

UNITED STATES TARIFF COMMISSION

HOUSEHOLD CHINA TABLEWARE AND KITCHENWARE

**Report to the President on Investigation No. 7-113 (TEA-I-1)
Under Section 301(b) of the Trade Expansion Act of 1962**



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REPORT TO THE PRESIDENT

U.S. Tariff Commission
April 5, 1963

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(b) of that act, relating to household china tableware and kitchenware.

Introduction

The purpose of the investigation to which this report relates was to determine whether, as a result in major part of concessions granted under trade agreements, household china tableware and kitchenware ^{1/} are being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to the domestic industry producing like or directly competitive articles. The investigation was instituted on May 15, 1962, under the authority of section 7 of the Trade Agreements Extension Act of 1951, as amended, on the basis of an application by the American Fine China Guild, Inc. Public notice of the institution of the investigation and of a public hearing to be held in connection therewith was given by posting copies

^{1/} The full description of the imported chinaware that was the subject of the investigation is "China, porcelain and other vitrified wares, all the foregoing which are tableware, kitchenware, and table and kitchen utensils (except hotel or restaurant ware or utensils), provided for in paragraph 212 of the Tariff Act of 1930".

of the notice in the office of the Commission in Washington, D.C., and at its office in New York City, and by publishing the notice in the Federal Register (27 F.R. 4825) and in the May 24, 1962, issue of Treasury Decisions. Notice of a change in the date of the hearing was published in like manner (27 F.R. 5216; May 31, 1962, issue of Treasury Decisions).

The public hearing was held July 24 to August 1, 1962, and all interested parties were afforded opportunity to be present, to produce evidence, and to be heard. A transcript of the hearing and formal briefs submitted by interested parties in connection with the investigation are attached. 1/

On October 11, 1962, the Trade Expansion Act of 1962 was signed into law. On October 12 the Commission issued a notice that, in accordance with the provisions of section 257(e)(3) of that act, the investigation relating to household china tableware and kitchenware was being continued under section 301(b) of the act. This notice was published in the Federal Register (27 F.R. 10139) and in the October 18, 1962, issue of Treasury Decisions. No additional hearing was scheduled, but the Commission's notice advised interested parties that they might request an additional hearing within 20 days after the date of publication of the notice in the Federal Register.

1/ Transcript and briefs were attached only to the original report sent to the President.

Interested parties were advised also that they might submit written information to supplement the information presented at the hearing that was held July 24 to August 1. No requests for an additional hearing were received, and no such hearing was held.

In addition to the information obtained at the hearing in this investigation, the Commission obtained information from its files, from other agencies of the U.S. Government, through fieldwork by members of the Commission's staff, and from responses to questionnaires sent to domestic producers and importers.

Finding of the Commission

On the basis of its investigation the Commission unanimously finds that household china tableware and kitchenware is not, 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 the domestic industry producing like or directly competitive articles.

Considerations in Support of the
Foregoing Finding

Before the Commission can make an affirmative finding under section 301(b) of the Trade Expansion Act of 1962, it must determine (1) that the imports in question are entering the United States in increased quantities; (2) that the increased imports are attributable in major part to trade-agreement concessions; and (3) that such increased imports have been the major factor in causing, or threatening to cause, serious injury to the domestic industry concerned. If the Commission finds in the negative with respect to any of these three requisites, it is foreclosed from making an affirmative finding.

In view of the upward trend of imports of household china tableware and kitchenware in recent years, and particularly the much larger imports in 1962 than in 1961, the Commission found that such chinaware "is being imported * * * in * * * increased quantities" within the meaning of the Trade Expansion Act.

The trade-agreement concessions granted by the United States on chinaware resulted in tariff reductions of varying amounts made at different times on the following categories of china:

Bone china
Feldspathic china (including porcelain): 1/
 Top value category
 Middle value category
 Bottom value category

1/ The foreign values which delineate the three value categories of feldspathic china are reported in table 1, in the appendix.

The most recent tariff concession on bone china became effective more than 15 years ago. Reductions in the U.S. rates of duty on this category of china were provided for in trade agreements that came into effect on January 1, 1939, and January 1, 1948. After World War II, in response to strong consumer demand in the United States accompanied by the stimulus of the duty reductions, imports of bone china rose steadily from 1947 to 1951. Since then, annual imports have fluctuated considerably without any discernible long-run trend. Since 1959, however, they have declined. Imports of bone china, therefore, have not contributed in recent years to the rising trend of aggregate imports of chinaware. Accordingly, the trade-agreement concessions applicable to bone china could not be among the factors causing the recent increase in aggregate imports of household chinaware.

Trade-agreement concessions on feldspathic china in the top value category became effective on January 1, 1948, April 21, 1948, June 6, 1951, and October 1, 1951. The aggregate reduction in duty resulting from those concessions was equivalent to somewhat less than 50 percent of the 1930 rates of duty. Most of that reduction occurred in 1948; the reductions in 1951 were of minor significance. Imports in the top value category consist predominantly of medium- and high-priced dinnerware from West Germany and other European countries. Also included are significant quantities of Japanese chinaware, most of which consists of the larger pieces from low-priced dinnerware sets.^{1/}

^{1/} Most of the pieces from low-priced dinnerware sets are dutiable in the middle value category.

Much of the imported chinaware that falls in the top value category is sold on a prestige basis, price being a secondary consideration for many of the ultimate consumers. Inasmuch as the duty concessions did not generally result in price reductions in the U.S. market, at either the wholesale or the retail level, the trade-agreement concessions provided no direct stimulus to consumer demand for the imported product. The concessions nevertheless may have caused importers to intensify their sales efforts and thereby may have stimulated imports somewhat. The general upward trend of imports of feldspathic china in the top value category since the duty reductions became effective, however, has been due principally to the rise in consumer purchasing power, the increase in the number of families entering the market for higher priced prestige china, and the growing demand for low-priced dinnerware sets, the larger pieces of which enter in the top value category. The tariff concessions applicable to feldspathic china in the top value category could not have been a significant factor in causing the upward trend of imports of such chinaware in recent years.

The only trade-agreement concessions applicable to feldspathic china in the middle and bottom value categories became effective on September 10, 1955. The concession on articles in the bottom value category resulted in a reduction in duty of about 30 percent, and that on articles in the middle value category, a reduction of about

13 percent. The combined imports of china in the two value categories increased greatly during 1947-55, a period before any trade-agreement reductions in duty were made. The trend of such imports continued upward after the duty reductions became effective, but without any significant acceleration. The dollar equivalent of the duty reductions ranged from about 5 to 10 percent of the wholesale prices charged by U.S. importers of china; importers generally did not reduce their prices following the duty reductions. Because of some increase in their profit margins resulting from the reductions in duty, however, they no doubt increased their sales efforts on the types of ware here considered. Although the duty reductions in 1955 may have initially offered some stimulus to imports of chinaware in the bottom and middle value categories, other forces have been materially more important in causing those imports to continue rising.

Most of the U.S. imports of china in the bottom and middle value categories have come from Japan. The imports in the bottom value category consist largely of articles other than dinnerware ^{1/} (virtually all of which is comprised of articles unlike the chinaware produced in the United States) and some pieces which are parts of dinnerware sets entered mainly in the middle value category. The imports in the middle value category consist predominantly of pieces designed

^{1/} Such as highly decorated cups and saucers, and other tea ware; condiment sets; and snack sets.

for formal dinnerware sets. Among the more important factors underlying the upward trend of imports in the bottom and middle value categories are the continuing efforts on the part of the Japanese manufacturers to supply a variety of patterns, shapes, and sizes adapted to the U.S. market; improved merchandising methods in the United States by the importers of Japanese ware; the rise in per capita income in the United States (i.e., increased consumer purchasing power); and the increase in population.

Japanese manufacturers supply the bulk of the growing market in this country for low-priced formal china dinnerware. Domestic manufacturers of chinaware never offered significant competition in this market either before or after reductions in duties were made. U.S. consumers have become increasingly aware, in recent years, that Japanese dinnerware of very good quality can be purchased at prices materially below those of comparable ware from other sources. The attractive price and ready availability, even in most of the better stores, have contributed to increased consumer acceptance of Japanese dinnerware. There is considerable evidence that this low-priced formal Japanese china dinnerware supplies a market that was largely created through the joint

efforts of the producers and importers of that ware and that in the absence of their enterprise most of this market would not exist. If such dinnerware were not available, many consumers who purchase low-priced Japanese chinaware would do without, as they did for 6 years during and immediately after World War II. There is no evidence that domestic producers could supply any appreciable part of this market.

In view of the considerations set forth above, it is apparent that the increased imports of household china tableware and kitchenware in recent years cannot be attributed in major part to concessions granted under trade agreements. Even if the Commission had reached a contrary conclusion on this issue, however, it could not have made an affirmative finding in this case under section 301(b) of the Trade Expansion Act because the preponderance of the evidence shows that the domestic chinaware industry is not being seriously injured or threatened with serious injury. The major considerations that persuaded the Commission to this view are indicated briefly in the following paragraphs.

In accordance with the Trade Expansion Act of 1962, the Commission considered the industry in the present investigation to be comprised of the establishments in which household china

tableware and kitchenware are produced. ^{1/} Aggregate sales of products manufactured in these establishments amounted to \$44.4 million in 1957, \$42.5 million in 1958, \$45.3 million in 1959, \$44.2 million in 1960, and \$42.2 million in 1961. ^{2/} These data provide no indication of a downward trend in the industry's sales. Available data on the quantity of household china table and kitchen articles sold by U.S. producers show that the quantity has fluctuated moderately in recent years but with no clear indication of a trend. Although the volume of sales was somewhat lower in 1960 and in 1961 than in 1959, the level was higher in 1961 than in 1958.

Prices received by domestic manufacturers for china dinnerware increased about 7 percent between 1957 and 1962; increased imports apparently have not had a seriously adverse effect on domestic producers' prices.

^{1/} In the report of the Committee on Finance of the U.S. Senate on H.R. 11970 (which, after various amendments, ultimately became the Trade Expansion Act of 1962), the concept of the scope of the "industry" involved in section 301(b) investigations is discussed. On p. 11 of the report it is stated:

For purposes of the bill, the term "industry," in the case of any industry investigation, will include the operations of those establishments in which the domestic article in question (i.e., the article which is "like," or "directly competitive with," the imported article, as the case may be) is produced. * * * The concern of the Tariff Commission would be with the question of serious injury to the productive resources (e.g., employees, physical facilities, and capital) employed in the establishments in which the article in question is produced.

^{2/} These data are for 15 establishments that supplied usable data to the Commission for all of the years 1957-61; these establishments accounted for nearly all of the domestic output of household china table and kitchen articles in those years.

Aggregate net operating profits (before income taxes) of the 15 establishments for which complete data were obtained amounted to \$3.6 million in 1957, \$3.1 million in 1958, \$3.2 million in 1959, \$2.8 million in 1960, and \$3.0 million in 1961. The ratio of net operating profit to net sales for the industry was 8.1 percent in 1957, 7.4 percent in 1958, 7.1 percent in 1959, 6.3 percent in 1960, and 7.1 percent in 1961. Clearly, there is no indication of the industry's "inability to operate at a level of reasonable profit" within the meaning of the Trade Expansion Act.

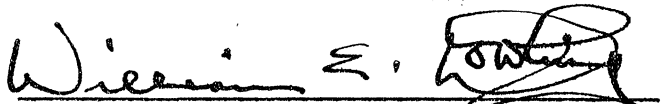
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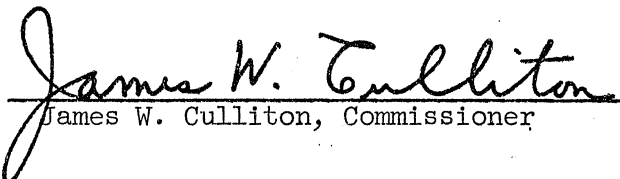

Ben Dorfman, Chairman


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Information Obtained in the Investigation

U.S. tariff treatment

Household china table and kitchen articles are provided for in paragraph 212 of the Tariff Act of 1930. Under that act, the original rates of duty on household china table and kitchen articles were 10 cents per dozen pieces plus 60 percent ad valorem on articles not colored or decorated, and 10 cents per dozen pieces plus 70 percent ad valorem on colored or decorated articles (table 1).

As a result of trade agreements, feldspathic ^{1/}household china-ware table and kitchen articles have been classified, for duty purposes, according to three value categories. ^{2/} For convenience, these three categories are identified in this report as follows: (1) the bottom value category, (2) the middle value category, and (3) the top value category. The rates of duty originally provided in the Tariff Act of 1930 and subsequent changes in the rates made

^{1/} In this report, unless otherwise indicated, the term "feldspathic" is used to cover all nonbone china, including porcelain (see p. 15).

^{2/} The ranges of dutiable (foreign) value employed in classifying these articles within the respective categories vary not only with the type of article imported (e.g., plates, cups, saucers, and other) but also, for plates, with the diameter of the plate itself (table 1).

pursuant to trade agreements are shown in the following tabulation (in cents per dozen; percent ad valorem): 1/

Class of ware	Statutory rate of duty	Trade-agreement rate of duty which became effective in 1/--		
		1939	1948	1955
Bone china table and kitchen articles <u>2/</u> --	10¢ + 70%	45%; min., 5¢ + 35%.	35%; min., 5¢ + 30%.	-
Feldspathic china household table and kitchen articles:				
Bottom value				
category-----	10¢ + 70% <u>3/</u>	-	-	10¢ + 45%
Middle value				
category-----	10¢ + 70% <u>3/</u>	-	-	10¢ + 60%
Top value category---	10¢ + 70% <u>3/</u>	-	10¢ + 35% <u>4/</u> .	-

1/ The latest rate shown for each class of ware is the current rate of duty.

2/ Rate applicable to decorated bone chinaware; the rates for ware not decorated that were effective in 1930, 1939, and 1948 were, respectively, 10 cents per dozen and 60 percent ad valorem; 40 percent, but not less than 5 cents per dozen plus 30 percent ad valorem; and 30 percent, but not less than 5 cents per dozen plus 25 percent ad valorem.

3/ Rate applicable to decorated ware; the rate on ware not decorated was 10 cents per dozen plus 60 percent ad valorem.

4/ Rate applicable to decorated ware in the upper part of the top value category. Decorated ware in the lower part of this value category was dutiable at 10 cents per dozen plus 45 percent ad valorem effective April 1948; it was reduced in 1951 to this same rate. Ware not decorated remained dutiable at the 1930 rate until it was reduced to 10 cents per dozen plus 35 percent ad valorem in 1951.

The average ad valorem equivalents of the 1930 and 1961 rates of duty on the various classes of household chinaware table and kitchen articles,

1/ Under the Tariff Classification Act of 1962 the basis for duty assessment on dinnerware has been substantially simplified (table 2).

based on imports in 1961, together with the percentage reduction in the ad valorem equivalent of the 1930 rate on each class, and the share of total imports accounted for by these classes, are shown in the following tabulation:

Class of ware	Average ad valorem equivalent, based on imports in 1961, of the rates of duty in effect in--		Reduction in the ad valorem equivalent of the 1930 rate	Share of total imports in 1961 in terms of--	
	1930 1/	1961		Quantity	Foreign value
	Percent	Percent	Percent	Percent	Percent
Bone china table and kitchen articles--	70.9	34.7	51.1	5.3	16.7
Feldspathic china household table and kitchen articles:					
Bottom value category-----	80.1	55.4	30.8	49.1	20.8
Middle value category-----	74.1	64.4	13.1	37.9	37.7
Top value category--	69.4	36.4	47.6	7.7	24.8
Average and total-----	73.8	50.6	31.4	100.0	100.0

1/ Partly estimated.

The specific rate in the various compound rates of duty previously described accounts for a declining part of the total duty as the unit value of the ware rises. The specific rate of 10 cents per dozen pieces was equivalent in 1961 to 10.4 percent ad valorem on feldspathic chinaware in the bottom value category, to 4.4 percent ad valorem on such chinaware in the middle value category, and to 1.4 percent ad valorem on feldspathic chinaware in the top value category.

Description and uses

The household china table and kitchen articles covered by this investigation (generally referred to hereinafter as chinaware) consist of articles designed for preparing, serving, and storing food, drink, and the ingredients thereof. ^{1/} The articles appropriately designated as chinaware (or china) include feldspathic china, porcelain, and bone china. The differences between these types, however, are largely technical; frequently experienced persons cannot tell them apart. Household chinaware table and kitchen articles have a vitreous (virtually nonabsorbent), ^{2/} translucent, white body covered with a transparent glaze. Feldspathic china, which until very recently was the only kind of chinaware produced in the United States, and porcelain, the kind produced in Japan and continental Europe, contain no bone ash; the glass-forming ingredient is a feldspathic mineral. Although bone china, as provided for in the tariff schedules, must contain at least 25 percent of calcined bone, it usually contains more than 40 percent. No bone china dinnerware was produced commercially in the United States until the last half of 1962.

^{1/} Not included among these items are certain articles such as steins, bonbon dishes, and tiered servers, which are designed primarily for serving food and drink other than at tables at mealtime.

^{2/} The American Society for Testing and Materials (ASTM) definitions place an upper limit of 0.5 percent on the water absorption of a china body. For administrative purposes the Bureau of Customs places the upper limit of body absorption at 3.0 percent for vitrified ware (including chinaware) entered under par. 212. Chinaware bodies are not very translucent until their absorption has been reduced by heat treatment to about 0.5 percent.

Chinaware is very resistant to thermal and mechanical shock, hence it does not readily chip or crack, it does not craze (the glaze does not crackle), and the body is not susceptible to staining if the glaze is chipped.

Most chinaware is decorated, the decoration being applied either under or over the glaze. Underglaze decorations, once limited by the palette of colors that could be employed have, with the development of improved colors, become more widely used. More elaborate decorations, however, are confined largely to overglaze applications. Decorative ceramic decalcomania transfers have been greatly improved in the past 10 years. Metallic decoration, once almost exclusively of either coin gold or bright gold, is now frequently of platinum or palladium.

Table and kitchen articles can be identified according to use. Tableware consists of articles designed primarily for serving food and drink at the table. Kitchenware consists of articles designed primarily for preparing and storing food and drink. Tableware can be further divided into (1) dinnerware or ware for service of complete meals at the table, and (2) other tableware. For the purpose of this report, dinnerware is defined as comprising those patterns of ware in which at least the following pieces are available: ^{1/} (1) Dinner plate (over 9 inches in actual diameter), (2) bread and butter plate, or

^{1/} The above definition corresponds closely to that of "ware available in specified sets" in Items 533.63-.67 of the new tariff schedules of the United States, implementation of which is provided for in the Tariff Classification Act of 1962.

salad plate, (3) tea cup and saucer, (4) soup, or fruit, or cereal, (5) sugar, (6) creamer, (7) platter or chop dish, and (8) vegetable dish. Tableware includes, in addition to dinnerware, all other ware designed primarily for serving food at tables, such as beverage and dessert sets, place plates, and other shortline (incomplete service) tableware.

Chinaware is classified, both commercially and for tariff purposes, as (1) household ware and (2) hotel or restaurant ware. ^{1/} The latter, which is a thicker and heavier product than household ware, is generally less decorated and the pieces are usually simpler in shape. Metallic decoration on hotel ware is rare and any colored designs are usually under the glaze. A type of household china dinnerware, ordinarily referred to as casual ware, has been developed in the United States in recent years. This ware is generally thicker than formal china, but not as thick as hotel ware. Casual ware, like hotel ware, is rarely decorated with gold or platinum; colored designs are usually under the glaze; and, the shapes of the pieces are fairly simple.

Although the present investigation covers household china table and kitchen articles, little kitchenware is either manufactured or imported. ^{2/} Dinnerware has always been the predominant type of china

^{1/} Hotel or restaurant chinaware is not a subject of this investigation.

^{2/} Except for the importation of kitchen condiment sets.

tableware produced in the United States. During 1957-61, virtually all of the household chinaware produced in the United States was dinnerware. Most of the remainder of this report, therefore, is devoted to the trade in china dinnerware.

Both imported and domestic china dinnerware are available in a wide variety of shapes, patterns, and decorations. Virtually every type of imported china dinnerware is similar in quality and appearance to some type of domestic dinnerware. Much the same kinds of material are used in the United States and abroad in the manufacture of most feldspathic china dinnerware. Practically all the world output of bone china dinnerware, however, is made in the United Kingdom.

In 1961 about half the domestically produced china dinnerware was sold as open stock, whereas only about a fourth of imported china dinnerware was so marketed. Formal china, particularly the higher priced ware, is generally sold in 5-piece place settings or by the piece. More than half of the imported china dinnerware sold in 1961 was in sets of 45 to 90 or more pieces (table 3). Most of the china dinnerware imported from Japan was sold in sets; most of that imported from the United Kingdom and European countries was sold either in place settings or as open stock.

The preponderant share of the domestically produced china dinnerware purchased by U.S. consumers in 1961 was priced at retail

at more than \$66 for a 45-piece set, ^{1/} whereas by far the greater part of the imported ware was priced at not over \$66; estimates of the quantities sold and the shares sold in 1961 in these two retail price ranges are as follows:

Retail price for a 45-piece set	Domestic and imported		Domestic	Imported
	Quantity	Percent		
	<u>1,000 dozen</u> <u>pieces</u>		<u>Percent</u>	<u>Percent</u>
Not over \$66.00----	4,860	76.3	8.4	86.6
Over \$66.00-----	1,510	23.7	91.6	13.4
Total-----	6,370	100.0	100.0	100.0

Most of the imported china dinnerware retailing at not over \$66.00 per 45-piece set originated in Japan, while most of that retailing above this price came from Europe. Virtually all of the imported china dinnerware selling at retail for over \$66.00 per 45-piece set was either bone china, or feldspathic china that entered in the top value category.

U.S. consumption

Prospective U.S. purchasers of dinnerware have a choice of china-ware, earthenware, plastic ware, or glassware. The choice depends

^{1/} The higher priced ware is usually priced in terms of a 5-piece place setting which retails for about one-tenth of the price of a 45- or 50-piece service for eight persons. Thus a 5-piece place setting of a pattern selling at retail for \$6.60 (about \$3.30 wholesale) would cost about \$66 for a 45-piece set. See table 4 for sales of domestic and imported china dinnerware on the basis of wholesale price ranges.

largely on how much the consumer is willing to pay, the use to which the ware will be put (whether it is to be a best set, an everyday set, or an all-purpose set); personal preferences as to design and decoration; and valuation of durability and of prestige. Whereas pattern and sometimes prestige (within a given price range) are usually the chief factors governing the selection of a best set of dinnerware, price and durability are perhaps the most important factors that influence the consumer's selection of an everyday set of dinnerware. Many families with small children buy plastic or casual china dinnerware for daily use because of its resistance to breakage.

Inasmuch as chinaware is more durable and considered by most to be more attractive than earthenware, many consumers are willing to pay considerably more for china dinnerware than for earthen dinnerware of similar patterns. On the other hand, owing primarily to confusing terminology in the trade, many consumers do not distinguish between chinaware and earthenware.

Families that are unable or unwilling to purchase high-priced prestige china of domestic or foreign origin, usually buy either the less expensive domestic china (usually casual), the imported Japanese chinaware, or the high-priced earthenware (if they want prestige). Japanese chinaware, by reason of its availability at prices considerably lower than domestic chinaware of similar appearance and quality,

probably is purchased by many customers who would not buy chinaware at all if inexpensive Japanese ware was not available.

There are no official data on the annual consumer purchases of various kinds of household dinnerware. Such data as are available to the Commission, however, indicate that consumer purchases of china dinnerware were greater in 1959 and 1961 than in 1954. The following estimates of U.S. consumption in the years 1954, 1959, and 1961 were derived partly from data of the Bureau of the Census and partly from data obtained by the Commission from both producers and importers (in millions of dozen pieces):

Kind of household dinnerware	1954	1959	1961
Ceramic:			
Chinaware-----	4.4	6.9	6.4
Earthenware-----	31.5	28.0	26.4
Glassware (machine-made)-----	10.0	10.4	10.1
Melamine plastic ware-----	2.5	7.8	9.3
Total-----	48.4	53.1	52.2

U.S. producers

The production of pottery in the United States began in early colonial times. Before the 1880's virtually the only ceramic articles produced in commercial quantities for table and kitchen use consisted of earthenware and stoneware. Bone china was produced in insignificant

amounts intermittently from the late 18th to the late 19th century. Since then, virtually all U.S. production of chinaware has consisted of the feldspathic type. ^{1/} What is now the largest segment of the domestic pottery industry began around East Liverpool, Ohio. In 1962, 16 firms operated 18 establishments ^{2/} in which household chinaware was produced: 5 establishments were in California, 3 in Ohio, 2 each in Pennsylvania, West Virginia, New Jersey, and New York, 1 in Illinois, and 1 in Minnesota.

Before World War II the domestic production of chinaware was small; it consisted chiefly of high-priced dinnerware, most of which was produced by one company. Only 4 of the 16 firms producing household china dinnerware in 1961 did so before World War II. Since 1954 no new plants have begun such production; however, 4 firms producing earthenware have converted a small part of their facilities to the production of casual china dinnerware.

The establishments producing household chinaware produce substantial quantities of other articles, chiefly hotel and restaurant chinaware, and earthenware (table 6). In 1961, 8 of the 18 establishments produced household chinaware only; 4 also produced hotel and

^{1/} One domestic producer began to make bone china dinnerware in the latter half of 1962.

^{2/} The term "establishment" is used in this report to include all the facilities of a firm at a single location; it embraces auxiliary facilities operated in conjunction with (whether or not physically separate from) production facilities.

restaurant chinaware; 5 produced earthenware in addition to household chinaware; and 1 produced all three types--household chinaware, hotel and restaurant chinaware, and earthenware. Two firms producing chinaware also import either chinaware or earthenware. One firm is owned in major part by a distributor that markets its product door-to-door.

U.S. production and sales

In 1959 both the production and sales of domestic china dinnerware were at their highest level. The annual production and sales of domestic china dinnerware during the 1957-61 period were as follows:

Period	Production quantity	Sales	
		Quantity	Value
	<u>1,000 dozen</u> <u>pieces</u>	<u>1,000 dozen</u> <u>pieces</u>	<u>Million</u> <u>dollars</u>
1957-----	984	889	17.2
1958-----	942	833	15.7
1959-----	1,324	1,080	17.7
1960-----	1,065	976	15.9
1961-----	849	866	15.2
January-June--			
1961-----	<u>1/</u> 570	420	7.5
1962-----	524	384	7.2

1/ Estimated.

The much smaller increase in the value of total sales than in the quantity from 1957 to 1959 is explained chiefly by the fact that sales in 1959 included a much larger proportion than formerly of the less expensive casual ware. In 1957 only about a fourth of the sales of

china dinnerware were of the casual type, whereas by 1960-61 the share had risen to almost half.

Whereas the sales of imported china dinnerware consisted predominantly of low-priced ware, the bulk of the sales of china dinnerware by domestic producers consisted about equally of medium- and high-priced ware (table 4). As annual sales of domestic dinnerware declined from 1959 to 1961 (table 7), the share of such sales accounted for by high-priced ware increased from 42 percent in 1959 to 45 percent in 1961. Sales of household china dinnerware by domestic producers and the distribution thereof by wholesale price categories for 1959-61 were as follows: 1/

Wholesale price per 5-piece place setting	1959	1960	1961
Quantity (1,000 dozen pieces)			
Not over \$3.30 <u>1/</u> -----	59	69	72
Over \$3.30 but not over \$7.25 <u>2/</u> ---	572	514	403
Over \$7.25 <u>3/</u> -----	449	393	391
Total-----	1,080	976	866
Percentage distribution			
Not over \$3.30 <u>1/</u> -----	5.5	7.1	8.3
Over \$3.30 but not over \$7.25 <u>2/</u> ---	52.9	52.6	46.5
Over \$7.25 <u>3/</u> -----	41.6	40.3	45.2
Total-----	100.0	100.0	100.0
<u>1/</u> Low-priced. <u>2/</u> Medium-priced. <u>3/</u> High-priced.			

The low-priced chinaware consisted mainly of casual china; the medium-priced ware consisted of formal china and the bulk of the casual

1/ See p. 19 for a comparison of sales of domestic and imported dinnerware, according to that retailing for not over \$66 and that retailing for over \$66 for a 45-piece set.

china; and the high-priced ware consisted almost entirely of formal china.

During 1959-61, sales of off-selection household china dinnerware (seconds) were equivalent to about 4 percent annually of the sales of first-quality china dinnerware. About two-thirds of the total dollar sales of the products made in establishments producing household chinaware consisted of products other than those covered by this investigation--chiefly hotel and restaurant ware, and earthenware (see table 6).

U.S. imports ^{1/}

In 1961 more than 500 concerns imported chinaware. The importers, which usually act as principals, maintain stocks and sell through either their own sales force or their own retail outlets. Few firms act as manufacturers' sales agents. In 1961 from 10 to 15 percent of the imports of china dinnerware were entered directly by retailers, such as department, mail-order, and variety stores. Importers usually have the exclusive right to sell certain patterns, and sometimes certain makes of ware.

Volume and trend.--Since World War II the trend in the annual imports of chinaware has been markedly upward; the rate of increase, however, has slackened in recent years. During 1955-57 the average

^{1/} Import statistics in this section relating to the chinaware articles (as distinct from dinnerware) are those reported by the U.S. Bureau of the Census, with minor adjustments for 1954-57 (see footnote 1 to table 10).

annual imports of this ware increased 50 percent over those in the previous 3-year period; in 1958-60 such imports were 25 percent greater than in 1955-57, and in the 2-year period, 1961-62, they were 5 percent greater than in 1958-60 (table 8). Imports in the middle and bottom value categories, subject to trade-agreement concessions in 1955, increased only slightly more than those in the top value category which had not been subject to recent concessions. ^{1/}

Except during and shortly after World War II the bulk of the household chinaware articles sold in the United States have been imported. Imports increased from 6.1 million dozen pieces in 1954 to 10.4 million dozen pieces in 1959, and declined to 9.1 million dozen pieces in 1961. In 1957, imports supplied 90 percent of apparent domestic consumption; in 1961 the ratio was 91 percent (table 9).

About 60 percent of the imports and nearly all of the domestic production of chinaware during the period 1957-61 consisted of dinnerware.

As estimated by the Commission, imports of china dinnerware rose from 4.6 million dozen pieces in 1957 to 6.3 million dozen pieces in 1960. ^{2/} They then declined to 5.5 million in 1961, when they supplied

^{1/} During 1960-62, imports in the middle and bottom value categories combined were 12.2 percent greater than during the previous 3-year period; the corresponding increase in imports in the top value category was 11.4 percent.

^{2/} Imports of dinnerware were estimated for each country separately on the basis of the relation of the value of imports of chinaware (table and kitchen articles) reported to the Commission by importers to the value of such imports reported in official statistics. The sums of these estimates are the figures reported in this section.

86 percent of the apparent U.S. consumption of such ware (table 9); this ratio is only slightly higher than the proportion so supplied in 1957. Imports in the first half of 1962 amounted to 3.2 million dozen pieces.

Country of origin.--In 1961 Japan supplied 80 percent of the quantity and 57 percent of the value of U.S. imports of chinaware; West Germany supplied 10 percent of the quantity and 20 percent of the value; and the United Kingdom, 5 percent of the quantity and 18 percent of the value (table 10). Almost all of the bone china imported originated in the United Kingdom. During 1957-61 Japan was the principal source of feldspathic chinaware in the middle and bottom value categories, and West Germany was the principal supplier of such ware in the top value category, as indicated by the following tabulation of imports in 1957 and 1961 (percent of total quantity):

Description	: Japan	: West Germany	: United Kingdom	: All other	: Total, all countries
	1957				
Bone china-----	1.5	2.2	95.4	0.9	100.0
Feldspathic china:					
Bottom value					
category-----	97.9	1.7	1/	.4	100.0
Middle value					
category-----	92.0	7.4	.1	.5	100.0
Top value category--	29.5	63.3	1.1	5.4	100.0
All categories--	84.5	9.2	5.4	.9	100.0
	1961				
Bone china-----	4.5	0.6	92.5	2.4	100.0
Feldspathic china:					
Bottom value					
category-----	91.7	4.8	1/	3.5	100.0
Middle value					
category-----	89.3	7.8	.1	2.8	100.0
Top value category--	17.9	66.2	5.8	10.1	100.0
All categories--	80.5	10.4	5.4	3.6	100.0
1/ Less than 0.05 percent.					

The United States has been Japan's most important foreign market for chinaware; until 1959 it absorbed an increasing share of Japan's exports. In 1959, 49 percent of Japan's exports of chinaware went to the United States. The share exported to the United States in the years since then has declined; in 1961, 43 percent of Japan's exports of chinaware went to the United States.

Beginning in 1951 the Japan Pottery Exporters' Association (JPEA) instituted minimum export (check) prices and certain quantity controls on shipments of china dinnerware destined for the United States (including its territories), Canada, Panama, and Mexico. Check prices, based on selling values f.o.b. Japanese port of export, have been in effect since 1954. In 1962 the check price applicable to chinaware sets of 32 pieces or more, was \$16.00 per 93-piece equivalent. Open-stock china was subject to check prices on individual pieces, and to a minimum of \$14.70 for a 93-piece set.

Japanese manufacturers have urged JPEA to raise the check prices on chinaware inasmuch as some foreign buyers refuse to purchase above these prices; this JPEA has refused to do. Since 1958, JPEA has imposed a quantitative restriction of 77,500 dozen pieces per quarter on exports to North America of chinaware in sets valued at \$16.00 to \$16.99 per 93-piece equivalent. In addition to establishing price and quantity controls, the Japanese Pottery Design Center works to prevent design piracy; the Japan Pottery Inspection Association inspects ware for export to assure maintenance of quality above minimum standards.

Japanese exports of household china dinnerware to the United States for 1955-61 were reported as follows: ^{1/}

<u>Year</u>	<u>Quantity</u> <u>(1,000 dozen pieces)</u>
1955-----	2,661
1956-----	3,083
1957-----	3,536
1958-----	3,355
1959-----	4,240
1960-----	4,526
1961-----	4,399

The data on exports from Japan to the United States in 1957-61 closely approximate estimates made by the Commission staff of U.S. imports of china dinnerware from Japan in those years.

Categories in terms of foreign valuation.---About 49 percent of the quantity of all household chinaware table and kitchen articles imported during the 5-year period 1957-61 was feldspathic china entered in the bottom value category, and about 37 percent of such ware entered in the middle value category (table 11); Japan was the dominant foreign supplier of such imports. Feldspathic chinaware entering in the top value category accounted for only 8 percent of the quantity imported during 1957-61; and imports of bone china accounted for nearly 6 percent of the total.

^{1/} These data were submitted to the Commission by the Japan Pottery Exporters' Association of Nagoya, and the Japan Pottery Manufacturers' Federation of Nagoya in their brief to the Commission.

U.S. employment and wages

The number of man-hours spent by production and related workers in making china dinnerware declined from 3.5 million in 1957 to 2.7 million in 1961 (table 12). From 1957 to 1961 there was little correlation, however, between reported changes in the man-hours devoted to producing china dinnerware and the changes in the quantity of such ware produced. Although about the same number of man-hours was spent in producing china dinnerware in 1959 as in 1957 (table 12), some 35 percent more of such dinnerware was produced in 1959 than in 1957 (p. 23). There are two principal explanations for this substantial increase in output per man-hour: increasing use has been made of automatic machinery, such as jiggers and spray machines, and the share of total china dinnerware production accounted for by casual ware was much larger in 1959 than in 1957. This ware requires less labor per unit and there is less loss (higher recovery) in its production than in that of the more formal dinnerware.

In 1961 about 4,950 production and related workers were employed in establishments producing household chinaware; 1,400, or about 28 percent, of these workers were engaged in producing household china dinnerware. Although the number of workers employed in the production of household china dinnerware was 23 percent smaller than in 1957 than in 1961, the average hourly earnings of these production and related workers in 1961 was \$2.03 an hour, or 9 percent more than in 1957 (table 12).

Prices

It is extremely difficult to make meaningful price comparisons between various patterns of chinaware. Household dinnerware is available in an almost infinite variety of patterns, and it varies widely in both quality and prestige. In this report, therefore, no direct comparisons are made between prices of domestic and imported dinnerware.

Most domestic producers of china dinnerware quote their prices f.o.b. factory or warehouse; importers' prices are quoted f.o.b. warehouse or dock. Wholesale price data submitted to the Commission reveal that prices received by both domestic producers and importers have increased in recent years. Whereas the general price level (as measured by the wholesale price index) increased by about 2 percent from 1957 to the first half of 1962, the average price received by domestic producers for china dinnerware rose by 7 percent. The trend of wholesale prices for the most popular patterns of domestic and imported china dinnerware from June 30, 1957, through June 30, 1962, is indicated by the following indexes (1957=100.0):

Date	Wholesale price per 5-piece place setting 1/				
	Not over \$5		Over \$5		
	Domestic	Imported	Domestic	Imported	
June 30--	:	:	:	:	:
1957-----	100.0	100.0	100.0	:	100.0
1958-----	100.4	102.1	102.5	:	104.2
1959-----	103.4	103.9	102.9	:	108.3
1960-----	102.6	104.2	104.9	:	110.4
1961-----	105.7	105.7	105.4	:	114.5
1962-----	106.8	105.9	106.8	:	118.6
	:	:	:	:	:

1/ Wholesale price data were submitted for the patterns most popular in 1957 and 1960. Price relatives were used to derive an index representing changes in wholesale prices for all popular patterns. Thus every pattern was given the same weight in the composite index.

Profit-and-loss experience of domestic producers

The Commission assembled profit-and-loss data for concerns that produced virtually all of the domestic production of household china-ware table and kitchen articles in the years 1957-61. The accounting data from which the following analysis is derived are those for 15 establishments operated by 13 producers. ^{1/}

From 1957 through 1961 there was no discernible trend in the aggregate net sales of products made in the 15 establishments. Profits both in the aggregate and as a percent of sales declined from 1957 through 1960, but recovered in 1961, as indicated by the following data:

Item	: 1957	: 1958	: 1959	: 1960	: 1961
Total net sales	:	:	:	:	:
1,000 dollars--:	44,357	42,474	45,349	44,182	42,225
Net operating income before	:	:	:	:	:
income taxes-1,000 dollars--:	3,583	3,135	3,234	2,782	2,988
Ratio of net operating	:	:	:	:	:
profit to total net	:	:	:	:	:
sales-----percent--:	8.1	7.4	7.1	6.3	7.1
Net sales of household	:	:	:	:	:
chinaware table and	:	:	:	:	:
kitchen articles	:	:	:	:	:
1,000 dollars--:	18,305	17,395	18,267	16,233	15,671
Ratio of net sales of house-	:	:	:	:	:
hold chinaware table and	:	:	:	:	:
kitchen articles to total	:	:	:	:	:
net sales-----percent--:	41.3	41.0	40.3	36.7	37.1

^{1/} Establishments for which data could not be included are those whose production consisted predominantly of earthenware.

All establishments made a profit in 1957 and 1958; two reported losses in 1959, and four in 1960 and 1961. Three of the four reporting losses in 1960 and all of the four reporting losses in 1961 produced only household china tableware.

Sales of each of 7 of the 13 producers, operating 8 establishments, consisted predominantly of household china tableware, whereas sales of each of the other 6 producers, operating 7 establishments, were comprised mainly of ceramic products other than household china tableware. In all of the years 1957-61, the profit ratio was higher for the group whose sales consisted predominantly of household china dinnerware (table 13).

Statistical Appendix

Table 1.--China ware table and kitchen articles: U.S. rates of duty under the Tariff Act of 1930, as modified
(Cents per dozen separate pieces; percent ad valorem)

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

Table 1.--China ware table and kitchen articles: U.S. rates of duty under the Tariff Act of 1930, as modified--
Continued

(Cents per dozen separate pieces; percent ad valorem)		Tariff Act of 1930		
Paragraph and description		Statutory rate	Trade-agreement modification	
			Rate	Effective date and basis of change
Par. 212--Continued				
China, porcelain, and other vitrified wares, etc.--Continued				
Not containing 25 percent or more of calcined bone--Continued				
Household ware or utensils--Continued				
Plates, cups, and saucers, and other articles than plates, cups, and saucers; each of the foregoing valued at less than the minimum value specified above for the like article:				
Plain, not colored or decorated in any manner-----	10¢ doz. + 60%	10¢ doz. + 45%		9-10-55; GATT.
Decorated or colored in any manner-----	10¢ doz. + 70%	<u>10¢ doz. + 45%</u>		9-10-55; GATT.
Plates, cups, and saucers, and other articles than plates, cups, and saucers; each of the foregoing valued at more than the maximum value specified above for the like article:				
Plain, not colored or decorated in any manner-----	10¢ doz. + 60%	10¢ doz. + 35%		6-6-51; GATT.
Decorated or colored in any manner-----	10¢ doz. + 70%	<u>10¢ doz. + 35%</u>		1-1-48; GATT. 1/
				10-1-51; GATT. 1/

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1/ A rate of 10 cents per dozen plus 45 percent ad valorem was in effect on articles in the lower part of the top value category from Apr. 21, 1948, to Sept. 30, 1951.

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

Table 2.--U.S. tariff provisions covering china dinnerware (ware available in specified sets) under the revised tariff schedules provided for in the Tariff Classification Act of 1962

Item No.	Article	Rates of duty	
		(1)	(2) <u>1/</u>
533.41	: Articles chiefly used for preparing, serving or storing : food or beverages, or food or beverage ingredients: : Of bone chinaware-----	: : : 35% ad val.	: : : 10¢ per doz. pieces : + 70% ad val.
533.63	: Of feldspathic (nonbone) chinaware or of : subporcelain: <u>2/</u> : Household ware available in specified sets in any : pattern for which the aggregate value of the : articles in the 77-piece norm <u>3/</u> is-- : Not over \$10-----	: : : : : : 10¢ per doz. pieces : + 48% ad val.	: : : : : : 10¢ per doz. pieces : + 70% ad val.
533.65	: Over \$10 but not over \$24-----	: 10¢ per doz. pieces : + 55% ad val.	: 10¢ per doz. pieces : + 70% ad val.
533.67	: Over \$24-----	: 10¢ per doz. pieces : + 36% ad val.	: 10¢ per doz. pieces : + 70% ad val.

1/ The rates in col. 2 apply to products of Communist-dominated or Communist-controlled countries or areas designated by the President pursuant to sec. 231 of the Trade Expansion Act of 1962.

2/ Subporcelain is fine ceramic ware (other than stoneware) having a body which is white (unless artificially colored) and has a water absorption of more than 0.5 percent but not more than 3.0 percent.

3/ The 77-piece norm consists of the following pieces in a given pattern: 12 dinner plates, size nearest 10½ inches in maximum dimension; 12 bread and butter or salad plates, size nearest 6 inches in maximum dimension; 12 tea cups and saucers; 12 soups, size nearest 7 inches in maximum dimension; 12 fruits, size nearest 5 inches in maximum dimension; 1 platter or chop dish, size nearest 15 inches in maximum dimension; 1 open vegetable dish or bowl, size nearest 10 inches in maximum dimension; 1 sugar (largest in the pattern); and 1 creamer (largest in the pattern). 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.

Table 3.--China dinnerware: Percentage distribution of the quantity sold by U.S. producers and U.S. importers, by size of set, 1957 and 1961

Size of set, or open stock	Distribution of quantity sold by--			
	Producers		Importers ^{1/}	
	1957	1961	1957	1961
Sets containing over 90 pieces-----	3.0	2.7	40.5	28.2
Sets containing 45 to 65 pieces-----	10.8	14.0	27.5	30.7
Starter sets and place settings-----	19.5	26.0	11.8	10.7
Other sets-----	19.8	7.0	2.0	4.1
Open stock-----	46.9	50.3	18.2	26.3
Total sales-----	100.0	100.0	100.0	100.0

^{1/} Excludes sales by retailers of dinnerware which they imported directly from a foreign supplier.

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

Table 4.--China dinnerware: Percentage distribution of quantities of domestic and imported ware sold in the United States, by wholesale price ranges for a 5-piece place setting, 1959-61

Wholesale price for a 5-piece place setting	1959		1960		1961	
	Domestic	Imported 1/	Domestic	Imported 1/	Domestic	Imported 1/
Not over \$1.50-----	-	12.8	-	17.3	-	21.4
Over \$1.50 but not over \$3.30----	5.4	72.1	7.1	68.1	8.4	65.2
Over \$3.30 but not over \$5.00----	46.2	3.9	46.9	3.9	40.7	4.0
Over \$5.00 but not over \$7.25----	6.8	3.3	5.7	2.9	5.8	2.5
Over \$7.25-----	41.6	7.9	40.3	7.8	45.1	6.9
Total-----	100.0	100.0	100.0	100.0	100.0	100.0
1/ Wholesalers only.						

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

Table 5.--Household dinnerware: U.S. shipments (sales), imports, and consumption, by types of material, 1954 and 1957-61

(In millions of dozen pieces)						
Item	1954	1957	1958	1959	1960	1961
Chinaaware:						
Domestic shipments						
(sales)-----	1/ 1.0	0.9	0.8	1.1	1.0	0.9
Imports 2/-----	1/ 3.4	4.6	4.7	5.8	6.3	5.5
Total consumption--	4.4	5.5	5.5	6.9	7.3	6.4
Earthenware:						
Domestic shipments						
(sales)-----	1/30.0	26.4	21.4	24.4	22.9	23.0
Imports 2/-----	1/ 1.5	2.5	2.5	3.6	4.3	3.4
Total consumption--	31.5	28.9	23.9	28.0	27.2	26.4
Plastic ware: Domestic						
production 3/-----	2.5	6.5	7.2	7.8	8.1	9.3
Glassware (machine-						
made): Domestic						
production 3/-----	10.0	10.8	10.1	10.8	10.4	10.1
All dinnerware: Total						
consumption-----	48.4	51.7	46.7	53.5	53.0	52.2

1/ Estimated.

2/ Estimated, see footnote on p. 26.

3/ Estimated on the basis of nearly complete returns from producers of such dinnerware. For the purpose of this survey the same restricted definition of dinnerware was used as for chinaware and earthenware (p. 16).

Source: Compiled from reports submitted to the U.S. Tariff Commission.

Table 6.--Sales of all products made by U.S. producers of chinaware table and kitchen articles in the establishments producing such articles, 1957-61, January-June 1961, and January-June 1962

(In thousands of dollars)									
Product	1957	1958	1959	1960	1961	Jan.-June 1961	Jan.-June 1962		
Dinnerware-----	17,166	15,683	17,657	15,944	15,190	7,457	7,165		
Off-selections (seconds) of dinnerware-----	804	706	691	703	639	257	364		
All other products ^{1/} -----	38,498	31,227	34,092	36,689	33,870	16,148	18,990		
Total sales of all products--	56,468	47,616	52,440	53,336	49,699	23,862	26,519		
^{1/} Principally hotel and restaurant chinaware and earthen dinnerware, but also includes other table and kitchen articles of chinaware.									

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

Table 7.--Sales of domestic household china dinnerware, by price ranges, 1957-61, January-June 1961, and January-June 1962

Item	1957	1958	1959	1960	1961	Jan.- June 1961	Jan.- June 1962
Household china dinnerware sold in							
patterns priced at wholesale per							
5-piece place setting--							
Not over \$3.30-----	1/	1/	59	69	72	28	23
Over \$3.30 but not over \$7.25-----	1/	1/	572	514	403	187	179
Over \$7.25-----	1/	1/	449	393	391	205	182
Total 2/-----	889	833	1,080	976	866	420	384
Household china dinnerware sold in							
patterns priced at wholesale per							
5-piece place setting--							
Not over \$3.30-----	1/	1/	389	405	419	174	156
Over \$3.30 but not over \$7.25-----	1/	1/	6,131	5,299	4,388	1,973	1,873
Over \$7.25-----	1/	1/	11,136	10,240	10,383	5,311	5,135
Total 2/-----	17,166	15,683	17,657	15,944	15,190	7,457	7,165

1/ Not reported.

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

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

Table 8.--Household china table and kitchen articles: U.S. imports for consumption, by current tariff classification value categories, 1947-62

(In thousands of dozen pieces)						
Year	Bone china	Feldspathic china tariff classification value categories			Total chinaware	
		Bottom	Middle	Top		
1947-----	184	1/	2/ 373	2/ 98	655	
1948-----	281	1/	3/ 1,540	246	2,067	
1949-----	343	1/	3/ 2,116	320	2,778	
1950-----	517	1/	3/ 3,578	365	4,460	
1951-----	607	1/	3/ 4,306	479	5,392	
1952-----	545	1/	3/ 3,356	446	4,347	
1953-----	436	1/	3/ 4,009	491	4,936	
1954 4/-----	428	1/	3/ 5,190	495	6,113	
1955 4/-----	510	1/	3/ 5,821	566	6,897	
1956 4/-----	417	4,087	2,775	582	7,861	
1957 4/-----	450	4,154	2,988	733	8,325	
1958-----	494	4,193	3,075	568	8,330	
1959-----	620	5,240	3,732	843	10,435	
1960-----	522	4,398	4,162	913	9,995	
1961 5/-----	479	4,424	3,482	696	9,081	
1962 5/-----	479	5,614	4,161	779	11,033	

1/ Not separately classified before September 1955; included in the figures for the middle value category.

2/ Estimated.

3/ Includes imports in the bottom value category.

4/ See footnote 1, table 10.

5/ Preliminary.

Source: Compiled from official statistics of the U.S. Bureau of the Census, except as noted.

Table 9.--China table and kitchen articles and china dinnerware: U.S. shipments, exports, imports, and apparent consumption, 1957-61 and January-June 1962

Type of ware and period	Domestic shipments 1/	Exports 2/	Imports 3/	Apparent consumption	Ratio of imports to apparent consumption
	1,000 dozen pieces	1,000 dozen pieces	1,000 dozen pieces	1,000 dozen pieces	Percent
Table and kitchen articles (including dinnerware):					
1957-----					
1958-----	1,025	83	8,325	9,267	89.8
1959-----	939	41	8,336	9,234	90.3
1960-----	1,155	43	10,435	11,547	90.4
1961-----	1,047	34	9,995	11,008	90.8
1962 (Jan.-June)-----	941	33	9,081	9,989	90.9
	412	9	5,230	5,633	92.8
Dinnerware:					
1957-----					
1958-----	889	1	4,600	5,490	83.8
1959-----	833	1	4,700	5,534	84.9
1960-----	1,081	1	5,800	6,882	84.3
1961-----	976	4/	6,300	7,276	86.6
1962 (Jan.-June)-----	866	2	5,500	6,368	86.4
	384	2	3,200	3,586	89.2

1/ Computed from data on sales of dinnerware and production of table and kitchen articles other than dinnerware submitted to the U.S. Tariff Commission by domestic producers of ceramic dinnerware.

2/ Data on exports of first-quality dinnerware were compiled from reports submitted to the U.S. Tariff Commission by domestic producers of ceramic dinnerware; those on exports of table and kitchen articles are official statistics of the U.S. Bureau of the Census.

3/ Imports of table and kitchen articles are those reported by the U.S. Bureau of the Census. Imports of dinnerware are estimated for each country separately on the basis of the relation of the value of such imports reported to the Commission by importers to the value reported in official statistics.

4/ Less than 500 dozen pieces.

Table 10.--Household chinaware table and kitchen articles: U.S. imports for consumption, 1/ by principal supplying countries, 1954-62

Year	United Kingdom	West Germany	Japan	All countries
Quantity (1,000 dozen pieces)				
1954-----	431	546	5,125	6,113
1955-----	510	659	5,657	6,897
1956-----	419	644	6,715	7,861
1957-----	443	775	7,017	8,325
1958-----	479	756	6,998	8,330
1959-----	580	1,171	8,468	10,435
1960-----	522	1,393	7,768	9,995
1961 2/-----	490	947	7,311	9,081
1962 2/-----	499	859	9,339	11,033
Foreign value (1,000 dollars)				
1954-----	2,985	2,792	6,907	13,288
1955-----	3,068	3,268	7,786	14,709
1956-----	2,903	3,075	9,537	16,219
1957-----	3,120	3,421	10,048	17,317
1958-----	3,370	3,251	10,365	17,533
1959-----	3,821	4,587	12,251	21,634
1960-----	3,551	5,094	12,916	22,726
1961 2/-----	3,668	4,027	11,763	20,628
1962 2/-----	4,019	4,157	15,013	24,540
Unit value (per dozen pieces)				
1954-----	\$6.93	\$5.11	\$1.35	\$2.17
1955-----	6.02	4.96	1.38	2.13
1956-----	6.93	4.77	1.42	2.06
1957-----	7.04	4.41	1.43	2.08
1958-----	7.04	4.30	1.48	2.11
1959-----	6.59	3.91	1.45	2.07
1960-----	6.80	3.66	1.66	2.27
1961 2/-----	7.48	4.25	1.61	2.27
1962 2/-----	8.05	4.84	1.61	2.22

1/ From 1954 through 1957 the U.S. Bureau of the Census omitted from import statistics most formal entries valued at \$250 or less; in 1958 the \$250 figure was changed to \$100. Statistics for 1954-57 in this table have been adjusted on the basis of officially tabulated monthly samples, to include all formal entries valued at more than \$100; thus they are comparable with statistics for later years. Omitted imports valued at not more than \$100 would account for up to 10 percent of the imports shown.

2/ Preliminary.

Source: Compiled from official statistics of the U.S. Bureau of the Census, except as noted.

Table 11.--China table and kitchen articles: Percentage distribution of officially reported quantity of U.S. imports for consumption, by current tariff classification value categories, 1957-62

Year	Bone china	Feldspathic china tariff classification value categories			Total
		Bottom	Middle	Top	
1956-----	5.3	52.0	35.3	7.4	100.0
1957-----	5.4	49.9	35.9	8.8	100.0
1958-----	5.9	50.3	37.0	6.8	100.0
1959-----	5.9	50.3	35.7	8.1	100.0
1960-----	5.2	44.0	41.6	9.2	100.0
1961-----	5.3	48.7	38.3	7.7	100.0
1962-----	4.3	50.9	37.7	7.1	100.0

Source: Compiled from official statistics of the U.S. Bureau of the Census.

Table 12.--Employment and wages of all employees and of production and related workers engaged in making all products in U.S. establishments producing household china table and kitchen articles and of those employees producing household china dinnerware, 1957-61 and January-June 1962

Item	1957	1958	1959	1960	1961	Jan.-June 1962
All products:						
All employees, average number-----	8,456	7,400	7,382	6,880	6,118	6,296
Production and related workers:						
Average number-----	7,115	6,099	6,012	5,618	4,946	5,042
Man-hours worked-----1,000 hours--	13,169	10,298	11,374	11,153	9,752	5,132
Wages paid-----1,000 dollars--	25,065	20,928	23,051	23,067	20,372	10,857
Average hourly wage-----	\$1.90	\$2.03	\$2.03	\$2.07	\$2.07	\$2.12
Household china dinnerware: Production and related workers:						
Average number 1/-----	1,811	1,542	1,791	1,529	1,399	1,472
Man-hours worked-----1,000 hours--	3,522	2,970	3,454	2,897	2,694	1,411
Wages paid-----1,000 dollars--	6,564	5,754	6,845	5,828	5,456	2,890
Average hourly wage-----	\$1.86	\$1.94	\$1.98	\$2.01	\$2.03	\$2.05

1/ Estimated by allocating employees to the production of household china dinnerware according to the ratio that man-hours spent on this ware bears to the man-hours spent on the production of all products in establishments where household chinaware table and kitchen articles were produced.

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

Table 13.--Profit-and-loss experience of 13 U.S. producers of household chinaware table and kitchen articles, separated according as their production is predominantly household chinaware or predominantly other products, 1957-61

Item	1957	1958	1959	1960	1961
Establishments making predominantly household china table and kitchen articles:					
Total net sales-----1,000 dollars--	10,444	10,527	11,747	10,970	11,350
Net operating profit before income taxes-----do-----	882	903	1,275	822	1,142
Ratio (percent) of net operating profit to total net sales-----	8.4	8.6	10.9	7.5	10.1
Net sales of household chinaware table and kitchen articles-----1,000 dollars--	9,699	9,715	10,468	9,766	9,808
Ratio (percent) of net sales of household chinaware table and kitchen articles to total net sales-----	92.9	92.3	89.1	89.0	86.4
Establishments making predominantly other than household china table and kitchen articles:					
Total net sales-----1,000 dollars--	33,913	31,947	33,602	33,212	30,875
Net operating profit before income taxes-----do-----	2,701	2,232	1,959	1,960	1,846
Ratio (percent) of net operating profit to total net sales-----	8.0	7.0	5.8	5.9	6.0
Net sales of household chinaware table and kitchen articles-----1,000 dollars--	8,606	7,680	7,799	6,467	5,863
Ratio (percent) of net sales of household chinaware table and kitchen articles to total net sales-----	25.4	24.0	23.2	19.5	19.0

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

Table 14.--China dinnerware: Percentage distribution of dollar sales by U.S. producers and by importers, by geographic regions, 1961

Geographic region <u>1/</u>	China dinnerware sold by--	
	Producers	Importers <u>2/</u>
New England and Middle Atlantic-----	27.2	32.0
North Central-----	26.9	25.2
South Atlantic and South Central-----	25.5	26.1
Mountain and Pacific-----	20.4	16.7
Total-----	100.0	100.0

1/ States included in the regions are as follows:

New England and Middle Atlantic--Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, and Pennsylvania.

North Central--Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, and Kansas.

South Atlantic and South Central--Delaware, Maryland, District of Columbia, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Kentucky, Tennessee, Alabama, Mississippi, Arkansas, Louisiana, Oklahoma, and Texas.

Mountain and Pacific--Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada, Washington, Oregon, California, Alaska, and Hawaii.

2/ Excludes sales by importers of dinnerware sold through their own sales outlets.

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

Table 15.--China dinnerware: Distribution of costs of importing into the United States, by principal countries of origin, October-December 1961

(In percentages, based on invoice value)

Country of origin and item of cost	: Chinaware, in patterns with : a foreign invoice value per : 77-piece norm of--	
	: Not over \$24	: Over \$24
Japan:		
Invoice value, f.o.b. factory in Japan-----	100.0	-
Foreign inland charges-----	2.5	-
Freight and insurance to U.S. port of entry-----	14.8	-
Amount of duty paid-----	54.9	-
Wharfage and cartage to warehouse-----	2.6	-
Other charges-----	1.6	-
Total landed duty-paid cost-----	176.4	-
United Kingdom:		
Invoice value, f.o.b. factory in the United Kingdom-----	-	100.0
Foreign inland charges-----	-	.1
Freight and insurance to U.S. port of entry-----	-	3.5
Amount of duty paid-----	-	34.4
Wharfage and cartage to warehouse-----	-	1.5
Other charges-----	-	.3
Total landed duty-paid cost-----	-	139.8
West Germany:		
Invoice value, f.o.b. factory in West Germany-----	100.0	100.0
Foreign inland charges-----	6.9	4.4
Freight and insurance to U.S. port of entry-----	10.8	8.4
Amount of duty paid-----	59.6	37.3
Wharfage and cartage to warehouse-----	2.2	1.7
Other charges-----	7.3	.6
Total landed duty-paid cost-----	186.8	152.4

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