

UNITED STATES TARIFF COMMISSION

**INVESTIGATIONS UNDER
THE "PERIL POINT" PROVISION**

**Investigations Conducted by the
United States Tariff Commission Under the
Provisions of Section 3 of the Trade Agreements
Extension Act of 1948 and Section 3
of the Trade Agreements Extension Act of 1951,
June 26, 1948-June 30, 1962**



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INTRODUCTION

The following compilation summarizes information on the "peril point" investigations that the U.S. Tariff Commission conducted under the provisions of section 3 of the Trade Agreements Extension Act of 1948 ^{1/} and section 3 of the Trade Agreements Extension Act of 1951. ^{2/} The Commission's principal obligation under those sections terminated at the close of June 30, 1962, with the termination of the President's authority to negotiate tariff concessions on newly listed articles. This compilation of "peril point" actions, therefore, is the last to be published by the Commission. The Trade Expansion Act of 1962, approved October 11, 1962, requires the Tariff Commission, in lieu of fixing "peril points," to determine the probable economic effect of modifications of duties or other import restrictions on domestic industries. The Commission may, therefore, from time to time publish summaries of its actions conducted under that provision of law.

Sections 3 and 4 of the Trade Agreements Extension Act of 1951 set forth the statutory requirements regarding "peril point" determinations in connection with proposed trade-agreement negotiations. The peril-point provisions of the 1951 act, which were substantially the same as those that were incorporated in the Trade Agreements Extension Act of 1948, ^{3/} required the President, before entering into any trade-agreement negotiation, to transmit to the Tariff Commission a list of the commodities being considered for possible concessions.

^{1/} 62 Stat. 1053.

^{2/} 65 Stat. 72.

^{3/} The Trade Agreements Extension Act of 1949 did not contain the peril-point provision.

The Commission was then required to make an investigation (including a public hearing) and to report its findings to the President on (1) the maximum decrease in duty, if any, that could be made on each listed commodity without causing or threatening serious injury to the domestic industry producing like or directly competitive products, or (2) the minimum increase in the duty or additional import restrictions that might be necessary on any of the listed products in order to avoid causing or threatening serious injury to such domestic industry.

The President was not to conclude a trade agreement until the Commission had made its report to him, or until 6 months from the date he transmitted the list of products to the Commission. If the President concluded a trade agreement that provided for greater reductions in duty than the Commission specified in its report, or that failed to provide for the additional import restrictions specified, he was required to transmit to the Congress a copy of the trade agreement in question, identifying the articles concerned and stating his reason for not carrying out the Tariff Commission's recommendation. Promptly thereafter, the Tariff Commission was to deposit with the Senate Committee on Finance and the House Committee on Ways and Means a copy of the portions of its report to the President dealing with the articles with respect to which the President had not followed the Tariff Commission's recommendations.

If in the course of any peril-point investigation the Commission found--with respect to any article on the President's list upon which a tariff concession had been granted--that an increase in duty or

additional import restriction was required to avoid serious injury to the domestic industry producing like or directly competitive articles, the Commission was required to institute promptly an escape-clause investigation of that article.

To give some indication of the scope of the various peril-point investigations that the Commission has conducted, the following compilation shows, for each investigation, the number of tariff paragraphs or subparagraphs that were involved in the President's list. Some of the paragraphs or subparagraphs listed related to a single commodity; many related to more than one commodity; and others were "basket" provisions, each of which covered a large variety of commodities. For this reason, there is also shown for each investigation the approximate number of statistical (Schedule A) 1/ classifications, or parts thereof, that were involved in the President's list.

1/ U.S. Department of Commerce, Schedule A, Statistical Classification of Commodities Imported Into the United States.

Investigations conducted by the U.S. Tariff Commission under the provisions of sec. 3 of the Trade Agreements Extension Act of 1948 and sec. 3 of the Trade Agreements Extension Act of 1951, June 26, 1948-June 30, 1962

Country ^{1/}	Status
Denmark, Dominican Republic, El Salvador, Finland, Greece, Haiti, Italy, Nicaragua, Peru, Sweden, and Uruguay (1949).	<p><u>Origin of investigation:</u> Letter and list of commodities from the President, dated Nov. 5, 1948.</p> <p><u>Scope of investigation:</u> Commodities specified in the President's list of Nov. 5, 1948. The list involved 166 tariff paragraphs or subparagraphs, each of which included one or more commodities, and covered approximately 500 statistical (Schedule A) classifications or parts thereof. The commodities were those listed by the Interdepartmental Committee on Trade Agreements in its public notice--issued Nov. 5, 1948--of intention to undertake tariff negotiations with the listed countries under the General Agreement on Tariffs and Trade at Annecy, France.</p> <p><u>Investigation instituted:</u> Nov. 5, 1948.</p> <p><u>Hearing held:</u> Dec. 7-14, 1948.</p> <p><u>Report submitted to the President:</u> Mar. 4, 1949.</p> <p><u>Remarks:</u> Before the Annecy agreement was concluded, the "peril point" provision had been eliminated from the trade agreements legislation by the Trade Agreements Extension Act of 1949.</p>

^{1/} The year shown in parentheses is the year that the Commission completed, or was due to complete, the particular investigation.

Country	Status
<p>Colombia, Denmark, Dominican Republic, Finland, Greece, Haiti, Italy, Liberia, Peru, Sweden, and Uruguay (supplemental investigation) (1949).</p>	<p><u>Origin of investigation:</u> Letter and list of commodities from the President, dated Dec. 17, 1948.</p> <p><u>Scope of investigation:</u> Commodities specified in the President's list of Dec. 17, 1948. The list involved 59 tariff paragraphs or subparagraphs, each of which included one or more commodities, and covered approximately 100 statistical (Schedule A) classifications or parts thereof. The commodities were those listed by the Interdepartmental Committee on Trade Agreements in its supplementary public notice--issued Dec. 17, 1948--concerning trade-agreement negotiations with the listed countries under the General Agreement on Tariffs and Trade at Annecy, France.</p> <p><u>Investigation instituted:</u> Dec. 17, 1948.</p> <p><u>Hearing held:</u> Jan. 25-27, 1949.</p> <p><u>Report submitted to the President:</u> Apr. 14, 1949.</p> <p><u>Remarks:</u> Before the Annecy agreement was concluded, the "peril point" provision had been eliminated from the trade agreements legislation by the Trade Agreements Extension Act of 1949.</p>

Country	Status
Venezuela (1951)-----	<p><u>Origin of investigation:</u> Letter and list of commodities from the President, dated Aug. 29, 1951.</p> <p><u>Scope of investigation:</u> Commodities specified in the President's list of Aug. 29, 1951. The list involved 4 tariff paragraphs and one section of the Internal Revenue Code, each of which included one or more commodities, and covered approximately 30 statistical (Schedule A) classifications or parts thereof. The commodities were those listed by the Interdepartmental Committee on Trade Agreements in its public notice--issued Aug. 29, 1951--of intention to negotiate with Venezuela to supplement and amend the 1939 bilateral trade agreement with that country.</p> <p><u>Investigation instituted:</u> Aug 29, 1951.</p> <p><u>Hearing held:</u> Oct. 2-4, 1951.</p> <p><u>Report submitted to the President:</u> Dec. 27, 1951.</p> <p><u>Remarks:</u> The supplementary bilateral trade agreement with Venezuela was signed on Aug. 28, 1952; it became effective on Oct. 11, 1952. On Aug. 29, 1952, the President transmitted to the Congress a copy of the trade agreement, together with a report of the reasons why the concession granted with respect to the import tax on crude petroleum, topped crude petroleum, and fuel oil derived from petroleum (including fuel oil known as gas oil) did not conform to the limit specified in the Commission's report to the President with respect to such products. On Sept. 2, 1952, as required by law, the Commission transmitted to the Senate Committee on Finance and the House Committee on Ways and Means a copy of the portions of its report to the President dealing with the articles identified by the President in his report to the Congress. On Sept. 4, 1952, the Commission made available to the public the material it had transmitted to the two committees.</p>

Country	Status
Japan and other countries (1955).	<p><u>Origin of investigation:</u> Letter and list of commodities from the President, dated Nov. 13, 1954.</p> <p><u>Scope of investigation:</u> Commodities specified in the President's list of Nov. 13, 1954. The list involved 168 tariff paragraphs or subparagraphs, each of which included one or more commodities, and covered approximately 600 statistical (Schedule A) classifications or parts thereof. The commodities were those listed by the Interdepartmental Committee on Trade Agreements in its public notice--issued Nov. 13, 1954--of intention to undertake tariff negotiations with Japan and other countries under the General Agreement on Tariffs and Trade at Geneva, Switzerland.</p> <p><u>Investigation instituted:</u> Nov. 13, 1954.</p> <p><u>Hearing held:</u> Dec. 13-23, 1954.</p> <p><u>Report submitted to the President:</u> Feb. 17, 1955.</p>
Japan and other countries (supplemental investigation) (1955).	<p><u>Origin of investigation:</u> Letter and list of commodities from the President, dated Feb. 21, 1955.</p> <p><u>Scope of investigation:</u> Commodities specified in the President's list of Feb. 21, 1955. The list involved 28 tariff paragraphs or subparagraphs, each of which included one or more commodities, and covered approximately 50 statistical (Schedule A) classifications or parts thereof. The commodities were those listed by the Interdepartmental Committee on Trade Agreements in its supplementary public notice--issued Feb. 21, 1955--concerning trade-agreement negotiations involving Japan and other countries under the General Agreement on Tariffs and Trade at Geneva, Switzerland.</p> <p><u>Investigation instituted:</u> Feb. 21, 1955.</p> <p><u>Hearing held:</u> Mar. 28-Apr. 1, 1955.</p> <p><u>Report submitted to the President:</u> Apr. 8, 1955.</p>

Country	Status
Switzerland (1955)-----	<p data-bbox="708 436 1256 510"><u>Origin of investigation:</u> Letter and list of commodities from the President, dated Feb. 21, 1955.</p> <p data-bbox="708 512 1243 940"><u>Scope of investigation:</u> Commodities specified in the President's list of Feb. 21, 1955. The list involved 11 tariff paragraphs or subparagraphs, each of which included one or more commodities, and covered approximately 70 statistical (Schedule A) classifications or parts thereof. The commodities were those listed by the Interdepartmental Committee on Trade Agreements in its public notice--issued Feb. 21, 1955--of intention to undertake tariff negotiations with Switzerland at Geneva, Switzerland, to compensate Switzerland for the increase in U.S. duty rates on certain watches and watch movements.</p> <p data-bbox="708 942 1235 968"><u>Investigation instituted:</u> Feb. 21, 1955.</p> <p data-bbox="708 970 1175 995"><u>Hearing held:</u> Mar. 28-Apr. 1, 1955.</p> <p data-bbox="708 997 1146 1045"><u>Report submitted to the President:</u> Apr. 13, 1955.</p>

Country	Status
<p>Australia, Austria, Belgium, Canada, Chile, Cuba, Denmark, Dominican Republic, Finland, France, Germany (Federal Republic), Greece, Haiti, India, Italy, Japan, Luxembourg, Netherlands, Nicaragua, Norway, Peru, Sweden, Turkey, Union of South Africa, and United Kingdom (1956).</p>	<p><u>Origin of investigation:</u> Letter and list of commodities from the President, dated Sept. 21, 1955.</p> <p><u>Scope of investigation:</u> Commodities specified in the President's list of Sept. 21, 1955. The list involved 350 tariff paragraphs or subparagraphs and 1 section of the Internal Revenue Code, each of which included one or more commodities, and covered approximately 1,250 statistical (Schedule A) classifications or parts thereof. The commodities were those listed by the Interdepartmental Committee on Trade Agreements in its public notice--issued Sept. 21, 1955--of intention to undertake tariff negotiations with the listed countries under the General Agreement on Tariffs and Trade at Geneva, Switzerland.</p> <p><u>Investigation instituted:</u> Sept. 21, 1955.</p> <p><u>Hearing held:</u> Oct. 31-Nov. 10, 1955.</p> <p><u>Report submitted to the President:</u> Jan. 16, 1956.</p> <p><u>Remarks:</u> The results of the negotiations mentioned above were set forth in a trade agreement which was signed at Geneva on May 23, 1956, by the United States and 21 other contracting parties to the General Agreement. The first stage of the United States concessions became effective on June 30, 1956. On June 7, 1956, the President transmitted to the Congress a copy of the trade agreement, together with a report of the reasons why--with respect to the following articles--the minimum requirements specified in the Commission's peril-point report were not complied with in the trade agreement: Paragraph 302 (h)--Ferrochromium tungsten, chromium tungsten, chromium cobalt tungsten, tungsten nickel, and all other alloys of tungsten, n.s.p.f. (not including ferrotungsten); and paragraph 1541 (b)--Violins and violas, of all sizes, wholly or partly manufactured or</p>

Country	Status
<p>Australia, Austria, Belgium, Canada, Chile, Cuba, Denmark, Dominican Republic, Finland, France, Germany (Federal Republic), Greece, Haiti, India, Italy, Japan, Luxembourg, Netherlands, Nicaragua, Norway, Peru, Sweden, Turkey, Union of South Africa, and United Kingdom (1956)--Con.</p>	<p>assembled, made after the year 1800. On June 7, 1956, as required by law. the Commission transmitted to the Senate Committee on Finance and the House Committee on Ways and Means a copy of the portions of its report to the President dealing with the articles identified by the President in his report to the Congress. Subsequently, the Commission made available to the public the material it had transmitted to the two committees.</p>
<p>Australia, Austria, Belgium, Canada, Chile, Cuba, Denmark, Dominican Republic, Finland, France, Germany (Federal Republic), Greece, Haiti, India, Italy, Japan, Luxembourg, Netherlands, Nicaragua, Norway, Peru, Sweden, Turkey, Union of South Africa, and United Kingdom (supplemental investigation) (1956).</p>	<p><u>Origin of investigation:</u> Letter and list of commodities from the President, dated Dec. 9, 1955.</p> <p><u>Scope of investigation:</u> Commodities specified in the President's list of Dec. 9, 1955. The list involved 32 tariff paragraphs or subparagraphs, each of which included one or more commodities, and covered approximately 50 statistical (Schedule A) classifications or parts thereof. The commodities were those listed by the Interdepartmental Committee on Trade Agreements in its supplementary public notice--issued Dec. 9, 1955--concerning trade-agreement negotiations with the listed countries under the General Agreement on Tariffs and Trade to be held at Geneva, Switzerland.</p> <p><u>Investigation instituted:</u> Dec. 9, 1955.</p> <p><u>Hearing held:</u> Jan. 17-19, 1956.</p> <p><u>Report submitted to the President:</u> Feb. 10, 1956.</p>

Country	Status
Cuba (1956)-----	<p><u>Origin of investigation:</u> Letter and list of commodities from the President, dated Oct. 8, 1956.</p> <p><u>Scope of investigation:</u> Commodities specified in the President's list of Oct. 8, 1956. The list involved 2 tariff paragraphs, each of which included one or more commodities, and covered 5 statistical (Schedule A) classifications. The commodities were those listed by the Interdepartmental Committee on Trade Agreements in its public notice--issued Oct. 8, 1956--of intention to undertake tariff negotiations with Cuba under the General Agreement on Tariffs and Trade.</p> <p><u>Investigation instituted:</u> Oct. 8, 1956.</p> <p><u>Hearing held:</u> Nov. 14-15, 1956.</p> <p><u>Report submitted to the President:</u> Dec. 7, 1956.</p>
United Kingdom and Belgium (1957).	<p><u>Origin of investigation:</u> Letter and list of commodities from the President, dated Mar. 18, 1957.</p> <p><u>Scope of investigation:</u> Commodities specified in the President's list of Mar. 18, 1957. The list involved 11 tariff paragraphs, each of which included one or more commodities, and covered 14 statistical (Schedule A) classifications. The commodities were those listed by the Interdepartmental Committee on Trade Agreements in its public notice--issued Mar. 18, 1957--of intention to undertake tariff negotiations with the United Kingdom and Belgium under the General Agreement on Tariffs and Trade.</p> <p><u>Investigation instituted:</u> Mar. 18, 1957.</p> <p><u>Hearing held:</u> Apr. 24, 1957.</p> <p><u>Report submitted to the President:</u> May 2, 1957.</p>

Country	Status
<p>United Kingdom and Federal Republic of Germany; Sweden, Denmark, Belgium, and the Netherlands; and Japan (1959).</p>	<p><u>Origin of investigation:</u> Letter and list of commodities from the President, dated Aug. 19, 1959.</p> <p><u>Scope of investigation:</u> Commodities specified in the President's list of Aug. 19, 1959. The list involved 26 tariff paragraphs, each of which included 1 or more commodities, and covered 36 statistical (Schedule A) classifications. The commodities were those listed by the Interdepartmental Committee on Trade Agreements in its public notice--issued Aug. 19, 1959--of intention to undertake tariff negotiations, in connection with requests for compensatory concessions, with the listed countries under the General Agreement on Tariffs and Trade.</p> <p><u>Investigation instituted:</u> Aug. 19, 1959.</p> <p><u>Hearing held:</u> Oct. 6-8, 1959.</p> <p><u>Report submitted to the President:</u> Nov. 23, 1959.</p>
<p>United Kingdom and Belgium (1960).</p>	<p><u>Origin of investigation:</u> Letter and list of commodities from the President, dated Oct. 22, 1959.</p> <p><u>Scope of investigation:</u> Commodities specified in the President's list of Oct. 22, 1959. The list involved 2 tariff paragraphs, and covered 31 statistical (Schedule A) classifications. The commodities were those listed by the Interdepartmental Committee on Trade Agreements in its public notice--issued Oct. 22, 1959--of intention to enter into limited trade-agreement negotiations with the listed countries, under the General Agreement on Tariffs and Trade, for the purpose of modifying U.S. tariff concessions on certain wool fabrics.</p> <p><u>Investigation instituted:</u> Oct. 22, 1959.</p> <p><u>Hearing held:</u> Dec. 1-4 and 7-10, 1959.</p> <p><u>Report submitted to the President:</u> Feb. 10, 1960.</p>

Country	Status
<p>European Economic Community (on behalf of Belgium, France, West Germany, Italy, Luxembourg, and the Netherlands); 17 other contracting parties to GATT (Australia, Austria, Canada, Chile, Denmark, Dominican Republic, Finland, Haiti, India, Japan, New Zealand, Nicaragua, Norway, Peru, Sweden, the United Kingdom, and Uruguay); and 4 countries that have acceded to GATT provisionally (Israel, Spain, Switzerland, and Tunisia) (1960).</p>	<p><u>Origin of investigation:</u> Letter and list of commodities from the President, dated May 13 (received May 27), 1960.</p> <p><u>Scope of investigation:</u> Commodities specified in the President's list of May 13, 1960. The list involved 450 tariff paragraphs or subparagraphs, each of which included one or more commodities, and covered approximately 2,200 statistical (Schedule A) classifications. The commodities were those listed by the Interdepartmental Committee on Trade Agreements in its public notice--issued May 27, 1960--of intention to participate in multilateral tariff negotiations with the listed countries within the framework of the General Agreement on Tariffs and Trade at Geneva, Switzerland.</p> <p><u>Investigation instituted:</u> May 27, 1960.</p> <p><u>Hearing held:</u> July 11-Sept. 7, and Sept. 19, 1960.</p> <p><u>Report submitted to the President:</u> Nov. 25, 1960.</p>

Country or commodity	Status
<p>European Economic Community (on behalf of Belgium, France, West Germany, Italy, Luxembourg, and the Netherlands); 17 other contracting parties to GATT (Australia, Austria, Canada, Chile, Denmark, Dominican Republic, Finland, Haiti, India, Japan, New Zealand, Nicaragua, Norway, Peru, Sweden, United Kingdom, and Uruguay); and 4 countries that have acceded to GATT provisionally (Israel, Spain, Switzerland, and Tunisia) (supplemental investigation) (1961).</p>	<p><u>Origin of investigation:</u> Letter and list of commodities from the President, dated Nov. 22, 1960.</p> <p><u>Scope of investigation:</u> Commodities specified in the President's list of Nov. 22, 1960. The list involved 99 tariff paragraphs or subparagraphs, each of which included one or more commodities, and covered approximately 200 statistical (Schedule A) classifications. The commodities were those listed by the Interdepartmental Committee on Trade Agreements in its supplementary public notice--issued Nov. 22, 1960--of intention to participate in multilateral tariff negotiations with the listed countries within the framework of the General Agreement on Tariffs and Trade at Geneva, Switzerland.</p> <p><u>Investigation instituted:</u> Nov. 22, 1960.</p> <p><u>Hearing held:</u> Jan. 5, 6, 26, and 27, 1961.</p> <p><u>Report submitted to the President:</u> Apr. 17, 1961.</p>
<p>Bicycles and spring clothespins (1961).</p>	<p><u>Origin of investigation:</u> Letter and list of commodities from the President, dated Dec. 20, 1960.</p> <p><u>Scope of investigation:</u> Commodities (bicycles and spring clothespins) specified in the President's letter of Dec. 20, 1960. The commodities were those listed by the Interdepartmental Committee on Trade Agreements in its public notice--issued Dec. 22, 1960--of U.S. intention to invoke art. XXVIII of the General Agreement, with a view to the withdrawal or modification of the tariff concessions granted by the United States in that agreement on bicycles and spring clothespins.</p> <p><u>Investigation instituted:</u> Dec. 21, 1960.</p> <p><u>Hearing held:</u> Jan. 7, 1961.</p> <p><u>Report submitted to the President:</u> Jan. 10, 1961.</p>

