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UNITED STATES TARIFF COMMISSION

STAINLESS-STEEL TABLE FLATWARE: ROYAL SILVER
MANUFACTURING COMPANY, INC., NORFOLK, VA.

Report to the President on Investigation No. TEA-F-21
Under Section 301(c)(1) of the Trade Expansion Act of 1962



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UNITED STATES TARIFF COMMISSION

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

REPORT TO THE PRESIDENT

U.S. Tariff Commission,
May 14, 1971.

To the President:

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

On March 1, 1971, Lloyd M. Gilbert, president of Royal Silver Manufacturing Company, Inc., Norfolk, Virginia, filed a petition on behalf of the company, for a determination of the firm's eligibility to apply for adjustment assistance.

On March 19, 1971, the Commission instituted a firm investigation (TEA-E-21) in response to the petition. The purpose of the investigation was to determine whether, as a result in major part of concessions granted under trade agreements, articles like or directly competitive with stainless-steel table flatware produced by the aforementioned firm are being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to the firm.

Public notice of the receipt of the petition and institution of the investigation was given by publication in the Federal Register on March 25, 1971 (36 F.R. 5642). A public hearing in connection with this investigation was held on April 27, 1971, public notice of which was given in the Federal Register on April 2, 1971 (36 F.R. 6123).

The information contained herein was obtained principally through a field interview and subsequent conversations with the president of

Royal Silver Manufacturing Company, Inc., from a questionnaire and other documents submitted to the Commission by the company, from information furnished by certain other U.S. producers of stainless-steel table flatware, and from the Commission's files.

Finding of the Commission

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

1/ Commissioner Clubb did not participate in the decision.

Considerations Supporting the Commission's Finding

This investigation relates to a petition filed by the Royal Silver Manufacturing Co., Inc., of Norfolk, Va., under section 301(a)(2) of the Trade Expansion Act of 1962 for a determination of its eligibility to apply for adjustment assistance. The Royal Silver Mfg. Co. is engaged almost exclusively in the production of stainless-steel table flatware. In recent years the firm's output has been sold mainly to institutional users of table flatware.

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

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

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

Increasing imports

U.S. imports of stainless-steel table flatware have increased sharply in recent years. The annual quantity imported rose from

9.2 million dozen pieces in 1966 to 34.4 million dozen pieces in 1970. In 1966, such imports supplied about one-fourth of U.S. consumption, whereas in 1970 they supplied about three-fifths. The first condition of the statute is therefore satisfied--imports of stainless-steel table flatware are increasing.

Increased imports, the result in major part
of concessions

From November 1959 to October 1967, pursuant to escape-clause action, the United States imposed an annual tariff quota on imports of certain stainless-steel table flatware. When the quota restrictions were in effect, the bulk of the imports entered within the tariff quota--the rates of duty applicable to over-quota imports severely limiting entries in excess of the quota. In October 1967, under the provisions of the Trade Expansion Act of 1962, 1/ the President allowed the restrictions to terminate, thus permitting all imports of stainless-steel table flatware to enter at the lower trade-agreement rates, which reflected concessions that had been granted by the United States in the General Agreement on Tariffs and Trade. Immediately after the reestablishment of the trade-agreement rates, imports of stainless-steel flatware increased rapidly. Thus, we find that the second requirement of the statute is satisfied.

1/ Section 351(c)(1).

Serious injury

In 1968, the first full calendar year after the reestablishment of trade-agreement rates of duty, the quantity of stainless-steel flatware produced and sold by Royal Silver was about 44 percent lower than in 1967, and the company sustained a net operating loss. In 1970, the quantity of flatware sold by Royal was 12 percent below that sold in 1967 and the value of sales was 23 percent below that in 1967; the company again sustained a substantial net operating loss.

In 1970 Royal Silver lost three major accounts to competitors manufacturing abroad. These accounts represented about 45 percent of the company's business in 1970. Hence, the company is threatened with further serious injury in 1971, should it be unable to recoup the loss of these contracts. Consequently, we conclude that the third requirement of the statute is satisfied.

Major factor

The increased imports of stainless-steel table flatware have clearly had a direct adverse impact on the operation of Royal Silver. In 1968, the first year of the recently increased imports, sales of stainless-steel flatware by Royal Silver were severely reduced; they have remained depressed since. Moreover, the evidence obtained in this investigation indicates that Royal Silver lost a substantial portion of its projected 1971 business directly to competitors manufacturing abroad in the course of bidding against them for contracts to supply Federal and State purchasing agencies.

Consequently, we conclude that serious injury to the Royal Silver Mfg. Co. exists in major part as a result of the concession-generated increased imports of stainless-steel table flatware. Thus, we find that the fourth requirement of the statute has been satisfied.

INFORMATION OBTAINED IN THE INVESTIGATION

Description of the articles under investigation

The Royal Silver Manufacturing Co., Inc. (hereinafter referred to as Royal Silver in the text) situated in Norfolk, Va., is engaged principally in the manufacture of stainless-steel flatware consisting of knives, forks, and spoons. In the Tariff Schedules of the United States (TSUS), imports of such articles having stainless-steel handles are classified for duty purposes under TSUS items 650.08 to 650.12 (knives), 650.38 to 650.42 (forks), 650.54 and 650.55 (spoons and ladles), and 651.75 (sets of the foregoing articles), depending on whether the flatware contains nickel, on its value per dozen pieces, and on its length. 1/

Stainless steel is defined for tariff purposes as any alloy steel which contains by weight less than 1 percent of carbon and more than 11.5 percent of chromium. Nickel is frequently added to stainless steel to enhance the quality. Stainless steel containing nickel, which is used in making the better grades of stainless-steel table flatware in the United States, generally contains about 18 percent of chromium and 8 percent of nickel. Such steel is usually more expensive than stainless steel containing chromium only. It has a finer grain structure and is somewhat easier to work if properly annealed. Flatware made of stainless steel containing nickel has a less bluish

1/ Most table flatware is 10 inches or less in overall length.

appearance than that made of steel containing no nickel; however, by special polishing and buffing, flatware made from stainless steel containing no nickel can be made to resemble that made from stainless steel containing nickel.

The raw material used in the manufacture of stainless-steel table flatware consists of stainless-steel sheet, strip, or rod. The manufacture of table flatware consists of some or all of the following processes: Stamping out blanks, forging the knife blade or the whole knife (if one piece), grading (rolling of blanks to vary the thickness at certain places), trimming, deburring, grinding, polishing, and-- for two-piece or three-piece knives--joining of the blade to the knife handle.

The design, quality, and price of stainless-steel table flatware, whether produced in the United States or imported, vary widely. The price of stainless-steel flatware is determined largely by its design or pattern, the weight and type of stainless steel of which it is made, the degree of grading, the amount of finishing, and the type of knife.

U.S. tariff treatment

As a result of escape-clause action, the United States in 1959 instituted a tariff-rate quota imposing increased rates of duty on imports of certain stainless-steel table flatware 1/ entered in excess of 5.75 million dozen pieces. In January 1966 the United States enlarged the tariff quota to 7.0 million dozen pieces and reduced the rates of duty applicable to flatware entered in excess of the enlarged quota. 2/ All tariff-quota restrictions were allowed to terminate in October 1967.

On September 30, 1969, the United States reserved its right under article XXVIII of the General Agreement on Tariffs and Trade (GATT) to modify or withdraw the tariff concessions on the stainless-steel table flatware provided for in items 650.08, 650.10, 650.38, 650.40, 650.54, and 651.75 in the Tariff Schedules of the United States. In August 1970 the United States communicated to the contracting parties to the GATT its intention to commence the renegotiation of concessions. Although the United States signed an agreement with Japan 3/ (the major supplier) in February 1971, as of April 26, 1971, negotiations had not been completed with other countries.

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

2/ This action was made retroactive to Nov. 1, 1965.

3/ This agreement, completed on Feb. 1, 1971, provided for a global annual tariff-rate quota of 16 million dozen pieces from all sources at current trade-agreement rates of duty, allocated on a quarterly basis. (Japan's share of this global quota is 68.5 percent.) The quota would relate only to stainless-steel flatware valued under 25 cents per piece and not over 10.2 inches in overall length; the great bulk of imports consist of such flatware.

The statutory, the initial TSUS, the current, and the January 1, 1972, rates of duty applicable to stainless-steel table flatware are shown in the table below. (See tables 1 and 2 in the appendix for a more detailed tariff history of these items.)

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

(Cents each; percent ad valorem)

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

See footnotes at end of table.

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

(Cents each; percent ad valorem)

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

See footnotes at end of table.

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

(Cents each; percent ad valorem)

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

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

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

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

The rates of duty with respect to nonquota-type stainless-steel table flatware (items 650.09, 650.12, 650.39, 650.42, and 650.55) remained unchanged from August 31, 1963, through December 31, 1967, but were reduced pursuant to the Kennedy Round of trade negotiations. Such reductions are shown in table 1, in the appendix.

Trade-agreement modifications of the statutory rates with respect to stainless-steel table flatware dating from the Tariff Act of 1930 to the inception of the TSUS on August 31, 1963, are shown in table 2.

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

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

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

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

U.S. consumption

The United States is probably the world's largest consumer (as well as producer and importer) of stainless-steel table flatware. U.S. apparent consumption of stainless-steel table flatware increased from an estimated 36 million dozen pieces in 1965 to about 57 million dozen pieces in 1970, or by 58 percent (table 3). The upward trend in domestic consumption accelerated after the termination of the tariff-rate quota on stainless-steel table flatware in October 1967. This change reflected not only the increasing popularity of stainless-steel flatware among consumers but to a large degree the use of stainless-steel flatware as premiums in the promotion of other products, i.e., gasoline, cereals, and so forth.

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

Annual U.S. production of stainless-steel table flatware increased from about 27.4 million dozen pieces in 1965 to a record high of about 30.4 million dozen pieces in 1967--years during which the import quota was in effect for all or part of the year (table 3). Production declined appreciably in 1968 to 26.5 million dozen pieces; it increased to an estimated 27.3 million dozen pieces in 1969, about 10 percent less than it was in 1967. In 1970, production declined to an estimated 23.8 million dozen pieces, 22 percent less than in 1967.

^{1/} Data in this section exclude data on the operation of four firms in 1967 and 1968 and one firm in 1969 and 1970. The combined production of stainless-steel flatware by these firms is believed to be small.

U.S. producers' annual sales of domestically produced stainless-steel table flatware reached a peak of about 30.0 million dozen pieces in 1966. Such sales declined thereafter to 26.9 million dozen pieces in 1968 and 1969, and then to 22.6 million dozen pieces in 1970. Producers' sales were stable in value during 1966-69, being close to \$70 million in each of these years; the value of their sales declined in 1970, however, to about \$57 million.

During 1967-69, U.S. inventories ranged between 4.0 million and 4.3 million dozen pieces, quantities considerably higher than the 2.0 million to 3.6 million dozen pieces which were recorded during the period that quotas were in effect. 1/

U.S. exports of stainless-steel table flatware were insignificant during 1966-70, averaging less than 2 percent of annual domestic production (table 3).

U.S. imports

U.S. imports of stainless-steel table flatware have risen greatly in recent years. Imports of flatware amounted to about 9.2 million dozen pieces in 1966, the first full year during which liberalized tariff quotas were in operation and the last full year before the termination of the quotas on flatware. 2/ They rose to 14.9 million dozen pieces in 1968 and to 25.9 million dozen pieces in 1969. In 1970 they

1/ Nov. 2, 1959, through Oct. 11, 1967.

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

amounted to 34.4 million dozen pieces, nearly four times as large as they were in 1966 (table 3).

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

Japan has been the principal source of imports, followed by Taiwan and the Republic of Korea. Imports from Japan increased from 7.1 million dozen pieces in 1966 to 10.2 million dozen pieces in 1968, 17.6 million dozen pieces in 1969, and 22.6 million dozen pieces in 1970 (table 4). The share of total U.S. imports supplied by Japan, however, decreased from about three-fourths in 1966 to about two-thirds in 1970. The principal reason for Japan's declining share of U.S. imports has been the increasing prominence in recent years of Taiwan, Korea, and Hong Kong as suppliers of stainless-steel table flatware. In 1970 the combined imports from these three sources were half again as great as they were in 1969 and more than three times greater than what they were in 1968.

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

U.S. producers

Currently (May 1971) there are 16 domestic producers of stainless-steel flatware, down from 20 in 1967. During the period 1967-70, four companies ceased production, two during the first half of 1970. In 1970 six U.S. producers had sales of \$1 million or more; the sales of two of these firms--Oneida, Ltd., and International Silver Co.--which combined are estimated at more than * * * far exceeded the others. Estimated total sales by the industry in 1970 were valued at \$56.8 million. Royal Silver, the petitioner, is one of the smallest of the U.S. producers, with * * * [less than 5] percent of total industry sales in 1970, * * *.

In 1969, 11 U.S. producers (including Oneida and International) imported stainless-steel flatware--four more than in 1967. Imports by the U.S. producers accounted for about a third of the total quantity imported in 1968 and in 1969. Royal Silver has never imported flatware.

The Royal Silver Manufacturing Co., Inc.

Structure and ownership.--Royal Silver, incorporated in 1909, was a pioneer in making stainless-steel table flatware in the United States. The company is not diversified and depends almost entirely on sales under contracts with a few large institutional purchasers of such flatware. The majority of capital stock in the company is owned by the firm's three full-time officers.

* * * * *

STATISTIC

PENDIX

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

(Cents each; percent ad valorem)

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

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

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

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

^{4/} Bound.

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

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

(Cents each; percent ad valorem)

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

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

Table 3.--Stainless-steel table flatware: Production and sales by U.S. manufacturers, U.S. imports for consumption, and apparent U.S. consumption, 1965-70

Year	U.S. production			Sales by U.S. manufacturers			Imports for consumption			Apparent consumption			Ratio of imports to--	
	1,000 dozen pieces	dozen pieces	Value	Total	Exports	Value	1,000 dozen pieces	dozen pieces	Value	1,000 dozen pieces	dozen pieces	Value	Apparent consump- tion	U.S. produc- tion
1965	27,409	334	27,210	27,210	334	27,210	2/ 8,880	2/ 35,756	2/ 24.8	2/ 24.8	2/ 32.4	2/ 24.8	2/ 32.4	
1966	30,262	449	30,043	30,043	449	30,043	2/ 9,185	2/ 38,779	2/ 23.7	2/ 23.7	2/ 30.3	2/ 23.7	2/ 30.3	
1967	3/ 30,403	3/ 384	329,350	329,350	3/ 384	329,350	4/ 14,872	3/ 41,238	5/ 36.1	5/ 36.1	5/ 56.1	5/ 36.1	5/ 56.1	
1968	3/ 26,516	3/ 499	326,865	326,865	3/ 499	326,865	25,885	52,378	49.4	49.4	94.9	49.4	94.9	
1969	27,271	7/ 454	26,947	26,947	7/ 454	26,947	34,428	56,577	60.8	60.8	141.8	60.8	141.8	
1970	23,776	7/ 454	22,603	22,603	7/ 454	22,603								

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

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

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

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

5/ Not available.

6/ U.S. production and sales exclude data for 1 manufacturer that did not submit a questionnaire. This producer's production and sales are thought to be small.

7/ Based on data available for the first 9 months of 1969. Exports for 1970 were estimated to have been about the same as those for 1969.

8/ Data were estimated on the basis of information received for the first 9 months of 1970.

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

Table 4.--Stainless-steel table flatware: U.S. imports for consumption, by sources, 1965-70

Source	1965 ^{1/}	1966 ^{1/}	1967 ^{1/}	1968	1969	1970
	Quantity (1,000 dozen pieces)					
Japan-----	6,834	7,068	^{2/}	10,150	17,563	22,594
Taiwan-----	621	1,029	^{2/}	2,022	3,206	4,930
Republic of Korea---	84	569	^{2/}	1,275	2,532	4,080
Hong Kong-----	849	128	^{2/}	94	1,064	1,267
Netherlands-----	169	84	^{2/}	547	473	1,041
West Germany-----	140	73	^{2/}	127	160	60
Italy-----	43	66	^{2/}	109	75	12
United Kingdom-----	31	36	^{2/}	149	277	113
Austria-----	24	31	^{2/}	13	6	7
Sweden-----	21	12	^{2/}	20	12	4
Denmark-----	7	8	^{2/}	13	21	7
Nansei and Nanpo Islands-----	-	-	^{2/}	-	-	120
All other-----	57	81	^{2/}	353	496	194
Total-----	8,880	9,185	^{2/} 7,807	14,872	25,885	34,428
	Value (1,000 dollars)					
Japan-----	8,069	8,434	^{2/}	12,305	21,826	28,454
Taiwan-----	478	745	^{2/}	1,421	2,271	3,650
Republic of Korea---	54	424	^{2/}	984	1,934	3,687
Hong Kong-----	682	98	^{2/}	100	1,196	6,382
Netherlands-----	307	212	^{2/}	1,068	1,037	2,205
West Germany-----	604	370	^{2/}	731	801	384
Italy-----	151	218	^{2/}	371	234	22
United Kingdom-----	135	171	^{2/}	300	582	234
Austria-----	106	106	^{2/}	58	30	18
Sweden-----	95	65	^{2/}	117	75	33
Denmark-----	55	71	^{2/}	134	172	32
Nansei and Nanpo Islands-----	-	-	^{2/}	-	-	164
All other-----	204	327	^{2/}	552	663	1,185
Total-----	10,940	11,241	^{2/} 9,121	18,141	30,821	40,451

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

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

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

Table footnotes--Continued

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

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

