

**UNITED STATES TARIFF COMMISSION**

**COTTON TYPEWRITER-RIBBON CLOTH**

**Report to the President on  
Investigation No. TEA-I-EX-1 Under  
Section 351(d)(3) of the  
Trade Expansion Act of 1962**



**TC Publication 207**

**Washington, D. C.  
May 1967**

**UNITED STATES TARIFF COMMISSION**

**Paul Kaplowitz, Chairman**

**Glenn W. Sutton, Vice Chairman**

**James W. Culliton**

**Dan H. Fenn, Jr.**

**Penelope H. Thunberg**

**Donn N. Bent, Secretary**

-----

**Address all communications to  
United States Tariff Commission  
Washington, D. C. 20436**

-----

REPORT TO THE PRESIDENT

U.S. Tariff Commission  
May 11, 1967.

To the President:

This report is made pursuant to section 351(d)(3) of the Trade Expansion Act of 1962 (76 Stat. 900), which provides that--

Upon petition on behalf of the industry concerned, filed with the Tariff Commission not earlier than the date which is 9 months, and not later than the date which is 6 months, before the date any increase or imposition referred to in paragraph (1) or (2) of subsection (c) is to terminate by reason of the expiration of the applicable period prescribed in paragraph (1) or an extension thereof under paragraph (2), the Tariff Commission shall advise the President of its judgment as to the probable economic effect on such industry of such termination.

Introduction

Following an investigation by the Tariff Commission and report to the President on June 30, 1960 1/ under section 7 of the Trade Agreements Extension Act of 1951, as amended, the President, by proclamation, 2/ increased the rates of duty applicable to broadwoven cotton typewriter-ribbon cloth; the modified duties became effective after the close of business on September 22, 1960.

On September 21, 1962, the Commission made its first report to the President pursuant to paragraph 1 of Executive Order 10401 (of October 14, 1952), 3/ which required the Commission to keep under review

---

1/ Cotton Typewriter-Ribbon Cloth: Report to the President on Escape-Clause Investigation No. 7-85 . . .

2/ Proclamation No. 3365, dated Aug. 23, 1960; 3 CFR, 1959-1963 Comp., p. 86.

3/ 3 CFR, 1949-1953 Comp., p. 901. See Cotton Typewriter-Ribbon Cloth: Report to the President (1962) Under Executive Order 10401, TC Publication 70, 1962.

developments with regard to any product respecting which a trade-agreement concession had been withdrawn or modified pursuant to action taken under section 7 of the Trade Agreements Extension Act. Three reports have been made pursuant to section 351(d)(1) of the Trade Expansion Act of 1962, 1/ 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.

On June 16, 1966, the Tariff Commission announced an investigation under the provisions of section 351(d)(2) of the Trade Expansion Act of 1962, which provides that--

Upon request of the President or upon its own motion, the Tariff Commission shall advise the President of its judgment as to the probable economic effect on the industry concerned of the reduction or termination of the increase in, or imposition of, any duty or other import restriction pursuant to this section or section 7 of the Trade Agreements Extension Act of 1951.

A hearing in connection with the investigation was held on September 12, 1966; a report was submitted to the President on

---

1/ These three reports are as follows:

- (1) Cotton Typewriter-Ribbon Cloth: Report to the President (No. TEA-IR-6-63) Under Section 351(d)(1) of the Trade Expansion Act of 1962, TC Publication, 108, 1963;
- (2) Cotton Typewriter-Ribbon Cloth: Report to the President (No. TEA-IR-6-64), TC Publication 139, 1964; and
- (3) Cotton Typewriter-Ribbon Cloth: Report to the President (No. TEA-IR-6-65), TC Publication 161, 1965.

December 5, 1966. 1/

No action was taken to change the escape-clause rates of duty by January 12, 1967, whereupon a petition was filed with the Commission on behalf of the domestic industry concerned, as provided in section 351(d)(3). Accordingly, the Commission instituted the current investigation on January 18, 1967, in order to advise the President as to the probable economic effect that an automatic termination (on October 11, 1967) of the increased duties would have on the industry concerned. A hearing was held on April 4, 1967, in conjunction with this investigation.

The information used in this report was obtained from the Commission's files, from other agencies of the U.S. Government, and from correspondence, testimony and briefs, field conferences, and responses to questionnaires sent to U.S. producers and importers.

---

1/ Ordinarily, an annual review on cotton typewriter-ribbon cloth would have been submitted on Sept. 23, 1966. The report under sec. 351(d)(2), however, was also submitted as the Commission's annual report under sec. 351(d)(1).

Probable Economic Effect of Termination of the  
Increase in Duty

In its report to the President on December 5, 1966, the Commission indicated that restoration of the trade-agreement concession rates of duty on cotton typewriter-ribbon cloth would not be likely to jeopardize the economic position of the domestic industry. The information obtained in the present investigation indicates that the reasons for the Commission's earlier judgment still prevail.

Europe, especially the United Kingdom and the Netherlands, was the source of most U.S. imports in 1959 before the duty was increased, but has now become a minor supplier. Changed conditions in the United States and abroad make it unlikely that imports from Europe will return to their former proportions if the trade-agreement rates are restored. U.S. imports of cotton typewriter-ribbon cloth in 1966 were only one-third as large as in 1959, and came predominantly from Japan. The supply of cotton typewriter-ribbon cloth to the United States from that country is restricted pursuant to a bilateral agreement negotiated under the Long-Term Arrangement Regarding International Trade in Cotton Textiles. The Long-Term Arrangement, which was scheduled to terminate September 30, 1967, is being extended until October 1, 1970. Under its provisions, the supply from other countries as well as Japan can be restricted if necessary to prevent market disruption in the United States.

The firm that accounts for nearly all of the U.S. production of cotton typewriter-ribbon cloth has reorganized the plant in which the

cloth is made. An extensive modernization program begun in 1966 will be completed shortly. This program will further increase the efficiency of the plant and strengthen the firm's ability to meet any increase in import competition that might result from restoration of the trade-agreement rates of duty.

\* \* \* \* \*

The remaining material in the report to the President is omitted from this report because most of it contains information received in confidence, the disclosure of which would reveal certain operations of individual firms.

