

Twenty-second Annual Report

of

The United States Tariff Commission



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UNITED STATES TARIFF COMMISSION

Office: Seventh and E Streets NW., Washington, D. C.

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LETTER OF TRANSMITTAL

UNITED STATES TARIFF COMMISSION,
Washington, December 1, 1938.

SIR: I have the honor to transmit to you the Twenty-second Annual Report of the United States Tariff Commission, in compliance with the provisions of section 332 of the act of Congress approved June 17, 1930.

Respectfully,

RAYMOND B. STEVENS, *Chairman.*

The PRESIDENT OF THE SENATE.

The SPEAKER OF THE HOUSE OF REPRESENTATIVES.

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TWENTY-SECOND ANNUAL REPORT OF THE UNITED STATES TARIFF COMMISSION

INTRODUCTION AND SUMMARY

Since the creation of the Tariff Commission in 1916 its activities have been affected by the changes in the policies which this and other countries have pursued with respect to foreign trade.

When the Tariff Commission published its report on Reciprocity and Commercial Treaties in 1919, it was expected that the war-made controls would rapidly disappear and that the pre-war stability of tariffs would quickly return. Instead post-war dislocations in production, distribution, finance, and currencies persisted for half a dozen years, and the world went through a period of rapid changes in tariffs and trade policies. Quotas and exchange controls were of considerable importance, and whenever trade agreements were made by foreign countries they were for short terms instead of for the long terms prevalent before the war. In this period the United States revised its tariff upward, first in the Emergency Tariff Act of 1921 and second in the Tariff Act of 1922. The latter embodied a section authorizing the Tariff Commission to investigate the differences between costs of production at home and abroad, and investigations under this provision—most of them leading to increases in duties—constituted a large part of the work of the Commission during the 1920's. In this period most of the countries of the world raised their tariffs, Canada being a conspicuous exception.

It was not until the latter half of the 1920's that currencies were stabilized and that tariff rates again became almost the sole restrictions on international commerce. This revived the hope for greater stability in tariffs, but during the depression, which began in 1929, new dislocations of prices and of currencies led to new and more drastic restrictions on commerce. The United States made a general revision of its tariff in 1930 and Canada in 1930 and 1931. France introduced the quota system in 1931. The United Kingdom adopted a comprehensive protective tariff in 1932 and at Ottawa adopted measures giving preference to British products in the British Empire markets. In Germany and other central European countries, in southern and eastern Europe, and in Latin America, licensing systems, exchange controls, clearing and compensation agreements followed in rapid succession. Beginning about 1928 the tariff rates of France moved steadily upward, and the discrimination against non-French products in the French Colonial Empire was increased. India and Ireland embarked on protective tariff policies, the latter from a moderate beginning has been developed into a comprehensive protective system. All of these developments have affected the foreign trade of the United States.

In June 1934 the Congress of the United States passed the Trade Agreements Act, pursuant to which the United States has taken the lead in a movement to reduce barriers to world trade. Under this act 20 agreements have been concluded, 14 of which became effective before the end of 1936. With emergence from the depression in 1936 and 1937 there was some tendency to reduce tariffs by other means and to lessen trade restrictions other than tariffs. This tendency was particularly strong in the case of exchange controls. World trade was perceptibly smaller in 1938 than in 1937, but this decline may be attributed in greater degree to general political and business conditions than to changes in trade barriers. During the year the United States completed several important agreements, including those with Czechoslovakia, Canada, and the United Kingdom. Those with Canada and the United Kingdom were not signed until November 17, 1938, and do not become effective until January 1, 1939.

Except for these agreements, 1938 generally discloses minor adjustments rather than innovations in commercial policy. Many foreign countries have been active in negotiation of trade agreements, including clearing and compensation agreements, but most of the agreements have been continuations of older short-term agreements with relatively small changes. An agreement between the United Kingdom and Ireland, however, terminated a trade war begun in 1932. Early in the year the United States extended to Australia the concessions already made to other countries but which had been withheld from that country because of discrimination against the commerce of the United States; and during the year it made effective, in addition to several limited agreements, two trade agreements of the tariff-reducing type. The trade affected by one of these—that with Czechoslovakia—has already been substantially diminished by territorial changes. Imports from those Sudetan areas formerly a part of Czechoslovakia no longer enjoy reduced rates under trade agreements.

In contrast with 1937, when in several countries the relaxation of exchange control might be noted, in 1938 financial and trading conditions of a number of countries became worse and exchange controls became more strict. Portugal, however, did not revert to the exchange control abandoned in October 1937. But Austria, where exchange control had practically disappeared, was merged with Germany and made subject to complete controls under a very complicated multiple currency system. Several countries have moved from more general clearing agreements to more detailed compensation agreements. The policy of the bilateral balancing of trade appears to have become more widely accepted in fact if not in theory.

Export duties and other restrictions on exports have increased, bounties on production or exportation are more numerous, and trade continues to suffer from the multiplication of regulations relating to sanitation, marking, packing, standardization, and documentary formalities of every sort.

The Oslo agreement among the Scandinavian countries, Belgium, and the Netherlands, an agreement aiming to liberalize trade restrictions, was allowed to expire during the year. Japan intensified her efforts to restrict imports of articles which she can do without and has steadily closed the "open door" in China, the control of her armies being now extended over the whole coast line. Mexico reduced the rates of duty on a very extensive list of products in August 1938,

but few of the reductions exceeded the increases which had become effective about the first of the year, and the depreciation of the peso in the meantime had increased the difficulty of selling foreign goods in Mexico.

Throughout the entire period during which these changes have occurred the primary functions of the Tariff Commission have had to do with the gathering and analysis of information for use in formulating and carrying out the tariff and trade policies of the United States. These functions involve making studies and reports to the Congress and the President on the customs laws of this and other countries and their effects on the trade and industry of the United States (sec. 332 of the act of 1930); the administration of the rate-adjustment provision of the act of 1930 (sec. 336); investigating alleged unfair methods of competition and unfair acts in importation and sale (sec. 337); ascertaining and keeping informed on discrimination by foreign countries against the commerce of the United States (sec. 338); and cooperating with other Government agencies concerned with the country's foreign trade (secs. 334 and 350, particularly cooperating in the administration of the Trade Agreements Act).

In the exercise of its function of assembling and analyzing factual material on subjects relating to tariff and trade policies, the Commission has completed and issued a number of reports during the year. Notable among these are surveys on iron and steel, cutlery products, synthetic resins, and mica. A supplement to an earlier report on colonial tariff policies containing more recent statistical data was also issued under the title "Dominion and Colonial Statistics." A number of other reports are nearing completion and will probably be published shortly. They include reports entitled "Executive Control of Imports in Foreign Countries" and on "Tariff Boards" and also commodity surveys relating to grapes, raisins, and wines, incandescent electric lamps, cherries and cherry products, glues and gelatins, starches and dextrines, and floor and wall tiles.

The reports above referred to are based in large part on the statistical and other data which the Commission continually assembles and analyzes. These data relate primarily to United States trade and industry and to the relation thereto of the tariffs and other trade restrictions of this and other countries. The material thus assembled and analyzed is the principal source of the information which, in the form of letters and memoranda, is supplied to the Congress, the President, other Government agencies, and interdepartmental committees on specific questions relating to the tariff. Much of it is also made available to persons and organizations outside the Government. It is, moreover, used for the revision of summaries of tariff information which the Commission was directed to bring to date by Senate Resolution 334 (72d Cong., 2d sess.). The summaries now being prepared are considerably expanded editions of the former summaries of tariff information prepared to assist Congress in framing the Tariff Acts of 1922 and 1930. During the year work on these summaries has progressed, and the basic work has been completed on about 1,400 of the 2,000 contemplated.

The Commission has continued the practice of issuing from time to time lists of the changes in rates of duty made since the passage of the Tariff Act of 1930, by action under either the cost-of-production

provision of the tariff act or the Trade Agreements Act. The last printed edition of the list was issued in January 1937. On account of the large number of changes in rates since then, particularly those made in trade agreements, there has been widespread demand for information on these changes, and during the past year three supplements to the printed list were issued in multilithed form. The Tariff Commission now plans a new edition which will incorporate all changes to January 1, 1939, including the changes provided for in the British and Canadian trade agreements.

The Commission has also continued the publication of its annual survey on Dyes and Other Synthetic Organic Chemicals in the United States. The compilation of data on production and sales of dyes was originally undertaken at the request of the President in order that he might have the information necessary to carry out the provisions of section 501 of the Revenue Act of 1916. This work continues on an annual basis because of the interest of the Commission and also of the domestic industry in the compilation of these statistics.

The larger part of the Commission's work during the past year under section 336 was that on the investigation of the cost of production of women's and misses' cemented sole boots and shoes. In the course of this investigation, detailed information was obtained regarding the industry both in this country and in Czechoslovakia, the only important source of imports. No report was submitted to the President because in the trade agreement with Czechoslovakia the United States tariff treatment of the product concerned was bound after consideration of the information obtained in this investigation. Other investigations considered during the year related to embroidered wool knit gloves and mittens, and fluorspar, both of which have been dismissed.

A number of inquiries and complaints under section 337 were received by the Commission during the year. In most of these action under the provisions of this section appeared unjustified on the basis of the information submitted, and no formal action was taken by the Commission. Three complaints alleging unfair practices have been filed, and preliminary work has been done, but it has not been decided whether formal investigations are warranted.

The Commission has continued to participate in the work of the Interdepartmental Committee on Philippine Affairs and of the Joint Preparatory Committee on Philippine Affairs. In addition, it has cooperated with the Temporary National Economic Committee and has assisted the National Resources Committee in preparing a survey of the energy resources of the United States.

A large part of the Commission's work during the year, as in the preceding few years, has been accounted for by its activities in connection with the trade agreements program. Several members of the Commission and of the Commission's staff have served on interdepartmental committees set up for the purpose of carrying out that program, and the Commission has supplied these committees with data relevant to all items and aspects of the United States trade with—particularly of United States imports from—countries with which trade agreements were being negotiated or were under consideration.

After an agreement has been completed the Commission has usually issued reports explaining the provisions of the agreement, analyzing the trade with the country concerned, and containing digests of infor-

mation regarding products on which concessions have been granted by the United States in the agreements. A report of this nature was issued during the past year, after the trade agreement with Czechoslovakia, which became effective April 16, 1938. Moreover, during the year all items and features of the very large trade of the United States with the United Kingdom, the British Crown Colonies, Newfoundland, and Canada, as well as of several other countries and territories, have been analyzed by the Commission for the use of the United States negotiators of agreements with these countries. Studies have also been made of the trade of several other countries with which possible trade agreements have been under consideration.

The Commission has given considerable assistance to the Committee for Reciprocity Information. This Committee is made up of representatives of the Departments of State, Treasury, Agriculture, and Commerce, and the Tariff Commission and was set up by the President to receive the statements, both written and oral, of interested parties on any proposed or concluded trade agreement with a foreign country. With the aid of the staff of the Tariff Commission this Committee makes digests of statements and views submitted, and these are supplied to members of the interdepartmental trade agreements organization.

The Commission has also continued its direction of a series of projects under the Works Progress Administration. These have been useful in assembling data regarding foreign trade, both for immediate and future use.

There have been few changes in the organization or personnel of the Commission's staff during the year, although with the approval of the President the professional and technical positions have been placed under civil service. The International Relations Division of the Commission's staff was made a section of the Economics Division, and the former Chief of the International Relations Division was made a special adviser to the Commission on international trade policies.

CURRENT ACTIVITIES

As required by law, the Tariff Commission presents herewith a summary of the reports completed during the year and in addition describes its work in progress.

WORK UNDER SECTION 332—GENERAL POWERS OF THE COMMISSION

SUMMARIES OF REPORTS COMPLETED DURING THE YEAR

Iron and steel.

The recent recovery of the iron and steel industry, resulting in a shortage of raw materials in early 1937, particularly of scrap in certain countries, and the increased activity of international trade, followed by the recession, are developments which make a comprehensive survey of iron and steel of special timeliness. The Commission's survey on this subject, published in August 1938, covers the industries and international trade of the principal producing and trading countries, with particular reference to factors essential to consideration of the tariff. Statistical and other data contained in the report for the most part cover the period extending through 1937, although occasional reference is made to major developments in the first few months of 1938.

In the last decade, economic and political changes have affected the international competitive position of the principal nations producing iron and steel. During 1936 and most of 1937, there was an unusually large world demand for the raw materials and products of the iron and steel industry, arising from revival of business and renewed activity in armaments. World output of pig iron (102 million long tons) and of crude steel (131 million tons) in 1937 was the greatest ever reported.

Among the principal steel-producing nations, the United States and the Soviet Union are the most nearly self-sufficient in raw materials. Germany, Japan, Italy, and, to a lesser extent, the United Kingdom, must import large quantities of iron ore, pig iron, or scrap, and France, Luxemburg, and Italy find it necessary to import coking coal or coke. The increased use of scrap in the present century has brought about major changes in the development of the world iron and steel industries and has made possible the expansion of steel industries in a number of countries not endowed with large reserves of either iron ore or coal.

Beginning with a brief summary of the technology of production, the survey proceeds to a summary of world production and trade. This is followed by factual data respecting the industries in the various producing countries and the import trade of the countries which are important or potential markets for the products of the American iron and steel industry.

Data are included covering the raw materials of the industry and all of the major products—pig iron, semifinished iron and steel (such as blooms and billets) and finished iron and steel (such as plates, shapes, bars, and tin plate). Advanced manufactures, such as machinery, vehicles, and other fabricated products of metal-working industries are not included in the scope of the report.

A substantial part of the survey deals with the United States iron and steel industry, which has a total investment of about 4½ billion dollars. Domestic production of iron and steel increased steadily from 1932 to 1937, and in the latter year this country's steel production accounted for 38 percent of the world total. From 1914 to 1929 the share of the United States in world steel output averaged about 50 percent, but in recent years the expansion of the industry in countries not previously important has been significant. The domestic industry employs over 500,000 workers in periods of very active demand. In 1937 the average hourly earnings of employees in the industry were higher than for many years, and the working week was reduced to 40 hours. On the basis of a 40-hour week and a 50-week year, the average annual earnings of workers in the industry during the first half of 1937 were at the 1923–29 level, but declined considerably during the last few months of the year. The annual rate of corporate earnings (net income available for dividends in relation to net equity) declined from 11 percent in 1929 to deficits in 1931–34 followed by a recovery to 6.7 percent in 1937.

The United States is on a strong export basis for steel products taken as a whole, but for certain specialties made of tool and fine steel it usually has been on an import basis. Imports of tonnage steel are consumed for the most part in seaboard markets where to a limited extent they compete with the corresponding domestic products. On the whole, imports of iron and steel products supply barely 1 percent of domestic requirements, whereas usually 5 percent of the output is exported. In 1937 the proportion exported was 6.4 percent. The armament programs abroad caused a very large export trade in that year, shipments to Japan and the United Kingdom showing marked expansion.

Exports of pig iron in 1937 amounted to 780,000 tons valued at \$19,000,000. In that year Japan took more than half of our exports, and the United Kingdom somewhat less than one-third. Exports of iron and steel scrap reached a new high level in 1937 when they amounted to 4,000,000 tons valued at \$76,000,000. Japan took nearly one-half of the total quantity exported, the United Kingdom about one-fifth, and Italy slightly less than one-tenth. Exports of semifinished and finished iron and steel products more than doubled from 1936 to 1937, amounting to about 2,700,000 tons valued at \$201,000,000 in the latter year. Japan and Canada were the two outstanding markets for our exports of semifinished and finished iron and steel products in 1937, Japan taking 470,000 tons and Canada 451,000 tons. Mexico was the third largest market, shipments there amounting to 151,000 tons. Exports to the United Kingdom, which was the fourth largest market, increased sharply in 1937 to 145,000 tons.

Imports of pig iron in 1937 were somewhat below the usual volume, amounting to 112,000 tons valued at \$1,700,000. As in previous years, India and the Netherlands were the principal factors in the trade. Imports of iron and steel scrap, which have been much less

than exports in recent years, amounted to less than 100,000 tons in 1937. Canada has long been the outstanding source of such imports. In 1937 imports of semifinished and finished products amounted to about 290,000 tons valued at \$19,000,000. In terms of value, Germany, Sweden, Belgium-Luxemburg, France, and the United Kingdom are the most important foreign suppliers, usually in the order named.

The report treats transportation problems at some length, indicating the effect of transportation costs on plant location and also upon international trade, particularly the penetration of foreign steel to interior markets of the United States.

The maintenance of price stability and of uniform prices between the various producers in the United States has long been associated with the basing point system of price quotations. Under the multiple basing point system, which has been in effect since 1924, delivered prices on iron and steel products are quoted f. o. b. basing point plus rail freight from the basing point to destination regardless of the actual freight from the supplying mill to destination. The supplying mill is not necessarily located at a basing point, and water or truck transportation is sometimes employed in lieu of rail haulage. This system appeared to be undergoing a radical change beginning in June 1938, when the leading steel producers eliminated or greatly reduced the price differentials over the Pittsburgh base which had previously existed at such important basing points as Chicago and Birmingham.

An entire chapter of the survey has been devoted to the subject of prices and price policies of the iron and steel industry of the United States and of important foreign producing countries. The study indicates that in periods of inactive demand, prices of iron and steel in the United States have shown remarkable stability compared with those of most other commodities. In June 1938, however, sharp price reductions on a number of products were made by the leading domestic producers; these reductions, together with those ensuing from changes in basing point policy announced at the same time, resulted in substantially lower delivered prices.

The report deals at some length with the subject of international cartels. This form of trade association predominates in Europe where about five-sixths of the world export trade in iron and steel products is controlled by cartels and associated organizations. The main purpose of these organizations is to control export prices in order to prevent excessive competition in world markets. Export prices usually are lower than internal prices and vary from market to market, depending on the competitive situation. Attempts have been made by the International Steel Cartel to secure the cooperation of United States producers and exporters in maintaining price stability in foreign markets.

Aside from duties, the United States has no direct restrictions on imports of iron and steel, such as quotas, exchange controls, and miscellaneous taxes, frequently employed in foreign countries. Although the general trend abroad since 1929 has been in the direction of increasing import restrictions, these policies have been changed from time to time to suit the needs of the moment. For example, certain foreign countries in 1937, because of their urgent need for iron and steel, temporarily relaxed their import restrictions. In contrast, during the entire last decade and longer, the tariff policy of the

United States with respect to iron and steel has remained fairly stable. The most recent major changes were the lowering of certain of our duties in the trade agreements with Belgium-Luxemburg and Sweden.

In view of Japan's urgent need for iron and steel, imports, with the exception of a few products, are temporarily permitted free entry. In Canada, which is normally our most important export market for iron and steel, and in other important dominion markets, our exports are at a tariff disadvantage with British products. In some of the British dominions the rates on finished steel are considerably greater on imports from the United States and other non-British countries than on corresponding products from the United Kingdom. To encourage import trade in rolled iron and steel products, the United Kingdom twice reduced its duties in 1937 but rescinded the second reduction in April 1938. The rates of duty on iron and steel are generally high in our important South American markets and in Australia but are moderate in most other export markets. The United States enjoys substantial tariff preference on iron and steel products exported to Cuba and to the Philippines, and in other importing countries, with the exceptions noted above, is on an equal tariff basis with other exporting countries. But in a few foreign markets quantitative restrictions, such as exchange controls, operate to the disadvantage of United States exporters. The United States has obtained a number of concessions in rates of duty on iron and steel products through recently negotiated trade agreements with other countries.

Cutlery products.

During the year the Commission issued two parts of a general survey of the cutlery industries of the United States, Germany, and Great Britain. The first of these, entitled "Cutlery Products," covers cutlery in general and is in printed form; the second is on pocket cutlery and is in multilithed form. These reports, the first comprehensive appraisals of the economics of cutlery to be published in the United States, embody the results of investigation in the three countries in compliance with Senate Resolution 246 of the Seventy-second Congress.

The cutlery industry of the United States consists of approximately 145 concerns, giving employment to about 11,000 workers. Their output in 1935 was valued at \$43,000,000, of which about half consisted of safety razors and blades. Cutlery factories are located for the most part in small communities in the New England States, New York, Pennsylvania, and Ohio.

Although total imports of cutlery increased from \$575,000 in 1935 to \$730,000 in 1937, they are small in relation to what domestic production and imports amounted to during the early and middle twenties. At the present time, imports are confined largely to the products of those manufacturers in Germany, England, and Denmark, who are able to sell on a prestige basis; to specialties the demand for which is small in the United States from Germany, France, Sweden, and Finland; and to very low-priced pocketknives from Japan, of a grade not produced in this country.

Exports of cutlery products from the United States, of which the most important single item is safety razors and blades, amounted to \$2,000,000 in 1935 and to \$3,000,000 in 1937 in comparison with

\$10,000,000 to \$13,000,000 during the middle twenties. Our export markets are principally in the Americas.

The structure of the United States tariff on cutlery is complicated. The average ad valorem equivalent of the duties collected on all imports of cutlery was about 73 percent in 1936, but on certain lines, the equivalent of the duty was much higher.

The pocketknife industry in the United States, whose output declined in value from nearly \$10,000,000 in 1919 to \$2,000,000 in 1933, has been affected by (1) declining consumption resulting from changes in occupational and recreational habits, (2) excess capacity resulting from diversion of wartime plant expansion to peacetime applications, (3) a multiplicity of patterns, many of which are in small demand, and (4) competition between high-grade knives and hot-forged blades and less expensive knives whose blades are not forged.

Imports, which ranged from \$700,000 to \$1,000,000 before the World War, amounted to only \$500,000 in 1923, the year following tariff revision, and declined steadily to a minimum of \$26,000 in 1933. This trend has been accompanied by concentration in the high and low value groups. Germany and Great Britain are the principal foreign sources of high-grade knives, and since 1933 Japan has displaced Germany as a source of very cheap knives.

The tariff on pocket cutlery, which has undergone little change since passage of the Tariff Act of 1922, consists of six compound rates, depending on the value of the merchandise, supplemented by rates on parts and assemblies. Since 1922, the aggregate duty paid on imports has been equivalent to more than 100 percent ad valorem.

Imports from Germany have been strongly affected by dollar devaluation because of the resulting increase in the exchange value of the reichsmark. In general this increase has been sufficient to shift the value of pocketknives from one bracket to another with a higher rate of duty. As a result, many of the less expensive knives from Germany have been displaced in the United States market by domestic blanked blade knives, and the cheapest German knives have been displaced largely by imports from Japan.

Synthetic resins and their raw materials.

In response to widespread interest the Commission has issued a survey on synthetic resins and the raw materials used in their production.

Synthetic resins were commercially unimportant before the World War. Since then production has advanced rapidly, and such resins are now used in many products—automobiles, furniture, wall panels, builders' hardware, electrical fixtures, surface coatings, adhesives, bottle closures, jewelry, and miscellaneous objects. The automobile industry, probably the largest single consumer, uses resins in the fabrication of laminated silent gears, molded parts, and finishing lacquers. New and improved types of varnishes, lacquers, and enamels have been produced by their use. For decorative purposes resins are rapidly finding new applications. Panels of laminated resins are widely used in store fronts, lobbies of hotels, and large buildings, such as the annex to the Library of Congress which is paneled in part with this material.

Tar-acid resins.—These resins are produced by the action of formaldehyde on phenol or other tar acids. The first to be developed, they still lead in the quantity manufactured. In 1937 the domestic

output of tar-acid resins was 79,845,000 pounds. Sales were 73,546,000 pounds valued at 19 cents per pound. Imports are less than 20,000 pounds annually, and moderate quantities of certain types are exported. The public is most familiar with tar-acid resins in the form of molded products, but they are also cast, laminated (as in the decorative paneling mentioned), and used in surface coatings and adhesives.

Alkyd resins.—Alkyd resins are made from a polyhydric alcohol, such as glycerin, and a dibasic organic acid or anhydride, such as phthalic anhydride. These resins are used mostly in surface coatings and have made possible new types of paints, varnishes, lacquers, and enamels. Production increased from about 10 million pounds in 1933 to more than 61 million pounds in 1937. There are no recorded imports, but substantial quantities are exported.

Urea resins.—This series of resins, made from urea and formaldehyde, are characterized by brilliancy and depth of color. They are used chiefly in molded articles, such as lighting equipment, containers and closures, and tableware. United States production in 1935 was over 4 million pounds, and it increased substantially in each of the 2 following years. United States foreign trade in these resins is negligible.

Acrylate resins.—The acrylate resins, produced from acrylic acid and methacrylic acid derivatives, are characterized by colorless transparency, stability against aging, and thermoplasticity. They are used chiefly in cast and molded products, such as airplane cockpit windows and molded reflectors for indirect highway lighting. Commercial production began in the United States in 1937 and is already substantial. Imports and exports are of little importance.

Coumarone and indene resins.—The coumarone and indene resins are made from a mixture of coumarone and indene obtained from certain solvent naphtha fractions. They are used to a large extent in surface coatings for metal and wood. Statistics of domestic production cannot be shown without disclosing the operations of individual companies. There are no recorded imports in recent years and exports are small.

Petroleum resins.—The petroleum resins, made from certain distillates of petroleum cracking, are of growing commercial importance. They are among the cheapest resins and are used in surface coatings and similar preparations. So few companies make these resins that production data cannot be published. Trade is probably negligible.

Polystyrene resins.—The polystyrene resins are made from ethyl benzene. Production on a commercial scale in the United States began late in 1937, and at present domestic plants have a capacity in excess of 2,000,000 pounds per year. They have exceptional electrical characteristics and strength. United States foreign trade in these resins is negligible.

Vinyl resins.—The vinyl resins are made from vinyl acetate and vinyl chloride. At present the largest use is in plastic sheets used in the manufacture of safety glass. In 1935 the domestic output of vinyl resins exceeded 1 million pounds, and new plants built in 1938 further increased productive capacity. It has increased greatly since

then. Since 1935 imports have exceeded 500,000 pounds annually; exports are probably small.

Foreign production of resins.—Large-scale foreign production of synthetic resins is confined principally to Germany and Great Britain. There is small production in many other countries, of which the most important are France, Italy, Czechoslovakia, Canada, and Japan. The estimated production in Germany in 1937 was about 100 million pounds; the output in the United Kingdom in 1935 was 41 million pounds.

Raw materials used in the industry.—The survey also gives detailed statistical, technical, and economic information on the principal raw materials for synthetic resins. The commodities included are: Naphthalene, phthalic anhydride, glycerin, tar acids, formaldehyde, hexamethylenetetramine, furfural, urea, and vinyl acetate.

The mica industry.

The United States, though it produces a large amount of scrap mica, is dependent in very large degree on imports for its supply of the better grades of mica, essential for many purposes in electrical equipment.

The Commission's survey on industry and trade in the various forms of mica devotes considerable space to explaining the functions of mica in such familiar appliances as electric generators, motors, radios, spark plugs, flatirons, and toasters. In the most important of these—generators, motors, and radios—sheet mica is practically indispensable, so that a dependable source of supply is of great importance. It is one of the 21 commodities on the list of strategic materials set apart by the War and Navy Department for special consideration. The United States has none of the two most important types of mica, the thin splittings from which built-up insulation board and cloth are made, and the superfine sheet used for radio condensers and airplane spark plug insulation. The domestic supply of the next best quality, that required for radio tube bridges, is also small. These three types constitute fully 85 percent of the country's consumption of mica sheet. All industrial nations, except possibly the Soviet Union, are practically dependent upon British India for their supply of these kinds of mica. From present indications all of the other mica-producing countries combined could not furnish more than about 40 percent of the world requirements. The principal of these other producing countries are the United States, Madagascar, Canada, Brazil, Argentina, and Tanganyika.

Of less perfect grades of sheet mica, commonly known to the trade as "electric mica," constituting some 15 or 20 percent of the total domestic consumption of sheet mica, the United States generally supplies about 75 percent of its needs.

The survey includes statistics of production, imports, and exports of mica and mica manufactures. It also gives information on mica deposits in the United States and in many other countries, and describes the operations of mining, grading, splitting, and fabricating sheet mica. The international status of the mica trade and the influence of tariffs are fully discussed. Some technical features of the industry, descriptions of mica deposits of secondary importance, and the United States tariff provisions for mica and those of several foreign countries are shown.

A section of the survey is devoted to a study of the scrap and ground mica industry, which is peculiar to the United States, although the relation between this and the sheet mica industry is slight. The total income derived from producing and treating scrap and ground mica in the United States is today greater than the income derived from producing domestic sheet mica, but technically the two classes of products are not in any way comparable. There is in all mica-producing countries an abundance of mica scrap obtained in mining and trimming sheet mica, and additional scrap mica is obtained from mica schists, and from mica in clays, though the recovery of the product from these latter sources is regularly carried on only in this country. However, in South Africa some scrap mica is mined, and in India some scrap is saved or recovered for export to the United States. Probably 95 percent of the scrap mica ground throughout the world to a white greasy-feeling powder is so ground in the United States. The uses of ground mica are entirely nonelectric, being chiefly in prepared roofing (to prevent sticking when rolled), in wallpaper (for decorative purposes), in rubber goods (for molding and vulcanizing), and in paint. The survey stresses the fact that scrap mica and its sole product, ground mica, are not strategic materials and that their production is but slightly related to that of sheet. The reported production of scrap mica does not indicate a corresponding production, actual or potential, of sheet.

When the survey of the mica industry was just about to go to press, the invention of a new product similar to or identical with mica in its most important electrical properties, was announced by the Massachusetts Institute of Technology. The product, or the method of making it, is patented by the Massachusetts Institute of Technology, and some of the patent rights, as well as the rights to develop and exploit this new product, have been assigned to the Research Corporation of New York. The Commission has obtained some details concerning the development from the Research Corporation, and while it may be many months or even several years before its full significance is known, it appears from the high technical value and the low indicated cost of this artificial mica (if such it may be called), that the invention may be of considerable importance. If successful from both a technical and financial standpoint, many of the economic features of the mica industry as recorded in the survey will be altered, especially the international significance and the status of mica as a strategic material, because the colloidal clays from which the new product can be made occur plentifully in nearly all parts of the world. A statement of the process, authorized by the inventor, Dr. Ernst A. Hauser, professor of chemistry at the Massachusetts Institute of Technology, and by Mr. Carroll Wilson, Boston representative of the Research Corporation, for use by the Commission, appears in the preface to the survey.

Dyes and other synthetic organic chemicals in the United States, 1937.

The Commission's report on the production and sales of dyes and other synthetic organic chemicals is its twenty-first annual survey of dyes and other coal-tar chemicals, and its seventeenth of synthetic organic chemicals not of coal-tar origin. The first census of production was taken in 1917 at the request of the President in order that he might have adequate information to carry out the provision of

section 501 of the Revenue Act of 1916. After the termination of that provision by the Emergency Tariff Act of 1921, the Commission, under its general powers, continued the collection and publication of such detailed statistics, primarily to keep the Congress informed on the progress of the very complex synthetic organic chemical industry, and secondarily to make available to the public information of interest to the industry.

The data contained in the census are compiled from reports by the individual producers of their production by quantity, and sales by quantity and value. In many cases production and sales figures differ considerably because of changes in inventories and consumption of part of the output by producing companies.

Production and sales by quantity and value of all general groups of products were larger in 1937 than in the preceding year and for the most part represented record highs. The domestic output of 603,053,000 gallons of coal tar was almost 8 percent above that in the preceding year. The value of sales of coal tar per gallon was 4.8 cents in 1937 as compared with 4.3 cents in 1936. Only part, 424,022,000 gallons, of the coal tar produced was distilled and of this, 88,588,000 gallons were distilled by the same concerns as produced the tar in coking operations; the remaining 335,434,000 gallons were purchased by coal-tar distilling concerns. Virtually all crude products distilled from tar were produced in larger quantities in 1937 than in the previous year. The output of crude naphthalene was 115,979,000 pounds as compared with 89,536,000 pounds in 1936. Increasing demand for tar acids, especially as raw materials for synthetic resins, resulted in substantial increases in the production and sales of crude tar acids such as the cresols and cresylic acid.

The peak production of 575,893,000 pounds of coal-tar intermediates represented an increase of 13 percent over 1936. Outstanding were increases of 35 percent in the production of phenol and of 45 percent in the output of phthalic anhydride, both widely used in the synthetic resin industry.

The output of 122,245,000 pounds of coal-tar dyes was 2.3 percent greater than in 1936. Sales increased less than 1 percent in quantity and slightly more than 1 percent in value. Sales of classified dyes decreased slightly, while sales of new and unclassified dyes increased. Synthetic indigo increased slightly in production; sales declined somewhat in quantity but increased in value per pound from 16 cents in 1936 to 17 cents in 1937. The output of 13,615,000 pounds of sulphur black was 7 percent less than in 1936.

Organic color lakes and toners increased 17 percent in production and sales increased 12 percent in quantity and 16 percent in value in 1937 as compared with 1936.

The output and sale of synthetic organic medicinals in 1937 were higher than in 1936. Sales of those of coal-tar origin were valued at \$11,496,000 and those not derived from coal tar at \$2,408,000. The 5,144,000 pounds of aspirin sold in 1937 represented an increase of 25 percent over 1936. Sales of sulfanilimide, recently introduced to combat streptococcus infections, and a minor item in 1936, amounted to 267,104 pounds valued at \$1,322,412 in 1937. Among the outstanding changes in medicinals were sharp price reductions in the arsphenamines and the several medicinal dyes, a 100-percent increase in production of amino acetic acid, and 200-percent increase in the

output of mandelic acid and salts, and a further decline in production and sales of certain barbituric acid derivatives.

Production of flavors and perfume materials derived from coal tar increased 25 percent in 1937. Those not of coal-tar origin also increased appreciably.

The record output of more than 160,000,000 pounds of synthetic resins in 1937 was 23 percent above that in 1936. Non-coal-tar resins increased 35 percent, alkyd resins 30 percent, and tar-acid resins 15 percent.

Synthetic organic chemicals used in rubber products were produced in somewhat smaller quantities in 1937, primarily because of a smaller output of accelerators. Among the miscellaneous coal-tar products, the outstanding increase was in the production of the phthalates, which was up 47 percent over 1936.

The record output of 2,505,000,000 pounds of non-coal-tar synthetics in 1937 was 24 percent more than in 1936. Production of acetic anhydride increased 30 percent, and of synthetic acetic acid more than 30 percent. The output of acetone was up 31 percent, of butyl alcohol 65 percent, and of carbon tetrachloride 23 percent. In 1937 the production of ethyl acetate was down 5 percent, and of isopropyl alcohol 6 percent.

Acetic acid and derivatives.

Acetic acid and its derivatives have become of increasing importance in recent years, and methods of production have changed. The basic reasons for these changes have been the development of industries such as rayon, plastics, and motion picture films where acetic acid and derivatives are used as raw materials. Because of these changing conditions and consequent widespread interest therein, the Commission has issued a press release which relates primarily to United States production by different processes and trade in these materials.

The domestic production of acetic acid and derivatives increased from 99 million pounds in 1927 to 177 million pounds in 1937. In this period the output from hardwood distillation declined from 90 percent of the total to 29 percent, accompanied by a material change from the calcium acetate process to direct recovery methods. High-strength synthetic acid produced from calcium carbide or hydrocarbon gases now accounts for the major part of the total. Imports consist mainly of high-strength synthetic acid from Canada and in recent years, prior to 1938, averaged about 30 million pounds annually.

The trade agreement with Czechoslovakia.

It is the practice of the Commission, as soon as practicable after the consummation of each important trade agreement made by the United States pursuant to the Trade Agreements Act of 1934, to issue a report summarizing the provisions of the agreement. In conformity with this practice a report was issued on June 1, 1938, entitled "Trade Agreement Between the United States and the Czechoslovak Republic."

The introduction to the report gives a detailed analysis of the agreement, which became effective April 16, 1938, and shows the different types of concessions in tariff and customs treatment granted by the two countries, and the total volume of the United States trade affected. It also discusses the trade relations between the United States and

Czechoslovakia in recent years and outlines the conditions leading up to the present agreement. It is pointed out that United States imports from Czechoslovakia in 1937 amounted to \$35,700,000 and that the trade agreement covers commodities which accounted for \$19,500,000 of that total. Czechoslovakia reported purchases from the United States valued at \$38,900,000 in 1937 and concessions granted to the United States are estimated to cover 90 percent of the value of commodities entering into that trade.

Concessions granted by Czechoslovakia on United States products take several forms, such as duty reductions, duty bindings, quota allotments, and others. Some of the more important duty reductions were obtained on agricultural products such as apples, pears, raisins, apricots, and other fresh, dried, and canned fruits, and on such industrial products as mineral oils, automobiles, tractors, motorcycles, electric refrigerators, and office machinery and equipment.

The concession on lard is of particular importance. United States lard has suffered greatly in recent years in the Czechoslovak market because of special advantages accorded to lard of other origin. Czechoslovakia has fostered the importation of live hogs, and Czechoslovak capital has been employed to construct lard-rendering plants in neighboring countries. Not only has the United States had a diminished share of the Czechoslovak market for lard, but the size of the market itself has been materially reduced by the increased substitution of margarine, the production of which is now an important Czechoslovak industry. In these circumstances a return to the previous conditions of trade is not likely, but the United States has obtained a quota for lard equivalent to 35 percent of Czechoslovak imports of lard from all countries, with a minimum allotment of not less than 5,600 metric tons. This amount is several times as much as the United States has supplied to Czechoslovakia in recent years.

An annual quota has also been obtained for American automobiles about four times as large as the number for which Czechoslovakia has issued import permits in recent years, and, to facilitate the filling of this quota, the very high rates of duty in the Czechoslovak tariff have been reduced by about one-third.

The main body of the report consists of digests of trade data for all commodities on which the United States made tariff concessions in the agreement. These digests show for each commodity the old and new rates of duty, data for domestic production, imports and exports, and other factors affecting market competition. The material utilized was drawn from a large volume of information made available by the Tariff Commission to those having the trade agreements program in charge. The digests relate only to those commodities on which concessions were made; a large number of other items were considered prior to and during the negotiations but no action was taken on them.

The United States has granted concessions to Czechoslovakia on about 48 commodities, the most important of which are shoes, gloves, linen manufactures, glassware, hops, imitation precious stones, and novelty goods of various types. All of these concessions take the form of simple duty reductions or the binding of present rates against increase, except that the concession on leather footwear is limited by a special safeguarding provision. Action was taken on the following four classes of leather footwear: (1) McKay sewed

boots and shoes, (2) molded sole sandals, (3) footwear with fabric uppers and leather soles, and (4) other leather footwear except moccasins and footwear made by the welt and turned process. Rates of duty are reduced on the first three classes and bound against increase at 20 percent on the fourth class, which consists principally of cement-soled shoes. That action was accompanied by a provision for consultation between the Governments of the United States and Czechoslovakia should imports from all sources of the footwear covered by the agreement in any 1 year exceed $1\frac{1}{4}$ percent of the average annual United States production of boots, shoes, and slippers other than rubber for the preceding 5 years as reported by the Bureau of the Census. If satisfactory arrangements are not effected through consultation, the United States reserves the right to increase the rates of duty on imports in excess of this quantity.

Imports in 1937 of the class on which the rate is bound constituted over 80 percent of total imports of leather footwear from Czechoslovakia and 75 percent of total imports from all sources combined. This class of footwear consists mostly of shoes with cemented soles.

An appendix to the report on the Czechoslovak agreement contains the complete text of the agreement, together with the various protocols and notes exchanged by the two Governments.

Commodity packaging study.

Information on current practices in the packaging of more than a thousand commodities that move in domestic and international trade is summarized in a report entitled "Commodity Packaging Data," issued in January 1938. The information was obtained from several hundred domestic manufacturers and importers for use primarily by the Tariff Commission, but the summarized data, which deal with the descriptions of inner and outer containers, their size, volume, and weight, are of value, as reference material, to shippers and carriers, Federal agencies, and State commissions, and other groups interested in the transportation and physical distribution of goods.

Identical containers entering the United States packed with different commodities pay varying tariff duties or no duties, according to whether the articles contained are dutiable at specific, ad valorem, or compound rates, or are entered free. The duties assessed on some commodities depend upon the type and size of the containers in which the articles are imported. The information presented in this study is of value in examining the interrelations of packaging factors and United States tariff provisions, and in the interpretation of tariffs of foreign countries which assess duties on gross or net weight, make segregations by weight, or establish weight and packing limitations.

Many commodities are imported and exported in containers of heavier construction than is necessary for domestic shipments of the same goods. The greater gross weight of such shipments results in increased transportation costs which can be calculated through the use of packaging information of the kind compiled in this study. The data also permit the calculations of transportation costs per pound of net weight of articles.

For individual commodities the data shown are: The kinds of outer containers, the kinds and number of inner containers, and the types of packing materials commonly used for domestic shipments and for

comparable import or export shipments, the gross weight of packages ready for shipment, the net weight of goods; the tare weight of outer containers, the cubic space occupied by outer containers in a transportation vehicle or storage warehouse, and the factors of density (weight per cubic foot) and stowage (cubic feet per 2,240 pounds) of each package.

The material was listed, tabulated, and reproduced by W. P. A. workers at Richmond, Va., after being reviewed by members of the Commission's research staff.

Dominion and colonial statistics.

A report entitled "Dominion and Colonial Statistics" supplements certain statistical data published by the Commission in 1922 in the introduction and summary of the report on colonial tariff policies. The data relate to the British dominions and the world's dependencies (colonies, protectorates, and mandates) which had 42 percent of the area of the world, 32 percent of its population, and in 1933, 22 percent of its trade, compared with only 16 percent of the world trade in 1913. For colonial empires and for the different dominions and dependencies figures are given showing area, population, density of population, imports, exports, and total foreign trade per capita. Trade with their respective mother countries and with the United States has been tabulated. Some of the tables show the development of trade by selected years starting with 1900 or 1903.

Trade between mother countries and dominions and dependencies has become increasingly important. In 1900, only 1.1 percent of imports into the United States were derived from its dependencies (the Philippines, Puerto Rico, and American Samoa), but this percentage (now including imports from the Virgin Islands) grew to 11 percent in 1932 and in 1935 was 9.1 percent. In 1900 only 0.6 percent of United States exports went to dependencies; in 1935, 5.6 percent. In general the dominions and dependencies take larger shares of the exports of the mother countries than they supply of their imports. The United States, however, is an exception, as is shown by the foregoing figures.

United States trade with the dominions and dependencies of other countries has also grown faster than the country's total foreign trade. From 1900 to 1935 United States imports from Canada grew from 4.6 percent of total imports to 14 percent and imports from all other dominions and dependencies from 12.3 percent to 17.7 percent of the total, so that in 1935 the dominions and dependencies of the world supplied nearly 41 percent of total United States imports. Part of this increase, however, may be explained by the direct importation of rubber from colonial ports instead of transshipments through Europe. In 1913, for example, four times as much rubber was imported from Europe as from the tropical dependencies, but in 1935 practically all United States imports of rubber came direct from colonial ports.

The chief products for which the world depends primarily upon the dominions and dependencies are products such as rubber, tin, wool, coconut products, cocoa, diamonds, goatskins, tea, spices, and palm oil. Imports of these and of other colonial products into the United States are shown for selected years, by sources. Over several decades imports of these colonial commodities from all sources, including independent countries, have remained close to 18 percent of total United States imports, and in 1935 were valued at \$377,500,000.

Changes in import duties.

There has been an increasing interest on the part of the general public in information concerning changes in rates of duty. During the past year the Commission issued three new supplements to the third edition of the printed pamphlet issued in January 1937 containing such information.

The Commission's publication entitled "Changes in Import Duties Since the Passage of the Tariff Act of 1930," and the supplements thereto used in conjunction with the tariff law make it possible to readily ascertain an existing rate of duty on an imported article. They also give up-to-date information on current import excise taxes which have the general effect of tariff rates.

Current trends in imports.

Imports into the United States reached a high of 839 million dollars in the second quarter of 1937 and declined rapidly thereafter. In the first 3 months of 1938 total imports were valued at 493 million dollars, or substantially less than in any quarter in 1936 or 1937. Because of the interest attached to this sharp drop in foreign trade, the Commission issued a special study of quarterly trends in imports, exports, and domestic production during 1936, 1937, and the first 3 months of 1938.

Both domestic production and imports reached recovery peaks in the second quarter of 1937, and in the subsequent decline imports fell more rapidly than domestic output. In contrast, exports reached a peak in the final quarter of 1937 and in the first 3 months of 1938 were still substantially above previous levels. General business conditions were probably the principal factor in the smaller volume of imports, but the marked drop in agricultural imports, which had been entered in large quantities as a result of drought conditions in the United States in 1936, was also a factor.

In 1936, 57 percent of all imports were duty-free; in 1937, 74 percent were free. In the decline which took place in the first quarter of 1938, the drop in dutiable imports was proportionately larger than that in the duty-free. Leading dutiable commodities in which the trade declined were corn; cane sugar from Cuba; wheat; diamonds, cut but unset; flaxseed; barley; and nickel. The principal duty-free commodities in which there was a marked drop in imports were tin; coffee; cocoa beans; raw silk; undressed lamb, kid, and sheep- and goat-skin furs; standard newsprint papers; crude rubber; and carpet wool.

The sharp decline in trade resulted in marked changes in imports from the leading supplier countries. The greatest losses occurred in the trade with Argentina, China, the United Kingdom, Canada, and Japan. Imports from the Philippine Islands and from Brazil showed relatively small declines.

Detailed statistics of imports by quarters for 187 selected commodities, each of which accounted for more than one-half of 1 percent of the total value of imports in 1936 and 1937, were published in tabular form. Of these, 81 were free and represented more than 80 percent of total duty-free imports and 106 dutiable and represented more than 60 percent of total entries subject to duty.

United States imports from Canada.

In response to numerous requests the Commission issued a tabulation showing imports in 1937, in total and from Canada, of commodities listed for possible concessions by the United States in the negotiation of a new trade agreement with Canada. This tabulation also shows the rate of duty for each item under the Tariff Act of 1930 before and after the present trade agreement became effective on January 1, 1936.

Rules of practice and procedure.

Pursuant to provisions in the Federal Register Act the Commission prepared a codification of its rules for inclusion in the document, to be issued by the National Archives, entitled "Code of Federal Regulations." A reprint of the rules in the new form will be issued in the near future.

WORK IN PROGRESS**SUMMARIES OF TARIFF INFORMATION**

The Tariff Commission was directed by the Senate (S. Res. 334, 72d Cong., 2d sess., January 1933) to revise the summaries of tariff information prepared and published in 1929 for the use of Congress. These earlier summaries, each covering a single commodity or group of related commodities, gave information on United States tariff treatment and uses of the goods, production, import and export statistics, and a statement regarding conditions of competition. The Senate resolution of January 1933 requested information on "(a) The character of production, of imports, and of exports of the United States and the production in foreign countries of articles or types and grades of articles not exported to the United States or so exported only in minor quantities with the reasons therefor; (b) advantages and disadvantages affecting the sale of domestic and foreign production in the markets of the United States and in important foreign markets; (c) concentration of control in foreign and domestic industries; and (d) other tariff problems including those arising from the use of substitute articles * * *." The summaries now being prepared in response to this resolution are much more comprehensive than those formerly published and contain, in addition to the data specifically requested by the Senate, information on the rapidly changing conditions of recent years.

The basic information on more than 1,400 of the 2,000 summaries contemplated has been compiled, although these and others on which the major work is still in progress are continually being brought to date as the need arises and as the pressure of other work permits.

Individual summaries vary in length from a few pages to over 100 typewritten pages, according to the importance of the commodity, the tariff problems involved, and other factors. Much of the information incorporated in the summaries is obtained from the trade through correspondence and by field work.

The summaries of tariff information have served several important uses. They have been freely drawn upon by the Commission and by interdepartmental committees working on trade agreements and upon request are supplied to other Government agencies seeking information on particular commodities. The compilation of data which the

summaries represent, moreover, has facilitated the work of the Commission in answering inquiries concerning import problems from Members of Congress, the trade, and others.

The Commission has not published the summaries as such, but much of the material gathered for them has been and will continue to be made available in the form of trade digests and commodity surveys discussed in detail elsewhere in this report.

COMMODITY SURVEYS

The program of work on commodity surveys, undertaken by the Commission in 1936, has resulted in the publication of seven reports. Others are rapidly nearing completion.

Each survey presents factual information concerning related groups of products, with the emphasis on conditions of competition between domestic and imported products and on tariff problems. Because a change in a given rate of duty frequently affects the trade and competitive status of several commodities besides the one to which the rate applies, the Commission has attempted in the surveys to furnish adequate information for appraising tariff problems by showing the interrelations of commodities in production, trade, and utilization. In addition to statistical data on production and trade and an interpretation of such data, the surveys discuss such topics as international cartels, prices, transportation costs, and export subsidies. A great deal of the material incorporated in the surveys is obtained by direct contact of members of the Commission's staff with the trade.

Three surveys—on chemical nitrogen, flat glass, and sodium sulphate—were published in 1937, and their contents were summarized in the annual report of the Commission for that year. Four more, dealing with iron and steel, mica, synthetic resins, and cutlery products, have been issued this year; the scope of each is discussed elsewhere in this report.

A number of other surveys are far advanced and are expected to be published shortly; these relate to grapes, raisins, and wines; incandescent electric lamps; cherries and cherry products; glues and gelatins; starches and dextrines; and floor and wall tiles. Work is in progress on various other groups of products and reports on some of them may be issued during the coming year.

Grapes, raisins, and wines.

The severe disturbances in the market for grapes and grape products which have occurred in the post-war period have rendered appropriate a special study of these products. A report now nearing completion gives special emphasis to the interrelated problems of growers and processors, particularly in those countries, such as the United States, where the raisin and wine industries provide the more important outlets for grapes.

About 84 percent of a world production of approximately 45 million tons of grapes is utilized in the manufacture of wines, only a small proportion of which enters foreign trade. About 6 percent is used for drying into raisins and currants. The countries which do drying are few, however, and they export a high percentage of their production. About 10 percent of world production of grapes is marketed fresh, and exports from most producing countries have expanded significantly in recent years. Production of grapes in the

United States, about 2.5 million tons in 1935 mostly in California, is more evenly distributed in utilization. In 1935 about 38 percent of the commercial production was made directly into wines, 33 percent was dried into raisins, and 29 percent was marketed fresh. However, it is estimated that about half of the grapes marketed fresh were destined for use in home production of wine. The proportion of grape production utilized for any particular product varies considerably from year to year, because grapes, although grown with special uses in mind, can be shifted to other uses when harvested. In discussing the general aspects of the several industries stress is laid on the role played by these shifts in utilization, particularly in the United States where the unsettled conditions created by prohibition and repeal and the surplus production of raisins after 1921 greatly increased the diversion of grapes to other uses. The importance of shifts in utilization is also shown in the analysis given of relative prices of table, raisin, and wine varieties since 1909.

The later sections of the reports deal separately with (a) table grapes, (b) raisins and currants, and (c) wines and brandies.

Exports of fresh grapes for table use, most of which go to Canada and the United Kingdom, exceed imports considerably. Imports constitute only a small proportion of domestic consumption and now consist almost wholly of out-of-season grapes from South America.

The United States is of particular importance in the trade in raisins. Three other grape-growing countries—Turkey, Greece, and Australia—produce raisins in large volume for export. The domestic industry is also on a substantial export basis. With surplus production in each major producing country, a strong competitive situation has recently developed in foreign markets, particularly in the important consuming centers of northwestern Europe. Imports of raisins and currants into the United States consist principally of specialty products. Turkey and Spain are the principal suppliers of raisins, and Greece is the principal source of currants.

In the analysis of the trade in wines and brandies, attention is called to the radical changes occurring in the United States trade in each of these products, as the result first of prohibition and then of repeal. Before prohibition considerable quantities of ordinary wines in bulk were imported principally from Italy, France, and Germany. Since repeal, however, State restrictions upon the retail sale of wine in bulk, together with other developments in domestic wine production and trade, have reduced the imports of ordinary wine in bulk to negligible proportions. Imports of wine now consist largely of the higher priced bottled wines of fine quality. Competition with domestic products resulting from this trade is described in detail, and particular attention is given to the effects of the important changes made in the duties on some wines and on brandies under the trade agreements.

Incandescent electric lamps.

The survey of incandescent electric lamps treats of the organization of the industry, processes of manufacture, material supply, domestic production, imports and exports, international cartels, patent licensing and other agreements, foreign production, and international trade.

The United States is the world's largest producer and consumer of electric lamps, and the bulk of its consumption is supplied by domestic manufacturers. Lamp production in the United States increased steadily from 1932 to 1937, inclusive, in the latter year reaching the highest level yet attained, the total output amounting to 807 million lamps valued at more than \$71,000,000. The bulk of the output in this country is produced by two companies, and the remaining output by about 35 smaller companies. Virtually all types of lamps are manufactured by the domestic industry. Production ranges from the tiny "grain of wheat" lamp which is used in surgery, to the giant 50,000-watt lamp for outdoor lighting of large areas; the production of vapor lamps has made important advances in recent years. The bulk of the production, however, consists of the conventional tungsten filament lamp with frosted bulb.

Both imports and exports of electric lamps, other than miniature types, are small relative to domestic production. Imports, which are supplied almost entirely by Japan, consist principally of decorative miniature lamps of the types used in Christmas tree sets and also miniature types used in toys. Domestic exports go chiefly to Cuba and the Philippines, where products of the United States enjoy preferential tariff treatment, and to British India—long an important market for miniature lamps of the types used in flashlights.

Cherries.

The Tariff Commission has for some time been gathering and analyzing data on the cherry industry. These data are now incorporated in a survey covering the production of and trade in cherries and cherry products in the United States and in the important foreign producing countries. In a section on fresh cherries, the survey traces the history of the cherry industry in the United States and the development of what used to be a local industry scattered throughout the country to a commercialized industry centered in three principal areas—the region of the Great Lakes, the Pacific Coast, and the Rocky Mountain States. Similarly in each of the other sections dealing separately with the principal cherry products—canned, frozen-packed, sulphured, candied, maraschino, dried cherries, and cherry juice—there is a brief discussion of methods of manufacture and trends in production and foreign trade. Prices, grades, and quality of domestic cherries are compared with the imported, and the competitive situation of the American market is analyzed.

As a result of heavy tree planting in the 1920's the cherry crop of the United States increased from about 243 million pounds in 1930 to 289 million pounds in 1937. Although the cherry crop was not all utilized from 1931 to 1934, the expansion of certain outlets has since tended to absorb much of the increase in production. One of the principal outlets that has recently increased greatly is the cherry-sulphuring industry. Formerly most of the sulphured cherries were imported from Italy, but after the higher duties of the Tariff Act of 1930 went into effect, eastern and midwestern manufacturers found it more economical to obtain their supply from domestic sources. As a result of the new demand, the domestic production of sulphured cherries rose from about 10,000,000 pounds (fresh-fruit basis) in 1930 to 45,000,000 pounds in 1937.

Glues, gelatins, and related products.

This survey deals with the several glues, gelatins, and their related products (pectin, agar-agar, and isinglass), dutiable under paragraph 41 of the Tariff Act of 1930. In terms of both output and capital invested in the industry, glues as a group are the most important of the three categories and the related products are less important.

The United States is the world's largest producer of all glues combined. In 1937 the domestic production of animal glues (made from animal waste products) amounted to about 115 million pounds; that of vegetable glues (made principally from tapioca flour, cornstarch, and soybean meal residue) to 229 million pounds; that of casein (a byproduct of the dairy industry) to 8 million pounds; and that of fish glue (made from fish skins and other fish residue) to about 4.3 million pounds. Imports consist almost exclusively of animal glues which in 1937 represented about 6 percent of domestic production of comparable glues. All these glues have a wide range of industrial application and are used principally as adhesives and to a lesser extent as sizing material.

The United States gelatin industry in 1937 produced over 28 million pounds of gelatin of all types, consisting of edible, inedible, and photographic gelatins. The edible gelatin branch of the industry is by far the most important, accounting for over 80 percent of the total output. Imports of edible gelatin reached an all-time high in 1937 (as did the domestic output) when they represented about 19 percent of apparent domestic consumption. Imports of inedible gelatin are small relative to domestic output, while those of photographic gelatin until recently were far in excess of domestic production. Edible gelatin is used in a number of food products; inedible gelatin is used for sizing and for certain pharmaceutical purposes; and photographic gelatin is one of the ingredients of the emulsion used in sensitizing photographic films and plates. All gelatins are made from animal byproducts, such as calfskin, pigskin, and ossein.

Of the related products pectin is the most important, the average annual output having been in excess of 1 million pounds for a number of years. The domestic output of agar-agar is small in comparison with imports, whereas that of isinglass is about equal to imports. Pectin is used chiefly in making jellies and jams, agar-agar in bacteriological work and pharmaceutical preparations, and isinglass in the clarification of beer.

The United States export trade in the products covered in the survey is small relative to domestic production.

Starches and dextrines.

Recent developments in industry and trade in the various types of starches have attracted much interest and have led the Commission to prepare a survey dealing with these and closely related products.

Starches are most widely known as food and laundry material but are also used in the manufacture of paper, textiles, and other products. Starch is also converted by a simple process into dextrine, which is the chief component of many commercial adhesives. Starch itself, however, may be used as an adhesive and is so used, particularly in the manufacture of plywood. By a more elaborate process, starch is converted into dextrose, which when made from cornstarch is commonly known as corn sugar and is the principal ingredient of corn sirup.

Most of the starch produced in the United States is made from corn, and the larger part of the cornstarch produced is made into sirup, sugar, or dextrine. Imported starches consist chiefly of tapioca and sago from tropical countries, especially the Netherlands Indies. Some potato and other starches are imported from Europe. The tropical starches are used for many of the same purposes that cornstarch serves. Over a long period imports of these starches have been increasing, and in 1937 they were greater in both volume and value than in any earlier year. In the first 8 months of 1938, however, this trade showed a sharp decline and amounted to less than half of that in the corresponding months of 1937. In September 1938 imports again increased, though they failed by a considerable margin to attain the volume of September 1937.

Most of the available literature on starch is technical—relating to manufacturing processes, conversion of starch into other substances by means of chemical or enzyme reactions, and preparation of starch pastes for particular purposes. In contrast the survey now in progress discusses the subject from the standpoint of the industrial and economic factors affecting the starch industry and trade.

Considerable attention is given to factors affecting international trade in starches, particularly as they relate to tapioca, cornstarch, and sago. The Commission has obtained data from starch distributors and consumers in order to ascertain for what purposes and in what industries the increasing quantities of imported tropical starches are being used and where competition between these starches and domestic starches, especially cornstarch, is keenest.

Floor and wall tiles.

Because of the marked effect of tariffs on the trade in floor and wall tiles, commodities concerning which very little has been published, and because of the present widespread interest in building materials, a survey of these commodities is timely. The survey shows the marked changes that have taken place within the last decade in competitive conditions affecting the United States trade in floor and wall tiles, attributable in part to increasing imports of comparatively low-priced tiles from Japan and in part to the widespread use of numerous substitute materials.

These tiles are made mainly from clay or from a mixture of clay and other ceramic materials, fired at a high temperature, and are dutiable under the provisions of paragraph 202 of the Tariff Act of 1930. They are used principally in the construction of buildings for facing or surfacing interior or exterior walls and for ceilings and floors.

United States production of floor and wall tiles in 1936, valued at \$13,748,000, was $2\frac{1}{2}$ times that of 1933. Under the impetus of increased building, imports of earthen floor and wall tiles likewise increased but are still small in relation to domestic production; in 1937 they were valued at about \$101,000. In recent years Japan has displaced Germany as the principal supplier of imports of floor and wall tiles and is now by far the most important source. Domestic exports of these products, a large proportion of which consists of inexpensive grades, increased in value from \$84,400 in 1933 to \$193,500 in 1937.

FISHERY TREATIES

The Commission has in progress a survey of "Treaties, Conventions, Awards, and Port Privileges Affecting the Fisheries of the United States."

In particular, the survey will stress the economic aspects of our fisheries treaties with special reference to provisions of the tariff act applying directly and indirectly to them. Of the treaties now in force, attention will be given to the treaty of 1818 with Great Britain covering our North Atlantic fisheries, referred to in paragraph 1730 of the Tariff Act of 1930, the North Pacific Halibut Treaty with Canada, the Fur Seal Treaty with Great Britain, Japan, and the Soviet Union, and the Sockeye Salmon Treaty with Canada. The more important treaties which have terminated, such as the treaty with Mexico covering Pacific fisheries, will also be discussed in view of their relationship to possible future treaties.

Port privileges accorded foreign fishing vessels in the United States and those accorded our vessels in foreign countries will also comprise a significant part of the report. Many of these grants are closely related to our external trade and have long been important from the standpoint of the tariff.

Because of the broad scope of the survey and the limited personnel devoted to its preparation, only a small amount has been accomplished during the past year.

STUDIES RELATING TO INTERNATIONAL TRADE POLICIES AND PRACTICES

The Commission has in progress several special studies in the field of international economic relations and foreign commercial policies. These include (a) a study of the executive control of imports in foreign countries; (b) an analysis of tariff and nontariff trade barriers of selected foreign countries, with particular reference to the various forms of control on our trade with the countries concerned; (c) a report on tariff boards and commissions; and (d) a handbook of commercial treaties and international trade agreements.

The study of executive control of imports in foreign countries will be an enlargement of the pamphlet (published first in 1932 and revised in 1934) entitled "Regulation of Tariffs in Foreign Countries by Administrative Action" and will include an analysis of the administration of tariff and nontariff trade barriers. It is intended to provide a concise survey of the distribution of authority over import trade among the various agencies of foreign governments.

The work being done on tariff and nontariff trade barriers aims to determine in each of the countries studied the effects on our foreign trade of the import regulations considered in their administrative aspects in the report on executive control. The study on tariff boards and commissions will provide an analysis and summary of the functions, organization, and procedure of these boards in selected countries.

The preparation of a handbook on commercial treaties and trade agreements is undertaken with a view of summarizing the principal provisions in convenient form for the use of Government agencies and others interested in international trade.

The Commission is also doing work on a study of colonial tariff policies of some of the leading colonial empires which will bring to date material in the earlier report on colonial tariff policies.

WORK UNDER SECTION 336—RATE ADJUSTMENT PROVISIONS

APPLICATIONS AND INVESTIGATIONS

During the year the Commission has received only one application for investigation under section 336, an application looking toward a reduction in the duty on butter. An earlier application for an increase in the rate of duty on butter was on the Commission's docket at the time this application was received. Applications filed in earlier years for a change in duty on opera hat springs, soybean oil cake and meal, and song birds were denied and dismissed from the Commission's docket of pending work. A list of the applications remaining on the docket follows:

Subject	Nature of request
Magnesium oxide.....	Decrease of duty.
Vermilion red containing quicksilver.....	Increase of duty.
Forged steel-grinding balls.....	Do.
Bentwood chairs.....	Do.
Butter.....	{ Do.
Cotton fishing nets and nettings.....	{ Decrease of duty.
All-wool blankets, robes, and steamer rugs.....	{ Increase of duty.
Wool-felt hat bodies and hats.....	{ Do.
Carpets and rugs not made on a power-driven loom.....	{ Differential in duty between chemically-washed and unwashed carpets and rugs.
Badminton shuttlecocks.....	Increase in duty.

In the course of the year the Commission dismissed investigations relating to women's and misses' leather shoes made by the cement process, embroidered wool knit gloves and mittens, and fluorspar. Investigations under section 336 with respect to seamless cotton hosiery and cotton velveteens and corduroys are pending, but work on them has been suspended because of agreements with Japan limiting shipments into the United States of these products, Japan being the principal source of imports.

INVESTIGATIONS DISMISSED

Women's and misses' leather shoes made by the cement process.

In response to Senate Resolution 144, Seventy-fifth Congress, the Tariff Commission on August 28, 1937, ordered an investigation under section 336 of the Tariff Act of 1930 of differences in foreign and domestic costs of production of women's and misses' leather shoes made by the cement process. In the course of the investigation the Commission obtained information on the costs of production and other aspects of the trade in these shoes in the United States and in Czechoslovakia, the principal and practically the sole source of imports.

Before the report on this investigation had been completed a trade agreement with Czechoslovakia was concluded, and among the imported products covered by the agreement were the shoes with which the investigation was concerned. Section 2 (a) of the Trade Agree-

ments Act provides that section 336 of the Tariff Act of 1930 shall not apply to any article on which a concession has been made in a trade agreement. The law precluded any change in the rates of duty on the articles covered by the investigation, and therefore work was discontinued and the investigation dismissed. However, the information assembled by the Commission in the course of the investigation had previously been at the disposal of those in charge of the negotiation of the trade agreement with Czechoslovakia. Under the terms of the agreement, concessions were granted on leather footwear, but subject to a special safeguarding provision discussed elsewhere in this report.¹

Embroidered wool knit gloves and mittens.

On October 1, 1936, the Commission ordered an investigation of the differences in costs of production of domestic and foreign embroidered wool knit gloves and mittens. This order was in response to Senate Resolution 270 of May 28, 1936. The resolution followed the change in duty on unembroidered wool knit gloves and mittens, effective March 22, 1936, based on an investigation by the Tariff Commission under section 336.

Under the Tariff Act of 1930, wool knit gloves and mittens, if not embroidered or otherwise ornamented, are dutiable under paragraph 1114 (b), and the previous investigation was confined to gloves and mittens dutiable under that subparagraph. The report showed that the rate of duty found necessary to equalize the differences between domestic and foreign costs on gloves and mittens valued at not more than \$1.75 per dozen pairs was 40 cents per pound and 35 percent ad valorem based on the American selling price. No imported gloves valued at more than \$1.75 per dozen pairs were found to be like or similar to any products of domestic industry, and, therefore, no change in duty on such gloves was indicated. The report pointed out that, by the addition of embroidery, gloves and mittens covered by the investigation would become dutiable under paragraph 1529 (a) at 90 percent ad valorem based on foreign or export value, a rate which might be lower than 40 cents per pound and 35 percent based on American selling price.

Shortly after the change in duty indicated in the Commission's report became effective by Presidential proclamation, a substantial proportion of the imports of wool knit gloves and mittens were entered under paragraph 1529 (a), but the customs officers held that many of these were not embroidered articles within the meaning of that paragraph, but instead were dutiable under paragraph 1114 (b). Litigation as to the proper classification of these articles for dutiable purposes followed.

In view of the doubt as to what merchandise was properly classifiable under paragraph 1529 (a), the Commission deemed it advisable to defer making a cost investigation until the situation was clarified. In Treasury Decision 49396, rendered January 24, 1938, the Court of Customs and Patent Appeals held that simple stitches superimposed on wool knit gloves in accordance with a predetermined design constituted embroidery within the meaning of paragraph 1529 (a).

This decision settled the question of classification, but the volume of imports, the nature of the goods imported, and the conditions of

¹ See pp. 16, 17.

manufacture in the principal supplying country, Japan, had changed in the meantime. Imports of embroidered wool knit gloves and mittens, which amounted to 119,211 dozen pairs in 1936 and 206,803 dozen pairs in 1937, declined sharply during the first part of 1938. Through the first 9 months of 1938, they amounted to only 51,739 dozen pairs compared with 152,240 dozens in the same period in 1937.

Although the Commission deferred making a detailed cost investigation until the court decision was available and subsequently postponed such work in view of the low volume of imports, it had done field work from time to time with importers, distributors, and domestic manufacturers and had continuously kept in touch with the situation. These inquiries disclosed not only a substantial falling-off in imports of embroidered gloves but also that a large percentage of the imports consisted of types which probably could not be considered "like or similar" for purposes of cost comparison. Moreover, conditions of production in Japan had apparently changed so materially that serious doubt arose whether any finding could be made at the present time which would cover "a period which is representative of conditions in production of the article," as required by section 336.

On October 28, 1938, the Commission received a letter from the National Association of Leather Glove Manufacturers, Inc., which includes in its membership the domestic producers of wool knit gloves and mittens. In this letter the Association in appraising the facts recognized the changed situation as to competition from imports and advised the Commission that in its opinion the present conditions did not warrant the completion of the investigation.

In view of the above facts the Commission voted to dismiss the investigation.

INVESTIGATIONS PENDING

Cotton velveteens and corduroys.

Soon after the passage of the act of 1930, the Commission made an investigation of differences in costs of production of domestic and foreign cotton velveteens. As a result of that investigation the rates of duty on these fabrics were changed by Presidential proclamation effective July 24, 1933. This proclamation reduced the rate of duty on plain-back velveteens from 62½ percent to 31¼ percent ad valorem, and that on twill-back velveteens from 62½ percent to 44 percent ad valorem. At that time imports consisted principally of high-priced twill-back velveteens from Europe. Subsequently, there was a marked change in imports, and since 1934 they have consisted almost entirely of low-priced plain-back velveteens from Japan.

On November 5, 1936, the Commission ordered another cost investigation of cotton velveteens and corduroys, in response to an application submitted by domestic manufacturers. The results of this investigation have been held in abeyance at the request of the applicants. Before the completion of findings by the Commission domestic producers and Japanese exporters entered into an agreement whereby the annual exports of cotton velveteens and corduroys from Japan to the United States were to be limited to quantities not to exceed 2 million square yards of velveteens, and 700 thousand square yards of corduroys for a 2-year period beginning March 1, 1937.

United States imports of velveteens averaged about 2½ million square yards during the years 1928 and 1929, but declined to about 60 thousand square yards in the years 1932 and 1933. Imports increased from about 130 thousand square yards in 1934 to 5,174,000 square yards in 1936, and amounted to 3,936,000 square yards in 1937. Imports of corduroys averaged about 53 thousand square yards annually during the years 1931-34, with a range of from 33 thousand to 92 thousand square yards per year. Corduroy imports amounted to 13 thousand square yards in 1935; they increased to 488 thousand square yards in 1936 and to 654 thousand square yards in 1937. Imports of both cotton velveteens and corduroys in the first 9 months of 1938 have been relatively small and have consisted almost entirely of goods withdrawn from warehouse.

Domestic production of velveteens declined from 8,225,000 square yards in 1929 to 1,710,000 square yards in 1931, but increased to 3,795,000 square yards in 1935. Domestic production of corduroys averaged about 23,000,000 square yards annually from 1919 to 1935, ranging from a low of 15,701,000 square yards in 1931 to a peak of 31,733,000 square yards in 1935. Census data for later years are not yet available.

Seamless cotton hosiery.

On October 15, 1936, the Commission instituted an investigation of differences in the costs of production of domestic and foreign seamless hosiery, finished or unfinished, wholly or in chief value of cotton. The investigation was undertaken in response to applications from the domestic industry. A public hearing was held in the offices of the Commission in Washington, D. C., on January 26, 1937.

Before the Commission had issued its findings in the investigation, an agreement was reached (on April 16, 1937) between the Japanese Knitted Goods Exporters Association, representing the Japanese interests, and the National Association of Hosiery Manufacturers, representing the American producers.

The agreement provides that the Japanese are to limit exports of cotton, rayon, or cotton and rayon hosiery to the United States to 1,500,000 dozen pairs annually for 3 years beginning January 1, 1937. Any excess over the first year's quota is to be charged to the second year, and any excess over the second year's quota is to be charged to the third year. The Japanese will be permitted to utilize during a subsequent quota year any unfilled portion of an annual quota up to 150,000 dozen pairs. During the 3-year period, the domestic industry agrees not to seek any increase in the rate of duty or change in the method of appraisement.

In view of the agreement and at the request of the complainants, the results of the investigation of the costs of production of seamless cotton hosiery are being held in abeyance.

Under the Tariff Act of 1922 the rate of duty on seamless hosiery, finished or unfinished, wholly or in chief value of cotton, was 50 percent ad valorem. The act of 1930 carries the same rate.

Japan is now the principal competing country. Prior to 1933 Germany supplied 85 to 90 percent of the total quantity of cotton hosiery imported. The remainder came principally from the United Kingdom, France, and Italy. Imports from Japan became important about 1933, increasing from 88,568 dozen pairs in that year to 644,641 dozen pairs in 1935, and to 2,144,455 dozen pairs in 1936. Total imports in 1936 amounted to 2,303,712 dozen pairs, of which 93.1 percent came

from Japan. The cotton hosiery imported from Germany consisted mainly of men's full-fashioned half-hose, whereas that from Japan consisted mainly of men's seamless half-hose and anklets and children's socks in medium and low qualities. Imports of cotton and of rayon hosiery from Japan during 1937, the first year of the agreement, amounted to 1,418,790 dozen pairs; during the first 9 months of 1937 they amounted to 1,234,353 dozen pairs, compared with 426,484 dozen pairs in the same period of 1938.

Seamless hosiery constitutes more than two-thirds of the total quantity of hosiery produced annually in the United States and a little more than one-third of the total value. There are more than 400 companies in the domestic seamless hosiery industry, employing more than 60,000 workers. Their annual production of hosiery is about 75 million dozen pairs, valued at about \$100,000,000. The part of domestic production comparable with imports from Japan consists mainly of the types and qualities retailing for 10 cents or less a pair. In this class, it is estimated from data obtained in the Commission's investigation, there are produced annually approximately 10 million dozen pairs of men's seamless half-hose of cotton or cotton and rayon combined and about 4½ million dozen pairs of seamless cotton anklets and children's socks.

WORK UNDER SECTION 337—UNFAIR PRACTICES IN IMPORT TRADE

During the past year the Commission has handled a number of inquiries and complaints concerning the violation of section 337. In addition to a number of cases informally disposed of, in which either the Commission's rules were not complied with or the correspondence clearly indicated no violation of section 337, three formal complaints were listed by the Commission. The three complaints concerned a distinctive type of cigar lighter, covered slide fastener, and fittings for lubricating apparatus. In accordance with the revised practice, public notices were issued of the receipt of the complaints and they were made available for inspection. While preliminary work has been done by the staff in consideration of these matters, the Commission has not yet decided whether formal investigations are warranted. No formal investigations are now pending under section 337.

WORK UNDER SECTION 338—DISCRIMINATION BY FOREIGN COUNTRIES

Section 338 of the Tariff Act of 1930 provides for the imposition by proclamation of the President, whenever he finds that the public interest will be served thereby, of new or additional rates of duty not to exceed 50 percent ad valorem or its equivalent on any or all products of any foreign country which discriminates against the commerce of this country "in such manner as to place the commerce of the United States at a disadvantage compared with the commerce of any foreign country." If, after such proclamation, the foreign country maintains or increases its discrimination against the commerce of the United States, the President is further empowered, if he deems it consistent with the interests of the United States, to exclude any products of such country from importation into the United States.

The Commission has continued to study the acts of foreign countries which affect the commerce of the United States to determine

whether they result in discrimination against our commerce. In addition to this current general study, the Commission investigates any act or practice, involving alleged discrimination, which may be called to its attention. No action has been taken by the President during the past year under this section.

WORK UNDER SECTION 350—TRADE AGREEMENTS PROGRAM

The work of the Tariff Commission under the Trade Agreements Act during the past year substantially exceeded that in 1937 and centered principally in the negotiations with the United Kingdom and Canada. Considerable effort was also expended on concluding the negotiations with Czechoslovakia and Ecuador, and on the preparation of basic data for discussions with Turkey and Venezuela.

Government activities under the Trade Agreements Act are carried on principally by interdepartmental committees whose membership is drawn from the various departments and agencies of the Government concerned with foreign trade. These committees are: The Executive Committee on Commercial Policy, the Committee on Trade Agreements, the Committee for Reciprocity Information, the country, commodity, and special committees.

Members of the Commission or its staff serve on all of these committees. The Executive Committee on Commercial Policy and the Committee on Trade Agreements each include members of the Tariff Commission. The chairman and vice chairman of the Committee for Reciprocity Information are also members of the Commission. Members of the staff serve on country, commodity, and special committees.

Aside from participating in the work of these general committees, the Commission discharges the responsibilities placed upon it in the Trade Agreements Act, first, in that the economists and technical experts of its staff serve as members of and participate in the work of the country and special committees, and, second, in that its staff prepares the basic data on the import commodities which are or may be made the subject of negotiations. Our obligations under the law require painstaking examination of the past tariff treatment of the commodities concerned, of the competition between imports and domestic production, of the probable effects upon domestic production of greater competition, both from the country under consideration and from other countries, and of possible effects upon allied or competing domestic industries.

Since the enactment of the Trade Agreements Act, in June 1934, 20 agreements have been concluded and 18 are now in operation. During the past year, for the first time since the beginning of the program, the provisions of a trade agreement have been terminated. Owing to the state of the public finances of Nicaragua, provisions of the trade agreement with that Republic relating to tariff concessions were, by mutual consent, discontinued on March 10, 1938.

The agreement with Czechoslovakia, the main features of which are discussed elsewhere in this report,² was signed March 7 and became effective April 16, 1938. The agreement with Ecuador was signed August 6 and became effective October 23, 1938. By the terms of the Ecuadoran agreement the United States is assured non-

² See p. 15.

discriminatory treatment and receives concessions on its exports in the form of both duty reductions and bindings. The most important exports affected are wheat flour, lard, automobiles, and tires. The imports covered by the agreement consist principally of such tropical products as bananas, coffee, and cocoa beans. Trade agreements now in force are shown in the following tabulation:

Trade agreements concluded prior to December 1, 1938

Country	Effective date
Cuba.....	Sept. 3, 1934
Belgium.....	May 1, 1935
Haiti.....	June 3, 1935
Sweden.....	Aug. 5, 1935
Brazil.....	Jan. 1, 1936
Canada.....	Do. ¹
The Netherlands, including Netherlands Indies, Surinam, and Curaçao.....	Feb. 1, 1936
Switzerland.....	Feb. 15, 1936
Honduras.....	Mar. 2, 1936
Colombia.....	May 20, 1936
France and its colonies, dependencies, and protectorates, other than Morocco.....	June 15, 1936
Guatemala.....	Do.
Nicaragua.....	² Oct. 1, 1936
Finland.....	Nov. 2, 1936
El Salvador.....	May 31, 1937
Costa Rica.....	Aug. 2, 1937
Czechoslovakia.....	Apr. 16, 1938 ²
Ecuador.....	Oct. 23, 1938
United Kingdom.....	Jan. 1, 1939
Canada.....	Do.

¹ Superseded by agreement signed Nov. 17, 1938, effective Jan. 1, 1939.

² Duty concessions terminated on Mar. 10, 1938; remainder of the agreement is still in effect.

Because of the many commodities involved and the importance of the United Kingdom and Canada in the international trade of the United States, the work required by the Commission while the negotiations were being carried on during the past year has far exceeded that required for any other agreement. The United Kingdom and Canada are our principal export markets as well as our chief sources of imports, taking, in 1937, more than 35 percent of our exports and shipping to us approximately 28 percent of our purchases from abroad.

The announcements of intention to negotiate these agreements included a list of approximately 850 products on which the United States indicated its willingness to consider granting concessions. The trade in all these commodities, as well as in many others not included, was subjected to careful study prior to listing. The Ottawa agreements, which established preferential treatment among the areas comprising the British Empire, added to the complexity of the negotiations.

The possibility of trade agreements with Turkey and Venezuela has also necessitated considerable study by the expert staff of the Commission. One member of the Commission's staff has been loaned to the State Department and is now with a party in Turkey discussing the problems that have arisen in the negotiation for an agreement with that country.

Assistance to the Committee for Reciprocity Information.

The Tariff Commission has continued to assist in the work of the Committee for Reciprocity Information. This Committee was created by the President in 1934 under the provisions of the Trade Agree-

ments Act. Its membership consists of representatives of the Departments of State, Treasury, Agriculture, Commerce, and of the Tariff Commission. Henry F. Grady, Vice Chairman of the Tariff Commission, is its chairman, and A. M. Fox, a member of the Tariff Commission, is its vice chairman.

The Committee receives written data and views from any group or individual with respect to all trade agreements matters. Data may be submitted in the form of statements under oath, and the written statement may be supplemented by oral testimony at the public hearings held prior to the commencement of negotiation of any agreement. Interested parties may also submit information by letter or at informal conferences with members of the Committee with the assurance that it will be given full consideration.

During the past year information has been received in each of the ways indicated. Announcements of intention to undertake negotiation of agreements with Turkey, Venezuela, the United Kingdom, Newfoundland, and the Crown Colonies, and the revision of the existing agreement with Canada were made by the State Department during the year. The Committee has had more correspondence and has received more sworn statements in the past year than at any time since its establishment in 1934. The hearings on the trade agreement with the United Kingdom, Newfoundland, and the Crown Colonies alone occupied 10 days and were held in four divisions. More than 300 witnesses appeared.

All of the voluminous data supplied to the Committee, whether by sworn statement, letter, at public hearings, or through informal conference, are digested by the staff of the Tariff Commission and these digests together with the original material are transmitted to the whole membership of the interdepartmental trade agreements organization.

A summary of the number of statements filed and appearances at hearings since the establishment of the Committee is shown in the following tabulation:

Statements filed with and appearances before the Committee for Reciprocity Information

Country	Approximate number of formal statements filed	Appearances at hearings	Country	Approximate number of formal statements filed	Appearances at hearings
Belgium.....	145	28	Italy.....	200	40
Brazil.....	139	18	Netherlands.....	150	37
Canada ¹	350	90	Nicaragua.....	59	(³) 7
Canada ²	250	115	Spain.....	102	16
Colombia.....	100	10	Sweden.....	91	27
Costa Rica.....	67	(³)	Switzerland.....	170	18
Czechoslovakia.....	266	100	Turkey.....	98	320
Cuba.....	85	23	United Kingdom.....	867	14
Ecuador.....	115	5	Venezuela.....	30	
El Salvador.....	58	(³)			
Finland.....	50	8	Total.....	4,048	947
France.....	470	66			
Guatemala.....	67	(³)			
Haiti.....	58	5			
Honduras.....	61	(³)			

¹ Agreement effective Jan. 1, 1936.

² New agreement negotiated, effective, Jan. 1, 1939.

³ The appearances noted under Brazil also include those for Guatemala, Nicaragua, El Salvador, Honduras, and Costa Rica, which were covered in the same hearing.

LITIGATION

UNDER SECTION 315, TARIFF ACT OF 1922

Colored plate glass.

Wm. A. Foster & Co., Inc. v. United States, T. D. 49599.—(This case has been pending in the courts for several years, inasmuch as the merchandise was imported prior to the passage of the Tariff Act of 1930.) Pursuant to investigation under section 315 of the Tariff Act of 1922, the President increased the rates of duty under paragraph 222 of that act on "cast polished plate glass, finished or unfinished, and unsilvered," effective February 16, 1929 (T. D. 43157). After that date collectors of customs assessed the increased rates on colored cast polished plate glass and in addition 5 percent ad valorem, since paragraph 224 of the Tariff Act of 1922 provided that such glass should be subject to that ad valorem rate "in addition to the rates otherwise chargeable thereon." The importer protested the assessment at the increased rates on plate glass, on the ground that the President's proclamation did not apply to colored glass, and introduced in evidence a letter from the Tariff Commission to the effect that colored cast polished plate glass was not included in the Commission's investigation. The Customs Court overruled the protest (T. D. 49232) and the Court of Customs and Patent Appeals affirmed this judgment to the effect that the colored plate glass in question was subject to the increased duties pursuant to the President's proclamation. The court held that the effect of the proclamation was to increase the duty on all unsilvered cast polished plate glass to the same extent as though the rates specified in the proclamation had been enacted by the Congress as an amendment to the Tariff Act of 1922; in other words, that the rates originally specified in the tariff act had been completely eliminated so long as the proclamation should be in effect. The court further held that the fact that the Tariff Commission had made no investigation of the cost of production of colored plate glass was immaterial.

UNDER SECTION 336, TARIFF ACT OF 1930

Infants' wool knit outerwear.

Lord & Taylor v. United States, C. A. D. 9.—On June 27, 1938, the Court of Customs and Patent Appeals affirmed the decision of the Customs Court (T. D. 49024) referred to on page 46 of the Commission's Twenty-first Annual Report that the term "infants' wear" as used in the Commission's notice of investigation concerning this product was broad enough to include garments worn by children up to and including the age of 6 years. The court held that a notice of hearing under section 336 if sufficient "to excite attention and put the party on his guard and call for inquiry, is notice of everything to which such inquiry might have led," and that interested parties had been sufficiently advised by the Commission's notice that the investigation and hearing might cover the merchandise in question.

McKay sewed leather shoes.

Bata Shoe Company v. United States, C. D. 45.—On October 17, 1938, the Customs Court upheld the President's proclamation (T. D. 45311), effective January 1, 1932, increasing the rate of duty on McKay sewed leather shoes from 20 to 30 percent ad valorem. In so doing the court recognized the right of the Commission to broaden on

its own initiative the scope of an investigation under section 336 which had been requested by Senate resolution. The court further held that a notice of hearing regarding boots and shoes was sufficient to advise the public that the investigation might cover McKay sewed boots and shoes, and the fact that one type of shoe which had been imported but not produced in the United States was not investigated did not invalidate the proceedings as to other types which were both imported and produced in the United States.

Dried egg albumen.

David L. Moss Co., Inc., v. United States.—Importers in this case attacked the validity of the President's proclamation (T. D. 44997) increasing the rate of duty on dried egg albumen, on the ground that the Tariff Commission's report showed the absence of a dried egg albumen industry in the United States and that therefore the increase in duty was unlawful. The Customs Court overruled the protest (T. D. 48985), and the case is now before the Court of Customs and Patent Appeals.

Canned clams.

George S. Bush & Co., Inc., v. United States. Reap. Dec. 4253.—In challenging the President's proclamation (T. D. 47031), changing the basis of value to American selling price on certain canned clams, the importer contended that the Tariff Commission did not proceed in accordance with law in converting foreign currency to United States currency for purposes of cost comparison. It was argued that since the period for which costs were compared was December 1930 to September 1932, both inclusive, the use by the Commission of the average rate of exchange for the whole calendar year 1932 was unlawful. The Customs Court overruled this contention and declared that the methods to be used in converting currencies were within the discretion of the Commission, and that the courts had no jurisdiction to review the facts upon which the Commission based its report to the President. The case is now pending on appeal to the Court of Customs and Patent Appeals.

Footwear with fabric uppers.

Bata Shoe Co., Inc., v. United States. Reap. Dec. 4330.—Certain unfinished carriage boots with fabric uppers, needing the addition of tongues, eyelets, and laces to make them finished articles, were appraised pursuant to the President's proclamation under section 336 (T. D. 46158) on the basis of American selling price of domestic carriage boots. The importer appealed to reappraisal, claiming that inasmuch as the proclamation referred to boots, shoes, or other footwear, it did not cover unfinished footwear and that the articles in question were not within its purview. A single reappraising judge of the Customs Court upheld this contention, ruling that the articles were substantially incomplete and that the proclamation was limited to substantially complete articles; however, no final judgment was entered in the case and it is now pending on the docket for further evidence to be taken.

Japan Import Co. v. United States. Reap. Dec. 4389.—"Toyo ox-fords," consisting of rubber-soled footwear with Toyo paper cloth uppers, the latter being cotton cloth with a veneer of Toyo paper on the outside, were appraised under the President's proclamation (T. D. 46158) on the basis of the American selling price of domestic

rubber-soled footwear having cotton uppers without any paper. The importer appealed to reappraisal, claiming that the imported merchandise was not "such" as the American merchandise within the purview of section 402 (g) of the Tariff Act of 1930, which defines American selling price for valuation purposes. The single appraising judge of the customs court agreed with this contention, ruling that for merchandise to be within the purview of the President's proclamation it must be "such as or exactly like" American articles. An application for review of this decision is pending in the appellate division of the Customs Court.

Other pending cases.

During the past year more than 600 protests have been filed with the Customs Court against the assessment of rates of duty which had been increased by several proclamations of the President under section 336. A substantial portion of these cases involves the same proclamations as the cases set forth above.

UNDER SECTION 350 OF THE TARIFF ACT OF 1930, AS AMENDED

This section is not intended to set forth all of the many rulings of the courts and of the Treasury Department on trade agreement items, but only questions of general interest that have been passed upon by the courts.

Files—Trade Agreement with Sweden.

Geo. G. Wislar v. United States, C. A. D. 7.—Acting pursuant to the proviso of section 350 (a) (2) of the Trade Agreements Act, the President suspended the application of trade agreement rates to products of Germany (T. D. 47898), and subsequently an importation of German files was assessed with duty at the rate established in paragraph 362 of the Tariff Act of 1930 rather than at the rate provided in the trade agreement with Sweden. Claiming that the proviso to the Trade Agreements Act was an unconstitutional delegation of legislative power, the importer protested, asserting that the files should have been assessed for duty at the trade agreement rate. The Customs Court overruled the protest (T. D. 49170) and the Court of Customs and Patent Appeals affirmed this judgment on the ground that the proviso in question is an inseparable part of the Trade Agreements Act and that if the proviso should be declared unconstitutional the whole law would be unconstitutional, in which event the importer would not be entitled to the rates established under the trade agreement. On October 10, 1938, the Supreme Court denied a petition for a writ of certiorari to review this decision.

Cigars—Trade Agreement with Cuba.

Faber, Coe & Gregg, Inc., v. United States, T. D. 49638.—The Court of Customs and Patent Appeals held that Cuban cigars were not by virtue of the trade agreement entitled to a reduction of 20 percent in the interval revenue taxes imposed under the Revenue Act of February 26, 1926. The court pointed out that while the taxes were for certain purposes recognized as customs duties, the language of the agreement indicated that they were not to be considered as customs duties for purposes of preferential reductions guaranteed to Cuban products. A rehearing was denied on May 31, 1938.

Faber, Coe & Gregg, Inc., v. United States, T. D. 49508.—As noted on page 49 of the Commission's Twenty-first Annual Report, the Cus-

toms Court overruled the importer's protest claiming that Cuban cigars were entitled to a reduction of 20 percent below the rates specified in the Cuban agreement, the court holding that such specified rates applied only to Cuban products and not to products of other countries. Since the 20 percent preference applies only to rates assessed on products of other foreign countries, it is not to be deducted from the rates specified in the Cuban agreement. An appeal to the Court of Customs and Patent Appeals was filed but subsequently dismissed after the Supreme Court refused to review the ruling of the Court of Customs and Patent Appeals in the case of *F. H. Von Damm v. United States*, also referred to in the twenty-first annual report.

Russian coal—Trade agreement with the Netherlands.

Geo. E. Warren Corporation v. United States, T. D. 49533.—Russian coal imported in 1936 was assessed with the import excise tax under section 601 (c) (5) of the Revenue Act of 1932, and was claimed to be exempt from the tax by virtue of certain most-favored-nation commitments made in the trade agreement with the Netherlands. In overruling the importer's contentions the Court of Customs and Patent Appeals held that there were no "proclaimed duties and other import restrictions" within the meaning of the generalization provision of the Trade Agreements Act applicable to coal and that therefore neither such generalization provision nor the letters from the President to the Secretary of the Treasury pursuant thereto nor the agreement of July 13, 1935, between the United States and the Union of Soviet Socialist Republics could give to Russia any of the benefits which might accrue to the Netherlands by virtue of the "most-favored-nation" provisions of the agreement with the Netherlands. On October 10, 1938, the Supreme Court denied a petition for a writ of certiorari to review this decision. (NOTE.—By virtue of more recent commercial agreements between the United States and the Union of Soviet Socialist Republics, the first of which was effective August 6, 1937, Russian coal is now accorded unconditional most-favored-nation treatment in the United States.)

Exclusive character of trade agreement with Cuba.

A great number of protests have been filed with the Customs Court claiming that by virtue of the trade agreement with Cuba duties on merchandise imported from third countries should be assessed at reduced duties. The leading case on this question, *F. H. Von Damm v. United States*, is referred to on page 47 of the Commission's Twenty-first Annual Report, and in the other cases which have been decided by the Customs Court the doctrine of the *Von Damm* case was followed, namely, that the effect of the Cuban agreement was to reduce duties only on Cuban merchandise and not to make a reduction in rates applicable to products of third countries.

WORK UNDER SECTION 334—COOPERATION WITH OTHER GOVERNMENT DEPARTMENTS

The Commission's work with other Government agencies as developed under section 334 of the Tariff Act of 1930 has constituted an increasing part of its general activities. Service on a reimbursement basis under section 601 of the Economy Act has also been rendered

other Government departments and under those same provisions the Commission has obtained special services also.

The Commission acknowledges with appreciation the continued cooperation of other Government departments. During the past year assistance of the type indicated was received from the following:

Department of State, in addition to other special information, continued to supply copies of the consular and diplomatic reports.

Treasury Department, particularly through the Bureau of Customs, has supplied valuable statistical and legal material.

Department of Agriculture has supplied data that were helpful in the various studies and inquiries handled by the Commission concerning matters respecting agriculture and related subjects.

Department of Commerce has continued to supply copies of reports furnished by their representatives in other countries. Likewise important original papers relating to import and export statistics have been received, as in previous years, through the courtesy of the Bureau of Foreign and Domestic Commerce. The Division of Foreign Tariffs has supplied timely information with respect to tariff regulations in foreign countries.

Central Statistical Board has given significant assistance in preparing questionnaires.

Works Progress Administration has continued to make available facilities to carry out projects under the supervision of the Tariff Commission that are timely and of value for permanent records.

The Commission likewise has assisted and cooperated with these and other departments throughout the year and has continued to provide extensive material to all departments concerned with the negotiation of trade agreements.

The Commission is represented on the following interdepartmental committees:

Executive Committee on Commercial Policy.

Committee on Trade Agreements.

Country committees.

Commodity committees.

Other special committees such as those relating to quotas, exchange controls, and clearing agreements.

Central Statistical Board.

In matters coming within its sphere the Tariff Commission has given assistance to:

State Department.

Treasury Department:

Tax Research Division.

Bureau of Customs.

Department of Commerce.

National Resources Committee.

Temporary National Economic Committee (so-called Monopoly Committee).

Committee for Reciprocity Information.

National Economic Council's Committee on Southern Industries.

Interdepartmental Committee on the Philippines.

Joint Preparatory Committee on Philippine Affairs.

Central Statistical Board.

DUTIES OF THE COMMISSION IN THE AGRICULTURAL PROGRAM

Section 22 of the Agricultural Adjustment Act, as amended, authorizes the President to have the Tariff Commission make an investigation when he has reason to believe that articles are being imported into the United States under such conditions and in sufficient quantities to render ineffective or to interfere materially with any program under the Agricultural Adjustment Act or under the Soil Conservation and Domestic Allotment Act. If after the Commission's investigation the President finds that imports are entering under such

conditions and in such quantities as to defeat the purpose of either act, he is empowered to impose such quantitative limitations upon imports as may be necessary to prevent the program being materially interfered with or rendered ineffective. He may not impose any quantitative limitation that reduces the permissible amount from any country below 50 percent of the average annual imports of the article in question from such country in the period July 1, 1928, to June 30, 1933.

Several sections of the Agricultural Adjustment Act, as amended, including section 22, which were not intended for the control of the production of agricultural commodities, were expressly affirmed and validated by the Agricultural Marketing Agreement Act of June 3, 1937, Public, No. 137, Seventy-fifth Congress. A reprint of section 22, as amended, will be found in the Twentieth Annual Report of the Commission.

No cases have come before the Commission for formal action under this law.

The regulations adopted for Tariff Commission procedure under this law have been incorporated in the Codification of Regulations, pursuant to section 11 of the Federal Register Act, as amended.

The Commission is also directed to render such assistance as the Secretary of Agriculture may request in preparing a report in the investigation concerning the price of flaxseed, as required by Senate Resolution 167 of the Seventy-fifth Congress.

WORKS PROGRESS ADMINISTRATION PROJECTS

The Tariff Commission, with the cooperation of the Works Progress Administration, is supervising three projects, one in Richmond, Va., one in New York City, and one in Washington. The first two are largely statistical; the other consists of reorganizing masses of accumulated material by proper indexing, filing, and clean-up. The project in Richmond was started in December 1935, that in New York in April 1938, and that in Washington in February 1938. Nearly all employees on these projects were selected from the Works Progress Administration relief rolls and are working under the direction of supervisors detailed from the Tariff Commission's staff.

The Richmond and New York projects are directed and administered from the Commission's Washington office. All assignments are supervised by members of the Washington staff, who review, classify, and assemble the material before it is tabulated or produced in final form.

Personnel on Works Progress Administration projects, Oct. 1, 1938

	Relief workers	Non-relief workers	Full-time supervisors provided by Tariff Commission
Richmond.....	92	10	2
New York.....	26	-----	2
Washington.....	14	-----	2
	132	10	6

RICHMOND PROJECT

Assignments completed at Richmond by October 31, 1937, are described in the Commission's Twentieth and Twenty-first Annual Reports. Assignments completed since that date are as follows:

Commodity packaging study.

The Works Progress Administration force in Richmond tabulated data which had previously been gathered by the Tariff Commission on the packaging of commodities. A summary of the report prepared on the basis of this tabulation will be found on page 17. So great was the demand for this publication from shippers, the transportation industry, and others that more than 4,000 copies were distributed. The Commission is advised that this is the first time these data have been available in compact, well-organized form.

Indexing "Foreign Crops and Markets."

The Richmond office, with the cooperation of the Department of Agriculture, prepared an index of Foreign Crops and Markets, a weekly publication issued by the Department of Agriculture, for which no index had been maintained since 1930. The value of this series of reports as material for economic research and reference was greatly impaired by the lack of an index. The period covered by the publication indexed was 1931 to 1937, inclusive. An index for the first 6 months of 1938 is now being prepared. The index has proved of great value to the Tariff Commission, the Department of Agriculture, and to those who regularly receive the publication. It has been widely distributed by the Department of Agriculture, and the demand for it has been such that a second edition will be necessary.

United States imports and duties, 1937, arranged according to the Tariff Act of 1930, by schedules, paragraphs, and commodities.

Through the cooperation of the United States Department of Commerce, which furnished the basic material in code form, and gave permission for its use, it was possible to tabulate and reproduce at Richmond the preliminary figures of imports arranged by tariff paragraphs for the full calendar year 1937 considerably in advance of the publication of the final official figures in Foreign Commerce and Navigation of the United States compiled by the Department of Commerce. The compilation is of immediate value to the Commission and other interested agencies, especially for work on trade agreements.

Other completed assignments.

Other assignments completed by this Works Progress Administration group that made available valuable material to the Tariff Commission and others interested in various phases of foreign trade are—

Indexing and briefing trade and Government periodicals.

Compilation of imports, exports, and production arranged according to the classification of the Bureau of Internal Revenue, 1933.

Compilation of statistics of production of raw furs.

Invoice analyses of selected commodities imported through certain ports of entry, 1935.

Compilation of United States free and dutiable imports for consumption from selected countries by economic classes (agricultural and nonagricultural) by months, 1932 and 1933.

Segregation by commodities and trade ranges and tabulation chronologically 1934 to the present date by ocean charter rates (trade routes).

Current assignments.

The following projects are now in progress at Richmond:

Analysis of imports entered under "basket" clauses.—In published statistics of imports, numerous articles are buried under the classification "all other" or so-called basket clauses. An analysis of individual customs entry documents must be made of every group to show the articles so hidden. The staff of the Tariff Commission's New York Works Progress Administration project is transcribing these data which are on file in the New York customhouse. The work involves search for specific entries in the general statistical lists at the customhouse, the locating of entry papers in the files, and the transcribing upon cards of the desired data. The completed cards are submitted to the Washington office of the Tariff Commission where they are reviewed, classified, and arranged before being sent to the Richmond Works Progress Administration project office for conversion of foreign currency values into United States currency values and for assembling and compiling the data in tables. The analysis now in progress covers imports for part of 1937.

Analysis of imports by parcel post.—The entries of merchandise by parcel post if valued over \$100 are recorded in import statistics together with the other trade in the particular commodities involved. Entries of merchandise by parcel post valued at less than \$100 are not recorded in official statistics, and there has never been a detailed commodity analysis of this section of our foreign trade. Through the cooperation of the Bureau of Customs in supplying records of entries, the Richmond staff is now engaged in making an analysis of the parcel post entries valued at less than \$100 for certain selected districts to determine the nature, quantity, and value of goods so imported. The resulting data are being tabulated and cover parcel-post entries at selected ports during 1937. The data assembled will supply information to the Tariff Commission and other Government agencies making studies of the tariff and foreign trade.

Other activities in progress.—Other activities at the Richmond Works Progress Administration project office are indexing and briefing trade journals; indexing the issues of Foreign Crops and Markets for the first 6 months of 1938; and the continued assembly of data concerning ocean charter rates.

NEW YORK PROJECT

As previously stated the New York Works Progress Administration project established in April 1938 is transcribing "basket" clause information available in the New York customhouse on cards.

WASHINGTON PROJECT

On February 9, 1938, the Tariff Commission's Works Progress Administration project began the work of setting up a new filing system and a card index for the storage files of the Commission. These files amounted to approximately 900 drawers of inactive and semiactive papers. This material is outside the main general files of the Commission which as a matter of administrative routine are maintained in serviceable shape. It consists of the field notes, questionnaires, correspondence, samples, catalogs, and work papers accumu-

lated by the various divisions of the Commission in investigations over the past 20 years. Lack of equipment, space, and personnel prevented any thoroughgoing selection of useful reference material from the mass so accumulated. The need for space and for the disposal of unnecessary papers led the Commission to set up a project whose purposes are:

- To withdraw worthless material.
- To eliminate duplications.
- To effect an economy in filing equipment and space.
- To preserve and prolong the life and usefulness of the material.
- To index the material so as to make it instantly available.
- To remind the staff of the existence of data of which few had personal knowledge.

The material so long in storage is being cleaned, repaired where necessary, worn and torn folders renewed, labeled, indexed, carded, cross referenced, and filed according to the new system.

ADMINISTRATIVE ACTIVITIES

MEMBERSHIP OF THE COMMISSION

Mr. Raymond B. Stevens, of New Hampshire, Chairman of the Commission since July 1, 1937, was again designated for that office by the President, effective July 1, 1938.

Mr. Henry F. Grady, of California, Vice Chairman of the Commission since July 1, 1937, was continued in that office by the Presidential designation, effective July 1, 1938.

Mr. Edgar B. Brossard, of Utah, was reappointed by the President on June 9 and confirmed by the Senate June 10, 1938, to succeed himself as a member of the Commission for the term ending June 16, 1944. Mr. Brossard has been a member of the Commission for 13 years. He was an economist on the Commission's staff when President Coolidge first appointed him a member of the Commission, July 22, 1925. When the Commission was reorganized in 1930, President Hoover reappointed Mr. Brossard. In 1932 he was given the term that expired June 16, 1938. He was Chairman, January 15 to September 16, 1930.

The other members of the Commission are: Oscar B. Ryder, of Virginia; E. Dana Durand, of Minnesota; and A. Manuel Fox, of New York.

THE STAFF

Changes in organization.

During the year Dr. Benjamin B. Wallace, Chief of the International Relations Division, was appointed to the newly created position of special adviser on international trade policies. The International Relations Division was reconstituted as a section of the Economics Division.

Transfer of professional and technical expert staff to civil service.

Through an agreement between the Civil Service Commission and the Tariff Commission, and with the approval of the President, practically all positions of the Commission requiring expert personnel were placed within the civil service as of September 1, 1938. Upon meeting prescribed requirements the incumbents of those positions were given full civil service status. Future vacancies will be filled through the Civil Service Commission, except those for temporary expert consultants for special noncontinuing assignments, and positions expressly excepted in the act creating the Commission, namely, the Secretary of the Commission, and the personal secretaries of the Commissioners. The persons filling these positions at the present time, however, have civil service status.

The action affects the entire expert staff, which the Commission has by careful selection gradually built up under its authority to appoint special experts outside the civil service. Approximately 140 persons

are affected, including commodity specialists, economists, accountants, and specialists in international commercial policies. More than 70 percent of this group have been in the service of the Commission over 5 years, and nearly 30 percent had qualified under the civil service and served elsewhere in the Government before coming to the Tariff Commission.

The Commission seeks, by this action, to strengthen its ability to attract and hold persons of high qualification and special training in the difficult field of tariff economics. After careful examination of the Civil Service Commission's methods of recruitment and selection, the Tariff Commission is assured that it can obtain through civil service the type of employees heretofore appointed directly.

The operation of the new social security law has brought out forcefully the fact that some Government employees are covered by retirement benefits similar to those provided by industry, while others obtain no such consideration but are in fact barred from such benefits. Most employees on the professional staff of the Tariff Commission have rendered long service to the Government. Forty-two came from civil-service positions in other agencies and, consequently, retained their status for retirement benefits. The majority, however, by reason of the conditions of their appointment, were prevented from ever acquiring equality of treatment in this respect. The transfer now in process of completion corrects that injustice. Another benefit is that in the event of total physical disability before retirement for age, certain rights accrue to the employee according to the length of his service and his contribution to the retirement fund.

The new arrangement will permit the transfer of the professional employees to other Government agencies under civil service, which was not possible for most of them under previous conditions. Likewise it will facilitate transfers to the Commission's staff from qualified groups in other services.

Personnel.

The Commission and its staff, as organized at the close of the fiscal year of 1938, consisted of 306 persons, a net decrease of 2 from last year. This total comprised 6 commissioners and 300 employees, 195 of whom were men and 111 were women. Fifty-five members of the staff have rendered military or naval service. The total number within the civil service retirement law was 198. The amount of money deducted from their salaries under the retirement law during the fiscal year 1938 was \$15,270.61.

The following changes in personnel occurred during the fiscal year ended June 30, 1938:

Appointments:	
Permanent employees-----	22
Temporary employees-----	6

Total -----	28

Separations:	
Resignations -----	21
Deaths-----	1
Retirements-----	2
Temporary appointments completed-----	6

Total -----	30

A brief comparative table of the staff follows:

Departmental and field services

	June 30, 1937	June 30, 1938	Oct. 31, 1938
Commissioners.....	5	6	6
Director of research.....	1		
Assistant directors of research.....	4		
Chairman, Planning and Reviewing Committee.....		1	1
Chief, technical service.....		1	1
Adviser on international trade policies.....		1	1
General counsel.....	1	1	1
Secretary.....	1	1	1
Administrative officer.....	1	1	1
Chiefs of divisions.....	7	10	10
Acting chief of division.....		1	1
Assistant chiefs of divisions.....		2	2
Chiefs of sections.....	8	6	6
Acting chiefs of sections.....	2	1	1
Librarian.....	1	1	1
Special experts.....	127	120	118
Clerks, including stenographers.....	112	116	116
Secretaries to Commissioners.....	6	6	6
Operators, office devices.....	12	10	11
Telephone operators and stock clerks.....	3	3	3
Messengers.....	15	16	13
Skilled laborer.....	1	1	1
Chief, New York office.....	1	1	1
Total.....	308	306	302

FINANCES AND APPROPRIATIONS

1. *Salaries and expenses.*—The appropriation for salaries and expenses for the fiscal year ended June 30, 1938, was \$925,000. By restricting field work and purchases of equipment and supplies, the Commission preserved intact the reserve set up at the request of the President at the beginning of the year and turned back to the Treasury an unobligated balance of \$37,209. The Commission received reimbursements under section 601 of the Economy Act for special work performed for other departments.

2. *Printing and binding.*—The appropriation for printing and binding for the fiscal year ended June 30, 1938, was \$20,000, all of which was required for that purpose during the fiscal year.

3. *Expenditures and obligations.*—Expenditures for the fiscal year ended June 30, 1938, and outstanding obligations at that date were as follows:

Salaries: Commissioners.....	\$59,935
Employees:	
Departmental service.....	762,371
Field service.....	21,077
Travel expenses:	
In the United States.....	9,767
In foreign countries.....	3,227
Books of reference and publications.....	3,534
Printing and binding.....	20,000
Telephone and telegraph.....	3,214
Repairs and alterations.....	843
Office equipment, supplies, miscellaneous expenses.....	23,823
Total.....	907,791

APPENDIXES

Appendix I. APPLICATIONS AND INVESTIGATIONS

CUMULATIVE STATISTICAL SUMMARY FOR THE PERIOD JUNE 18, 1930, TO NOV.
30, 1938

UNDER SECTION 332 OF TARIFF ACT OF 1930 (GENERAL POWERS)

Number of investigations or surveys undertaken.....	65
Number dismissed.....	3
Number completed.....	42

UNDER SECTION 336 OF TARIFF ACT OF 1930 (ADJUSTMENT OF RATES OF DUTY)

Applications:

Total number received.....	289
Number pending before the Commission.....	10
Number withdrawn.....	16
Number denied and dismissed without prejudice.....	142

Investigations:

Total number ordered.....	114
Ordered at request of Senate.....	66
Ordered by the President.....	10
Ordered by application from parties interested.....	38
Discontinued.....	37
Completed.....	75

UNDER SECTION 337 OF TARIFF ACT OF 1930 (UNFAIR PRACTICES IN IMPORTATION)

Complaints:

Total number received.....	32
Denied and dismissed.....	16

Investigations ordered.....	11
Investigations completed.....	8
Investigations dismissed.....	3

TABLE 1.—Applications for investigation received since Dec. 1, 1937

UNDER SECTION 336 OF THE TARIFF ACT OF 1930

[For a list of other applications received prior to Dec. 1, 1937, see the sixteenth, seventeenth, eighteenth, nineteenth, twentieth, and twenty-first annual reports]

Para- graph No.	Commodity	Date applica- tion received	Nature of re- quest	Applicant	Status
709	SCHEDULE 7.— <i>Agricultural prod- ucts and provisions</i> Butter.....	Dec. 2, 1937	Decrease in duty.	Arthur Wolf..	Pending.

TABLE 2.—Commodities upon which applications are pending

UNDER SECTION 336

[List includes all pending applications on Nov. 30, 1938]

Schedule	Para-graph No.	Commodity	Nature of request
Schedule 1: Chemicals, oils and paints.	49	Magnesium oxide.....	Decrease in duty.
Schedule 3: Metals and manufactures of.	76	Vermilion red containing quicksilver.....	Increase in duty.
	372	Forged steel grinding balls.....	Do.
Schedule 4: Wood and manufactures of.	412	Bentwood chairs.....	Do.
Schedule 7: Agricultural products and provisions.	709	Butter.....	{ Do. Decrease in duty.
		Cotton nettings and fishing nets, and long-staple cotton nettings and fishing nets.	Increase in duty.
Schedule 9: Cotton manufactures.	923 and 924	Blankets, and similar articles (including carriage and automobile robes and steamer rugs), all-wool, or substantially so.	Do.
Schedule 11: Wool and manufactures of.	1115 (b)	Bodies, hoods, forms and shapes for hats, bonnets, caps, berets, and similar articles, manufactured wholly or in part of wool felt, whether or not pulled, stamped, blocked, or trimmed (including finished hats, bonnets, caps, berets, and similar articles).	Do.
	1116 (a)	Oriental, Axminster, Savonnerie, Aubusson, and other carpets, rugs, and mats, not made on a power-driven loom, plain or figured whether woven as separate carpets, rugs or mats, or in rolls of any width.	Differential in duty between washed and unwashed rugs.
	1518	Badminton shuttlecocks.....	Increase in duty.
Schedule 15: Sundries...	1518	Badminton shuttlecocks.....	Increase in duty.

TABLE 3.—Commodities covered by applications which were denied and dismissed without prejudice during the past year

UNDER SECTION 336

Para-graph No.	Name of article	Purpose of request
397	SCHEDULE 3.—Metals and manufactures of Opera hat springs.....	Increase in duty.
	SCHEDULE 7.—Agricultural products and provisions	
711	Song birds.....	Do.
730	{ Soybean oil cake..... Soybean oil cake meal.....	{ Do. Do.

TABLE 4.—Investigations pending

UNDER SECTION 336

Para-graph No.	Subject of investigation	Date ordered	Source of application	Status
916	Seamless cotton hosiery.....	Oct. 15, 1936	National Association of Hosiery Manufacturers. Golden City Hosiery Mills, Inc.	Work suspended (see p. 30).
909	Cotton velveteens and cotton corduroys.	Nov. 5, 1936	Crompton Co..... Merrimack Manufacturing Co. New York Mills..... Waterside Mills..... Tabarerey Manufacturing Co. Granite Finishing Works..... Brookside Mills..... Waterhead Mills..... Hockmeyer Bros. Inc..... Highland Mills.....	

TABLE 5.—Investigations dismissed during the past year

UNDER SECTION 336

Para-graph No.	Subject of investigation	Date ordered	Source of applica-tion
207	Fluorspar.....	Jan. 16, 1932	Carrieres & Mines de l'Estorel.
1529	Embroidered wool knit gloves and mittens.....	Oct. 1, 1936	S. Res. 270.
1530 (e)	Women's and misses' leather shoes made by the cemented process.	Aug. 28, 1937	S. Res. 144, New England Shoe & Leather Association.

TABLE 6.—Complaints received since Dec. 1, 1937

UNDER SECTION 337 OF THE TARIFF ACT OF 1930

[NOTE.—Heretofore the receipt of complaints has been held confidential prior to order of investigation]

Para-graph No.	Commodity	Date com-plaint re-ceived	Nature of request	Complainant	Status
397	Covered slide fasteners (Zippers).	Dec. 28, 1937	Exclusion from entry.	Waldes Koh - I - Noor, Inc.	Pending.
398	Lubricating apparatus....	Feb. 11, 1938	-----do-----	Stewart-Warner Corporation.	Do.
1527 (c)	Pocket lighters.....	Oct. 7, 1937	-----do-----	Zippo Manufacturing Co.	Do.

Appendix II. PUBLICATIONS ISSUED BY THE TARIFF COMMISSION SINCE THE PASSAGE OF THE TARIFF ACT OF 1930

The method of free distribution of Tariff Commission printed publications has been changed during the past year to conform with standard Government practice. With the exception of a sufficient supply to satisfy official needs, the entire stock of publications has been transferred to the Superintendent of Documents to be held on consignment subject to the order of the Commission.

Requests were formerly answered by mailing the publication direct from this office. The new procedure provides for requests being acknowledged and the addressee informed that the publication is being sent under separate cover. The Superintendent of Documents is then requested to mail the desired publication to the addressee from the Commission's consigned stock.

PRINTED REPORTS

Since December 1, 1937, the following printed publications have been issued by the Commission:

- Cutlery Products.
- Dominion and Colonial Statistics.
- Dyes and Other Synthetic Organic Chemicals in the United States, 1937.
- Iron and Steel.
- Mica Industry, The.
- Rules of Practice and Procedure.
- Synthetic Resins and Their Raw Materials.
- Twenty-second Annual Report.

Earlier printed publications issued under the act of 1930 are listed below.

Annual reports:

- Fourteenth.
- Fifteenth.
- Sixteenth.
- Seventeenth.
- Eighteenth.
- Nineteenth.
- Twentieth.
- Twenty-first.

Agricultural Hand Tools.

**Alcoholic Beverages.

Anthracite Coal Industry of Soviet Russia.

Barley Malt.

Bases of Value for Assessment of Ad Valorem Duties in Foreign Countries.

Beer.

Bells, Chimes, and Carillons.

Bent-Wood Furniture.

Blown-Glass Tableware.

Boots and Shoes.

**Out of print.

- Candied, Crystallized, or Glacé Fruits.
- Canned Clams.
- **Cement.
- **Certain Vegetable Oils, Whale Oil, and Copra.
- Changes in Import Duties Since the Passage of the Tariff Act of 1930 (3d edition).
- Cheese.
- Chemical Nitrogen.
- Cigar Industry and the Tariff.
- Cigar Lighters.
- Cigar-Wrapper Tobacco.
- Cocoa-Fiber Mats.
- Coilable Metal Rules.
- Comparison of Tariff Acts of 1922 and 1930 (by items).
- Comparison of Tariff Acts of 1922 and 1930 (by paragraphs).
- Computed Duties and Equivalent Ad Valorem Rates on Imports into the United States, from Principal Countries, 1929.
- **Computed Duties and Equivalent Ad Valorem Rates on Imports into the United States, From Principal Countries, 1929 and 1931.
- Copper.
- Cotton Cloth.
- Cotton Fishing Nets and Nettings.
- Cotton, Long-Staple.
- Cotton Rugs.
- Cotton Ties of Iron or Steel.
- Cotton Velveteens and Velvets.
- Crab Meat.
- Crin Vegetal, Flax Upholstery Tow, and Spanish Moss.
- Crude Petroleum and Its Liquid Refined Products.
- **Crude Petroleum, Cost of.
- Cut Flowers.
- Cylinder, Crown, and Sheet Glass.
- Dead or Creosote Oil.
- Depreciated Exchange.
- **Differential between Raw and Refined Sugar.
- Domestic Value—Conversion of Rates.
- Dressed or Dyed Furs.
- Dried Beans and Black-Eye Cowpeas.
- **Dried Egg Products.
- Drive Springs.
- **Dyes and Other Synthetic Organic Chemicals, Census of 1930.¹
- Dyes and Other Synthetic Organic Chemicals, Production and Sales of, 1933.
- Dyes and Other Synthetic Organic Chemicals in the United States, 1934.
- Dyes and Other Synthetic Organic Chemicals in the United States, 1935.
- Dyes and Other Synthetic Organic Chemicals in the United States, 1936.
- Economic Analysis of Foreign Trade of the United States in Relation to the Tariff:
 - Part I. Imports.
 - Part II. Exports.
 - **Part III. Range and Variety of Costs.
- Edible Gelatin.
- Employment of Non-Resident Fishermen in United States Fisheries.
- Extent of Equal Tariff Treatment in Foreign Countries.
- Feldspar.
- Fish and Other Marine Products.
- Fish Packed in Oil.
- **Fishery Products.
- Flat Glass and Related Glass Products.
- Folding Rules, Aluminum and Wooden.
- Fourdrinier Wires, Woven Wire Cloth, and Cylinder Wires.

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¹ Summaries of statistics relating to these commodities for the years 1931 and 1932 were issued in mimeographed form.

- Fresh vegetables:
- Beans, Snap or String, Green or Unripe.
 - Cucumbers in Their Natural State.
 - Eggplant in Its Natural State.
 - Lima Beans, Green or Unripe.
 - Okra.
 - Peas, Green or Unripe.
 - Peppers in Their Natural State.
 - Tomatoes in Their Natural State.
- Frozen Swordfish.
- Furniture of Wood.
- Gage Glass Tubes.
- Graphic Analysis of the International Trade of the United States in 1932.
- Grass and Straw Rugs.
- Hats, Bonnets, and Hoods, of Straw.
- Hat Braids and Bodies Containing Synthetic Textile.
- Hemp Cordage.
- Hides and Skins of Cattle of the Bovine Species.
- Imports and Duties, 1933.
- Inedible Gelatin, Glue, Glue Size, and Fish Glue.
- Infants' Wool Knit Outerwear.
- Iron in Pigs and Iron Kentledge.
- **Laces and Lace Articles.
- Laminated Products.
- **Lumber.
- **Maple Sugar and Maple Syrup.
- Matches.
- Meat and Food Choppers.
- Methods of Valuation.
- Nets and Netting and Other Fishing Gear.
- Olive Oil.
- Optical Fire-Control Instruments.
- Oxides of Iron Suitable for Pigment Purposes.
- Pens.
- Phosphates, Crude and Superphosphates.
- Pigskin Leather.
- Pineapples.
- Pins.
- Pipe Organs.
- Plate Glass.
- Pottery, Household, Table and Kitchen Articles.
- Precision Drawing Instruments.
- Quicksilver.
- Recent Developments in the Foreign Trade of Japan.
- Red Cedar Shingles.
- Regulation of Tariffs in Foreign Countries by Administrative Action, 1932.
- Regulation of Tariffs in Foreign Countries by Administrative Action, 1934.
- Relation of Duties to Value of Imports.
- Rubber-Soled Footwear.
- Rules of Practice and Procedure.
- Russian Asbestos.
- Salmon and Other Fish.
- Silicon Aluminum, etc.
- Slide Fasteners and Parts.
- Slide Fasteners and Parts, Cost of Production of.
- Smokers' Articles.
- Sodium Sulphate.
- Sperm Oil and Spermaceti Wax.
- **Sponges.
- Subject Index of Tariff Commission Publications.
- Subsidies and Bounties to Fisheries Enterprises by Foreign Governments.
- **Sugar.

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- Sun Glasses or Sun Goggles.
- Synthetic Camphor.
- Synthetic Phenolic Resin.
- **Tariff Bargaining Under Most-Favored-Nation Treaties.
- The Tariff—A Bibliography.
- The Tariff and Its History.
- Tooth and Other Toilet Brushes.
- Trade Agreement with Canada.
- Tuna Fish.
- **Ultramarine Blue.
- Umbrellas and Umbrella Frames and Skeletons.
- United States-Philippine Tariff and Trade Relations.
- United States-Philippine Trade.
- Upholsterers' Nails, Chair Glides, Thumb Tacks.
- Whisky, Wine, Beer, and Other Alcoholic Beverages and the Tariff.
- Wood-Cased Lead Pencils.
- **Wood Flour.
- Wood Pulp and Pulpwood.
- Wood Pulp and Pulpwood. Effect of Depreciated Currency on Imports of.
- Wool-Felt Hat Bodies (1935).
- Wool-Felt Hat Bodies and Hats (1931).
- **Wool Floor Coverings.
- Wool Knit Gloves and Mittens.
- Wool Prices.
- **Work of the Tariff Commission Since Its Reorganization in 1930.
- **Woven-Wire Fencing and Netting.

MULTILITHED MATERIAL

Trade agreement digests.

The volumes in this series contain digests of trade data respecting items upon which the United States granted concessions in trade agreements with the countries named below—

Country :	<i>Year issued</i>
Belgium.....	1935
Brazil.....	1935
Canada.....	1936
Czechoslovakia.....	1938
Finland.....	1936
Netherlands.....	1936
Sweden.....	1935
Switzerland.....	1936

Special compilations.

As Works Progress Administration projects under the supervision of the Tariff Commission, there has been prepared and issued a special group of compilations. These are listed below :

- Commodity Packaging Data.
- Computed Duties and Equivalent Ad Valorem Rates on Imports into the United States from Principal Countries, Calendar Years 1929, 1931, and 1935.
- Reciprocal Trade: A Current Bibliography.

Import statistics.

This series has been issued under the general title of "Comparative Statistics of Imports into the United States for Consumption by Countries for the Calendar Years 1931-35, Inclusive." The material

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for these years consists of 11 volumes. The contents of each volume are indicated by the titles which are—

Volume	Title
	I. Animal and Animal Products, Edible.
	II. Animal and Animal Products, Inedible.
	III. Vegetable Food Products and Beverages.
	IV. Vegetable Products, Inedible (Except Fibers and Wood).
	V. Textiles (in 4 parts).
	VI. Wood and Paper.
	VII. Nonmetallic Minerals.
	VIII. Metals and Manufactures (Except Machinery and Vehicles) (in 2 parts).
	IX. Machinery and Vehicles.
	X. Chemicals and Related Products.
	XI. Miscellaneous.

Similar statistics were also issued for the years 1929 and 1936. There are four volumes for each of these years, divided as follows:

Volume	Title
I.	{ Animal and Animal Products, Edible. Animal and Animal Products, Inedible. Vegetable Food Products and Beverages. Vegetable Products, Inedible (Except Fibers and Wood).
II.	Textiles.
III.	{ Wood and Paper. Nonmetallic Minerals. Metals and Manufactures (Except Machinery and Vehicles). Machinery and Vehicles.
IV.	{ Chemicals and related products. Miscellaneous.

Schedule A.—Statistical Classification of Imports into the United States, United States Free and Dutiable Imports for Consumption From Selected Countries—By months 1932 and 1933.
United States Imports and Duties, 1937 (arranged according to the Tariff Act of 1930—By schedules, paragraphs, and commodities).

Distribution.

The Commission has distributed during the current year over 18,000 copies of its printed publications and approximately 10,000 copies of multilithed material.

The Superintendent of Documents reports that during the fiscal year 1937, the latest year for which information is available, over 9,400 copies of reports of the Tariff Commission were sold. The receipts from these sales amounted to about \$1,056.