the industry concerned, to advise the President of the Commission's judgment as to the probable economic effect on that industry of the scheduled termination (pursuant to section 351(c)) of an increase in import restrictions.¹⁰ 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 otherwise terminate. The President can extend the restrictions for successive periods (not in excess of 4 years at any one time) as he may designate.

Typewriter-ribbon cloth.—On January 18, 1967, the Commission instituted an investigation in order to advise the President respecting the probable economic effect of the termination of the increased rate of duty applicable to certain cotton typewriter-ribbon cloth. Pursuant to section 351(c)(1)(B) of the Trade Expansion Act, the increased rates of duty on such typewriter-ribbon cloth, which had been imposed by escape-clause action in 1960, were scheduled to terminate at the close of October 11, 1967, unless extended by the President. In connection with its investigation, the Commission held a public hearing on April 4, 1967. The Commission reported to the President on May 11, 1967, that restoration of the concession rates of duty on cotton typewriter-ribbon cloth would not be likely to jeopardize the economic position of the domestic industry.¹¹

Wilton, Brussels, velvet, and tapestry carpets and rugs.—The Commission instituted an investigation on January 18, 1967, respecting Wilton, Brussels, velvet, and tapestry carpets and rugs, in order to prepare advice to the President regarding the scheduled termination at the close of October 11, 1967, of the increased rate of duty on these articles. The increased rate had been imposed in 1962, following escape-clause investigation and report to the President by the Tariff Commission.

⁸ *Cotton Typewriter-Ribbon Cloth: Report to the President on Investigation No. TEA-IA-8 Under Section 351(d)(2) of the Trade Expansion Act of 1962*, Publication 190, 1966 [processed].

⁹ 19 U.S.C. 1981(d)(3).

¹⁰ See footnote 7, p. 3.

¹¹ *Cotton Typewriter-Ribbon Cloth: Report to the President on Investigation No. TEA-I-EX-1 Under Section 351(d)(3) of the Trade Expansion Act of 1962*, TC Publication 207, 1967 [processed].

mmission. A public hearing in connection with the investigation was held April 18-20, 1967. At the close of the period covered by this report, the investigation was in process.

Stainless-steel table flatware.—On February 8, 1967, the Commission instituted an investigation in connection with preparing advice to the President regarding the scheduled termination of escape-action import restrictions on stainless-steel table flatware. A tariff quota and increased rates of duty on imports entered in excess of the quota had been imposed by the President in 1959, following an escape-clause investigation by the Tariff Commission. On January 7, 1966, the President had relaxed the increased restrictions (retroactive to November 1, 1955) by enlarging the tariff quota and by reducing, but not eliminating, the increases in the rates of duty applicable to such flatware entered in excess of the enlarged quota. Pursuant to section 351(c)(2)(B) of the TEA, the remaining increased restrictions were scheduled to terminate at the close of October 11, 1967, unless extended by the President. In conjunction with the investigation, the Commission held a public hearing on May 23, 1967. The Commission had completed its investigation by the close of the period covered by this report.

Sheet glass (blown or drawn flat glass).—On April 12, 1967, the Commission instituted an investigation in order to prepare advice to the President regarding the scheduled termination of the increased rates of duty on certain blown or drawn flat glass. Increased rates of duty had been imposed in 1962 under the escape-clause procedure; on January 11, 1967, the President had terminated certain of these increases and reduced the remainder of them. Those increased rates that had been reduced but not eliminated were scheduled to terminate at the close of October 11, 1967, unless extended by the President. A public hearing was held on June 20, 1967, in conjunction with the investigation. At the close of the period under review, the investigation was in process.

Tariff Act of 1930

The Tariff Act of 1930 empowers the Commission to investigate and report on a broad range of subjects relating to international trade and requires the Commission to supply the Congress and the President with information at its command whenever requested to do so. The act also authorizes the Commission to investigate unfair trade practices in the importation of articles into the United States. During the period under review the Commission conducted nine investigations, several of which were extensive, under the Tariff Act of 1930; they are discussed below.

Section 332

During the period under review, the Tariff Commission conducted seven investigations under section 332 of the Tariff Act of 1930.¹²

¹² 19 U.S.C. 1332.

This section sets forth the Commission's general powers to conduct investigations; directs the Commission to place at the disposal of either the President, the House Committee on Ways and Means, or the Senate Committee on Finance a report of information at its command whenever requested to do so; and 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.

Title 19 of the United States Code.—In July 1965 the Commission initiated a study of the provisions of title 19 of the United States Code which permit the temporary importation of merchandise without the payment of ordinary duties, or authorize drawback or refund of duties paid, when the imported merchandise or its domestic equivalent is exported either in its original form or in a changed condition. The Commission issued an interim report on the legislative objectives of these provisions on March 30, 1966.¹³ At the close of the period covered by this report, the Commission's study was still in process.

American-selling-price basis of valuation.—At the direction of the President, the Special Representative for Trade Negotiations on December 22, 1965, requested the Tariff Commission to make an investigation with respect to certain products subject to ad valorem rates of duty based on the American-selling-price (ASP) method of valuation. On December 23, 1965, the Commission announced the institution of its investigation.

Under the ASP system, the dutiable value of an import is based on the wholesale price in the United States of a domestic product that is either "like or similar" to, or "competitive" with, the imported article depending on the type of merchandise involved. The dutiable value thus derived is generally substantially higher than it would be if the usual basis of export value (foreign wholesale price of an imported product) was employed.

The products and the provisions of the TSUS involved in the investigation were as follows:

1. Canned clams—schedule 1, part 3E, headnote 1; item 114.0.
2. Chemical products—schedule 4, part 1, headnotes 4 and 5; and items in subparts B and C.
3. Footwear—schedule 7, part 1A, headnote 3(b); item 700.6.
4. Knit gloves—schedule 7, part 1C, headnote 4; item 704.55.

The Commission was requested to determine and report to the Special Representative those rates of duty which, in the absence of the provision for American-selling-price valuation, would have provided "a amount of collected duty on imports of such products during a recent period substantially equivalent to that amount provided under such . . . provisions . . . in such period." The Commission was also asked to assess the degree of equivalency of protection that would be achieved by use of the converted rates.

¹³ *Study of Temporary Entry Provisions of Title 19 of the United States Code Investigation 332-45: Report on Legislative Objectives*, TC Publication 17 1966 [processed].

The Commission submitted its report to the Special Representative for Trade Negotiations on July 25, 1966.¹⁴ The report contained a schedule of converted rates of duty based on conventional methods of valuation, which the Commission determined would have provided substantially the same amount of collected duty in a recent period¹⁵ as the existing rates on imports subject to ASP valuation. The report also contained an assessment of the degree of equivalency of protection achieved by the converted rates.

The Commission had previously issued a list of tentative converted rates on May 2, 1966, and had held public hearings thereon on June 3, 13, and 14, 1966. In the light of information presented at the hearings, data submitted by interested parties, and further research by the Commission's staff, a number of revisions were made in the tentative rates and in some of the projected subclasses of items in the Tariff Schedules of the United States; such revisions were explained in the Commission's report of July 25, 1966.

On July 27, 1966, the Acting Special Representative for Trade Negotiations, at the direction of the President, requested the Tariff Commission to make a further study regarding the aforementioned products subject to the ASP method of valuation. In this investigation, initiated on July 28, 1966, the Commission considered the probable economic effect upon the domestic industries producing like or directly competitive articles—

- (1) of the elimination of the American-selling-price system of valuation with a concurrent establishment of the above-mentioned schedule of converted rates, and
- (2) of a reduction of up to 50 percent in such new converted rates.

In connection with its investigation, the Commission held a public hearing on September 7, 8, 9, 19, and 20, 1966. The Commission's report was submitted in confidence on October 3, 1966.

Valuation laws.—On February 11, 1966, in response to a resolution of the Senate Committee on Finance, the Commission issued a notice that it had instituted a comprehensive investigation of the customs valuation laws of the United States and those of its principal trading partners. On July 18, 1966, the Commission submitted to the Committee on Finance a preliminary report,¹⁶ which compared the various

¹⁴ *Products Subject to Duty on the American Selling Price Basis of Valuation: Conversion of Rates of Duty on Such Products to Rates Based on Values Determined by Conventional Valuation Methods: Report to the Special Representative for Trade Negotiations on Investigation No. 332-47 Under Section 332 of the Tariff Act of 1930*, TC Publication 181, 1966 [processed].

¹⁵ During the period covered by this report, the Commission was in the process of computing converted rates for benzenoid chemicals in two additional recent periods.

¹⁶ *Customs Valuation: Preliminary Report to the Committee on Finance of the United States Senate, on Investigation No. 332-48, under Section 332 of the Tariff Act of 1930, Pursuant to a Resolution of that Committee Adopted February 9, 1966*, TC Publication 180, 1966 [processed].

valuation standards used by the United States and by its principal trading partners in determining the duty applicable to imports. In its final report, submitted to the Finance Committee on February 28, 1967, the Commission included its suggestions for improving the U.S. customs valuation laws and its views on the feasibility and desirability of adopting the Brussels definition of value for customs purposes. In conjunction with preparing its final report, the Commission held public hearings on November 3 and 4, 1966. The Finance Committee had not authorized release of the final report at the close of fiscal 1967.

Ceramic floor and wall tile.—On October 20, 1966, the Commission announced the institution of an investigation of the conditions of competition in the United States between ceramic floor and wall tile (glazed and unglazed, and including trim) produced in the United States and that produced in foreign countries. The investigation was instituted in response to a resolution adopted October 11, 1966, by the Committee on Ways and Means of the U.S. House of Representatives. In connection with the investigation, the Commission held a public hearing May 9–12, 1967. At the close of fiscal 1967, the investigation was in process.

Olives.—On March 31, 1967, the Commission submitted to the Senate a report on its investigation of olives; the report was released to the public on April 3, 1967.¹⁷ The investigation had been conducted in response to a Senate resolution of October 17, 1966, requesting the Commission to make an investigation respecting the importation of olives into the United States, including (but not limited to) the conditions of competition in the United States between olives bottled or canned in the United States (whether or not grown in the United States) in containers suitable for retail sale and olives so packed elsewhere and imported into the United States.

In its report, the Commission indicated that although imports of Spanish-style olives in retail containers had increased significantly after September 1966, such imports had remained small relative to imports in bulk containers. It was pointed out that importations of olives in retail containers were of too recent origin to indicate the quantities that would be imported in the future, or to permit an assessment of their probable impact on domestic repackers of olives imported in bulk.

Fabrics containing wool and other fibers.—In a report sent to the House Ways and Means Committee on March 1 and released to the public on March 6, 1967,¹⁸ the Commission suggested methods of treating with certain “loopholes” in the U.S. tariff on wool fabrics. The Commission’s report was submitted in response to a request from the Ways and Means Committee, dated November 10, 1966, for informa-

¹⁷ *Olives: Report to the United States Senate on Investigation No. 332–51 Under Section 332 of the Tariff Act of 1930*, TC Publication 200, 1967 [processed].

¹⁸ *Fabrics Containing Wool and Other Fibers: Report to the Ways and Means Committee of the U.S. House of Representatives on Investigation No. 332–52 Under Section 332 of the Tariff Act of 1930*, TC Publication 197, 1967 [processed].

ion to assist the Committee in its consideration of possible legislation respecting the tariff treatment of imports of fabrics containing over 17 percent by weight of wool, particularly imports of such fabrics containing reprocessed or reused wool.

A "loophole" exists in the tariff structure when an importer is able to have a product normally dutiable at a given rate modified or manipulated without significant change in its commercial status so as to avail himself of a lower rate of duty. The imported product here under consideration consisted of fabrics made predominantly of reused or reprocessed wool, but containing just enough silk to be in chief value of silk and, hence, dutiable at a rate substantially lower than the rate applicable to fabrics in chief value of wool.

Dairy products.—In response to a resolution by the Committee on Ways and Means of the House of Representatives, the Tariff Commission on May 11, 1967, announced that it had instituted an investigation of the conditions of competition in the United States between dairy products produced in the United States and those produced in foreign countries. The Commission was requested to include in its report information on domestic and foreign production; and on U.S. imports, consumption, channels and methods of distribution, prices, exports, and customs treatment since 1930. The Commission was also directed to include information indicating whether dairy products were being imported into the United States under circumstances and in quantities interfering with, or threatening to interfere with, price-support programs of the Department of Agriculture for milk and butterfat. At the close of the period covered by this report, the investigation was in process.

Section 337

During the period under review, the Commission considered two complaints under section 337 of the Tariff Act of 1930.¹⁹

This section provides that if the President is satisfied that unfair methods of competition or unfair acts in the importation of articles or in the sale of imported articles in the United States exist and that their effect or tendency is either to destroy or substantially injure an efficiently and economically operated industry, to prevent the establishment of such an industry, or to monopolize trade and commerce, he shall exclude the articles involved from entry into the United States as long as the conditions which led to the exclusion continue. The Commission is authorized, on complaint or upon its own initiative, to investigate alleged unfair methods of competition and unfair acts and to submit its findings to the President in order to assist him in making decisions under section 337.

The complaints considered by the Commission pursuant to section 337 during fiscal 1967 are discussed below.

¹⁹ 19 U.S.C. 1337, 1337a.

In-the-ear hearing aids.—A complaint was filed with the Commission on June 15, 1965, and amended on September 3 and September 21, 1965, by Dahlberg Electronics, Inc., of Minneapolis, Minn., alleging unfair acts in the importation and sale of in-the-ear hearing aids. Following a preliminary inquiry into the complaint, the Commission on September 28, 1965, instituted a full investigation; a public hearing was held January 18–20, 1966.

On August 16, 1966, the Tariff Commission's report to the President²⁰ was released simultaneously with a response from the White House. The Commissioners participating unanimously held that the imported hearing aids were made in accordance with the patent claims, and accordingly their importation and sale constituted an unfair method of competition within the meaning of section 337; however, they divided evenly on the question of whether the effect or tendency of the sales was to injure a domestic industry substantially. Consequently, there was no Commission finding of violation of the statute, and the case was submitted to the President for his consideration. Under section 330(d)(1) of the Tariff Act of 1930, when the vote of the Commission is evenly divided, the President is authorized to consider the findings of either group of Commissioners as the findings of the Commission. The President, after review of the Commission's report, decided not to exercise the option permitted by section 330(d)(1), thereby leaving the case one in which there was no finding of violation of section 337; thus, no further action by the President was called for.

Vehicle seat suspension systems.—Following receipt on February 11, 1966, of a complaint by the Bostrom Corp. of Milwaukee, Wis., alleging unfair acts in the importation and sale of certain vehicle seat suspension systems, the Commission announced on March 11, 1966, that it had initiated a preliminary inquiry to determine whether there was sufficient reason for a full investigation. On September 22, 1966, the Commission dismissed the complaint, having ascertained in its preliminary inquiry that a number of the allegations forming the essence of the complaint were not factual.

Antidumping Act, 1921, as Amended, Section 201 (a)

During the period under review, the Commission conducted three investigations under section 201(a) of the Antidumping Act of 1921.²

This section provides that whenever the Secretary of the Treasury advises the Commission that a class or kind of foreign merchandise is being, or is likely to be, sold in the United States or elsewhere at less than its fair value, the Commission shall determine within 3 months whether a domestic industry is being or is likely to be injured, or prevented from being established, by reason of the importation of such merchandise. On completion of its investigation

²⁰ *In-the-Ear Hearing Aids: Report on Investigation No. 337-20 Under the Provisions of Section 337 of the Tariff Act of 1930, as Amended*, TC Publication 182, 1966 [processed].

²¹ 19 U.S.C. 160 et seq.

the Commission notifies the Secretary of the Treasury of its determination. If the determination is affirmative, the Secretary issues a finding of dumping, and dumping duties are thenceforth applicable.

Leather work shoes from Czechoslovakia

Having received advice from the Treasury Department that work shoes, leather, men's and boys', from Czechoslovakia were being, or were likely to be, sold in the United States at less than fair value, the Commission on May 12, 1966, announced that it had instituted an investigation under section 201. A public hearing was held on June 21 and 22, 1966. On August 11, 1966, 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 leather work shoes from Czechoslovakia sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended.²²

Steel jacks from Canada

On May 19, 1966, the Commission was advised by the Treasury Department that steel jacks from Canada were being, or were likely to be, sold in the United States at less than fair value. Accordingly, the Commission instituted an investigation under section 201; a public hearing was held on July 6, 1966. On August 19, 1966, the Commission (Commissioners Fenn and Thunberg dissenting) determined that an industry in the United States was likely to be injured by reason of the importation of steel jacks from J. C. Hallman Manufacturing Co., Ltd., Kitchener, Ontario, Canada, sold at less than fair value within the meaning of the Antidumping Act, 1921, as amended.²³

Cast iron soil pipe from Poland

Having received advice from the Treasury Department that cast iron soil pipe from Poland was being, or was likely to be, sold in the United States at less than fair value, the Tariff Commission on June 6, 1967, instituted an investigation under section 201 of the Antidumping Act. At the close of the period covered by this report, the investigation was in process.

Automotive Products Trade Act of 1965

During the year under review, the Commission conducted 15 investigations under section 302 of the Automotive Products Trade Act of 1965.²⁴

This section provides that firms or groups of workers that consider themselves dislocated as a result of the United

²² *Leather Work Shoes From Czechoslovakia: Determination of No Injury or Likelihood Thereof . . .*, TC Publication 185, 1966 [processed]; 31 F.R. 10906.

²³ *Steel Jacks From Canada: Determination of Likelihood of Injury . . .*, TC Publication 186, 1966 [processed]; 31 F.R. 11197.

²⁴ 19 U.S.C. 2022.

States-Canadian automotive agreement may petition for adjustment assistance. On the basis of criteria set forth in the act, the President must determine whether dislocation of the firm or group of workers has occurred or threatens to occur, and whether the operation of the automotive agreement has been the primary factor causing such dislocation or threat thereof.

Section 302(e) of the act stipulates that the Commission, upon request of the President, must conduct an investigation and report within 50 days to provide a factual record on which the President may base his determination. The President created the Automotive Agreement Adjustment Assistance Board, consisting of the Secretaries of the Treasury, Commerce, and Labor, and delegated all of his functions under section 302 to the Board. The Board, in turn, established an Automotive Assistance Committee, composed of Assistant Secretaries of the executive departments concerned, to undertake most of the delegated functions.²⁵

The 15 investigations conducted during the year under the Automotive Products Trade Act are summarized in the following compilation:

Employer and product	Status
1. General Motors Corp., Fisher Body Plant No. 2, Grand Rapids, Mich. (Investigation No. APTA-W-2, respecting interior soft trim)	<i>Origin of investigation:</i> Request from the Automotive Assistance Committee. <i>Investigation instituted:</i> Apr. 19, 1966. <i>Investigation completed:</i> June 8, 1966. <i>Reference:</i> <i>Tariff Commission Reports to the President on Petition for Adjustment Assistance by Certain Workers of the General Motors Corporation, Fisher Body Plant No. 2, Grand Rapids, Michigan (APTA-W-2)</i> , TC Publication 176, 1966 [processed]. <i>Supplemental report requested:</i> June 23, 1966. <i>Supplemental report completed:</i> July 18, 1966.
2. Fram Corp., Birmingham, Ala. (Investigation No. APTA-W-3, respecting carburetor air filters)	<i>Origin of investigation:</i> Request from the Automotive Assistance Committee. <i>Investigation instituted:</i> June 21, 1966. <i>Investigation completed:</i> Aug. 10, 1966. <i>Reference:</i> <i>Tariff Commission Submits Report to the Automotive Agreement Adjustment Assistance Board in Adjustment Assistance Case Pertaining to Certain Workers of the Fram Corporation (APTA-W-3)</i> , TC Publication 184, 1966 [processed].

²⁵ Observation by Commissioner Culliton: I feel that the division of authority for administering the adjustment assistance under the United States-Canadian automotive agreement, which assigns to the Commission a presumably separable factfinding job, is inefficient and unrealistic.

To the best of its ability, of course, the Commission should perform all tasks assigned to it by Congress and within allotted time limits. Nevertheless, I feel that it has a correlative responsibility when, in the light of its experience, it concludes that a particular function does not appear to have been appropriately delegated. Such is my conclusion in this situation.

I do not wish to imply that the Commission ought to have the sole responsibility for administering adjustment assistance. I suggest, however, that it is highly desirable for such responsibility to be unified in one agency.

Employer and product	Status
3. Maremont Corp., Gabriel Division, Cleveland, Ohio. (Investigation No. APTA-W-4, respecting shock absorbers)	<i>Origin of investigation:</i> Request from the Automotive Assistance Committee. <i>Investigation instituted:</i> Oct. 19, 1966. <i>Investigation completed:</i> Dec. 8, 1966. <i>Reference:</i> <i>Tariff Commission Submits Report to the Automotive Agreement Adjustment Assistance Board in a Case Pertaining to Certain Workers of the Maremont Corporation (APTA-W-4)</i> , TC Publication 191, 1966 [processed].
4. Borg-Warner Corp., Mechanics Universal Joint Division, Memphis, Tenn. (Investigation No. APTA-W-5, respecting universal joints)	<i>Origin of investigation:</i> Request from the Automotive Assistance Committee. <i>Investigation instituted:</i> Dec. 27, 1966. <i>Investigation completed:</i> Feb. 15, 1967. <i>Reference:</i> <i>Tariff Commission Submits Report to the Automotive Agreement Adjustment Assistance Board in Adjustment Assistance Case Pertaining to Certain Workers of the Borg-Warner Corporation (APTA-W-5)</i> , TC Publication 195, 1967 [processed].
5. Rockwell-Standard Corp., Lyon Division, Adrian, Mich. (Investigation No. APTA-W-6, respecting wheel covers and hub caps)	<i>Supplemental report requested:</i> Mar. 1, 1966. <i>Supplemental report completed:</i> Mar. 27, 1967. <i>Origin of investigation:</i> Request from the Automotive Assistance Committee. <i>Investigation instituted:</i> Jan. 18, 1967. <i>Investigation completed:</i> Mar. 7, 1967. <i>Reference:</i> <i>Tariff Commission Submits Report to the Automotive Agreement Adjustment Assistance Board in Adjustment Assistance Case Pertaining to Certain Workers of the Rockwell-Standard Corporation (APTA-W-6)</i> , TC Publication 198, 1967 [processed].
6. Eaton Yale & Towne, Inc., Eaton Spring Division, Detroit, Mich. (Investigation No. APTA-W-7, respecting leaf springs)	<i>Origin of investigation:</i> Request from the Automotive Assistance Committee. <i>Investigation instituted:</i> Feb. 8, 1967. <i>Investigation completed:</i> Mar. 30, 1967. <i>Reference:</i> <i>Tariff Commission Submits Report to the Automotive Agreement Adjustment Assistance Board in Adjustment Assistance Case Pertaining to Certain Workers of Eaton Yale & Towne, Inc. (APTA-W-7)</i> , TC Publication 199, 1967 [processed].
7. Eaton Yale & Towne, Inc., Eaton Spring Division, Lackawanna, N. Y. (Investigation No. APTA-W-8, respecting leaf springs)	<i>Origin of investigation:</i> Request from the Automotive Assistance Committee. <i>Investigation instituted:</i> Feb. 28, 1967. <i>Investigation completed:</i> Apr. 19, 1967. <i>Reference:</i> <i>Tariff Commission Submits Report to the Automotive Agreement Adjustment Assistance Board in Adjustment Assistance Case Pertaining to Certain Workers of Eaton Yale & Towne, Inc. (Lackawanna, N.Y. Plant) (APTA-W-8)</i> , TC Publication 202, 1967 [processed].
8. American Motors Corp., Milwaukee Body Plant, Milwaukee, Wis. (Investigation No. APTA-W-9, respecting automobile bodies)	<i>Origin of investigation:</i> Request from the Automotive Assistance Committee. <i>Investigation instituted:</i> Mar. 8, 1967. <i>Investigation completed:</i> Apr. 25, 1967. <i>Reference:</i> <i>Tariff Commission Submits Report to the Automotive Agreement Adjustment Assistance Board in Adjustment Assistance Case Pertaining to Certain Workers of American Motors Corporation's Milwaukee, Wisconsin Plant (APTA-W-9)</i> , TC Publication 203, 1967 [processed]. <i>Supplemental report requested:</i> May 10, 1967. <i>Supplemental report completed:</i> June 5, 1967.

Employer and product	Status
9. American Motors Corp., Kenosha, Wis. (Investigation No. APTA-W-10, respecting passenger automobiles)	<i>Origin of investigation:</i> Request from the Automotive Assistance Committee. <i>Investigation instituted:</i> Mar. 8, 1967. <i>Investigation completed:</i> Apr. 25, 1967. <i>Reference:</i> <i>Tariff Commission Submits Report to the Automotive Agreement Adjustment Assistance Board in Adjustment Assistance Case Pertaining to Certain Workers of American Motors Corporation's Kenosha, Wisconsin, Plant (APTA-W-10), TC Publication 204, 1967 [processed].</i>
10. Chrysler Corp., Jefferson Plant, Detroit, Mich. (Investigation No. APTA-W-11, respecting Dodge Polara and Monaco automobiles)	<i>Supplemental report requested:</i> May 10, 1967. <i>Supplemental report completed:</i> June 5, 1967. <i>Origin of investigation:</i> Request from the Automotive Assistance Committee. <i>Investigation instituted:</i> Mar. 9, 1967. <i>Investigation completed:</i> Apr. 27, 1967. <i>Reference:</i> <i>Tariff Commission Submits Report to the Automotive Agreement Adjustment Assistance Board in Adjustment Assistance Case Pertaining to Certain Workers of Chrysler Corporation's Jefferson Plant (APTA-W-11), TC Publication 205, 1967 [processed].</i>
11. General Motors Corp., Wilmington, Del. (Investigation No. APTA-W-12, respecting Chevrolet- Buick automobile bodies)	<i>Supplemental report requested:</i> May 12, 1967. <i>Supplemental report completed:</i> June 6, 1967. <i>Origin of investigation:</i> Request from the Automotive Assistance Committee. <i>Investigation instituted:</i> Apr. 17, 1967. <i>Investigation completed:</i> June 6, 1967. <i>Reference:</i> <i>Tariff Commission Submits Report to the Automotive Agreement Adjustment Assistance Board in Adjustment Assistance Case Pertaining to Certain Workers of General Motors Corporation's Wilmington, Delaware, Plant (APTA-W-12), TC Publication 208, 1967 [processed].</i>
12. General Motors Corp., Chevrolet Plant, North Tarrytown, N. Y. (Investigation No. APTA-W-13, respecting Chevrolet automobiles and trucks)	<i>Origin of investigation:</i> Request from the Automotive Assistance Committee. <i>Investigation instituted:</i> Apr. 20, 1967. <i>Investigation completed:</i> June 8, 1967. <i>Reference:</i> <i>Tariff Commission Submits Report to the Automotive Agreement Adjustment Assistance Board in Adjustment Assistance Case Pertaining to Certain Workers of General Motors Corporation's Chevrolet Plant at North Tarrytown, New York (APTA-W-13), TC Publication 209, 1967 [processed].</i>
13. General Motors Corp., Fisher Body Plant, North Tarrytown, N. Y. (Investigation No. APTA-W-14, respecting Chevrolet bodies)	<i>Origin of investigation:</i> Request from the Automotive Assistance Committee. <i>Investigation instituted:</i> Apr. 24, 1967. <i>Investigation completed:</i> June 13, 1967. <i>Reference:</i> <i>Tariff Commission Submits Report to the Automotive Agreement Adjustment Assistance Board in Adjustment Assistance Case Pertaining to Certain Workers of General Motors Corporation's Fisher Body Plant in N. Tarrytown, New York (APTA-W-14), TC Publication 210, 1967 [processed].</i>
14. Borg-Warner Corp., Long Manufacturing Division, Detroit, Mich. (Investigation No. APTA-W-15, respecting oil coolers)	<i>Origin of investigation:</i> Request from the Automotive Assistance Committee. <i>Investigation instituted:</i> June 12, 1967.

Employer and product	Status
15. Eaton Yale & Towne, Inc., Stamping Division, Cleveland, Ohio. (Investigation No. APTA-W-16, respecting automotive stampings)	<i>Origin of investigation:</i> Request from the Automotive Assistance Committee. <i>Investigation instituted:</i> June 27, 1967.

Agricultural Adjustment Act, Section 22

During fiscal 1967 the Tariff Commission conducted one investigation under section 22 of the Agricultural Adjustment Act, as amended.²⁶

This section requires the Commission, when so directed by the President, to conduct an investigation, including a public hearing, concerning imports of a specified agricultural commodity or product thereof, and to submit a report with appropriate findings and recommendations to the President. The President is then authorized to restrict imports of any such commodity, by imposing either fees or quotas (within specified limits), whenever, on the basis of the Commission's report,²⁷ he finds that such articles are being or are practically certain to be imported under such conditions and in such quantities are to render or tend to render ineffective, or materially interfere with, any program of the U.S. Department of Agriculture relating to agricultural commodities or products thereof. This section also authorizes the President to modify or terminate import restrictions imposed thereunder if, after investigation and report by the Commission, he finds that the circumstances requiring the restrictions have changed.

At the request of the President, the Tariff Commission on April 10, 1967, instituted an investigation under subsections (a) and (d) of section 22 of the Agricultural Adjustment Act, as amended, to determine whether certain dairy 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 price-support programs of the U.S. Department of Agriculture for milk and butterfat, and to determine related questions.

In connection with its investigation the Commission held a public hearing May 15-17, 1967. The Commission's report was submitted to

²⁶ 7 U.S.C. 624.

²⁷ In certain emergency situations, the President may take immediate action to restrict imports without awaiting the recommendations of the Tariff Commission.

the President on June 15, 1967, and released to the public on June 30, 1967.²⁸

On the basis of its investigation, the Commission unanimously found that American-type cheese, including Colby, washed curd, and granular cheese, and articles (chiefly butterfat-sugar mixtures) containing more than 5.5 percent but not more than 45 percent by weight of butterfat, were practically certain to be imported into the United States in such quantities as to interfere materially with the price-support programs of the U.S. Department of Agriculture for milk and butterfat. The Commission recommended that annual import quotas equivalent to the imports in 1966 be imposed on the above-mentioned products; such quotas would have permitted the entry each calendar year of 46 million pounds of American-type cheese (other than Cheddar, which was already subject to quota) and 107.6 million pounds of the articles containing the stipulated proportion of butterfat. Quotas recommended for the last 6 months of 1967 were one-half the recommended annual quotas.

The Commission found that other dairy products covered by the President's request, including process Edam and Gouda cheeses, Italian-type cheeses not in original loaves, fluid or frozen cream, condensed or evaporated milk or cream, and chocolate crumb, were not being and were not practically certain to be imported in such quantities as to interfere materially with the price-support programs.

On June 30, 1967, the President issued a proclamation by which he imposed annual quotas on imports of American-type cheese (other than Cheddar, which was already subject to quota²⁹) and articles (chiefly butterfat-sugar mixtures and fluid or frozen cream) containing more than 5.5 percent but not more than 45 percent by weight of butterfat. The quotas limited imports of the above-mentioned products to approximately the level prevailing in 1965. Quotas for the period July 1–December 31, 1967, were one-half the annual quotas.

In addition to its findings and recommendations, the Commission reported detailed information on the domestic dairy situation; the applicable price-support programs; the existing nontariff restrictions on imports of dairy products; and the U.S. tariff treatment, consumption, production, imports, and exports of certain dairy products.

²⁸ *Dairy Products: Report to the President on Investigation No. 22-26 Under Section 22 of the Agricultural Adjustment Act, as Amended*, TC Publication 211, 1967 [processed].

²⁹ By the same proclamation, the President also enlarged the existing quota on Cheddar.

PART II. REPORTS AND OTHER ACTIVITIES

The Commission is required by law to support Government programs other than the public investigations described above. Directives in the Tariff Act of 1930 and the Trade Expansion Act of 1962, for example, require the Commission to supply pertinent trade information to the President and his Special Representative for Trade Negotiations. Similarly, the Commission is directed to submit periodic reports to the Congress on the operation of the trade agreements program and to render reports on subjects within its fields of competence, such as tariff relations between the United States and foreign countries and the competition of foreign industries with those of the United States. Periodically the Commission has issued *Summaries of Tariff Information*; other studies have provided compilations of information on U.S. import duties, periodic reports on synthetic organic chemicals, reports on the commercial policies of certain foreign countries, and special reports on specific commodities and industries.

Activities Relating to the Trade Agreements Program

Tariff negotiations

During the period under review, the Commission devoted a substantial amount of time to supplying trade agreements information to the President and those administering the trade agreements program. This work was generally carried out at the request of the Special Representative for Trade Negotiations, who is the chief representative of the United States at trade-agreement negotiations and to whom the President delegated many of his functions under the Trade Expansion Act.¹ The Tariff Commission is represented on the Trade Staff Committee, an interagency committee created by the Special Representative to fulfill the requirements of section 222 of the Trade Expansion Act. The Committee obtains information and advice from Government agencies and other sources on trade-agreement matters and recommends policies and actions to the Trade Executive Committee² concerning the trade agreements program.³ The Commission representative has no vote and does not participate in discussion of policy matters.

¹ Executive Order 11075, Jan. 15, 1963, as amended.

² A subcabinet-level interagency committee chaired by a Deputy Special Representative for Trade Negotiations that recommends policies and actions to the Special Representative.

³ Sec. 242(c) of the Trade Expansion Act provides that the interagency organization established pursuant to that section to assist the President in carrying out his functions under the act "shall, to the maximum extent practicable, draw upon the resources of the agencies represented in the organization, as well as such other agencies as it may determine, including the Tariff Commission."

The Commission supplies both professional and clerical staff for U.S. delegations to trade negotiations. During fiscal 1967, 11 members of the Commission's staff served continuously in Geneva on the U.S. delegation at the sixth (Kennedy) round of tariff negotiations under the auspices of the General Agreement on Tariffs and Trade (GATT); several staff members also served on a temporary basis when specialized assistance was required. Other staff members, in Washington, supplied extensive data and analyses to the negotiators in Geneva. Although the Kennedy Round agreements had been signed by the participating countries at the close of the period covered by this report, the Commission representatives on the U.S. delegation continued in Geneva to assist with the numerous details remaining.

During fiscal 1967, the Commission continued its work on reconciling U.S. commitments in existing trade agreements with the provisions of the revised Tariff Schedules of the United States (TSUS), which took effect in August 1963. The Commission provided technical assistance and personnel in the negotiations with individual countries and prepared most of the supporting material for the negotiations. At the close of the period under consideration, agreements had been reached with every country involved, and the agreements with all but one had been signed.

Seventeenth report on the operation of the trade agreements program

On December 27, 1966, the Tariff Commission issued its 17th report on the operation of the trade agreements program, covering events from July 1, 1964, through December 31, 1965.⁴ The report included information on (1) the U.S. participation in the Kennedy Round of negotiations under the GATT to reduce barriers to trade, and the status of such negotiations at the close of the period; (2) U.S. participation in the cotton textile arrangement; (3) developments under the United States-Canadian automotive products agreement; and (4) major commercial policy developments involving the European Economic Community, the European Free Trade Association, the Latin American Free Trade Association, and the Central American common market.

By June 30, 1967, the Commission was preparing the 18th report, covering the year 1966. These reports are submitted in conformity with section 402(b) of the Trade Expansion Act, which requires that the Tariff Commission submit to the Congress, at least once a year, a factual report on the operation of the trade agreements program.

Other Activities Relating to U.S. Foreign Trade

In response to inquiries both from Government agencies and from representatives of industry, the Commission on February 7, 1967, published a study of the difference between the value of imported merchandise as reported for import statistics—roughly equivalent to f.o.b.

⁴ *Operation of the Trade Agreements Program: 17th Report, July 1964–December 1965*, TC Publication 192, 1966 [processed].

(free on board) value—and the value on a c.i.f. (cost, insurance, freight) basis. The value of imports shown in official statistics generally represents the wholesale value in the exporting country. The freight and insurance charges compiled by the Commission were those required to bring the merchandise from the point of exportation in the foreign country to the point of entry in the United States. The data published by the Commission were shown in two arrays—one in the order of the TSUS, and the other in the broad groupings for which the Bureau of the Census had published similar data in December 1966.

The Commission's data, based on a review of the entry documents of some 13,000 shipments in 1965, indicated that the average ratio of freight and insurance costs to the foreign value of imports was 10 percent. Differences in shipping distances and in types of transportation also accounted for variations in the ratios.

Section 484(e) of the Tariff Act of 1930 authorizes the Chairman of the Tariff Commission, the Secretary of the Treasury, and the Secretary of Commerce to establish for statistical purposes an enumeration of articles comprehending all merchandise imported into the United States. For many years this work was accomplished through a committee composed of representatives of these officials and the publication of a statistical enumeration of imports entitled *Schedule A—Statistical Classification of Commodities Imported Into the United States*.

Section 201 of the Tariff Classification Act of 1962 provides that the Tariff Commission "is authorized to issue, at appropriate intervals, and to keep up to date, a publication containing current tariff schedules and related matters, including such matter as may be needed for reporting statistics." Under this authority, a Committee for Statistical Annotation of Tariff Schedules, including representatives of the Tariff Commission, the Bureau of Customs, and the Bureau of the Census, establishes the statistical enumerations provided for in section 484(e) of the Tariff Act of 1930. These statistical enumerations are published as *Tariff Schedules of the United States Annotated (TSUSA)*.

Under the authority of section 201 of the Tariff Classification Act of 1962, the Commission in October 1965 published the *Tariff Schedules of the United States Annotated (1965)*, to replace the *TSUSA (1963)*, as supplemented. By the close of the period covered by this report, the Commission had issued eight supplements to the *TSUSA (1965)* to incorporate amendments made by legislation to the tariff schedules, and additions, revisions, and deletions of statistical enumerations found to be necessary in the continuous review of the statistical enumerations under section 484(e). The *TSUSA* is widely used by importers, customs brokers, and others of the interested public, and is supplied by the Bureau of Customs to its officials at ports of entry for use in determining the rates of duty applicable to imported articles and to assure compliance with the requirements for statistical reporting of imports.

The Commission provided technical assistance to the Bureau of the Census in the interpretation of the TSUS in connection with the sta-

tistics and tabulations that were to be presented in *Foreign Commerce and Navigation of the United States*, a publication containing detailed information on U.S. foreign trade.

Summaries of Trade and Tariff Information

During the period under review, the Commission continued preparing a new edition of its long-established publication *Summaries of Trade and Tariff Information*. The preceding series, published in 1948-50, needed updating to take into account changed trade conditions and new developments, and particularly to present import data in terms of the new classifications of the Tariff Schedules of the United States (August 1963).

The revised series of summaries, when completed, will provide concise information on domestic and foreign trade in the articles enumerated in the TSUS. Each summary includes data on consumption, production, exports, and imports; a discussion of U.S. tariff treatment and pertinent statistical tables. The summaries are thus designed to meet the varied needs of the Congress, the courts, Government agencies, business concerns, research organizations, and others.

The summaries are divided into eight schedules of commodities coextensive with the eight TSUS schedules. It is contemplated that the approximately 1,800 summaries will be published in 62 volumes each dealing with groups of related articles. During fiscal 1967, the Commission published volumes covering certain inorganic chemicals, tobacco and tobacco products, and wood and wood products.

Reports on Synthetic Organic Chemicals

During the year under review the Commission prepared various 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 first published in 1918.

Annual report on production and sales of synthetic organic chemicals in 1965

During the period covered herein, the Commission prepared its annual report on U.S. production and sales of synthetic organic chemicals in 1965. This report brings together, in one volume, data on the 14 segments of the industry for which preliminary information had been published earlier in separate reports. Statistics relating to the production and sales of more than 6,000 chemicals and chemical products were supplied by approximately 800 primary manufacturers. The report identifies the manufacturers of each item for which data were reported and records U.S. general imports in 1965 of benzenoid intermediates, dyes, medicinal chemicals, and other finished coal-tar products (i.e., products entered under schedule 4, parts 1B and 1C of the TSUS). At the close of the fiscal year, the report was in press.⁵

⁵ *Synthetic Organic Chemicals, United States Production and Sales, 1965*, TC Publication 206, was issued on July 13, 1967.

Preliminary annual reports on production and sales of synthetic organic chemicals in 1965 and 1966

As complete statistics became available, the Commission issued preliminary reports on production and sales in 1965 and 1966 for each of the 14 segments of the synthetic organic chemicals industry. Data were reported on each of the following: Rubber-processing chemicals, plasticizers, coal-tar dyes, flavor and perfume materials, plastics and resin materials, synthetic organic pigments (lakes and toners), cyclic intermediates, surface-active agents, crude products from petroleum and natural gas for chemical conversion, tar and tar crudes, bulk medicinal chemicals, miscellaneous organic chemicals, pesticides and related products, and elastomers (synthetic rubbers).

Preliminary monthly reports on production and sales of synthetic organic chemicals

The Commission also published preliminary monthly reports on U.S. production and sales of the most important synthetic organic chemicals.⁶ One series of such reports (the C series) supplied data on the production of selected synthetic organic chemicals, except plastics and resin materials. Another series (the P series) supplied production and sales data on plastics and resin materials.

Report on imports of benzenoid chemicals and products in 1965

On July 29, 1966, the Commission issued a report on U.S. imports of benzenoid chemicals and products in 1965.⁷ It provided detailed statistics on imports of products entered under schedule 4, parts 1B and 1C of the TSUS—benzenoid intermediates, dyes, organic pigments, medicinals and pharmaceuticals, flavor and perfume materials, and other benzenoid products.

Research and Assembling of Basic Data

Essential to the effective performance of the Commission is the assembly of information on import commodities and their impact on domestic industries; such information includes technical data on the commodities and their uses, the processes of their production, and U.S. production, imports, exports, marketing practices, and prices. Data are also assembled on production, exports, and prices in leading foreign producing countries and on the conditions of competition between foreign and domestic products. Information is acquired through the assembly and analysis of data obtained from other Government agencies, from standard sources, from individual firms, through fieldwork by the Commission's personnel, and through questionnaires and public hearings.

⁶ S.O.C. (Synthetic Organic Chemicals) Series C; S.O.C. Series P.

⁷ *Imports of Benzenoid Chemicals and Products, 1965*, TC Publication 183, 1966 [processed].

The Tariff Commission Library maintains a unique and comprehensive collection of material, totaling approximately 64,000 volumes and 1,200 periodicals, on U.S. tariff and commercial policy, international trade, business conditions, and the technical and economic aspects of production in the United States and foreign countries. The library's original source material includes extensive files of official foreign-trade statistics. Although the library was established primarily for use by the Commission's staff, its resources are available to individuals and organizations engaged in research, and to other Government agencies. As an additional source, the legislative reference service—in the Commission's Legal Division—maintains a comprehensive file of documents on legislation affecting U.S. import trade.

Work of the Commission's Office in New York City

The Tariff Commission's duties frequently require that original customhouse documents (invoices and related papers) be analyzed at the New York customhouse to obtain data not available elsewhere. The New York City office is continuously engaged in such analysis, particularly of imports entering through the customs district of New York. The New York office also maintains contacts with manufacturers, importers, exporters, and customs officers in the New York area, to assist the Commission's specialists in assembling information in their respective fields.

PART III. TECHNICAL INFORMATION AND ASSISTANCE

The Commission is required by the Tariff Act of 1930 to supply information and assistance to the Congress and other Government agencies; it also furnishes information to industrial and commercial concerns and to the general public. This important aspect of the Commission's work is facilitated materially by resort to the aforementioned repository of technical information in the fields of tariffs, domestic production, and imports.

Work for the Congress

The following 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, or on inquiries from constituents relating to tariff and trade matters, 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 elsewhere in the report.

When considering bills and resolutions on tariff and trade matters, congressional committees (primarily the Senate Committee on Finance and the House Committee on Ways and Means) frequently request the Commission to analyze, and at times to assist in drafting, proposed legislation. During the period covered by this report, the Commission submitted approximately 75 reports on bills concerning tariffs and matters related to international trade. Members of the Commission's staff afforded the committees substantial assistance on certain of these bills, most notably that subsequently enacted on October 14, 1966, as the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Public Law 89-651).

The Commission also replies to numerous requests from individual Members of Congress for information pertinent to pending legislation or to queries raised by constituents. Some requests are answered from data readily available in the Commission; others require research and often the preparation of new statistical compilations and trade analyses.

Cooperation With Government Agencies

During the course of the year, the Commission worked closely with the Bureau of the Census, the Bureau of Customs, and the Office of the Special Representative for Trade Negotiations. Commission staff served on the following interdepartmental committees: Trade Staff Committee, Technical Committee on Standard Industrial Classification, Committee for Statistical Annotation of Tariff Schedules, Interdepartmental Chemical Statistics Committee, Interagency Committee

on Foreign Trade Statistics, Federal Committee on International Statistics, Interagency Committee on Automatic Data Processing, and Interdepartmental Committee on Foreign Commerce Statistical Regulations. The Commission continued to supply information on strategic and critical materials to the Office of Emergency Planning of the Executive Office of the President, the Business and Defense Services Administration, and other Government agencies concerned with the problems of defense.

Assistance to Nongovernmental Research Agencies

The Commission also assisted nongovernmental organizations by providing information on trade and tariff matters. A member of the Commission's staff served on the Committee on Ceramic Whitewares of the American Society for Testing and Materials, a national technical society composed of producers, consumers, and representatives of various agencies and institutions, such as branches of the Federal Government, engineering schools, and research laboratories. The assistance given this society by the Commission related chiefly to the selection of nomenclature and classification of ceramic products and to the editing of committee publications. Members of the Commission's Chemicals Division served on the Committee on the *SOCMA Handbook: Commercial Organic Chemical 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.

Assistance to Business Concerns and the Public

In response to requests from industrial and commercial organizations, lawyers, teachers, editors, students, and others, the Commission regularly furnishes information on a broad range of subjects. Inasmuch as the Commission does not maintain a public relations staff, requests for information are referred directly to professional staff members—commodity analysts, lawyers, or international economists—who prepare letters and statistical compilations and confer with individuals and representatives of organizations.

PART IV. ADMINISTRATION AND FINANCES

Membership of the Commission

Section 330 of the Tariff Act of 1930 provides that the U.S. Tariff Commission shall be composed of six members, each appointed by the President and confirmed by the Senate for a term of 6 years, one term expiring each year. Not more than three Commissioners may be of the same political party. On June 30, 1967, 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:

Commissioner.....	Glenn W. Sutton, Democrat from Georgia. (Term expiring June 16, 1972.) ¹
Commissioner.....	James W. Culliton, political independent from Indiana. (Term expiring June 16, 1968.)
Commissioner.....	Penelope H. Thunberg, political independent from Maryland. (Term expiring June 16, 1970.)
Commissioner.....	Vacancy. (Term expiring June 16, 1973.) ²
Commissioner.....	Vacancy. (Term expiring June 16, 1971.) ³
Commissioner.....	Vacancy. (Term expiring June 16, 1969.) ⁴

¹ The President designated Mr. Sutton to serve as Vice Chairman of the Commission during the period June 17, 1966–June 16, 1967. He was reappointed Vice Chairman for the period June 17, 1967–June 16, 1968.

² Mr. Paul Kaplowitz retired on June 16, 1967. He had served as Commissioner and Chairman of the Commission since Jan. 26, 1966.

On Aug. 7, 1967, the President nominated Mr. Stanley D. Metzger to fill the vacancy left by the retirement of Mr. Kaplowitz. The Senate confirmed the nomination on Nov. 7, 1967; Mr. Metzger assumed office on Nov. 9, 1967.

³ Mr. Bruce E. Clubb was nominated by the President on May 31, 1967, to fill the vacancy left by the death of Mr. Joseph E. Talbot on Apr. 30, 1966. Mr. Clubb's nomination was confirmed by the Senate on June 27, 1967; he assumed office on July 3, 1967.

⁴ Mr. Dan H. Fenn resigned on June 21, 1967. He had served as Commissioner since Oct. 18, 1963, and as Vice Chairman of the Commission during the period Oct. 14, 1964–June 16, 1965.

Organization

The operating divisions of the Commission's staff consist of the Office of the Director of Investigation; the Office of the General Counsel; the Office of the Special Adviser for Trade Agreements; the Economics Division; and, under the direction of the Chief of Technical Services, seven commodity divisions, the Accounting Division, the Statistical Division, and an Invoice Analysis Section. Personnel and

budget activities, as well as general administrative and auxiliary services, are under the Director of Administration. The Office of the Secretary serves the Commission generally in the conduct of its business, including relations with the public and other Government agencies; issues public notices in formal proceedings; receives documents filed in connection with formal proceedings and requests for appearances at public hearings; schedules the order of appearances at hearings; and records minutes of Commission meetings.

On June 30, 1967, the Tariff Commission was composed of 3 Commissioners and 268 staff members.¹

Finances and Appropriations, Fiscal Year 1967

The appropriated funds available to the U.S. Tariff Commission during the fiscal year 1967 totaled \$3,562,000. Reimbursements received amounted to \$19,407, making a grand total available of \$3,581,407. The unobligated balance as of June 30, 1967, was \$10,267. Obligations for the fiscal year 1967 were as follows:

Salaries:	
Commissioners -----	\$118, 081
Employees:	
Departmental -----	2, 843, 782
Field -----	57, 197
Overtime -----	8, 300
Federal Insurance Contributions Act tax -----	1, 653
Federal employer's group life insurance contributions -----	9, 613
Federal employer's retirement contributions -----	191, 387
Federal employer's health benefits contributions -----	19, 310
Travel expense and transportation of persons -----	42, 238
Transportation of things -----	1, 895
Books of reference and other publications -----	11, 029
Rentals and communications service -----	42, 964
Penalty mail and postage -----	7, 500
Contractual services -----	129, 246
Office supplies and equipment -----	65, 676
Printing and reproduction -----	21, 269
	3, 571, 140
Total -----	3, 571, 140

¹Total does not include temporary employees.

**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)

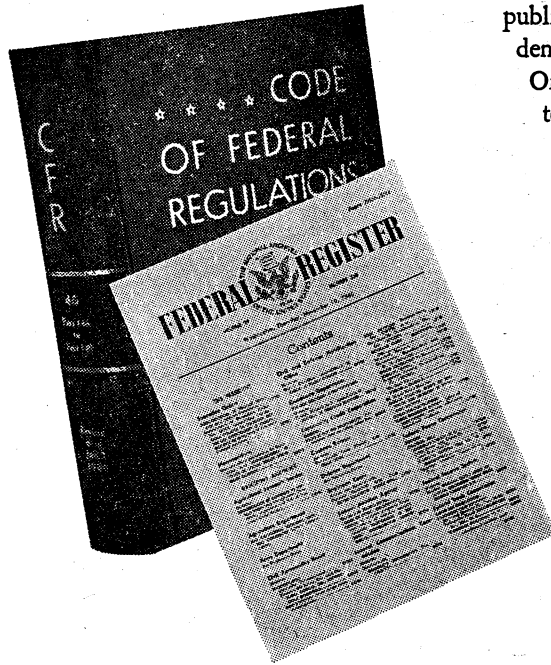
Operation of the Trade Agreements Program: 14th Report, July 1960-June 1962 (TC Publication 120, 1964), 35¢

Operation of the Trade Agreements Program: 15th Report, July 1962-June 1963 (TC Publication 147, 1965), 35¢

Operation of the Trade Agreements Program: 16th Report, July 1963-June 1964 (TC Publication 164, 1966), 30¢

NOTE.—The reports preceded by an asterisk (*) are out of print. Those 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.

The FEDERAL REGISTER . . .



publishes daily the full text of Presidential Proclamations, Executive Orders, and Reorganization Plans together with Federal agency orders, regulations, notices, or similar documents having general applicability and legal effect.

The FEDERAL REGISTER is keyed to, and is a daily supplement to the CODE OF FEDERAL REGULATIONS. Sold by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C., 20402, the FEDERAL REGISTER is priced at \$15 a year; \$1.50 a month.

The CODE OF FEDERAL REGULATIONS is a *codification* of rules and regulations issued by the administrative agencies of the Federal Government. Regulatory material published in the *Federal Register* is keyed to the *Code of Federal Regulations* which is published under 50 titles, pursuant to section 11 of the Federal Register Act, as amended.

For SAMPLE COPY of the FEDERAL REGISTER, write to:
Director, Office of the Federal Register,
National Archives and Records Service,
Washington, D.C. 20408