

UNITED STATES TARIFF COMMISSION

BROOMS MADE OF BROOMCORN

Investigation No. 336-121

Report to the President

on

**The Differences in Costs of Production of Brooms Made of
Broomcorn in the United States and in the Principal
Competing Country, as Ascertained Pursuant to
the Provisions of Section 336 of Title III
of the Tariff Act of 1930, as Amended**



TC Publication 49

**Washington
January 1962**

UNITED STATES TARIFF COMMISSION

Ben Dorfman, *Chairman*

Joseph E. Talbot

Walter R. Schreiber

Glenn W. Sutton

William E. Dowling

J. Allen Overton, Jr.

Donn N. Bent, *Secretary*

Address all communications to
United States Tariff Commission
Washington 25, D. C.

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(TC28636)

REPORT TO THE PRESIDENT

U.S. Tariff Commission
January 17, 1962

To the President:

The Tariff Commission herein reports the results of an investigation of the differences in costs of production of brooms made of broomcorn, in the United States and in the principal competing country, for the purposes of section 336 of title III of the Tariff Act of 1930, as amended, and its findings with respect thereto.

Upon consideration of the facts obtained in this investigation, the Commission finds that the differences in costs of production of brooms made of broomcorn cannot be equalized by proceeding as provided in section 336(a), and that it is necessary, in order to equalize such differences (within the limit permitted by said section 336), that the rate of duty expressly fixed for such brooms in paragraph 1506 of title I of the Tariff Act of 1930, 25 per centum ad valorem, be applied on the basis of the American selling price (as defined in section 402(e) of title IV of the said act).

The Commission instituted this investigation on January 16, 1961, after a preliminary inquiry made in connection with an application for investigation filed by the National Broom Manufacturers and Allied Industries Association. Public notice of the institution of the investigation and of a public hearing to be held in connection with the investigation was given by posting copies of the notice at the office of the Commission in Washington, D.C., and at its office in New York City, and by publishing such notice in the Federal Register (26 F.R. 632) and in the

January 19, 1961, issue of Treasury Decisions. The public hearing was duly held on April 18, 1961, and parties interested were afforded opportunity to be present, to produce evidence, and to be heard as required by law. In addition to the information obtained at the hearing, pertinent data were obtained from the Commission files and from responses to Commission questionnaires by domestic producers and importers, and by staff fieldwork.

Findings of the Commission

1. Brooms made of broomcorn are dutiable under paragraph 1506 of the Tariff Act of 1930 and the rate of duty expressly fixed by the statute is 25 per centum ad valorem. No foreign trade agreement concluded pursuant to the act of June 12, 1934, as amended, is in effect with respect to the tariff treatment of brooms made of broomcorn within the meaning of the second sentence of section 2(a) of the said act (appearing as the first sentence of 19 U.S.C. 1352(a)).

2. Mexico is the principal competing country for brooms made of broomcorn.

3. Brooms made of broomcorn produced in the United States and brooms made of broomcorn produced in Mexico are like or similar.

4. The principal markets in the United States for both domestic and imported brooms made of broomcorn are the areas of densest population.

5. The years 1959 and 1960 are representative of conditions in production of the domestic and the foreign brooms for the purposes of ascertaining and comparing costs of production of brooms made of broomcorn.

6. The cost of production as defined in section 336(h)(4) of the Tariff Act of 1930 for brooms made of broomcorn produced in the principal competing country was not readily ascertainable, and the Commission, in accordance with section 336(e)(2)(A) of the said act, accepted the weighted average invoice prices of Mexican brooms made of broomcorn imported during the representative period as evidence of cost of production. Foreign costs in pesos were converted to U.S. dollars at the rate of exchange of 12-1/2 Mexican pesos to 1 U.S. dollar.

7. The principal type of brooms made of broomcorn produced in and imported into the United States is household floor brooms. Costs of production were ascertained for such brooms, which costs are representative of the costs of production of all types of brooms made of broomcorn, including whisk brooms.

8. Domestic cost of production and foreign cost of production during the representative period, ascertained in accordance with section 336, were as follows:

(a) Domestic costs of production of brooms made of broomcorn, including transportation and other delivery charges to the principal markets in the United States, were found to average \$10.50 per dozen in 1959 and \$11.15 per dozen in 1960.

(b) The weighted average cost of production of brooms made of broomcorn imported from Mexico, including transportation and other

delivery charges to the principal markets in the United States was found to be \$5.60 per dozen in 1959 and \$5.73 per dozen in 1960.

9. The excess of domestic cost over foreign cost was found to be \$4.90 per dozen in 1959 and \$5.42 per dozen in 1960.

10. The weighted average dutiable value of the imported brooms was \$4.14 per dozen in 1959 and \$4.41 per dozen in 1960.

11. The weighted average American selling price of the domestic brooms was \$12.05 per dozen in 1959 and \$12.40 per dozen in 1960.

12. An increase in the rate of duty expressly fixed by statute as provided in section 336(a) would fail to equalize the differences between domestic and foreign costs. Assessment of such rate on the basis of American selling price, although also inadequate to equalize the differences in costs of production, is required by section 336(b).

13. Any reasonable adjustment in the costs to take account of other relevant factors that constitute an advantage or disadvantage in competition between the foreign and domestic brooms that were found to exist would not affect the findings under 12 above.

Conclusions

The Commission finds it shown by the investigation--

1. That the duty of 25 per centum ad valorem expressly fixed by statute for brooms made of broomcorn, applied on the presently applicable bases of dutiable value under section 402 of the Tariff Act of 1930, does not equalize the differences in costs of production, including transportation and other delivery charges to the principal markets in the United

States, of the domestic articles and the like or similar foreign articles produced in the principal competing country;

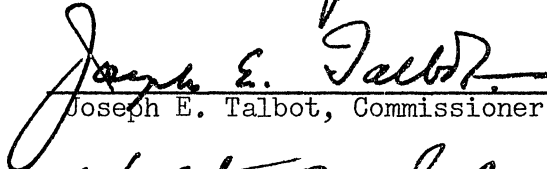
2. That such differences in costs of production cannot be equalized by the maximum permissible increase in such rate of duty as provided in section 336(a) of the said act; and

3. That in order to equalize such differences in costs of production to the fullest extent permissible under section 336, it is necessary that the rate of duty of 25 per centum ad valorem be applied to brooms made of broomcorn on the basis of the American selling price as defined in section 402(e) of the said act.

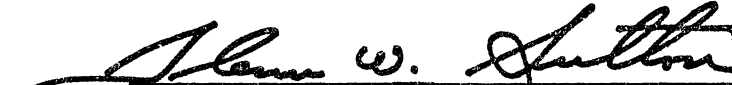
Appended hereto is a summary of the information obtained in the investigation.

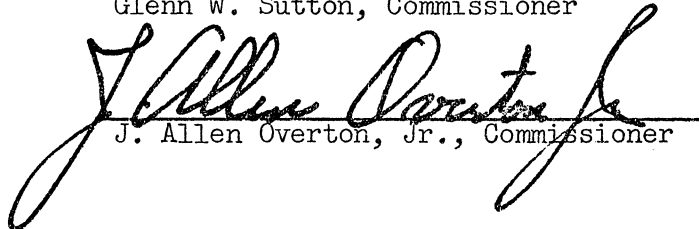
Respectfully submitted. ^{1/}


Ben Dorfman, Chairman


Joseph E. Talbot, Commissioner


Walter R. Schreiber, Commissioner


Glenn W. Sutton, Commissioner


J. Allen Overton, Jr., Commissioner

^{1/} Commissioner Dowling participated in this investigation and subscribed to the conclusions set forth above, but was absent on leave at the time this report was submitted to the President.

Summary of Information Obtained in the Investigation

Articles covered by the investigation, and
U.S. customs treatment

The articles covered by the investigation are foreign brooms made of broomcorn and like or similar domestic brooms. The foreign brooms are dutiable at 25 percent ad valorem under the provisions of paragraph 1506 of the Tariff Act of 1930, which paragraph also covers brooms made of straw, wooden fiber, or twigs. These latter are of negligible commercial importance and are outside the scope of the investigation.

The second sentence of section 2(a) of the Trade Agreements Act of June 12, 1934, as amended, provides that "The provisions of section 336 of the Tariff Act of 1930 shall not apply to any article with respect to the importation of which into the United States a foreign trade agreement has been concluded pursuant to this Act, or to any provision of any such agreement." A tariff concession reducing the rate of duty on all brooms enumerated in paragraph 1506 from 25 percent to 12-1/2 percent ad valorem was included in the General Agreement on Tariffs and Trade (GATT) effective May 22, 1948, but this concession was terminated effective December 11, 1950 upon the withdrawal of the Republic of China from GATT, and the statutory duty of 25 percent ad valorem was restored. By agreement with Cuba, Cuban brooms are subject to a preferential rate of duty 5 percentage points below the general rate, but there is no obligation on the part of the United States for the maintenance of any particular rate of duty on Cuban brooms. Accordingly, the above-quoted provision of the Trade Agreements Act is not applicable to brooms made of broomcorn, and such brooms are subject to the provisions of section 336.

The principal types of broomcorn brooms are (1) household floor brooms, which weigh from 17 to 27 pounds per dozen; (2) warehouse or industrial brooms, which weigh 28 pounds or more per dozen; and (3) toy, hearth, and whisk brooms, which weigh less than 17 pounds per dozen.

Types of brooms on which cost differences were obtained, and principal competing country

The first of the three general types of brooms enumerated above, namely household floor brooms, is the most important type commercially, and was selected as representative of all broomcorn brooms for the purpose of cost comparison. The other types are made by an almost identical manufacturing process and are coproducts that utilize long and short fibers necessarily obtained from broomcorn when it is sorted and processed. In recent years, household floor brooms have accounted for approximately three-fourths of the value of all broomcorn brooms produced in the United States and for a somewhat higher proportion of the value of all brooms imported into the United States. Cost data were obtained for household floor brooms of broomcorn, as distinguished from household floor brooms of broomcorn and other fibers. Brooms of the latter type are of relatively minor significance in U.S. production and imports.

Mexico has been the principal supplying country of brooms imported into the United States in all recent years in terms of value and has ranked first in most years in terms of quantity (table 5, in the appendix). Household floor brooms have accounted for more than nine-tenths of the value of all brooms imported from Mexico in the past several years. On the basis of its supplier position, Mexico was selected as the principal competing country for the purposes of section 336.

Because the amount and weight of the broomcorn used in the production of brooms are by far the chief factors in determining quality and cost,

the Commission obtained cost data for four representative weight classes of brooms, as follows: (1) 17 pounds or more but less than 20 pounds per dozen; (2) 20 pounds or more but less than 22 pounds per dozen; (3) 22 pounds or more but less than 24 pounds per dozen; and (4) 24 pounds or more but less than 28 pounds per dozen. From the data obtained, calculations were made to determine a weighted average cost ^{1/} and a simple average cost covering all four weight categories for each of the years 1959 and 1960 for both domestic and imported brooms. The Commission's findings with respect to domestic and foreign costs of production and the differences in such costs are stated in terms of weighted averages, but as is indicated subsequently the conclusions reached would have been no different if simple average costs for the four weight classes had been used or if the costs for any single weight class or combination of weight classes had been used.

The household floor brooms imported in the largest quantities from Mexico and those produced in the largest quantities domestically have painted or stained handles of the same length, weigh approximately the same within their respective weight groups, and have four or five rows of twine stitching. Some difference is evident in the winding (the method by which the broomcorn is bound to the handle), since domestically produced brooms are usually wound with wire, whereas a piece of tin, tacked into position, is used on many brooms imported from Mexico. The domestic article generally has a more attractive appearance, largely because the wire used for winding is brighter and the broomcorn is more evenly distributed. Despite these differences, the domestic brooms and those produced in Mexico are, as a class, like or similar within the meaning of section 336.

^{1/} The averages were weighted on the basis of the number of brooms produced or imported in each category.

The domestic industry

Broom making is a nationwide industry, with factories in most of the States (see map in the appendix). The greatest concentration of broom factories is in Illinois (19 factories), North Carolina (16), Pennsylvania (12), California (9), and Texas (9). The Census of Manufactures reported 345 establishments producing brooms in 1958. These establishments gave employment to 3,810 persons, who earned \$9.9 million in salaries and wages. The average number of production workers per establishment is less than 10, and many broom-making establishments are 1- or 2-man shops. Included in the total are some 50 to 60 workshops that give employment to blind persons, students, and prison inmates.

One hundred and seventy-one concerns produce more than 90 percent of the total U.S. output, according to the National Broom Manufacturers and Allied Industries Association. Of this number, 139 concerns are commercial producers and 32 are workshops for the blind. In addition there are approximately 175 one-man-shop operators who were referred to by witnesses at the Commission's hearing but whose identities are not on record.

Broom making involves a considerable amount of hand labor at all stages. The principal machines employed are winders, stitchers, and trimmers. These are not automatic and require constant attention by the operator. Efforts to introduce a greater degree of mechanization have been found impractical chiefly because of the relatively small size of even the largest broom factories.

The making of brooms is a skill that has been acquired by many blind persons, some of whom are employed in privately owned factories, and others

in workshops for the blind that are subsidized by State governments and various philanthropic agencies. In 1960 about 1,000 blind persons were employed in making brooms in the United States. Workshops for the blind accounted for about 17 percent of total domestic production of brooms containing broomcorn in both 1959 and 1960 (table 2).

The workshops for the blind are largely self-supporting, but their costs of production are difficult to compute in terms that are customary for manufacturing enterprises. Investments in buildings and equipment are sometimes charged as expenses in the year in which the investments are made and not depreciated over a period of time or related to current costs and profits. Broomcorn is often purchased as needed without hedging against fluctuations in the price, so that such fluctuations are reflected almost immediately in the cost of raw material. Because of these and other practices, it was impracticable to ascertain costs of production for workshops for the blind that are comparable with the costs of production ascertained for ordinary commercial establishments.

Brooms are made in one Federal prison and six State prisons. These brooms are practically all of the industrial or warehouse type weighing about 32 pounds per dozen. The total sales of prison-made brooms represented about 3 percent of the total sales of brooms by all segments of the industry in 1960. Sales of such brooms are restricted by law to Government agencies, Federal and State. At the same time, the Federal Government is required by the Wagner-O'Day Act to procure the brooms it needs, first from Federal prisons to the extent of availability and then from institutions for the blind. Because of these selling practices and the conditions

governing prison labor, the costs of production of brooms made in prisons have not been included in the present study.

To the extent of availability, the requirements of Federal and State Governments for brooms are filled by those made in U.S. prisons and workshops for the blind, thereby reducing the market for commercially produced brooms. The market for commercially produced brooms is further reduced by "sympathetic" purchases of the blind-made products by housewives from clubs or house-to-house salesmen.

U.S. production

The total value of brooms produced in the United States, not including street-sweeping-machine brooms and other brooms that contain no broomcorn, was \$25.0 million in 1954, \$22.0 million in 1958, \$25.1 million in 1959, and \$26.3 million in 1960 (table 1). The total quantity was 2.4 million dozen in 1959 and 2.5 million dozen in 1960. In the latter year, commercial producers accounted for 1,996,000 dozen brooms; workshops for the blind, for 416,000 dozen; and prison shops, for 57,000 dozen (table 2).

In 1959 and 1960, 92 percent of the output of brooms containing broomcorn, in terms of value, consisted of brooms made with broomcorn, and 8 percent consisted of brooms made with broomcorn and other fibers. In both years household floor brooms accounted for about 75 percent of the total value of the brooms produced in the United States; industrial brooms, for about 19 percent; and whisk brooms and other types of brooms, for about 6 percent.

As previously indicated, household floor brooms are produced in several weights, ranging from about 17 pounds per dozen to 27 pounds per dozen. Of the 1.6 million dozen household floor brooms of broomcorn that were produced in 1960, 34 percent weighed 17-19 pounds

per dozen, 27 percent weighed 20-21 pounds per dozen, 19 percent weighed 22-23 pounds per dozen, and 20 percent weighed 24-27 pounds per dozen (table 4). Data on production by weight classes obtained by the Commission from 32 workshops for the blind are shown in table 3.

U.S. exports

Exports of brooms from the United States have not been separately classified in the official statistics since 1957. Exports for the period 1955-57 varied between 13,000 and 15,000 dozen annually, with average unit values ranging from \$8.02 per dozen in 1956 to \$11.15 per dozen in 1955. Exports were negligible compared with domestic production and small compared with imports.

U.S. imports

U.S. imports for consumption of all brooms provided for in tariff paragraph 1506 increased from 102,200 dozen, valued at \$300,281 in 1955, to 258,457 dozen, valued at \$729,354 in 1960 (table 5). Household floor brooms and whisk brooms made of broomcorn are known to be the only types imported in significant quantities. Total imports of household floor brooms of broomcorn are estimated (on the basis of average unit values) to have amounted to 115,000 dozen in 1958, to 130,000 dozen in 1959, and to 162,000 dozen in 1960. The imports of whisk brooms are estimated to have amounted to 65,000 dozen in 1958, 120,000 dozen in 1959, and 96,000 dozen in 1960 (table 6).

Table 5 also shows imports by principal sources for the years 1955-60. Mexico was the principal supplying country (by value) in all 6 years, accounting for nearly 60 percent of the total value of imports during the period. The second major supplier was Italy in 1955-57, Hungary in 1958-59,

and Poland in 1960. The imports from Mexico and Italy consisted mainly of household floor brooms; those from Hungary were virtually all whisk brooms; and those from other countries consisted of both household floor brooms and whisk brooms. Of the total quantity of household floor brooms imported from Mexico in 1959, 73 percent were in the 17-to-19-pound weight class, 23 percent were in the 20-to-21-pound class, 4 percent were in the 22-to-23-pound class, and a fraction of 1 percent were in the 24-to-27-pound class. In 1960 the proportions were 69 percent in the 17-to-19-pound class, 16 percent in the 20-to-21-pound class, 14 percent in the 22-to-23-pound class, and less than 1 percent in the 24-to-27-pound class.

Imports of brooms from all sources supplied approximately 9 percent of the total U.S. consumption of brooms containing broomcorn in both 1959 and 1960. Imports of household floor brooms of broomcorn from all countries supplied 7.6 percent of the total U.S. market for such brooms in 1959 and 9.0 percent in 1960; the imports of such brooms from Mexico supplied 3.7 percent of the market in 1959 and 4.3 percent in 1960. About one-third of Mexico's output of broomcorn brooms in 1959 and 1960 was exported; nearly all of such exports were destined for the United States.

Selling prices

The average delivered price at which household floor brooms of broomcorn produced in the United States were sold at wholesale in 1959 was \$12.05 per dozen, and in 1960, \$12.40 per dozen (table 8). Household floor brooms imported from Mexico were sold at an average price (adjusted for delivery to customers) of \$7.94 in 1959 and \$8.24 in 1960. The lower average selling price of brooms imported from Mexico is partly accounted for by the very

high proportion of them--as compared with domestic production--being in the lightest weight category. A comparison of descriptive pricelists submitted to the Commission indicates, moreover, a greater predominance of the "promotional" or cheaper grades within the lightest weight class of the brooms imported from Mexico than was noted in the comparable weight class of brooms made in the United States.

Taking into account differences in weight but not differences in quality, the lighter weight brooms, that is, the class weighing 17-19 pounds per dozen (which constitutes the most important category in the trade), of U.S. origin sold at wholesale for an average price of \$10.46 per dozen in 1959, and \$11.00 per dozen in 1960. The lighter weight brooms of Mexican origin sold for an average price (delivered basis) of \$7.60 per dozen in 1959, and \$7.72 per dozen in 1960.

Several pricelists submitted by the U.S. producers offered some types of domestic brooms at prices as low as those at which some imported brooms were offered. Most of the quotations for such domestic brooms, however, were for those containing mixtures of broomcorn and other fibers (and were therefore excluded from consideration in this report), whereas the prices quoted for Mexican brooms were for brooms made only of broomcorn. Imported brooms of various weights were offered, but actual sales consisted chiefly of those in the cheaper quality of the lightest weight class.

Average prices of brooms of comparable weight and quality, whether domestic or imported, tended to be lower in the southeastern States and higher in the western States than for the country as a whole.

Ascertainment of domestic costs

Period for which costs were obtained.---Domestic costs of production and transportation to principal markets for household floor brooms of broomcorn were ascertained for the 2 years 1959 and 1960. Domestic production of such brooms in those years was about the same as the output in other recent years; prices of the brooms and of broomcorn, ^{1/} the largest single element of their cost, were neither unusually high nor unusually low; and there were no unusual conditions in the industry that would cause costs for those years to be unrepresentative of conditions in the production of such brooms by the domestic industry.

Concerns from which costs were obtained.---Costs of production of household floor brooms of broomcorn were ascertained for 23 domestic producers. Such cost data were obtained by questionnaire, followed by inspection and audit of their accounting records. The 23 concerns accounted for 33 percent of the domestic production of household floor brooms of broomcorn in 1959 and for 30 percent in 1960 (table 4). Among the 23 are large, medium, and small producers: 7 producers had sales of more than \$500,000 each in 1960; 6 had sales ranging from \$250,000 to \$500,000 each; and 10 had sales of less than \$250,000 each. Of the 23 concerns, 13 are corporations, 7 are sole proprietorships, 2 are partnerships, and 1 is a church-owned enterprise.

Five of the concerns are located in New York, Pennsylvania, Maryland, and Virginia (area 1), four in North Carolina and Tennessee (area 2), six in Illinois, Missouri, and Nebraska (area 3), five in Texas and Colorado

^{1/} For annual average prices of broomcorn, see table 10.

(area 4), and three in Arizona and California (area 5).

Of the 23 concerns, 12 produced virtually nothing but brooms, 9 produced very small quantities of other products in addition to brooms, and 2 produced substantial quantities of other products (chiefly mops and janitors' supplies).

Summary of domestic costs of production.---Domestic costs of production (per dozen) of household floor brooms of broomcorn are shown by major elements of cost and by weight classes in table 9. Broomcorn is the largest element of cost, followed by direct labor; these two elements account for more than three-fifths of the average total cost. The unit cost of broomcorn varied among the producers principally because of differences in the grade of corn used, the time of purchase, and the distance the corn was transported from the point of production to the broom plant. Virtually all the workers engaged directly in the production of brooms were paid on a piecework basis. Piecework rates varied moderately from one geographic area to another.

"Other materials" shown in table 9 include wire, velvet cloth, tacks, nails, staples, and slips. "Manufacturing overhead" includes depreciation of productive facilities, repairs, maintenance, heat, light, and power. "Administrative expense" includes taxes, insurance, office and officers' salaries, office supplies, telephone, and audit expenses.

The weighted average cost of producing household floor brooms of broomcorn for the 23 concerns covered by table 9 (weighted on the basis of the quantity of brooms produced), is \$9.90 per dozen for 1959 and \$10.53 per dozen for 1960.

Household floor brooms, as previously indicated, are of different weights, depending chiefly upon the amount of broomcorn used. The costs are averages weighted on the basis of the number of brooms produced in each weight class by all 23 producers. In determining the costs by weight classes, the cost of broomcorn, handles, and other materials used and that of direct labor were ascertained for each weight class from the cost records of each of the 23 domestic concerns. These are referred to as direct costs. Manufacturing overhead for each weight class was determined by the allocation to the weight class of a proportion of the total manufacturing overhead of the plant equivalent to the ratio of the direct costs for the weight class to the total direct costs for the plant. The administrative expense for each weight class represents a share of the total administrative expense for the plant allocated on the same basis.

The table shows that in 1959 the weighted average cost of production ranged from \$9.05 per dozen brooms for those in the 20-to-21-pound weight class to \$11.20 per dozen for those in the 24-to-27-pound class. In 1960 the weighted average cost ranged from \$9.72 per dozen for those in the 17-to-19-pound class to \$12.16 per dozen for those in the 24-to-27-pound class.

Table 11 shows the weighted average domestic costs of production (per dozen) of household floor brooms of broomcorn, by weight classes and by geographic areas. In 1959 the weighted average cost of all weight classes ranged from \$8.64 per dozen for area 2 (North Carolina and Tennessee) to \$12.95 per dozen for area 5 (Arizona and California), and in 1960 it ranged from \$8.82 per dozen for area 2 to \$12.98 per dozen for area 5.

The lowest average costs of production in both 1959 and 1960 were for brooms produced in area 2 in the 17-to-19-pound weight class; the weighted average cost, as shown by table 11, was \$7.37 per dozen in 1959 and \$7.61 per dozen in 1960.

Costs of transportation to principal markets.--Household floor brooms are consumed in different areas of the United States roughly in proportion to the density of the population. Because of the large number and wide dispersion of the domestic manufacturing plants, such brooms are usually shipped no farther than 200-300 miles from the plant where they are made (see map in appendix). Brooms are imported from Mexico into the United States through many points of entry (table 7); the greater part of these imports, however, are shipped no more than 200-300 miles inland from the points of entry.

Domestic producers of household floor brooms were requested to furnish data showing the geographic distribution of their brooms, including data on quantities shipped, the kind of transportation used, the distances the brooms were shipped, and the transportation costs. Similar data were requested of importers of household floor brooms. From these data it was determined that the average cost of transporting both domestic and imported brooms to the principal markets was \$0.60 per dozen brooms in 1959 and \$0.62 per dozen in 1960.

Delivered costs of domestic brooms.--Table 12 shows the average costs (per dozen) of domestic household floor brooms of broomcorn delivered to principal markets, by weight classes, for 1959 and 1960. In 1959 the delivered costs ranged from \$9.65 per dozen for brooms in the 20-to-21-pound

weight class to \$11.80 per dozen for brooms in the 24-to-27-pound class. The weighted average delivered cost for all weight classes in that year was \$10.50 per dozen, and the simple average was \$10.78 per dozen. In 1960 the delivered costs ranged from \$10.34 per dozen for brooms in the 17-to-19-pound weight class to \$12.78 per dozen for those in the 24-to-27-pound class. The weighted average delivered cost for all weight classes in that year was \$11.15 per dozen, and the simple average was \$11.51 per dozen.

Ascertainment of foreign costs

Costs of production of household floor brooms in Mexico, the principal supplying country, were not readily ascertainable. In lieu thereof the Commission, as authorized by section 336(e)(2)(A), used as evidence of foreign costs the weighted average invoice prices of household floor brooms of broomcorn imported from Mexico in 1959 and 1960. In those years there were no unusual conditions in the production or importation of Mexican brooms that would cause such prices to be unrepresentative of conditions in the production of such brooms by the Mexican industry.

Importers of household floor brooms from Mexico were sent questionnaires requesting data on invoice prices, operating costs in the United States, transportation costs, and other data pertaining to such brooms. Adequate responses were received from eight importers that together accounted for 80 percent of the total imports from Mexico of household floor brooms in 1959 and for 94 percent in 1960.

The delivered costs of household floor brooms produced in Mexico to principal markets in the United States (exclusive of the duty) are shown in table 13. In 1959 those costs ranged from \$5.27 per dozen for brooms in the 17-to-19-pound weight class to \$7.96 per dozen for those in the 22-to-23-pound class. In that year the weighted average delivered cost of brooms in all weight classes (weighted on the basis of the quantities imported in each weight class) was \$5.60 per dozen, and the simple average cost was \$6.67 per dozen. In 1960 the delivered costs ranged from \$5.31 per dozen for brooms in the 17-to-19-pound class to \$7.43 per dozen for brooms in the 24-to-27-pound class. In that year the weighted average delivered cost of brooms in all weight classes was \$5.73 per dozen and the simple average cost was \$6.58 per dozen.

Comparison of domestic and foreign costs

In table 14 the unit costs of domestically produced household floor brooms delivered to principal markets in the United States are compared with the costs of household floor brooms produced in Mexico delivered to such markets. The table also shows, by weight classes, the amounts by which the domestic costs exceed the foreign costs and the extent to which an increase in the present duty from 25 percent to 37-1/2 percent ad valorem based on foreign export value, the maximum permissible under section 336(a), and a duty of 25 percent based on the American selling price of the domestic article, the maximum permissible under section 336(b), would fail to equalize the differences in the domestic and foreign costs.

It will be noted from the table that the maximum duty based on American selling price permissible by law (25 percent) will not equalize the differences in the costs of the domestic brooms and the costs of the foreign

brooms either on the basis of a comparison of costs for individual weight classes or on the basis of a comparison of average costs (weighted or simple) of all weight classes.

Other factors that constitute an advantage or disadvantage in competition

Section 336(e) provides that in ascertaining differences in costs of production, the Commission shall take into consideration, insofar as it finds it practicable, "other relevant factors that constitute an advantage or disadvantage in competition." Some of the factors affecting competition between imported and domestic household floor brooms, other than the cost differences shown in the preceding sections, are set forth below:

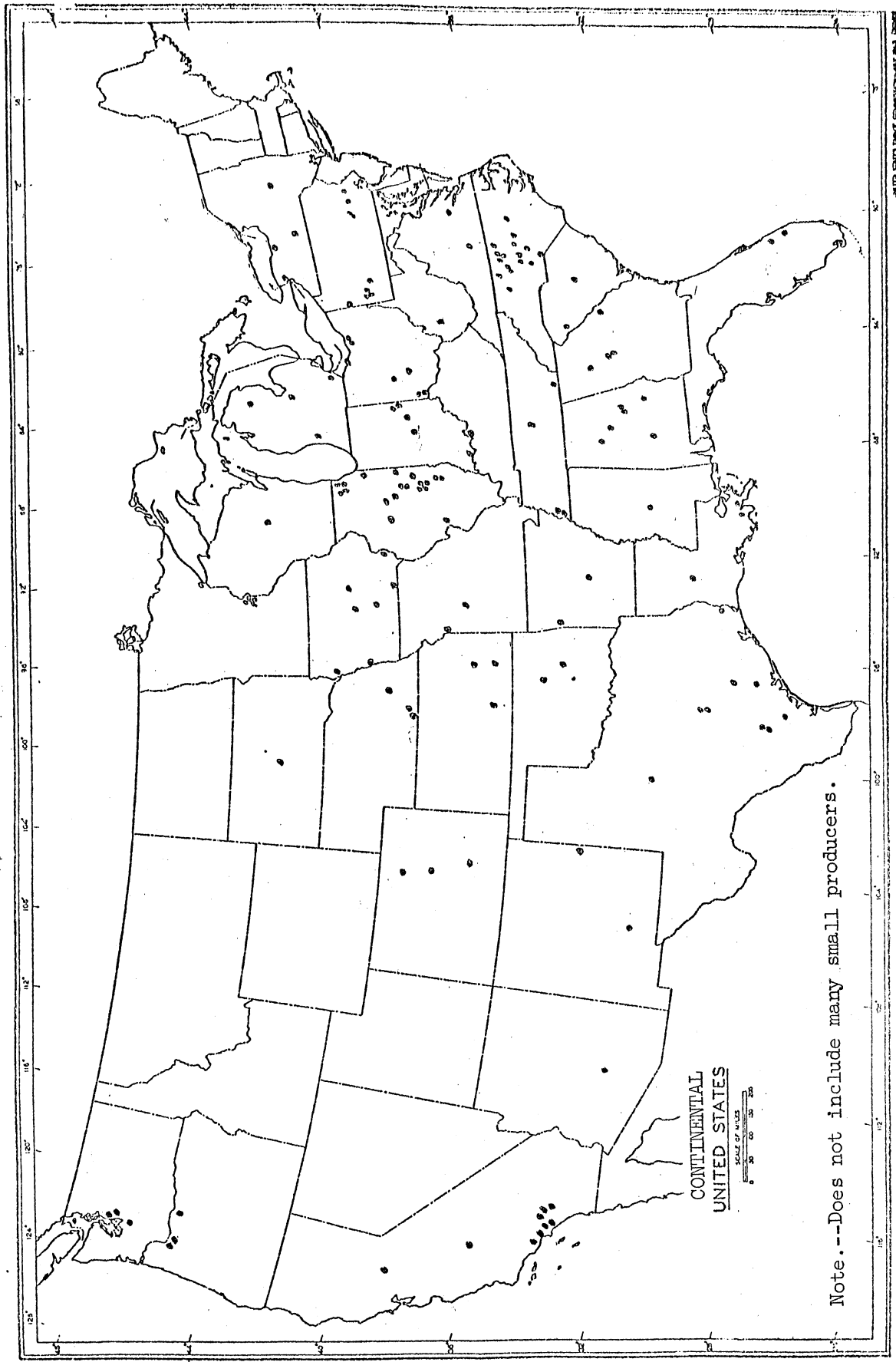
1. Considerable quantities of the brooms imported from Mexico are believed to be of somewhat lower quality than most domestically produced brooms. This quality difference has probably limited, to some extent, the demand for Mexican brooms. Recently, however, brooms of higher grade have been made in Mexico to specifications provided by the purchasers in the United States.
2. In the purchase of brooms by retail outlets, outside of large metropolitan areas, a spirit of loyalty to local industry prevails. The buyers' longstanding acquaintance with area manufacturers results in an advantage to the domestic producer.
3. Importers are usually unable to deliver brooms as promptly as U.S. producers. Importers either have additional warehouse expense (included in the costs of imported brooms) or they must sell brooms

comparable in quality to domestic brooms at somewhat lower prices to compensate for the disadvantage of delay and uncertainty of delivery.

The Commission took note of the above factors and determined that any reasonable adjustment that might be made in the cost differences between domestic and Mexican brooms to allow for such factors would fall short of the amount by which 25 percent of the American selling price would fail to equalize the costs.

APPENDIX

Location of principal broom factories in continental United States, 1960



Note.--Does not include many small producers.

Table 1.--Brooms containing broomcorn: U.S. production,
by principal types, 1954 and 1958-60

| Description | 1954 | 1958 | 1959 | 1960 |
|---|------------------------|----------------------|--------|--------|
| | Quantity (1,000 dozen) | | | |
| Brooms of broomcorn: | | | | |
| Household----- | 1,784 | ^{1/} 1,547 | 1,584 | 1,632 |
| Industrial----- | ^{2/} | ^{2/} | 284 | 288 |
| Whisk----- | ^{2/} | ^{2/} | 270 | 260 |
| Other and not specified----- | ^{2/} | ^{2/} | 69 | 81 |
| Subtotal----- | ^{2/} | ^{2/} | 2,207 | 2,261 |
| Brooms of broomcorn and other fiber: | | | | |
| Household----- | 176 | ^{1/} 153 | 135 | 138 |
| Industrial----- | ^{2/} | ^{2/} | 60 | 66 |
| Whisk----- | ^{2/} | ^{2/} | 1 | 2 |
| Other and not specified----- | ^{2/} | ^{2/} | 2 | 2 |
| Subtotal----- | ^{2/} | ^{2/} | 198 | 208 |
| Total ^{3/} ----- | ^{2/} | ^{2/} | 2,405 | 2,469 |
| | Value (1,000 dollars) | | | |
| Brooms of broomcorn: | | | | |
| Household----- | 20,072 | ^{1/} 17,279 | 17,780 | 18,661 |
| Industrial----- | ^{2/} | ^{2/} | 3,721 | 4,006 |
| Whisk----- | ^{2/} | ^{2/} | 1,282 | 1,233 |
| Other and not specified----- | 2,911 | ^{1/} 2,941 | 373 | 376 |
| Subtotal----- | 22,983 | 20,220 | 23,156 | 24,276 |
| Brooms of broomcorn and other fiber: | | | | |
| Household----- | 2,043 | ^{1/} 1,759 | 1,039 | 1,059 |
| Industrial----- | ^{2/} | ^{2/} | 857 | 938 |
| Whisk----- | ^{2/} | ^{2/} | 4 | 8 |
| Other and not specified----- | ^{2/} | ^{2/} | 14 | 15 |
| Subtotal----- | ^{2/} | ^{2/} | 1,914 | 2,020 |
| Total ^{3/} ----- | 25,026 | 21,979 | 25,070 | 26,296 |

^{1/} Not reported separately but allocated in the same proportions as those reported for 1954. ^{2/} Not available.

^{3/} Excludes street-sweeping-machine brooms and other brooms not containing broomcorn.

Sources: 1954 and 1958, U.S. Bureau of the Census; 1959 and 1960 compiled from data supplied the U.S. Tariff Commission by producers.

Note.--For 1959 and 1960, approximately 18 percent of the production shown in the table represents estimates for nonreporting firms, based on their broomcorn purchases as reported by the National Broom Manufacturers and Allied Industries Association.

Table 2.--Brooms containing broomcorn: Production in the United States by commercial enterprises, workshops for the blind, and prison shops, by principal types, 1959 and 1960

| (In thousands of dozens) | | | | |
|--------------------------|------------|-------|---------|-------|
| Type | Commercial | Blind | Prisons | Total |
| 1959 | | | | |
| Household----- | 1,487 | 232 | - | 1,719 |
| Industrial----- | 203 | 85 | 56 | 344 |
| Whisk----- | 213 | 58 | - | 271 |
| Other----- | 40 | 31 | - | 71 |
| Total----- | 1,943 | 406 | 56 | 2,405 |
| 1960 | | | | |
| Household----- | 1,538 | 232 | - | 1,770 |
| Industrial----- | 209 | 88 | 57 | 354 |
| Whisk----- | 206 | 56 | - | 262 |
| Other----- | 43 | 40 | - | 83 |
| Total----- | 1,996 | 416 | 57 | 2,469 |

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

Table 3.--Household floor brooms and industrial brooms of broomcorn:
Production by 32 workshops for the blind in the United States, by
weight classes, 1959 and 1960

(In dozens)

| Weight class | 1959 | 1960 |
|---------------------------------------|---------|---------|
| Household: | | |
| 17 to 19 lb. per dozen----- | 58,499 | 59,910 |
| 20 to 21 lb. per dozen----- | 60,413 | 61,712 |
| 22 to 23 lb. per dozen----- | 40,447 | 40,201 |
| 24 to 27 lb. per dozen----- | 58,386 | 58,597 |
| Industrial (28 lb. or more per dozen) | 23,505 | 22,722 |
| Total----- | 241,250 | 243,142 |

Source: Compiled from data supplied the U.S. Tariff Commission by
32 workshops for the blind.

Table 4.--Household floor brooms of broomcorn: Production by 23 U.S. producers in 5 major production areas, and total U.S. production, by certain weight classes, 1959 and 1960

| Year and weight class | Production by 23 representative producers in 5 major producing areas in the United States | | | | | Total U.S. production | Ratio of 23 companies' production to total U.S. production | | Percent in each weight class total U.S. production |
|-----------------------|---|--------|---------|---------|--------|-----------------------|--|---------|--|
| | Area 1 | Area 2 | Area 3 | Area 4 | Area 5 | | Dozen | Percent | |
| <u>1959</u> | | | | | | | | | |
| Weight per dozen: | Dozen | Dozen | Dozen | Dozen | Dozen | Dozen | Dozen | Percent | |
| 17 to 19 lb----- | 54,975 | 13,726 | 64,767 | 36,362 | 13,511 | 183,341 | 528,890 | 34.7 | 33.4 |
| 20 to 21 lb----- | 21,979 | 13,582 | 59,408 | 57,573 | 5,007 | 157,549 | 406,961 | 38.7 | 25.7 |
| 22 to 23 lb----- | 35,425 | 19,336 | 26,042 | 20,860 | 6,189 | 107,852 | 316,701 | 34.1 | 20.0 |
| 24 to 27 lb----- | 33,619 | 20,252 | 12,909 | 6,764 | 928 | 74,472 | 330,952 | 22.5 | 20.9 |
| Total----- | 145,998 | 66,896 | 163,126 | 121,559 | 25,635 | 523,214 | 1,583,504 | 33.0 | 100.0 |
| <u>1960</u> | | | | | | | | | |
| Weight per dozen: | Dozen | Dozen | Dozen | Dozen | Dozen | Dozen | Dozen | Percent | |
| 17 to 19 lb----- | 56,350 | 14,181 | 63,697 | 30,467 | 15,460 | 180,155 | 556,609 | 32.4 | 34.1 |
| 20 to 21 lb----- | 22,437 | 11,941 | 58,594 | 47,256 | 5,959 | 146,187 | 435,820 | 33.5 | 26.7 |
| 22 to 23 lb----- | 35,438 | 19,288 | 24,589 | 15,947 | 7,497 | 102,759 | 316,663 | 32.4 | 19.4 |
| 24 to 27 lb----- | 37,249 | 13,951 | 9,738 | 6,184 | 829 | 67,951 | 323,192 | 21.0 | 19.8 |
| Total----- | 151,474 | 59,361 | 156,618 | 99,854 | 29,745 | 497,052 | 1,632,284 | 30.4 | 100.0 |

1. Areas: 1. New York, Pennsylvania, Maryland, Virginia.
 2. North Carolina, Tennessee.
 3. Illinois, Missouri, Nebraska.
 4. Texas, Colorado.
 5. Arizona, California.

Source: Compiled and computed from information supplied the U.S. Tariff Commission by domestic producers.

Table 5.--Brooms: U.S. imports for consumption, by principal sources, 1955-60

| Country | 1955 | 1956 | 1957 | 1958 | 1959 ^{1/} | 1960 ^{1/} |
|------------------------|-----------|-----------|-----------|-----------|--------------------|--------------------|
| Quantity (dozen) | | | | | | |
| Mexico----- | 44,122 | 37,377 | 37,282 | 89,085 | 76,075 | 93,602 |
| Poland and Danzig-- | 2,686 | 3,152 | 11,924 | 8,159 | 20,861 | 45,867 |
| Italy----- | 19,407 | 9,829 | 20,890 | 15,155 | 25,998 | 22,006 |
| Hungary----- | 26,880 | 38,848 | 25,040 | 57,764 | 100,054 | 77,418 |
| All other----- | 9,105 | 5,810 | 7,849 | 9,930 | 27,342 | 19,564 |
| Total----- | 102,200 | 95,016 | 102,985 | 180,093 | 250,330 | 258,457 |
| Foreign value | | | | | | |
| Mexico----- | \$201,963 | \$161,074 | \$174,107 | \$285,682 | \$300,884 | \$379,705 |
| Poland and Danzig-- | 7,415 | 8,037 | 31,389 | 24,195 | 61,466 | 121,973 |
| Italy----- | 67,749 | 37,964 | 79,470 | 63,743 | 95,392 | 97,519 |
| Hungary----- | 15,106 | 34,363 | 28,158 | 72,438 | 113,380 | 87,185 |
| All other----- | 8,048 | 3,636 | 12,428 | 19,978 | 31,112 | 42,972 |
| Total----- | 300,281 | 245,074 | 325,552 | 466,036 | 602,234 | 729,354 |
| Unit value (per dozen) | | | | | | |
| Mexico----- | \$4.58 | \$4.31 | \$4.67 | \$3.21 | \$3.96 | \$4.06 |
| Poland and Danzig-- | 2.76 | 2.55 | 2.63 | 2.97 | 2.95 | 2.66 |
| Italy----- | 3.49 | 3.86 | 3.80 | 4.21 | 3.67 | 4.43 |
| Hungary----- | .56 | .88 | 1.12 | 1.25 | 1.13 | 1.13 |
| All other----- | .88 | .63 | 1.58 | 2.01 | 1.14 | 2.20 |
| Average----- | 2.94 | 2.58 | 3.16 | 2.59 | 2.40 | 2.82 |

^{1/} Preliminary.

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

Note.--Imports from Mexico and Italy consisted mainly of household floor brooms; those from Hungary consisted almost entirely of whisk brooms; and those from other countries consisted of both household floor brooms and whisk brooms.

Table 6.--Brooms: U.S. imports for consumption from all countries and from Mexico, by types, 1955-60

(In thousands of dozens)

| Year | Total imports | Household floor brooms of broomcorn | Other types of brooms <u>1/</u> |
|----------------------|---------------|-------------------------------------|---------------------------------|
| All countries | | | |
| 1955----- | 102 | 65 | 37 |
| 1956----- | 95 | 49 | 46 |
| 1957----- | 103 | 66 | 37 |
| 1958----- | 180 | 115 | 65 |
| 1959 <u>2/</u> ----- | 250 | 130 | 120 |
| 1960 <u>2/</u> ----- | 258 | 162 | 96 |
| Mexico | | | |
| 1955----- | 44 | 37 | 7 |
| 1956----- | 37 | 31 | 6 |
| 1957----- | 37 | 31 | 6 |
| 1958----- | 89 | 67 | 22 |
| 1959 <u>2/</u> ----- | 76 | 64 | 12 |
| 1960 <u>2/</u> ----- | 94 | 77 | 17 |

1/ Virtually all whisk brooms.

2/ Preliminary.

Source: Total imports, official statistics of U.S. Department of Commerce; imports by types, estimated by U.S. Tariff Commission.

Table 7.--Brooms: U.S. imports for consumption from Mexico,
by customs districts, 1959 and 1960

| District | 1959 <u>1/</u> | | | 1960 <u>1/</u> | | |
|--------------------|----------------|----------|--------|----------------|----------|--------|
| | Quantity | Foreign | Unit | Quantity | Foreign | Unit |
| | | value | value | | value | value |
| | | | Per | | | Per |
| | Dozen | | dozen | Dozen | | dozen |
| Massachusetts----- | 2,535 | \$11,432 | \$4.51 | 2,927 | \$12,613 | \$4.31 |
| New York----- | 15,073 | 62,392 | 4.14 | 3,892 | 15,724 | 4.04 |
| Philadelphia----- | 15,784 | 71,586 | 4.54 | 11,170 | 53,530 | 4.79 |
| Maryland----- | 4,425 | 4,489 | 1.01 | 83 | 440 | 5.30 |
| Virginia----- | 1,400 | 5,092 | 3.64 | 2,304 | 8,988 | 3.90 |
| New Orleans----- | 400 | 1,474 | 3.69 | - | - | - |
| Galveston----- | 447 | 1,584 | 3.54 | 560 | 2,019 | 3.61 |
| Laredo----- | 23,478 | 94,169 | 4.01 | 55,159 | 215,908 | 3.91 |
| El Paso----- | - | - | - | 50 | 200 | 4.00 |
| San Diego----- | 7,452 | 29,949 | 4.02 | 7,957 | 32,489 | 4.08 |
| Arizona----- | - | - | - | 300 | 1,145 | 3.82 |
| Los Angeles----- | 3,800 | 13,337 | 3.51 | - | - | - |
| Oregon----- | 1,281 | 5,380 | 4.20 | - | - | - |
| Michigan----- | - | - | - | 9,200 | 36,649 | 3.98 |
| Total----- | 76,075 | 300,884 | 3.96 | 93,602 | 379,705 | 4.06 |

1/ Preliminary.

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

Table 8.--Household floor brooms of broomcorn: Average wholesale selling price of brooms produced in the United States and of brooms imported from Mexico, 1959 and 1960 1/

(Per dozen, delivered to customer)

| Year and weight class | Average wholesale price of brooms produced in-- | |
|---------------------------|--|--------|
| | United States | Mexico |
| <u>1959</u> | | |
| Weight per dozen: | | |
| 17 to 19 lb----- | \$10.46 | \$7.60 |
| 20 to 21 lb----- | 11.91 | 8.65 |
| 22 to 23 lb----- | 13.07 | 9.50 |
| 24 to 27 lb----- | 14.82 | 10.76 |
| Average, all weights----- | 12.05 | 7.94 |
| <u>1960</u> | | |
| Weight per dozen: | | |
| 17 to 19 lb----- | 11.00 | 7.72 |
| 20 to 21 lb----- | 12.53 | 8.80 |
| 22 to 23 lb----- | 13.75 | 9.65 |
| 24 to 27 lb----- | 15.58 | 10.94 |
| Average, all weights----- | 12.40 | 8.24 |

1/ Weighted by the number of dozens sold in each weight class.

Source: Computed from data supplied the U.S. Tariff Commission by producers and importers.

Table 9.--Household floor brooms of broomcorn: Production, and weighted average unit costs of production, in 23 U.S. plants, by weight classes and by major elements of cost, 1959 and 1960

| Year and weight class | Production | Major elements of cost, per dozen | | | | | | | | | | Total production cost | |
|---|------------|-----------------------------------|---------|-----------------|--------------|--------|------------------------|------------------------|------------------------|-------|--|-----------------------|------------------------|
| | | Direct cost | | | | | Manufacturing overhead | | | | | | Administrative expense |
| | | Broomcorn | Handles | Other materials | Direct labor | Total | Broomcorn | Manufacturing overhead | Administrative expense | Total | | | |
| <u>1959</u> | | | | | | | | | | | | | |
| Weight per dozen: | | | | | | | | | | | | | |
| 17 to 19 lb----- | 183,341 | \$2.94 | \$1.07 | \$0.95 | \$2.85 | \$7.81 | \$0.97 | \$0.67 | | | | | \$9.45 |
| 20 to 21 lb----- | 157,549 | 2.99 | .94 | .89 | 2.75 | 7.57 | .86 | .62 | | | | | 9.05 |
| 22 to 23 lb----- | 107,852 | 3.76 | 1.14 | .91 | 3.03 | 8.84 | 1.24 | .94 | | | | | 11.02 |
| 24 to 27 lb----- | 74,472 | 3.98 | 1.12 | 1.17 | 2.97 | 9.24 | .90 | 1.06 | | | | | 11.20 |
| Total or average, all weights <u>1/</u> | 523,214 | 3.27 | 1.05 | .95 | 2.88 | 8.15 | .98 | .77 | | | | | 9.90 |
| <u>1960</u> | | | | | | | | | | | | | |
| Weight per dozen: | | | | | | | | | | | | | |
| 17 to 19 lb----- | 180,155 | 2.96 | 1.10 | 1.02 | 2.98 | 8.06 | .94 | .72 | | | | | 9.72 |
| 20 to 21 lb----- | 146,187 | 3.26 | 1.02 | .97 | 2.94 | 8.19 | 1.02 | .65 | | | | | 9.86 |
| 22 to 23 lb----- | 102,759 | 4.14 | 1.21 | .95 | 3.28 | 9.58 | 1.24 | 1.00 | | | | | 11.82 |
| 24 to 27 lb----- | 67,951 | 4.45 | 1.15 | 1.29 | 3.11 | 10.00 | 1.05 | 1.11 | | | | | 12.16 |
| Total or average, all weights <u>1/</u> | 497,052 | 3.50 | 1.11 | 1.03 | 3.05 | 8.69 | 1.03 | .81 | | | | | 10.53 |

1/ Weighted by production in 1959 and 1960, respectively.

Source: Computed from information supplied the U.S. Tariff Commission by 23 domestic producers.

Table 10.--Broomcorn: U.S. production and season average price
per short ton, 1946-61

| Year | Production | Season average price |
|------|----------------------|----------------------|
| | Short tons | Per short ton |
| 1946 | 43,500 | \$292 |
| 1947 | 34,400 | 300 |
| 1948 | 30,000 | 308 |
| 1949 | 45,700 | 214 |
| 1950 | 27,700 | 367 |
| 1951 | 34,500 | 436 |
| 1952 | 31,800 | 401 |
| 1953 | 32,000 | 335 |
| 1954 | 28,600 | 364 |
| 1955 | 44,000 | 223 |
| 1956 | 19,700 | 441 |
| 1957 | 42,500 | 248 |
| 1958 | 32,300 | 253 |
| 1959 | 30,600 | 254 |
| 1960 | 20,400 | 333 |
| 1961 | ^{1/} 24,500 | ^{2/} |

^{1/} Estimated.

^{2/} Not available.

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

Table 11.--Household floor brooms of broomcorn: Cost of production in 23 U.S. plants, by weight classes and by geographic areas, 1959 and 1960

| Year and weight class | Cost of production per dozen by areas ^{1/} in which plants are located | | | | | U.S. weighted average |
|---------------------------|---|--------|--------|---------|---------|-----------------------|
| | Area 1 | Area 2 | Area 3 | Area 4 | Area 5 | |
| <u>1959</u> | : | : | : | : | : | : |
| Weight per dozen: | : | : | : | : | : | : |
| 17 to 19 lb----- | \$8.85 | \$7.37 | \$9.42 | \$10.35 | \$11.66 | \$9.45 |
| 20 to 21 lb----- | 8.98 | 7.40 | 9.85 | 8.26 | 13.52 | 9.05 |
| 22 to 23 lb----- | 10.34 | 9.39 | 11.37 | 12.09 | 14.99 | 11.02 |
| 24 to 27 lb----- | 11.05 | 9.61 | 13.08 | 12.53 | 15.22 | 11.20 |
| Average, all weights----- | 9.74 | 8.64 | 10.18 | 9.78 | 12.95 | 9.90 |
| <u>1960</u> | : | : | : | : | : | : |
| Weight per dozen: | : | : | : | : | : | : |
| 17 to 19 lb----- | 9.03 | 7.61 | 9.72 | 10.88 | 11.89 | 9.72 |
| 20 to 21 lb----- | 9.86 | 7.66 | 10.32 | 9.44 | 13.41 | 9.86 |
| 22 to 23 lb----- | 11.42 | 9.76 | 11.80 | 13.82 | 14.80 | 11.82 |
| 24 to 27 lb----- | 12.40 | 9.77 | 13.76 | 13.10 | 15.85 | 12.16 |
| Average, all weights----- | 10.54 | 8.82 | 10.52 | 10.81 | 12.98 | 10.53 |

- ^{1/} Areas: 1. New York, Pennsylvania, Maryland, Virginia.
2. North Carolina, Tennessee.
3. Illinois, Missouri, Nebraska.
4. Texas, Colorado.
5. Arizona, California.

Source: Compiled from data supplied the U.S. Tariff Commission by 23 domestic producers.

Table 12.--Household floor brooms of broomcorn: Average domestic cost of production, cost of transportation, and total delivered cost, for 23 U.S. plants, to principal U.S. markets, by weight classes, 1959 and 1960

| Weight class | 1959 | | 1960 | | | |
|------------------------------------|----------------------------------|--------------------------------------|----------------------|----------------------------------|--------------------------------------|----------------------|
| | Cost of production ^{1/} | Cost of transportation ^{2/} | Total delivered cost | Cost of production ^{1/} | Cost of transportation ^{2/} | Total delivered cost |
| Weight per dozen: | | | | | | |
| 17 to 19 lb----- | \$9.45 | \$0.60 | \$10.05 | \$9.72 | \$0.62 | \$10.34 |
| 20 to 21 lb----- | 9.05 | .60 | 9.65 | 9.86 | .62 | 10.48 |
| 22 to 23 lb----- | 11.02 | .60 | 11.62 | 11.82 | .62 | 12.44 |
| 24 to 27 lb----- | 11.20 | .60 | 11.80 | 12.16 | .62 | 12.78 |
| Weighted average, all weights----- | 9.90 | .60 | 10.50 | 10.53 | .62 | 11.15 |
| Simple average, all weights----- | 10.18 | .60 | 10.78 | 10.89 | .62 | 11.51 |

^{1/} Weighted by production in 1959 and 1960, respectively.

^{2/} Weighted by distance and dozens shipped in 1959 and 1960, respectively.

Source: Computed from data supplied the U.S. Tariff Commission by 23 domestic producers.

Table 13.--Household floor brooms of broomcorn imported from Mexico: Average delivered cost to principal markets in the United States, by weight classes, 1959 and 1960

| Item | Weight per dozen | | | | All weight classes | |
|--|------------------|-----------|-----------|-----------|--------------------|----------------|
| | 17-19 lb. | 20-21 lb. | 22-23 lb. | 24-27 lb. | Weighted average | Simple average |
| <u>Components of cost</u> | | | | | | |
| | Per dozen | Per dozen | Per dozen | Per dozen | Per dozen | Per dozen |
| 1959: | | | | | | |
| Average invoice value (dutiable value)-- | \$3.90 | \$4.51 | \$6.16 | \$5.49 | \$4.14 | \$5.02 |
| Less Mexican producers' profit----- | (.17) | (.19) | (.20) | (.18) | (.18) | (.19) |
| Freight and handling to U.S. border---- | .17 | .18 | .16 | .19 | .18 | .18 |
| Ocean freight and marine insurance----- | .21 | .21 | .58 | .56 | .27 | .39 |
| Brokerage fees----- | .02 | .09 | <u>1/</u> | .05 | .04 | .04 |
| Administrative costs----- | .50 | .69 | .62 | .62 | .52 | .61 |
| Other expenses----- | .04 | .02 | .04 | - | .03 | .02 |
| Transportation from border or port | | | | | | |
| to principal markets----- | .60 | .60 | .60 | .60 | .60 | .60 |
| Total delivered cost, except duty-- | 5.27 | 6.11 | 7.96 | 7.33 | 5.60 | 6.67 |
| 1960: | | | | | | |
| Average invoice value (dutiable value)-- | 4.16 | 4.63 | 5.30 | 6.05 | 4.41 | 5.04 |
| Less Mexican producers' profit----- | (.18) | (.20) | (.18) | (.20) | (.18) | (.19) |
| Freight and handling to U.S. border---- | .09 | .22 | .16 | .19 | .13 | .16 |
| Ocean freight and marine insurance----- | .13 | .23 | .68 | .05 | .19 | .27 |
| Brokerage fees----- | .02 | .10 | <u>1/</u> | .02 | .04 | .04 |
| Administrative costs----- | .43 | .57 | .78 | .66 | .49 | .61 |
| Other expenses----- | .04 | .01 | .03 | .04 | .03 | .03 |
| Transportation from border or port | | | | | | |
| to principal markets----- | .62 | .62 | .62 | .62 | .62 | .62 |
| Total delivered cost, except duty-- | 5.31 | 6.18 | 7.39 | 7.43 | 5.73 | 6.58 |
| <u>Quantities involved</u> | | | | | | |
| | Dozen | Dozen | Dozen | Dozen | All weight classes | |
| | Dozen | Dozen | Dozen | Dozen | Dozen | |
| 1959 imports----- | 46,705 | 14,627 | 2,695 | 128 | 64,155 | |
| 1960 imports----- | 53,130 | 12,269 | 11,042 | 240 | 76,681 | |

1/ Less than $\frac{1}{2}$ cent.

Source: Computed from typical invoices, income tax returns, and financial reports submitted with questionnaires, plus written and oral statements by importers and Mexican producers.

Table 14.--Household floor brooms of broomcorn: Comparison of delivered cost of domestically produced brooms and Mexican brooms, and duties at specified increased rates, by weight classes, 1959 and 1960

| Item | Weight per dozen | | | | All weight classes | |
|---|------------------|-----------|-----------|-----------|--------------------|----------------|
| | 17-19 lb. | 20-21 lb. | 22-23 lb. | 24-27 lb. | Weighted average | Simple average |
| <u>Cost comparison</u> | | | | | | |
| | Per dozen | Per dozen | Per dozen | Per dozen | Per dozen | Per dozen |
| 1959: | | | | | | |
| Delivered cost of domestic product----- | \$10.05 | \$9.65 | \$11.62 | \$11.80 | \$10.50 | \$10.78 |
| Delivered cost of Mexican product (ex duty)- | 5.27 | 6.11 | 7.96 | 7.33 | 5.60 | 6.67 |
| Difference----- | 4.78 | 3.54 | 3.66 | 4.47 | 4.90 | 4.11 |
| Duty of 37½ percent based on foreign export value----- | 1.46 | 1.69 | 2.31 | 2.06 | 1.55 | 1.88 |
| Duty of 25 percent based on American selling price----- | 2.62 | 2.98 | 3.27 | 3.70 | 3.01 | 3.14 |
| Amount by which 37½ percent of foreign export value fails to equalize costs----- | 3.32 | 1.85 | 1.35 | 2.41 | 3.35 | 2.23 |
| Amount by which 25 percent of American selling price fails to equalize costs----- | 2.16 | .56 | .39 | .77 | 1.89 | .97 |
| 1960: | | | | | | |
| Delivered cost of domestic product----- | 10.34 | 10.48 | 12.44 | 12.78 | 11.15 | 11.51 |
| Delivered cost of Mexican product (ex duty)- | 5.31 | 6.18 | 7.39 | 7.43 | 5.73 | 6.58 |
| Difference----- | 5.03 | 4.30 | 5.05 | 5.35 | 5.42 | 4.93 |
| Duty of 37½ percent based on foreign export value----- | 1.56 | 1.74 | 1.99 | 2.27 | 1.65 | 1.89 |
| Duty of 25 percent based on American selling price----- | 2.75 | 3.13 | 3.44 | 3.90 | 3.10 | 3.30 |
| Amount by which 37½ percent of foreign export value fails to equalize costs----- | 3.47 | 2.56 | 3.06 | 3.08 | 3.77 | 3.04 |
| Amount by which 25 percent of American selling price fails to equalize costs----- | 2.28 | 1.17 | 1.61 | 1.45 | 2.32 | 1.63 |
| <u>Quantities involved in comparison</u> | | | | | | |
| | Weight per dozen | | | | All weight classes | |
| | 17-19 lb. | 20-21 lb. | 22-23 lb. | 24-27 lb. | | |
| | Dozen | Dozen | Dozen | Dozen | Dozen | |
| 1959: | | | | | | |
| Domestic production: | | | | | | |
| Total----- | 528,890 | 406,961 | 316,701 | 330,952 | 1,583,504 | |
| 23 companies----- | 183,341 | 157,549 | 107,852 | 74,472 | 523,214 | |
| Imports: | | | | | | |
| Total----- | 46,705 | 14,627 | 2,695 | 128 | 64,155 | |
| 8 companies----- | 37,112 | 11,632 | 2,168 | 100 | 51,012 | |
| 1960: | | | | | | |
| Domestic production: | | | | | | |
| Total----- | 556,609 | 435,820 | 316,663 | 323,192 | 1,632,284 | |
| 23 companies----- | 180,155 | 146,187 | 102,759 | 67,951 | 497,052 | |
| Imports: | | | | | | |
| Total----- | 53,130 | 12,269 | 11,042 | 240 | 76,681 | |
| 8 companies----- | 49,841 | 11,488 | 10,374 | 225 | 71,828 | |

Source: Computed by U.S. Tariff Commission.