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UNITED STATES TARIFF COMMISSION

CERAMIC TABLE AND KITCHEN ARTICLES, INCLUDING  
DINNERWARE

Report to the President on  
Investigation No. TEA-I-22  
Under Section 301(b) of the Trade Expansion Act of 1962



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UNITED STATES TARIFF COMMISSION

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REPORT TO THE PRESIDENT

U.S. Tariff Commission,  
February 22, 1972.

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 on ceramic table and kitchen articles, including dinnerware, conducted under section 301(b) of that act.

INTRODUCTION

The investigation was undertaken to determine whether ceramic table and kitchen articles, including dinnerware, provided for in items 533.14 through 533.41 and 533.63 through 533.77 of the Tariff Schedules of the United States (TSUS) are, as a result in major part of concessions granted thereon under trade agreements, being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to the domestic industry or industries producing like or directly competitive products.

Following receipt of a petition filed by the American Dinnerware Emergency Committee on June 1, 1971, the U.S. Tariff Commission on June 10, 1971, instituted an investigation under section 301(b)(1) of the Trade Expansion Act of 1962 (TEA). Notice of the investigation and public hearing was published in the Federal Register of June 16, 1971 (36 F.R. 11617). In response to requests, the public hearing originally scheduled for September 21, 1971, was rescheduled by the Commission on August 4, 1971, for September 14, 1971. Notice of the

rescheduling of the public hearing was published in the Federal Register on August 7, 1971 (36 F.R. 14682).

Following receipt of communications filed by the American Dinnerware Emergency Committee and the American Fine China Guild on August 17 and 19, respectively, the Tariff Commission on August 19, 1971, enlarged the scope of the investigation to include bone china and nondinnerware articles and rescheduled the hearing. Notice of the change in the scope of the investigation and the rescheduling of the hearing was published in the Federal Register of August 25, 1971 (36 F.R. 16698).

The public hearing was held on November 30, December 1-3, and December 6-9, 1971; all interested parties were offered opportunity to be present, to produce evidence, and to be heard. A transcript of the hearing and copies of briefs submitted by interested parties in connection with the investigation are attached. 1/

The American Dinnerware Emergency Committee is an ad hoc association of 13 firms which produce earthen dinnerware and nondinnerware articles. The committee members manufacture over three-fourths of such earthenware articles produced in the United States.

The Fine China Guild represents the three largest domestic producers of fine china dinnerware. The Guild members manufacture more than 90 percent of fine china dinnerware produced in the United States.

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1/ The transcript and written statements were attached to the original report to the President.



The information for this report was obtained from fieldwork; from responses to questionnaires sent to domestic producers of earthen, household china, melamine (plastic), and household machine-made glass table and kitchen articles and responses to questionnaires sent to importers of earthen and china table and kitchen articles; from the Commission's files; from other Government agencies; and from evidence presented at the hearing by interested parties.

## FINDINGS OF THE COMMISSION

On the basis of its investigation, the Commission finds unani-  
mously that--

articles chiefly used for preparing, serving, or storing food or beverages, or food or beverage ingredients, all the foregoing provided for in the following items of the TSUS: 533.14 through 533.26; 533.28 in any pattern for which the aggregate value of the articles listed in headnote 2(b) of part 2C of schedule 5 is over \$22; 533.38 if cups valued over \$3.10 per dozen, saucers valued over \$1.75 per dozen, plates not over 9 inches in maximum diameter and valued over \$2.85 per dozen, plates over 9 but not over 11 inches in maximum diameter and valued over \$4.85 per dozen, and other articles valued over \$6.20 per dozen; 533.41; 533.63 through 533.69, and 533.77

are not, as a result in major part of concessions granted under trade agreements, being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to the domestic industry producing articles which are like or directly competitive with the imported articles.

The Commission further finds (Commissioners Sutton and Leonard dissenting) (1) that--

articles chiefly used for preparing, serving, or storing food or beverages, or food or beverage ingredients, all the foregoing provided for in the following items of the TSUS: 533.28, in any pattern for which the aggregate value of the articles listed in headnote 2(b) of part 2C of schedule 5 is over \$12 but not over \$22; 533.31 through 533.36; 533.38 if cups valued over \$1.70 but not over \$3.10 per dozen, saucers valued over \$0.95 but not over \$1.75 per dozen, plates not over 9 inches in maximum diameter and valued over \$1.55 but not over \$2.85 per dozen, plates over 9 but not over 11 inches in maximum diameter and valued over \$2.65 but not over \$4.85 per dozen, and other articles valued over \$3.40 but not over \$6.20 per dozen; and 533.71 through 533.75

are, as a result in major part of concessions granted under trade agreements, being imported into the United States in such increased quantities as to cause serious injury to the domestic industry producing articles which are like or directly competitive with the imported articles; and (2) that, in order to remedy the serious injury, it is necessary to increase the column numbered 1 rates of duty for those items and parts of items specified in (1) to rates of duty as follows:

- 533.28 (pt) - 10¢ per doz. pcs. plus 21 percent ad val.
- 533.31 - 10¢ per doz. pcs. plus 25 percent ad val.
- 533.33 - 10¢ per doz. pcs. plus 25 percent ad val.
- 533.35 - 10¢ per doz. pcs. plus 40 percent ad val.
- 533.36 - 10¢ per doz. pcs. plus 22 percent ad val.
- 533.38 (pt) - 10¢ per doz. pcs. plus 22 percent ad val.
- 533.71 - 45 percent ad val.
- 533.73 - 10¢ per doz. pcs. plus 45 percent ad val.
- 533.75 - 10¢ per doz. pcs. plus 60 percent ad val.

Views of Chairman Bedell, Vice Chairman Parker,  
and Commissioners Moore and Young

This investigation under section 301(b)(1) of the Trade Expansion Act of 1962 was undertaken in response to petitions for tariff adjustments filed by the principal domestic producers of ceramic table and kitchen articles. <sup>1/</sup> Under that section, the Tariff Commission must determine whether, as a result in major part of concessions granted under trade agreements, articles are being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to the domestic industry producing articles which are like or directly competitive with the imported articles.

In the present case the Commission has been called upon to make such a determination with respect to the various types of ceramic articles--earthenware and chinaware. In varying degrees, ceramic articles compete directly with one another. Most of the fine china produced in the United States, however, is designed for a market (the "best set" market) different from the domestic earthenware (the casual "every day" market) and such fine china sells at much higher prices than most domestic earthenware. Therefore we regard domestic chinaware and earthenware as distinct articles for the purpose of this investigation.

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<sup>1/</sup> The Commission determined in 1963 that increased imports of household china tableware and kitchenware could not be attributed in major part to concessions granted under trade agreements. Household China Tableware and Kitchenware: Report to the President on Investigation No. 7-113 (TEA-I-1), TC Publication 84, 1963.

As indicated by our findings cited earlier, we have concluded that the domestic earthenware industry is being seriously injured by increased imports of: (1) earthen dinnerware valued at between \$12 and \$22 per norm (533.28 pt.), <sup>1/</sup> (2) earthenware and chinaware mugs and miscellaneous articles (533.31 and 533.71), and (3) certain specified earthen and china non-dinnerware articles. <sup>2/</sup> We believe that these imports have resulted in major part from trade-agreement concessions, and that an increase in the rates of duty applicable to the foregoing specified articles to the pre-Kennedy Round (1967) rates is necessary to remedy this injury.

We have made a negative determination with respect to the domestic industry producing household chinaware because we believe that such industry is not seriously injured or threatened with serious injury from increased imports resulting in major part from trade-agreement concessions.

We determined with respect to low and medium value earthen dinnerware that the domestic earthenware industry is not being seriously injured or threatened with serious injury from increased imports of these articles resulting in major part from trade-agreement concessions. In the case of the low value category (533.23) trade has diminished to a point that imports are virtually nonexistent.

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<sup>1/</sup> The term "norm" means a specified set made up of the 77 pieces listed in the headnotes to the Tariff Schedules of the United States. The value per norm shown above represents the aggregate value of the 77 pieces in the country of manufacture. The U.S. retail price of imported earthen dinnerware valued for duty purposes at between \$12 and \$22 per norm would range from approximately \$25 to \$50 for a 45-piece set.

<sup>2/</sup> See finding on page 4.

Imports of part of the medium value category (533.25) have been down sharply year by year since 1964. Imports of the remainder of the medium value category (533.26) have declined annually since 1968, and no Kennedy Round concession was made on this item.

#### Earthenware industry

Within the meaning of the statute earthen dinnerware with a dutiable value of between \$12 and \$22 per norm, earthenware and chinaware mugs, and certain specified earthen and china non-dinnerware articles are being imported into the United States in increased quantities as a result in major part from the trade-agreement concessions negotiated in 1967 during the Kennedy Round tariff conference. These tariff concessions resulted in about a 50-percent reduction in the rates of duty applicable to these articles.

For the purpose of making our determination, the trend of U.S. imports of these earthenware and chinaware articles must be viewed against the Kennedy Round concessions. Those concessions resulted in reducing the duties on earthenware mugs and non-dinnerware articles by about 45 percent. Prior to these concessions (1964-67) imports of these articles increased at an annual rate of 4.9 percent. After the Kennedy Round concessions were implemented, the average annual rate of increase became 7.7 percent. Imports of chinaware mugs and china non-dinnerware articles increased at an annual rate of 3.8 percent during the period 1964-67. After January 1968, when the first stage of the Kennedy Round concessions were put into effect, the annual rate of increase averaged 23.5 percent. Direct comparisons between

the immediate pre- and post-concession periods for earthen dinnerware valued between \$12 and \$22 per norm are not possible because import statistics for such dinnerware were not separately reported. However, by comparing the average annual increase for the pre-Kennedy Round high value category (all dinnerware valued over \$7 per norm) for the 1964-67 period with imports of the dinnerware valued over \$12 per norm (the new high value category established by the Kennedy Round concessions) for the 1968-70 period, the pre-concession annual rate of import increase was 5.0 percent and the post-concession rate was 16 percent. Furthermore we note that since 1967 imports of dinnerware valued between \$7 and \$12 per norm, on which a Kennedy Round concession was not granted, declined by more than two-thirds.

We have therefore concluded that the substantial increase in the annual rate of imports was due in major part to the Kennedy Round trade-agreement concessions.

The effect of these increased imports is to cause serious injury to the domestic earthenware industry. Between 1962 and 1970, three firms ceased the production of earthenware articles; in 1971 two additional firms terminated their production, and only one small company (in 1964) ventured into this field. This indicates that under present conditions the production of earthenware is not profitable. During 1966-70, the earthenware industry experienced a loss in every year. The ratio of net operating loss to net sales for the industry ranged from a low of 0.8 percent to a high of 6.5 percent.

Shipments of domestic earthenware have trended downward for many years. During the period 1966-70 shipments were greatest in 1968, and thereafter have declined annually, while imports of competitive articles have increased.

Employment in the earthenware industry increased modestly between 1966 and 1968, but declined annually thereafter, and in 1970 was about 20 percent smaller than in 1968. Less than a quarter of this decline was due to increased mechanization.

Although domestic consumption of earthen dinnerware remained about constant during 1966-70, the share of the U.S. market supplied by imports increased by 33 percent, thereby displacing a substantial part of the domestic output. The consumption of all earthenware table and kitchen articles increased moderately during this period. The share of the market supplied by imports increased by 32 percent. By 1970, imports had captured 54 percent of the U.S. market for earthenware table and kitchen articles; with the still rising imports their share of the market is continuing to increase in 1971.

Domestic earthenware faced import competition in all its markets-- premium, <sup>1/</sup> mass retailing, and department and specialty stores.

For some years now the premium market has been the single largest market for domestic earthenware. It still is today, but in 1970 this market accounted for just over 40 percent of domestic sales compared with about 50 percent in 1966, and nearly 56 percent in 1961. The

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<sup>1/</sup> "Premium" is the term used by the industry to identify ware used for promotional purposes by banks, supermarkets, gasoline stations, etc.



amount of imported earthen and china dinnerware entering the premium market has increased from an insignificant amount in 1961 to 14 percent of the imported earthen dinnerware and 62 percent of the imported china dinnerware.

Although popular priced imported china dinnerware has entered the mass premium market in a substantial way, such increased imports are not in major part a result of duty concessions. In our opinion the criteria established by the Trade Expansion Act make it impossible for us to determine that serious injury to the earthenware industry was caused in major part by concession-generated imports of low value china dinnerware. In the first place, the most recent data show that imports of this type of chinaware decreased by about 60 percent between 1969 and 1971. Also, some of this ware is not considered directly competitive with domestic earthenware. Furthermore, the last duty concession on this type of dinnerware occurred in 1955.

In the non-premium dinnerware market most of the imported earthen dinnerware utilizes more sophisticated patterns and more decoration and usually sells at higher prices than most domestically produced earthenware. But the fact that it sells at a higher price does not justify a conclusion that it is not directly competitive with U.S. produced earthenware. The lowering of the duty on earthenware in the Kennedy Round negotiations in 1967 has enabled foreign producers to provide a more highly decorated product and still maintain a price

range which effectively prevents U.S. producers from being competitive pricewise. As a result, foreign producers of earthen dinnerware have been able to make great inroads in this market and are forcing domestic producers to look to the lower priced, lower margin, lower profit, premium, and other mass market areas in which to market their less decorative products.

Other products competing with earthen dinnerware in the marketplace are plastic and machine-made glassware. The share of the domestic dinnerware market supplied by these products has declined from 37 percent in 1961 to 32 percent in 1970. We therefore conclude that plastic has been replacing machine-made glass dinnerware in the domestic market.

#### Recommended remedy

As stated in our finding we recommend that rates of duty be established on certain earthenware and chinaware (except china dinnerware) at the level of the rates of duty which existed in 1967 immediately prior to the so-called Kennedy Round tariff concessions; this will result in an increase in the rates of duty of about 90 percent for these items. <sup>1/</sup>

It is our view that the duties that we have suggested will remove the cause of the serious injury to the domestic earthenware industry

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<sup>1/</sup> We note that section 352 of the Trade Expansion Act of 1962 authorizes the President to negotiate international agreements with exporting countries to limit exports from such countries and imports to the United States whenever he determines that such action would be more appropriate than the remedy authorized under section 351(a)(1).

which has resulted from increased imports of like or directly competitive articles. The main thrust of this remedy is directed to those imports of earthen dinnerware and earthen and china non-dinnerware articles the imports of which are increasing and which represent, under the Trade Expansion Act, the greatest present and potential serious injury to the domestic earthenware industry.

#### Household chinaware industry

As indicated by findings cited above, we have concluded that the domestic industry producing household china table and kitchen articles is not being seriously injured or threatened with serious injury from increased imports resulting in major part from trade-agreement concessions. Therefore we have made a negative determination.

In the instant case, we are unable to find that the domestic chinaware industry is suffering injury, and therefore does not meet one of the four requirements for an affirmative determination under the Trade Expansion Act of 1962. This industry continues to enjoy profitable operations. The aggregate of net operating profit to net sales increased annually from 16.6 percent in 1966 to 25.9 percent in 1969, then dropped in 1970 to 24.9 percent.



## Views of Commissioner Sutton

This investigation marks the second time that the Tariff Commission has conducted escape-clause investigations of earthen and china table and kitchen articles. The earlier inquiries, which were concluded in 1963, were the first conducted under section 301(b) of the Trade Expansion Act of 1962. In the instant investigation the Commission must determine whether:

1. Ceramic table and kitchen articles are being imported in increased quantities;
2. The increased imports are in major part the result of concessions granted under trade agreements;
3. The domestic industries producing like or directly competitive products are being seriously injured, or are threatened with serious injury; and
4. The increased imports (resulting in major part from the trade-agreement concessions) are the major factor causing, or threatening to cause, serious injury to the domestic industries.

In the earlier escape clause investigations on the earthen and china table and kitchen articles industries 1/, I and my fellow Commissioners expressed the view that while aggregate imports of these articles had increased during 1947-62, we could not attribute such increased imports in major part to concessions granted under trade agreements. Many of the same factors that influenced imports more

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1/ The public reports of these investigations include the considerations in support of my findings. The chinaware report is TC Publication 84, April 1963; the earthenware report is TC Publication 86, April 1963.

significantly than trade-agreement concessions in that earlier period have continued to predominate in the years since then. Consequently, I have concluded that the second criterion listed above has not been met. Therefore, I have had to make a negative determination in this case. The following brief account of trade concessions, import trends, and marketing factors influencing imports since 1964 explains my position.

The Tariff Schedules of the United States (TSUS) classifies dinnerware (i.e., ware that is available in specific sets) separately from other table and kitchen articles; it also provides separate TSUS items for earthen and china mugs, steins, and specified miscellaneous articles. Both dinnerware and other table and kitchen articles (except for mugs, etc.) are further classified on the basis of their value.

With respect to earthenware, trade-agreement concessions were granted at the Kennedy Round on all articles except those classifiable in TSUS 533.26, a part of the medium value category of dinnerware. Concessions amounting to 50 percent were granted on low valued and high valued dinnerware and other table and kitchen articles, as well as mugs and miscellaneous other articles. Lesser concessions were granted on part of the medium valued dinnerware and other table and kitchen articles.

During 1964-71, the bulk of U.S. imports of earthen dinnerware entered in the high value category and the bulk of the imports of

other table and kitchen articles consisted of mugs, steins, and miscellaneous articles. Imports in these categories rose during the period. The reductions accorded by the Kennedy Round rates were small, amounting by 1971 on the average to only about 2 cents per piece on the dinnerware described above and less than 2 cents per piece on the mugs; further, the effectuation of these rates was carried out over a series of years so that the reduction at any one time was trivial. During the period that the rates were being placed in effect, moreover, the prices of such imported ware in the U.S. market rose substantially. The bulk of these earthenware imports were higher styled and higher quality than domestically produced earthenware and generally sold for a considerably higher price than domestic ware. The imported ware filled a large and growing need in the U.S. market for medium-priced dinnerware and mugs. The increased imports thus were a result primarily of expanding demand, rather than a response to lower duties.

During the Kennedy Round, the United States granted concessions on a number of rates of duty applicable to china table and kitchen articles, but it did not grant concessions on low, medium, or most high-valued dinnerware. The only trade-agreement concessions applicable to low and medium-valued china dinnerware became effective in 1955; the major trade-agreement concessions on high-valued china dinnerware occurred in 1939 and 1948, with a minor reduction in 1951.

Therefore, concessions have not been made for some years on chinaware imports accounting for an estimated 74 percent of the volume of china table and kitchen articles imported during 1964-71.

Imports of china table and kitchen articles covered by this investigation rose sharply, but irregularly, between 1964 and 1969; thereafter imports declined sharply in 1970 and January-June 1971. These fluctuations in imports resulted from marketing factors, other than trade-agreement concessions, that affected the major import categories. Imports of low-end china dinnerware, for example, rose sharply in 1968 and 1969 in response to a demand for such ware in the premium markets serving principally supermarkets and gasoline stations. Dealers serving these markets overbought in 1969, which largely explains the subsequent decline in imports of such dinnerware. The dramatic increase in imports of china mugs, steins and miscellaneous articles since 1966 reflects a change in consumer habits rather than a response to a duty concession; the higher-styled imported ware has been more in demand than lower-styled domestic ware. The acceptance of low-end chinaware in the U.S. market, moreover, is in part the result of the increasing affluence of the American consumer who has been able to "trade up" from lower-quality domestic earthenware to imported china. Furthermore, this acceptance of low-valued china in the U.S. market is the result of aggressive and imaginative marketing efforts by large U.S. importers unrelated to lower prices made possible by trade-agreement concessions.



I feel compelled to comment on the remedy proposed by my four colleagues who have found affirmatively in this case. When the rigid and difficult criteria for granting tariff adjustment for the domestic industry have been met, section 301(e) of the Act contemplates from the Commission a determination with respect to --

the amount of the increase in, or imposition of, any duty or other import restriction on such article which is necessary to prevent or remedy such injury \* \* \*

In this case, the remedies proposed are insufficient to meet that statutory requirement for two reasons:

- (1) it is not proposed that duty rates be increased on so-called low-end china dinnerware which constitute the imported articles that recently have afforded the primary import competition to the products of the domestic earthenware industry, and
- (2) where duty increases are proposed, most are clearly insufficient to restrict imports to the extent necessary to remedy any injury.

Sales of low-end china dinnerware in the U.S. market have grown more rapidly in recent years than those of any other type of dinnerware. Such dinnerware is all supplied by imports. Low-end chinaware competes directly with domestically produced earthen dinnerware, especially in the premium market which had been dominated by the domestic earthenware producers until the mid-1960's. In the absence of import restrictions that would substantially limit entries of low-end china dinnerware, the duty increases proposed by my colleagues will afford little relief to the domestic producers of earthenware.

With regard to reason (2) above, the duty increments proposed by my colleagues, raising selected rates of duty to the pre-Kennedy Round level, would not significantly affect imports. The difference between the pre-Kennedy Round duty rates (1967) and the present rates amount on the average to only about 3 cents per piece on the earthen dinnerware concerned, about 2 cents per piece on earthenware mugs, steins, and miscellaneous articles, and about one cent on low-valued earthen nondinnerware articles. These increases in duty rates could not possibly have any significant effect on trade in these products. The proposed increases in the duty rates on china nondinnerware articles, moreover, would increase such rates to about the level of the rates that have applied to low-end china dinnerware since 1955; this level of duty did not retard imports of low-end china dinnerware at all, and it is not likely that it would appreciably restrict imports of the china articles to which it would apply. The proposed rate increases thus are a hollow promise, not a meaningful remedy.

## Views of Commissioner Leonard

I concur generally with the reasons given by Chairman Bedell, Vice Chairman Parker, and Commissioners Moore and Young for finding that the domestic industry producing household china table and kitchen articles is not being seriously injured nor threatened with serious injury. With regard to the earthenware industry in the United States, I agree in the main with the views of Commissioner Sutton in finding that increased imports of articles like or directly competitive with the articles produced by that industry are not in major part the result of trade-agreement concessions. Thus, my determination is necessarily in the negative, for all of the criteria of the statute have not been satisfied with respect to each of the imported articles under investigation.

The instant investigation has been conducted under the so-called escape clause (Section 301(b) of the Trade Expansion Act of 1962 (TEA)). Under the escape-clause criteria of the TEA, the Commission must determine that imports are entering in increased quantities, the increased imports are in major part a result of concessions granted under trade agreements, the domestic industry producing an article like or directly competitive with the imports is seriously injured or threatened with serious injury, and the imports are the major factor in causing, or threatening to cause, serious injury to the domestic industry. These statutory criteria are conjunctive. An affirmative

determination in favor of granting escape-clause relief to a domestic industry is foreclosed unless each condition is satisfied.

And, for me, that is where the rub is in this investigation as it relates to the U.S. earthenware industry. I have no trouble in finding increased imports of important categories of ceramic table and kitchen articles like or directly competitive with the products of the domestic earthenware industry, nor in finding that industry seriously injured, nor even in finding the increased imports to be the major factor causing the serious injury to the industry. However, I am unable to determine that the industry is eligible for relief under the TEA because I cannot find the second element of the law satisfied--that the increased imports are a result in major part of trade-agreement concessions. This "Achilles heel" of the statute once more prevents me from finding in behalf of a U.S. industry sorely beset with import-inspired problems.

Trade-agreement concessions need not be the sole cause of the increased imports under the statute, but there must be a strong causal connection between the concessions and the imports. Increases in imports which occur subsequent to a trade-agreement concession do not necessarily prove that such a strong causal connection exists and may, upon analysis, indicate nothing more than a coincidence.

The difficulty in trying to establish this causation requirement has led to severe criticism of the TEA and of those who attempt to

administer it. As written, the TEA necessarily requires the Tariff Commission to identify the probable factors which might have influenced an increase in imports, to assign values to those probable factors, to weigh the factors against each other, and to determine which of the factors "in major part" resulted in an increase in imports. The interpretation of "in major part" controls the measuring of a factual determination necessary to each investigation. For a probable factor to be "in major part" responsible for an increase in imports, that factor must, at least, be greater in importance than any of the other contributing factors. Quite clearly, the methodology does not exist to weigh accurately all of the probable factors which might have contributed to an increase in imports in any particular investigation. How can the relative contributions of such factors as changes in consumer tastes, increases in disposable personal income, changes in product merchandising, the cost structure of domestic production, etc. be weighed with precision? Yet the Commission must do its best, for the statute would seem to call for it.

Impact of concessions on imports affecting U.S.  
earthenware industry

With respect to the instant investigation, the major cause of the increases in the imports of ceramic table and kitchen articles causing injury to the producers of domestic earthenware could not have been

the tariff concessions granted in the Kennedy Round Trade Conference as apparently concluded by four of my colleagues.

Those colleagues, a Commission majority, found injury resulting from imports of earthen dinnerware entering under item 533.28 of the Tariff Schedules of the United States (TSUS)--imports which have been increasing steadily since the mid-1950's. More than 90 percent of the quantity of earthen dinnerware imports in 1970 entered under this TSUS item. As a result of the Kennedy Round, the applicable duty for earthen dinnerware was reduced about \$1.05 per 45 pieces between 1967 and 1971. This reduction, however, bears no relationship to the wholesale or retail price of the dinnerware in the United States. The domestic wholesale prices of 45-piece sets of such imported earthen dinnerware in the lowest possible net wholesale price that imports under 533.28 could enter, \$15 to \$30, actually increased 35 percent, from \$17.04 in 1967 to \$23.08 in 1971. Therefore, neither domestic dealers nor the ultimate customers of this dinnerware received any price benefit from the duty reduction. Moreover, U.S. importers of such dinnerware could not have profited from the duty reduction because the average unit values of their imports increased 32 percent between 1967 and 1971.

Imports of china dinnerware, as will be detailed shortly, had significant impact on the domestic earthenware industry, but, as

Commissioner Sutton notes, about three-fourths of all china imports were of types on which the last duty reductions occurred in 1955. There were no Kennedy Round duty cuts on the kinds of china imports that caused most of the misery to the U.S. earthenware industry.

Other factors influencing increases in imports

What then were the more important factors in influencing an increase in imports which hurt that large part of the domestic industry consisting of earthenware producers who catered to a higher volume, lower price market?

For one, the emphasis on household fashion, style, and color during the late 1950's through the 1960's worked to the benefit of imported earthen dinnerware products. The imported ware often received more hand work; if stamped, it was often decorated with greater clarity; or it was engraved and filled or masked and sprayed. These techniques provide a more attractive appearance than was possible with the domestic production methods for lower-priced ware. As the Tariff Commission found in 1963, the foreign producers were better equipped to satisfy the need of the U.S. retail market for a wide diversity of patterns in relatively small quantities. The inability of these domestic producers of lower-priced ware to compete with the more decorated and fashion-oriented imports of earthen dinnerware resulted in the virtual disappearance of their products from department stores.

The domestic producers had begun to concentrate their sales of earthenware products in chain variety stores and especially for use in premium promotions in the 1950's. Imports of relatively low-priced china dinnerware began to be extensively merchandised in the mass-merchandising and discount stores in the mid-1960's. Generally, the imported china dinnerware provided an alternate product of greater durability with a more prestigious image within competitive price ranges. The introduction of imported china dinnerware compounded the competition afforded to the producers of lower-priced earthenware from both more durable plastic dinnerware and lower-priced glass dinnerware.

In the early 1960's, negligible quantities of low-priced imported chinaware were sold in premium promotion markets. By 1966, without the intervention of trade-agreement concessions, approximately one-third of the importers' sales of such china dinnerware were distributed to such premium outlets. In 1968 a tremendous demand for household products for use in premium promotions resulted in large orders for both domestic earthen dinnerware and imported china dinnerware. The domestic producers were operating at capacity to supply these orders.



Overbuying of both the domestic and imported ware reduced the premium demand for both products in 1969, although imports of the low-priced china dinnerware did not decline until 1970, due to the longer lead time required to obtain imports from Japan. Premium dealers reduced the prices of both imported china and domestic earthen dinnerware to work off large inventories accumulated since 1969. The large dealer inventories of these products depressed the demand for domestic earthenware shipments and imports of lower-priced china from Japan. In addition, the shipments of domestic melamine and glass dinnerware maintained an irregular, but substantial, share of the total lower-priced dinnerware market, fluctuating between approximately 23 percent and approximately 37 percent during the decade 1961-1971.

To further compound the troubles of the lower-priced domestic producers, decorated imported earthen dinnerware began to be distributed through both premium and discount outlets in 1966. In addition, because of the market saturation of lower-priced china dinnerware from 1969 through 1971, many premium dealers have indicated a desire to substitute imported dinnerware with a "stoneware look" (dutiable at earthen dinnerware rates) to sell at prices above domestic earthenware and the same as or slightly less than imported china dinnerware. The imported "stoneware look" has the potential of increasing the emphasis on fashionably designed and colored dinnerware in the premium outlets.

The experience of the domestic producers of lower-priced earthen table and kitchen articles has revealed a pattern of encirclement by fashionably decorated imported earthenware products at prices the domestic producers allegedly could not compete with were they to upgrade their products, and durable and more prestigious imported china products penetrating the same markets in which these producers have concentrated their sales.

All of the above evidence secured in this investigation belies a finding that the domestic earthenware industry was hurt from imports that were in major part the result of trade-agreement concessions.

INFORMATION OBTAINED IN THE INVESTIGATION

Description and Uses of Products  
Under Investigation

Scope of the investigation

The imported articles specified in the Commission's public notice consist of ceramic articles chiefly used for preparing, serving, or storing food or beverages, or food or beverage ingredients, all the foregoing of fine-grained earthenware, of fine-grained stoneware, or chinaware, or of subporcelain, and provided for in items 533.14 through 533.77 of the Tariff Schedules of the United States (TSUS), inclusive, but excluding item 533.51, which provides for hotel or restaurant ware of nonbone chinaware or of subporcelain. <sup>1/</sup> For the purposes of this investigation, the articles covered by this investigation will be collectively referred to as table and kitchen articles.

Description of terms

Available in specified sets.--The TSUS distinguishes between ceramic table and kitchen articles--those that are "available in specified sets" and those that are "not available in specified sets." The term "available in specified sets" embraces all such articles in

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<sup>1/</sup> Neither bone china nor earthenware is used extensively for hotel and restaurant ware.

a pattern in which certain specified pieces <sup>1/</sup> are sold or offered for sale. The individual articles do not have to be sold together, nor do they have to be imported in the same shipment. For tariff purposes, the production of, or the offer to produce (e.g., in a manufacturer's catalog) is considered as being "offered for sale". Moreover, each article does not have to be of the same color to be considered "available in specified sets", if the articles are color coordinated.

For convenience, articles "available in specified sets" will be referred to in this report as dinnerware.

Not available in specified sets.--The term "not available in specified sets" embraces ceramic articles that are not sold or offered for sale in the same pattern in all the articles required in order to

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<sup>1/</sup> Headnote 2(b) provides that if each of the following articles is sold or offered for sale in the same pattern, all of the articles of such pattern shall be considered as being "available in specified sets": (1) plate of the size nearest to 10.5 inches in maximum dimension, (2) plate of the size nearest to 6 inches in maximum dimension, (3) tea cup and its saucer, (4) soup of the size nearest to 7 inches in maximum dimension, (5) fruit of the size nearest to 5 inches in maximum dimension, (6) platter or chop dish of the size nearest to 15 inches in maximum dimension, (7) open vegetable dish or bowl of the size nearest to 10 inches in maximum dimension, (8) sugar, (9) creamer.

If either soup or fruit is not sold or offered for sale, a cereal of the size nearest to 6 inches in maximum dimension shall be substituted therefor.

Headnote 2(c) provides that if each of the articles specified in headnote 2(b) is not sold or offered for sale in the same pattern, but if each of the following articles is sold or offered for sale in the same pattern, all the articles of such pattern shall be considered as being "available in specified sets": (1) plate of the size nearest to 8 inches in maximum dimension, (2) beverage cup and its saucer, (3) sugar, (4) creamer, (5) beverage pot of the size nearest a 6-cup capacity.

be considered dinnerware. For convenience, articles "not available in specified sets" will be referred to in this report as non-dinnerware. Such ware consists chiefly of mugs, beverage and dessert sets, and other shortline (incomplete) service, and articles designed primarily for preparing and storing food and drink.

Earthenware and stoneware.--Fine-grained <sup>1/</sup> earthen table and kitchen articles covered by this investigation are articles having a fired body that will absorb more than 3 percent of its weight of water. <sup>2/</sup>

Fine-grained earthenware having a reddish-colored body and a lustrous glaze is generally referred to in the trade as "Rockingham" ware. Teapots, sugar bowls, cream pitchers, mugs, and salt and pepper sets are the principal articles of Rockingham ware imported into the United States. On the teapots the lustrous glazes may be any color, but on other articles they must be mottled, streaked, or solidly colored brown to black to meet TSUS specifications.

Although there is no production of Rockingham ware in the United States, there is production of earthenware with opaque bodies which are glazed and given mottled, streaked, or solidly colored brown to black glaze. It is not possible for the consumer to distinguish between imported Rockingham ware and similarly colored domestic earthenware.

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<sup>1/</sup> "Fine-grained" is defined in the TSUS as wares having a body made of materials which have been washed, ground, or otherwise beneficiated.

<sup>2/</sup> See headnote 2(b) of Schedule 5, part 2 of the TSUS.

Fine-grained stoneware articles are articles having a fired body that will absorb not more than 3 percent of its weight of water, and is naturally opaque, and the body is not commonly white. <sup>1/</sup>

As used hereinafter in this report, the term earthenware refers to fine-grained earthenware including Rockingham ware and fine-grained stoneware unless otherwise specified. The qualities of earthenware articles can best be described by contrasting them with the qualities of chinaware. Earthenware articles generally are less durable than those of chinaware, and less resistant to thermal and mechanical shock. Earthenware will chip or crack more readily than chinaware, and earthenware glazes <sup>2/</sup> may crackle if exposed to sudden changes in temperature. Also, an earthenware body, except that of stoneware, will stain if its glaze is chipped.

Chinaware.--The term "chinaware" as used in this report includes chinaware and porcelain which are fine-grained ceramic ware (other than stoneware), having a body which is white (unless artificially colored) and will absorb not more than 0.5 percent of its weight of water; <sup>3/</sup> and subporcelain, which is fine-grained ceramic ware (other than stoneware), having a body which is white (unless artificially colored) and will absorb more than 0.5 percent but not more than 3 percent of its weight of water. <sup>4/</sup> Chinaware is subdivided into bone

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<sup>1/</sup> See headnote 2(c) of Schedule 5, part 2 of the TSUS.

<sup>2/</sup> Glazes are the glass-like coatings fused at high heat to the surfaces of the ware. The glass forming ingredient is a feldspathic mineral.

<sup>3/</sup> See headnote 2(e) of Schedule 5, part 2 of the TSUS.

<sup>4/</sup> See headnote 2(d) of Schedule 5, part 2 of the TSUS.

china (ware having a body which contains by weight 25 percent or more calcined bone),<sup>1/</sup> and nonbone chinaware. The differences between these various types of china are of a technical nature; frequently experts cannot visually differentiate among them. Nonbone china is the principal ware produced in the United States; porcelain is produced in Continental Europe and Japan; and bone china, until 1962, was produced almost exclusively in the United Kingdom. Production of bone china began in the United States in the last half of 1962, and in Japan in 1964.

Chinaware is very resistant to thermal and mechanical shock. It does not chip or crack readily and its glaze does not crackle. Chinaware bodies are not susceptible to staining if their glazes are chipped. Most chinaware is decorated, the decoration being applied either under or over the glaze. The more elaborate decorations are confined largely to over-the-glaze application. Metallic decorations, once nearly exclusively of either coin or bright gold, are now frequently of platinum or palladium.

In recent years, consumer acceptance of casual chinaware has developed as a factor in chinaware consumption. Casual china is distinguished from formal chinaware by its bolder pattern and color design and its lack of metallic decoration. The colored designs are usually under the glaze. In some cases, casual china is thicker than formal chinaware and is relatively less translucent.

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<sup>1/</sup> See headnote 2(f) of Schedule 5, part 2 of the TSUS.

Pyroceram (Centura ware).--Pyroceram is the trade name of devitrified glass articles made by a patent process. Pyroceram is essentially crystalline in structure, similar to the bodies of ceramic articles, but is formed by a glass-making process. Headnote 2(a) of Schedule 5, Part 2, provides that a ceramic article may be "formed from a molten mass which solidifies on cooling". Pyroceram conforms to this definition, and therefore would be classified as ceramic ware if imported. For the purposes of this report Pyroceram (Centura ware) is considered chinaware.

#### U.S. Tariff Treatment

##### Pre-TSUS

Earthenware articles.--Earthenware table and kitchen articles (except so-called "Rockingham" ware) <sup>1/</sup> were provided for in paragraph 211 of the Tariff Act of 1930. Under that act, the original rates of duty on table and kitchen articles were 10 cents per dozen pieces plus 45 percent ad valorem on articles not colored or undecorated, and 10 cents per dozen pieces plus 50 percent ad valorem on articles decorated or colored. As a result of trade agreements, the varying reduced rates of duty applicable to earthenware table and kitchen articles were made applicable on the basis of the size and value of individual pieces.

Prior to the implementation of the TSUS (August 31, 1963), the tariff concessions granted on the earthenware articles covered by

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<sup>1/</sup> Rockingham ware was provided for in paragraph 210 of the Tariff Act of 1930, at the rate of 25 percent ad valorem (table 3).



this investigation occurred during the late 1940's and the 1950's. The largest duty reductions, granted in 1948 and 1951, were on specified earthenware table and kitchen articles above specified values primarily for the purposes of providing concessions that would apply primarily to imports from the United Kingdom and West European suppliers. These concessions resulted in the reduction of the ad valorem portion of the compound duty rate to 20 percent (ad valorem), from 50 percent, on decorated or colored articles, and to 25 percent (ad valorem), from 45 percent, on not decorated or uncolored articles (table 4). The specific rate of 10 cents per dozen pieces was not affected.

Later in 1955, pursuant to the accession of Japan to the GATT, concessions were implemented on two specified sets of value brackets lower than those provided for in the years 1948-51. With respect to the articles in the lower of these two sets of value brackets, the concessions resulted in reductions of the ad valorem portion of the compound rate of duty to 25 percent ad valorem, from 50 percent, on specified decorated or colored articles, and to 25 percent ad valorem, from 45 percent, on specified not decorated or uncolored articles. With respect to articles in the other set of value brackets, the concessions resulted in a reduction in the ad valorem portion of the compound duty to 40 percent (ad valorem), from 50 percent, on decorated or colored articles, and to 40 percent (ad valorem), from 45 percent, on not decorated or uncolored articles (table 4). The specific rate of 10 cents per dozen pieces was not affected.

Chinaware articles.--China table and kitchen articles were provided for in paragraph 212 of the Tariff Act of 1930. Under that act, the original rates of duty on such china articles were 10 cents per dozen pieces plus 60 percent ad valorem on not decorated or uncolored articles and 10 cents per dozen pieces plus 70 percent ad valorem on decorated or colored articles (table 5).

As a result of the 1939 trade negotiations with the United Kingdom, bone chinaware was separately classified. The original paragraph 212 rates were reduced to 40 percent ad valorem on not decorated or uncolored articles and to 45 percent ad valorem on decorated or colored articles. These rates were further reduced in 1948 to 30 percent ad valorem and 35 percent ad valorem on decorated or colored and not decorated or uncolored articles, respectively. <sup>1/</sup>

As a result of trade agreements, the varying rates of duty applicable to nonbone chinaware were made applicable on the basis of the size and value of individual pieces. Prior to the implementation of the TSUS (August 31, 1963), the tariff concessions granted on nonbone chinaware occurred during the late 1940's and the 1950's. The largest concessions, granted in 1948 and 1951, were on nonbone

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<sup>1/</sup> These rates were subject to minimum rates which were little used because of the high value of the imported bone china. The four rates (two ad valorems and 2 minimums) were consolidated into a single provision in the TSUS at a simple ad valorem rate.

chinaware articles of specified sizes above specified values. <sup>1/</sup> These concessions resulted in the reduction of the ad valorem portion of the compound duty rate to 35 percent ad valorem from 70 percent on decorated or colored articles, and from 60 percent on not decorated or uncolored articles. The specific rate of 10 cents per dozen pieces was not affected.

Duty concessions were implemented on two specified sets of value brackets lower than those provided for in 1948-51 pursuant to the accession of Japan to the GATT in 1955. Concessions granted on articles in the higher of these two sets of value brackets resulted in the reduction of the ad valorem portion of the compound duty rate to 60 percent ad valorem from 70 percent on specified decorated or colored articles. The concessions granted on articles in the lower of the two sets of value brackets resulted in a reduction of the ad valorem portion of the compound rate of duty to 45 percent ad valorem from 70 percent on specified decorated or colored articles, and from 60 percent on specified not decorated or uncolored articles (table 4). The specific rate of 10 cents per dozen pieces was not affected.

#### TSUS

The TSUS established the concept of ware "available in specified sets" (dinnerware) and "not available in specified sets" (non-dinnerware). The rates of duty established by the TSUS on non-dinnerware articles were generally the rates applicable under the

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<sup>1/</sup> See table 5.

former tariff schedules to the individual articles immediately before the TSUS became effective (August 31, 1963). The aim of the pre-TSUS trade-agreement concessions was to separate ceramic table and kitchen articles by value brackets into three quality grades; this aim, however, was not achieved for dinnerware. The various articles comprising dinnerware sets were usually assessed duty at two and frequently three different rates. In addition, values of individual pieces were often manipulated to achieve an aggregate duty level as low as possible for the pieces comprising dinnerware sets. The ultimate purchaser of dinnerware usually acquires a set, and to apply different rates on individual articles in dinnerware sets was in conflict with commercial practice. In view of the importance of the set concept for dinnerware in commerce and in consumer usage, the TSUS now classifies each article of a given pattern in a single provision at the same rate of duty.

For both earthenware and chinaware dinner sets, each of the classification provisions of the TSUS involved the establishment of a broadly-based aggregated value for the specified usual pieces within such sets and a weighted average rate of duty derived from the several rates previously in effect. Thus, for the 77-piece norm <sup>1/</sup> specified in the headnotes of the TSUS, three separate value categories, based

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<sup>1/</sup> The term "norm" means the 77 pieces listed in headnote 2(b) of Schedule 5, part 2, subpart C of the TSUS. The listed pieces are 12 each of the specified size of plates, cups, saucers, soups, and fruits, and one each of the specified size of platter or chop dish, open vegetable, sugar, and creamer. See note 1, page 2 for the complete description of the listed articles.

on the rates applicable to the individual specified articles, were established for both chinaware and earthenware, respectively, thereby accommodating commercial practice and reducing the opportunity for manipulating the values of individual pieces to achieve a reduction in the level of duties collected.

To facilitate discussion, the value brackets specified in the TSUS for ceramic table and kitchen articles are arbitrarily defined as low, medium, and high as shown in the following tabulation.

Earthenware and chinaware value categories compared  
with TSUS item numbers 1/

Value category	Earthenware		Chinaware	
	Dinnerware	Non-dinnerware	Dinnerware	Non-dinnerware
Low-----	533.23	533.33	533.63	533.73
Medium---	533.25, 533.26	533.35, 533.36	533.65	533.75
High-----	533.28	533.38	533.66, 533.68, 533.69	533.77

1/ Bone chinaware (item 533.41) and mugs, steins, candy boxes, etc. (items 533.31 and 533.71) are not classified by value category. Rockingham ware (items 533.14-.16), although classified by value category, does not fall within these arbitrary value categories.

With respect to earthen dinnerware, these value categories are: low value, not over \$3.30 per norm; medium value, over \$3.30 but not over \$12.00 per norm; high value, over \$12.00 per norm. The value categories for china dinnerware are: low value, not over \$10 per

norm; medium value, over \$10 but not over \$24 per norm; high value, <sup>1/</sup> over \$24 per norm.

Earthenware.--Tariff concessions were granted in the Kennedy Round trade conference on all earthenware table and kitchen articles except dinnerware valued over \$7 but not over \$12 per norm.

Earthenware table and kitchen articles: Kennedy Round tariff concessions, and percentage reductions in the rates

(Cents per dozen pieces and percent ad valorem)

Item and value category	Pre-Kennedy Round rate	Final Kennedy Round rate, effective Jan. 1, 1972	Percentage reduction <sup>1/</sup>
Rockingham ware:			
533.14-----	12.5%	6%	50
533.16-----	6.25%	6% <sup>2/</sup>	4
Dinnerware:			
Low value, 533.23-----	10¢ + 28%	5¢ + 14%	50
Medium value:			
533.25-----	10¢ + 37%	10¢ + 21%	35
533.26-----	10¢ + 21%	<sup>3/</sup>	0
High value, 533.28-----	10¢ + 21%	5¢ + 10.5%	50
Non-dinnerware:			
Mugs, steins, etc.,			
533.31-----	10¢ + 25%	5¢ + 12.5%	50
Low value, 533.33-----	10¢ + 25%	5¢ + 12.5%	50
Medium value:			
533.35-----	10¢ + 40%	10¢ + 21%	40
533.36-----	10¢ + 22%	10¢ + 21%	4
High value, 533.38-----	10¢ + 22%	5¢ + 11%	50

<sup>1/</sup> For compound rates, calculated from the average ad valorem equivalent of the rates based on imports in 1970.

<sup>2/</sup> Rate became effective on Jan. 1, 1968.

<sup>3/</sup> Rate of duty not affected by trade conference.

<sup>1/</sup> Included in this value category are articles entered under item 533.69. This classification covers high quality tea ware with an aggregate value of the 21 listed pieces of over \$8. The listed pieces are 6 each of the specified size of plate, cup, and saucer, and one each of the specified size of sugar, creamer, and beverage pot. Imports under this classification have been small and for the purposes of this report are considered high value china dinnerware. See note 1, page 2 for the complete description of the listed articles.

The average ad valorem equivalent, based on imports in 1970, of the pre-Kennedy Round rates on earthen dinnerware was 24.9 percent, and on non-dinnerware was 31.7 percent. The equivalent of the final Kennedy Round rates on dinnerware was 13.6 percent and on non-dinnerware was 17.5 percent. The ad valorem equivalents of the various rates, for specified years, are shown in table 6.

Chinaware.--Tariff concessions amounting to 50 percent were granted in the Kennedy Round trade conference on bone china ware, all china non-dinnerware, and the highest values of china dinnerware. The great bulk of the dinnerware imports enter under item 533.65 on which no concession was granted.

China ware table and kitchen articles: Kennedy Round tariff concessions, and percentage reductions in the rates

(Cents per dozen pieces and percent ad valorem)

Item and value category	Pre-Kennedy Round rate	Final Kennedy Round rate, effective Jan. 1, 1972	Percentage reduction <sup>1/</sup>
Bone china ware, 533.41--	35%	17.5%	50
Dinnerware:			
Low value, 533.63-----	10¢ + 48%	<u>2/</u>	0
Medium value, 533.65--	10¢ + 55%	<u>2/</u>	0
High value:			
533.66-----	10¢ + 36%	<u>2/</u>	0
533.68-----	10¢ + 36%	5¢ + 18%	50
533.69-----	10¢ + 36%	5¢ + 18%	50
Non-dinnerware:			
Mugs, steins, candy boxes, etc.,			
533.71-----	45%	22.5%	50
Low value, 533.73-----	10¢ + 45%	5¢ + 22.5%	50
Medium value, 533.75--	10¢ + 60%	5¢ + 30%	50
High value, 533.77----	10¢ + 35%	5¢ + 17.5%	50

<sup>1/</sup> For compound rates, calculated from the average ad valorem equivalent of the rates based on imports in 1970.

<sup>2/</sup> Rate of duty not affected by trade conference.

The average ad valorem equivalent, based on imports in 1970, of the pre-Kennedy Round rates on china dinnerware was 54.5 percent and on non-dinnerware was 50 percent. The equivalent of the final Kennedy Round rates on dinnerware was 54.2 percent, and on non-dinnerware was 25 percent. The ad valorem equivalents of the various rates, for specified years, are shown in table 6.

#### The surcharge

From August 16 until December 20, 1971, the President imposed a temporary surcharge duty of 10 percent ad valorem on articles not free of duty under the TSUS and which were the subject of tariff concessions granted by the United States in trade agreements. The surcharge applied to all imports of fine-grained earthenware and stoneware and bone and nonbone china dinnerware and other table and kitchen articles covered in this investigation.

#### Currency revaluation

Concurrently with the imposition of the surcharge, the President suspended payments in gold by the United States. The consequent depreciation of the dollar in terms of foreign currencies had the effect, by December 1971, of increasing the value of the articles in terms of the Japanese yen by 11 percent; those in West German marks by 3 percent; those in Italian lira by 2 percent; and those in pounds sterling by 3 percent.

On December 18, 1971, the President proposed that the Congress raise the price of gold to \$38 an ounce from \$35 an ounce. The



Washington agreement on foreign currency realignment of December 18, 1971, and the devaluing of the U.S. dollar by raising the official price of gold 8.7 percent to \$38 an ounce will have the effect of raising the value of the articles stated in Japanese yen by 16.88 percent; those in West German marks by 13.58 percent; those in Italian lira by 7.48 percent; and those in pounds sterling by 8.7 percent in terms of the U.S. dollar from the rates in effect in May 1971.

#### U.S. Consumption

Apparent U.S. consumption <sup>1/</sup> of earthen table and kitchen articles rose almost without interruption from 1966 to 1969, the largest increase occurring in 1968. In 1970 consumption declined. Dinnerware accounted for the great bulk of such consumption in each year; its consumption reached the highest level in 1968, then declined slightly in 1969 and substantially (more than aggregate consumption) in 1970.

The apparent consumption of nonbone china table and kitchen articles <sup>2/</sup> rose uninterruptedly from 1966 to 1969, then declined substantially in 1970. Dinnerware accounted for the great bulk of such consumption in each year; its consumption followed the same trend as the aggregate consumption of nonbone china table and kitchen articles.

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<sup>1/</sup> U.S. producers' shipments plus imports for consumption less exports.

<sup>2/</sup> The trend for consumption of bone china table and kitchen articles differed; see page A-22.

The Commission's figures for apparent consumption of both earthen and nonbone china table and kitchen articles in the years 1968-70 are overstated because data on imports for consumption were used since those on importers' sales could not be obtained. In 1968, premium dealers ordered substantial quantities of domestic earthen dinnerware and imported nonbone china dinnerware to supply both supermarkets and oil companies with dinnerware for premium product sales. The demand for dinnerware products was overestimated by these dealers, and large inventories of domestic earthen dinnerware and imported nonbone china dinnerware have accumulated in the warehouses of premium dealers and importers since 1968. The large buildup in inventories had a price-depressing effect for both china and earthen dinnerware in the premium market, particularly in 1971.

The saturation of the premium market with dinnerware products intensified the decline of consumption of domestic earthenware in 1969 and 1970. Although imports of medium-valued nonbone china dinnerware continued to rise during 1969, prior to declining in 1970, importers' testimony at the hearing suggested that the longer lead time required to obtain medium-valued dinnerware from Japan was responsible for the continued increase in imports throughout 1969. <sup>1/</sup>

Mainly on the basis of data obtained by questionnaires on year-end inventories held by importers (table 8), it is estimated that

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<sup>1/</sup> Transcript of the hearing, pp. 837-838, cited in the brief on behalf of the Associated Importers of Japanese Ceramics, p. 11.

apparent U.S. consumption of earthen table and kitchen articles (shown in table 7) is overstated by at least 260,000 dozen pieces in 1969 and at least 550,000 dozen pieces in 1970; the great bulk of the overstated amounts are accounted for by dinnerware. <sup>1/</sup> The aggregate apparent consumption of china table and kitchen articles (also shown in table 7) is overstated by at least 2.0 million dozen in 1969 and at least 1.7 million dozen in 1970; virtually all of the overstated amounts are accounted for by dinnerware.

The apparent consumption of bone china table and kitchen articles was irregular during the period January 1966-June 1971 and did not follow the trends of the apparent consumption of nonbone china table and kitchen articles. Negligible quantities of bone china, if any, have been sold to premium users.

The aggregate consumption <sup>2/</sup> of both ceramic and nonceramic dinnerware increased steadily from 1966 to 1969 and declined in 1970. The share of such consumption supplied by earthen dinnerware declined steadily from 50 percent in 1966 to 40 percent in 1970; the share supplied by china dinnerware rose from the 1966-68 average of about 26 percent to 31 percent in 1969, then declined to 29 percent in 1970; the share supplied by melamine dinnerware increased steadily from 18 percent in 1966 to 27 percent in 1968, declined to 25 percent in 1969, and rose to 29 percent in 1970.

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<sup>1/</sup> Two estimates were prepared. One was based on the absolute quantities of year-end inventories held by importers; the other, on the relationship between the trend of imports and that of inventories. Both methods yielded approximately the same result.

<sup>2/</sup> Unadjusted for inventories.

Earthenware

The apparent U.S. consumption of all earthen table and kitchen articles and of earthen dinnerware during the period January 1966 through June 1971 is shown in the following table.

Earthen table and kitchen articles: Estimated U.S. consumption, <sup>1/</sup> 1966-70, January-June 1970, and January-June 1971

(In millions of dozen pieces)

Type of ware	: 1966	: 1967	: 1968	: 1969	: 1970	: Jan.- June 1970	: Jan.- June 1971
Earthenware	:	:	:	:	:	:	:
(including	:	:	:	:	:	:	:
Rockingham	:	:	:	:	:	:	:
ware):	:	:	:	:	:	:	:
Total table and	:	:	:	:	:	:	:
kitchen	:	:	:	:	:	:	:
articles-----	: 26.8	: 26.2	: 30.7	: 31.2	: 28.1	: 14.3	: 15.0
Dinnerware only--	: 21.4	: 20.5	: 23.7	: 23.4	: 19.2	: 9.9	: 10.4

<sup>1/</sup> Not adjusted for inventories.

Source: Compiled from the official statistics of the U.S. Department of Commerce and from data submitted to the Tariff Commission by U.S. producers.

In 1968 an anticipated demand for earthen dinnerware products by supermarkets and oil companies which had begun to abandon "games of chance" sales promotions <sup>1/</sup> in favor of premium promotion programs

<sup>1/</sup> In 1966 the Federal Trade Commission (FTC) initiated a rule-making proceeding to investigate the use of games of chance in food and gasoline retailing. The FTC issued a staff report to the Federal Trade Commission in December 1968 entitled "Economic Report on the Use of Games of Chance in Food and Gasoline Retailing," which included, inter alia, an investigation into deceptive aspects of such promotions and proposed the adoption of a rule. In 1969 the FTC promulgated a rule regarding deceptive sweepstakes practices.

caused many of these retailers and premium dealers to buy large quantities of earthen table and kitchen articles.

By 1969 substantial inventories of domestic earthen dinnerware were warehoused by premium dealers as a result of the saturation of the premium market with dinnerware products; <sup>1/</sup> also, large inventories accumulated at U.S. producers' plants (table 9). In 1970 the downward trend in domestic shipments and consumption also reflected a plant fire which greatly reduced one domestic producer's anticipated shipments. <sup>2/</sup> The downturn in the national economy from late 1969 through June 1971 contributed to a decline in supermarket premium sales. <sup>3/</sup>

#### Household chinaware

The apparent U.S. consumption of all china table and kitchen articles and china dinnerware during January 1966 through June 1971 is shown in the following table.

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<sup>1/</sup> Transcript of the hearing, pp. 122 and 157, describes the saturation of the premium market.

<sup>2/</sup> In February 1970 fire destroyed the Royal China Co.'s main plant. Royal China Co.'s 1970 shipments were\*\*\* percent less than its 1969 shipments.

<sup>3/</sup> Transcript of the hearing, pp. 838-839, records a description of the effect of the national recession from late 1969 to mid-1971 on supermarket dinnerware premium programs.

China household table and kitchen articles: Estimated U.S. consumption,<sup>1/</sup>  
1966-70, January-June 1970, and January-June 1971

(In millions of dozen pieces)

Type of ware	1966	1967	1968	1969	1970	Jan.- June 1970	Jan.- June 1971
China:							
Total household table and kitchen articles <sup>2/</sup> -----	***	***	***	***	***	***	***
Household dinnerware only <sup>3/</sup> -----	10.9	11.7	14.9	17.9	13.8	7.0	4.2

<sup>1/</sup> Not adjusted for inventories.

<sup>2/</sup> Consumption of pyroceram table and kitchen articles included.

<sup>3/</sup> Pyroceram dinnerware excluded.

Source: Compiled from official statistics of the U.S. Department of Commerce and from data submitted to the Tariff Commission by U.S. producers.

Apparent consumption of china household table and kitchen articles increased 9 percent from 1966 to 1967, 30 percent from 1967 to 1968, and 17 percent from 1968 to 1969. The significant increase in 1968 was influenced by the "best sales year in the fine china business" for both domestic producers and importers <sup>1/</sup> and the substantial orders for imported medium-valued dinnerware from Japan in anticipation of a large demand for such dinnerware from both supermarkets and oil companies. The food and gasoline retailers had begun to switch their sales promotion programs from "games of chance" or sweepstakes to offering household products as premiums during 1967-68. <sup>2/</sup>

<sup>1/</sup> Transcript of the hearing, p. 1309.

<sup>2/</sup> Transcript of the hearing, p. 834.

For the period January 1966 through June 1971 nonbone china household dinnerware accounted for the bulk of the apparent consumption of all china household table and kitchen articles. The Commission's survey of the 1965-70 yearend inventories of 43 large importers <sup>1/</sup> indicates that large amounts of the nonbone china table and kitchen articles, especially dinnerware, imported in 1968 through 1970 were not actually sold during those years and that significant quantities of these articles are still in importers' warehouses. <sup>2/</sup>

From 1965 through 1967, these importers' inventories of nonbone china household dinnerware decreased annually. At the end of 1968 their inventories had increased nearly 30 percent over the 1967 amount, and at the end of 1969 the inventories were nearly 150 percent above the 1968 level. The 1970 yearend inventories were equivalent, in quantity, to nearly 40 percent of the official imports of nonbone china household dinnerware during 1970. The indexes (by quantity) of these inventories for the years 1965-70 (1965=100) were as follows: 1965, 100.0; 1966, 90.4; 1967, 71.5; 1968, 91.5; 1969, 222.2; and 1970, 332.1. <sup>3/</sup>

#### Bone china

Apparent consumption of bone china table and kitchen articles decreased from 1966 to 1967, increased from 1967 through 1970, and

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<sup>1/</sup> The 43 importers surveyed by the Tariff Commission accounted for 83 percent of the official imports of nonbone china household dinnerware in 1970.

<sup>2/</sup> Transcript of the hearing, p. 157.

<sup>3/</sup> See table 8 for the quantity figures on which these indexes are based.

decreased from January-June 1970 to the corresponding period in 1971. The apparent consumption of bone china articles did not reflect the consumption trend of nonbone table and kitchen articles during the period under investigation.

Imports account for the great bulk of bone china table and kitchen articles. The imports of bone china dinnerware are not separately classified in U.S. statistics; therefore, the apparent domestic consumption of bone china dinnerware can only be estimated. Based upon information developed in this investigation, approximately 42 percent of the apparent consumption of bone china consumed in the United States in recent years has consisted of dinnerware. About half of the English bone china exports to the United States in recent years have consisted of dinnerware, and about half of non-dinnerware articles. Japanese exports of bone china to the United States consist primarily of dinnerware sets. The single domestic producer of bone china--Lenox, Inc.--has manufactured bone china dinnerware since 1962.

Aggregate consumption of table  
and kitchen articles

Consumers of household table and kitchen articles have a choice among chinaware, earthenware, melamine, and machine-made glass products. The consumer's choice depends upon such factors as the price of the ware, the values given to its durability and prestige, the appearance of styling, pattern, and shape, and the use to which the ware will be put (e.g., "best" set for formal entertainment or a "best" set for casual entertainment, an "everyday" set, or an "all



purpose" set). Estimates of U.S. consumption of table and kitchen articles in the years 1966-70 are shown in the following table. The product mixes of household melamine and glass table and kitchen articles other than dinnerware are not comparable with those of chinaware and earthenware and, for this reason, have not been included in this section of the report.

Ceramic and nonceramic table and kitchen articles, and dinnerware only: Estimated U.S. consumption, <sup>1/</sup>  
by type of ware, 1966-70

Type of ware	1966		1967		1968		1969		1970	
	Table and kitchen articles	Dinnerware only	Table and kitchen articles	Dinnerware only	Table and kitchen articles	Dinnerware only	Table and kitchen articles	Dinnerware only	Table and kitchen articles	Dinnerware only
China ware: <sup>2/</sup>										
Quantity--million dozen--	***	10.9	***	11.7	***	14.9	***	17.9	***	13.8
Share of total market--percent--	***	26.0	***	26.2	***	27.0	***	31.0	***	28.6
Earthenware:										
Quantity--million dozen-- <sup>3/</sup>	26.6	21.4	3/ 26.2	20.5	3/ 30.7	23.7	3/ 31.2	23.4	3/ 28.1	19.2
Share of total market--percent--	***	50.0	***	45.9	***	43.0	***	40.6	***	39.7
Melamine dinnerware: <sup>4/</sup>										
Quantity--million dozen--	7.7	7.7	10.6	10.6	14.8	14.8	14.6	14.6	13.8	13.8
Share of total market--percent--	***	18.3	***	23.7	***	26.9	***	25.4	***	28.6
Machine-made glass dinnerware: <sup>4/</sup>										
Quantity--million dozen--	2.0	2.0	1.9	1.9	1.7	1.7	1.7	1.7	1.5	1.5
Share of total market--percent--	***	4.7	***	4.2	***	3.1	***	3.0	***	3.1
Total quantity--million dozen--	***	42.0	***	44.7	***	55.1	***	57.6	***	48.0
Total share of market--percent--	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

<sup>1/</sup> Not adjusted for inventories.

<sup>2/</sup> Table and kitchen articles include consumption of both china and Pyroceram articles.

<sup>3/</sup> Includes imported Rockingham table and kitchen articles.

<sup>4/</sup> Domestic shipments of dinnerware only; product mixes of all table and kitchen articles are not comparable. Both exports and imports are believed to be negligible.

Source: Compiled from official import statistics of the U.S. Department of Commerce and from data submitted to the Tariff Commission by U.S. producers.

The data shown in the table on the preceding page indicate an increase in aggregate consumption from 1966 through 1969 of about 20.2 million dozen pieces of table and kitchen articles, including 15.6 million dozen pieces of dinnerware. The great bulk of this gain consisted of china table and kitchen articles, consumption of which rose 9.2 million dozen pieces, and melamine dinnerware, consumption of which rose 6.9 million dozen pieces. From supplying 18 percent of aggregate dinnerware consumption in 1966, melamine dinnerware rose to 27 percent in 1968, declined to 25 percent in 1969 and rose to 29 percent in 1970. In 1970 consumption of all types of table and kitchen articles except melamine dinnerware fell off sharply.

The following table summarizes the average annual rates of increase or decrease in U.S. consumption of china, earthen, melamine, and machine-made glass table and kitchen articles during 1966-70.

Ceramic and nonceramic table and kitchen articles: Average annual rate of increase or decrease in consumption, by types of ware, 1966-70

Type of ware	: Average annual percentage of increase : or (decrease) in consumption : during 1966-70	
	: Table and kitchen : articles	: Dinnerware : only
Chinaware-----	12.3	: <u>2/</u> 9.4
Earthenware-----	2.7	: (0.9)
Melamine-----	<u>1/</u> 16.0	: 16.0
Machine-made glass-----	<u>1/</u> (5.6)	: (5.6)
Total-----	3.8	: 5.4

1/ Dinnerware only. 2/ Excluding bone china and Centura pyroceram.

Source: Calculated from data in table 7 and data submitted to the Tariff Commission by U.S. producers of melamine and machine-made glass table and kitchen articles.

## Characteristics of the U.S. Market

From the data obtained by questionnaire, two significant aspects of the U.S. market for ceramic household articles and competing non-ceramic articles could be quantified. One related to the distribution of sales of these articles by wholesale price ranges; the other, to the distribution of sales by channels through which these articles reach the consumer. For both, observations relate mainly or exclusively to dinnerware available in specified sets. The variations in other articles are so numerous that comparison is extremely difficult, if not impossible. Moreover, many of the responses to the Commission's questionnaires were not adequate for making meaningful comparisons for articles other than dinnerware.

Data on the distribution of sales by wholesale price ranges reveal a strong concentration of sales of domestically produced earthen, melamine, and machine-made glass dinnerware in the up-to-\$15 wholesale price range for service for eight. In contrast, sales of imported earthen and china dinnerware have been heavily concentrated in the \$15-to-\$30 wholesale price range for service for eight. Sales of domestic china (excluding Pyroceram) have been concentrated in the over-\$80 price range.

Data on the distribution of sales by marketing outlets revealed similar concentrations. Domestically produced earthen dinnerware has been marketed mainly through premium outlets and other mass merchandisers which characteristically market low-valued ware, while imported earthen dinnerware has been sold mainly through department stores.

Domestically produced china (excluding Centura Pyroceram ware) has been marketed exclusively through department, gift, and jewelry stores, while low-priced imported china has been marketed through premium outlets, and high-priced china, through department, gift, and jewelry stores. The bulk of Pyroceram (Centura), melamine, and machine-made glassware were sold through mass merchandisers.

Distribution of sales of dinnerware  
by wholesale price ranges

The table below summarizes the distribution of sales in the U.S. market of ceramic and nonceramic dinnerware by wholesale price ranges in 1970.

Ceramic and nonceramic dinnerware: Percentage distribution, on a quantity basis, of U.S. producers' and importers' sales of the various types of dinnerware, by wholesale price ranges, 1970

Price category:	Price range	Percent of total sales of--					
		Earthenware		Chinaware		Melamine plastic ware	Machine-made glassware
		Domestic	Imported	Domestic <sup>1/</sup>	Imported		
1	Wholesale price for service for 8: Under \$6	-	3	-	2/	( 13	( 2/
2	Over \$6, not over \$9	20	2	-		( 43	( 45
3	Over \$9, not over \$15	58	19	-	9	38	11
4	Over \$15, not over \$30	13	70	-	56	6	44
5	Over \$30, not over \$60			( 24	33	-	
6	Over \$60, not over \$80	3/ 9	3/ 6	( 16	1	-	3/
7	Over \$80			( 60	1	-	
	Total	100	100	100	100	100	100

<sup>1/</sup> Includes Centura Pyroceram ware.

<sup>2/</sup> Less than 0.5 percent.

<sup>3/</sup> Respondents were instructed to report sales valued over \$30 for service for 8; no further breakdown of sales was requested.

Source: Compiled from data submitted to the U.S. Tariff Commission by U.S. producers and importers.

Data shown in the table above indicate that most of the dinnerware sold in 1970 was concentrated within the first four price ranges (up to \$30 for service for eight). Sales of domestic earthen, melamine, and glass dinnerware were heavily concentrated in the first three price ranges (up to \$15 for service for eight), and those of imported earthen and china dinnerware were heavily concentrated in the fourth price range (over \$15, not over \$30), with significant percentages in the third (over \$9, not over \$15) for earthenware and the fifth (over \$30, not over \$60) for china. Except for imported china dinnerware in the fifth price range, percentages in the fifth (over \$30, not over \$60), sixth (over \$60, not over \$80), and seventh (over \$80) price ranges--although large--relate to small quantities of domestically made china dinnerware.

Comparable data for 1966 on earthen and china dinnerware indicate an even heavier concentration of domestic merchandise within the first three price ranges (tables 10, 11, 12, and 13).

On the basis of the data presented above, it may be concluded that in recent years (1) more than two-thirds of imported earthen dinnerware has been sold in the U.S. market in a price range above that for domestically made earthen, melamine, and machine-made glass dinnerware, and less than a third has been sold within the price range of the bulk of such domestic dinnerware; (2) the bulk of imported china dinnerware has been sold at prices substantially below those of domestically made china but in the same price range as the bulk of imported earthen dinnerware; and (3) the great bulk of domestically

made melamine and machine-made glass dinnerware (there are no imports of significance) was sold in the same price ranges as the bulk of domestic earthen dinnerware.

Distribution of sales of dinnerware  
by marketing outlets

The table on the following page summarizes the distribution of sales of both ceramic and nonceramic dinnerware by marketing outlets. By furnishing a breakdown showing the approximate percentages of sales of dinnerware to the identified outlets, the distribution facilitates relative comparisons of the channels of distribution of these types of dinnerware.



Distribution of dinnerware sales by marketing outlets and type of dinnerware, 1970

Marketing outlet	Percent of total sales of dinnerware by quantity for--									
	Earthen		China		Domestic 1/		Imported		Domestic	
	Domestic	Imported	Domestic	Imported	Under \$60	Over \$60	Under \$60	Over \$60	Domestic	Imported
		per service for eight	per service for eight	per service for eight	per service for eight	per service for eight	per service for eight	per service for eight	melamine	household glass
Wholesale distributors	6.2	3.0	2/	2.7	-	-	-	-	9.0	.6
Discount department stores, mass merchandisers, and chain-variety stores	3/ 19.9	24.0	3.0	4.3	2/	2/	2/	2/	58.0	58.8
Other department stores and specialty gift and jewelry stores	4/ 19.5	55.0	71.0	22.5	77.4	77.4	77.4	77.4	9.0	20.6
Premium houses	5/ 41.1	14.0	1.0	62.5	6/ 22.6	6/ 22.6	6/ 22.6	6/ 22.6	5/ 12.0	6.1
Mail-order and catalog houses (without retail outlets)	6.7	3.0	2/	.4	-	-	-	-	5.0	5.5
Other sales outlets (including institutional, house to house, etc.)	6.6	1.0	7/ 25.0	7.1	-	-	-	-	7.0	8.4
Total	100	100	100	100	100	100	100	100	100	100

1/ Including "Centura" pyroceram dinnerware.

2/ Less than 0.5 percent.

3/ Understated; one producer of earthen dinnerware did not break down its sales figures by channels of distribution; however, the bulk of its sales in 1970 were to chain variety stores.

4/ Includes nearly all domestic earthen dinnerware with a wholesale price of \$30 or more per service for eight.

5/ Believed to be slightly understated; some lower priced domestic earthen dinnerware and melamine dinnerware sold to premium dealers rather than directly to premium users was reported in the wholesale distributors and other sales outlet categories.

6/ This category is overstated as a result of the data received.

7/ Ninety-eight percent of the sales reported in this category were institutional contracts for exclusive patterns; eg., airlines, U.S. Statement Department, etc.

Source: See tables 14-18. Data submitted to the U.S. Tariff Commission by domestic producers

On the basis of the distribution of sales by marketing outlets, it may be concluded that in 1970: (1) More than two-fifths of the lower priced domestic earthen and more than three-fifths of the low-valued imported china dinnerware and a moderate amount of high-valued imported china dinnerware were concentrated in the premium outlets (of the insignificant quantity of domestic china dinnerware sold to the premium market, the greatest part was sold by the Syracuse China Corp., which discontinued its household china during 1970); (2) significant amounts of lower priced domestic and imported earthen dinnerware and the largest amounts of household glass and "Centura" Pyroceram and melamine dinnerware were concentrated in discount department stores, mass merchandising, and china-variety store outlets; and (3) more than half of the imported earthen dinnerware and over 70 percent of all high-priced domestic and imported china dinnerware were concentrated in department stores and specialty, gift and jewelry stores.

The premium market.--The premium market consists of those sales outlets which mass market promotional merchandise with the objectives of generating consumer traffic in retail outlets and consumer interest in separate products. Premium outlets include banks, supermarkets, retail gasoline stations, etc. The promotional merchandise offered as premiums is rotated; as a particular product promotion is completed, the premium outlet will promote a different product. Products frequently offered

as premiums include earthenware, chinaware, flatware, household glassware, cutlery, kitchen tools, encyclopedias, etc.

Domestic earthenware producers have concentrated their sales of lower priced earthen dinnerware in the premium market since the mid-1950's. <sup>1/</sup> From the mid-1950's through the mid-1960's, supermarkets used trading stamps "more extensively than any other form of non-price competitive device . . . to maintain and increase store traffic." <sup>2/</sup> However, in 1964 and 1965 food retailers began using a variety of games of chance or sweepstakes sales promotions" . . . either as a substitute for or a complement to other kinds of promotional tactics." <sup>3/</sup> In late 1965 oil companies began to use games of chance in selected test markets and by 1966 these games were widely adopted by gasoline retailers. <sup>4/</sup>

The Select Committee on Small Business, U.S. House of Representatives, held hearings on the subject of "Games of Chance in Gasoline Marketing and Their Impact Upon Small Business" on June 20 and July 11, 1968. The record of these hearings was certified to the Federal Trade Commission (FTC) which commenced a rule making proceeding. Independently, the FTC had begun an investigation of sales promotion programs used by food retailers in late 1966. In December of 1968, the FTC issued a staff report on the use of such promotions

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<sup>1/</sup> See TC Publication 86, April 1963, p. 20.

<sup>2/</sup> Staff of the Federal Trade Commission, "Economic Report on the Use of Games of Chance in Food and Gasoline Retailing" (Washington, D.C., 1968), p. 395.

<sup>3/</sup> Ibid.

<sup>4/</sup> Ibid., p. 473.

in food and gasoline retailing which included a proposed rule. <sup>1/</sup>  
During 1968 large numbers of supermarkets and oil companies began to substitute premium promotion programs for "games of chance" sales promotions. Such premium promotion programs offered household products, including both domestic and imported earthen and imported nonbone china dinnerware. <sup>2/</sup>

Testimony at the hearing described overbuying of both earthen and medium-valued imported nonbone china dinnerware for the supermarket and oil company premium businesses. <sup>3/</sup> The Commission's survey of the 1965-70 inventories of major importers' china dinnerware indicated annually increasing inventories during 1968-70 and testimony at the hearing described large inventories of domestic earthen dinnerware bought by premium dealers during 1967 and 1968 which are still in those dealers' warehouses. <sup>4/</sup> During 1970 over 50 percent of the reported sales of domestic earthen non-dinnerware articles were concentrated in the premium market as were nearly one-fourth of the reported sales of such imported china articles.

Domestic shipments of low-priced earthen dinnerware began to decline in 1969 although imports of medium-valued nonbone china dinnerware continued to rise throughout that year. <sup>5/</sup> Imports of medium-valued nonbone china dinnerware declined in 1970 and the

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<sup>1/</sup> Ibid.

<sup>2/</sup> Transcript of hearing, pp. 834-835.

<sup>3/</sup> Ibid., p. 835.

<sup>4/</sup> See pp. A-16.

<sup>5/</sup> See table 7. Importers testified at the hearing that the longer lead time required to obtain imports of medium-valued dinnerware from Japan was responsible for the continued increase in imports in 1969 (see transcript of hearing, pp. 837-838).

decline continued during the first 6 months of 1971 compared to the corresponding period of 1970. Premium dealer importers testified at the hearing that both earthen and nonbone china dinnerware ". . . will begin to emerge once again as a promotional vehicle." <sup>1/</sup>

Department, <sup>2/</sup> specialty, gift, and jewelry stores.--These stores were the second-ranking outlets for both domestic and imported dinnerware in 1970.

Many department, gift, specialty, and jewelry stores maintain bridal registries to attract bridal sales. The bridal market accounts for approximately 50 percent <sup>3/</sup> of all sales of high-priced traditional or formal china dinnerware patterns of both bone and nonbone china as well as a significant amount of high-priced, high quality earthenware and stoneware dinnerware sales. At present all domestic bone and nonbone china dinnerware except pyroceram dinnerware, like most continental European and English china dinnerware, is made in traditional or formal patterns. <sup>4/</sup> These traditional or formal patterns are sold on an open stock basis, <sup>5/</sup> or in 5-piece place

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<sup>1/</sup> Transcript of hearing, p. 835.

<sup>2/</sup> Other than discount department stores.

<sup>3/</sup> This figure was reported as 41 percent in a 1969 survey; see Financial World (June 23, 1969) on p. 13, referred to in TC Publication 354 (January 1971), p. A-8. However, testimony at the hearing (p. 440) indicated that the ". . . bridal market amounts to 60 percent of the fine china dinnerware sold in this country . . ."

<sup>4/</sup> Lenox, Inc., is planning to introduce a major line of casual dinnerware during 1972. \* \* \*

<sup>5/</sup> In open stock sales, the ware is sold either by the individual piece or in small groups, such as the 5-piece place setting, rather than in predetermined sets of service.

settings <sup>1/</sup> for \$20 or more at retail. One Japanese china manufacturer, Noritake, markets its traditional or formal patterns on an open stock and place setting basis; however, the higher end of its retail price range for these patterns is between \$10 and \$15 for a 5-piece place setting. Most china dinnerware imported from Japan is sold in predetermined sets for service for at least eight persons rather than by open stock or in place settings.

Casual china dinnerware is sold both by open stock and in place settings and in sets (again, most Japanese ware is sold in sets). Interpace Corp. and the Iroquois China Co. offered casual china dinnerware patterns during the period 1966-70; however, the Interpace Corp.'s casual lines were discontinued in 1971 and the Iroquois China Company went out of business in 1970. Lenox, Inc., is planning to introduce a major line of casual dinnerware in 1972.

Both casual and formal patterns are often advertised and marketed with crystal, silver, and linens. Two domestic producers of china dinnerware and several importers are offering a range of related table top products to sell with china dinnerware. <sup>2/</sup>

Although domestic pyroceram products are sold in the dinnerware departments of department stores, and occasionally appear on bridal registers, the great majority of these products sold to department

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<sup>1/</sup> The 5-piece place setting consists of a dinner plate, a tea cup and saucer, a salad plate, and a bread-and-butter plate.

<sup>2/</sup> E.g., see "Beneficiaries of the Bridal Boom", Financial World (June 23, 1969), on pp. 13-18 and testimony at the hearing, pp. 1247-1249, and 1253.

stores are displayed in houseware departments.\*\*\* Also displayed, for the most part, in houseware departments rather than dinnerware departments were melamine dinnerware and household glass dinnerware. Domestic earthen dinnerware sold at a wholesale price of under \$30 per service for eight is often displayed in housewares departments.

Over 50 percent of imported earthen table and kitchen articles were sold to department, specialty and gift stores and over 60 percent of the imported china table and kitchen articles were sold to these outlets (tables 15 and 17, respectively).

## U.S. Producers

Earthenware

In 1970, earthen table and kitchen articles were produced by 19 firms; however, the Pennsbury Pottery Co. ceased operations during 1970 and the Hall China Co. phased out its production of such articles during 1971. Pennsbury Pottery Co. (Morrisville, Pa.) ceased operations, having filed a petition in bankruptcy, in October of 1970. The Hall China Co. (East Liverpool, Ohio) has been phasing out its production of earthen table and kitchen articles since 1964. This firm will not produce such articles in 1972; however, the firm will continue to produce chinaware for hotel and restaurant use.

The Homer Laughlin Co. (Newell, W. Va.) and the Interpace Corp. (Los Angeles, Calif.) also produce chinaware for hotel and restaurant use. Interpace Corp. also produces household china table and kitchen articles and is a member of the petitioning American Fine China Guild. Another firm, The Taylor, Smith & Taylor Co., produces a small amount of chinaware which it markets exclusively to caterers.

Three domestic firms ceased production of earthen table and kitchen articles between 1962 and 1970. <sup>1/</sup> During this same period of time, the Jeannette Corporation, a manufacturer of glassware products, acquired three producers of earthen table and kitchen articles: the Harker China Co. (Chester, W. Va.); the Royal China Co.

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<sup>1/</sup> Stetson China Co. (Lincoln, Ill.), Salem China Co. (Salem, Ohio) and Redwing Potteries (Redwing, Minn.).



(Sebring, Ohio); and a subsidiary of Royal China Co. prior to its liquidation in 1970, the French Saxon Co. (Sebring, Ohio). Both the Harker and Royal companies and the French Saxon plant have continued to produce earthen table and kitchen articles. One new firm, Iron Mountain Stoneware, Inc., undertook the production of earthen table and kitchen articles in 1964.

Structure and marketing characteristics of the industry.--Fifteen producers of earthen dinnerware supplied usable questionnaire data to the Commission on the nature of their operations. Of the 15, 10 firms are large-volume producers concentrating on lower-priced earthen dinnerware selling at a net wholesale price of less than \$30 for a service for eight--mainly up to \$15 for service for eight. Their market outlets consist chiefly of premium houses, mass merchandisers and chain variety stores. As a group these producers sold only minor amounts to department stores.

For five of the 15 companies, the bulk of the sales consisted of dinnerware priced, net at wholesale, over \$30 for a service for eight. The market outlets for these five concerns consisted almost entirely of department stores, specialty stores and mail order outlets.

Collectively the five concerns accounted for about five percent of the total domestic earthenware table and kitchen articles sales (by quantity) during 1966-70, while the 10 large-volume producers, on the average, accounted for 95 percent of the total sales of such

articles. \* \* \* \* \*

As measured by employment, the 10 large-volume producers accounted for over 70 percent of the total number of workers producing earthen table and kitchen articles in the United States in the 1970 period. Most firms in both groups appear to have been moderate-sized concerns as indicated by the following summary tabulation.

Earthenware table and kitchen articles: U.S. producers classified by size of employment and volume of sales in 1970

Number and type of firm	Average number of workers	Quantity sold in 1970
	<u>Number</u>	<u>dozen pieces</u>
Large-volume, lower-priced producers:		
1-----	700-950	* * *
3-----	500-700	* * *
2-----	400-500	* * *
3-----	100-300	* * *
1-----	under 60	* * *
Total or average 10-----	4,163	* * *
Low-volume, higher-priced producers:		
2-----	500-700	* * *
2-----	100-300	* * *
1-----	under 60	* * *
Total or average 5-----	1,039	* * *

Source: Compiled and calculated from data submitted to the U.S. Tariff Commission by the producers.

Chinaware

Seven domestic companies produced household china dinnerware in 1970; however, two of these ceased production of household chinaware during that year. The Syracuse China Co. (Syracuse, N.Y.) closed its household china plant, but continued to produce chinaware for hotel and restaurant use in another plant. <sup>1/</sup> The Iroquois China Co. (Syracuse, N.Y.) also ceased production of household chinaware in 1970. This firm's plant was closed and its property and facilities sold. \*\*\*

Of the five companies in business as of January 1971, Lenox, Inc., a multiproduct company, is by far the leading U.S. producer. Over the period 1966-70, Lenox accounted for between\*\*\* percent and\*\*\* percent of the total annual shipments of nonbone china household dinnerware. During the first six months of 1971, Lenox accounted for\*\*\* percent of the domestic shipments of such dinnerware. Since the second half of 1962, Lenox, Inc., has also produced bone china dinnerware--it is the only domestic firm that has produced bone china.

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<sup>1/</sup> See TC Publication 354, January 1971. On Jan. 5, 1971, the Commission made a unanimous finding that household chinaware articles were ". . . not, as a result in major part of concessions granted under trade agreements, being imported into the United States in such increased quantities as to cause, or threaten to cause, the unemployment or underemployment of a significant number or proportion of the workers of such manufacturing corporation." Commissioner Sutton did not participate in the decision.

\* \* \* \* \*

Another concern--the Interpace Corp.--is an integrated, multi-product company which also produces chinaware for hotel and restaurant use, and both produces and imports earthen dinnerware. Another producer, Flintridge, is owned by the Gorham Division of Textron, Inc., a multiproduct conglomerate corporation. The Gorham Division also imports German china dinnerware.

During the years 1966-70, the foregoing three producers and the Syracuse China Corp. accounted for between\*\*\* percent and\*\*\* percent of the total annual domestic shipments of household nonbone china dinnerware. The relative size of the concerns, as measured by the average number of production and related workers employed by the establishments producing household china dinnerware during the first six months of 1971, is indicated below.

Average number of production and related workers employed by establishments producing household china dinnerware, Jan.-June 1971

\* \* \* \* \*

In addition to the five firms producing household chinaware at the beginning of 1971, one company--Corning Glass Works--manufactures a pyroceram product which, because of its crystalline body, would be classified, if imported, as a vitrified china or subporcelain article. This pyroceram product is marketed under the trade name of "Centura" and is available in dinnerware sets (service for eight). A large proportion of the "Centura" product line, however, consists of other household table and kitchen articles.

## U.S. Shipments (Sales)

Data on U.S. production and shipments of the articles subject to this investigation are not available from official statistics. Questionnaires requesting such information were mailed by the Commission to all known producers.

While the data on the domestic output of earthenware and chinaware received by the questionnaires were incomplete, information on sales was supplied by producers that in 1970 accounted for over 99 percent of the known shipments of earthenware and of chinaware.

In addition, data on the total U.S. output of pyroceram was received from the sole U.S. producer, while information on shipments of melamine (plastic) and of household glassware table and kitchen articles was received from firms accounting for approximately 95 percent and 99 percent of the U.S. output of these articles, respectively.

The following tabulation shows (in millions of dozens) the data reported for earthenware, chinaware, and pyroceram for each of the years 1966-70 and the first 6 months of 1971. As indicated in the table, shipments generally increased from 1966-67 through 1968-69, and then declined significantly thereafter.

U.S. producers' shipments of earthenware and chinaware and production of pyroceram table and kitchen articles, 1966-70 and Jan.-June 1971

(Quantity in 1,000 dozens of pieces)

Year	Earthenware <u>1/</u>		Chinaware <u>1/</u>	Pyroceram <u>2/</u>
	Dinnerware (First quality)	Other table and kitchen articles		
1966-----	15,597	624	718	***
1967-----	14,952	682	754	***
1968-----	17,451	761	813	***
1969-----	16,622	972	716	***
1970-----	12,280	918	597	***
Jan.-June--				
1971-----	6,612	286	266	***

1/ Shipments.

2/ Shipments of table and kitchen articles.

Source: Compiled from data submitted to the U.S. Tariff Commission by the domestic producers.

### Earthenware

Annual shipments of first-quality earthen dinnerware by U.S. producers increased from 15.6 million dozen pieces in 1966 to 17.5 million in 1968 and then declined to 12.3 million dozen in 1970, when they were 21 percent below the 1966 level. In the first half of 1971 the shipments were at an annual rate of about 13 million dozen pieces.

Off-selection dinnerware pieces, or "seconds," are pieces which upon inspection after manufacture appear imperfect. Sales of off-selection earthen dinnerware during the period 1966-70 were at an

annual rate of 4 percent (by quantity) of the total sales of first-quality dinnerware. The ratio of such off-selection sales to total first-quality sales increased from 3.3 percent in 1966 to 4.7 percent in 1970 and 5.8 percent in the first 6 months of 1971.

With respect to other earthen table and kitchen articles, which are believed to consist more than half of mugs, total annual shipments rose without interruption from about 625,000 dozen pieces in 1966 to about 918,000 dozen pieces in 1970; they were at an annual rate of about 600,000 dozen in the first half of 1971. Such articles accounted for about 4 percent of total annual shipments of all household earthenware in 1966-68 and rose in relative importance (by quantity) to about 7 percent in 1970.

Inventories at the plants of domestic producers increased from 2.4 million dozen at the end of 1965 to 3.0 million dozen at the end of 1970 (table 8). The great bulk of these inventories consisted of dinnerware.

#### Chinaware

As indicated elsewhere in this report, virtually all of the production of china table and kitchen articles in the United States consists of dinnerware available in specified sets. The great bulk of the output is comprised of dinnerware, the annual shipments of which rose from about 718,000 dozen in 1966 to about 813,000 dozen in 1968. **Thereafter**, shipments declined without interruption to less than 600,000 dozen in 1970, when they were 17 percent lower than in 1966. In the first half of 1971, shipments were at an annual rate of about 530,000 dozen. Shipments of bone china dinnerware, which are small



relative to the nonbone china, followed the same general trend of increase through 1968 but did not substantially decline thereafter.

\* \* \* \* \*

In the aggregate, off-selection sales amounted to 8 percent of the industry's 1970 shipments.

Inventories at the plants of domestic producers varied little during the period 1966-70.

#### Pyroceram

With respect to pyroceram the data in the table include production of both dinnerware and other table and kitchen articles. The annual shipments of this type of ware rose from \* \* \* dozen in 1966, to \* \* \* dozen in 1967-68, then declined to \* \* \* dozen in 1970. In the first half of 1971, output was at the annual rate of the corresponding period of 1970.

#### Substitute products

Total U.S. shipments of substitute products (melamine and machine-made household glassware--consisting entirely of dinnerware)

rose irregularly from 9.7 million dozen pieces in 1966 to 15.3 million dozen in 1970. As indicated in the tabulation below, the great bulk of the shipments are comprised of melamine which also accounted for all of the aggregate growth of the annual shipments over the 5-year period.

Melamine and machine-made glass dinnerware: U.S. producers' shipments, 1966-70

(In millions of dozens)

Article	1966	1967	1968	1969	1970
Melamine dinnerware-----	7.7	10.6	14.8	14.6	13.8
Machine-made glass dinnerware-----	2.0	1.9	1.7	1.7	1.5

Source: Compiled from data submitted to the U.S. Tariff Commission by the domestic producers.

U.S. Exports

During the period 1966-70, U.S. exports of earthen dinnerware annually averaged 13,000 dozen pieces. From 13,000 dozen pieces in 1966-67, these exports increased to 16,000 dozen in 1968, but declined thereafter, returning to 13,000 dozen in 1969 and further declining to 12,000 dozen pieces in 1970 (appendix table 7).

U.S. exports of nonbone china household dinnerware are negligible and are estimated to have amounted to approximately 2,000 dozen pieces annually during the period 1966-70 (appendix table 7). These exports are believed to be comprised almost entirely of off-selection dinnerware and merchandise sent to U.S. embassies.

There are no known exports of bone china household dinnerware. Exports of pyroceram table and kitchen articles declined irregularly from \* \* \* dozen pieces in 1966 to \* \* \* dozen pieces in 1970

\* \* \*

U.S. Imports 1/

Considering the period beginning with 1964, imports of household earthenware began to accelerate in 1966, those of household china in 1964. Since 1966, the largest annual increase in imports occurred in 1968 in both earthenware and china; the increase in china was more substantial than in earthenware. Imports of earthenware increased annually after 1968, but at a lesser annual rate than in 1968. Imports of china increased further in 1969, but declined thereafter (table 19).

Earthenware

In terms of quantity, imports of earthenware remained at approximately the same level in 1966-67 (11.1 million dozen), but rose annually thereafter; in 1970 such imports (15.2 million dozen) were 37 percent above the 1966 level (table 20). During January-June 1971, earthenware imports (8.1 million dozen) were 9 percent greater than in January-June 1970.

With minor exceptions, all types of earthenware contributed to the aggregate increase in imports between 1966 and June 1971; however, the bulk of the increase between 1966 and 1970 occurred in imports of high-valued dinnerware, 2/ and in the imports of mugs and miscellaneous other articles 3/ (table 21). Imports of these types of earthenware were larger in January-June 1971 than in the corresponding period of

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1/ The discussion in this section is based on official statistics of the U.S. Department of Commerce.

2/ Dinnerware valued over \$12 per 77-piece norm (TSUS item 533.28).

3/ Steins, candy boxes, decanters, punch bowls, pretzel dishes, tidbit dishes, tiered server and bonbon dishes (TSUS item 533.31).

1970, while those of other types of earthenware declined between the two periods.

Imports of earthen dinnerware increased from 5.9 million dozen in 1966 to 6.9 million dozen in 1970, or by 18 percent (table 20). However, imports of other earthenware articles increased at a more rapid pace; they were 58 percent higher in 1970 (8.3 million dozen) than they were in 1966 (5.2 million dozen). In 1966 dinnerware accounted for 53 percent of the total imports of earthenware; its share declined to 46 percent by 1970. In the first 6 months of 1971 the share of earthenware imports accounted for by dinnerware was about the same as in 1970.

The share of U.S. consumption supplied by imports has increased in recent years, both for all types of household earthenware in the aggregate as well as individually for dinnerware and other earthenware articles. In 1966 imports of all types of earthenware supplied 41 percent of U.S. apparent consumption (26.8 million dozen) of such ware; imports supplied 54 percent of U.S. consumption (28.1 million dozen) in 1970. In 1966 imports of earthen dinnerware supplied 27 percent of U.S. apparent consumption (21.4 million dozen) of such ware; they supplied 36 percent of U.S. consumption (19.2 million dozen) in 1970.

Data on annual imports by types of earthenware and the changes in the various rates of duty since 1950 are shown in tables 21 through 24.

Earthenware is imported principally from Japan and the United Kingdom (table 25). Other supplying countries include Denmark, Finland, Portugal, Spain, and Italy. Of the total quantity of all types of earthenware Japan supplied 7.8 million dozen or 70 percent in 1966, and 10.8 million dozen or 71 percent in 1970; the United Kingdom's share totalled 2.5 million dozen in 1966 and 3.4 million dozen in 1970, or 22 percent in both years. Of the total quantity of earthen dinnerware, Japan supplied 3.1 million dozen or 54 percent in 1966 and 3.5 million dozen, or 51 percent in 1970; the United Kingdom's share totalled 2.4 million dozen or 40 percent in 1966 and 3.1 million dozen, or 45 percent in 1970.

Japan was the principal supplier of earthenware in all three value categories. Virtually all imports from the United Kingdom were high-valued and consisted almost entirely of dinnerware available in specified sets.

#### Chinaware

Imports of chinaware rose annually between 1966 and 1969--from 12.7 million dozen to 21.9 million dozen; such imports were 72 percent higher in 1969 than they were in 1966 (table 26). After 1969, chinaware imports declined by 15 percent in 1970 (18.6 million dozen); they were 26 percent lower in January-June 1971 (6.8 million dozen) than in the first half of 1970 (9.3 million dozen).

Medium-valued china dinnerware (valued at over \$10 but not over \$24 per 77-piece norm, TSUS item 533.65) was the major type of china-ware that accounted for the bulk of the increase in imports between 1966 and 1969 and caused the subsequent decline. Such imports amounted to 6.9 million dozen in 1966, 13.0 million dozen in 1969, and 9.7 million dozen in 1970 (table 26). Imports of china mugs and miscellaneous other articles 1/ rose steadily between 1966 and June 1971 and were the second-ranking category contributing to the increase in aggregate imports.

Throughout the period 1966-June 1971 dinnerware accounted for by far, the major part of imports of china table and kitchen articles (table 26). However, imports of other china articles increased by 130 percent from 1966 to 1970; they accounted for 17 percent of total china imports in 1966 and 27 percent in 1970. In the first half of 1971 the share accounted for by these articles was 40 percent of total china imports.

For many years, U.S. imports of chinaware have supplied the vast bulk of U.S. consumption of such ware. In 1966 imports of all types of chinaware supplied 93 percent of U.S. apparent consumption (13.7 million dozen) of such ware. In 1969 they supplied 96 percent of U.S. consumption which amounted to 22.9 million dozen 2/ in that year.

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1/ Steins, candy boxes, decanters, punch bowls, pretzel dishes, tidbit dishes, tiered server and bonbon dishes.

2/ Data are not adjusted for large inventories held by importers.

In 1970 imports supplied 96 percent of U.S. consumption (19.5 million dozen 1/). In 1966 imports of china dinnerware 2/ supplied 93 percent of U.S. consumption of such dinnerware (10.9 million dozen); in 1969 they supplied 96 percent of consumption (17.9 million dozen 1/); in 1970 they supplied 96 percent of consumption (13.8 million dozen 1/).

Data on annual imports of chinaware by types and the changes in the various rates of duty since 1950 are shown in tables 27 through 30.

Chinaware is imported principally from Japan, West Germany, and the United Kingdom (table 31). Other supplying countries include France, Poland, Czechoslovakia, Italy, Spain, Portugal, and Singapore. The shares of imports supplied by Japan, West Germany, and the United Kingdom in 1966 and 1970 are shown in the following table.

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1/ Data are not adjusted for large inventories held by importers.

2/ Bone china imports are not classified as dinnerware or table and kitchen articles; therefore, bone china imports have been included in total chinaware imports but excluded from imports of china dinnerware.



Chinaaware: Shares of imports supplied by specified countries, total and dinnerware, 1966 and 1970

(In percent)

Article and country	Share of total imports in terms of--			
	Quantity		Value	
	1966	1970	1966	1970
Total chinaware (including dinnerware): <u>1/</u>				
Japan-----	86	85	66	69
West Germany-----	6	6	11	11
United Kingdom-----	5	4	16	12
All other-----	3	5	7	8
China dinnerware: <u>2/</u>				
Japan-----	89	84	79	77
West Germany-----	6	8	14	14
United Kingdom <u>3/</u> -----	1	<u>4/</u>	2	1
All other-----	4	8	5	8

1/ Includes bone china. Total chinaware imports amounted to 12.7 million dozen, valued at \$32.9 million in 1966 and to 18.6 million dozen, valued at \$56.3 million in 1970.

2/ Excludes bone china, which is not segregated in official statistics as to dinnerware and other articles. China dinnerware imports amounted to 10.0 million dozen, valued at \$24.2 million in 1966 and to 13.0 million dozen, valued at \$38.7 million in 1970.

3/ The bulk of the imports of china dinnerware from the United Kingdom are of bone china which is excluded here.

4/ Less than 0.5 percent.

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

Japan was the principal supplier of chinaware in the low- and medium-value categories as well as being one of the major suppliers of high-valued ware. The United Kingdom, West Germany, and Italy primarily supplied high-valued ware. About 90 percent of bone china imports were supplied by the United Kingdom; such imports have been small relative to total imports of chinaware. They also have trended upward, but very moderately.

Earthenware and chinaware

The share of aggregate U.S. consumption of earthen and china household table and kitchen articles supplied by imports are shown in the table below.

Ceramic household table and kitchen articles: U.S. consumption, total and dinnerware, and share of consumption supplied by imports, 1966, 1969, and 1970

Item	1966	1969	1970
Total U.S. consumption of ceramic household table and kitchen articles-----million dozen--:	***	***	***
Share of consumption supplied by imports of--			
Earthenware-----percent--:	27	26	31
Chinaware-----percent--:	32	41	40
Total-----percent--:	59	67	71
Total U.S. consumption of ceramic dinnerware <sup>2/</sup> articles---million dozen--:	32	<u>1/</u> 41	<u>1/</u> 33
Share of consumption supplied by imports of--			
Earthen dinnerware-----percent--:	19	17	21
China dinnerware-----percent--:	31	41	39
Total-----percent--:	50	58	60

<sup>1/</sup> Data are not adjusted for large inventories of china held by importers.

<sup>2/</sup> Bone china dinnerware is omitted. Bone china imports are not classified as to dinnerware or table and kitchen articles.

Source: Compiled from official statistics of the U.S. Department of Commerce and from shipments data submitted to the Tariff Commission by the U.S. producers of ceramic household table and kitchen articles.

## U.S. Importers

Over 1,000 firms imported the earthen and china dinnerware and table and kitchen articles covered within the scope of this investigation during 1970. These importers usually act as principals, maintain stocks and sell the imported articles through their own sales forces. Relatively few importers act as manufacturers' sales agents. Importers usually have the exclusive right to sell certain patterns, occasionally all of the patterns of certain manufacturers. Most firms importing earthenware and chinaware articles are not primarily in the business of importing ceramic table and kitchen articles.

A very small number of importers account for the bulk of earthenware and chinaware imports. The Commission, for example, received useful importing, sales, and price data from 43 importers and 8 retailers (6 of which were oriented towards mass merchandising and discount sales and 2 of which were large department stores with branch outlets). The earthen and china table and kitchen articles imported by these 51 firms accounted for 48 percent of the total imports for consumption of these articles in 1966 and 52 percent in 1970. 1/

These 51 importers accounted for 37 percent of the total imports of earthenware table and kitchen articles and 70 percent of the imports of earthen dinnerware in 1970. The same importers accounted for 63 percent of the total imports of household bone and nonbone china table

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1/ The Commission's survey is compared with the official statistics of the U.S. Department of Commerce in this section.

and kitchen articles during 1970. The survey covered 83 percent of the 1970 imports of nonbone china dinnerware, and 56 percent of the 1970 imports of bone china.

Of the 51 importers surveyed, 11 each imported more than \$1 million worth (f.o.b. foreign source) of the earthenware and chinaware articles covered within the scope of this investigation during 1970. Another 4 firms surveyed each imported over \$1 million worth (f.o.b. foreign source) of chinaware articles during 1970.

## Prices

The following generalizations may be made about the prices of earthen and china dinnerware sold in the U.S. market: (1) the price of domestic earthen dinnerware is lower than the price of the bulk of imported earthen dinnerware, (2) the price of domestic china dinnerware is higher than the price of by far the greater part of imported china dinnerware, and (3) there are large quantities of imported china dinnerware that sell in a price range that might be considered price-competitive with domestic and imported earthen dinnerware.<sup>1/</sup> Generally, there are product differences between lower priced domestic earthen dinnerware and higher priced imported earthen dinnerware as well as between higher priced domestic china dinnerware and lower priced imported china dinnerware. In both cases, these differences relate to the decoration of the ware and/or the weight and perfection of the body. It is difficult to identify domestic and imported patterns which are nearly similar with respect to decoration and body quality so that a price comparison may be made.<sup>2/</sup>

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<sup>1/</sup> Currently, only one domestic manufacturer, the Corning Glass Works, produces china dinnerware selling for less than \$80 per 45-piece set. This ware is distinctive from other china both because of its physical properties (pyroceram) and its channel of distribution (primarily house-ware departments of retail stores.) \* \* \*

<sup>2/</sup> While a justification for a price difference between competing dinnerware is somewhat subjective, a justification for a precise dollar difference is impossible, except as it is established in the marketplace.

The earthen and china dinnerware prices provided in this section are average wholesale prices of best-selling patterns offered by certain domestic producers and importers between 1966 and June 1971. Prices usually are for 45-piece sets unless otherwise noted. Lower priced imported china selling for not over \$80.00 per set was the major exception to this "standard" set composition--such ware, primarily from Japan, was offered in sets containing from 42 to 57 pieces. For purposes of comparison, it was possible to construct a 45-piece set for certain ware, such as lower priced domestic china, lower priced imported china sold to premium dealers, as well as for higher priced domestic and imported china, although such ware seldom was sold in 45-piece sets.

Prices for earthen dinnerware are grouped herein into three wholesale price categories: (1) ware valued at not over \$15 per set, (2) ware valued over \$15 to not over \$30 per set, and (3) ware valued over \$30 per set. Prices for china dinnerware are presented in three categories: (1) ware valued not over \$80 per set, 1/ excluding that imported for the premium market; (2) ware imported for the premium market; and (3) ware valued over \$80 per set. This grouping of price data provides an average more nearly coinciding with prices in the market place. Wholesale prices are estimated to be roughly half of retail prices. All prices in this section are for first-line dinnerware.

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1/ Eighty dollars per set was selected as a price limit for this category because all domestic china, except for Centura pyroceram ware, is priced above this level at wholesale. Sales data provided earlier in the report categorize sales not over \$60 per set and over \$60 per set; such data were furnished to the Commission in these price cate-

Earthen dinnerware: domestic and imported

Average wholesale prices of selected earthen dinnerware sets sold in the U.S. market appear in this section. These prices are grouped into three price categories---ware valued not over \$15 per 45-piece set, ware valued over \$15 to not over \$30 per set, and ware valued over \$30 per set. During 1970, 78 percent, by quantity, of first-line domestic earthen dinnerware sold for not over \$15 per 45-piece set, 13 percent sold for over \$15 to not over \$30 per set, and 9 percent sold for over \$30 per set. 1/ During 1970, 24 percent, by quantity, of first-line imported earthen dinnerware sold for not over \$15 per 45-piece set, 70 percent sold for \$15 to not over \$30 per set, and 6 percent sold for over \$30 per set. 2/

Earthen dinnerware valued not over \$15 per 45-piece set.--Domestic earthen dinnerware that sold for not over \$15 per 45-piece set in the following sample was distributed through a variety of channels, principally to premium houses, chain-variety stores, mail order and catalogue stores, mass merchandisers, and department (both discount and regular)

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1/ The sales data upon which these price distributions were based represented virtually all of the sales of earthen dinnerware by domestic manufacturers from 1968 to June 1971.

2/ The sales data upon which these price distributions were based represented 70 percent of the imports of earthen dinnerware in 1970.

stores. Importers' prices in this sample represented sales to department stores, other than discount and mass merchandisers, and to a large retail-catalogue store. The supplying foreign countries were Japan and the United Kingdom.

During 1966-June 1971, average prices of domestic and imported earthen dinnerware (selling for not over \$15 per set) rose at about the same rate; in 1966 such imported ware was priced 17 percent higher than domestic ware, compared with 16 percent during January-June 1971 (see table below).

Earthen dinnerware, valued not over \$15 per 45-piece set at wholesale: Wholesale prices and price indexes for sets, domestic and imported, 1966-70 and January-June 1971

(Price, in dollars; index, 1966=100)

Year	Prices		Price Indexes	
	Domestic	Imported 1/	Domestic	Imported 1/
1966-----	\$9.46	\$11.08	100	100
1967-----	9.69	11.66	102	105
1968-----	10.18	12.42	108	112
1969-----	10.92	12.68	115	114
1970-----	11.60	13.56	123	122
1971:				
Jan.-June-----	12.52	14.48	132	131

1/ Includes prices (landed in the United States, duty-paid) of several patterns imported direct from Japan by a retailer.

Source: Compiled from data submitted to the Tariff Commission by domestic producers and importers.

Earthen dinnerware valued at \$15 to not over \$30 per 45-piece set.--Domestic earthen dinnerware that sold for \$15 to not over \$30 per 45-piece set in the following sample was distributed through department



stores, other than discount and mass merchandisers, and premium houses. Importers' prices in this sample represented sales to department stores, other than discount and mass merchandisers. The supplying foreign countries were Japan and the United Kingdom.

During 1966-June 1971, average prices of imported earthen dinnerware (selling for \$15 per set to not over \$30 per set) rose more rapidly than did the average price of domestic ware selling in this price range; in 1966 such imported ware was priced about 5 percent less than domestic ware compared with 12 percent more during January-June 1971 (see table below).

Earthen dinnerware, valued at \$15 to under \$30 per 45-piece set at wholesale: Wholesale prices and price indexes for sets, domestic and imported, 1966-70 and January-June 1971

(Price in dollars; index, 1966=100)

Year	Prices		Price Indexes	
	Domestic	Imported	Domestic	Imported
1966-----	\$16.36	\$15.62	100	100
1967-----	16.66	17.04	102	109
1968-----	17.99	17.88	110	114
1969-----	18.34	18.71	112	120
1970-----	19.64	20.75	120	133
1971:				
Jan.-June-----	20.60	23.08	126	148

Source: Compiled from data submitted to the Tariff Commission by the producers and importers.

Earthen dinnerware valued over \$30 per 45-piece set.--Domestic  
and imported earthen dinnerware that sold for \$30 and over per 45-piece

set, <sup>1/</sup> based on the following sample data, was distributed exclusively to department stores (other than discount department stores and mass merchandisers), and specialty, gift, and jewelry stores. The principal supplying country for imported ware was the United Kingdom; prices on ware from Denmark and Japan were also included.

During 1966-June 1971, domestic prices of this ware rose more slowly than comparable import prices; domestic prices were slightly more than half of comparable import prices in 1966 and slightly less than half during January-June 1971 (see table below).

Earthen dinnerware valued at \$30 and over per 45-piece set at wholesale: Wholesale prices and price indexes for sets, domestic and imported, 1966-70 and January-June 1971

(Price in dollars; index, 1966=100)

Year	Prices		Price Indexes	
	Domestic	Imported	Domestic	Imported
1966-----	\$47.23	\$90.20	100	100
1967-----	47.11	94.41	100	105
1968-----	50.77	95.60	107	106
1969-----	50.94	100.06	108	111
1970-----	50.77	108.84	107	121
1971:				
Jan.-June-----	52.44	114.70	111	127

Source: Compiled from data submitted to the Tariff Commission by the producers and importers.

<sup>1/</sup> Most imported dinnerware and significant quantities of domestic dinnerware in this higher price category are sold in less than 45-piece sets. Usually such sales are made as open stock, a 5-piece place setting, or 16- or 20-piece starter sets.

China dinnerware: domestic and imported

Average wholesale prices for china dinnerware sold in the U.S. market are presented below by three categories:

- (1) ware valued not over \$80 per set, excluding that imported for the premium market;
- (2) ware imported for the premium market; and
- (3) ware valued at over \$80 per set.

During 1970, 40 percent, by quantity, of first-line domestic china dinnerware sold for not over \$80 per 45-piece set and 60 percent sold for over \$80 per 45-piece set.<sup>1/</sup> During 1970, an estimated 99 percent, by quantity, of first-line imported china dinnerware sold for not over \$80 per set and an estimated 1 percent sold for over \$80 per set.<sup>2/</sup>

China dinnerware valued not over \$80 per set, excluding that imported for the premium market.---Domestic china dinnerware selling for not over \$80 per 45-piece set currently consists only of the Centura line by Corning Glass Works. This ware is distributed through retail stores and usually sold therein in the housewares department. Imported china dinnerware in this price category is distributed through a variety of channels of distribution including mass merchandisers, discount department stores, other department stores, and specialty, gift, and jewelry stores. Prices of imported ware relate to ware sold in sets ranging from 42 to 57 pieces. These average prices primarily

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<sup>1/</sup> The sales data upon which these price distributions were based represented virtually all of the sales of china dinnerware by domestic manufacturers during 1966-June 1971.

<sup>2/</sup> The sales data upon which these price distributions were based represented 83 percent of the 1970 imports of nonbone china dinnerware and 56 percent of the 1970 imports of bone china.

include dinnerware patterns imported from Japan but a few prices of patterns imported from West Germany and Spain are also included.

During 1966-June 1971, prices of imported ware rose more rapidly than prices of Centura ware; \* \* \*

China dinnerware valued not over \$80 per set at wholesale (excluding ware sold to premium dealers):  
Wholesale prices and price indexes for sets, domestic and imported, 1966-70 and January-June 1971

(Price in dollars; index, 1966=100)

Year	Prices		Price indexes	
	Domestic 1/	Imported 2/	Domestic 1/	Imported 2/
1966-----	* * *	\$28.43	100	100
1967-----	* * *	29.03	100	102
1968-----	* * *	31.15	103	110
1969-----	* * *	33.05	114	116
1970-----	* * *	34.97	116	123
1971:				
Jan.-June--	* * *	36.11	111	127

1/ Prices and price indexes relate to 2 patterns of Corning Centura ware. \* \* \*

2/ Includes several patterns imported directly from Japan by 2 domestic retailers. The prices used were the landed-in-the-United-States duty-paid costs.

Source: Compiled from data submitted to the Tariff Commission by the producers and importers.

China dinnerware imported for the premium market 1/--Price information is provided separately for imported china dinnerware sold to premium dealers because of (1) the importance of the market, (2) the

1/ In 1970, over 55 percent, by quantity, of imported china dinnerware was sold to the premium market. \* \* \*

generally lower prices of ware sold in this market compared with other chinaware sold for less than \$80 per set (table, p. A-66), and (3) the limited data available on premium ware prices during all of the years between 1966 and June, 1971.

During January-June 1971, the prices of best-selling china dinnerware patterns of 4 large premium dealers ranged between \$23.00-\$30.00 per 45-piece set.<sup>1/</sup> Two large premium dealers indicated that sales were made in 1971 at prices below 1970 levels in an attempt to work off large inventories accumulated in 1969. One of these dealers <sup>2/</sup> reported that he lowered the price of earthen dinnerware relative to china dinnerware so as to maintain a price differential with chinaware costing 50 percent more. However, the other premium dealer <sup>3/</sup> who normally sells chinaware for 25-30 percent more than earthenware, made chinaware sales at prices the same or lower than earthenware during 1971. For 1972, one premium ware dealer indicated that \* \* \*

his inventories and those of his major competitor largely have been liquidated. \* \* \*

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<sup>1/</sup> Premium ware is usually sold as open stock, but in some cases a 45-piece set may be computed for comparison purposes.

<sup>2/</sup> This dealer believes that his customers (and the consumer) recognize the difference between earthenware and chinaware and will pay 50 percent more for the latter.

<sup>3/</sup> This dealer finds that his customers (and the consumer) consider "a dish is a dish", and as such, will not pay much more for china than earthenware. Also, because "a dish is a dish", the supermarkets to which he sells want to break up a dinnerware promotion with a dissimilar item sold in between.

Both of these premium dealers expressed the view that stoneware is becoming an increasingly important factor in the market but that capacity presently is limited in Japan. One of the dealers commented that stoneware made in the United States would be priced out of the premium ware market.

China dinnerware priced at over \$80 per 45-piece set.---Both domestic and imported china dinnerware selling in the U.S. market for over \$80 per 45-piece set have much in common. Such ware rarely sells except as open stock or 5-piece place settings and it is only sold in department stores, other than discount department stores, and in specialty, gift, and jewelry stores. Both domestic and imported wholesale prices averaged over \$125 per 45-piece set; in January-June 1971 the domestic ware sold for \$150.18 compared with \$170.51 for the imported ware (see table below).

China dinnerware valued over \$80 per 45-piece set  
at wholesale: Wholesale prices and price  
indexes for sets, domestic and imported, 1966-  
1970 and January-June 1971

(Prices in dollars; index, 1966=100)

Year	Prices		Price indexes	
	Domestic	Imported	Domestic	Imported
1966-----	\$129.12	\$140.98	100	100
1967-----	127.74	146.76	99	104
1968-----	134.84	147.26	104	104
1969-----	138.81	150.26	108	107
1970-----	144.25	162.74	112	115
1971:				
Jan.-June--	150.18	170.51	116	121

Source: Compiled from data submitted to the Tariff Commission by the producers and importers.

Plastic and glass dinnerware:<sup>1/</sup> domestic

Comparable wholesale prices for plastic and glass dinnerware were not collected by the Commission. However, data obtained on sales of such ware indicate that the wholesale price for most plastic dinnerware has been no higher than \$15.00 per 45-piece set and that for most glass dinnerware 2/ was even less.

1/ Glass dinnerware usually is available only in short-line service (less than 45-piece sets); plastic dinnerware is sometimes available only in short-line service.

2/ A new type of glass dinnerware, "Corelle," was introduced by the Corning Glass Works in 1970. This line is expected to be a growing factor in the market. It sells at retail for \$19.95 for a 20-piece set.

## Other Marketing Factors

The product

Appearance is considered to be a very important factor in a consumer's selection of both a "best" and an "everyday" set of dinnerware. In addition to appearance, dinnerware buyers at the wholesale and retail level often are interested in exclusive patterns for their outlets, a wide variety of patterns, and something new every year. The pattern life for both china and earthen dinnerware has shortened in recent years; 1/ china dinnerware patterns last somewhat longer than earthen dinnerware patterns.

Six large retail stores responded to the Commission's request for information on consumer preferences for various types of dinnerware. 2/ There was more agreement among these respondents with regard to the "best" set of dinnerware than with regard to the "everyday" set. For the "best" set, this survey indicated that the consumer considered appearance as the most important product characteristic influencing his purchase; price was second, and durability was third. For the "everyday" set, appearance still was considered the most important factor (although it was not unanimously named), followed by durability and price (each being named about the same number of times for second place).

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1/ Higher priced domestic, European, and, to some extent, Japanese china dinnerware patterns have been available in open stock for many years.

2/ These survey results were provided by Sears, Roebuck & Co., S. S. Kresge Co., Carson, Pirie, and Scott Co., Marshall Field & Co., J. C. Penney Co., and Montgomery Ward & Co.



Based on their responses to what product characteristics the consumer considered most important to his dinnerware purchase, these retailers were asked what type of dinnerware the consumer would prefer as a "best" and as an "everyday" set. Again, there was more consensus with respect to the "best" set. For a "best" set, consumers were unanimously said to prefer china first and earthenware second. Trailing in third and fourth place were plastic and glass dinnerware in no particular order. For everyday use, consumers were said to prefer earthenware (plastic was named once). All four types of ware were named for second, third, and fourth choices.

Although no comprehensive data are available on the number of dinnerware sets in households in the United States, a survey by a leading retailer estimates that figure at 2-1/4 sets. Another survey points out that households tend to accumulate more sets over time. Assuming that most households own a "best" set of china and an "everyday" set of earthenware, the critical choices revolve around appearance and price.

A large share of china dinnerware is formal and traditional in design, whereas all earthenware is informal and may be either contemporary or traditional in design. <sup>1/</sup> The attractiveness of a pattern is influenced by the choice of body shape, color, and design of pattern, as well as by the production method used to affix the decoration.

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<sup>1/</sup> Most firms interviewed believe that contemporary designs and colors are more popular now, and they expect this to continue. One major firm believes traditional designs will be more popular in the future.

Ware may be stamped, decaled, and/or hand painted. Specialized machinery stamps up to four colors, engraves and fills, and masks and sprays; such techniques provide a more attractive appearance than one- or two-color rubber stamping, at a lower cost than hand painting.

Significant quantities of imported earthenware from Japan and the United Kingdom are decorated by either the engraving and filling or masking and spraying methods, whereas the bulk of domestic earthenware is decorated by the one- or two-color rubber-stamping method. 1/ Engraving produces a pattern with more detail and shadings than rubber stamping; filling is the addition of colors by hand. Masking and spraying gives the ware an embossed look that actually can be felt. Both engraving and filling and masking and spraying require more handwork and are slower manufacturing processes than rubber stamping. Based on field interviews with retailers of low-to-high-priced ware, the consensus, based on the appearance of patterns, favored imported earthen dinnerware over the domestic product.

Expenditures for research and development (R. & D.) usually relate to product changes or improvements in the domestic chinaware and earthenware industries. In the chinaware industry, such expenditures 2/ rose from \* \* \* in 1966 to more than \* \* \*

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1/ One domestic earthenware manufacturer indicated that his firm sold to volume buyers at the lowest markup, utilizing the longest production runs and producing patterns that required the least handwork. This statement might be made for most domestic earthenware producers which account for the bulk of production.

2/ R. & D. expenditures for the Interpace Corp. and the Syracuse China Corp. are not included.

in 1970. In the earthenware industry, R. & D. expenditures rose from \$515,000 in 1966 to \$586,000 in 1970.

Earthenware producers primarily used R. & D. funds to form and develop new earthenware bodies, glazes, and decorating methods. Other projects reported were the quality control of raw materials and "coordinating consumer needs related to corporate needs."

Chinaware producers reported that R. & D. funds were used to develop new chinaware bodies, glazes, and decorating methods, as well as new improved-method machinery and new patterns.

Exclusivity is a requirement of many wholesalers and retailers. Several retailers interviewed indicated that it was difficult to have a pattern made domestically on an exclusive basis, whereas it can more easily be done in Japan and England. One of the major domestic producers of earthenware indicated that this was the chief advantage accruing to the importer.

Another advantage enjoyed by the importer, according to another domestic earthenware producer, was the wider choice of patterns that the importer could economically offer for sale, compared with what one domestic producer could offer.

Advertising and sales promotion

Expenditures for advertising and sales promotion appear to be functions of the size of the producers' and importers' operations and where the product is distributed. Large firms such as Mikasa, 1/ Lenox, 2/ Interpace, 3/ and Noritake 4/ sell medium-to-high-priced ware chiefly to department stores--and advertise considerably. Additional advertising expenses are incurred by the retailer.

Domestic earthenware producers advertise and promote their products differently, depending on the primary outlet to which they sell. A few small producers of higher priced ware distributed in retail stores have national advertising programs in consumer and trade magazines, some producers sell at discount prices twice a year, and a few of the smallest producers turn the distribution and promotional functions over to a distributor and only design and produce the ware themselves. A few producers of lower priced ware have cooperative advertising programs with retailers. Most domestic producers selling primarily to the premium market do not advertise or promote, except by attending trade shows and offering continuity programs to their premium customers; such producers depend entirely on sales agents and salesmen to sell their products.

Earthenware importers that sell lower priced ware to the premium market offer promotional programs that are designed to keep customers of

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1/ An importer of earthenware and chinaware. The firm buys small quantities of domestic earthenware.

2/ A domestic producer of chinaware and plastic ware.

3/ A domestic producer and importer of earthenware and chinaware.

4/ An importer of earthenware and chinaware.

supermarkets and gas stations returning on a regular basis. An importer of lower priced ware may advertise in trade publications or engage in cooperative advertising with his retail customers. Importers of higher priced ware selling to retail stores other than discount and mass merchandisers may advertise in national magazines and participate in cooperative advertising.

Domestic chinaware producers advertise in national magazines. In 1970 and 1971, Gorham undertook a full-scale program of advertising and public relations based on the concept of selling all the products for setting the table. Pickard's efforts are limited to advertising in national bridal magazines and publishing a catalog. Lenox aims its extensive program at the pre-bridal, bridal, and married or matron market.

Chinaware importers that distribute higher priced dinnerware primarily to retail stores other than discount and mass merchandisers may advertise in national magazines as well as participate in cooperative advertising with retailers. A few such importers maintain display rooms, distribute educational films, attend trade shows, and offer their wares at reduced prices twice a year.

Chinaware importers that sell to the premium market offer a complete promotional program utilizing such vehicles as newspaper advertisements, to-the-home "mailers", and television and radio advertising. The purpose of such programs is to keep the customers of supermarkets and gas stations returning on a regular basis.

Costs of importing

The Commission obtained data from importers of china and earthen dinnerware on their costs of importing representative shipments of such dinnerware in October-December 1966 and the corresponding period of 1970. The relative significance of such costs for the aforementioned periods is shown in the following table.

China and earthen dinnerware: Cost of importing, October-December 1966  
and October-December 1970

Item of cost	(In percent)					
	China dinnerware having a U.S. wholesale value for service for 8 of---			Earthen dinnerware		
	Not over \$60		Over \$60	Not over \$60		Over \$60
	Oct.-Dec. 1966	Oct.-Dec. 1970	Oct.-Dec. 1966	Oct.-Dec. 1970	Oct.-Dec. 1966	Oct.-Dec. 1970
Foreign value <u>l</u> /-----	60.6	64.5	70.1	62.9	70.6	77.5
Foreign inland charges-----	1.8	1.7	.6	1.3	2.0	1.9
Freight and insurance-----	6.6	6.2	3.3	4.5	7.0	5.9
to U.S. port of entry-----	29.4	25.5	25.0	27.9	18.2	12.2
Duty paid-----						
Wharfage and cartage to warehouse-----	1.3	1.6	.4	.4	1.9	1.3
Other charges-----	.3	.5	.6	3.0	.3	1.2
Total-----	100.0	100.0	100.0	100.0	100.0	100.0

l/ F.o.b. foreign port.

Source: Compiled from data submitted to the U.S. Tariff Commission by importers.

Freight rates from Japan to the United States.---Over the past 20 years ocean freight rates on shipments of earthenware and chinaware from Japan to the Atlantic, Pacific and Gulf coastal ports of the United States have tended to increase gradually. Although the rates decreased between 1962 and 1965, they have increased over most of the period since 1952.

The latest available data on rates filed by the Trans-Pacific Freight Conference--most freight is shipped via a conference carrier--show the freight rate on shipments from Japan to the Pacific coast of the United States to be \$27.75 per 40 cubic feet, which translates into approximately \$0.36 per dozen pieces. <sup>1/</sup> The latest known rate to the east and gulf coast ports of the United States is \$33.50 per 40 cubic feet, which would translate into an average of about \$0.43 per dozen pieces. Rates filed by independent carriers have generally run slightly below those rates filed by conference carriers.

The following table shows a time-series of freight rates charged by the two major conferences involved in shipping from Japan to the east and west coasts of the United States.

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<sup>1/</sup> There are approximately 77.5 dozen pieces contained within 40 cubic feet of volume.



Ocean freight rates on shipments of earthen and china dinnerware from Japan to U.S. Pacific, Atlantic, and Gulf ports, 1952-71

Effective date	To Pacific ports		To Atlantic and Gulf ports	
	Rate <u>1/</u>	Index (1952=100)	Rate <u>1/</u>	Index (1952=100)
November 1952-----	\$18.00	100.0	\$23.50	100.0
March 1953-----	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>
August 1957-----	20.00	111.1	26.50	112.8
February 1958-----	<u>2/</u>	<u>2/</u>	24.50	104.2
June 1958-----	20.00	111.1	25.00	106.4
May 1959-----	20.00	111.1	23.00	97.9
October 1959-----	<u>3/</u>	<u>3/</u>	23.75	101.0
November 1961-----	22.00	122.2	27.25	116.0
May 1962-----	17.50	97.2	22.50	95.7
January 1965-----	19.50	108.3	24.50	104.2
April 1966-----	21.00	116.6	26.50	112.8
July 1967-----	22.00	122.2	27.75	118.1
November 1968-----	23.50	130.5	29.25	124.5
October 1970-----	25.75	143.0	31.50	134.0
March 1971-----	27.75	154.2	33.50	134.0

1/ Rate is based on 40 cubic feet. 40 cubic feet contains approximately 77.5 dozen pieces of tableware. The rates are charged by carriers belonging to the Trans-Pacific Freight Conference of Japan and the Japan-Atlantic and Gulf-Freight Conference.

2/ Rate was declared "open," meaning that member carriers could set their own rates.

3/ Tariff schedule not located.

Source: Federal Maritime Commission, Bureau of Compliance.

Freight rates from the United Kingdom to the United States.--

Freight rates on shipments of earthenware and chinaware from the United Kingdom to Atlantic ports of the United States have increased steadily over the past 15 years; the rate on chinaware is currently 92.8 per cent above the rate in 1956. The rate on earthenware appears to be higher than that on chinaware, owing to the different bases to which the rates are applied. The rate on chinaware applies to 40 cubic feet of volume, which for the latest available rate converts into approximately \$0.52 per dozen pieces. The rate on earthenware applies to shipments of 2,240 pounds, which for the latest available rate converts to approximately \$0.13 per dozen pieces.

Recently, the introduction of containerization in shipping has permitted a sizeable reduction in freight rates from the United Kingdom. It is believed that most shipments of tableware are now made in house-to-house containers in order to take advantage of the lower rates. Currently, the difference between the rate charged on house-to-house container shipments of earthenware and the rate for normal service is \$33 per long ton, about \$0.08 per dozen pieces. The difference in rates between the two types of service on shipments of chinaware is about \$5 per 40 cubic feet of volume, or about \$0.06 per dozen pieces.

The following table shows a time-series of ocean freight rates on shipments of earthen and chinaware from Great Britain to the Atlantic coast of the United States.

Ocean freight rates on shipments of earthenware and chinaware  
from Great Britain to U.S. Atlantic ports, 1956-71

Effective date	Chinaware		Earthenware	
	Rate <u>1/</u>	Index (1956=100)	Rate <u>1/</u>	Index (1960=100)
April 1956-----	\$21.00	100.0	<u>2/</u>	<u>2/</u>
April 1957-----	<u>3/</u>	<u>3/</u>	<u>3/</u>	<u>3/</u>
April 1960-----	25.54	121.6	\$50.74	100.0
February 1961-----	26.94	128.3	53.20	104.8
March 1962-----	28.34	135.0	56.00	110.4
April 1964-----	31.14	148.2	61.60	121.4
February 1965-----	32.90	156.7	62.64	123.4
November 1965-----	31.50	150.0	64.04	126.2
January 1967 <u>1/</u> -----	33.94	161.6	68.94	135.9
December 1967-----	31.26	148.9	60.60	119.4
January 1968-----	33.66	160.3	65.40	128.9
March 1969-----	37.80	180.0	72.60	143.1
January 1970-----	37.80	180.0	72.60	143.1
August 1970 <u>5/</u> -----	40.50	192.8	69.25	136.5
August 1971-----	<u>6/</u>	<u>6/</u>	52.50	103.5

1/ With respect to chinaware the rate is based on 40 cubic feet of volume. 40 cubic feet contain approximately 77.5 dozen pieces of tableware. The rate on earthenware is based on weight (2,240 pounds); as a result, the rates appear to be much higher than the comparable rates on chinaware. However, the "effective" rates on earthenware are most likely less than those on chinaware because the revenue produced per dozen pieces on a volume basis is much greater. Rates are charged by carriers belonging to the North Atlantic Westbound Freight Association and represent the rates charged under contract with a single carrier for all shipments. Rates charged where no contract exists are higher.

2/ Although a rate was provided (\$14.34), it is not comparable with later rates on earthenware because the 1956 rate was based on volume and the later rates were based on weight.

3/ Tariff schedule not located.

4/ Beginning Mar. 1, 1967, shippers were entitled to a 5-percent discount on the freight charge when shipments were made in house-to-house containers.

5/ Beginning Aug. 1, 1970, shippers were offered special rates on house-to-house-container traffic. Rates shown are house-to-house-container rates since it is believed most shipments were made in house-to-house containers. Rates charged for regular service increased considerably over the rates charged in previous years.

6/ Not available.

## U.S. Employment

Average monthly employment and man-hours worked in the earthenware and chinaware industries rose between 1966 and 1968; both declined subsequently through January-June 1971. During January 1966-June 1971, output per man-hour remained relatively constant in the chinaware industry, whereas in the earthenware industry it fluctuated during this period, with a sharp drop between 1969 and 1970 and a recovery in January-June 1971. Between 1966 and January-June 1971, average hourly compensation of production and related workers increased 27 percent in the earthenware industry and 37 percent in the chinaware industry.

Earthenware

The average monthly employment of production and related workers in establishments producing earthen table and kitchen ware is currently about equal to that in 1966 (table 32). Although average monthly employment increased from 5,057 in 1966 to 6,395 in 1968, it declined to 6,260 in 1969 and to 5,112 in 1970. Average monthly employment during the first 6 months of 1971 was 5,114, 4.3 percent less than in the corresponding period of 1970.

Man-hours worked by production and related workers in the manufacture of earthen dinnerware and nondinnerware increased irregularly from 7.2 million in 1966 to 9.3 million in 1968, then declined by 27.8

percent to 6.7 million in 1970 (table 33). <sup>1/</sup> Man-hours worked during the first half of 1971 totaled 3.1 million, compared with 3.5 million in the corresponding period of 1970.

The decline in the number of man-hours worked between 1968 and 1970 was not nearly as great as the drop in production during this period, as evidenced by a steadily falling index of output per man-hour. In 1970 the index of output per man-hour in the industry was 84.5 (1966=100), 13.3 percent lower than the index of 97.5 in 1969 (table 34).

Some of the decline in the industry output per man-hour during 1970 was due to the fire at the plant of the Royal China Co. in February of 1970 (see footnote 2, p. A-19). Moreover, it appears that many firms, including Royal, were unable to utilize their work forces and machinery as efficiently in 1970 as in 1969 when total domestic production was 30 percent higher. During the first 6 months of 1971 the index of output per man-hour was 93.0, considerably above the index (76.5) of the first 6 months of 1970.

The average hourly compensation in the earthen dinnerware and nondinnerware industry of \$2.50 during the first half of 1971 was 26.9 percent higher than the average of \$1.97 in 1966 (table 35).

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<sup>1/</sup> \* \* \*  
 \* \* \* almost all of the production of the establishments producing earthenware is accounted for by earthen dinnerware and nondinnerware.

Chinaware

Employment in establishments producing china dinnerware during the period covered by this investigation increased to a peak in 1968 and 1969, then declined in 1970 (table 32). The average monthly employment of production and related workers in the manufacture of china table and kitchen articles increased from 1,255 in 1966 to just over 1,300 in 1968 and 1969, before declining to 985 in 1970.

A substantial part of the decline in 1970 was due to the closing of the plant of the Syracuse China Corp. in which household china was produced. 1/ Excluding employment by Syracuse China Corp. in January-June 1970, average monthly employment of production and related workers in the chinaware industry rose from 909 in January-June 1970 to 978 in January-June 1971.

The trend in man-hours worked by production and related workers closely approximates the trend in employment in the china dinnerware and nondinnerware industry. Man-hours worked increased from 2.3 million in 1966 to 2.4 million in 1968 and 1969, then declined to 1.8 million in 1970 (table 33). 2/ Most of the decline in 1970 reflects the closing of the plant of the Syracuse China Corp. The number of man-hours worked during the period January-June 1971 was 938,000, compared with 929,000 during the first 6 months of 1970.

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1/ At the time of the plant's closing in 1970, \*\*\* production and related workers were employed in the manufacture of china table and kitchen articles. After the closing, just over\*\*\* percent of production and related employment was accounted for by Lenox, Inc.

2/ Data on man-hours do not reflect the experience of the Interpace Corp., a producer of earthenware as well as chinaware. Interpace was unable to segregate its man-hours worked on chinaware from those worked on all products.

The number of man-hours worked by production and related workers during the period covered by this investigation closely followed the trend in production, as reflected by a relatively constant index of output per man-hour (table 34). Average hourly compensation in the china table and kitchen ware industry increased from \$2.18 in 1966 to \$2.78 in 1970. During the first 6 months of 1971 the average hourly wage amounted to \$2.99 (table 35).

Capital Expenditures of U.S. Producers

Earthenware

Plant modernization.-- \* \* \* \* \*

Equipment.-- \* \* \* \* \*

Chinaware

Plant modernization.-- \* \* \* \* \*



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\* \* \*

Equipment.--

\* \* \* \* \*

## Profit-and-Loss Experience of Domestic Producers

Data on the profit-and-loss experience of domestic producers of earthenware and of chinaware indicate that in the period 1966-70, U.S. producers of earthenware as a group almost consistently operated at a loss,<sup>1/</sup> although there was significant variation in their experience depending upon the nature of their operations. By way of contrast, the producers of chinaware experienced high, and generally increasing margins of profit over the 5-year period. Again, however, there was wide variation in the financial experience of individual producers; one consistently showed operating losses in each of the years 1966-70, while another increased its already dominant share of the market and its share of the aggregate net operating profits realized by the industry during the same period.

Producers of household earthenware

All products.---Profit-and-loss data were received from 12 concerns manufacturing household earthenware covering the period 1966-70. These 12 concerns accounted for approximately 92 percent of the value of sales of household earthenware in 1970. \* \* \*

---

<sup>1/</sup> In 1968 they earned a small profit, amounting to 0.1 percent of net sales.

\* \* \*

With respect to their total operations, these 12 establishments showed net operating losses for four of the five years surveyed and a small operating profit (0.4 percent of net sales) in 1968 (table 40). Losses amounted to 3.3 percent of net sales in 1966 and 1969, 3.1 percent in 1967, and 0.8 percent in 1970. Sales showed an upward trend in 1966-68 \* \* \*

they declined in 1969 and 1970 \* \* \*

Household earthen table and kitchen articles only.--The \*\*\* producers, for which data were available on household earthenware only, in the aggregate showed net operating losses in each year during 1966-70 (table 40). These losses ranged from a high in 1967 of 6.5 percent of net sales to a low in 1968 of 0.8 percent. In 1966 the loss amounted to 5.3 percent of net sales; in 1969, 2.6 percent; and in 1970, 1.7 percent. The sales by the\*\*\* establishments rose from \$35.5 million in 1966 to \$47.6 million in 1968, and declined thereafter to \$41.1 million in 1970.

The financial experience of these \*\*\* producers of household earthenware appears to have been markedly affected by the kind of market outlet used by them. \* \* \* producers--those selling principally to department stores (other than discount department stores), gift and jewelry stores--in the aggregate earned a profit on their sales of household earthenware in each year \* \* \*

Their sales increased uninterruptedly from 1966 to 1970.

\* \* \*

Household earthenware: Profit-and-loss experience of five producers selling principally to department stores, gift shops or jewelry stores, 1966-70

\* \* \* \* \*

The other \*\*\* producers, which in the aggregate suffered losses in each year during 1966-70, sold principally to premium and mass merchandisers. \* \* \*

\* \* \*

The profit-

and-loss experience of these \*\*\* producers was not uniform. \* \* \*

\* \* \* \* \*

Producers of household china

All products.--Usable profit-and-loss information was received from four of the seven producers of household china. These producers accounted for approximately 65 percent of the sales of household china-ware in 1970.

For the four producers, aggregate net operating profits on their total establishment operations as a percent of net sales rose steadily from 16.6 percent in 1966 to 25.9 percent in 1969, and declined slightly to 24.8 percent in 1970 (table \* \* \* 43). Their sales rose uninter-ruptedly from \* \* \* million in 1966 to \* \* \* million in 1970.

\* \* \*

Household china table and kitchen articles only.--The trend in sales, profits, and profit ratios on operations on household chinaware

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\* \* \*

only, followed the same general trend as on total operations (table 43). \* \* \*

Comparison of earlier and current profit-and-loss data

Results of a comparison of data received during the investigation of earthenware and chinaware covering the period 1957-61 (TEA-I-1 and TEA-I-2, February 1963) with data received in the current investigation are shown in tables 44 and 47.

Earthenware.--In table 44 data for the period 1957-61 are presented in comparison with current data showing all companies which submitted usable profit-and-loss information. The 1957-61 data represent operations of 17 domestic producers and show operating profits for each year ranging from 2.2 percent in 1958 to a high of 6.9 percent in 1961. In contrast, the data for 1966-70, which are for 12 domestic producers, show losses in four of the five years and a small operating profit in 1968 of 0.4 percent of net sales.

\* \* \*

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\* \* \*



\* \* \*

Chinaware.--Shown in table 47 are the operations of 13 domestic producers of chinaware for 1957-61 and four domestic producers in 1966-70. \* \* \*

As shown in table 47 the producers in the aggregate had operating profits in all years in both periods and had substantial operating profits in 1966-70 (in both dollar amounts and relative to net sales). \* \* \*

\* \* \*



Appendix A

Statistical Tables



Table 1.--Earthenware table and kitchen articles: U.S. rates of duty provided in the Tariff Schedules of the United States, as modified to Jan. 1, 1972 1/

(Cents per dozen pieces; percent ad valorem)			
TSUS item	Articles	Rate prior to Jan. 1, 1968	U.S. concessions granted 1964-67 trade conference (Kennedy Round) Fourth stage, effective Jan. 1, 1971 Final stage, effective Jan. 1, 1971
	Articles chiefly used for preparing, serving, or storing food or beverages, or food or beverage ingredients:		
	Of fine-grained earthenware, whether or not decorated, having a reddish-colored body and a lustrous glaze which, on teapots, may be any color, but which, on other articles, must be mottled, streaked, or solidly colored brown to black with metallic oxide or salt:		
533.14	Valued not over \$1.50 per dozen articles-----	12.5%	7%      6%
533.16	Valued over \$1.50 per dozen articles-----	6.25%	6%      6%
	Of fine-grained earthenware (except articles provided for in items 533.14 and 533.16) or of fine-grained stoneware:		
	Available in specified sets:		
533.23	In any pattern for which the aggregate value of the articles listed in headnote 2(b) of this subpart is not over \$3.30-----	10¢ + 28%	6¢ + 16.5%      5¢ + 14%
533.25	In any pattern for which the aggregate value of the articles listed in headnote 2(b) of this subpart is over \$3.30 but not over \$7--	10¢ + 37%	10¢ + 24%      10¢ + 21%
<u>2/533.26</u>	In any pattern for which the aggregate value of the articles listed in headnote 2(b) of this subpart is over \$7 but not over \$12----	10¢ + 21%	<u>3/</u> <u>3/</u>
<u>2/533.28</u>	In any pattern for which the aggregate value of the articles listed in headnote 2(b) of this subpart is over \$12-----	10¢ + 21%	6¢ + 12.5%      5¢ + 10.5%
	Not available in specified sets:		
533.31	Steins, mugs, candy boxes, decanters, punch bowls, pretzel dishes, tidbit dishes, tiered servers, and bonbon dishes-----	10¢ + 25%	6¢ + 15%      5¢ + 12.5%
	Other articles:		
533.33	Cups valued not over \$0.50 per dozen, saucers valued not over \$0.30 per dozen, plates not over 9 inches in maximum diameter and valued not over \$0.50 per dozen, plates over 9 but not over 11 inches in maximum diameter and valued not over \$1 per dozen, and other articles valued not over \$1 per dozen-----	10¢ + 25%	6¢ + 15%      5¢ + 12.5%
533.35	Cups valued over \$0.50 but not over \$1 per dozen, saucers valued over \$0.30 but not over \$0.55 per dozen, plates not over 9 inches in maximum diameter and valued over \$0.50 but not over \$0.90 per dozen, plates over 9 but not over 11 inches in maximum diameter and valued over \$1 but not over \$1.55 per dozen, and other articles valued over \$1 but not over \$2 per dozen-----	10¢ + 40%	10¢ + 24.5%      10¢ + 21%

See footnotes at end of table.

Table 1.--Earthenware table and kitchen articles: U.S. rates of duty provided in the Tariff Schedules of the United States, as modified to Jan. 1, 1972 <sup>1/</sup>--Continued

(Cents per dozen pieces; percent ad valorem)			
TSUS item	Articles	Rate prior to Jan. 1, 1968	U.S. concessions granted in 1964-67 trade conference (Kennedy Round) Fourth stage, effective Jan. 1, 1971 : Final stage, effective Jan. 1, 1972
	Articles chiefly used for preparing, serving, or storing food or beverages, etc.--Continued		
	Of fine-grained earthenware, etc.--Continued		
	Not available in specified sets--Continued		
2/533.36	Cups valued over \$1 but not over \$1.70 per dozen, saucers valued over \$0.55 but not over \$0.95 per dozen, plates not over 9 inches in maximum diameter and valued over \$0.90 but not over \$1.55 per dozen, plates over 9 but not over 11 inches in maximum diameter and valued over \$1.55 but not over \$2.65 per dozen, and other articles valued over \$2 but not over \$3.40 per dozen-----	10¢ + 22%	10¢ + 21% : 10¢ + 21% <sup>4/</sup>
2/533.38	Cups valued over \$1.70 per dozen, saucers valued over \$0.95 per dozen, plates not over 9 inches in maximum diameter and valued over \$1.55 per dozen, plates over 9 but not over 11 inches in maximum diameter and valued over \$2.65 per dozen, and other articles valued over \$3.40 per dozen-----	10¢ + 22%	6¢ + 13% : 5¢ + 11%

<sup>1/</sup> The statutory (1930) rate of duty applicable to items 533.14 and 533.16 is 25 percent ad valorem. The statutory rate applicable to all other earthenware table and kitchen articles is 10 cents per dozen pieces plus 50 percent ad valorem.

<sup>2/</sup> This classification and others that likewise became effective Jan. 1, 1968, are shown below with the related TSUS items, which had been in effect from Aug. 31, 1963, through Dec. 31, 1967:

<u>Existing item</u>	<u>Previous item</u>
533.26-----	533.27 (pt.)
533.28-----	533.27 (pt.)
533.36-----	533.37 (pt.)
533.38-----	533.37 (pt.)

<sup>3/</sup> Rate of duty not affected by trade conference.

<sup>4/</sup> This final rate became effective Jan. 1, 1970

Table 2.--China ware table and kitchen articles (except hotel or restaurant ware): U.S. rates of duty provided in the Tariff Schedules of the United States, as modified to Jan. 1, 1972 1/

(Cents per dozen pieces; percent ad valorem)			
TSUS item	Articles	Rate prior to Jan. 1, 1968	U.S. concessions granted in: 1964-67 trade conference (Kennedy Round) Fourth stage, : Final stage, effective : effective Jan. 1, 1971 : Jan. 1, 1972
	Articles chiefly used for preparing, serving, or storing food or beverages, or food or beverage ingredients:		
533.41	Of bone chinaware-----	35%	21% : 17.5%
	Of nonbone chinaware or of subporcelain:		
	Household ware available in specified sets:		
533.63	In any pattern for which the aggregate value of the articles listed in headnote 2(b) of this subpart is not over \$10-----	10¢ + 48%	2/ : 2/
533.65	In any pattern for which the aggregate value of the articles listed in headnote 2(b) of this subpart is over \$10 but not over \$24----	10¢ + 55%	2/ : 2/
3/533.66	In any pattern for which the aggregate value of the articles listed in headnote 2(b) of this subpart is over \$24 but not over \$56----	10¢ + 36%	2/ : 2/
3/533.68	In any pattern for which the aggregate value of the articles listed in headnote 2(b) of this subpart is over \$56-----	10¢ + 36%	6¢ + 21.5% : 5¢ + 18%
533.69	Not covered by items 533.63, 533.65, 533.66, 533.68, and in any pattern for which the aggregate value of the articles listed in headnote 2(c) of this subpart is over \$8-----	10¢ + 36%	6¢ + 21.5% : 5¢ + 18%
	Household ware not covered by item 533.63, 533.65, 533.66, 533.68, or 533.69:		
533.71	Steins, mugs, candy boxes, decanters, punch bowls, pretzel dishes, tidbit dishes, tiered servers, and bonbon dishes-----	45%	27% : 22.5%
	Other articles:		
533.73	Cups valued not over \$1.35 per dozen, saucers valued not over \$0.90 per dozen, plates not over 9 inches in maximum diameter and valued not over \$1.30 per dozen, plates over 9 but not over 11 inches in maximum diameter and valued not over \$2.70 per dozen, and other articles valued not over \$4.50 per dozen-----	10¢ + 45%	6¢ + 27% : 5¢ + 22.5%
533.75	Cups valued over \$1.35 but not over \$4 per dozen, saucers valued over \$0.90 but not over \$1.90 per dozen, plates not over 9 inches in maximum diameter and valued over \$1.30 but not over \$3.40 per dozen, plates over 9 but not over 11 inches in maximum diameter and valued over \$2.70 but not over \$6 per dozen, and other articles valued over \$4.50 but not over \$11.50 per dozen-----	10¢ + 60%	6¢ + 36% : 5¢ + 30%
533.77	Cups valued over \$4 per dozen, saucers valued over \$1.90 per dozen, plates not over 9 inches in maximum diameter and valued over \$3.40 per dozen, plates over 9 but not over 11 inches in maximum diameter and valued over \$6 per dozen, and other articles valued over \$11.50 per dozen-----	10¢ + 35%	6¢ + 21% : 5¢ + 17.5%

See footnotes on following page.

Footnotes for table 2

1/ The statutory ( 1930) rate of duty applicable to chinaware table and kitchen articles, except item 533.71 (mugs, etc.), is 10 cents per dozen pieces plus 70 percent ad valorem. The statutory rate applicable to item 533.71 is 70 percent ad valorem.

2/ Rate of duty not affected by trade conference.

3/ This classification and another that likewise became effective Jan. 1, 1968, are shown below with the related TSUS items, which had been in effect from Aug. 31, 1963, through Dec. 31, 1967:

<u>Existing item</u>	<u>Previous item</u>
533.66-----	533.67(pt.)
533.68-----	533.67(pt.)



Table 3.--Rockingham earthenware: U.S. rates of duty under the  
Tariff Act of 1930, as modified to Aug. 30, 1963

(Cents per dozen; percent ad valorem)

Paragraph and description	Tariff Act of 1930		
	Statutory rate	Trade-agreement modification Rate	Effective date and basis of change
Par. 210:			
Rockingham earthen-			
ware, valued per			
dozen pieces--			
\$1.50 or more--	25%	12-1/2%	1-1-39; U.K.
		6-1/4%	9-10-55; GATT.
Under \$1.50----	25%	20¢, but not less	1-1-48; GATT.
		than 7-1/2%	
		nor more than	
		25%.	
		12-1/2%	9-10-55; GATT.

Note.--The statutory rate shown in the first column is that originally provided for in the Tariff Act of 1930. This rate applies to products of Communist-dominated or Communist-controlled countries or areas designated by the President pursuant to sec. 231 of the Trade Expansion Act of 1962. In the right-hand column is indicated the trade agreement in which the modified rate was negotiated (GATT refers to the General Agreement on Tariffs and Trade).

Table 4.--Earthenware table and kitchen articles: U.S. rates of duty under the Tariff Act of 1930, as modified to Aug. 30, 1963

(Cents per dozen; percent ad valorem)			
Paragraph and description	Tariff Act of 1930		
	Statutory rate	Trade-agreement modification	
		Rate	Effective date and basis of change
Par. 211:			
Earthenware and crockery ware composed of a nonvitrified absorbent body, including white granite and semiporcelain earthenware, and cream-colored ware, terra cotta, and stoneware; any of the foregoing which are tableware, kitchenware, or table or kitchen utensils:			
Plates, not over 6-5/8 inches in diameter and valued over 40 but under 75 cents per dozen, or over 6-5/8 but not over 8-1/8 inches in diameter and valued over 50 but under 90 cents per dozen, or over 8-1/8 but not over 9-1/8 inches in diameter and valued over 70 cents but under \$1.30 per dozen, or over 9-1/8 inches in diameter and valued over \$1 but under \$1.55 per dozen:			
cups, valued over 50 cents but under \$1 per dozen;			
saucers, valued over 30 but under 55 cents per dozen;			
articles which are not plates, cups, or saucers and which are valued over \$1 but under \$2 per dozen articles; all the foregoing:			
Plain, not colored or decorated in any manner-----	10¢ + 45%	10¢ + 40%	9-10-55; GATT.
Decorated or colored in any manner-----	10¢ + 50%	10¢ + 40%	9-10-55; GATT.
Plates, cups, and saucers, and other articles than plates, cups, and saucers; each of the foregoing valued at less than the minimum value specified above for the like article:			
Plain, not colored or decorated in any manner-----	10¢ + 45%	10¢ + 25%	9-10-55; GATT.
Decorated or colored in any manner-----	10¢ + 50%	10¢ + 25%	9-10-55; GATT.
Plates, cups, and saucers, and other articles than plates, cups, and saucers; each of the foregoing valued at more than the maximum value specified above for the like article:			
Plain, not colored or decorated in any manner-----	10¢ + 45%	10¢ + 25%	11-17-51; GATT.
Decorated or colored in any manner:			
Plates, cups, and saucers-----	10¢ + 50%	10¢ + 30%	1-1-39; U.K.
		10¢ + 20%	1-1-48; GATT
			11-17-51; GATT. <sup>1/</sup>
Other articles than plates, cups, and saucers-----	10¢ + 50%	10¢ + 25%	1-1-48; GATT.
			11-17-51; GATT. <sup>1/</sup>

<sup>1/</sup> The reduced rate became effective on this date on an unimportant class of earthenware described as having a body wholly of clay.

Note.--The statutory rate shown in the first column is that originally provided for in the Tariff Act of 1930. This rate applies to products of Communist-dominated or Communist-controlled countries or areas designated by the President pursuant to sec. 231 of the Trade Expansion Act of 1962. In the right-hand column is indicated the trade agreement in which the modified rate was negotiated (GATT refers to the General Agreement on Tariffs and Trade).

Table 5.--Chinaware table and kitchen articles: U.S. rates of duty under the  
Tariff Act of 1930, as modified

(Cents per dozen; percent ad valorem)			
Paragraph and description	Tariff Act of 1930		
	Statutory rate	Trade-agreement modification	
		Rate	Effective date and basis of change
Par. 212:			
China, porcelain, and other vitrified wares, composed of a vitrified nonabsorbent body which when broken shows a vitrified, vitreous, semivitrified, or semi- vitreous fracture, and bisque and parian wares; any of the foregoing which are tableware, kitchenware, and table and kitchen utensils:			
Containing 25 percent or more of calcined bone:			
Plain, not colored or decorated in any manner---	10¢ + 60%	40%; min. 5¢ + 30%	1-1-39; U.K.
		30%; min. 5¢ + 25%	1-1-48; GATT.
Decorated or colored in any manner-----	10¢ + 70%	45%; min. 5¢ + 35%	1-1-39; U.K.
		35%; min. 5¢ + 30%	1-1-48; GATT.
Not containing 25 percent or more of calcined bone:			
Household ware or utensils:			
Plates, not over 6-5/8 inches in diameter and valued over 90 cents but not over \$2.55 per dozen, or over 6-5/8 but not over 7-7/8 inches in diameter and valued over \$1.35 but not over \$3.45 per dozen, or over 7-7/8 but not over 9-1/8 inches in diameter and valued over \$1.80 but not over \$5 per dozen, or over 9-1/8 inches in diameter and valued over \$2.70 but not over \$6 per dozen;			
cups, valued over \$1.35 but not over \$4.45 per dozen;			
saucers, valued over 90 cents but not over \$1.90 per dozen; and			
other articles (than plates, cups, and saucers), valued over \$4.50 but not over \$11.50 per dozen articles;			
all the foregoing:			
Plain, not colored or decorated in any manner-----	10¢ + 60%	10¢ + 60%	9-10-55; GATT.
Colored or decorated in any manner-----	10¢ + 70%	10¢ + 60%	9-10-55; GATT.
Plates, cups, and saucers, and other articles than plates, cups, and saucers; each of the foregoing valued at less than the minimum value specified above for the like article:			
Plain, not colored or decorated in any manner-----	10¢ + 60%	10¢ + 45%	9-10-55; GATT.
Decorated or colored in any manner-----	10¢ + 70%	10¢ + 45%	9-10-55; GATT.
Plates, cups, and saucers, and other articles than plates, cups, and saucers; each of the foregoing valued at more than the maximum value specified above for the like article:			
Plain, not colored or decorated in any manner-----	10¢ + 60%	10¢ + 35%	6-6-51; GATT.
Decorated or colored in any manner-----	10¢ + 70%	10¢ + 35%	1-1-48; GATT.
			10-1-51;
			GATT. 1/

1/ A rate of 10 cents per dozen plus 45 percent ad valorem was in effect on articles in the lower part of the top-value category from April 21, 1948, to Sept. 29, 1951.

Note.--The statutory rate shown in the first column is that originally provided for in the Tariff Act of 1930. This rate applies to products of Communist dominated or Communist controlled areas designated by the President pursuant to Sec. 231 of the Trade Expansion Act of 1962. In the right-hand column is

Table 6 .--Earthenware and chinaware (excluding hotel ware) table and kitchen articles: Average ad valorem equivalents of the rates of duty in effect in 1930, 1967, 1968, 1971, and 1972 at most-favored-nation rates based on imports for consumption in 1970

TSUS item numbers	Imports 1970		Average ad valorem equivalents based on import in 1970 of the rates of duty in effect in --					
	Quantity	Value	1930 <sup>1/</sup>	1955	1967 <sup>2/</sup>	1968	1971	1972
	: : 1,000 : dz. pcs.:	: : 1,000 : dollars:	: Percent:	: Percent:	: Percent:	: Percent:	: Percent:	: Percent:
Earthenware:								
Rockingham earthenware:								
533.14-----	1,107	841	25.0	12.5	12.5	11.0	7.0	6.
533.16-----	125	404	25.0	6.2	6.2	6.0	6.0	6.
Dinnerware: <sup>3/</sup>								
533.23-----	9	16	55.6	31.3	31.3	25.0	18.8	18.
533.25-----	159	169	59.4	49.7	46.2	42.6	33.1	30.
533.26-----	601	989	56.1	31.0	27.1	27.1	27.1	27.
533.28-----	6,150	19,405	53.2	28.2	24.2	21.4	14.4	11.
Mugs, etc.: <sup>4/</sup>								
533.31-----	3,252	6,319	55.2	30.6	30.1	26.6	18.1	15.
Other table and kitchen articles:								
533.33-----	1,028	787	63.0	38.1	38.1	33.8	22.9	19.
533.35-----	772	934	58.2	48.3	48.3	44.2	32.8	29.
533.36-----	575	1,041	55.5	30.5	27.5	27.0	26.5	26.
533.38-----	1,411	8,438	51.7	26.7	23.7	21.0	14.0	11.
Chinaware:								
Bone chinaware:								
533.41-----	655	6,728	71.0	35.0	35.0	31.0	21.0	17.
Nonbone china dinnerware: <sup>3/</sup>								
533.63-----	329	516	76.4	51.4	54.5	54.5	54.5	54.
533.65-----	9,626	21,879	74.4	64.4	59.4	59.4	59.4	59.
533.66-----	2,668	13,583	72.0	37.0	38.0	38.0	38.0	38.
533.68-----	158	2,186	70.7	35.7	36.7	32.7	21.9	18.
533.69-----	22	273	70.7	35.9	36.6	32.6	22.0	18.
Mugs, etc.: <sup>4/</sup>								
533.71-----	2,210	4,556	70.0	45.0	45.0	40.0	27.0	22.
Other table and kitchen articles:								
533.73-----	2,143	2,405	78.9	53.9	53.9	48.0	32.3	26.
533.75-----	436	1,370	73.2	63.2	63.2	56.9	37.9	31.
533.77-----	224	2,404	70.9	35.9	35.9	31.8	21.5	18.

<sup>1/</sup> Column 2 rates of the Tariff Schedules of the United States Annotated.

<sup>2/</sup> The changes in the ad valorem equivalents for items 533.23, -.25, -.26, -.28, -.63, -.65, -.66, -.68, and -.69 result from the establishment of the Tariff Schedules of the United States (TSUS), effective Aug. 31, 1963. The rates established in the TSUS were based on the weighted average of the rates applicable to the pieces which comprise the norm defined in headnote 2(b) in subpt. c, pt. 2, schedule 5 of the TSUS.

<sup>3/</sup> Ware, available in specified sets, as defined in headnote 2(b) in subpt. c, pt. 2, schedule 5 of the TSUS.

<sup>4/</sup> In addition to mugs, includes steins, candy boxes, decanters, punchbowls, pretzel dishes, tidbit dishes, tiered server and bonbon dishes.

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

Table 7.-Earthenware (including "Rockingham" ware) and household china table and kitchen articles: U.S. shipments, estimated imports for consumption, estimated exports of domestic merchandise, and estimated apparent consumption, annually 1966-70, January-June 1970, and January-June 1971

(Quantity in thousands of dozen pieces)					
Type of ware and year	Shipments <sup>1/</sup>	Imports <sup>2/</sup>	Exports	Apparent consumption	Ratio of imports to apparent consumption (percent)
Earthenware (including "Rockingham" ware):					
Total table and kitchen articles:					
1966	16,221	11,083	3/ 459	26,845	41
1967	15,634	11,000	3/ 405	26,229	42
1968	18,212	12,817	3/ 323	30,706	42
1969	17,594	13,928	3/ 293	31,229	46
1970	13,198	15,189	3/ 316	28,071	54
January-June:					
1970	6,926	7,390	4/	5/ 14,316	5/ 52
1971	6,898	8,086	4/	5/ 14,984	5/ 54
Earthen dinnerware only:					
1966	15,597	5,855	2/ 13	21,439	27
1967	14,952	5,518	2/ 13	20,457	27
1968	17,451	6,242	2/ 16	23,677	26
1969	16,622	6,785	2/ 13	23,396	29
1970	6/ 12,280	6,919	2/ 12	19,187	36
January-June:					
1970	6,551	3,359	4/	5/ 9,910	5/ 34
1971	6,612	3,808	4/	5/ 10,420	5/ 37
China household ware:					
Total table and kitchen articles:					
1966	* * *	12,722	* * *	* * *	* * *
1967	* * *	13,954	* * *	* * *	* * *
1968	* * *	18,408	* * *	* * *	* * *
1969	* * *	21,894	* * *	* * *	* * *
1970	* * *	18,642	* * *	* * *	* * *
January-June:					
1970	* * *	9,260	* * *	* * *	* * *
1971	* * *	6,847	* * *	* * *	* * *
China dinnerware only:					
1966	7/ 718	10,206	8/ 2	10,922	93
1967	7/ 754	10,985	8/ 2	11,737	94
1968	7/ 813	14,058	8/ 2	14,869	95
1969	7/ 716	17,153	8/ 2	17,866	96
1970	7/ 595	9/ 13,243	8/ 2	9/ 13,836	96
January-June:					
1970	7/ 279	6,781	4/	5/ 7,060	5/ 96
1971	7/ 266	3,943	4/	5/ 4,209	5/ 94

<sup>1/</sup> Based on data submitted to the Tariff Commission by domestic producers.

<sup>2/</sup> Bone china imports are estimated to consist of 42 percent dinnerware articles for the period 1966-June 1971. See table 7-B.

<sup>3/</sup> Includes ceramic sanitary fixture articles.

<sup>4/</sup> Not available.

<sup>5/</sup> Calculated on the assumption that there were no exports of domestic merchandise during this period.

<sup>6/</sup> A large amount of earthen dinnerware sold by domestic producers to premium dealers is still in these dealers' inventories. In 1970 a fire at the Royal China Co.'s main plant resulted in a \* \* \* decrease from its 1969 shipments.

<sup>7/</sup> Pyroceram table and kitchen articles are excluded.

<sup>8/</sup> Estimated.

<sup>9/</sup> At the end of 1968, a sample of importers' inventories had increased 28 percent from the 1967 level and at the end of 1969 these inventories were 143 percent higher than the 1968 level. These same importers' inventories had decreased in the years 1965-67.

The inventories reported for the end of 1970 were 49 percent higher than the 1969 level and were equivalent, in quantity, to nearly 40 percent of the imports of china dinnerware in 1970, indicating that large amounts of this dinnerware have not, in fact, been consumed.

Table 7A.--Bone china table and kitchen articles: U.S. shipments, imports for consumption, and apparent consumption, annually 1966-70, January-June 1970, and January-June 1971

\* \* \* \* \*

Table 7B.--Bone china dinnerware articles: U.S. shipments, imports, and apparent consumption, 1968 and 1970

\* \* \* \* \*

Table 8.--Earthen and china table and kitchen articles: Importers' inventories, 1965-70

Item	1965	1966	1967	1968	1969	1970
Quantity (1,000 dozen pieces)						
Earthenware:						
Dinnerware <u>1</u> /-----	514	642	701	723	928	1,369
Other table and kitchen articles <u>2</u> /-----	229	56	64	84	140	249
Total <u>3</u> /-----	743	698	764	806	1,069	1,618
Chinaware:						
Dinnerware <u>1</u> /-----	1,543	1,395	1,104	1,412	3,428	5,125
Other table and kitchen articles <u>2</u> /-----	44	59	46	51	83	75
Total <u>3</u> /-----	1,586	1,454	1,150	1,463	3,511	5,200

1/ Available in specified sets.

2/ Not available in specified sets.

3/ Because of rounding, figures may not add to totals shown.

Source: Compiled from data submitted to the U.S. Tariff Commission by importers that accounted for 70 percent of the total imports of earthen dinnerware and 83 percent of the total imports of nonbone china dinnerware in 1970.

Table 9.--Earthen dinnerware and table and kitchen articles: U.S. producers' year-end inventories of unsold finished ware, 1965-70

(Thousands of dozen pieces)

Item	1965	1966	1967	1968	1969	1970
Household earthen dinner- ware-----	2,102	1,801	2,578	2,637	2,719	2,682
Other household earthen table and kitchen articles-----	277	299	309	328	389	364
Total-----	2,379	2,100	2,887	2,965	3,108	3,046

Source: Compiled from data submitted to the U.S. Tariff Commission by domestic producers.



Table 10. Earthen dinnerware: Percentage distribution of U.S. producers' sales, by types and wholesale price ranges, 1966, 1968, 1970, January-June 1970, and January-June 1971

Item	1966	1968	1970	Jan.-June 1970	Jan.-June 1971
	Percent of total quantity				
First-line dinnerware valued at wholesale for service for eight					
Not over \$6	19.9	18.2	19.9	21.1	21.5
Over \$6, not over \$9	8.9	71.0	58.1	59.9	59.4
Over \$9, not over \$15	62.5	4.1	12.7	11.2	11.3
Over \$15, not over \$30	4.1	5.5	9.3	6.8	7.8
Over \$30	5.5	100.0	100.0	100.0	100.0
Total	100.0	100.0	100.0	100.0	100.0
	Percent of total value				
First-line dinnerware valued at wholesale for service for eight					
Not over \$6	7.9	7.8	9.8	10.9	11.0
Over \$6, not over \$9	6.3	60.7	40.1	44.7	42.4
Over \$9, not over \$15	55.7	7.6	17.3	16.2	16.8
Over \$15, not over \$30	7.6	22.5	32.8	28.2	29.8
Over \$30	22.5	100.0	100.0	100.0	100.0
Total	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted to the U.S. Tariff Commission by domestic producers.

Table 11.--China dinnerware: Percentage distribution of U.S. producers' sales, by types and wholesale price ranges, 1966, 1968, 1970, January-June 1970, and January-June 1971

Item	1966	1968	1970	Jan.-June 1970	Jan.-June 1971
Percent of total quantity					
First-line dinnerware valued at wholesale for service for eight--					
Not over \$9	-	-	-	-	-
Over \$9, not over \$15	-	-	-	-	-
Over \$15, not over \$30	-	-	-	-	-
Over \$30, not over \$60	31.9	27.8	23.9	25.3	16.0
Over \$60, not over \$80	14.6	16.5	16.0	14.6	23.9
Over \$80	53.5	55.7	60.1	60.1	60.1
Total	100.1	100.0	100.0	100.0	100.0
Percent of total value					
First-line dinnerware valued at wholesale for service for eight--					
Not over \$9	-	-	-	-	-
Over \$9, not over \$15	-	-	-	-	-
Over \$15, not over \$30	-	-	-	-	-
Over \$30, not over \$60	18.7	15.0	13.0	14.6	8.5
Over \$60, not over \$80	9.9	10.6	10.2	9.3	13.9
Over \$80	71.4	74.4	76.8	76.1	77.6
Total	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted to the U.S. Tariff Commission by domestic producers.

Table 12. Earthen dinnerware: 1/ Percentage distribution of importers' sales, by price ranges, 1966, 1968, 1970, January-June 1970, and January-June 1971

Item	1966	1968	1970	Jan.-June 1970	Jan.-June 1971
Percent of total quantity					
First-line dinnerware valued at wholesale for service for eight					
Not over \$6	2/	2/	3	7	5
Over \$6, not over \$9		2/	2	5	
Over \$9, not over \$15	19	21	19	27	22
Over \$15, not over \$30	76	73	70	52	65
Over \$30	5	6	6	9	8
Total	100	100	100	100	100
Percent of total value					
First-line dinnerware valued at wholesale for service for eight					
Not over \$6	2/	2/	2	1	5
Over \$6, not over \$9		19	1	5	
Over \$9, not over \$15	15	60	15	19	14
Over \$15, not over \$30	70	21	60	45	56
Over \$30	15	21	22	30	25
Total	100	100	100	100	100

1/ Includes open stock available in specified sets.

2/ Less than 0.05 percent.

Source: Compiled from data submitted to the U.S. Tariff Commission by importers.

Table 13 .--Nonbone china dinnerware: 1/ Percentage distribution of importers' sales, by price ranges, 1966, 1968, 1970, and January-June 1970, and January-June 1971

Item	1966	1968	1970	Jan.-June 1970	Jan.-June 1971
First-line dinnerware valued at wholesale for service for eight--					
Not over \$9	2	1	<u>2/</u>	1	1
Over \$9, not over \$15	10	9	9	8	9
Over \$15, not over \$30	69	67	56	49	42
Over \$30, not over \$60	17	21	33	40	45
Over \$60, not over \$80	1	1	1	1	1
Over \$80	1	1	1	1	2
Total	100	100	100	100	100
Percent of total quantity					
First-line dinnerware valued at wholesale for service for eight--					
Not over \$9	1	<u>2/</u>	2/	2/	1
Over \$9, not over \$15	6	5	7	4	3
Over \$15, not over \$30	63	53	41	38	26
Over \$30, not over \$60	19	32	43	47	57
Over \$60, not over \$80	4	4	3	4	4
Over \$80	7	6	6	7	9
Total	100	100	100	100	100
Percent of total value					

1/ Includes open stock available in specified sets.  
2/ Less than 0.5 percent.

Source: Compiled from data submitted to the U.S. Tariff Commission by importers.

Table 14.--Earthenware: Percentage distribution of U.S. producers' sales of household table and kitchen articles by type of sales outlet, 1966 and 1970

(In percentages based on quantity)

Type of sales outlet	Earthen dinnerware		Earthen non-dinnerware articles	
	1966	1970	1966	1970
Wholesale distributors-----	6.4	6.2	.9	2.0
Discount department stores and discount mass mer- chandisers-----	4.5	8.8	12.6	11.0
Other department stores, and specialty, gift, and jewelry stores-----	15.1	19.5	17.5	12.0
Premium houses (including trading stamp outlets, banks, etc.)-----	50.4	41.5	17.5	43.0
Chain-variety stores-----	10.7	11.1	51.5	28.0
Mail order catalog houses----	3.6	6.7	-	2.0
Other-----	9.3	6.6	-	2.0
Total-----	100.0	100.0	100.0	100.0

Source: Compiled from data submitted to the U.S. Tariff Commission by the domestic producers.

Table 15. Earthenware: Percentage distribution of importers' sales, by types of sales outlet, 1966 and 1970

Item	Earthen dinnerware		Earthen non-dinnerware articles		Total	
	1966	1970	1966	1970	1966	1970
Wholesale distributors	5.0	3.0	26.0	25.0	9.8	8.0
Discount department stores and discount mass merchandisers	13.0	24.0	14.0	16.0	13.0	23.0
Other department stores and specialty, gift and jewelry stores	64.0	55.0	55.0	53.0	63.0	54.0
Premium houses	16.0	14.0	1/	.5	12.0	11.0
Chain-variety stores	1/	1/	5.0	5.0	1.0	1.0
Mailorder and catalog houses without retail outlets	2.0	3.0	1/	.5	2.0	2.5
Other	---	1.0	---	---	---	.5
Total	100.0	100.0	100.0	100.0	100.0	100.0

1/ Less than 0.05 percent.

Source: Compiled from data submitted to the U.S. Tariff Commission by importers.

Table 16.--China and pyroceram dinnerware: Percentage distribution of U.S. producers' sales, by type of sales outlet, 1966 and 1970

(In percentages based on quantity)

Type of sales outlet	China dinnerware, in patterns having a wholesale price per service for eight of:			
	Not over \$60.00		Over \$60.00	
	1966	1970	1966	1970
Wholesale distributors-----	-	-	1.0	<u>1/</u>
Discount department stores and discount mass merchandisers---	60.0	59.0	7.0	3.0
Other department stores, and specialty, gift, and jewelry stores-----	20.0	20.0	74.0	71.0
Premium houses (including trad- ing stamp outlets, banks, etc.)-----	5.0	6.0	1.0	1.0
Chain-variety stores-----	-	-	-	-
Mail order and catalog houses---	5.0	5.0	1.0	<u>1/</u>
Other-----	10.0	10.0	16.0	25.0
Total sales-----	100.0	100.0	100.0	100.0

1/ Less than 0.5 percent.

Source: Compiled from data submitted to the U.S. Tariff Commission by the domestic producers.

Table 17. China-ware: Percentage distribution of importers' sales, by type of sales outlet, 1966 and 1970

Sales outlet	(In percentages based on quantity)							
	China dinnerware, in patterns having a wholesale price per service for eight of--		Over \$60.00		China non-dinnerware articles		Total	
	1966	1970	1966	1970	1966	1970	1966	1970
Wholesale distributors	5.8	2.7	-	-	3.7	5.7	4.3	2.4
Department stores and discount mass merchandisers	8.6	3.5	1/	1/	73.2	5.6	16.7	3.0
Department stores; and specialty, gift, and jewelry stores	46.4	22.5	99.8	77.4	20.7	62.2	52.7	34.3
Department stores	33.5	62.5	.2	22.6	2.4	26.5	22.5	53.6
Department stores	2.3	1.3	-	-	1/	1/	1.5	.9
Department stores	-	.4	-	-	-	-	-	.3
Department stores	3.4	7.1	-	-	-	-	2.3	5.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1/ Less than 0.05 percent.

2/ Includes trading stamp outlets, banks, etc.

Source: Compiled from data submitted to the U.S. Tariff Commission by importers.



Table 18.--Melamine and machine-made glass table and kitchen articles: Percentage distribution of U.S. producers' sales, by type of sales outlet and type of product, 1966 and 1970

Type of sales outlet	(In percentages based on quantity)							
	Melamine dinnerware		Melamine non-dinnerware articles		Glass dinnerware		Glass non-dinnerware articles	
	1966	1970	1970 1/	1966	1970	1966	1970	
Wholesale distributors	10.0	9.0	3.0	1.0	.6	58.5	32.9	
Department stores and mass merchandisers	16.0	47.0	76.0	55.6	56.4	4.9	13.3	
Department stores 2/	20.0	9.0	10.0	21.1	20.6	3.0	2.5	
Home stores 3/	10.0	12.0	9.0	5.1	6.1	15.0	11.7	
Main-variety stores	18.0	11.0	2.0	3.0	2.4	3.8	7.6	
Mail order and catalog houses	14.0	5.0	-	5.1	5.5	.2	.3	
Other	12.0	7.0	4/	9.1	8.4	14.6	31.7	
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	

1/ Data for 1966 not reported by a significant number of the producers.

2/ Includes specialty, gift, and jewelry stores.

3/ Includes trading stamp outlets, banks, etc.

4/ Less than 0.5 percent.

Source: Compiled from data submitted to the U.S. Tariff Commission by the domestic producers.

Table 19.--Earthenware and chinaware (excluding hotel chinaware) table and kitchen articles: U.S. imports for consumption by type of ware 1966-70, and January-June 1970 and 1971

(Quantity (1,000 dozen pieces))							
Type of ware	1966	1967	1968	1969	1970	January-June	
						1970	1971
Earthenware:							
Rockingham ware----	562	685	752	962	1,232	808	466
Dinnerware <u>1/</u> -----	5,855	5,518	6,242	6,785	6,919	3,359	3,808
Mugs and other							
table and kitch-							
en articles-----	4,666	4,797	5,823	6,181	7,038	3,223	3,812
Total-----	11,083	11,000	12,817	13,928	15,189	7,390	8,086
Chinaware:							
Bone chinaware-----	575	525	607	634	655	343	314
Dinnerware <u>1/</u> -----	9,965	10,765	13,803	16,886	12,968	6,637	3,811
Mugs and other							
table and kitch-							
en articles-----	2,182	2,664	3,998	4,354	5,019	2,280	2,722
Total-----	12,722	13,954	18,408	21,874	18,642	9,260	6,847

1/ Ware, available in specified sets, as defined in headnote 2(b) in subpart C, part 2, Schedule 5 of the Tariff Schedules of the United States.

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

Table 20.--Earthenware table and kitchen articles: U.S. imports for consumption by TSUS items from all countries, 1966-70 and January-June 1970 and 1971

TSUS item number	1966	1967	1968	1969	1970	January-June	
						1970	1971
Quantity (1,000 dozen pieces)							
Earthenware:							
Rockingham ware:							
533.14-----	475	590	669	847	1,107	745	402
533.16-----	87	95	92	115	125	63	64
Total-----	562	685	752	962	1,232	808	466
Earthen dinnerware: <u>1/</u>							
533.23-----	16	34	11	10	9	<u>2/</u>	8
533.25-----	384	365	313	202	159	88	124
533.26 <u>3/</u> -----	5,455	5,119	1,993	1,279	601	360	156
533.28 <u>3/</u> -----	-	-	3,925	5,294	6,150	2,911	3,520
Total-----	5,855	5,518	6,242	6,785	6,919	3,359	3,808
Mugs, etc: <u>4/</u> -----							
533.31, total-----	1,836	1,887	2,288	2,570	3,252	1,314	1,973
Other table and kitchen articles:							
533.33-----	1,268	1,292	1,457	1,145	1,028	564	455
533.35-----	378	414	563	635	772	370	481
533.36 <u>5/</u> -----	1,184	1,204	651	627	575	314	289
533.38 <u>5/</u> -----	-	-	864	1,204	1,411	661	614
Total-----	2,830	2,910	3,535	3,611	3,786	1,909	1,839
Total, earthenware-----	11,083	11,000	12,817	13,928	15,189	7,390	8,086
Value (1,000 dollars)							
Earthenware:							
Rockingham ware:							
533.14-----	322	389	451	606	841	560	324
533.16-----	258	276	284	394	404	183	179
Total-----	580	665	735	1,000	1,245	743	503
Earthen dinnerware: <u>1/</u>							
533.23-----	13	43	9	20	16	2	12
533.25-----	303	305	280	194	169	87	150
533.26 <u>2/</u> -----	12,760	12,895	3,569	2,253	989	585	266
533.28 <u>2/</u> -----	-	-	11,329	15,579	19,405	8,859	11,783
Total-----	13,076	13,243	15,187	18,046	20,579	9,533	12,211
Mugs, etc: <u>4/</u>							
533.31, total-----	3,120	3,265	4,069	4,974	6,320	2,568	3,641
Other table and kitchen articles:							
533.33-----	831	831	994	856	787	440	358
533.35-----	351	390	591	717	934	446	599
533.36 <u>5/</u> -----	4,359	4,670	1,085	1,089	1,041	540	535
533.38 <u>5/</u> -----	-	-	4,991	7,074	8,439	3,717	3,777
Total-----	5,541	5,891	7,661	9,736	11,201	5,143	5,269
Total, earthenware-----	22,317	23,064	27,652	33,756	39,345	17,987	21,624

1/ Ware available in specified sets, as defined in headnote 2(b) in subpart C, part 2, Schedule 5 of the Tariff Schedules of the United States.

2/ Less than 500 dozen pieces.

3/ Prior to 1968, TSUS item number 533.27. TSUS items 533.26 and 533.28 became effective Jan. 1, 1968.

4/ In addition to mugs, includes steins, candy boxes, decanters, punch bowls, pretzel dishes, tidbit dishes, tiered servers, and bonbon dishes.

5/ Prior to 1968, TSUS item number 533.37. TSUS items 533.36 and 533.38 became effective Jan. 1, 1968.

Table 21--Earthenware table and kitchen articles: 1/ U.S. imports for consumption, by value categories, 1950-70, January-June 1970 and January-June 1971

(In thousands of dozen pieces)

Period	Rockingham ware <u>2/</u>	Earthenware by value categories			Steins, mugs, etc.	Total, all categories
		Low	Medium	High		
1950-----	140	<u>3/</u>	<u>4/</u> 737	1,436	<u>5/</u>	2,313
1951-----	120	<u>3/</u>	<u>4/</u> 1,207	1,571	<u>5/</u>	2,998
1952-----	225	<u>3/</u>	<u>4/</u> 1,890	1,509	<u>5/</u>	3,624
1953-----	225	<u>3/</u>	<u>4/</u> 2,129	1,477	<u>5/</u>	3,831
1954-----	320	<u>3/</u>	<u>4/</u> 2,079	1,620	<u>5/</u>	4,019
1955-----	325	<u>3/</u>	<u>4/</u> 3,903	1,975	<u>5/</u>	6,203
1956-----	1,160	4,222	557	2,551	<u>5/</u>	8,490
1957-----	1,250	2,541	534	3,440	<u>5/</u>	7,765
1958-----	1,000	2,467	570	2,804	<u>5/</u>	6,841
1959-----	900	3,800	961	3,194	<u>5/</u>	8,855
1960-----	1,150	4,668	1,063	3,500	<u>5/</u>	10,381
1961-----	1,000	3,944	947	3,249	<u>5/</u>	9,140
1962-----	1,170	3,292	1,101	4,393	<u>5/</u>	9,956
1963-----	940	2,170	1,069	4,905	<u>5/</u>	9,084
1964-----	695	1,224	929	5,389	1,154	9,391
1965-----	596	1,350	727	5,574	1,354	9,601
1966-----	562	1,284	762	6,639	1,836	11,083
1967-----	685	1,326	778	6,323	1,887	10,999
1968-----	752	1,468	3,521	4,787	2,288	12,816
1969-----	962	1,155	2,743	6,497	2,570	13,927
1970-----	1,232	1,037	2,107	7,561	3,252	15,189
January- June--						
1970-----	809	564	1,132	3,572	1,314	7,391
1971-----	466	463	1,050	4,135	1,973	8,087

1/ Includes imports from certain Communist countries. Such imports are dutiable at the full rate of duty.

2/ Partly estimated prior to Aug. 31, 1963, to exclude imports of art and ornamental ware. Beginning in September 1963, such articles were separately classified.

3/ Not separately classified before September 1955; included with imports in the medium value category.

4/ Includes imports in the low value category.

5/ Not separately classified prior to Aug. 31, 1963.

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

Table 22.--Earthenware table and kitchen articles: U.S. imports for consumption, by value categories, and most-favored-nation rates of duty, 1930 and 1950-63

Year	(Quantity in thousands of dozen pieces; rate of duty in cents per dozen pieces and percent ad valorem)												Total
	Rockingham ware 1/				All other earthenware, except Rockingham ware, by value categories				Total				
	Low		Medium		High		Low		Medium		High		
	Quantity	Rate of duty	Quantity	Rate of duty	Quantity	Rate of duty	Quantity	Rate of duty	Quantity	Rate of duty	Quantity	Rate of duty	Quantity
30	-	25%	-	10¢ + 45% or 10¢ + 50%	-	10¢ + 45% or 10¢ + 50%	-	10¢ + 45% or 10¢ + 50%	-	10¢ + 45% or 10¢ + 50%	-	10¢ + 45% or 10¢ + 50%	-
50	140	12-1/2%; or 20¢ (not less than 7-1/2% nor more than 25%)	2/	do	3/ 737	do	1,436(	10¢ + 45% or ( : 10¢ + 25% or ( : 10¢ + 20%	2,313				
51	220	do	2/	do	3/ 1,207	do	1,571	10¢ + 25%	2,998				
52	225	do	2/	do	3/ 1,890	do	1,509	do	3,624				
53	225	do	2/	do	3/ 2,129	do	1,477	do	3,831				
54	320	do	2/	do	3/ 2,079	do	1,620	do	4,019				
55	325	6.25% or 12-1/2%	2/	10¢ + 25%	3/ 3,903	10¢ + 40%	1,975	do	6,203				
56	1,160	do	4,222	do	557	do	2,551	do	8,490				
57	1,250	do	2,541	do	534	do	3,440	do	7,765				
58	1,000	do	2,467	do	570	do	2,804	do	6,841				
59	900	do	3,800	do	961	do	3,194	do	8,855				
60	1,150	do	4,668	do	1,063	do	3,500	do	10,381				
61	1,000	do	3,944	do	947	do	3,249	do	9,140				
62	1,170	do	3,292	do	1,101	do	4,393	do	9,956				
63:													
January-August	700	do	1,737	do	684	do	3,293	do	6,414				
September-December	249	do	433	10¢ + 28% or 10¢ + 25%	385	10¢ + 37% or 10¢ + 40%	1,612	10¢ + 21% or 10¢ + 22%	2,679				

1/ Partly estimated, except for the period September-December 1963, to exclude art and ornamental articles. Beginning in September 1963, in articles were separately classified.

2/ Not separately classified before September 1955; included with imports in the medium value category.

3/ Includes imports in the low value category.

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

Table 23.--Earthen dinnerware, 1/ exploding Buckingham ware: U.S. imports for consumption, by value categories, and most-favored-nation rates of duty, 1964-70, January-June 1970, and January-June 1971

Year	Earthen dinnerware, by value categories 2/						Total
	Low		Medium		High		
	Quantity	Rate of duty	Quantity	Rate of duty	Quantity	Rate of duty	Quantity
1964	23	10¢ + 23%	623	10¢ + 37%	-	10¢ + 21%	5,074
1965	26	do	409	do	-	do	4,911
1966	16	do	382	do	-	do	5,845
1967	33	do	365	do	-	do	5,517
1968	10	9¢ + 25%	313	10¢ + 33.5%	4/ 1,993	9¢ + 18.5%	6,241
1969	10	8¢ + 22%	202	10¢ + 30.5%	4/ 1,279	8¢ + 16.5%	6,785
1970 6/	9	7¢ + 19.5%	159	10¢ + 27%	4/ 601	7¢ + 14.5%	6,919
January-June: 1970 6/	7/	7¢ + 19.5%	88	10¢ + 27%	4/ 360	7¢ + 14.5%	3,359
1971 6/	9	6¢ + 16.5%	124	10¢ + 24%	4/ 156	6¢ + 12.5%	3,809

1/ Ware available in specified sets as defined in headnote 2(b) in subpart C, part 2, Schedule 5 of the Tariff Schedules of the United States (TSUS).

2/ Value categories shown do not correspond to those shown in table 24; designations are used for sake of simplicity.

3/ During 1964-67 imports were reported under TSUS item 533.27.

4/ Beginning on Jan. 1, 1968, imports under TSUS item 533.26 are shown here.

5/ Beginning on Jan. 1, 1968, imports under TSUS item 533.28 are shown here.

6/ Data on imports are preliminary.

7/ Less than 500 dozen pieces.

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

Table 24. Earthenware nondinnerware articles: 1/ U.S. imports for consumption, by value categories, and most-favored-nation rates of duty, 1964-70, January-June 1970, and January-June 1971

Year	(Quantity in thousands of dozen pieces; rate of duty in cents per dozen pieces and percent ad valorem)												Total		
	Rockingham ware			Mugs 2/			Low			Medium				High	
	Quantity	Rate of duty	Quantity	Rate of duty	Quantity	Rate of duty	Quantity	Rate of duty	Quantity	Rate of duty	Quantity	Rate of duty	Quantity	Rate of duty	Quantity
1964	695	12.5%	1,138	10¢ + 25%	1,200	10¢ + 25%	303	10¢ + 40%	303	10¢ + 40%	5/ 960	10¢ + 22%	4,296		
1965	596	do	1,321	do	1,322	do	317	do	317	do	5/ 1,092	do	4,648		
1966	562	do	1,834	do	1,268	do	378	do	378	do	5/ 1,162	do	5,224		
1967	685	do	1,894	do	1,292	do	414	do	414	do	5/ 1,203	do	5,470		
1968	752	11%, 6%	2,288	9¢ + 22%	1,457	9¢ + 22%	563	10¢ + 36%	6/ 651	10¢ + 21.5%	7/ 863	9¢ + 19.5%	6,574		
1969	962	10%, 6%	2,570	8¢ + 20%	1,145	8¢ + 20%	635	10¢ + 32%	6/ 627	do	do	8¢ + 17.5%	7,142		
1970 8/	1,232	8.5%, 6%	3,252	7¢ + 17%	1,028	7¢ + 17%	772	10¢ + 28.5%	5/ 575	do	do	7¢ + 15%	8,470		
an.-June:															
1970 8/	809	8.5%, 6%	1,314	7¢ + 17%	564	7¢ + 17%	370	10¢ + 28.5%	6/ 314	10¢ + 21.5%	7/ 661	7¢ + 15%	4,032		
1971 8/	466	7%, 6%	1,973	6¢ + 15%	455	6¢ + 15%	401	10¢ + 24.5%	5/ 289	do	do	6¢ + 13%	4,270		

- 1/ Includes such articles as beverage and dessert sets, mugs, place plates, other incomplete service tableware, and kitchen articles.
- 2/ In addition to mugs, includes steins, candy boxes, decanters, punch bowls, pretzel dishes, tibat dishes, tiered servers, and bon bon dishes.
- 3/ Articles "not available in specified sets," included in TSUS item numbers 533.33, 533.35, 533.36, and 533.38.
- 4/ Value categories shown do not correspond to those in table 23; designations are used for sake of simplicity.
- 5/ During 1964-67 imports were reported under TSUS item 533.37.
- 6/ Beginning Jan. 1, 1968, imports under TSUS item 533.36 are shown here.
- 7/ Beginning Jan. 1, 1968, imports under TSUS item 533.38 were reported under this category.
- 8/ Data on imports are preliminary.

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

Table 25. Earthenware table and kitchen articles: U.S. imports for consumption, by value categories, and major countries of origin, 1966-1970

Country, type of ware, and value categories	Japan			United Kingdom			All other I/			Total all countries		
	Quan- tity	Value 1,000 dollars	Quan- tity	Value 1,000 dollars	Quan- tity	Value 1,000 dollars	Quan- tity	Value 1,000 dollars	Quan- tity	Value 1,000 dollars	Quan- tity	Value 1,000 dollars
1966												
Earthenware:												
Rockingham ware	547	505	8	35	7	39	562	580				
Dinnerware: 2/												
Low value	16	12	-	-	1/	1	16	13				
Medium value	381	299	-	-	3	4	384	303				
High value	2,746	5,168	2,364	6,404	345	1,188	5,455	12,760				
Mugs, etc. 3/	1,617	2,093	24	105	195	922	1,836	3,120				
Other table and kitchen articles:												
Low value	1,238	784	4/	1	30	46	1,268	831				
Medium value	369	343	4/	5/	9	8	378	351				
High value	885	2,129	97	681	202	1,549	1,184	4,359				
Total	7,799	11,333	2,493	7,226	791	3,758	11,083	22,319				
1970												
Earthenware:												
Rockingham ware	1,214	1,143	11	53	7	49	1,232	1,245				
Dinnerware: 2/												
Low value	8	13	4/	1	1	3	9	16				
Medium value	157	164	1	3	1	2	159	169				
High value	3,349	8,955	3,102	10,018	301	1,421	6,752	20,394				
Mugs, etc. 3/	2,991	4,651	59	287	202	1,382	3,252	6,320				
Other table and kitchen articles:												
Low value	1,003	773	-	-	25	14	1,028	787				
Medium value	756	911	1	1	15	22	772	034				
High value	1,376	4,699	208	1,584	402	3,198	1,986	9,481				
Total	10,854	21,309	3,382	11,947	954	6,090	15,190	39,346				

1/ Includes imports from certain Communist dominated countries that are less than 0.05 percent of the total quantity for the years shown.

2/ Earthen tableware, available in specified sets.

3/ In addition to mugs, includes steins, candy boxes, decanters, punch bowls, pretzel dishes, tidbit dishes, tiered servers, and bonbon dishes.

4/ Less than 500 dozen pieces.

5/ Less than 500 dollars.



Table 26.--Chinaware (excluding hotel chinaware) table and kitchen articles: U.S. imports for consumption, by TSUS items, from all countries 1966-70 and January-June 1970 and 1971

TSUS item number	1966	1967	1968	1969	1970	January-June	
						1970	1971
Quantity (1,000 dozen pieces)							
Chinaware:	:	:	:	:	:	:	:
Bone chinaware:	:	:	:	:	:	:	:
533.41-----	575	525	607	634	655	343	314
Nonbone chinaware:	:	:	:	:	:	:	:
Dinnerware: <u>1/</u>	:	:	:	:	:	:	:
533.63-----	1,923	1,061	1,501	921	437	167	200
533.65-----	6,895	8,325	10,270	13,011	9,656	5,020	2,574
533.66 <u>2/</u> -----	1,136	1,362	1,855	<u>3/2,785</u>	2,695	1,355	927
533.68 <u>2/</u> -----	-	-	156	148	158	76	105
533.69-----	11	17	21	21	22	19	5
Total-----	9,965	10,765	13,803	16,886	12,968	6,637	3,811
Mugs, etc: <u>4/</u>	:	:	:	:	:	:	:
533.71, total-----	361	770	1,361	1,693	2,211	910	1,164
Other table and kitchen articles:	:	:	:	:	:	:	:
533.73-----	1,506	1,571	2,134	1,976	2,144	1,060	1,144
533.75-----	234	224	391	505	436	212	315
533.77-----	81	99	112	180	228	98	99
Total-----	1,821	1,894	2,637	2,661	2,808	1,370	1,558
Total chinaware-----	12,722	13,954	18,408	21,874	18,642	9,260	6,847
Value (1,000 dollars)							
Chinaware:	:	:	:	:	:	:	:
Bone chinaware:	:	:	:	:	:	:	:
533.41-----	4,886	4,902	5,656	6,606	6,728	3,330	3,286
Nonbone chinaware:	:	:	:	:	:	:	:
Dinnerware: <u>1/</u>	:	:	:	:	:	:	:
533.63-----	2,855	1,503	2,350	1,543	692	286	359
533.65-----	14,868	16,628	20,769	27,497	21,933	11,282	6,036
533.66 <u>2/</u> -----	6,526	7,636	8,808	12,788	13,657	6,698	4,840
533.68 <u>2/</u> -----	-	-	1,869	1,794	2,187	1,031	1,432
533.69-----	72	132	206	205	273	215	60
Total-----	24,321	25,899	34,002	43,827	38,742	19,512	12,727
Mugs, etc: <u>4/</u>	:	:	:	:	:	:	:
533.71-----	812	1,371	2,411	3,428	4,583	1,908	2,289
Other table and kitchen articles:	:	:	:	:	:	:	:
533.73-----	1,323	1,412	2,009	2,157	2,406	1,112	1,380
533.75-----	656	618	1,114	1,372	1,370	656	919
533.77-----	894	1,056	1,299	2,058	2,482	1,079	1,156
Total-----	2,873	3,086	4,422	5,587	6,258	2,847	3,455
Total chinaware-----	32,892	35,258	46,491	59,448	56,311	27,597	21,757

1/ Ware available in specified sets, as defined in headnote 2(b) in subpart C, part 2, Schedule 5 of the Tariff Schedules of the United States.

2/ Prior to 1968, TSUS item number 533.67. TSUS items 533.66 and 533.68 became effective Jan. 1, 1968.

3/ Adjusted to compensate for incorrect quantities reported.

4/ In addition to mugs, includes steins, candy boxes, decanters, punch bowls, pretzel dishes, tidbit dishes, tiered servers, and bonbon dishes.

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

Table 27.--Chinaware table and kitchen articles: U.S. imports for consumption, by value categories, 1950-70 and January-June 1971 <sup>1/</sup>

(In thousands of dozen pieces)

Year	Bone china	Nonbone chinaware by value categories--			Steins, mugs, etc.	Total, all categories
		Low	Medium	High		
1950-----	517	<u>2/</u>	3,578	365	<u>3/</u>	4,460
1951-----	607	<u>2/</u>	4,306	479	<u>3/</u>	5,392
1952-----	565	<u>2/</u>	3,356	446	<u>3/</u>	4,347
1953-----	436	<u>2/</u>	4,009	491	<u>3/</u>	4,936
1954-----	428	<u>2/</u>	5,190	495	<u>3/</u>	6,113
1955-----	510	<u>2/</u>	5,821	566	<u>3/</u>	6,897
1956-----	417	4,087	2,775	582	<u>3/</u>	7,861
1957-----	450	4,154	2,988	733	<u>3/</u>	8,325
1958-----	494	4,193	3,075	568	<u>3/</u>	8,330
1959-----	620	5,240	3,732	843	<u>3/</u>	10,435
1960-----	522	4,398	4,162	913	<u>3/</u>	9,995
1961-----	479	4,424	3,482	696	<u>3/</u>	9,081
1962-----	479	5,614	4,161	779	<u>3/</u>	11,033
1963-----	510	3,946	2,874	692	<u>3/</u>	8,022
1964-----	518	2,721	7,304	694	392	11,629
1965-----	622	3,141	7,156	1,115	385	12,419
1966-----	575	3,429	7,129	1,228	361	12,722
1967-----	525	2,632	8,549	1,477	770	13,953
1968-----	607	3,634	10,661	2,144	1,361	18,407
1969-----	634	2,897	13,516	3,134	1,693	21,874
1970-----	655	2,581	10,092	3,103	2,211	18,642
1971 (Jan.- June)-----	314	1,344	2,889	1,136	1,164	6,847

<sup>1/</sup> Includes imports from certain Communist countries. Such imports are dutiable at the full rate of duty.

<sup>2/</sup> Not separately classified before September 1955; included with imports in the middle category.

<sup>3/</sup> Not separately classified before Aug. 31, 1963.

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

Table 28. --China ware (excluding hotel ware) table and kitchen articles: U.S. imports for consumption, by value categories, and most-favored-nation rates of duty, 1930 and 1950-63

Year	(Quantity in thousands of dozen pieces; rate of duty in cents per dozen pieces and percent ad valorem)						Total, all categories, including bone
	Bone china		Nonbone china by value categories		High		
	Quantity	Rate of duty	Quantity	Rate of duty	Quantity	Rate of duty	Quantity
1930	-	10¢ + 60% or 10¢ + + 70%	-	10¢ + 60% or 10¢ + 70%	-	10¢ + 60% or 10¢ + 70%	-
1950	517	30%, minimum 5¢ + 25%, or 35%; minimum; 5¢ + 30% do	1/	do	365	10¢ + 60% or 10¢ + 35%	4,460
1951	607	do	1/	do	479	10¢ + 35%	5,392
1952	545	do	1/	do	446	do	4,347
1953	436	do	1/	do	491	do	4,936
1954	428	do	1/	do	495	do	6,113
1955	510	do	1/	10¢ + 45% (9-10-55)	2/5,821	10¢ + 60% (9-10-55)	6,897
1956	417	do	4,087	do	2,775	do	7,861
1957	450	do	4,154	do	2,988	do	8,325
1958	494	do	4,193	do	3,075	do	8,330
1959	620	do	5,240	do	3,732	do	10,435
1960	522	do	4,398	do	4,162	do	9,995
1961	479	do	4,424	do	3,482	do	9,081
1962	479	do	5,614	do	4,161	do	11,033
1963:							
Jan.-Aug.	358	do	3,005	do	472	do	4,285
Sept.-Dec.	152	35%	941	10¢ + 48% or 10¢ + 45%	2,402	10¢ + 55% or 10¢ + 60%	3,737

1/ Not separately classified before September 1955; included with imports in the middle category.

2/ Includes imports in the low value category.

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

Table 29. -- Bone china dinnerware 1/ (excluding hotel ware): U.S. imports for consumption, by value categories, and most-favored-nation rates of duty, 1964-70, January-June 1970, and January-June 1971

Year	Quantity in thousands of dozen pieces; rate of duty in cents per dozen pieces and percent ad valorem												
	Bone china				Medium				High				
	Quantity	Rate of duty	Quantity	Rate of duty	Quantity	Rate of duty	Quantity	Rate of duty	Quantity	Rate of duty	Quantity	Rate of duty	
4	518	35%	388	10¢ + 48%	6,997	10¢ + 55%	3/ 602	10¢ + 36%	-	-	-	-	9,005
5	622	do	1,243	do	6,922	do	3/ 1,043	do	-	-	-	-	8,587
6	575	do	1,832	do	6,872	do	3/ 1,137	do	-	-	-	-	10,416
7	525	do	941	do	8,299	do	2/ 1,332	do	-	-	-	-	11,097
8	607	31%	1,411	do	10,150	do	4/ 1,845	do	5/ 173	9¢ + 32%	-	-	14,186
9	634	28%	845	do	12,981	do	4/ 2,690	do	5/ 169	8¢ + 28.5%	-	-	17,319
0 5/	655	24%	329	do	9,626	do	4/ 2,668	do	5/ 181	7¢ + 25%	-	-	13,459
1970 June	343	24%	143	do	5,006	do	4/ 1,329	do	5/ 94	7¢ + 25%	-	-	6,915
1971 5/	314	21%	172	do	2,570	do	4/ 926	do	5/ 109	6¢ + 21.5%	-	-	4,091

1/ Ware available in specified sets as defined in headnote 2(b) in subpart C, part 2, Schedule 5 of the Tariff Schedules of United States (TSUS).

2/ Value categories shown do not correspond to those shown in table 28; designations are used for sake of simplicity.

3/ During 1964-67, high valued dinnerware was reported under TSUS items 533.67 and 533.69. Imports entered under both items shown here.

4/ Beginning on Jan. 1, 1968, high-valued dinnerware was reported under 3 TSUS item numbers: 533.66, 533.68, and 633.69.

5/ Imports under 533.66 are included here.

6/ See footnote 3. Imports under 633.68 and 633.69 included here.

7/ Data on imports are preliminary.

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

le 30. ---China: table and kitchen articles other than dinnerware and bone china: 1/ U.S. imports for consumption, by value categories, and most-favored-nation rates of duty, 1964-70 and January-June 1970, and January-June 1971

Year	(Quantity in thousands of dozen pieces; rate of duty in cents per dozen pieces and percent ad valorem)											
	Mugs, etc. 2/			Other chinaware, 3/			by value categories 4/			Total		
	Quantity	Rate of duty	Quantity	Rate of duty	Quantity	Rate of duty	Quantity	Rate of duty	Quantity	Rate of duty	Quantity	Rate of duty
			Low	Medium	High							
	392	45%	1,719	10¢ + 45%	304	10¢ + 60%	90	10¢ + 35%	2,505			
	385	do	1,790	do	219	do	69	do	2,463			
	361	do	1,504	do	234	do	77	do	2,176			
	769	do	1,570	do	222	do	93	do	2,654			
	1,360	40%	2,131	9¢ + 40%	387	9¢ + 54%	108	9¢ + 31%	3,986			
	1,692	36%	1,976	8¢ + 36%	505	8¢ + 48%	178	8¢ + 28%	4,351			
5/	2,210	31%	2,143	7¢ + 31%	436	7¢ + 42%	224	7¢ + 24%	5,013			
June:												
70 5/	910	31%	1,059	7¢ + 31%	212	7¢ + 42%	96	7¢ + 24%	2,277			
71 5/	1,164	27%	1,144	6¢ + 27%	314	6¢ + 36%	95	6¢ + 21%	2,717			

Includes such articles as beverage and dessert sets, mugs, place plates, other incomplete service tableware, kitchen articles.  
 In addition to mugs, includes steins, candy boxes, decanters, punch bowls, pretzel dishes, tidbit dishes, red servers, and bonbon dishes.  
 Articles "not available in specified sets," included in items 533.73, 533.75, and 533.77 of the TSUS.  
 Value categories shown do not correspond to those shown in table 29; designations are used for sake simplicity.  
 Data on imports are preliminary.

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

Table 3L.---China ware (excluding hotel chinaware) table and kitchen articles: U.S. imports for consumption, by value categories, by principal sources, 1966 and 1970

Country, type of ware, and value categories	United Kingdom		West Germany		Italy		Japan		All other 1/		Total, all countries	
	Quantity :(1,000 :dz. pcs.):	Value :(1,000 :dollars):	Quantity :(1,000 :dz. pcs.):	Value :(1,000 :dollars):	Quantity :(1,000 :dz. pcs.):	Value :(1,000 :dollars):	Quantity :(1,000 :dz. pcs.):	Value :(1,000 :dollars):	Quantity :(1,000 :dz. pcs.):	Value :(1,000 :dollars):	Quantity :(1,000 :dz. pcs.):	Value :(1,000 :dollars):
China ware:												
Bone china ware:	535	4,629	1	5					4	40	575	4,885
Nonbone china ware:												
Dinnerware: 4/												
Low value	-	-	2	3			1,688	2,538	233	314	1,923	2,855
Medium value	58	502	107	301			6,757	14,514	31	53	6,895	14,868
High value	2	35	11	62			450	2,016	96	864	1,147	6,598
Mugs, etc. 5/							342	658	6	55	361	812
Other table and kitchen articles:												
Low value	1	2	15	22			1,468	1,261	22	38	1,506	1,323
Medium value	19	83	18	52			190	479	7	42	234	656
High value	8	153	28	209			18	163	26	348	81	894
Total	623	5,404	712	3,724	13	169	10,948	21,840	425	1,754	12,722	32,891
China ware:												
Bone china ware:	582	6,012	1	9					5	73	655	6,728
Nonbone china ware:												
Dinnerware: 4/												
Low value	-	-	2	7			25	43	6/ 410	6/ 642	437	692
Medium value	1	4	45	164			9,304	21,244	306	520	9,656	21,933
High value	51	446	956	5,260			1,648	8,501	198	1,673	2,876	16,117
Mugs, etc. 5/	3	43	14	142			2,165	4,204	26	180	2,211	4,583
Other table and kitchen articles:												
Low value	-	-	8	21			2,092	2,308	44	76	2,144	2,406
Medium value	2	14	20	72			377	1,105	33	162	436	1,370
High value	19	370	53	476			102	776	51	809	228	2,482
Total	658	6,889	1,099	6,151	33	324	15,780	38,812	1,073	4,135	18,643	56,311

1/ Includes imports from certain Communist-dominated countries, that were about 1 percent of the total quantity for each of the years shown.  
 2/ Less than 500 dozen pieces.  
 3/ Less than 500 dollars.  
 4/ Ware, available in specified sets, as defined in headnote 2(b) in subpart c, part 2, Schedule 5 of the Tariff Schedules of the United States.  
 5/ In addition to mugs, includes steins, candy boxes, decanters, punch bowls, pretzel dishes, tiered servers, and bonbon dishes.  
 6/ Includes 297 thousand dozen pieces, valued at 448 thousand dollars from Poland.

Table 32.--Average number of persons employed in U.S. establishments producing earthen and china table and kitchen ware, 1966-70, January-June 1970, and January-June 1971

Period	Earthenware		Chinaware <u>1/</u>	
	All employees	Production and related workers	All	Production and related workers
1966-----	5,744	5,057	2,074	1,255
1967-----	5,981	5,274	2,172	1,279
1968-----	7,150	6,395	2,259	1,312
1969-----	6,945	6,260	2,254	1,307
1970-----	5,802	5,112	<u>2/</u> 1,880	<u>2/</u> 985
January-June--				
1970-----	6,078	5,346	<u>2/</u> 1,853	<u>2/</u> 909
1971-----	5,827	5,114	1,825	978

1/ Data for the Syracuse China Corp., which ceased production of household china in 1970, are not included for 1970.

2/ During January-September 1970, an additional \*\*\* employees, including \*\*\* production and related workers, were employed by the Syracuse China Corp.

Source: Compiled from data submitted to the U.S. Tariff Commission by U.S. producers.

Table 33.--Man-hours worked by production and related workers in U.S. establishments producing earthen and china table and kitchen ware, 1966-70, January-June 1970, and January-June 1971

Period	Earthenware						Chinaware <sup>1/</sup>					
	All products			Table & kitchen ware			All products			Table & kitchen ware		
	Man-hours	Index : (1966=100)	Man-hours	Index : (1966=100)	Man-hours	Index : (1966=100)	Man-hours	Index : (1966=100)	Man-hours	Index : (1966=100)	Man-hours	Index : (1966=100)
1966	8,113	100.0	7,157	100.0	3,131	100.0	2,325	100.0	2,325	100.0	2,325	100.0
1967	7,564	93.2	6,696	93.6	3,308	105.6	2,399	103.2	2,399	103.2	2,399	103.2
1968	10,188	125.6	9,269	129.5	3,452	110.2	2,441	104.9	2,441	104.9	2,441	104.9
1969	9,302	114.7	8,246	115.2	3,423	109.3	2,411	103.7	2,411	103.7	2,411	103.7
1970	7,913	97.5	6,691	93.5	3,115	99.5	2/ 1,806	93.1	2/ 1,806	93.1	2/ 1,806	93.1
January-June 1970	4,085	3/ 3/	3,458	3/ 3/	2/ 1,489	3/ 3/	2/ 929	3/ 3/	2/ 929	3/ 3/	2/ 929	3/ 3/
1971	3,613	3/ 3/	3,137	3/ 3/	1,375	3/ 3/	938	3/ 3/	938	3/ 3/	938	3/ 3/

<sup>1/</sup> Data for the Syracuse China Corp., which ceased production of household china in 1970, are not included for 1970. Data for the Interpace Corp., a producer of both chinaware and earthenware, are included in the earthenware group because the company was unable to segregate its man-hour data on chinaware and earthenware.

<sup>2/</sup> During January-September 1970, an additional \* \* \* man-hours were worked by the production and related workers of the Syracuse China Corp.

<sup>3/</sup> Not applicable.  
Source: Compiled from data submitted to the U.S. Tariff Commission by U.S. producers.



Table 34.--Household earthen and china table and kitchen ware industries: Indexes of output per man-hour by production and related workers, 1966-70, January-June 1970, and January-June 1971

(1966=100)

Period	: Earthenware	: Chinaware <u>1/</u>
1966-----	100.0	100.0
1967-----	104.5	100.7
1968-----	98.0	101.8
1969-----	97.5	101.0
1970-----	84.5	99.3
January-June--	:	:
1970-----	76.5	100.0
1971-----	93.0	99.3

1/ Data for the Syracuse China Corp., which ceased production of household china in late 1970, are included for the full year 1970 but excluded for the period January-June 1970. Data do not reflect the experience of the Interpace Corp.

Source: Compiled from data submitted to the U.S. Tariff Commission by U.S. producers

Table 35.--Household earthen and china table and kitchen ware industries: Average hourly compensation 1/ of production and related workers, 1966-70, January-June 1970, and January-June 1971

Period	Earthenware		Chinaware <u>2/</u>	
	Compensation	Index (1966=100)	Compensation	Index (1966=100)
1966-----	\$1.97	100.0	\$2.18	100.0
1967-----	2.10	106.6	2.30	105.5
1968-----	2.10	106.6	2.50	114.7
1969-----	2.23	113.2	2.44	111.9
1970-----	2.35	119.3	2.78	127.5
January-June--				
1970-----	2.39	121.3	2.68	122.9
1971-----	2.50	126.9	2.99	137.2

1/ Includes all pay earned before deductions are made; does not include company contributions to welfare or insurance funds.

2/ Data do not reflect wages paid by the Interpace Corp. or the Syracuse China Corp.

Source: Compiled from data submitted to the U.S. Tariff Commission by U.S. producers.

Table 36.—Household earthen table and kitchen articles: Capital expenditures by U.S. producers for plant modernization and equipment involving production, 1961-70 and January-June 1971

(In thousands of dollars)

Period	Plant	Equipment	Total
1961-----	107	481	588
1962-----	44	196	240
1963-----	208	936	1,144
1964-----	185	593	778
1965-----	252	907	1,159
1966-----	403	1,522	1,925
1967-----	63	927	990
1968-----	62	724	786
1969-----	259	906	1,165
1970-----	130	736	866
1971 (January-June)-----	146	620	766

Source: Compiled from data submitted to the U.S. Tariff Commission by domestic producers.

Table 37.--Household china table and kitchen articles: Capital expenditures by U.S. producers for plant modernization and equipment involving production, 1961-70 and January-June 1971

\* \* \* \* \*

Table 38.--Profit-and-loss experience of \* \* \*  
\* \* \* U.S. producers of household earthenware and kitchen  
articles on their total establishment operations, 1966-70

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Table 39.--Profit-and-loss experience of\*\*\* U.S. producers of household table and kitchen articles, on earthenware operations only, by type of principal sales outlet, 1966-70

\* \* \* \* \*

Table 40.--Financial experience of \*\*\* U.S. firms for the establishments in which household earthenware table and kitchen articles were produced, 1966-70

Item and year	Net sales	Cost of goods sold	Gross profit	Administrative and selling expenses	Net operating profit or (loss) before income taxes	Ratio of net operating profit or (loss) to net sales
	<u>1,000 dollars</u>	<u>1,000 dollars</u>	<u>1,000 dollars</u>	<u>1,000 dollars</u>	<u>1,000 dollars</u>	Percent
<u>All products</u>	*	*	*	*	*	(3.3)
	*	*	*	*	*	(3.1)
	*	*	*	*	*	.4
	*	*	*	*	*	(3.3)
	*	*	*	*	*	(.8)
<u>Household earthenware</u>						
	35,468	28,626	6,842	8,727	(1,885)	(5.3)
	37,420	30,134	7,286	9,709	(2,423)	(6.5)
	47,619	38,013	9,606	9,988	(382)	(.8)
	46,666	36,450	10,216	11,434	(1,218)	(2.6)
	41,083	30,971	10,112	10,829	(717)	(1.7)

\* \*

Source: Compiled from data submitted to the U.S. Tariff Commission by domestic producers.

Table 41.--Profit-and-loss experience of 4 U.S. producers of household china table and kitchen articles, 1966-70, on their total establishment operations

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Table 42.--Profit-and-loss experience of 4 U.S. producers of household china table and kitchen articles, for household china table and kitchenware operations only, 1966-70

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Table 43. Financial experience of 4 U.S. firms for their establishments in which household china table and kitchenware was produced, 1966-70

Item and year	Net sales	Cost of goods sold	Gross profit	Administrative and selling expenses	Net operating profit before income taxes	Ratio of net operating profit to net sales
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	Percent
<u>All products</u>						
1966	*	*	*	*	*	16.6
1967	*	*	*	*	*	19.8
1968	*	*	*	*	*	24.9
1969	*	*	*	*	*	25.9
1970	*	*	*	*	*	24.8
<u>Household china</u>						
1966	*	*	*	*	*	17.2
1967	*	*	*	*	*	20.7
1968	*	*	*	*	*	25.7
1969	*	*	*	*	*	26.9
1970	*	*	*	*	*	25.3

Source: Compiled from data submitted to the U.S. Tariff Commission by the domestic producers.

Table 44.--Comparison of financial data for earthenware producers on their total establishment operations for the years 1957-61 1/ and 1966-70 2/

Year	Net sales	Cost of goods sold	Gross profit	Administrative and selling expenses	Net operating profit or (loss) before income taxes	Ratio of net operating profit or (loss) to net sales
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	Percent
7	61,573	51,198	10,375	7,908	2,467	4.0
8	53,489	44,352	9,137	7,952	1,185	2.2
9	58,384	48,481	9,903	8,374	1,529	2.6
0	63,234	52,435	10,799	8,326	2,473	3.9
1	59,264	47,309	11,955	7,865	4,090	6.9
range 5-year period, 1957-61	59,189	48,755	10,434	8,085	2,349	4.0
6	*	*	*	*	*	(3.3)
7	*	*	*	*	*	(3.1)
8	*	*	*	*	*	.4
9	*	*	*	*	*	(3.3)
0	*	*	*	*	*	(.8)
range 5-year period, 1966-70	*	*	*	*	*	(1.9)

1/ Includes operations of 17 domestic producers. Source: Compiled from data submitted to the U.S. iff Commission by the domestic producers for investigations No. TEA-I-1 and TEA-I-2, February 1963.  
2/ Includes operations of 12 domestic producers. Source: Compiled from data submitted to the U.S. iff Commission by the domestic producers for investigation No. TEA-I-22, February 1972.

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Table 45.--Profit-and-loss data for producers of earthenware, which  
supplied data for the period 1966-70, on their total operations,  
1966-70, on their total operations, 1957-61

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Table 46.--Profit-and-loss data for the producers of earthenware, on their total operations, 1966-70

\* \* \* \* \*

Table 47.--Comparison of financial data for household china producers on their total establishment operations for the years 1957-61 1/ and 1966-70 2/

Year	Net sales	Cost of goods sold	Gross profit	Administrative and selling expenses	Net operating profit or (loss) before income taxes	Ratio of net operating profit or (loss) to net sales
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	Percent
1957	44,357	31,643	12,714	9,131	3,583	8.1
1958	42,474	30,548	11,926	8,791	3,135	7.4
1959	45,349	32,730	12,619	9,385	3,234	7.1
1960	44,182	32,044	12,138	9,356	2,782	6.3
1961	42,225	30,269	11,956	8,968	2,988	7.1
Average 5-year period, 1957-61	43,717	31,447	12,270	9,126	3,144	7.2
1966	*	*	*	*	*	16.6
1967	*	*	*	*	*	19.8
1968	*	*	*	*	*	24.9
1969	*	*	*	*	*	25.9
1970	*	*	*	*	*	24.8
Average 5-year period, 1966-70	*	*	*	*	*	22.8

1/ Includes operations of 13 domestic producers. Source: Compiled from data submitted to the U.S. Tariff Commission by the domestic producers for investigations No. TEA-I-1 and TEA-I-2, February 1963.

2/ Includes operations of 4 domestic producers. Source: Compiled from data submitted to the U.S. Tariff Commission by the domestic producers for investigation No. TEA-I-22, February 1972.

Table 48.--Profit-and-loss data for the producers of household china, which supplied data for the periods 1957-61 and 1966-70, on their total establishment operations, 1957-61

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APPENDIX B  
Foreign Producers



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