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UNITED STATES TARIFF COMMISSION

STAINLESS-STEEL TABLE FLATWARE: UTICA
CUTLERY COMPANY, UTICA, NEW YORK

Report to the President on Investigation No. TEA-F-25
Under Section 301(c)(1) of the Trade Expansion Act of 1962



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Note.--The whole of the Commission's report to the President may not be made public since it contains certain information that could result in the disclosure of the operations of an individual concern. This published report is the same as the report to the President, except that the above-mentioned information has been omitted. Such omissions are indicated by asterisks.

REPORT TO THE PRESIDENT

U.S. Tariff Commission
August 17, 1971

To the President:

In accordance with section 301(f)(1) of the Trade Expansion Act of 1962 (76 Stat. 885), the U.S. Tariff Commission herein reports the results of an investigation made, under section 301(c)(1) of the act, in response to a petition filed by a firm.

On June 18, 1971 the Utica Cutlery Company, Utica, New York, filed a petition for a determination of the firm's eligibility to apply for adjustment assistance.

On June 25, 1971 the Commission instituted a firm investigation (TEA-F-25) in response to the petition. The purpose of the investigation was to determine whether, as a result in major part of concessions granted under trade agreements, articles like or directly competitive with stainless-steel table flatware produced by the aforementioned firm are being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to the firm.

Public notice of the receipt of the petition and institution of the investigation was given by publication in the Federal Register on July 1, 1971 (36 F.R. 12567). No public hearing was requested and none was held.

The information contained herein was obtained principally from officials of the Utica Cutlery Co., other firms in the flatware industry, and from the Commission's files.

Finding of the Commission

On the basis of its investigation, the Commission unanimously finds 1/ that articles like or directly competitive with the stainless-steel table flatware produced by the Utica Cutlery Company are, as a result in major part of concessions granted under trade agreements, being imported in such increased quantities as to cause, or threaten to cause, serious injury to that firm.

1/ Chairman Bedell and Vice Chairman Parker did not participate in the decision.

Considerations Supporting the Commission's Finding

This investigation relates to a petition filed by the Utica Cutlery Company, Utica, N.Y., under section 301(a)(2) of the Trade Expansion Act of 1962 for a determination of eligibility to apply for adjustment assistance. The company, which is engaged principally in the manufacture of stainless-steel table flatware, pocket and hunting knives, and kitchen cutlery, petitioned only with respect to imports of stainless-steel table flatware. The Commission's investigation was ordered only with regard to "articles like or directly competitive with stainless-steel table flatware."

Under section 301(c)(1) of the Trade Expansion Act, the Commission must make an affirmative determination if the following four conditions are met:

- (1) Imports of a product like or directly competitive with an article produced by the firm are increasing;
- (2) The increased imports are a result in major part of concessions granted under trade agreements;
- (3) The firm is seriously injured, or threatened with serious injury; and,
- (4) The increased imports resulting from trade-agreement concessions are the major factor in causing or threatening to cause the serious injury.

We believe that each of these requirements has been met in the instant case, and therefore we have made an affirmative determination.

Increasing imports

In recent years, U.S. imports of stainless-steel table flatware have increased sharply. The annual quantity imported rose from 9.2 million dozen pieces in 1966 to 34.4 million dozen pieces in 1970. During January-April 1971 imports amounted to 9.7 million dozen, or 500,000 dozen pieces more than were imported during the entire year of 1966. In 1966, imports of such flatware supplied about one-fourth of U.S. consumption, whereas in 1970 and during January-April 1971 they supplied about three-fifths. The first condition of the statute is therefore satisfied--imports of stainless-steel flatware are increasing.

Increased imports in major part a result of trade-agreement concessions

In other recent firm and worker cases involving stainless-steel table flatware, ^{1/} the Commission has held that imports of articles like or directly competitive with such flatware are increasing, and that such increased imports are a result in major part of trade-agreement concessions. We so find in the instant case.

From November 1959 to October 1967, pursuant to escape-clause action, the United States imposed an annual tariff quota, initially of 5.75 million dozen pieces, and later enlarged to 7.0 million dozen,

^{1/} Stainless-Steel Table Flatware: Royal Silver Manufacturing Company, Inc., Norfolk, Va. . . . Investigation No. TEA-F-21 . . . , TC Publication 393 . . . May 1971, and Stainless-Steel Table Flatware Certain Workers of the International Silver Company, Meriden, Connecticut . . . Investigation No. TEA-W-30 . . . , TC Publication 347 . . . December 1970. Commissioners Sutton, Leonard, Moore, and Young, who are the Commissioners voting in the instant case, all participated in TEA-F-21, and all but Commissioner Young participated in TEA-W-30.

on imports of certain stainless-steel table flatware. When the quota restrictions were in effect, the bulk of the imports entered within the tariff quota at the trade-agreement rates; the rates of duty applicable to over-quota imports, which were substantially higher than the original 1930 rates, severely limited entries in excess of the quota.

Under the provisions of the Trade Expansion Act of 1962, 1/ the quota restrictions were allowed to terminate in October 1967. Thereafter all imports entered at the lower trade-agreement rates, which reflected concessions that had been granted by the United States in the General Agreement on Tariffs and Trade.

Immediately following the reinstatement of the trade-agreement rates on all imports, U.S. imports of stainless-steel table flatware increased sharply. Imports in 1968 were nearly double, and those in 1969 were nearly triple, the imports during the final years when the tariff quota was in effect; imports then increased even further in 1970. Entries of such flatware in 1970 accounted for nearly three-fifths of apparent U.S. consumption of stainless-steel flatware, whereas the imports had generally supplied no more than one-fourth of U.S. consumption in the years that the tariff quota was in effect.

In our view, the recently increased imports of stainless-steel table flatware resulted directly from the reestablishment of the trade-agreement rates of duty in 1967. Thus, in this case, the first

1/ Section 351(c)(1).

and second conditions clearly are satisfied--imports are increasing in major part as a result of concessions granted under trade-agreements.

Serious injury

Utica Cutlery's financial and economic conditions have deteriorated badly in recent years--sales have declined, employment has dropped, and substantial losses have occurred. * * * * *

For these reasons, we conclude that the third requirement of the statute is satisfied.

Major factor

The increased imports of stainless-steel table flatware generated in major part by trade-agreement concessions have had a direct adverse impact on Utica Cutlery's operations. In 1968, 1969, and 1970, for example, a number of Utica Cutlery's largest customers stopped buying flatware from the company and began to import directly themselves. Evidence obtained in the investigation also indicates that during the period 1968-70 the company lost a substantial portion of its business with Federal and State purchasing agencies in the course of bidding against competitors manufacturing abroad. It seems clear that the major factor causing serious injury to Utica Cutlery has been the concession-generated increased imports of stainless-steel table flatware. Consequently, we find that the fourth requirement of the statute has been satisfied.

INFORMATION OBTAINED IN THE INVESTIGATION

Description of the articles under investigation

The Utica Cutlery Company (hereinafter referred to as Utica Cutlery) is situated in Utica, New York, and is engaged principally in the manufacture of stainless-steel table flatware, pocket and hunting knives, and kitchen cutlery. As subsidiary products the company also produces bottle caps or crowns and a limited line of kitchen tools (turners, spatulas and similar articles).

The company petitioned only with respect to imports of stainless-steel table flatware, and the Commission's investigation was ordered only with regard to "articles like or directly competitive with stainless-steel table flatware."

Generally, the same raw materials, i.e., stainless-steel sheet, strip, and rod, are used in the manufacture of all the company's products. The production processes consist of stamping out blanks, forging knife blades, grading (rolling of blanks to vary the thickness at certain places), trimming, deburring, grinding, polishing, assembling and fitting.

The stainless-steel table flatware produced by Utica Cutlery consists of knives, forks and spoons with stainless-steel handles. These articles are made in a variety of styles, patterns and finishes. The design, quality, and price of stainless-steel table flatware, whether produced in the United States or imported, vary widely. The price of stainless-steel flatware is determined largely by its design or pattern, the weight and type of stainless steel of which it is made, the degree of grading, the amount of finishing, and the type of knife.

Pocketknives, a general term for any folding-blade knives ordinarily carried in the pocket, are a major product of Utica Cutlery. This category includes penknives (small pocketknives), jackknives (large, strong pocketknives), clasp knives (jackknives, often having a catch to hold the blade open), and "sports" knives (large, folding-blade knives having additional attachments).

Hunting knives and kitchen cutlery, which includes such articles as butcher, paring, slicing and steak knives, carving forks, and cleavers, comprise a third important group of the company's products. Utica Cutlery's hunting knives are made with plastic handles and their kitchen cutlery is made with both wood and plastic handles.

U.S. tariff treatment

Stainless-steel is defined for tariff purposes as any alloy steel which contains by weight less than 1 percent of carbon and more than 11.5 percent of chromium. Imports of stainless-steel table flatware of the type manufactured by Utica Cutlery are classified for duty purposes in the Tariff Schedules of the United States (TSUS) under items 650.08 through 650.12 (knives), 650.38 through 650.42 (forks), 650.54 and 650.55 (spoons and ladles), and 651.75 (sets of the foregoing articles).

As a result of escape-clause action, the United States in 1959 instituted a tariff rate quota imposing increased rates of duty on imports of certain stainless-steel table flatware ^{1/} entered in excess

^{1/} Valued under 25 cents each and not over 10.2 inches in overall length; hereinafter referred to as quota-type stainless-steel table flatware.

of 5.75 million dozen pieces. In January 1966 the United States enlarged the tariff quota to 7.0 million dozen pieces and reduced the rates of duty applicable to flatware entered in excess of the enlarged quota. ^{1/} All tariff-quota restrictions were allowed to terminate in October 1967.

In August 1970 the United States began negotiations with the interested contracting parties to the General Agreement on Tariffs and Trade for the modification of the tariff concessions on stainless-steel table flatware provided for in items 650.08, 650.10, 650.38, 650.40, 650.54, and 651.75 in the Tariff Schedules of the United States. Agreement of the interested parties has been reached permitting modification of the concessions, but as of August 1, 1971, the President had not taken action to place the modified concessions in effect.

The rates of duty with respect to nonquota-type stainless-steel table flatware (items 650.09, 650.12, 650.39, 650.42, and 650.55) remained unchanged from August 31, 1963, through December 31, 1967, but were reduced pursuant to the Kennedy Round of trade negotiations.

^{1/} This action was made retroactive to Nov. 1, 1965.

The following table shows the statutory, the initial TSUS, the current, and the January 1, 1972, rates of duty applicable to stainless-steel table flatware. ^{1/}

Stainless-steel table flatware: U.S. rates of duty under the Tariff Act of 1930, as of June 18, 1930, Aug. 31, 1963, Jan. 1, 1971, and Jan. 1, 1972

(Cents each; percent ad valorem)

TSUS item	Commodity	Statutory rate ^{1/}	Rate effective Aug. 31, 1963	Current rate, effective Jan. 1, 1971	Rate effective Jan. 1, 1972
	Knives, forks, spoons, and ladles with stainless-steel handles:				
	Knives:				
	With chrome steel handles:				
650.08 ^{2/}	Valued under 25 cents each, not over 10.2 inches in overall length.	2¢ + 45%	1¢ + 12.5%	1¢ + 12.5%	1¢ + 12.5%
650.09	Other-----	2¢ + 45%	1¢ + 12.5%	0.6¢ + 7%	0.5¢ + 6%
	With handles of nickel steel or containing over 10 percent by weight of manganese:				
650.10 ^{2/}	Valued under 25 cents each, not over 10.2 inches in overall length.	2¢ + 45%	1¢ + 17.5%	1¢ + 17.5%	1¢ + 17.5%
650.12	Other-----	2¢ + 45%	1¢ + 17.5%	0.6¢ + 10%	0.5¢ + 8.5%

See footnotes at end of table.

^{1/} Trade-agreement modifications of the statutory rates with respect to stainless-steel table flatware dating from the Tariff Act of 1930 to the inception of the TSUS on August 31, 1963, are shown in the appendix, table Kennedy Round reductions are shown in table 2.

Stainless-steel table flatware: U.S. rates of duty under the Tariff Act of 1930, as of June 18, 1930, Aug. 31, 1963, Jan. 1, 1971, and Jan. 1, 1972--Continued

(Cents each; percent ad valorem)					
TSUS item	Commodity	Statutory rate <u>1/</u>	Rate effective Aug. 31, 1963	Current rate, effective Jan. 1, 1971	Rate effective Jan. 1, 1972
	Knives, forks, spoons, and ladles with stainless-steel handles--Continued				
	Forks:				
	With chrome steel handles:				
650.38 ^{2/}	Valued under 25 cents each, not over 10.2 inches in overall length.	2¢ + 45%	1¢ + 12.5%	1¢ + 12.5%	1¢ + 12.5%
650.39	Other----- With handles of nickel steel or containing over 10 percent by weight of manganese:	2¢ + 45%	1¢ + 12.5%	0.6¢ + 7%	0.5¢ + 6%
650.40 ^{2/}	Valued under 25 cents each, not over 10.2 inches in overall length.	2¢ + 45%	1¢ + 17.5%	1¢ + 17.5%	1¢ + 17.5%
650.42	Other-----	2¢ + 45%	1¢ + 17.5%	0.6¢ + 10%	0.5¢ + 8.5%
	Spoons and ladles:				
	With stainless-steel handles:				
650.54 ^{2/}	Spoons valued under 25 cents each, not over 10.2 inches in overall length.	40%	17%	17%	17%
650.55	Other-----	40%	17%	10%	8.5%

See footnotes at end of table.

Stainless-steel table flatware: U.S. rates of duty under the Tariff Act of 1930, as of June 18, 1930, Aug. 31, 1963, Jan. 1, 1971, and Jan. 1, 1972--Continued

(Cents each; percent ad valorem)

TSUS item	Commodity	Statutory rate ^{1/}	Rate effective Aug. 31, 1963	Current rate, effective Jan. 1, 1971	Rate effective Jan. 1, 1972
651.75	Sets wholly of knives, forks, or spoons: With stainless-steel handles.	The rate applicable to that article in the set subject to the highest rate of duty.	The rate applicable to that article in the set subject to the highest rate of duty.	The rate applicable to that article in the set subject to the highest rate of duty.	The rate applicable to that article in the set subject to the highest rate of duty.

^{1/} Applicable to the products of Communist-controlled countries or areas which are designated as such by the President.

^{2/} Knives, forks, and spoons, valued under 25 cents each, not over 10.2 inches in overall length, and having stainless-steel handles were subject to quotas from Nov. 1, 1959, through Oct. 11, 1967.

The annual tariff-rate quota from Nov. 1, 1959, through the end of October 1965 was 5.75 million dozen pieces, and thereafter through Oct. 11 1967, 7 million dozen pieces. Presidential Proclamation No. 3697, which enlarged the quota, also reduced the rates of duty on imports of quota-type flatware entered in excess of the quota. Quota-type imports not exceeding the quota were allowed entry at the trade-agreement rates. From Nov. 1, 1959, through Oct. 31, 1965, quota-type imports exceeding the quota were dutiable at the rate of 3 cents each plus 67.5 percent ad valorem on knives and forks and at a rate of 60 percent ad valorem on spoons. The duty on overquota imports was reduced, effective Nov. 1, 1965 to 3 cents each plus 20 percent ad valorem on knives and forks with handle of nickel steel, to 3 cents each plus 15 percent ad valorem on knives and forks with chrome steel handles, and to 40 percent ad valorem on spoons. The reduced rates, however, were still higher than the trade-agreement rates. The tariff-rate quota with the higher than trade-agreement rates applicable to imports entered in excess of the quota was terminated effective Oct. 12, 1967, since the President took no action to continue the quota provisions for a further period.

The average ad valorem equivalents (AVE) applicable to stainless-steel table knives and forks in 1930 and in 1970, based on imports in 1970 of such knives and forks not imported in sets, are shown in the table below:

Average ad valorem equivalents of the U.S. rates of duty applicable to stainless-steel table knives and forks in 1930 and 1970, based on imports of such knives and forks not entered in sets in 1970

TSUS item	Average ad valorem equivalent of--	
	1930 rate	1970 rate
650.08-----	59.5	19.7
650.09-----	50.9	10.5
650.10-----	58.7	24.4
650.12-----	47.8	12.9
650.38-----	70.0	24.9
650.39-----	50.4	10.4
650.40-----	60.8	26.1
650.42-----	49.1	13.4

Source: Compiled from official statistics of the U.S. Department of Commerce.

Articles comparable to the other products of Utica Cutlery are classifiable for duty purposes under various TSUS items. Pocketknives are classifiable under items 649.71 through 649.85; kitchen cutlery and hunting knives under items 650.01, 650.03, 650.1540 through 650.19, 650.2140, 650.2160, 650.31, 650.4540; kitchen tools under 651.4720; and bottle caps under 652.65. U.S. rates of duty for these items are shown in tables 3 and 4 in the appendix.

U.S. consumption

The United States is probably the world's largest consumer (as well as producer and importer) of stainless-steel table flatware. U.S. apparent consumption of stainless-steel table flatware increased from an estimated 36 million dozen pieces in 1965 to about 59 million dozen pieces in 1970, or by 64 percent (table 5). The upward trend in domestic consumption accelerated after the termination of the tariff-quota on stainless-steel table flatware in October 1967. This change reflected not only the increasing popularity of stainless-steel flatware among consumers, but to a large degree the use of stainless-steel flatware as premiums in the promotion of other products, i.e., gasoline, cereals, and so forth.

Annual U.S. consumption of pocketknives and other folding blade knives in 1970 is estimated to have been about \$23 million; consumption of kitchen cutlery and related fixed blade cutlery is estimated to have been about \$33 million.

U.S. production, sales, inventories, and exports ^{1/}

Annual U.S. production of stainless-steel table flatware increased from about 27.4 million dozen pieces in 1965 to a record high of about 30.4 million dozen pieces in 1967--years during which the import quota was in effect for all or part of the year (table 5). Production declined appreciably in 1968 to 26.5 million dozen pieces; it increased

^{1/} Data on flatware in this section exclude data on the operation of four firms in 1967 and 1968. The combined production of stainless-steel flatware by these firms is believed to be small.

to an estimated 28.0 million dozen pieces in 1969, about 8 percent less than it was in 1967. In 1970, production again declined to 26.8 million dozen pieces. During the period January-April 1971, U.S. production amounted to about 7 million dozen pieces.

U.S. producers' annual sales of domestically produced stainless-steel table flatware reached a peak of about 30.0 million dozen pieces in 1966. Such sales declined in 1967 and again in 1968 when they amounted to 26.9 million dozen pieces; after a slight decrease in 1969, sales again declined and in 1970 were 24.9 million dozen pieces. The value of producers' annual sales was stable during 1966-69, being close to \$70 million in each of these years; the value of their sales declined in 1970, however, to about \$66 million.

During 1967-70, U.S. inventories ranged between 4.0 million and 6.6 million dozen pieces, quantities considerably higher than the 2.0 million to 3.6 million dozen pieces which were recorded during the period that quotas were in effect. ^{1/}

U.S. exports of stainless-steel table flatware were insignificant during 1966-70, averaging less than 2 percent of annual domestic production (table 5).

U.S. producers' shipments of pocketknives and other folding-blade knives in 1967, the latest year for which official statistics are available, were valued at \$18.7 million; in the same year producers' shipments of kitchen knives amounted to \$18.3 million. In 1970 exports of these articles amounted to about \$2.2 million.

^{1/} Nov. 2, 1959, through Oct. 11, 1967.

U.S. imports

U.S. imports of stainless-steel table flatware have risen greatly in recent years. Imports of flatware amounted to about 9.2 million dozen pieces in 1966, the first full year during which liberalized tariff quotas were in operation and the last full year before the termination of the quotas on flatware. ^{1/} They rose to 14.9 million dozen pieces in 1968 and to 25.9 million dozen pieces in 1969. In 1970 they amounted to 34.4 million dozen pieces, nearly four times as large as they were in 1966 (table 5). During January-April 1971 imports amounted to 9.7 million dozen, or a rate below that of the comparable period January-April 1970, when such imports amounted to 10.8 million dozen.

In 1966, imports supplied about a fourth of apparent U.S. consumption; they supplied more than a third of such consumption in 1968, almost half in 1969, and about three-fifths in 1970 and the period January-April 1971. The marked increase in imports in recent years has occurred principally in imports of the type formerly subject to quotas.

Japan has been the principal source of imports, followed by Taiwan and the Republic of Korea. Imports from Japan increased from 7.1 million dozen pieces in 1966 to 10.2 million dozen pieces in 1968, 17.6 million dozen pieces in 1969, and to 22.6 million dozen pieces in 1970; imports during January-April 1971 were 5.3 million dozen pieces (table 6). The share of total U.S. imports supplied by Japan, however,

^{1/} Data for 1967 are believed to be inaccurate and therefore are not discussed. It is estimated that imports were at least as large in 1967 as they were in 1966.

decreased from about three-fourths in 1966 to about two-thirds in 1970. The principal reason for Japan's declining share of U.S. imports has been the increasing prominence in recent years of Taiwan, Korea, and Hong Kong as suppliers of stainless-steel table flatware. In 1970 the combined imports from these three sources were half again as great as they were in 1969 and more than three times greater than they were in 1968.

The average value per dozen pieces of imported stainless-steel flatware from all sources was \$1.22 in 1968, the same as it had been in 1966; it declined to \$1.19 in 1969, to \$1.17 in 1970, and to \$1.10 during January-April 1971. In contrast, the average value per dozen pieces of imports from Japan increased from \$1.19 in 1966 to \$1.24 in 1969 and to \$1.26 in 1970.

U.S. imports for consumption of products other than table flatware of the types manufactured by Utica Cutlery also increased during the period 1966-70 (table 7). Combined entries of knives with folding blades, fixed-blade cutlery, and kitchen tools were valued at \$20.3 million in 1970, compared with \$9.2 million in 1966. Imports of bottle caps were valued at \$2.0 million in 1970, compared with \$1.2 million in 1966.

U.S. producers

Currently (July 1971) there are 16 domestic producers of stainless-steel flatware, down from 20 in 1967. During the period 1967-70, four companies ceased production, two during the first half of 1970. In 1970 six U.S. producers had sales of stainless-steel table flatware valued at \$1 million or more; the combined sales of such products by two of these firms, Oneida, Ltd., and International Silver Co., are estimated at more than * * * far in excess of the others. Estimated total sales by the industry in 1970 were valued at \$65.4 million. Utica Cutlery, the petitioner, is one of the largest of the "other" U.S. producers, with * * * percent of total industry sales in 1970, * * *.

In 1969, 11 U.S. producers (including Oneida, International Silver and Utica Cutlery) imported stainless-steel flatware--four more than had done so in 1967. Imports by the U.S. producers accounted for about a third of the total quantity imported in recent years.

Approximately 40 companies are engaged in the manufacture of pocketknives, other folding-blade knives, and kitchen cutlery. Of these 40 companies, 31 produce kitchen cutlery and 13 produce folding-blade knives.

The Utica Cutlery Co.

Structure and ownership.--Utica Cutlery, incorporated in the State of New York in 1912 for the manufacture of pocketknives, first undertook the manufacture of stainless-steel table flatware in 1950. The company is diversified and does not depend entirely on sales of flatware. * * *.

As indicated earlier, in addition to manufacturing stainless-steel flatware, the company makes pocketknives, butcher knives, bottle caps and assorted kitchen tools. The annual proceeds from these diverse operations have tended to be more stable than proceeds derived from stainless-steel table flatware.

Plant, production, and capacity.--Utica Cutlery maintains two plants: One at New York Mills, N.Y., which stamps, and finishes stainless-steel flatware and produces pocketknives; one in Utica, N.Y., which produces bottle caps, butcher knives, and kitchen tools.

* * * * *



STATISTICAL APPENDIX



Table 1.--Stainless-steel table flatware: U.S. rates of duty under the Tariff Act of 1930 from June 18, 1930, until Aug. 30, 1963

(Cents each; percent ad valorem)

Tariff paragraph and description	Tariff Act of 1930		
	Statutory rate ^{1/}	Trade-agreement modification	
		Rate	Effective date and trade agreement ^{2/}
Par. 339:			
Table, household, kitchen, and hospital utensils, and hollow or flat ware, not specially provided for: * * * composed wholly or in chief value of copper, brass, steel, or other base metal, not plated with platinum, gold, or silver, and not specially provided for:			
Table spoons wholly of metal and in chief value:	40%	20%	Jan. 1, 1948.
of stainless steel, not over 10.2 inches in overall length and valued at less than \$3 per dozen pieces.		19%	June 30, 1956.
		18%	June 30, 1957.
		17% ^{3/}	June 30, 1958.
		60% ^{3/}	Nov. 1, 1959. ^{3/}
Par. 355:			
Table, butchers', carving, cooks', hunting, kitchen, bread, cake, pie, slicing, cigar, butter, vegetable, fruit, cheese, canning, fish, carpenters' bench, curriers', drawing, farriers', fleshing, hay, sugar-beet, beet-topping, tanners', plumbers', painters', palette, artists', shoe, and similar knives, forks, and steels, and cleavers, all the foregoing, finished or unfinished, not specially provided for * * *:			
Not specially designed for other than household, kitchen, or butchers' use:			
Table knives and forks, wholly of metal and in chief value of stainless steel, not over 10.2 inches in overall length and valued at less than \$3 per dozen pieces, with handles of--			
Austenitic steel:			
Less than 4 inches in length, exclusive of handle.	2¢ + 45%	2¢ + 35%	Jan. 1, 1939; United Kingdom.
		2¢ + 17-1/2%	Jan. 1, 1948.
		1¢ + 17-1/2% ^{3/}	July 7, 1951.
		3¢ + 67-1/2% ^{3/}	Nov. 1, 1959. ^{3/}
4 inches in length or over, exclusive of handle.	8¢ + 45%	8¢ + 35%	Jan. 1, 1939; United Kingdom.
		8¢ + 35% ^{4/}	Jan. 1, 1948.
		4¢ + 17-1/2% ^{3/}	Oct. 1, 1951.
		12¢ + 67-1/2% ^{3/}	Nov. 1, 1959. ^{3/}
Steel, other than austenitic:			
Less than 4 inches in length, exclusive of handle.	2¢ + 45%	2¢ + 25%	Jan. 1, 1939; United Kingdom.
		2¢ + 25% ^{4/}	Jan. 1, 1948.
		2¢ + 12-1/2%	May 30, 1950.
		1¢ + 12-1/2% ^{3/}	Oct. 1, 1951.
		3¢ + 67-1/2% ^{3/}	Nov. 1, 1959. ^{3/}
4 inches in length or over, exclusive of handle.	8¢ + 45%	4¢ + 25%	Jan. 1, 1939; United Kingdom.
		4¢ + 25% ^{4/}	Jan. 1, 1948.
		4¢ + 17-1/2% ^{3/}	Oct. 1, 1951.
		12¢ + 67-1/2% ^{3/}	Nov. 1, 1959. ^{3/}

^{1/} Applicable to the products of Communist-dominated or Communist-controlled countries or areas which are designated as such by the President.

^{2/} General Agreement on Tariffs and Trade, unless otherwise indicated.

^{3/} Pursuant to Presidential Proclamation No. 3323, dated Oct. 20, 1959, the higher of the 2 rates to which this footnote is attached was made applicable during any 12-month period beginning Nov. 1, 1959, and in each subsequent year, after a total aggregate quantity of 69 million single units of table spoons described under par. 339, and of table knives and table forks described under par. 355, had been entered, or withdrawn from warehouse, for consumption; until the total aggregate quantity of the designated units had been entered, or withdrawn from warehouse, for consumption, during any 12-month period designated above, the lower rate of duty was applicable.

^{4/} Bound.

Source: Compiled from official documents of the U.S. Tariff Commission.

Note.--Stainless-steel table flatware, wholly of metal and in chief value of stainless steel, over 10.2 inches in overall length or valued at \$3 or more per dozen pieces (nonquota-type flatware), was dutiable at the same rates of duty as the quota-type flatware entered within the quota limits.

Table 2.--Stainless-steel table flatware: 1/ Changes in U.S. rates of duty under the Tariff Schedules of the United States pursuant to the Kennedy Round of trade negotiations

(Cents each; percent ad valorem)

TSUS item	Trade-agreement	Rate changes, pursuant to the Kennedy				
	rates in effect	Round, effective on Jan. 1--				
on Dec. 31, 1967	1968	1969	1970	1971	1972	
650.09	1¢ + 12.5%	0.9¢ + 11%	0.8¢ + 10%	0.7¢ + 8.5%	0.6¢ + 7%	0.5¢ + 6%
650.12	1¢ + 17.5%	0.9¢ + 15.5%	0.8¢ + 14%	0.7¢ + 12%	0.6¢ + 10%	0.5¢ + 8.5%
650.39	1¢ + 12.5%	0.9¢ + 11%	0.8¢ + 10%	0.7¢ + 8.5%	0.6¢ + 7%	0.5¢ + 6%
650.42	1¢ + 17.5%	0.9¢ + 15.5%	0.8¢ + 14%	0.7¢ + 12%	0.6¢ + 10%	0.5¢ + 8.5%
650.55	17%	15%	13.5%	11.5%	10%	8.5%

1/ Stainless-steel table flatware that was not subject to the tariff-rate quota during Nov. 1, 1959-Oct. 11, 1967.

Table 3.--Knives with folding or non-fixed blades of the types produced by Utica Cutlery: U.S. rates of duty under the Tariff Act of 1930, the initial TSUS rate, and the first and final rates under the Kennedy Round concessions.

TSUS item	Commodity	Tariff Act of 1930	TSUS rate effective: Aug. 31, 1963	U.S. concessions granted in 1964-67 trade confer- ence (Kennedy Round)	
				First stage, effective Jan. 1, 1968	Final stage, effective Jan. 1, 1972
	:Knives having folding or : non-fixed blades or : attachments:				
649.71	: Valued not over 40 : cents per dozen.	: 1 1/4¢ ea. : + 50% : ad. val.	: 50% : ad val.	: 45% ad val.	: 25% ad val.
649.73	: Valued over 40 cents : but not over 50 : cents per dozen.	: 5¢ ea. + : 50% : ad val.	: 50% : ad val.	: 45% ad val.	: 25% ad val.
649.75	: Valued over 50 cents : but not over \$1.25 : per dozen.	: 11¢ ea. + : 55% : ad val.	: 50% : ad val.	: 45% ad val.	: 25% ad val.
649.77	: Valued over \$1.25 but : not over \$3 per : dozen.	: 18¢ ea. + : 55% : ad val.	: 9¢ ea. + : 27.5% : ad val.	: 8.1¢ ea. + : 24.5% : ad val.	: 4.5¢ ea. + : 13.5% : ad val.
649.79	: Valued over \$3 per : dozen but not over : \$6 per dozen. : Valued over \$6 per : dozen:	: 25¢ ea. + : 50% : ad val.	: 12.5¢ ea. : + 25% : ad val.	: 11.2¢ ea. + : 22.5% : ad val.	: 6.2¢ ea. + : 12.5% : ad val.
649.81	: With steel handles : ornamented or dec- : orated with etch- : ings or gilded : designs; or both.	: 15¢ ea. + : 55% : ad val.	: 10¢ ea. + : 25% : ad val.	: 9¢ ea. + : 22% ad val.	: 5¢ ea. + : 12.5% : ad val.
649.83	: Other-----	: 35¢ ea. + : 55% : ad val.	: 17.5¢ ea. : 27.5% : ad val.	: 15.5¢ ea. + : 24.5% : ad val.	: 8.7¢ ea. + : 13.5% : ad val.
649.85	: Blades, handles, and : other parts of the : foregoing knives.	: 11¢ ea. + : 55% : ad val.	: 5.5¢ ea. : + 27.5% : ad val.	: 4.95¢ ea. + : 24.5% : ad val.	: 2.75¢ ea. + : 13.5% : ad val.

Source: Compiled from documents of the U.S. Tariff Commission.

Table 4.--Fixed blade cutlery, kitchen tools and bottle caps of the types produced by Utica Cutlery: U.S. rates of duty under the Tariff Act of 1930, the initial TSUS rate, and the first and final rates under the Kennedy Round concessions.

TSUS item	Commodity	Tariff Act of 1930	TSUS rate effective Aug. 31, 1963	U.S. concessions granted in 1964-67 trade conference (Kennedy Round)	
				First stage effective Jan. 1, 1968	Final stage effective Jan. 1, 1972
	Knives (except table and folding-blade knives) and cleavers, with or without their handles:				
650.01	Without their handles---	2¢ ea. + 45% ad val.) 8¢ ea. + 45% ad val.) 1/	0.92¢ ea. + 10% ad val.	0.8¢ ea. + 9% ad val.	0.4¢ ea. + 5% ad val.
650.03	Cleavers with their handles.	8¢ ea. + 45% ad val.	4¢ ea. + 17.5% ad val.	3.5¢ ea. + 15.5% ad val.	2¢ ea. + 8.5% ad val.
650.1540	Knives with rubber or plastics handles: Kitchen and butcher knives.	8¢ ea. + 45% ad val.	2¢ ea. + 12.5% ad val.	2/	2/
650.17	Other knives, with their handles.	8¢ ea. + 45% ad val.	4¢ ea. + 17.5% ad val.	3.5¢ ea. + 15.5% ad val.	2¢ ea. + 8.5% ad val.
650.19	Other knives: Hunting knives with wood handles.	8¢ ea. + 45% ad val.	2¢ ea. + 12.5% ad val.	1.8¢ ea. + 11% ad val.	1¢ ea. + 6% ad val.
650.2140)	Other including kitchen and butcher knives.	2¢ ea. + 45% ad val.) 8¢ ea. + 45% ad val.) 1/	1¢ ea. + 17.5% ad val.	0.9¢ ea. + 15.5% ad val.	0.5¢ ea. + 8.5% ad val.
	Forks, spoons, and ladles:				
650.31	Forks: Without their handles, for kitchen or table ware.	2¢ ea. + 45% ad val.) 8¢ ea. + 45% ad val.) 1/	0.92¢ ea. + 10% ad val.	0.8¢ ea. + 9% ad val.	0.4¢ ea. + 5% ad val.
650.4540	With their handles (except table forks): With rubber or plastics handles.	8¢ ea. + 45% ad val.	2¢ ea. + 12.5% ad val.	1.8¢ ea. + 11% ad val.	1¢ ea. + 6% ad val.
	Hand tools (including table, kitchen, and household implements of the character of hand tools) not specially provided for, and metal parts thereof:				
	Other hand tools of iron or steel:				
651.4720	Table kitchen and household implements:	40% ad val.	17% ad val.	15% ad val.	8.5% ad val.
652.65	Crown corks and bottle caps of base metal	30% ad val.) 40% ad val.) 3/	12% ad val.	10.5% ad val.	6% ad val.

1/ Dutiable at the rate of 2¢ each + 45% if less than 4 inches in length, exclusive of handle, and 8¢ each + 45% if 4 inches or over in length, exclusive of handle.

2/ Duty rate not affected by trade conference.

3/ Dutiable at the rate of 40% if decorated, enameled, plated or embossed.

Table 5.--Stainless-steel table flatware: Production and sales by U.S. manufacturers, U.S. imports for consumption, and apparent U.S. consumption, 1965-70, and January-April 1971

Year	U.S. production			Sales by U.S. manufacturers			Imports for:			Apparent consumption			Ratio of imports to--			
	1,000 dozen	pieces		Total	Exports		consump- tion	consump- tion	consump- tion	1/ dozen	2/ dozen	3/ pieces	Apparent consump- tion	U.S. produc- tion	Percent	
1965	27,409			27,210	334		2/ 8,880	2/ 35,756	2/ 24.8	2/ 35,756	2/ 32.4					
1966	30,262			30,043	449		2/ 9,185	2/ 38,779	2/ 23.7	2/ 38,779	2/ 30.3					
1967	3/ 30,403			3/ 29,350	3/ 384		4/	5/	5/	5/	5/					
1968	3/ 26,516			3/ 26,865	3/ 499		14,872	3/ 41,238	36.1	3/ 41,238	56.1					
1969	28,032			27,440	505		25,885	52,820	49.0	52,820	92.3					
1970	26,774			24,925	450		34,428	58,899	58.4	58,899	128.6					
Jan.-Apr., 1971	6,972			6,718	195		9,736	16,259	59.9	16,259	139.6					

1/ Sales of domestically produced flatware plus imports less exports.

2/ Data do not include imports in sets of nonquota-type stainless-steel table flatware, because they were not reported separately under the TSUS. Such imports are known to be negligible.

3/ U.S. production and sales exclude data for 4 manufacturers that did not submit questionnaires. These manufacturers accounted for 7.5 percent of the quantity and 6.7 percent of the value of sales in 1966.

4/ Available data are known to be inaccurate. It is estimated that imports in 1967 were at least as large as those in 1966.

5/ Not available.

Source: Compiled from data submitted to the U.S. Tariff Commission by U.S. producers and importers of stainless-steel table flatware and from official statistics of the U.S. Department of Commerce.

Table 6.--Stainless-steel table flatware: U.S. imports for consumption, by sources, 1965-70, and January-April 1971

Source	1966 ^{1/}	1967 ^{1/}	1968	1969	1970	Jan.- April 1971
Quantity (1,000 dozen pieces)						
Japan-----	7,068	<u>2/</u>	10,150	17,563	22,594	5,319
Taiwan-----	1,029	<u>2/</u>	2,022	3,206	4,930	2,652
Republic of Korea---	569	<u>2/</u>	1,275	2,532	4,080	1,044
Hong Kong-----	128	<u>2/</u>	94	1,064	1,267	170
Netherlands-----	84	<u>2/</u>	547	473	1,041	252
West Germany-----	73	<u>2/</u>	127	160	60	11
Italy-----	66	<u>2/</u>	109	75	12	1
United Kingdom-----	36	<u>2/</u>	149	277	113	174
Austria-----	31	<u>2/</u>	13	6	7	-
Sweden-----	12	<u>2/</u>	20	12	4	3
Denmark-----	8	<u>2/</u>	13	21	7	1
Nansei and Nanpo Islands-----	-	<u>2/</u>	-	-	120	-
All other-----	81	<u>2/</u>	353	496	194	109
Total-----	9,185	<u>2/ 7,807</u>	14,872	25,885	34,428	9,736
Value (1,000 dollars)						
Japan-----	8,434	<u>2/</u>	12,305	21,826	28,454	6,693
Taiwan-----	745	<u>2/</u>	1,421	2,271	3,650	2,009
Republic of Korea---	424	<u>2/</u>	984	1,934	3,687	894
Hong Kong-----	98	<u>2/</u>	100	1,196	6,382	197
Netherlands-----	212	<u>2/</u>	1,068	1,037	2,205	463
West Germany-----	370	<u>2/</u>	731	801	384	71
Italy-----	218	<u>2/</u>	371	234	22	2
United Kingdom-----	171	<u>2/</u>	300	582	234	281
Austria-----	106	<u>2/</u>	58	30	18	-
Sweden-----	65	<u>2/</u>	117	75	33	20
Denmark-----	71	<u>2/</u>	134	172	32	5
Nansei and Nanpo Islands-----	-	<u>2/</u>	-	-	164	-
All other-----	327	<u>2/</u>	552	663	1,185	65
Total-----	11,241	<u>2/ 9,121</u>	18,141	30,821	40,451	10,703

^{1/} The value of imports includes estimates for the value of quota-type stainless-steel table flatware imported in sets. The value of such sets is not separately reported in official statistics.

Data exclude the quantity and value of nonquota-type stainless-steel flatware imported in sets because they are not separately reported in official statistics. Such imports are known to be negligible.

^{2/} U.S. Department of Commerce data for 1967 on general imports (i.e., imports entered for immediate consumption plus entries into bonded warehouses) show imports of 9,500 thousand dozen pieces, whereas imports for

Table footnotes--Continued

consumption (i.e., imports for immediate consumption plus withdrawals from warehouses amounted to 7,800 thousand dozen (as shown in this table). Analysis of available data indicated that virtually all of the difference between general imports and imports for consumption--1,700 thousand dozen pieces--was withdrawn from warehouses during the period October-December 1967, but was not so recorded in official statistics. Data by individual sources are not shown for 1967 because of this discrepancy; the total quantity imported for consumption in 1967 probably amounted to close to 9,500 thousand dozen pieces, valued at approximately 11,000 thousand dollars.

Source: Compiled from official statistics of the U.S. Department of Commerce, except as noted.

Table 7.--Knives with folding or non-fixed blades (pocketknives), fixed blade (kitchen) cutlery, kitchen tools, and bottle caps of the types produced by Utica Cutlery: U.S. imports for consumption, 1966-70 and January-April 1971

Year	Knives with: folding or non-fixed blades	Fixed blade: cutlery	Kitchen tools <u>1/</u>	Bottle caps
Quantity (1,000 dozen)				
1966-----	560	2,570	N.A.	14,593
1967-----	533	3,305	N.A.	18,542
1968-----	671	4,235	N.A.	32,728
1969-----	665	3,922	N.A.	21,200
1970-----	699	5,346	N.A.	40,696
1971:				
Jan.-Apr.-----	208	1,552	N.A.	59,131
Value (1,000 dollars)				
1966-----	2,075	5,143	2,010	1,197
1967-----	2,130	6,186	2,361	1,303
1968-----	2,771	7,724	3,562	1,362
1969-----	3,125	8,710	4,384	1,716
1970-----	3,502	11,271	5,480	2,031
1971:				
Jan.-Apr.-----	1,202	3,751	1,663	882

1/ Includes a wide variety of general-and special-purpose kitchen tools; production of kitchen tools by Utica Cutlery is limited to a few general purpose tools such as spatulas and turners.

Source: Compiled from official statistics of the U.S. Department of Commerce.



