

UNITED STATES TARIFF COMMISSION

CERTAIN CERAMIC TABLEWARE

Report to the President
on Investigation No. TEA-IR-10-73
Under Section 351(d)(1) of the Trade Expansion Act of 1962



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REPORT TO THE PRESIDENT

U.S. Tariff Commission,
May 1, 1973.

To the President:

This report is made pursuant to section 351(d)(1) of the Trade Expansion Act of 1962 (76 Stat. 900), which provides that--

So long as any increase in, or imposition of, any duty or other import restriction pursuant to this section or pursuant to section 7 of the Trade Agreements Extension Act of 1951 remains in effect, the Tariff Commission shall keep under review developments with respect to the industry concerned, and shall make annual reports to the President concerning such developments.

Introduction

On February 22, 1972, following an investigation on behalf of the domestic industry, the Commission found (Commissioners Sutton and Leonard dissenting) that certain categories of earthen and china table and kitchen articles covered by the investigation were, 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 earthen table and kitchen articles. 1/ The Commission also found, by unanimous vote, that the domestic industry producing household china table and kitchen articles was not being seriously injured, or threatened with serious injury, by increased imports resulting from trade-agreement concessions.

1/ U.S. 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, TC Publication 466, February 1972.

In response to the Commission's finding, the President, on April 22, 1972 (Proclamation No. 4125), proclaimed increases in the rates of duty on certain earthen and china tableware, effective May 1, 1972. ^{1/}

So long as the higher rates of duty remain in effect, the Commission is required, under the provisions of section 351(d) of the Trade Expansion Act of 1962, to make an annual report on developments with respect to the industry producing earthen table and kitchen articles. This is the first such report and is confined principally to significant developments that have occurred since the Commission's report (No. 466) on Investigation TEA-I-22 of February 1972.

^{1/} The President also provided that firms and workers in the domestic earthen tableware industry were eligible to apply to the Departments of Commerce and Labor, respectively, for certification for adjustment assistance under the provisions of the Trade Expansion Act of 1962.

Summary of Recent Developments

Escape-action rates of duty ^{1/} on certain earthen and china table and kitchen articles became effective on May 1, 1972. In May-December 1972, U.S. imports of earthen table and kitchen articles and china table and kitchen articles other than china dinnerware (none of which was affected by escape-action rates of duty) were 11 percent greater than in the corresponding period of 1971; imports of earthenware were 13 percent greater; those of chinaware were 6 percent greater. Of the above imports in 1972, nearly half (47 percent) were entered at escape-action rates of duty. ^{2/} Japan was the major supplier of these earthen and china articles accounting for 81 percent of the total imports and for 94 percent of those imports entered under escape-action rates of duty.

Apparent U.S. consumption of all earthen table and kitchen articles was 14 percent greater in 1972 than in 1971; U.S. producers' shipments (domestic sales) were 8 percent larger and U.S. imports, 18 percent larger. Imports supplied 58 percent of apparent U.S. consumption in 1972 compared with 56 percent in 1971.

^{1/} The term "escape-action rates of duty" as used in this report means the increases in the rates of duty effective May 1, 1972, proclaimed in Presidential Proclamation No. 4125.

^{2/} No direct comparison between imports of articles subject to the escape-action rates of duty and imports of comparable articles entered during earlier periods is possible because the escape-action rates of duty are applicable to parts of several tariff classifications for which separate statistical data are not available before May 1, 1972.

In 1972 average wholesale prices of the bestselling patterns of domestically produced earthen dinnerware increased between 4 and 7 percent over 1971; prices of imported ware increased between 3 and 18 percent. Due to increasing costs of manufacturing in the United Kingdom and Japan (principal sources of imports) and changes in currency exchange rates, major importers contacted expect additional price increases.

Since the submission of the Commission's report in February 1972, one domestic plant has been closed, and one plant, which had been virtually destroyed by fire in 1970, has been rebuilt.

The President, in his proclamation of April 22, 1972, authorized the firms and workers in the domestic earthenware industry to apply for adjustment assistance under the provisions of the Trade Expansion Act of 1962 to help them adjust to the impact of import competition. Since that time none of the 15 firms in the industry have applied to the Department of Commerce for adjustment assistance or have indicated intentions to do so. Workers from the one plant which closed petitioned the U.S. Department of Labor and were certified eligible for adjustment assistance.

Expenditures by the industry for capital equipment and research and development amounted to \$1.7 million in 1971. In 1972 such expenditures amounted to \$1.8 million and planned expenditures for 1973 range from \$2.5 million to \$3.0 million.

Description of Terms

The word "ceramic" is a broad term used to describe a product which results from the action of high temperature on earthy materials. This can result in varied products such as earthenware, chinaware, brick, glass, and others.

For the purpose of the Tariff Schedules of the United States (TSUS) a "ceramic article" is a shaped article having a glazed or unglazed body of crystalline or substantially crystalline structure, which body is composed essentially of inorganic nonmetallic substances and either is formed from a molten mass which solidifies on cooling, or is formed and subsequently hardened by such heat treatment that the body, if reheated to pyrometric cone 020, would not become more dense, harder, or less porous, but does not include any glass article. The categories of ceramic ware discussed in this report are described below.

Earthenware and stoneware

Fine grained ^{1/} earthen table and kitchen articles covered by this investigation are ceramic articles having a fired body that will absorb more than 3 percent of its weight of water. ^{2/} The qualities of earthenware articles can best be described by contrasting them with

^{1/} "Fine-grained", as opposed to "coarse-grained", is defined in the TSUS as wares having a body made of materials which have been washed, ground, or otherwise beneficiated. "Coarse-grained" is defined in the TSUS as wares having a body made of materials none of which have been washed, ground, or otherwise beneficiated. Coarse-grained ware was not included in Inv. TEA-I-22 and is not included in this report.

^{2/} See headnote 2(b) of Schedule 5, part 2 of the TSUS in Appendix B.

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 ^{1/} may crackle if exposed to sudden changes in temperature. Also, an earthenware body will stain if its glaze is chipped.

Fine-grained stoneware articles are ceramic 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. ^{2/} Stoneware is more durable than earthenware and is more resistant to thermal and mechanical shock. A stoneware body does not chip or crack readily and its glaze does not crackle. Stoneware bodies are not susceptible to staining if their glazes are chipped.

As used hereinafter in this report, the term earthenware refers to fine-grained earthenware and fine-grained stoneware unless otherwise specified.

Chinaware ^{3/}

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

^{1/} Glazes are the glass-like coatings fused at high heat to the surfaces of the ware. The glass forming ingredient is a feldspathic mineral.

^{2/} See headnote 2(c) of Schedule 5, part 2, of the TSUS in Appendix B.

^{3/} This report covers household chinaware only; it does not include hotel or restaurant ware and other ware not household ware.

will absorb not more than 0.5 percent of its weight of water; 1/ 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. 2/ Chinaware is subdivided into bone china (ware having a body which contains by weight 25 percent or more calcined bone), 3/ 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.

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 china and is relatively less translucent.

1/ See headnote 2(e) of Schedule 5, part 2 of the TSUS in Appendix B.

2/ See headnote 2(d) of Schedule 5, part 2 of the TSUS in Appendix B.

3/ See headnote 2(f) of Schedule 5, part 2 of the TSUS in Appendix B.

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

Earthenware and chinaware value categories compared
with TSUS item numbers

Value category	Earthenware		Chinaware
	Dinnerware	Nondinnerware	Nondinnerware
Low-----	533.23	533.33	533.73
Medium-----	533.25, 533.26	533.35, 533.36	533.75
High-----	533.28	533.38	533.77

With respect to earthen dinnerware, these value categories are: low value, not over \$3.30 per norm; ^{1/} medium value, over \$3.30 but not over \$12.00 per norm; high value, over \$12.00 per norm. For a description of nondinnerware value categories, see appropriate TSUS items in table 1.

The TSUS distinguishes between earthen and china table and kitchen articles that are "available in specified sets" and those that are "not available in specified sets."

^{1/} The term "norm" means the 77 pieces listed in headnote 2(b) of schedule 5, part 2, subpart C of the TSUS in Appendix B. The listed pieces are 12 each of the specified size of plates, cups, saucers, soups, and fruits, and 1 each of the specified size of platter or chop dish, open vegetable, sugar, and creamer.

Available in specified sets

The term "available in specified sets" embraces all ceramic table and kitchen articles in a pattern in which certain specified pieces ^{1/} 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 be considered dinnerware. For convenience, articles "not available in specified sets" will be referred to in this report as nondinnerware. Such ware consists chiefly of mugs, beverage and dessert sets, and other shortline (incomplete) services, and articles designed primarily for preparing and storing food and drink.

^{1/} See headnote 2(b) of schedule 5, part 2, subpart C of the TSUS in Appendix B.

U.S. Tariff Treatment

Tariff concessions were granted in the Kennedy Round trade conference on all earthen table and kitchen articles, except dinnerware valued over \$7 but not over \$12 per norm; and on household china table and kitchen articles, except dinnerware valued not over \$56 per norm. The current trade-agreement rates of duty became effective on January 1, 1972. The escape-action rates of duty, which became effective May 1, 1972, increased the trade-agreement rates of duty on certain earthen and china table and kitchen articles (table 1 and table 1-A).

The escape-action rates and the trade-agreement rates of duty which are currently applicable to imports of certain ceramic tableware, a description of the articles affected, and the ad valorem equivalents of those rates based on imports during May-December 1972, are shown in the following table.

Certain ceramic table and kitchen articles: U.S. rates of duty and average ad valorem
equivalents, May-December 1972

(Cents per dozen pieces and percent ad valorem)				
Description	Rates of duty		Average ad valorem equivalent	
	Escape-action rates effective May 1, 1972	Trade agree- ment rates	Escape-action rate	Trade agree- ment rate
			Percent	Percent
Earthenware:				
Dinnerware:				
Over \$12 but not over \$22 per norm-----	10¢ + 21%	5¢ + 10.5%	24.7	12.3
Nondinnerware:				
Steins and mugs, if valued not over \$3.60 per dozen-----	10¢ + 25%	5¢ + 12.5%	31.4	15.7
Certain low-value other table and kitchen articles 1/-----	5¢ + 14%	5¢ + 12.5%	22.4	20.9
Certain medium and high- value other table and kitchen articles 2/-----	10¢ + 21%	5¢ + 11%	26.1	13.5
Chinaware:				
Nondinnerware:				
Steins and mugs, if valued not over \$3.60 per dozen-----	45%	22.5%	45.0	22.5
Certain low-value other table and kitchen articles 3/-----	10¢ + 48%	5¢ + 22.5%	55.6	26.3
Certain medium-value other table and kitchen articles 4/-----	10¢ + 55%	5¢ + 30.0%	58.9	32.0

1/ 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; and plates over 9 inches but not over 11 inches in maximum diameter and valued not over \$1 per dozen; creamers, sugars, vegetable dishes or bowls, platters or chop dishes, butter dishes or trays, gravy boats or gravies and stands, any of the foregoing articles valued not over \$1.00 per dozen.

2/ Cups valued over \$0.50 but not over \$3.10 per dozen; saucers valued over \$0.30 but not over \$1.75 per dozen; plates not over 9 inches in maximum diameter and valued over \$0.50 but not over \$2.85 per dozen; plates over 9 but not over 11 inches in maximum diameter and valued over \$1 but not over \$4.85 per dozen; and creamers, sugars, vegetable dishes or bowls, platters or chop dishes, butter dishes or trays, gravy boats or gravies and stands, any of the foregoing articles valued over \$1 but not over \$6.20 per dozen.

3/ 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 creamers, sugars, vegetable dishes or bowls, platters or chop dishes, butter dishes or trays, gravy boats or gravies and stands, any of the foregoing articles valued not over \$4.50 per dozen.

4/ 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; creamers, sugars, vegetable dishes or bowls, platters or chop dishes, butter dishes or trays, gravy boats or gravies and stands, any of the foregoing articles valued over \$4.50 but not over \$11.50 per dozen.

U.S. Consumption

Apparent U.S. consumption ^{1/} of earthen table and kitchen articles in 1972 was about 14 percent higher than in 1971, and was at the peak level of the last 5-year period. Consumption in 1972 amounted to 31 million dozen pieces, compared with 27 million dozen pieces in 1971, and about 30 million dozen pieces in 1968 and 1969. Dinnerware accounts for the great bulk of consumption; in 1972 consumption of dinnerware was 22 million dozen pieces, 14 percent above the 1971 level.

The following table shows apparent U.S. consumption of all earthen table and kitchen articles and of earthen dinnerware for the years 1968-72.

Earthen table and kitchen articles: Estimated
U.S. consumption, ^{1/} 1968-72

(In millions of dozen pieces)

Type of ware	1968	1969	1970	1971	1972
Earthenware, total table and kitchen articles-----	30.0	30.3	26.8	27.1	30.8
Dinnerware-----	23.7	23.4	19.2	18.9	21.5
Nondinnerware-----	6.3	6.9	7.6	8.2	9.3

^{1/} Not adjusted for inventories.

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

The share of consumption supplied by imports has increased annually since 1968, for all earthen table and kitchen articles.

^{1/} U.S. producers' shipments plus imports less exports.

(table 2). In 1972 imports supplied 57 percent of U.S. apparent consumption of all earthen table and kitchen articles, compared with 40 percent in 1968. Imports of earthen dinnerware supplied 42 percent of U.S. apparent consumption in 1972 compared with 26 percent in 1968.

U.S. Producers

In 1972 earthen table and kitchen articles were produced by 15 firms. The Harker China Co. (Chester, W. Va.), which was a subsidiary of the Jeannette Corp., a manufacturer of glassware products, ceased operations in February 1972. Most of the domestic producers of earthen table and kitchen articles manufacture only that type of ware, but 4 also manufacture chinaware. The Hall China Co. (East Liverpool, Ohio) has been phasing out its production of earthen table and kitchen articles since 1964. The firm produced some such articles in 1972, but intends to concentrate on the production of hotel and restaurant chinaware. The Homer Laughlin Co. (Newell, W. Va.) also produces chinaware for hotel and restaurant use. The Interpace Corp. (Los Angeles, Calif.), an integrated multi-product company, produces chinaware for household use as well as for hotel and restaurant use and both produces and imports earthen dinnerware. The Pfaltzgraff Co. (York, Pa.) imported some dinnerware in 1972. Another firm, the Taylor Smith & Taylor Co., ^{1/} produces a small amount of chinaware which it markets to caterers.

^{1/} The Taylor Smith & Taylor Co. was purchased by Anchor Hocking Corp., a manufacturer of glassware products, in March 1973.

U.S. Shipments (Sales)

Data on U.S. production and shipments of ceramic table and kitchen articles are not available from official statistics. Questionnaires requesting such information were mailed by the Commission to all known producers of earthen table and kitchen articles, and information was supplied by those that in 1972 are believed to account for over 90 percent of the known shipments of earthenware. Questionnaires were not sent to producers of household china table and kitchen articles as virtually all U.S. production of chinaware consists of dinnerware, which was not affected by the escape action.

The following table shows the data reported for U.S. shipments of earthenware for each of the years 1968-72.

U.S. producers' shipments of first quality earthen
table and kitchen articles, 1968-72

(In thousands of dozen pieces)

Year	Dinnerware	Nondinnerware	Total
1968-----	17,451	761	18,212
1969-----	16,622	972	17,594
1970-----	12,280	918	13,198
1971-----	11,552	838	12,390
1972-----	12,519	871	13,390

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

As indicated in the table, shipments of first quality earthen dinnerware by U.S. producers increased in 1972 by 9 percent, following 4 years of decline. Shipments in 1972, nevertheless, were 30 percent smaller than those in 1968.

Shipments of nondinnerware earthen table and kitchen articles, almost half of which consist of mugs, were slightly larger in 1972 than in 1971.

Nondinnerware articles averaged about 6 percent (by quantity) of total annual shipments of all earthenware during the period 1968-72.

Off-selection dinnerware pieces, or "seconds", are pieces which upon inspection after manufacture appear imperfect. Sales of off-selection dinnerware amounted to about 4 percent (by quantity) of the total sales of first quality dinnerware in 1968. By 1972 that ratio had increased to almost 8 percent.

Inventories of earthen table and kitchen articles, at the close of 1972, were about 8 percent smaller than inventories at the close of 1971, but 7 percent above the 1968-70 average of 3,040 (table 3). The bulk of the inventories consists of dinnerware.

U.S. Exports

U.S. exports of earthen dinnerware in 1972 amounted to 16,000 dozen pieces, an increase of 14 percent over the 1971 level of 14,000 dozen pieces. Exports in 1972 were at the same level as in 1968.

U.S. Imports

Imports of ceramic table and kitchen articles amounted to 33.5 million dozen pieces in 1972, a 16 percent increase over 1971 imports of 29.0 million dozen pieces, and 3 percent over the 1968-70 average of 32.6 million dozen pieces (table 4). Imports of earthenware increased annually during 1968-72, whereas imports of chinaware decreased during the period in an irregular pattern.

Earthenware

Imports of earthenware in 1972, 17.7 million dozen pieces, were the largest on record and were 46 percent greater than in 1968. All types of earthenware contributed to the increase. Imports of earthen dinnerware increased 45 percent from 6.2 million dozen pieces in 1968 to 9.0 million dozen pieces in 1972; earthen nondinnerware articles increased by 48 percent, from 5.8 million dozen pieces to 8.6 million dozen pieces during the period (table 5).

The increase in dinnerware imports occurred in the high value ware (over \$12 per 77-piece norm) with corresponding declines in the low and medium value ware, and resulted from annual increases in prices of imported ware and the importation of more decorative ware. Imports of high value dinnerware increased from 6.8 million dozen pieces in 1971 to 8.6 million dozen pieces in 1972, an increase of 26 percent. Imports of high-valued dinnerware in May-December 1972 amounted to 5.5 million dozen pieces, compared with 4.6 million dozen pieces in the corresponding period of 1971, representing an increase of 20 percent. Imports subject to the escape-action rate of duty, which became effective on May 1, 1972 on dinnerware valued over \$12 but not over \$22 per 77-piece norm, amounted to 2.3 million dozen pieces or 42 percent of the high value dinnerware imported in May-December 1972. Japan supplied 2.0 million dozen pieces (87 percent) and the United Kingdom supplied 300,000 dozen pieces (11 percent) of the ware subject to the escape-action rate of duty.

Imports of steins, mugs, and miscellaneous other articles (TSUS items 533.31 and 923.03) amounted to 4.2 million dozen pieces in 1972, representing an increase of 3 percent over the 1971 level and an 82 percent increase over 1968 imports of 2.3 million dozen pieces. Imports in May-December 1972 amounted to 2.7 million dozen pieces, compared with 2.8 million dozen in the corresponding period of 1971, representing a decrease of 3 percent. Imports dutiable at the escape-action rate of duty amounted to 2.0 million dozen pieces or 75 percent of the total imports of these articles in May-December 1972.

Imports of other nondinnerware articles in 1972 amounted to 4.5 million dozen pieces, an increase of 25 percent over the 3.6 million dozen pieces entered in 1971. The bulk of this increase occurred in imports of the high value category. Imports in May-December 1972 amounted to 3.0 million dozen pieces compared with 2.4 million dozen pieces in the corresponding period of 1971. Imports dutiable at the escape-action rates of duty amounted to 0.7 million dozen pieces or 26 percent of the total imports entered in May-December 1972.

Earthenware is imported principally from Japan. The United Kingdom is the secondary source (table 6). In 1972, of the total quantity of all types of earthenware covered by this report, Japan supplied 13.7 million dozen pieces or 77 percent; the United Kingdom's share totaled 3.0 million dozen pieces or 17 percent. Of the total quantity of earthen dinnerware, Japan supplied 5.9 million dozen, or 66 percent; the United Kingdom's share totaled 2.6 million dozen or 29 percent. Japan supplied 4.6 million dozen pieces or 93 percent of

the quantity of earthenware articles entered at the escape-action rates of duty, which went into effect on May 1, 1972; the United Kingdom's share, most of which was dinnerware, totaled 0.3 million dozen pieces or 6 percent.

The following table shows the total quantity of earthenware imports entered at the escape-action rates of duty and the share supplied by Japan.

Earthen table and kitchen articles: U.S. imports for consumption, by appendix item numbers, from all countries and Japan, May-December 1972

Appendix: item number	Description	Total	Japan	Share supplied by Japan
		1,000 doz. pcs.	1,000 doz. pcs.	Percent
923.01	Dinnerware-----	2,283	1,978	87
923.03	Steins and mugs-----	2,022	1,999	99
	Other nondinnerware			
	table and kitchen			
	articles:			
923.05	Low value-----	26	26	99
923.07	Medium and high value-	672	642	96
	Total-----	5,003	4,645	93

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

Chinaware

Imports of china nondinnerware articles, the only chinaware subject to the escape-action, amounted to 6.0 million dozen pieces in 1972, an increase of 11 percent over the 1971 level of 5.5 million dozen pieces (table 7). Imports of steins, mugs, and miscellaneous

other articles ^{1/} accounted for the bulk of this increase, from 1.4 million dozen in 1968 to 2.7 million dozen in 1972.

In 1972 imports of steins, mugs, and miscellaneous other articles amounted to 2.7 million dozen pieces, an increase of 11 percent over the 1971 level. Imports in May-December 1972 amounted to 1.7 million dozen pieces compared with 1.6 million dozen pieces in the corresponding period of 1971, representing an increase of 6 percent. Imports of steins and mugs dutiable at the escape-action rate of duty amounted to 1.2 million dozen pieces or 73 percent of the ware entered in May-December 1972.

In 1972 imports of other nondinnerware articles amounted to 3.4 million dozen pieces, representing an increase of 11 percent over the 1971 level of 3.1 million dozen pieces. Imports in May-December 1972 amounted to 2.1 million dozen pieces, compared with 2.0 million dozen in the corresponding period of 1971. Imports of such ware subject to the escape-action rates of duty amounted to 1.0 million dozen pieces or 49 percent of the total imports in May-December 1972.

Imports of china dinnerware, which were not subject to escape-action rates of duty, amounted to 9.1 million dozen pieces in 1972; this was 14 percent above the 1971 level, but 37 percent below the average in 1968-70. Medium value ware (over \$10 but not over \$24 per 77-piece norm (TSUS item 533.65)) accounts for the bulk of china dinnerware imports (6.0 million dozen pieces in 1972). Although dinnerware

^{1/} Candy boxes, decanters, punch bowls, pretzel dishes, tidbit dishes, tiered servers, and bonbon dishes.

accounts for the major part of china tableware imports, the share has decreased from 75 percent in 1968 to 58 percent in 1972.

China nondinnerware articles are imported principally from Japan. Other supplying countries include West Germany and the United Kingdom. In 1972 Japan supplied 97 percent of the quantity of all steins, mugs, and miscellaneous articles imported and 87 percent of the quantity of other nondinnerware articles. Japan was the principal supplier of all chinaware articles entered at the escape-action rates, accounting for 97 percent of the quantity.

The following table shows the total quantity of household china imports entered at the escape-action rates of duty, and the share supplied by Japan.

Certain household china table and kitchen articles: U.S. imports for consumption, by appendix item numbers, from all countries and Japan, May-December 1972

Appendix: item number	Description	Total, all countries:	Japan	Share supplied by Japan
:	:	:1,000 doz.:	:1,000 doz.:	: Percent
:	:	: pcs.	: pcs.	:
923.11	Steins and mugs-----	1,248	1,223	98
	Other nondinnerware table and kitchen articles:			
923.13	Low value-----	650	632	97
923.15	Medium value-----	376	360	96
	Total-----	2,274	2,215	97

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

U.S. Employment

Average annual employment in the earthenware industry of all workers and production and related workers (5,864 and 5,222 workers, respectively, in 1972) was relatively stable during the period 1970-72, but was 17 percent below the average 1968-69 level (table 8).

Man-hours worked by production and related workers in the manufacture of earthen table and kitchen articles in 1972 amounted to 9.4 million hours, an increase of 4 percent over 1971 and 26 percent over 1970, but nearly 7 percent below 1968 (table 9). The average hourly compensation of the earthen dinnerware and nondinnerware industry of \$2.79 in 1972 was 6 percent above the average of \$2.63 in 1971 (table 10).

Expenditures for Capital Equipment and Research and Development

Expenditures by U.S. producers of earthen table and kitchen articles for research and development and capital equipment in 1971 amounted to \$1.7 million and in 1972 amounted to \$1.8 million. Planned expenditures for 1973 range from \$2.5 million to \$3.0 million. This includes expenditures for plant modernization and equipment as well as necessary expenditures for environmental protection. A representative of the major domestic earthenware producers stated that the provisions of the Trade Expansion Act of 1962 for adjustment assistance are not suitable for their industry and, as a result, none have applied. The following table shows the expenditures by U.S. producers for research and development, plant modernization, and capital equipment for the period 1968-72.²¹

Expenditures by U.S. producers of earthen table and kitchen articles for research and development, plant modernization, and capital equipment, 1968-72

Year	Expenditures
	<u>1,000 dollars</u>
1968-----	1,350
1969-----	1,728
1970-----	1,452
1971-----	<u>1/</u> 1,698
1972-----	<u>1/</u> 1,798

1/ Data for 1971 and 1972 do not include the amount spent by the Royal China Co. in rebuilding its plant which was destroyed by fire in 1970.

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

Prices

The earthen dinnerware prices provided in this section are average wholesale prices of bestselling patterns offered by certain domestic producers and importers between 1968 and 1972. Prices are for 45-piece sets.

These prices are grouped into three wholesale categories--ware selling for not over \$15 per 45-piece set, ware selling for over \$15 to not over \$30 per set, and ware selling for over \$30 per set. Wholesale prices are estimated to be roughly half of retail prices. All prices in this section are for firstline dinnerware.

During 1972, 76 percent, by quantity, of firstline domestic earthen dinnerware sold for not over \$15 per 45-piece set, 15 percent sold for over \$15 to not over \$30 per set, and 9 percent sold for over \$30 per

set (table 11). ^{1/} During 1972, 1 percent, by quantity, of firstline imported earthen dinnerware sold for not over \$15 per 45-piece set, 73 percent sold for \$15 to not over \$30 per set, and 26 percent sold for over \$30 per set (table 12). ^{2/} Most imported earthen dinnerware selling for not over \$15 per 45-piece set and the bulk of that selling for \$15 to not over \$30 per 45-piece set was affected by the escape-action rates of duty. The following table shows the percentage distribution of sales of earthen dinnerware by U.S. producers and importers, by wholesale price ranges for 1971 and 1972.

Earthen dinnerware: ^{1/} Percentage distribution of U.S. producers' and importers' sales, by wholesale price ranges, 1971 and 1972

Item	1971		1972	
	Producers	Importers	Producers	Importers
	Percent of total quantity			
Firstline dinnerware				
valued at whole-				
sale for service				
for 8:				
Not over \$6-----	1.8	-	1.8	-
Over \$6, not over				
\$9-----	33.5	-	33.6	-
Over \$9, not over				
\$15-----	41.0	3.0	41.0	1.0
Over \$15, not over				
\$30-----	14.4	74.0	15.0	73.0
Over \$30-----	9.3	23.0	8.6	26.0
Total-----	100.0	100.0	100.0	100.0

^{1/} Includes open stock available in specified sets.

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

^{1/} The sales data upon which these price distributions were based represented virtually all of the sales of earthen dinnerware by domestic manufacturers in 1972.

^{2/} The sales data upon which these price distributions were based represented 66 percent of the imports of earthen dinnerware in 1972.

Earthen dinnerware selling for not over \$15 per 45-piece set.--

Domestic earthen dinnerware that sold for not over \$15 per 45-piece set for which price data were reported was distributed through a variety of channels, principally to premium houses, chain variety stores, mail order and catalog stores, mass merchandisers, and department stores (both discount and regular). Importers' prices in this range represented sales to department stores, other than discount and mass merchandisers, and to large retail catalog stores. The supplying foreign countries were Japan and the United Kingdom.

In 1968 the average price of imported earthen dinnerware (selling for not over \$15 per set) was 22 percent higher than domestic ware, compared with 16 percent in 1971 and 15 percent in 1972 (see table below). The price increases in this category for 1972 for both domestic and imported dinnerware are understated because certain patterns selling for not over \$15 per set in 1971 were sold for over \$15 per set in 1972, and so were not included in computing the average price for 1972.

Earthen dinnerware, selling for not over \$15 per 45-piece set at wholesale: Wholesale prices and price indexes for sets, domestic and imported, 1968-72

Year	Prices		Price indexes (1968=100)	
	Domestic	Imported <u>1/</u>	Domestic	Imported <u>1/</u>
1968-----	\$10.18	\$12.42	100	100
1969-----	10.92	12.68	107	102
1970-----	11.60	13.56	114	109
1971-----	12.52	14.48	123	117
1972-----	12.97	14.94	127	120

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 selling for \$15 to not over \$30 per 45-piece set.--Domestic earthen dinnerware that sold for \$15 to not over \$30 per 45-piece set for which price data were reported was distributed through department stores, other than discount and mass merchandisers, and to premium houses. Importers' prices in this range represented sales to department stores, other than discount and mass merchandisers. The supplying foreign countries were Japan and the United Kingdom.

During 1968-72 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 1968 such imported ware was priced about 1 percent less than domestic ware compared with 12 percent more in 1971 and 27 percent more during 1972 (see following table).

Earthen dinnerware, selling for \$15 to under \$30 per 45-piece set at wholesale: Wholesale prices and price indexes for sets, domestic and imported, 1968-72

Year	Prices		Price indexes (1968=100)	
	Domestic	Imported	Domestic	Imported
1968-----	\$17.99	\$17.88	100	100
1969-----	18.34	18.71	102	105
1970-----	19.64	20.75	109	116
1971-----	20.60	23.08	115	129
1972-----	21.41	27.23	119	152

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

Earthen dinnerware selling for over \$30 per 45-piece set.--Domestic and imported earthen dinnerware that sold for \$30 and over per 45-piece set, ^{1/} based on price data reported, 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 1968-72, domestic prices of this ware rose more slowly than comparable import prices; domestic prices were slightly more than half of comparable import prices in 1968 and slightly less than half in 1971 and 1972 (see following table).

^{1/} 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.

Earthen dinnerware selling for \$30 and over per 45-piece set at wholesale: Wholesale prices and price indexes for sets, domestic and imported, 1968-72

Year	Prices		Price indexes (1968=100)	
	Domestic	Imported	Domestic	Imported
1968-----	\$50.77	\$95.60	100	100
1969-----	50.94	100.06	100	105
1970-----	50.77	108.84	100	114
1971-----	52.44	114.70	103	120
1972-----	55.98	123.34	110	129

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

Effect of the devaluation of the U.S. dollar.--Several Japanese and English importers of ceramic table and kitchen articles were contacted concerning the effect of the February 1973 devaluation of the U.S. dollar. Although most of those contacted expect prices to increase somewhat, the extent is unknown at this time. One major importer of Japanese ware reported that since the devaluation in 1971 their costs had increased by 50 percent due to increased factory prices, ocean freight, and changes in currency.

Appendix A
Statistical Tables

Table 1.--Ceramic table and kitchen articles: U.S. rates of duty, imports for consumption, and calculated duty at the trade-agreement rates, 1972

(Cents per dozen pieces; percent ad valorem)									
TSUS item	Articles	Appendix item 1/	Statutory rate	Trade-agreement rate	Escape-action rate 1/	Imports 1972 2/	Calculated Duty		
							1,000 dollars	1,000 dollars	Ad valorem equivalent Percent
	Articles chiefly used for preparing, serving, or storing food or beverages, or food or beverage ingredients:								
	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¢ + 50%	5¢ + 14%		29	5		16.8
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¢ + 50%	10¢ + 21%		161	43		27.0
533.26	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¢ + 50%	10¢ + 21%		559	149		26.6
533.28	In any pattern for which the aggregate value of the articles listed in headnote 2(b) of this subpart is over \$12-----	923.01	10¢ + 50%	5¢ + 10.5%	10¢ + 21%	26,564	3,106		11.7
	Not available in specified sets:								
533.31	Steins, mugs, candy boxes, decanters, punch bowls, pretzel dishes, tidbit dishes, tiered servers, and bonbon dishes-----	923.03	10¢ + 50%	5¢ + 12.5%	10¢ + 25%	6,382	905		14.2
	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-----	923.05	10¢ + 50%	5¢ + 12.5%	5¢ + 14%	359	69		19.3
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-----	923.07	10¢ + 50%	10¢ + 21%	10¢ + 21%	1,313	372		28.3
33.36	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-----	923.07	10¢ + 50%	10¢ + 21%	10¢ + 21%	1,116	287		25.7
3.38	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-----	923.07	10¢ + 50%	5¢ + 11%	10¢ + 21%	12,883	1,507		11.7

See footnotes at end of table.

Table 1.--Ceramic table and kitchen articles: U.S. rates of duty, imports for consumption, and calculated duty at the trade-agreement rates, 1972--Continued

(Cents per dozen pieces; percent ad valorem)								
TSUS item	Articles	Appendix item 1/	Statutory rate	Trade-agreement rate	Escape-action rate 1/	Imports 1972 2/	Calculated Duty	
							Amount	Ad valorem equivalent
						1,000	1,000	
						dollars	dollars	Percent
	Articles chiefly used for preparing, serving, or storing food or beverages, or food or beverage ingredients:							
	Of nonbone china ware 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¢ + 70%	10¢ + 48%		637	341	53.5
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¢ + 70%	10¢ + 55%		13,623	8,093	59.4
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¢ + 70%	10¢ + 36%		13,503	5,097	37.7
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¢ + 70%	5¢ + 18%		4,612	846	18.3
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¢ + 70%	5¢ + 18%		82	15	18.6
	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 honbon dishes-----	923.11	70%	22.5%	45%	3,795	854	22.5
533.73	Other articles:							
	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-----	923.13	10¢ + 70%	5¢ + 22.5%	10¢ + 48%	1,881	491	26.1
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 maximum diameter and value 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-----	923.15	10¢ + 70%	5¢ + 30%	10¢ + 55%	1,701	536	31.5
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¢ + 70%	5¢ + 17.5%		4,622	829	17.9

1/ Applies to only part of TSUS item. For description of appendix item, see Table 1-A.

2/ Does not include articles imported under appendix item numbers. See Table 1-A.

Table 1-A.--Certain ceramic table and kitchen articles: Escape-action rates of duty, imports for consumption, and calculated duty at the escape-action rates, May - December 1972

(Cents per dozen pieces, percent ad valorem)					
Item	Description	Escape-action rates (effective May 1, 1972)	Imports May-Dec. 1972	Calculated duty	
				Amount	Ad valorem equivalent
			1,000 dollars	1,000 dollars	Percent
	Articles chiefly used for preparing, serving, or storing food or beverages, or food or beverage ingredients:				
	Of fine-grained earthenware or of fine-grained stoneware:				
	Available in specified sets:				
923.01	In any pattern for which the aggregate value of the articles listed in headnote 2(b) of subpart C, part 2 of schedule 5 is over \$12 but not over \$22 (provided for in item 533.28)-----	10¢ + 21%	6,215	1,533	24.7
	Not available in specified sets:				
923.03	Steins and mugs, if valued not over \$3.60 per dozen (provided for in item 533.31)-----	10¢ + 25%	3,168	994	31.4
923.05	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 creamers, sugars, vegetable dishes or bowls, platters or chop dishes, butter dishes or trays, gravy boats or gravies and stands, any of the foregoing articles valued not over \$1 per dozen (provided for in item 533.33)-----	5¢ + 14%	15	3	22.4
923.07	Cups valued over \$0.50 but not over \$3.10 per dozen; saucers valued over \$0.30 but not over \$1.75 per dozen; plates not over 9 inches in maximum diameter and valued over \$0.50 but not over \$2.85 per dozen; plates over 9 but not over 11 inches in maximum diameter and valued over \$1 but not over \$4.85 per dozen; and creamers, sugars, vegetable dishes or bowls, platters or chop dishes, butter dishes or trays, gravy boats or gravies and stands, any of the foregoing articles valued over \$1 but not over \$6.20 per dozen (provided for in items 533.35, 533.36, and 533.38)-----	10¢ + 21%	1,327	346	26.1
	Of nonbone chinaware or of subporcelain:				
	Household ware:				
923.11	Steins and mugs, if valued not over \$3.60 dozen (provided for in item 533.71)-----	45%	2,034	915	45.0
923.13	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 creamers, sugars, vegetable dishes or bowls, platters or chop dishes, butter dishes, or trays, gravy boats or gravies and stands, any of the foregoing articles valued not over \$1 per dozen (provided for in item 533.33)-----	10¢ + 48%	849	472	55.6
923.15	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; creamers, sugars, vegetable dishes or bowls, platters or chop dishes, butter dishes or trays, gravy boats or gravies, and stands, any of the foregoing articles valued over \$4.50 but not over \$11.50 per dozen (provided for in item 533.75)-----	10¢ + 55%	952	561	58.9

Table 2.--Earthen table and kitchen articles: U.S. shipments, imports for consumption, estimated exports of domestic merchandise, and estimated apparent consumption, 1968-72

Type of ware and year	(Quantity in thousands of dozen pieces)						Ratio of imports to apparent consumption
	Shipments <u>1/</u>	Imports	Exports	Apparent consumption	Imports	Exports	
Earthenware, total table and kitchen articles:							<u>Percent</u>
1968	18,212	12,065	2/ 323	29,954			40
1969	17,594	12,966	2/ 293	30,267			43
1970	13,198	13,957	2/ 316	26,839			52
1971	12,390	14,974	2/ 264	27,100			55
1972	13,390	17,673	2/ 295	30,768			57
Earthen dinnerware only:							
1968	17,451	6,242	3/ 16	23,677			26
1969	16,622	6,785	3/ 13	23,394			29
1970	12,280	6,919	3/ 12	19,187			36
1971	11,552	7,326	3/ 14	18,864			39
1972	12,519	9,036	3/ 16	21,539			42

1/ Based on data submitted to the U.S. Tariff Commission by the domestic producers.

2/ Includes ceramic sanitary fixture articles.

3/ Estimated.

4/ A large amount of earthen dinnerware sold by domestic producers to premium dealers was still in these dealers' inventories. In 1970 a fire at the Royal China Co.'s main plant resulted in a 43 percent decrease from its 1969 shipments.

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

Table 3.--Earthen dinnerware and other table and kitchen articles:
U.S. producers' year-end inventories of unsold finished ware,
1968-1972

(Thousands of dozen pieces)

Item	1968	1969	1970	1971	1972
Earthen dinnerware-----	2,637	2,719	2,682	2,798	2,577
Other earthen table and kitchen articles-----	328	389	364	732	665
Total earthenware-----	2,965	3,108	3,046	3,530	3,242

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

Table 4.--Earthen and household china table and kitchen articles: U.S. imports for consumption, by type of ware, 1968-72 and May-December 1971 and 1972

Type of Ware	(In thousands of dozen pieces)							: May-Dec. :	
	1968	1969	1970	1971	1972	1971	1972	1971	1972
Earthenware:									
Dinnerware-----	6,242	6,785	6,919	7,326	9,036	4,836	5,716		
Steins, mugs, and miscellaneous articles 1/-----	2,288	2,570	3,252	4,068	4,173	2,804	2,712		
Other table and kitchen articles-----	3,535	3,611	3,786	3,580	4,464	2,421	2,981		
Total earthenware-----	12,065	12,966	13,957	14,974	17,673	10,061	11,409		
Household chinaware:									
Dinnerware-----	13,803	16,886	12,969	8,002	9,140	5,322	5,578		
Steins, mugs, and miscellaneous articles 1/-----	1,361	1,693	2,211	2,408	2,661	1,603	1,700		
Other table and kitchen articles (including bone china)-----	3,243	3,295	3,463	3,574	4,002	2,370	2,501		
Total household chinaware-----	18,407	21,874	18,643	13,984	15,803	9,295	9,779		
Grand total-----	30,472	34,840	32,600	28,958	33,476	19,356	21,188		
1/ Includes 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 5.--Earthen table and kitchen articles: U.S. imports for consumption, by TSUS items, from all countries, 1968-1972 and May-December 1971 and 1972

TSUS item number	1968	1969	1970	1971	1972	May-Dec. 1971	May-Dec. 1972
Quantity (1,000 dozen pieces)							
Earthen dinnerware:							
533.23-----	11	10	9	18	16	12	12
533.25-----	313	202	159	202	96	101	65
533.26-----	1,993	1,279	601	276	314	167	172
533.28-----	3,925	5,294	6,150	6,830	6,327	4,557	3,184
923.01 1/-----	-	-	-	-	2,283	-	2,283
Total, earthen dinnerware--	6,242	6,785	6,919	7,326	9,036	4,836	5,716
Earthen nondinnerware:							
Steins, mugs, etc.: 2/							
533.31-----	2,288	2,570	3,252	4,068	2,151	2,804	689
923.03 1/-----	-	-	-	-	2,022	-	2,022
Subtotal-----	2,288	2,570	3,252	4,068	4,173	2,804	2,712
Other:							
533.33-----	1,457	1,145	1,028	777	487	486	269
923.05 1/-----	-	-	-	-	26	-	26
533.35-----	563	635	772	955	960	670	514
533.36-----	651	627	575	522	527	340	317
533.38-----	864	1,204	1,411	1,326	1,792	924	1,183
923.07 1/-----	-	-	-	-	672	-	672
Subtotal-----	3,535	3,611	3,786	3,580	4,464	2,421	2,981
Total, earthen nondinner- ware-----	5,823	6,181	7,038	7,648	8,637	5,225	5,693
Grand total-----	12,065	12,966	13,957	14,974	17,673	10,061	11,409
Value (1,000 dollars)							
Earthen dinnerware:							
533.23-----	9	20	16	26	29	17	21
533.25-----	280	194	169	261	161	136	97
533.26-----	3,569	2,253	989	464	559	286	323
533.28-----	11,329	15,579	19,405	22,922	26,566	15,288	15,221
923.01 1/-----	-	-	-	-	6,215	-	6,215
Total, earthen dinnerware--	15,187	18,046	20,579	23,673	33,530	15,727	21,878
Earthen nondinnerware:							
Steins, mugs, etc.: 2/							
533.31-----	4,069	4,974	6,320	7,782	6,386	5,445	3,368
923.03 1/-----	-	-	-	-	3,168	-	3,168
Subtotal-----	4,069	4,974	6,320	7,782	9,554	5,445	6,536
Other table and kitchen articles:							
533.33-----	994	856	787	607	359	377	193
923.05 1/-----	-	-	-	-	15	-	15
533.35-----	591	717	934	1,191	1,314	834	721
533.36-----	1,085	1,089	1,041	979	1,117	633	683
533.38-----	4,991	7,074	8,439	8,313	12,894	5,850	8,752
923.07 1/-----	-	-	-	-	1,327	-	1,327
Subtotal-----	7,661	9,736	11,201	11,090	17,026	7,693	11,690
Total, earthen nondinner- ware-----	11,730	14,710	17,521	18,872	26,580	13,138	18,226
Grand total-----	26,917	32,756	38,100	42,545	60,110	28,866	40,104

1/ Appendix items, effective May 1, 1972.

2/ Includes 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.

Note.--Because of rounding, figures may not add to the totals shown.

Table 6.--Earthen table and kitchen articles: U.S. imports for consumption, by value categories and major countries of origin, 1968 and 1972

(Quantity in thousands of dozen pieces; value in thousands of dollars)								
Item	Japan		United Kingdom		All other		Total, all countries	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
1968								
Earthenware:-----	:	:	:	:	:	:	:	:
Dinnerware:-----	:	:	:	:	:	:	:	:
Low value-----	10	8	1/	1	1	1	11	10
Medium value-----	1,619	2,540	634	1,198	53	111	2,306	3,849
High value-----	1,518	3,707	2,126	6,354	281	1,268	3,925	11,329
Steins, mugs, etc. 2/-----	2,084	2,868	25	130	179	1,071	2,288	4,069
Other table and kitchen articles:	:	:	:	:	:	:	:	:
Low value-----	1,415	974	10	2	32	18	1,457	994
Medium value-----	1,173	1,604	3	7	38	65	1,214	1,676
High value-----	478	1,917	108	787	277	2,287	863	4,991
Total-----	8,297	13,618	2,906	8,479	861	4,821	12,064	26,918
1972								
Earthenware:-----	:	:	:	:	:	:	:	:
Dinnerware:-----	:	:	:	:	:	:	:	:
Low value-----	16	29	1/	3/	1/	3/	16	29
Medium value-----	371	596	29	91	10	33	410	720
High value-----	5,561	18,357	2,597	12,020	452	2,404	8,610	32,781
Steins, mugs, etc. 2/-----	3,845	7,225	159	679	169	1,651	4,173	9,555
Other table and kitchen articles:	:	:	:	:	:	:	:	:
Low value-----	436	330	1	1	76	44	513	375
Medium value-----	2,096	3,629	10	29	53	100	2,159	3,758
High value-----	1,328	7,863	181	1,716	283	3,315	1,792	12,894
Total-----	13,653	38,029	2,977	14,536	1,043	7,547	17,673	60,112

1/ Less than 500 dozen pieces.

2/ Includes candy boxes, decanters, punch bowls, pretzel dishes, tidbit dishes, tiered servers, and bonbon dishes.

3/ Less than 500 dollars.

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

Table 7.--Household china table and kitchen articles (excluding bone china and dinnerware): U.S. imports for consumption, by TSUS items, from all countries, 1968-72 and May-December 1971 and 1972

TSUS item number	1968	1969	1970	1971	1972	May-Dec. 1971	May-Dec. 1972
Quantity (1,000 dozen pieces)							
China nondinnerware:							
Steins, mugs, etc.: 1/							
533.71 1/-----	1,361	1,693	2,211	2,408	1,413	1,603	452
923.11 2/-----	-	-	-	-	1,248	-	1,248
Total-----	1,361	1,693	2,211	2,408	2,661	1,603	1,700
Other table and kitchen articles:							
533.73-----	2,134	1,976	2,144	2,201	1,400	1,435	618
923.13 2/-----	-	-	-	-	650	-	650
533.75-----	391	505	436	639	535	412	190
923.15 2/-----	-	-	-	-	376	-	376
533.77-----	112	180	228	215	416	153	282
Total-----	2,637	2,661	2,808	3,055	3,377	2,000	2,115
Total, china nondinnerware-----	3,998	4,354	5,019	5,463	6,038	3,603	3,815
Value (1,000 dollars)							
China nondinnerware:							
Steins, mugs, etc.: 1/							
533.71-----	2,411	3,428	4,583	4,770	3,812	3,216	1,671
923.11 2/-----	-	-	-	-	2,036	-	2,036
Total-----	2,411	3,428	4,583	4,770	5,848	3,216	3,707
Other table and kitchen articles:							
533.73-----	2,009	2,157	2,406	2,672	1,934	1,784	906
923.13 2/-----	-	-	-	-	851	-	851
533.75-----	1,114	1,372	1,370	1,788	1,732	1,135	709
923.15 2/-----	-	-	-	-	954	-	954
533.77-----	1,299	2,058	2,482	2,457	4,748	1,713	3,147
Total-----	4,422	5,587	6,258	6,917	10,219	4,632	6,567
Total, china nondinnerware-----	6,833	9,015	10,841	11,687	16,067	7,849	10,274

1/ Includes candy boxes, decanters, punch bowls, pretzel dishes, tidbit dishes, tiered servers, and bonbon dishes.

2/ Appendix items, effective May 1, 1972.

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

Note.--Because of rounding, figures may not add to the totals shown.

Table 8.--Average number of persons employed in U.S. establishments producing earthen table and kitchen ware, 1968-1972

Period	Earthenware <u>1/</u>	
	All employees	Production and related workers
1968-----	7,150	6,395
1969-----	6,945	6,260
1970-----	5,802	5,112
1971-----	5,850	5,217
1972-----	<u>2/</u> 5,864	<u>2/</u> 5,222

1/ Data for the Harker China Co., which ceased operations in February 1972, are not included for 1972.

2/ Until February 1972, an additional 184 employees, including 165 production and related workers, were employed by the Harker China Co.

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

Table 9.--Man-hours worked by production and related workers in U.S. establishments producing earthen table and kitchen articles, 1968-72

(In thousands of man-hours)

Period	Earthenware			
	All products		Table and kitchen articles	
	Man- hours	Index (1968=100)	Man- hours	Index (1968=100)
	:	:	:	:
1968-----	11,036	100.0	10,116	100.0
1969-----	10,135	91.8	9,078	89.7
1970-----	8,704	78.9	7,482	74.0
1971-----	10,012	90.7	9,051	89.5
1972-----	10,450	94.7	9,423	93.1

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

Table 10.--Earthen table and kitchen ware industries: Average hourly compensation 1/ of production and related workers, 1968-72

Year	Earthenware industry	
	Compensation	Index (1968=100)
1968-----	2.10	100.0
1969-----	2.23	106.2
1970-----	2.35	111.9
1971-----	2.63	125.2
1972-----	2.79	132.9

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

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

Table 11.--Earthen dinnerware: ^{1/} Percentage distribution of the producers' sales, by wholesale price ranges, 1966, 1968, and 1970-72

Item	1966	1968	1970	1971	1972
	Percent of total quantity				
First-line dinnerware priced at wholesale for a 45-piece service for eight:					
Not over \$6-----	19.0	-	-	1.8	1.8
Over \$6, not over \$9-----	8.9	18.2	19.9	33.5	33.6
Over \$9, not over \$15-----	62.5	71.0	58.1	41.0	41.0
Over \$15, not over \$30-----	4.1	5.0	12.7	14.4	15.0
Over \$30-----	5.5	5.8	9.3	9.3	8.6
Total-----	100.0	100.0	100.0	100.0	100.0
	Percent of total value				
First-line dinnerware priced at wholesale for a 45-piece service for eight:					
Not over \$6-----	7.9	-	-	1.5	1.4
Over \$6, not over \$9-----	6.3	7.8	9.8	22.6	20.4
Over \$9, not over \$15-----	55.7	60.7	40.1	31.2	29.0
Over \$15, not over \$30-----	7.6	9.5	17.3	20.2	18.1
Over \$30-----	22.5	22.0	32.8	24.5	31.1
Total-----	100.0	100.0	100.0	100.0	100.0

^{1/} Includes open stock available in specified sets.

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

Table 12.--Earthen dinnerware: 1/ Percentage distribution of importers' sales, by wholesale price ranges, 1968, and 1970-72

Item	1968	1970	1971	1972
	Percent of total quantity			
Firstline dinnerware priced at whole-	:	:	:	:
sale for a 45-piece service	:	:	:	:
for eight:	:	:	:	:
Not over \$6-----	<u>2/</u>	3	-	-
Over \$6, not over \$9-----	<u>2/</u>	2	-	-
Over \$9, not over \$15-----	21	19	3	1
Over \$15, not over \$30-----	73	70	74	73
Over \$30-----	6	6	23	26
Total-----	100	100	100	100
	Percent of total value			
Firstline dinnerware priced at whole-	:	:	:	:
sale for a 45-piece service	:	:	:	:
for eight:	:	:	:	:
Not over \$6-----	<u>2/</u>	2	-	-
Over \$6, not over \$9-----	<u>2/</u>	1	-	-
Over \$9, not over \$15-----	19	15	2	1
Over \$15, not over \$30-----	60	60	59	56
Over \$30-----	21	22	39	43
Total-----	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.

Appendix B

Tariff Schedules of the United States Annotated
(1972): Descriptive headnotes, Schedule 5,
Part 2 and Schedule 5, Part 2, Subpart C
relating to the items pertaining to this
report.

TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1972)

SCHEDULE 5. - NONMETALLIC MINERALS AND PRODUCTS
Part 2. - Ceramic Products

5 - 2 --

Item	Stat. Suffix	Articles	Units of Quantity	Rates of Duty	
				1	2
		<p style="text-align: center;">PART 2. - CERAMIC PRODUCTS</p> <p><u>Part 2 headnotes:</u></p> <p>1. This part covers ceramic wares, and articles of such wares and, in addition, certain unshaped refractory material (subpart A) closely related thereto.</p> <p>2. For the purposes of the tariff schedules --</p> <p>(a) a "ceramic article" is a shaped article having a glazed or unglazed body of crystalline or substantially crystalline structure, which body is composed essentially of inorganic nonmetallic substances and either is formed from a molten mass which solidifies on cooling, or is formed and subsequently hardened by such heat treatment that the body, if reheated to pyrometric cone 020, would not become more dense, harder, or less porous, but does not include any glass article;</p> <p>(b) the term "earthenware" embraces ceramic ware, whether or not glazed or decorated, having a fired body which contains clay as an essential ingredient and will absorb more than 3.0 percent of its weight of water;</p> <p>(c) the term "stoneware" embraces ceramic ware whether or not glazed or decorated, having a fired body which contains clay as an essential ingredient, is not commonly white, will absorb not more than 3.0 percent of its weight of water, and is naturally opaque (except in very thin pieces) even when fully vitrified;</p> <p>(d) the term "subporcelain" embraces fine-grained ceramic ware (other than stoneware), whether or not glazed or decorated, having a fired body which is white (unless artificially colored) and will absorb more than 0.5 percent but not more than 3.0 percent of its weight of water;</p> <p>(e) the terms "chinaware" and "porcelain" embrace fine-grained ceramic ware (other than stoneware), whether or not glazed or decorated, having a body which is white (unless artificially colored) and will not absorb more than 0.5 percent of its weight of water;</p> <p>(f) the term "bone chinaware" embraces chinaware or porcelain the body of which contains by weight 25 percent or more of calcined bone;</p> <p>(g) the term "nonbone chinaware" embraces chinaware or porcelain other than bone chinaware;</p> <p>(h) the term "coarse-grained", as applied to ceramic ware, embraces such wares having a body made of materials none of which had been washed, ground, or otherwise beneficiated;</p> <p>(i) the term "fine-grained", as applied to ceramic wares, embraces such wares having a body made of materials any of which had been washed, ground, or otherwise beneficiated; and</p> <p>(j) the term "body" includes any engobe or body slip, except engobe or body slip applied to the body as a decoration; and</p> <p>(k) the water absorption of a ceramic body shall be determined by ASTM test method designated C373-56 (except that test specimens may have a minimum weight of 10 grams, and may have one large surface glazed).</p>			

TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1972)

SCHEDULE 5. - NONMETALLIC MINERALS AND PRODUCTS
Part 2. - Ceramic Products

5 - 2 - C

Item	Stat. Suffix	Articles	Units of Quantity	Rates of Duty	
				1	2
		<p align="center">Subpart C. - Table, Kitchen, Household, Art and Ornamental Pottery</p> <p>Subpart C headnotes:</p> <p>1. This subpart covers ceramic articles chiefly used for preparing, serving, or storing food or beverages, or food or beverage ingredients; and certain smokers', household, and art and ornamental articles of ceramic ware. This subpart does not cover --</p> <p>(i) smokers' articles provided for in part 9B of schedule 7;</p> <p>(ii) other articles specifically provided for in schedule 7 or elsewhere in the schedules.</p> <p>2. (a) For the purposes of this subpart, the term "available in specified sets" (items 533.23, 533.25, 533.26, 533.28, 533.63, 533.65, 533.66, 533.68, and 533.69) embraces plates, cups, saucers, and other articles chiefly used for preparing, serving, or storing food or beverages, or food or beverage ingredients, which are sold or offered for sale in the same pattern, but no article is classifiable as being "available in specified sets" unless it is of a pattern in which at least the articles listed below in (b) or (c) of this headnote are sold or offered for sale.</p> <p>(b) If each of the following articles is sold or offered for sale in the same pattern, the classification hereunder in item 533.23, 533.25, 533.26, 533.28, 533.63, 533.65, 533.66, or 533.68, of all articles of such pattern shall be governed by the aggregate value of the following articles in the quantities indicated, as determined by the appraiser under section 402 of the Tariff Act of 1930, as amended, whether or not such articles are imported in the same shipment:</p> <p>12 plates of the size nearest to 10.5 inches in maximum dimension, sold or offered for sale,</p> <p>12 plates of the size nearest to 6 inches in maximum dimension, sold or offered for sale,</p> <p>12 tea cups and their saucers,</p> <p>12 soups of the size nearest to 7 inches in maximum dimension, sold or offered for sale,</p> <p>12 fruits of the size nearest to 5 inches in maximum dimension, sold or offered for sale,</p> <p>1 platter or chop dish of the size nearest to 15 inches in maximum dimension, sold or offered for sale,</p> <p>1 open vegetable dish or bowl of the size nearest to 10 inches in maximum dimension, sold or offered for sale,</p> <p>1 sugar of largest capacity, sold or offered for sale,</p> <p>1 creamer of largest capacity, sold or offered for sale.</p>			

TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED (1972)

SCHEDULE 5. - NONMETALLIC MINERALS AND PRODUCTS
Part 2. - Ceramic Products

5 - 2 - C
533.11 - 533.16

Item	Stat. Suffix	Articles	Units of Quantity	Rates of Duty	
				1	2
		<p>If either soups or fruits are not sold or offered for sale, 12 cereals of the size nearest to 6 inches in maximum dimension, sold or offered for sale, shall be substituted therefor.</p> <p>(c) If each of the articles listed above in (b) of this headnote is not sold or offered for sale in the same pattern, but each of the following articles is sold or offered for sale in the same pattern, the classification hereunder in item 533.69 of all articles of such pattern shall be governed by the aggregate value of the following articles in the quantities indicated, as determined by the appraiser under section 402 of the Tariff Act of 1930, as amended, whether or not such articles are imported in the same shipment:</p> <ul style="list-style-type: none"> 6 plates of the size nearest to 8 inches in maximum dimension, sold or offered for sale, 6 beverage cups and their saucers, 1 sugar of largest capacity, sold or offered for sale, 1 creamer of largest capacity, sold or offered for sale, 1 beverage pot of the size nearest a 6-cup capacity, sold or offered for sale. <p>(d) The percentage of water absorption of cast and jiggered ceramic articles of the same pattern, which are "available in specified sets" and which are imported together in a ratio of at least 5 jiggered articles to 1 cast article in the same shipment shall be the average water absorption of such cast and jiggered articles, of the same pattern in the shipment, which average absorption shall be deemed to be equivalent to 5 percent of the water absorption of a representative sample of such cast articles plus 95 percent of the water absorption of a representative sample of such jiggered articles.</p> <p>3. In those provisions of this part which classify merchandise according to the value of each "article", an article is a single tariff entity which may consist of more than one piece. For example, a vegetable dish and its cover, or a beverage pot and its lid, imported in the same shipment, constitute an article.</p>			

