

UNITED STATES TARIFF COMMISSION

EARTHENWARE TABLE AND KITCHEN ARTICLES

**Report to the President on Investigation No. 7-114 (TEA-I-2)
Under Section 301(b) of the Trade Expansion Act of 1962**



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(TC28800)

REPORT TO THE PRESIDENT

U.S. Tariff Commission,
April 11, 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)(1) of that act, relating to earthenware table and kitchen articles.

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, earthenware table and kitchen articles ^{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 29, 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 United States Potters Association. Public notice of the institution of the investigation and of a public hearing to be held in connection therewith was given by

^{1/} The full description of the imported earthenware that is the subject of the investigation is "earthenware and crockery ware composed of a nonvitrified absorbent body, including white granite and semiporcelain earthenware, and cream-colored ware, terra cotta, and stoneware, all the foregoing which are tableware, kitchenware, and table and kitchen utensils, provided for in paragraph 211 of the Tariff Act of 1930."

posting copies of the notice in the office of the Tariff 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. 5215) and in the May 31, issue of Treasury Decisions.

The public hearing was held on July 25 and August 1 and 2, 1962; 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 earthenware table and kitchen articles was being continued under section 301(b)(1) 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. Interested parties were advised also that they might submit written information to supplement the information presented at the hearing that was held on July 25 and August 1 and 2. No requests for an additional hearing were received and no such hearing was held.

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

In addition to the information obtained at the hearing in this investigation, the Commission obtained data 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 earthenware table and kitchen articles are 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)(1) 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 a result in major part of 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 one of these three requisites, it is foreclosed from making an affirmative finding for the industry.

In view of the upward trend of imports of earthenware table and kitchen articles in recent years, the Commission found that such earthenware "is being imported * * * in * * * increased quantities" within the meaning of the Trade Expansion Act.

The trade-agreement concessions granted by the United States on earthenware table and kitchen articles resulted in tariff reductions of various amounts on three separate value classifications designated herein as (1) the top value category, (2) the middle value category, and (3) the bottom value category. ^{1/} Reductions in the U.S. rates of duty on the top value category came into effect on January 1, 1939,

^{1/} The foreign values which delineate the three value categories are reported in table 1, in the appendix.

January 1, 1948, and November 17, 1951; and those on the middle and bottom value categories came into effect on September 10, 1955.

The aggregate reduction in duty resulting from the concessions on the top value category is equivalent to about 50 percent of the rates of duty originally provided in the Tariff Act of 1930. The major reductions occurred in 1939 and 1948; the reductions in 1951 were of only minor significance.

In the years immediately following the duty reductions in 1948, U.S. imports of earthenware in the top value category rose moderately. They amounted to 1.4 million dozen pieces in 1948 compared to 1.2 million dozen pieces in 1947. Imports averaged 1.5 million dozen pieces per year in 1949-53, without any discernible trend; thereafter they increased steadily to 3.4 million dozen in 1957, dropped to 2.8 million dozen in 1958, and then rose irregularly to the record high of 4.4 million dozen in 1962. Thus, the significant increase in imports in the top value category occurred many years after the major duty reductions were made on that category; hence the duty reductions could not be the major cause of the currently increased imports. The reductions in duty on the middle and bottom value categories in 1955 could have had some effect on the volume of imports in the top value category, inasmuch as certain pieces included in low-priced earthenware sets are dutiable in the top value category. However, importers

generally did not reduce their sales prices following the 1955 reductions in duty; hence, those reductions provided no direct stimulus to consumer purchases, but may have intensified the sales efforts of the importers.

In recent years somewhat more than half, in terms of quantity, of the imports in the top value category have come from European countries, principally the United Kingdom, and somewhat less than half, from Japan. The imports from European countries have consisted mainly of medium- and high-priced earthenware in traditional patterns; many brands of this ware have a certain prestige in the U.S. market. Most of the imports of earthenware from Japan have a much lower unit value than imports from European countries. The upward trend in the imports in the top value category in recent years is attributable in large measure to an increase in the number of families entering the market for medium- and high-priced earthenware from European countries. Imports from Japan in the top value category increased sharply in the years 1956-57, largely as a result of greater imports of sets (most of the pieces of which enter in the middle and bottom value categories). After 1957, imports from Japan in the top value category showed no tendency to increase until 1962, when they were substantially higher than in the immediately preceding years. Meanwhile, between 1955 and 1962, such imports from the United Kingdom increased more than those from Japan, the greatest increase being from 1961 to 1962. The

duty reductions in 1955 have been more important in determining the overall trend since 1947. Indeed, since the duty reductions became effective there has been a retardation in the rate at which these imports have increased and since 1960 there has been a marked decline in the imports.

The great bulk of the imports of earthenware table and kitchen articles in the middle and bottom value categories have come from Japan. The general upward trend of the combined imports from Japan in all three value categories since World War II has been due principally to greater efforts on the part of Japanese manufacturers to supply a variety of patterns, shapes, and sizes adapted to the U.S. market and to improved merchandising methods in the United States by the importers of Japanese ware.

It is apparent that the increased imports of earthenware table and kitchen articles 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, it could not have made an affirmative finding in this investigation under section 301(b) of the Trade Expansion Act because increased imports have not been the major factor in causing the difficulties that confront the domestic earthenware industry.

Imports of earthen dinnerware from Europe in the top value category, which have increased materially in recent years, consist

largely of ware that sells at wholesale in the United States for more than 90 cents and up to as much as \$15 or more per 5-piece place setting. More than two-thirds of the earthen dinnerware produced in the United States in 1961, on the other hand, sold at less than 90 cents per 5-piece place setting. Much of the European ware sells on a prestige basis and is not at all directly competitive with the bulk of the domestic earthenware.

Very little of the earthenware imported in the bottom value category competes directly with domestically produced ware. Less than a tenth of the imports in this category are dinnerware. At least a fourth of the reported imports are misclassified art and ornamental articles not covered by this investigation. Most of the remainder consists of such articles as condiment sets, cups and saucers, snack sets, beverage sets, and salad sets, the bulk of which are unlike the earthenware produced in the United States.

Nearly all of the imports in the middle value category and a considerable share of the imports from Japan in the top value category consist of low-priced dinnerware which sells at wholesale for less than 90 cents per 5-piece place setting. More than 95 percent of the U.S. consumption of dinnerware in this price bracket was supplied by domestic producers in 1959-61. Sales of such domestic dinnerware were higher in 1961 than in 1959 or 1960 and were higher in the first 6 months of 1962 than in the corresponding period of 1961.

In general the larger domestic producers, which account for most of the U.S. production of earthen dinnerware, are geared to furnish large quantities in any pattern. Foreign producers, on the other hand, are better equipped to satisfy the need of the U.S. retail market for a wide diversity of patterns in relatively small quantities.

Sales of domestically produced earthenware table and kitchen articles declined by 3,349,000 dozen pieces in the period 1957-61, whereas U.S. imports of such ware increased by only 1,625,000 dozen pieces during the same period. Inasmuch as a large part of the increase in imports consisted of articles not directly competitive with domestic ware, the increased imports could not have been the major factor in causing the indicated decline in domestic producers' sales.

One of the principal reasons for the difficulties encountered by the domestic earthenware industry in recent years is the rise in importance of plastic dinnerware made from melamine resin. Estimated consumption of melamine plastic ware (practically all from domestic sources) rose from 2.5 million dozen pieces in 1954 to 9.3 million dozen pieces in 1961. Chiefly because of its great

resistance to breakage, such ware is displacing earthenware to a significant extent.

Although the Commission found in its recently completed investigation of household china tableware and kitchenware ^{1/} that increased imports of such ware cannot be attributed in major part to concessions granted under trade agreements, consideration was given to the impact of increased imports of low-priced china on the domestic earthenware industry. The increase in imports of low-priced china dinnerware in recent years has been much smaller than the aforementioned increase in consumption of domestic plastic ware. Hence the increased imports of chinaware had a smaller impact on the domestic earthenware industry than did the increased use of plastic ware. At least 95 percent of the domestic earthen dinnerware retails at prices below those charged for most of the low-priced china dinnerware imported from Japan.

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

^{1/} Investigation No. 7-113 (TEA-I-1).

earthenware table and kitchen articles are produced. ^{1/} Aggregate sales of products manufactured in these establishments amounted to \$61.6 million in 1957, \$53.5 million in 1958, \$58.4 million in 1959, \$63.2 million in 1960, and \$59.3 million in 1961. ^{2/} These data provide no clear-cut indication of a current trend in the sales of the establishments in question.

Prices received by domestic manufacturers for earthen dinnerware increased by about 13 percent between 1957 and 1962. Increased imports apparently have not had an adverse effect on domestic producers' prices.

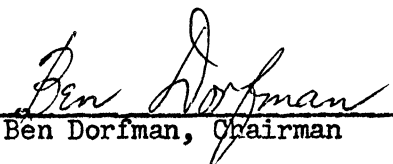
^{1/} On p. 11 of the report of the Committee on Finance of the U.S. Senate on H.R. 11970 (which, after various amendments, ultimately became the Trade Expansion Act of 1962), the "industry" involved in sec. 301(b) investigations was identified as follows:

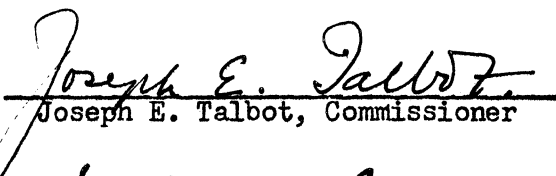
For purposes of the bill, the term "industry," in the case of any industry investigation, will include the operations of those establishments in which the domestic article in question (i.e., the article which is "like," or "directly competitive with," the imported article, as the case may be) is produced. * * * 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 17 establishments that supplied usable data to the Commission for all of the years 1957-61; these establishments accounted for virtually all sales of domestic earthenware table and kitchen articles in 1960 and 1961.

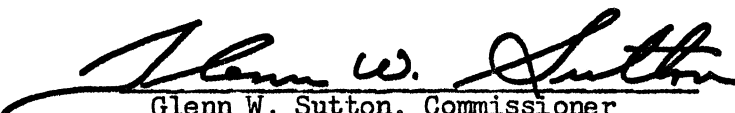
Aggregate net operating profits (before income taxes) of the 17 establishments for which complete data were obtained amounted to \$2.5 million in 1957, \$1.2 million in 1958, \$1.5 million in 1959, \$2.5 million in 1960, and \$4.1 million in 1961. The ratio of net operating profit to net sales for the industry was 4.0 percent in 1957, 2.2 percent in 1958, 2.6 percent in 1959, 3.9 percent in 1960, and 6.9 percent in 1961. Thus the profit ratio shows an upward trend in the period 1958-61.

Respectfully submitted.

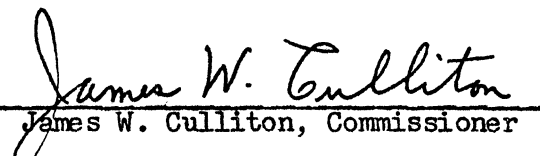

Ben Dorfman, Chairman


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Information Obtained in the Investigation

U.S. tariff treatment

Earthenware table and kitchen articles are provided for in paragraph 211 of the Tariff Act of 1930. Under that act the original rates of duty on these articles, if not colored or decorated, were 10 cents per dozen pieces plus 45 percent ad valorem and, if colored or decorated, 10 cents per dozen pieces plus 50 percent ad valorem (table 1).

As a result of trade agreements, earthenware table and kitchen articles have been classified, for duty purposes, in three value categories. ^{1/} For convenience, they are identified in this report as (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 pursuant to trade agreements

^{1/} 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).

are shown in the following tabulation (in cents per dozen and percent ad valorem): ^{1/}

Class of ware	Statutory rate of duty	Trade-agreement rate of duty which became effective in 1/--		
		1939	1948	1955
Earthenware table and kitchen articles:				
Bottom value				
category-----	10¢ + 50% ^{2/}	-		10¢ + 25%
Middle value				
category-----	10¢ + 50% ^{2/}	-		10¢ + 40%
Top value				
category:				
Decorated				
plates, cups, and saucers--	10¢ + 50% ^{2/}	10¢ + 30%	10¢ + 20% ^{3/}	-
Other-----	10¢ + 50% ^{2/}	-	10¢ + 25% ^{3/}	-

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

^{2/} Rate applicable to decorated ware; the rate for ware not decorated was 10 cents per dozen plus 45 percent ad valorem.

^{3/} These rates were not applicable until 1951 to a minor class of earthenware having a body wholly of clay.

The average ad valorem equivalents of the 1930 and 1961 rates of duty on the three value categories of earthenware table and kitchen articles, based on imports in 1961, together with the percentage reduction in the average ad valorem equivalent of the 1930 rate on each

^{1/} For U.S. tariff provisions covering earthen dinnerware under the revised tariff schedules provided for in the Tariff Classification Act of 1962, see table 2.

class, and the share of total imports accounted for by these categories, 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 average : ad valorem : equivalent : of the : 1930 rate		: Share of total : : imports in 1961 : : in terms of-- :	
	: 1930 <u>1/</u> :	: 1961 :			: Quantity :	: Foreign
	: <u>Percent</u> :	: <u>Percent</u> :			: <u>Percent</u> :	: <u>Percent</u> :
Earthenware table:	:	:	:	:	:	:
and kitchen	:	:	:	:	:	:
articles:	:	:	:	:	:	:
Bottom value	:	:	:	:	:	:
category-----	66.8	42.3	37.0	48.5	19.6	
Middle value	:	:	:	:	:	:
category-----	63.2	53.7	15.5	11.6	5.9	
Top value	:	:	:	:	:	:
category-----	53.5	25.9	51.6	39.9	75.5	
Average and:	:	:	:	:	:	:
total----	56.7	30.8	45.7	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 17.3 percent ad valorem on earthenware in the bottom value category, to 13.7 percent ad valorem on earthenware in the middle value category, and to 3.7 percent ad valorem on earthenware in the top value category.

Description, uses, and substitute products

The earthenware table and kitchen articles covered by this investigation (referred to hereinafter as earthenware) are articles designed for preparing, serving, and storing food, drink, and the ingredients thereof. ^{1/} Both imported and domestic earthen dinnerware are available in a wide variety of shapes, patterns, and decorations. Virtually every type of imported earthen dinnerware is similar in quality and appearance to some type of domestic dinnerware. Much the same materials are used in the United States and abroad in the manufacture of most earthen dinnerware.

Fine earthenware such as that dutiable under paragraph 211 of the Tariff Act of 1930, ^{2/} has an absorbent, opaque body which is usually white and covered with a transparent glaze. Earthenware includes so-called semivitreous and semiporcelain ware, as well as ironstone china, ^{3/} all of which are hard-fired earthenware. Earthenware bodies have a water absorption usually in the range of 3 to 10 percent. Fine stoneware, such as is dutiable under paragraph 211, ^{4/} has an opaque,

^{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/} Coarse or common earthenware is dutiable under par. 210.

^{3/} The definitions adopted by the American Society for Testing and Materials (ASTM) place an upper limit of 0.5 percent on the water absorption of a china body; articles having a water absorption above 0.5 percent are considered to be earthenware. 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.

^{4/} Coarse stoneware is dutiable with coarse earthenware in par. 210.

fine-grained, light-colored body that will absorb little or no water. The unglazed body of stoneware cannot be scratched with a steel blade, whereas the unglazed body of most earthenware can be so scratched. Earthen dinnerware glazes are so hard and smooth that they are not scratched by ordinary steel.

Earthenware is usually less durable than chinaware; it is less resistant to thermal and mechanical shock, hence will chip or crack more readily and may craze (the glaze will crackle) if exposed to sudden changes in temperature. Also the body will stain if the glaze is chipped. Most earthenware 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 improved colors, become more widely used. More elaborate decorations, however, are confined largely to overglaze applications of ceramic colors. Decorative ceramic decalcomania transfers for applying such decorations have been greatly improved in the past 10 years. Earthenware is seldom decorated with gold or platinum.

Uses.--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) Dinner plate (over 9 inches in actual diameter), (2) bread and butter plate, or 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. ^{1/} 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.

The articles covered by the present investigation include earthen hotel ware. However, no such ware is made in the United States, and very little is imported; moreover, little earthen kitchenware is either manufactured or imported. ^{2/} Dinnerware has always been the predominant type of earthenware produced in the United States. During 1957-61, more than 98 percent of the U.S. production of earthenware consisted of dinnerware. Most of the remainder of this report, therefore, is devoted to discussion on the trade in earthen dinnerware.

Whereas in 1961 nearly all of the imported earthen dinnerware was sold to retail outlets, such as department, variety, jewelry, and mail-order stores, only about 36 percent of the sales of domestic

^{1/} The above definition corresponds closely to that of "ware available in specified sets" in Items 533.23-.27 of the new tariff schedules of the United States, implementation of which is provided for in the Tariff Classification Act of 1962.

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

earthen dinnerware were made to these outlets (table 3). In recent years substantial quantities of domestic earthen dinnerware have been sold for use as premiums in promoting sales of soap and other products.

A somewhat larger share of imported than of domestic earthen dinnerware is sold in sets (table 4). When marketed in this manner, imported ware is generally sold in moderately larger sets than domestically produced ware. In 1961 most of the earthen 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.

More than two-thirds of the domestic earthen dinnerware purchased by U.S. consumers in 1961 was priced at retail at not over \$20 per 45-piece set, ^{1/} whereas nearly three-fourths of the imported ware was priced at over \$20 for the same size set.

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

Estimates of the quantities sold and the percentages of total sales in these two price ranges in 1961 are as follows:

Retail price range for a 45-piece set	Domestic and imported		Domestic	Imported
	Quantity	Percent		
	1,000 dozen			
	<u>pieces</u>		<u>Percent</u>	<u>Percent</u>
Not over \$20-----	16,865	63.2	69.4	26.4
Over \$20-----	9,565	36.2	30.6	73.6
Total-----	26,430	100.0	100.0	100.0

Most of the imported earthen dinnerware retailing at not over \$20 per 45-piece set originated in Japan, while the United Kingdom and Japan together supplied most of the imported ware retailing above this price. Virtually all of the imported dinnerware selling at retail for over \$20 per 45-piece set enters in the middle and top value categories.

Domestic producers supplied nearly all of the earthen dinnerware sold in 1961 in the lowest price range, as indicated by the following estimates of the distribution of sales in that year:

Retail price for a 45-piece set	Purchases of all earthen dinnerware in 1961	
	Domestic	Imported
	<u>Percent</u>	<u>Percent</u>
Not over \$20-----	95	5
Over \$20 but not over \$30-----	79	21
Over \$30-----	48	52
All price ranges-----	87	13

Substitute products.--In recent years plastic dinnerware made from melamine resin has become popular, chiefly because of its resistance to breakage. It cannot, however, withstand oven heat as can earthen dinnerware. Originally, plastic dinnerware was available only in solid colors, but more recently producers have decorated the flat pieces with floral sprays and other designs. Glass dinnerware, like plastic ware, is adaptable to machine production (little such ware is made by hand), and since it is made from inexpensive raw material, it can be made cheaply. Some glassware is made in solid colors and some is decorated with various designs.

Prospective U.S. purchasers of dinnerware have a choice of chinaware, earthenware, plastic ware, or glassware. The choice depends 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), the personal preferences as to design and decoration, and the valuation placed on durability and prestige. Whereas pattern (within a given price range) is usually the chief factor in the selection of a best set of dinnerware, price and durability are perhaps the most important factors influencing the consumer's selection of everyday dinnerware. Because of its resistance to breakage, plastic or casual china dinnerware is purchased by many families with small children.

Earthenware is not as durable as chinaware. Except for prestige ware, it is considered by many people to be less attractive, and is

generally sold at prices substantially lower than china dinnerware of similar patterns. However, the word "china" has come into common usage as a generic term applied to all kinds of ceramic tableware and many consumers do not distinguish between chinaware and earthenware. Moreover, earthenware is rarely advertised as such (usually it is merely called dinnerware), and the word "china" appears in the company names of many earthenware producers. Families that are unwilling or unable to purchase high-priced prestige china of domestic or foreign origin usually buy the high-priced earthenware if they want prestige; otherwise they buy medium-priced earthenware, low-priced chinaware, or plastic ware. Families buying the cheapest dinnerware are likely to purchase either low-priced earthen dinnerware or machine-made glass dinnerware.

U.S. consumption

There are no official data on the annual consumer purchases of various kinds of household dinnerware. The following estimates of U.S. consumption in the years 1954, 1959, and 1961 were derived from data of the Bureau of the Census and 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
	:		:		:	

The decline between 1954 and 1961 in consumer purchases of earthen dinnerware is attributable primarily to the increased use of both plastic ware and the more durable low-priced chinaware. Estimated purchases of machine-made glass dinnerware remained quite stable during the period 1954-61 (table 6).

U.S. producers

The production of pottery in the United States began in early colonial times. Earthenware and stoneware articles were virtually the only ceramic table and kitchen articles produced in commercial quantities before the 1880's. What is now the largest segment of the domestic earthenware industry started operations around East Liverpool, Ohio.

In 1962 earthenware was produced by 22 firms; most of them started production before World War II--several in the 19th century. The 22 concerns operated 22 establishments in which earthenware was produced. ^{1/} Seventeen of the establishments produced earthenware only; one produced substantial quantities of both china and earthen dinnerware and the firm operating it is also an importer of both types of ware from Japan. Four other establishments made some china dinnerware, and one of them also produced some hotel and restaurant

^{1/} 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. Five establishments were located in Ohio, four in Pennsylvania, three each in California and West Virginia, and one each in Arizona, Illinois, Kentucky, Michigan, Minnesota, New Jersey, and Oklahoma.

chinaware. All the producers, except one that is owned by a large variety chain store, produced for sale to independent distributors. Since 1954 not only have no new plants undertaken the production of earthenware but four firms have converted a small part of their earthenware facilities to the production of casual china dinnerware. Moreover, since 1954, 15 firms have ceased producing earthenware (table 7), including one of the four mentioned above.

Although there was some diversification of production and sales, the establishments covered by this investigation produced primarily earthen dinnerware (table 8). However, nine establishments reported production and sales of ceramic products not covered by this investigation. During the period January 1, 1957, through June 30, 1962, sales of these other products were equal to 17 percent of the sales value of first-quality earthen dinnerware by the nine establishments. Household and hotel or restaurant chinaware accounted for about 60 percent of the value of such other products; art and decorative ceramic ware and ceramic tile comprised most of the remainder.

The total annual productive capacity of the domestic establishments actually producing earthenware was 45 million dozen pieces in 1962 (June) which compares with a capacity of 53.4 million dozen

pieces in 1957. The estimated capacity by years was as follows (in millions of dozen pieces):

<u>Year</u>	<u>Kiln capacity of operating establishments</u>
1957-----	53.4
1958-----	52.8
1959-----	50.1
1960-----	49.5
1961-----	47.5
1962 (June)-----	45.0

The major cause of the above reduction in productive capacity has been the aforementioned cessation of production by 15 producers, 8 of which terminated production in the period 1957-61. ^{1/} The decline in the total number of plants in recent years has occurred chiefly among the larger establishments (table 9).

U.S. production and sales

The statistics on production and sales used in this report were compiled from responses to the Commission's questionnaires; these data furnish a breakdown for various types of ware and thereby facilitate comparisons of domestic and imported ware. ^{2/}

Production of earthenware articles.--U.S. annual production (as distinguished from sales) of earthenware declined from an estimated

^{1/} Another company, which had an annual kiln capacity of more than 3 million dozen pieces, ceased operating in Sept. 1962.

^{2/} The data compiled by the Tariff Commission do not include data for the production and sales of several producers of red-bodied earthenware or for the production and sales of tableware by firms engaged principally in the production of articles other than tableware. The production and sales of tableware by these firms are believed to have been small.

30 million dozen pieces in 1954 ^{1/} to 26.8 million dozen pieces in 1957 and to 22.1 million dozen pieces in 1958; production then increased to 24.4 million dozen pieces in 1959, and declined to 21.6 million dozen pieces in 1961. In all of the years 1957 through 1961, dinnerware accounted for more than 98 percent of the total quantity of earthenware produced (table 10).

Sales of dinnerware.--Sales of household earthen dinnerware by domestic producers declined from 26.4 million dozen pieces, valued at \$57.1 million, in 1957, to 23.0 million dozen pieces, valued at \$48.4 million, in 1961. Sales during the first 6 months of 1962 were 4 percent larger in quantity and 8 percent larger in value than those during the corresponding period in 1961 (table 11).

Domestic producers' sales of earthen dinnerware consist preponderantly of low-priced ware. The shares accounted for by sales of low-, medium-, and high-priced ware remained virtually constant in 1959-61. Domestic producers' sales of earthen

^{1/} The Commission obtained production and related data only for the years 1957 through 1961 and for the first half of 1962. Production in 1954 was estimated on the basis of the relationship between the statistics of the Bureau of the Census and the Commission figures for the year 1957.

dinnerware, and the distribution thereof by wholesale price categories for 1959-61 were as follows:

Wholesale price per 5-piece place setting	:	1959	:	1960	:	1961
	:	Quantity (1,000 dozen pieces)				
Not over \$1.50 <u>1</u> /-----	:	23,421	:	21,898	:	22,179
Over \$1.50 but not over \$3.30 <u>2</u> /-----	:	357	:	318	:	254
Over \$3.30 <u>3</u> /-----	:	594	:	704	:	553
Total-----	:	24,373	:	22,920	:	22,986
	:	Percentage distribution				
Not over \$1.50 <u>1</u> /-----	:	96.1	:	95.5	:	96.5
Over \$1.50 but not over \$3.30 <u>2</u> /-----	:	1.5	:	1.4	:	1.1
Over \$3.30 <u>3</u> /-----	:	2.4	:	3.1	:	2.4
Total-----	:	100.0	:	100.0	:	100.0
	:		:		:	
<u>1</u> / Low-priced. <u>2</u> / Medium-priced. <u>3</u> / High-priced.						

The quantities of low-priced and high-priced earthen dinnerware sold during the first 6 months of 1962 were 4 percent and 9 percent greater, respectively, than those sold during the corresponding period in 1961, while the sales of medium-priced earthenware were about the same in the two periods (table 11). During 1959-61, sales of off-selection earthen dinnerware (seconds) were equal to about 9 percent annually of the sales of first-quality earthen dinnerware.

U.S. imports 1/

In 1961 more than 500 concerns imported earthenware. The importers, which usually act as principals, maintain stocks and sell through either

1/ Import statistics in this section relating to earthenware (as distinct from dinnerware) are those reported by the U.S. Bureau of the Census, with minor adjustments for 1954-57 (see footnote 2 to table 11). An invoice analysis indicates that after 1955, a substantial amount of low-valued art and ornamental earthenware has been misclassified as table and kitchen articles. Therefore, the imports of such low-valued table and kitchen articles have been overstated.

their own sales force or their own retail outlets. Few of them act as manufacturers' sales agents. From 10 to 15 percent of the imports of earthen dinnerware in 1961 were made directly by retailers, such as department, mail-order, and variety stores. Importers usually have the exclusive right to sell certain patterns, and sometimes all patterns of certain makes of ware.

Volume and trend.--Since World War II the trend in imports of earthenware has been markedly upward; the rate of increase, however, has slackened in recent years. During 1958-60 the average annual imports were 17 percent greater than in 1955-57, and in the 2-year period 1961-62, they were 11 percent greater than in 1958-60.

Imports of earthenware amounted to 6.5 million dozen pieces in 1957, increased irregularly to 9.2 million dozen pieces in 1960, and then declined to 8.1 million dozen pieces in 1961. The quantity imported in 1962 was 8 percent larger than that in 1961. In 1957, imports supplied 20 percent of apparent domestic consumption, and in 1961 they supplied 26 percent (table 12).

During the period 1956-62, the percentage increase in imports was higher in the middle value category than in the top value category; the quantities imported in the middle value category, however, averaged less than a third of those in the top value category (table 13). There has been no discernible trend in imports in the bottom value

category since 1955; imports in this value category consist chiefly of misclassified art and ornamental articles, condiment sets, cups and saucers, snack sets, beverage sets, and salad sets. Most of the tableware articles imported in the bottom value category are unlike any produced in the United States.

Inasmuch as 98 percent of the domestic production of earthenware during the period 1957-61 consisted of dinnerware, the information sought by the Commission from U.S. importers related primarily to imports of dinnerware. The importers responding to the Commission's questionnaire accounted in 1961 for about two-thirds of the estimated imports of earthen dinnerware. ^{1/}

Estimated imports of earthen dinnerware rose from 2.5 million dozen pieces in 1957 to 4.3 million dozen in 1960, but then dropped to 3.4 million dozen in 1961. These imports were equivalent to 9 percent of the apparent consumption of such dinnerware in 1957 and to 13 percent in 1961. Imports in the first half of 1962 amounted to 2.0 million dozen pieces.

Country of origin.--During the 8-year period 1954-61, Japan was the principal source of U.S. imports of earthenware; the United Kingdom ranked next in importance. The earthenware imported from

^{1/} Imports of dinnerware were estimated for each country separately on the basis of the relation of the value of imports of earthenware 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.

Japan in 1961 represented 77 percent of the total quantity and 49 percent of the total value of all such ware imported (table 14). Earthenware articles from the United Kingdom accounted for 18 percent of the total quantity and 36 percent of the total value of imports in that year.

In both 1957 and 1961 Japan was the major supplier of the imports of earthenware in all three value categories. Japan supplied more than 95 percent of the imports in the middle and bottom value categories and nearly half of those in the top value category. The United Kingdom was the second most important source of earthenware in the top value category. The following tabulation shows the percentage of the total quantity of earthenware entered in each value category by major countries of origin in 1957 and in 1961:

Description	: Japan	: United Kingdom	: Italy	: All other	: Total, all countries
					1957
Bottom value category----	98.8	0.2	0.5	0.5	100.0
Middle value category----	95.8	1.2	.4	2.6	100.0
Top value category-----	49.5	34.1	4.5	11.5	100.0
All categories-----	72.6	18.2	2.6	5.8	100.0
					1961
Bottom value category----	99.0	0.3	0.1	0.6	100.0
Middle value category----	95.5	1.2	.7	2.6	100.0
Top value category-----	45.1	44.6	5.0	5.3	100.0
All categories-----	77.1	18.1	2.1	2.3	100.0

The United States has been Japan's most important foreign market for earthenware. In 1959, 67 percent of Japan's exports of earthenware were shipped to the United States; in 1961 the ratio was 57 percent.

Beginning in 1951 the Japan Pottery Exporters' Association (JPEA) instituted minimum export (check) price control on shipments of earthen dinnerware destined for the United States (including its territories), Canada, Panama, and Mexico. The 1962 check prices, based on selling values f.o.b. Japanese port of export, have been in effect since 1954. The check prices, however, are applicable to only a small portion of the earthenware exported from Japan. Earthenware exports from Japan are not subject to quantitative restrictions. In addition to exercising limited price control, the Japan Pottery Design Center works to prevent design piracy. The Japan Pottery Inspection Association inspects ware for export to assure maintenance of quality standards.

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

<u>Year</u>	<u>1,000 dozen pieces</u>
1955-----	165
1956-----	492
1957-----	900
1958-----	1,020
1959-----	1,953
1960-----	2,528
1961-----	2,410

^{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.

The data on exports of earthen dinnerware from Japan to the United States in 1959-61 closely approximate estimates made by the Commission's staff of U.S. imports of such ware from Japan in those years.

About 46 percent of all earthenware table and kitchen articles imported during the 5-year period 1957-61 entered in the bottom value category; 44 percent entered in the top value category (table 13). Whereas the bulk of the earthenware imported from the United Kingdom, Italy, and West Germany entered in the top value category, most of that imported from Japan entered in the bottom value category.

U.S. employment and wages

In 1961 about 8,000 persons were employed in U.S. establishments producing household earthen dinnerware; this total was 20 percent smaller than the number so employed in 1957. About 83 percent of the employees were engaged in producing household earthen dinnerware (table 15). The man-hours spent annually by production and related workers in producing household earthen dinnerware declined between 1957 and 1961 by 4.5 million hours, or by about 27 percent; whereas production declined by only 20 percent during this period. The increase in output per man-hour is attributable chiefly to the increased use of automatic machinery, such as jigger and spray

machines, and to the substantial increase in the quantity sold to premium houses; the ware so marketed consists of a few simple patterns well adapted to large-volume production techniques.

Prices

It is extremely difficult to make meaningful price comparisons between various patterns of earthen dinnerware. Household dinnerware is available in an almost infinite variety of patterns, and varies widely in both quality and prestige. Price comparisons therefore have limited significance.

Most domestic producers of earthen dinnerware quote their prices f.o.b. factory or warehouse and importers quote prices 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 considerably in recent years. Whereas the general price level (as measured by the wholesale price index) increased by about 2 percent from 1957 to the middle of 1962, the average price received by domestic producers for earthen dinnerware rose 13 percent. The trend of wholesale prices for the most popular patterns of domestic and imported earthen dinnerware from June 30, 1957,

through June 30, 1962, are indicated by the following indexes
(1957=100.0): 1/

<u>Date</u>	<u>Domestic</u>	<u>Imported</u>
June 30--		
1957-----	100.0	100.0
1958-----	103.2	102.2
1959-----	105.0	103.5
1960-----	108.0	106.0
1961-----	110.1	108.4
1962-----	112.8	110.0

The U.S. Bureau of Labor Statistics wholesale price index for domestic earthen dinnerware shows an increase of about 14 percent from 1957 to 1962; this increase approximates the 13-percent increase (shown above) derived from data submitted to the Commission by domestic producers.

Profit-and-loss experience of domestic producers

Seventeen firms, each of which produced earthenware table and kitchen articles in a single establishment, furnished usable data showing their profit-and-loss experience for the years 1957-61. 2/ These 17 establishments accounted for virtually all of the sales of earthenware table and kitchen articles in 1960 and 1961. Most of the establishments produced little other than earthenware table and kitchen articles.

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.

2/ Data do not include sales and the profit-and-loss experience of the eight firms that ceased production of earthenware table and kitchen articles during the period 1957-61. See p. 25.

Although the combined sales of all products (as well as those of earthenware) by the 17 establishments fluctuated materially from year to year, there was no discernible trend in their sales in the period 1957-61. ^{1/} Net operating profits from these sales, however, were considerably lower in 1958 and 1959 than in 1957, but were considerably higher in 1961 than in any of the 4 preceding years, as indicated by the following tabulation:

Item	:	1957	:	1958	:	1959	:	1960	:	1961
Total net sales	:		:		:		:		:	
1,000 dollars--	:	61,573	:	53,489	:	58,384	:	63,234	:	59,264
Net operating profit	:		:		:		:		:	
before income taxes	:		:		:		:		:	
1,000 dollars--	:	2,467	:	1,185	:	1,529	:	2,473	:	4,090
Ratio of net operating	:		:		:		:		:	
profit before income	:		:		:		:		:	
taxes to total net	:		:		:		:		:	
sales-----percent--	:	4.0	:	2.2	:	2.6	:	3.9	:	6.9
Net sales of earthenware	:		:		:		:		:	
table and kitchen	:		:		:		:		:	
articles--1,000 dollars--	:	56,377	:	48,670	:	52,272	:	56,734	:	52,786
Ratio of net sales of	:		:		:		:		:	
earthenware table and	:		:		:		:		:	
kitchen articles to total:	:		:		:		:		:	
net sales-----percent--	:	91.6	:	91.0	:	89.5	:	89.7	:	89.1

Four of the establishments reported losses in 1957, three in 1958, and five in each of the years 1959, 1960, and 1961.

^{1/} Eight of these establishments produced earthenware table and kitchen articles only; such articles comprised the principal output of eight of the nine remaining establishments.

Statistical Appendix

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

Paragraph and description	Tariff Act of 1930			Trade-agreement modification	Effective date and basis of change
	Statutory rate	Rate			
Par. 211:					
Earthenware and crockery ware composed of a nonvitrified absorbent body, including white granite and semiporcelain earthenware, and cream colored ware, terra cotta, and stoneware; any of the foregoing which are tableware, kitchenware, and table and kitchen utensils:					
Plates, not over 6-5/8 inches in diameter and valued over 40 but under 75 cents per dozen, or over 6-5/8 but not over 8-1/8 inches in diameter and valued over 50 but under 90 cents per dozen, or over 8-1/8 but not over 9-1/8 inches in diameter and valued over 70 cents but under \$1.30 per dozen, or over 9-1/8 inches in diameter and valued over \$1 but under \$1.55 per dozen;					
cups, valued over 50 cents but under \$1 per dozen; saucers, valued over 30 but under 55 cents per dozen; articles which are not plates, cups, or saucers and which are valued over \$1 but under \$2 per dozen					
articles; all the foregoing:					
Plain, not colored or decorated in any manner-----	10¢ doz. + 45%	10¢ doz. + 40%			9-10-55; GATT.
Decorated or colored in any manner-----	10¢ doz. + 50%	10¢ doz. + 40%			9-10-55; GATT.
Plates, cups, and saucers, and other articles than plates, cups, and saucers; each of the foregoing valued at less than the minimum values specified above for the like article:					
Plain, not colored or decorated in any manner-----	10¢ doz. + 45%	10¢ doz. + 25%			9-10-55; GATT.
Decorated or colored in any manner-----	10¢ doz. + 50%	10¢ doz. + 25%			9-10-55; GATT.

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

(Cents per dozen; percent ad valorem)		Tariff Act of 1930	
Paragraph and description	Statutory rate	Trade-agreement modification	
		Rate	Effective date and basis of change
Par. 211--Continued			
Earthenware and crockery ware, etc.--Continued			
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. + 45%	10¢ doz. + 25%	11-17-51; GATT.
Decorated or colored in any manner:			
Plates, cups, and saucers-----	10¢ doz. + 50%	10¢ doz. + 30%	1-1-39; U.K.
		10¢ doz. + 20%	1-1-48; GATT.
			11-17-51; GATT. 1/
Other articles than plates, cups, and saucers-----	10¢ doz. + 50%	10¢ doz. + 25%	1-1-48; GATT.
			11-17-51; GATT. 1/
1/ The reduced rate became effective on this date on a minor class of earthenware described as having a body wholly of clay.			

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 countries or 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 earthen 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/}	
		(1)	(2)
533.23	Articles chiefly used for preparing, serving or storing food or beverages, or food or beverage ingredients: Of fine-grained earthenware (except articles provided for in items 533.14 and 533.16) or fine-grained stoneware: Available in specified sets in any pattern for which the aggregate value of the articles in the 77-piece norm 2/ is-- Not over \$3.30-----	10¢ per doz. pieces + 28% ad val.	10¢ per doz. pieces + 50% ad val.
533.25	Over \$3.30 but not over \$7-----	10¢ per doz. pieces + 37% ad val.	10¢ per doz. pieces + 50% ad val.
533.27	Over \$7-----	10¢ per doz. pieces + 21% ad val.	10¢ per doz. pieces + 50% 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/} The 77-piece norm consists of the following pieces in a given pattern: 12 dinner plates, size nearest 10-1/2 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.--Earthen dinnerware: Percentage distribution of dollar sales of domestic and imported ware sold in the United States, by types of sales outlet, 1957 and 1961

Type of sales outlet	1957		1961	
	Domestic	Imported	Domestic	Imported
Retail stores-----	49.5	<u>1/</u> 98.9	35.9	<u>1/</u> 98.6
Wholesalers-----	7.8	<u>2/</u>	7.3	<u>2/</u>
Door-to-door distributors---	2.0	-	.5	-
Premium houses-----	39.8	.7	55.5	.8
All other outlets-----	.9	.4	.8	.6
Total-----	100.0	100.0	100.0	100.0

1/ Includes an estimate for direct purchases from abroad by retail stores that were also importers.

2/ Less than 0.05 percent

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

Table 4.--Earthen 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 <u>1/</u>		
	1957	1961	1957	1961	
Sets containing over 90 pieces-----	5.5	1.9	1.9	1.1	
Sets containing 45 to 65 pieces-----	17.9	17.6	42.7	50.0	
Starter sets and place settings-----	30.6	33.9	14.7	15.0	
Other sets-----	5.8	3.2	2.7	2.8	
Open stock-----	40.2	43.4	38.0	31.1	
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 5.--Earthen 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 $\frac{1}{2}$	Domestic	Imported $\frac{1}{2}$	Domestic	Imported $\frac{1}{2}$
Not over \$0.90-----	61.5	10.4	61.3	31.6	69.4	26.4
Over \$0.90 but not over \$1.50----	34.6	56.2	34.3	44.3	27.1	48.7
Over \$1.50 but not over \$3.30----	1.5	21.2	1.4	16.5	1.1	18.2
Over \$3.30-----	2.4	12.2	3.0	7.6	2.4	6.7
Total-----	100.0	100.0	100.0	100.0	100.0	100.0

$\frac{1}{2}$ Wholesalers only.

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

Table 6.--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	
Chinaware:							
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. 30.

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. 19).

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

Table 7.--Domestic firms that have ceased production of earthenware table and kitchen articles since 1954

Name and location	Kiln capacity <u>1/</u> 1,000 dozen pieces	Year production of earthenware ceased
American Limoges China Co., Sebring, Ohio-----	2,250	1956
Cronin China Co., Minerva, Ohio-----	216	1954
Crooksville China Co., Crooksville, Ohio-----	1,000	1958
Crown Potteries Co., Evanston, Ill-----	803	1955
W.S. George Pottery Co., East Palestine, Ohio-----	2,500	1961
Hollydale Pottery, Hollydale, Calif-----	100	1957
The Edwin M. Knowles China Co., Newell, W.Va--	3,220	1962
Paden City Pottery Co., Paden City, W.Va-----	2,000	1956
Pope-Gosser China Co., Coshocton, Ohio-----	937	1958
Santa Anita Potteries, Los Angeles, Calif-----	500	1957
Southern Potteries Co., Erwin, Tenn-----	1,250	1956
The Steubenville Pottery Co., Steubenville, Ohio-----	650	1959
Universal Potteries, Inc., Cambridge, Ohio----	2,000	1960
Vernon Kilns, Los Angeles, Calif-----	728	1958
Weil of California, Los Angeles, Calif-----	25	1955

1/ In order to compensate for firing losses, the kiln capacity must be from one-eighth to one-fourth greater than the planned production.

Source: Compiled from data submitted to the U.S. Tariff Commission by domestic producers, and from the Ceramic Trade Directory, 1947-48.

Table 8.--Sales of all products made by U.S. producers of earthenware table and kitchen articles in the establishments producing such articles, 1957-61, January-June 1961, and January-June 1962

Product	(In thousands of dollars)									
	1957	1958	1959	1960	1961	Jan.- June 1961	Jan.- June 1962			
Earthen dinnerware-----	57,135	48,001	50,130	50,401	48,434	23,081	25,056			
Other table and kitchen articles of earthenware-----	1,063	758	976	927	882	322	351			
Off-selections (seconds) of earthen dinnerware-----	4,393	3,932	4,398	4,786	4,883	2,233	2,305			
All other products ^{1/} -----	4,252	4,016	5,439	5,679	5,795	2,393	2,905			
Total sales of all products-----	66,843	56,707	60,943	61,793	59,994	28,029	30,617			

^{1/} Principally china dinnerware and earthenware art and decorative articles.

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

Table 9.--Number of establishments producing earthen dinnerware, by size, measured by number of production and related workers, 1957-61

Employment size group	Number of establishments ^{1/}				
	1957	1958	1959	1960	1961
Fewer than 20 employees-----	1	1	1	1	1
20 to 100 employees-----	1	1	1	1	1
101 to 250 employees-----	7	5	4	4	7
251 to 500 employees-----	7	8	10	8	4
More than 500 employees-----	8	8	5	6	5
Total establishments-----	24	23	21	20	18

^{1/} Does not include data for 4 small companies whose principal production is nondinnerware earthenware table and kitchen articles. These companies were unable to supply complete data to the U.S. Tariff Commission.

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

Table 10.--Earthenware table and kitchen articles: U.S. production, by types, 1957-61 and January-June 1962

Item	1957	1958	1959	1960	1961	Jan.- June 1962
	Quantity (1,000 dozen pieces)					
Household dinnerware-----	26,400	21,839	24,009	23,024	21,187	11,942
Other table and kitchen articles, including hotel and restaurant ware-----	396	221	390	371	430	93
Total, all types of ware-----	26,796	22,060	24,399	23,395	21,617	12,035
	Percent of all types					
Household dinnerware-----	98.5	98.9	98.4	98.4	98.0	99.2
Other table and kitchen articles, including hotel and restaurant ware-----	1.5	1.1	1.6	1.6	2.0	.8
Total, all types of ware-----	100.0	100.0	100.0	100.0	100.0	100.0

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

Table 11.--Sales of domestic household earthen 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
	Quantity (1,000 dozen pieces)						
Household earthen dinnerware sold in patterns priced at wholesale per 5-piece place setting--							
Not over \$1.50-----	1/	1/	23,421	21,898	22,179	10,787	11,212
Over \$1.50 but not over \$3.30-----	1/	1/	357	318	254	127	128
Over \$3.30-----	1/	1/	594	704	553	209	228
Total 2/-----	26,370	21,396	24,373	22,920	22,986	11,124	11,568
	Value (1,000 dollars)						
Household earthen dinnerware sold in patterns priced at wholesale per 5-piece place setting--							
Not over \$1.50-----	1/	1/	43,964	42,025	41,690	20,347	21,894
Over \$1.50 but not over \$3.30-----	1/	1/	2,135	1,812	1,381	721	724
Over \$3.30-----	1/	1/	4,031	6,564	5,364	2,013	2,438
Total 2/-----	57,135	48,001	50,130	50,401	48,434	23,081	25,056

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 12.--Earthenware table and kitchen articles and earthen dinnerware: U.S. shipments, exports, imports, and apparent consumption, 1957-61 and January-June 1962

Type of ware and period	Domestic shipments <u>1/</u>	Exports <u>2/</u>	Imports <u>3/</u>	Apparent consumption	Ratio of imports to apparent consumption
	1,000 doz. pieces	1,000 doz. pieces	1,000 doz. pieces	1,000 doz. pieces	Percent
Table and kitchen articles (including dinnerware):					
1957-----	26,764	1,008	6,515	32,271	20.2
1958-----	21,616	1,215	5,841	26,242	22.3
1959-----	24,762	838	7,955	31,879	25.0
1960-----	23,289	642	9,231	31,878	29.0
1961-----	23,415	484	8,140	31,071	26.2
1962 (January-June)-----	11,661	231	4,152	15,582	26.6
Dinnerware:					
1957-----	26,370	96	2,500	28,966	8.6
1958-----	21,396	65	2,500	23,961	10.4
1959-----	24,373	54	3,600	28,027	12.8
1960-----	22,920	47	4,300	27,267	15.8
1961-----	22,986	41	3,400	26,427	12.9
1962 (January-June)-----	11,568	77	2,000	13,645	14.7

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 earthen dinnerware.

2/ Data on exports of first-quality dinnerware were compiled from reports submitted to the U.S. Tariff Commission by domestic producers of earthen 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 were 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.

Table 13.--Earthenware table and kitchen articles: U.S. imports for consumption, by current tariff classification value categories, 1947-62

(In thousands of dozen pieces)					
Year	Tariff classification value categories			Total	
	Bottom	Middle	Top		
1947-----	1/	2/ 74	2/ 1,163	1,237	
1948-----	1/	3/ 212	1,433	1,645	
1949-----	1/	3/ 534	1,343	1,877	
1950-----	1/	3/ 737	1,436	2,173	
1951-----	1/	3/ 1,207	1,571	2,778	
1952-----	1/	3/ 1,890	1,509	3,399	
1953-----	1/	3/ 2,129	1,477	3,606	
1954 4/-----	1/	3/ 2,079	1,620	3,699	
1955 4/-----	1/	3/ 3,903	1,975	5,878	
1956 4/-----	4,222	557	2,551	7,330	
1957 4/-----	2,541	534	3,440	6,515	
1958-----	2,467	570	2,804	5,841	
1959-----	3,800	961	3,194	7,955	
1960-----	4,668	1,063	3,500	9,231	
1961 5/-----	3,944	947	3,249	8,140	
1962 5/-----	3,292	1,101	4,393	8,786	

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

2/ Estimated.

3/ Includes imports in the bottom value category.

4/ See footnote 2, table 14.

5/ Preliminary.

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

Table 14.--Earthenware table and kitchen articles: ^{1/} U.S. imports for consumption, by principal supplying countries, 1954-62

Year	United Kingdom	Italy	Japan	All countries
Quantity (1,000 dozen pieces)				
1954 ^{2/} -----	963	137	2,378	3,699
1955 ^{2/} -----	875	164	4,547	5,878
1956 ^{2/} -----	865	186	5,979	7,330
1957 ^{2/} -----	1,107	176	4,804	6,515
1958-----	1,202	145	4,298	5,841
1959-----	1,441	175	6,109	7,955
1960-----	1,518	182	7,321	9,231
1961 ^{3/} -----	1,473	174	6,272	8,140
1962 ^{3/} -----	2,088	173	6,032	8,786
Foreign value (1,000 dollars)				
1954 ^{2/} -----	2,986	624	1,794	6,025
1955 ^{2/} -----	2,775	787	3,062	7,389
1956 ^{2/} -----	2,733	876	4,186	8,570
1957 ^{2/} -----	3,517	837	4,167	9,458
1958-----	3,529	780	4,069	9,037
1959-----	4,140	926	5,700	11,614
1960-----	4,180	989	6,978	12,968
1961 ^{3/} -----	4,209	908	5,728	11,656
1962 ^{3/} -----	5,439	824	6,132	13,504
Unit value (per dozen pieces)				
1954 ^{2/} -----	\$3.10	\$4.55	\$0.75	\$1.63
1955 ^{2/} -----	3.17	4.80	.67	1.26
1956 ^{2/} -----	3.16	4.71	.70	1.17
1957 ^{2/} -----	3.18	4.76	.87	1.45
1958-----	2.94	5.38	.95	1.55
1959-----	2.87	5.29	.93	1.46
1960-----	2.75	5.43	.95	1.40
1961 ^{3/} -----	2.86	5.22	.91	1.43
1962 ^{3/} -----	2.60	4.76	1.02	1.54

^{1/} Nearly all household ware, but includes a small amount of hotel-type table and kitchen articles.

^{2/} 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.

^{3/} Preliminary.

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

Table 15.--Employment and wages of all employees and of production and related workers engaged in making all products in U.S. establishments producing earthenware table and kitchen articles and of those employees producing household earthen dinnerware, 1957-61 and January-June 1962

Item	1957	1958	1959	1960	1961	Jan.-June 1962
All products:						
All employees, average number-----	9,944	8,905	9,013	8,643	8,038	8,125
Production and related workers:						
Average number-----	8,979	7,963	7,970	7,692	7,107	7,203
Man-hours worked-----1,000 hours--	15,907	12,893	14,277	14,646	13,347	7,098
Wages paid-----1,000 dollars--	30,507	25,371	28,900	30,169	27,861	14,700
Average hourly wage-----	\$1.92	\$1.97	\$2.02	\$2.06	\$2.09	\$2.07
Household earthen dinnerware:						
Production and related workers:						
Average number <u>2</u> /-----	9,813	8,427	8,212	7,703	6,688	6,775
Man-hours worked-----1,000 hours--	16,434	12,869	13,865	13,305	11,932	6,372
Wages paid-----1,000 dollars--	31,300	25,226	27,945	27,366	24,856	13,155
Average hourly wage-----	\$1.90	\$1.96	\$2.02	\$2.06	\$2.08	\$2.06

1/ The figures shown for man-hours worked and wages paid for all products and for household earthen dinnerware for the period 1957-60 are somewhat understated because the data for 1 company that ceased producing in 1960 are not included.

2/ Estimated by allocating employees to the production of household earthen 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 earthenware table and kitchen articles were produced.

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

Table 16.--Earthen dinnerware: Percentage distribution of dollar sales by U.S. producers and by importers, by geographic regions, 1961

Geographic region <u>1/</u>	Distribution of sales by--	
	Producers	Importers <u>2/</u>
New England and Middle Atlantic-----	26.7	31.2
North Central-----	49.4	25.9
South Atlantic and South Central-----	14.6	26.1
Mountain and Pacific-----	9.3	16.8
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 17.--Earthen dinnerware: Distribution of costs of importing into the United States, by principal countries of origin, October-December 1961

(In percentages, based on foreign invoice value)

Country of origin and item of cost	Distribution of costs of importing
Japan:	
Invoice value, f.o.b. factory in Japan-----	100.0
Foreign inland charges-----	7.8
Freight and insurance to U.S. port of entry-----	17.2
Amount of duty paid-----	35.0
Wharfage and cartage to warehouse-----	2.0
Other charges-----	1.5
Total landed duty-paid cost-----	163.5
United Kingdom:	
Invoice value, f.o.b. factory in U.K-----	100.0
Foreign inland charges-----	.9
Freight and insurance to U.S. port of entry-----	7.3
Amount of duty paid-----	24.2
Wharfage and cartage to warehouse-----	1.3
Other charges-----	.7
Total landed duty-paid cost-----	134.4

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

