

**Twenty-eighth Annual Report  
of**

**The United States**

**Tariff Commission**



**1944**

**UNITED STATES TARIFF COMMISSION**

**Office: Seventh and E Streets, N.W., Washington, D.C.**

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**LYNN R. EDMINSTER, *Vice Chairman***

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**E. DANA DURAND**

**GEORGE MCGILL**

**GEORGE Z. BARNES**

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LETTER OF TRANSMITTAL

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UNITED STATES TARIFF COMMISSION  
Washington, January 1, 1945

Sir: I have the honor to transmit to you the Twenty-eighth Annual Report of the United States Tariff Commission in compliance with the provisions of section 332 of the Tariff Act of 1930.

In view of the present need for limiting reports to the briefest possible statement of essential matters, the Commission has confined itself in this report to summarizing its principal activities and has omitted much of the detail which has been customary in previous annual reports.

In Regulation No. 3, dated September 25, 1942, the Office of War Information directed that this report should not be printed.

Respectfully,

OSCAR B. RYDER, Chairman

THE PRESIDENT OF THE SENATE.  
THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

UNITED STATES TARIFF COMMISSION  
Washington

TWENTY-EIGHTH ANNUAL REPORT

TO THE CONGRESS:

The United States Tariff Commission submits herewith its twenty-eighth annual report.

During the years 1941 through 1943 the activities of the Tariff Commission were devoted largely to assisting first defense and then war agencies and to other work closely identified with the war effort. In 1944, however, the need for aid to war agencies has decreased although work for them continued to form a substantial part of the Commission's activities. As a result the Commission has been able to direct increasing attention to the study of post-war foreign trade problems. This report summarizes the work of all kinds done during the past year.

WORK IN COOPERATION WITH GOVERNMENT AGENCIES

The War Production Board.

Since its organization the War Production Board, one of the first of the war agencies to be concerned with production, movement and use of commodities, has called upon the Tariff Commission for cooperation in numerous investigations and in the preparation of reports on a wide range of subjects. Some of these projects have been continuous; for example, the New York office of the Commission regularly supplies data which are compiled directly from invoices and other import documents. This material is in greater detail than that provided by official import statistics. Much of this invoice work is done for the Bureau of Stockpiling and Transportation of the War Production Board and provides information needed by the Bureau regarding the trade in various items on the Shipping Priorities List. The data compiled by the Tariff Commission are incorporated in the quarterly and annual reports of the Bureau of Stockpiling and Transportation. A monthly analysis of commercial imports of raw wools is also made for the War Production Board and summarized in a report giving details for clothing wools, combing wools, carpet wools, and alpaca.

For more than 2 years the Tariff Commission has collected for the War Production Board statistics regarding domestic production of synthetic organic chemicals and the consumption and use of certain fibers. Approximately 250 producers report monthly and quarterly data on domestic production, consumption, and stocks of 300 or more synthetic organic chemicals. These data are tabulated by plants and by products and are supplied to the Chemical Bureau of the War Production Board. Some of the material is released each month jointly by the Tariff Commission and the War Production Board in the Facts for Industry

Series. The data collected on hard fibers have been analyzed and tabulated and sent monthly to the War Production Board.

During the past year the Commission was asked by the War Production Board to cooperate with the Bureau of the Census in a field survey on women's and children's clothing. The information obtained was for the purpose of applying WPB-Limitation Order L-85. The Commission assisted in the formulation of the questionnaire and took an active part in the work in the New York area. This project was similar to the one previously undertaken to obtain information for yarn allocation and other wartime decisions affecting the knit outerwear industry. Both of these projects involved extensive use of Commission personnel.

In addition to carrying on these major projects, the Commission has assigned a senior member of its staff to serve on the Shipping Priorities Advisory Committee and to work closely with the Bureau of Stockpiling and Transportation of the War Production Board.

#### Office of Price Administration.

Early in the war the Tariff Commission placed the facilities of its accounting staff, experienced in making cost investigations, at the service of the Office of Price Administration, which has need of information on costs of production of various commodities in connection with questions regarding ceiling prices. Because of the difficulty in employing accountants with cost-accounting experience, the Office of Price Administration continues to request the Tariff Commission to assist in these cost investigations.

One of the projects undertaken this year to assist the Wool Section of the Office of Price Administration was an extensive cost study of wool manufactures, including worsted fabrics, wool fabrics, and wool-knit fabrics. Data previously obtained by the Commission were reviewed and supplemented by current field investigations. This work required a knowledge of the range, variety, and changing characteristics of the apparel fabrics covered.

Assistance was also rendered in connection with a study of costs of production of processed fruits and vegetables. Still under way is a comprehensive investigation of the costs of cotton printcloth fabrics a part of a larger study of cotton textiles being conducted by the Office of Price Administration in compliance with provisions of the Bankhead amendment to the Stabilization Extension Act of 1944. To comply with the amendment it is necessary that ceiling prices for each major cotton fabric be reviewed from the point of view of current costs as affected by the price of raw cotton.

Another type of assistance rendered the Office of Price Administration involves the analysis of import invoices of certain classes of products. Members of the Commission's staff also provide consultative and advisory services on many commodities. As war production shifts to production for civilian use, a temporary expansion of investigations for the Office of Price Administration is anticipated. When ceiling prices are established for articles which are again permitted to be produced for civilian use, information on the cost of producing such articles is necessary. Such costs will also be needed for products that are manufactured for the first time or under changed technology.

### War Food Administration.

Work for this organization has consisted chiefly of cost studies; the most important of these related to products procured for Lend-Lease and for military purposes and to products subject to subsidy payments.

Canned meats; concentrated citrus juices; dried whole eggs; cheese; butter; and dried, condensed, and evaporated milk—commodities which are important in the buying program of the War Food Administration—were subjects of investigation during the past year. During 1943 the War Food Administration purchased about 900 million dollars worth of these commodities and during the first 9 months of 1944 approximately 640 million. Data procured by Tariff Commission accountants on the costs of producing the various grades and kinds of these foods have been used by the War Food Administration officers in carrying out the food procurement program. A less extensive investigation was made of subsidy payments on fluid milk.

Another task undertaken for the War Food Administration involved assistance to processors of canned fruits and vegetables in preparing claims to be presented to the Commodity Credit Corporation for reimbursement to offset increased costs resulting from higher wages and other factors.

It is probable that the Commission will be asked to continue active participation in this program of investigational work by the War Food Administration. Rehabilitation of the liberated countries may necessitate the grant of substantial aid by the United States and therefore the buying program of the War Food Administration probably may not slacken materially during the next year.

### Foreign Economic Administration.

In December 1941 the Tariff Commission formally made its facilities available to the Board of Economic Warfare (now Foreign Economic Administration), and since that time it has collaborated closely with that agency.

Among the major projects which have been completed for this agency are reports on certain Far Eastern areas; 100 separate commodity studies called Maximum Foreign Supply Surveys; and a series of confidential reports on commodities of critical or strategic importance to the enemy. Recently surveys have been completed on about 50 principal products of the Malaysian area, showing for each product its pre-war position, how that position has been affected by the war, and the probable post-war production. Another project completed this year consists of a group of short reports covering production, foreign trade, and wartime activity of certain industries in the reoccupied countries of Europe, and problems relating to the rehabilitation of these industries.

In progress is a study of the economy and trade of Japan with particular reference to (a) the extent to which the country was dependent in the pre-war period upon foreign sources for civilian compared with military requirements; (b) the amount of trade handled by Japan's own merchant marine; and (c) the importance of imports from Japan to members of the United Nations.

The Commission also cooperates with the Foreign Economic Administration in general consultative and research work, makes analyses of imports of products in which that agency has special interest, and when necessary, details members of its staff for special work.

#### The Inter-American Defense Board.

The Inter-American Defense Board has been engaged in an investigation to determine the extent to which the Western Hemisphere could become self-sufficient with respect to certain strategic or critical agricultural products. The Board, as a basis for its conclusions, requested the Commission to prepare an extensive survey as regards 1) agricultural products. Much of the information contained was confidential, but the report has been made available to Government agencies that were particularly interested.

#### Department of State.

The Commission has cooperated with the newly organized Commodities Division of the Department of State by supplying basic data on some of the more important commodities, and has also taken an active part in the carrying out of the trade agreements program. Elsewhere in this report is given a more detailed statement of Commission activities relating to trade agreements.

#### Bureau of the Budget.

Members of the Commission's staff have contributed to the preparation of the Standard Commodity Classification, which is still in progress. This classification is being set up primarily because of the needs of the Procurement Division of the Treasury Department and of the armed services for such a classification for procurement, inventory, and disposition purposes. The classification will help to standardize the presentation of statistical data on commodities by other Government agencies. Work has recently been started on a related industrial classification and the Commission's staff is assisting in its preparation.

#### Bureau of the Census.

At the request of this Bureau the Tariff Commission has cooperated in organizing and reviewing the schedules for the next census.

### SPECIAL WORK ON POST-WAR FOREIGN TRADE PROBLEMS

During the past year the Tariff Commission, in response to Congressional requests, has turned its attention increasingly to post-war problems.

Every war raises many new questions of international commercial policy. Questions of this character created by World War I were manifold; those which are being created by this war and which must be considered by the Congress in determining Government policies will be the most complex and difficult this country has ever had to solve in this field. Increased exports would assist in maintaining production and employment at a high level in the post-war period. However, many



countries of the world will find it difficult to obtain funds to buy from the United States even as much as they bought from us before the war. Moreover, during the war new industries have been created which, after the war, may seek to have new restrictions placed on imports.

In December 1943 and early in 1944, the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate asked the Commission to investigate the principal domestic industries which have been affected by the war. The Commission was requested to report on the pre-war status of these industries, the changes that have taken place in them during the war, and, as far as possible, their probable post-war status as to foreign trade and international competition. These requests were later enlarged to include reports on the probable general foreign trade position of the United States after the war, and on changes since 1929 in the international-trade policies of foreign countries particularly as they affect the industry and trade of the United States.

In response to the requests made by these Congressional Committees the Commission has expanded the program of work on post-war foreign trade problems which it had previously formulated, and the expanded program now calls for the preparation of the following reports:

- (1) A report on the effects of wartime economic changes on the general foreign-trade position of the United States.
- (2) A series of reports on individual United States industries affected by the war in such manner as to alter substantially their competitive position in relation to the industries of foreign countries.
- (3) Special reports on the trade and trade policies of individual foreign countries.

A description of the reports being prepared in response to these requests follows.

The report on effects of wartime economic changes on the general foreign-trade position of the United States will emphasize the problems of commercial policy to be faced in the post-war period. It will cover in a general way the vast changes brought about by the war in the character of the goods produced, in the methods of production, and in productive capacity.

The report on United States industries affected by the war will cover approximately 75 major commodities or groups of commodities. Each report will review for the given commodity or industry the conditions of production and competition before the war and the changes in these conditions made by the war. It will describe and analyze the possible problems which are likely to arise after the war because of these changes and also because of the general domestic and foreign economic situation in post-war years. Emphasis will be placed upon the problems of policy which the Congress must decide. Reports have already been issued on the following commodities:

Raw wool	Mercury
United States stock- pile wools	Dehydrated vegetables
Industrial alcohol	Rubber

These reports are summarized in the appendix (pp.12-18).

Reports on the following commodities are in process and a considerable number are nearing completion.

Chemicals

Casein  
Dyes  
Flaxseed, linseed and other  
drying oils, and materials  
thereof  
Nitrates  
Oils and fats for foods and  
soap and materials thereof  
Petroleum  
Potash  
Starches

Nonmetallic minerals

Cement  
China clay  
Fluorspar  
Graphite  
Magnesite  
Mica  
Plate glass  
Pottery  
Table glassware  
Window glass

Metals and manufactures thereof

Abrasives and manufactures  
Aluminum  
Antimony  
Chromite and chromium alloys  
Copper (through refining)  
Copper and copper-base alloys  
(basic shapes)  
Gold and silver manufactures  
Iron and steel  
Lead  
Magnesium  
Manganese  
Nickel  
Textile machinery  
Tin  
Watches  
Zinc

Lumber and paper

Book paper  
Cigarette paper  
Newsprint  
Shingles  
Softwood lumber  
Wood pulp and pulpwood

Agricultural and fishery products

Bulbs  
Butter, cheese, canned milk and  
dried milk  
Cattle and beef  
Coconuts and coconut meat  
Crab meat  
Eggs, dried  
Nuts, edible  
Onions  
Potatoes  
Rice  
Tobacco, leaf  
Tomatoes  
Tuna, canned  
Wines

Textiles

Burlap  
Cotton, raw  
Cotton yarns  
Countable cotton cloths  
Flax and hemp  
Hard fiber and rope, including  
binder twine  
Rayon, nylon, other synthetic  
fibers, and raw silk  
Wool gloves  
Wool hosiery  
Wool waste  
Woolens and worsteds

Sundries

Bristles  
Fur felt hats  
Furs, silver fox  
Hat braids  
Hides and skins  
Industrial diamonds and diamond  
dies  
Leather  
Leather gloves  
Plastic products

The trade and trade policies of foreign countries will be covered in a series of reports on selected countries. Reports on Spain and on each of the Balkan countries have already been prepared; and reports on the British Empire and the Latin American Republics are in preparation. The one on the British Empire will include a comprehensive review of Empire trade, as a whole, its importance and relation to United States trade, and the effects of imperial tariff preferences; also a review of the trade of the principal individual British countries. The series of reports on Latin American countries will include reports for each country with respect to the effects of the war on its economy and will include for each country sections relating to (a) economic trade controls and commercial policy, (b) mining and manufacturing industries, (c) agricultural, pastoral, and forest industries, and (d) foreign trade. Although no formal reports have been planned on the Far East in response to this request, the Commission is devoting attention to some of the major trade problems which will present themselves regarding that area when hostilities cease. The Vice Chairman of the Commission was appointed by the President to serve as a member of the Filipino Rehabilitation Commission, which will consider, among other things, the future trade relations between the United States and the Philippines.

Another pending request from Congress is Senate Resolution 341 which directs the Tariff Commission to report with respect to commodities which are important in the import trade, the post-war consumption, production, imports, exports and employment under certain stated assumptions. Also before the Commission is a request from a Member of the Ways and Means Committee, asking the Commission for certain information on price levels in the United States and foreign countries; for a list of imported commodities supplying 10 percent or more of domestic consumption; and for extensive information on imports which, under present tariff treatment, have competitive advantages in the American market and those which do not.

#### OTHER WORK OF THE COMMISSION

##### Work Completed During the Year

##### Reports issued.

In addition to the reports issued in the War Changes in Industry Series and listed on page 5 the following reports have been completed and issued during the past year:

- Treaties affecting the northeastern fisheries
- United States consumption of food in terms of fats, proteins, carbohydrates, and calories, 1939-43
- The rayon industry
- Cost of production of wool in 1943
- Production, consumption, and stocks of synthetic organic chemicals in the United States, by months, 1943 and 1944
- United States production and sales of synthetic organic chemicals and their raw materials, 1943

Analysis of imports of United States miscellaneous  
 crude drugs, 1940 and 1941  
 Analysis of United States imports of miscellaneous  
 chemicals and medicinal preparations, 1940 and  
 1941  
 Trade agreements with Iceland and with Iran  
 United States imports in 1939 classified according  
 to type of duty  
 Changes in import duties since 1930—supplement  
 List of recent publications

Summaries of these reports are given in the appendix (pp.16-25).

In addition to the foregoing reports the Commission, at the request of Congressional Committees, has prepared numerous memorandums on pending legislation, including among other memorandums bills relating to the registration and protection of trade-marks, the establishment of the Filipino Rehabilitation Commission, and the disposal of surplus war property.

#### Work in Progress

##### Summaries of Commodity Information.

An important part of the basic work of the Commission consists in keeping the Summaries of Commodity Information up to date. During the past year much of this work has had to be postponed because of other demands that have taken precedence. However, work on the Summaries continues whenever opportunity permits.

##### Review of Customs Administrative Laws.

A comprehensive study of the administrative provisions of the customs laws of the United States has been begun. The purpose is to scrutinize the entire body of customs administrative laws and procedures with a view to ascertaining which provisions have become obsolete or unduly burdensome or which need strengthening in order to carry out their objectives. The results are to be the subject of a report, or a series of reports, to the Congress under section 332 of the Tariff Act of 1930, which specifically imposes upon the Tariff Commission the duty of investigating the operation of the customs laws.

In June 1944, the Commission announced that this study had been undertaken, and solicited suggestions and comments regarding operation of these laws from Government officials and from interested parties.

##### Report on the Economy of Puerto Rico.

A study of the trade relations between the United States and Puerto Rico was undertaken at the request of the Senate Committee on Territories and Insular Affairs. A preliminary report based on information readily available concerning the economy of the island and its dependence on external trade with continental United States and foreign countries, was submitted shortly after the request was received from the Committee. A more comprehensive report is nearing completion. This report will deal with the economy of Puerto Rico, how it has been

affected by the war and how it would be affected by any change in the relationships between the United States and the island.

Work on Trade Agreements.

During the past year, work in connection with trade agreements has been relatively light. Much ground work has been done, however, in preparation for preliminary discussions and possible future agreements with several countries.

The Vice Chairman of the Tariff Commission serves as Chairman of the Committee for Reciprocity Information. That Committee is the designated Government agency to receive information, requests and suggestions in writing or orally, from interested persons concerning proposed agreements and those already concluded. Representatives from the Department of State, Treasury, Agriculture, and Commerce also are members of the committee. Its offices are maintained in the Tariff Commission Building, and facilities of the Commission are available to it. A considerable volume of representations with respect to various matters involving trade agreement items continues to be received even under wartime conditions; and several informal conferences have been held with reference to specific items.

Work on Interdepartmental Committees.

The Commission continues to do an important amount of work for Interdepartmental Committees. Much of this work relates to transitional and post-war problems. Members of the Commission serve on a number of the more important of these committees and are chairmen of several of them. Among these committees are the Executive Committee on Economic Foreign Policy, the Trade Agreements Committee, the Interdepartmental Committee on Cooperation with the American Republics, the United States-Mexican Committee on International Fisheries, and the West Indian Committee. Members of the staff are also assigned to work on numerous interdepartmental committees and subcommittees. Participation in the considerable amount of work required in connection with the preparation of the Standard Commodity Classification has already been referred to.

Work of the New York Office.

The Commission, through its office in the United States Custom House in New York City, compiles itemized information as to grades, kinds, and qualities of particular merchandise imported under the broad classes of merchandise reported in official customs statistics. In the case of some commodities the names of the foreign producers and importers are noted. At present most of this work is done at the request of war agencies, but much of it is of use for the general purposes of the Commission.

## FINANCES AND APPROPRIATIONS, FISCAL YEAR 1944

The appropriated funds available to the Tariff Commission during the fiscal year 1944 were, for salaries and expenses, \$800,000, plus \$97,000 for overtime pay; for printing and binding, \$10,000.

In addition, working funds from other appropriations, amounting to \$309,000, were transferred to the Commission for services rendered to war agencies. At the end of the fiscal year unobligated balances of all funds available totaled \$67,368.

There follows a summary of the net expenditures and obligations for all purposes during the fiscal year 1944:

	<u>Appropriated Funds</u>	<u>Working Funds</u>
Salaries:		
Commissioners -----	\$39,999	-----
Employees:		
Departmental -----	680,517	\$193,953
Field -----	24,822	6,334
Overtime pay -----	118,252	34,233
Travel expense -----	12,957	11,151
Books of reference and publications	3,136	1
Telephone and telegraph service -----	3,945	228
Contractual services -----	6,195	-----
Office equipment, supplies, etc. -----	6,407	6
Printing and binding -----	<u>6,496</u>	<u>-----</u>
Total -----	902,726	245,906

## PERSONNEL AND ADMINISTRATION

Membership of the Commission.

Mr. Oscar B. Ryder, of Virginia, Chairman of the Commission since July 1, 1942, was again designated by the President as Chairman, effective July 1, 1944.

Mr. Lynn R. Edminster, of Illinois, Vice Chairman of the Commission since August 4, 1942, was again designated by the President as Vice Chairman, effective August 4, 1944.

The other members of the Commission are Mr. Edgar B. Brossard, of Utah; Mr. E. Dana Durand, of Minnesota; Mr. George McGill, of Kansas; and Mr. George Z. Barnes, of Illinois.

Mr. McGill qualified on August 22, 1944, to succeed Mr. A. Manuel Fox, for the term ending June 16, 1948, and Mr. Barnes qualified on September 1, 1944, to succeed Mr. Fred H. Brown for the term ending June 16, 1947.

### Personnel.

On June 30, 1944, the Commission's staff numbered 305. This number was made up of 4 Commissioners and 301 other employees—162 men and 143 women. At present 48 men, including the Secretary of the Commission, and 3 women are in active military service. Several employees have been called into the military service for specialized duty, because of their particular training or technical experience. Very few requests have been made for deferment under the provisions of the Selective Service Act.

The following table shows the distribution of the staff as of June 30, 1943, and June 30 and October 31, 1944:

#### Departmental and Field Services

Title	: June 30, : 1943	: June 30, : 1944	: Oct. 31, : 1944
Commissioners	4	4	6
Chief Economist		1	1
Director of Investigation	1	1	1
Chief, Technical Service	1	1	1
Advisers	3	1	1
General Counsel	1	1	1
Assistant General Counsel	1	1	1
Executive Officer	1	1	1
Chiefs of Divisions	10	10	10
Acting Chief of Division	1	1	1
Assistant Chiefs of Divisions	2	2	2
Chiefs of Sections	6	7	6
Acting Chief of Section	1		1
Librarian	1	1	1
Graphic Presentation Designer		1	1
Accountants	28	34	37
Marine and Foreign Transportation Specialists	1	1	1
Commodity Specialists	52	55	53
Economists	31	32	29
Commercial Policy Analysts	7	3	3
Attorney		1	1
Assistant Librarian	1	1	1
Clerks and Stenographers	115	118	110
Secretaries to Commissioners	4	4	5
Junior Administrative Assistant		1	1
Operators, Office Devices	19	9	7
Telephone Operators	3	3	3
Messengers	11	8	8
Skilled Laborer	1	1	1
Chief, New York Office	1	1	1
<b>Total</b>	<b>307</b>	<b>305</b>	<b>296</b>

## APPENDIX: SUMMARIES OF REPORTS ISSUED DURING 1944

## War Changes in Industry Series

Reports on wool.

In connection with the present and future situation in wool production and trade, the Commission has prepared two reports. The first has to do in general with the current and longer-run aspects of wool production and trade; and the second deals especially with the situation that has developed as a result of the Government's wool stockpiling operations.

Raw wool.—Raw wool was one of the critical war materials to which the Government gave price support when it became doubtful whether supplies would prove adequate. As the military situation improved in 1943, the wool situation improved to such an extent that excessive supplies developed. Questions then arose regarding conditions in the industry in the United States. Prices of wool were considerably higher than before the war, but costs of production showed evidence of advancing substantially more than prices. Moreover, a heavy accumulation of world stocks of apparel wools appeared to threaten the stability of wool markets (both domestic and foreign) for some years after the war.

In the study Raw Wool, issued in December 1943 as Report No. 1 in the War Changes in Industry Series, the relationship of wool and lamb prices is shown historically, together with data regarding the trend of production, imports, and consumption of wool. The effects of Government price support for wool from 1940 on are outlined, and the factors tending to increase costs are analyzed. The increase in costs and their effects on wool production are discussed.

The report also discusses the probable post-war trends. It points out that because of the increased production of raw wool during the war, and of the existence of stocks of apparel wools in the United States and Western Hemisphere countries amounting to approximately 1,500 million pounds (scoured basis) in October 1944, it is likely that there may be a demand for the adoption in the post-war period of some governmental policy beyond the mere maintenance of present duties on wool to lessen the shock of readjustment to peace conditions of demand. Possible Government policies which might be urged by producers are (1) the maintenance of production at 1943 and 1944 levels (about 200 million pounds annually, scoured basis) for a series of years by means of guaranteed prices; (2) cushioning the shock of reconversion over a period of years by Government loan or purchase at fixed but gradually declining prices; or (3) an increase of the duty on wools finer than 44s. On the other hand there might be demand for (4) a decrease of duty on apparel wools; (5) a combination of a decrease of duties with cushioning of the readjustment by Government purchases, or (6) an international commodity agreement on wool, with or without the use of "buffer" stocks, to control the world surplus.

Another factor that will have to be considered in the post-war situation is the possibility of an increased use of rayon and other substitute fibers for blending with wool, and of the development of new synthetic fibers that may compete directly with wool. The report emphasizes that if a satisfactory substitute appears at a lower price than



wool, it may not be possible by the mere continued application of a duty on imports to keep the United States price of wool substantially above the world price.

United States stock-pile wools.—Rapid changes during 1943 and 1944 in the raw-wool situation had particular bearing on the outlook for domestic wools. During this period Government support of domestic wool prices kept them substantially above the prices of similar imported wools, premium prices being paid by the war agencies for fabrics produced from domestic wools; under these circumstances the sole outlet for the domestic wools has been in military fabrics. With the decline in military needs after the middle of 1943, this price disparity threatened to leave a large part of the domestic wools without a market, because manufacturers of civilian fabrics subject to price ceilings found it more profitable to use the cheaper imported wools. Moreover, there appeared to be every likelihood that the Government would take over the 1944 domestic production—it later did so—thus adding to the stock pile of domestic wools.

These considerations led the Tariff Commission, early in 1944, to make a study of the current and prospective wool stock piles. The results were incorporated in United States Stock-Pile Wools, issued in May 1944 (Report No. 3 in War Changes in Industry Series). The report reviews the pre-war status of raw-wool supplies, wartime changes, and action taken by the United States and the United Kingdom concerning prices and wartime purchases of supplies in this country, British countries, and other countries. It shows the probable effects of accumulated stocks on the post-war wool market.

The United States Government began its stock pile of domestic wools by taking over part of the 1943 domestic clip. These wools were purchased at ceiling prices which were considerably higher than the duty-paid prices of similar foreign wools, the ceiling prices having been fixed at a high level in order to maintain the already large United States wool production under conditions of rapidly increasing costs. The British Empire production of apparel wools was taken over by the United Kingdom in 1939 for the duration of the war at prices originally from 30 to 35 percent higher than those received by the producers in 1938 and 1939, and the Government's purchase prices were later increased. Two separate stock piles of imported apparel wools were built up in the United States: one owned by the British Government, and the other by the United States Government. These were in addition to a third stock pile consisting of domestic wools accumulated by the United States Government.

On January 1, 1944, the two stock piles owned by the United States Government totaled about 310 million pounds (scoured basis), including 175 million pounds of Australian wool, 20 million pounds of Uruguayan, and 115 million pounds of domestic wool. About 190 million pounds was added from the domestic clip of 1944. In addition, the United Kingdom was holding in this country a strategic reserve of about 280 million pounds (scoured basis) of Australian, South African, and New Zealand wools.

The report points out that the large accumulation of world stocks of wool, and the disparity between the United States prices for domestic and imported wools, present a serious problem. The pre-war price relationship could be reestablished either by raising the price of

imported wool or lowering that of domestic wool. The first could be accomplished only by raising the duty or restricting the quantity of imports, or both; it would involve higher prices to consumers for fabrics. Lowering the prices of domestic wools to the level of the prices of imported wools, of course, could be accomplished by selling from the stock pile at reduced prices.

Apart from proposals for the sale of Government-owned domestic wools, certain other proposals for the disposition of the stock pile have been put forward. These are: (1) Holding all or part of this wool more or less indefinitely as a stock pile, (2) using part or all of it for foreign relief, and (3) using a much larger proportion of domestic wools in filling Government orders for military fabrics. The report expresses the opinion that the maintenance of a large stock pile would be desirable only in order to assist in carrying out an agreed-upon program of international cooperation for the orderly liquidation of world stocks, and that such maintenance would not be necessary in order to achieve that end. It scarcely seems practicable to use much of the Government's wool stocks for foreign relief, and the increased use of domestic wools for filling Government orders has definite limitations.

#### Industrial alcohol.

A report on Industrial Alcohol was issued by the Commission in January 1944. The production of industrial alcohol has increased enormously during the war. Post-war requirements, at least in the early period after the war, will depend largely on the extent to which this product enters into the production of synthetic rubber, although the requirements for other purposes may be greater than before the war.

In 1939 about two-thirds of domestic industrial alcohol produced was from molasses; most of the rest was produced by synthesis from natural gas and petroleum. By 1943 production had quadrupled, exceeding 400 million gallons; in 1944 it was expected (at the time the report was issued) to exceed 600 million, much the larger part derived from grain. A major contributor to the increased output has been the alcoholic-beverage industry, which has been converted to the production of industrial alcohol.

Although more industrial alcohol has been used for both direct military and indirect military and civilian purposes, the major cause of the increased demand has been the synthetic-rubber industry. The report forecast that in 1944 about half of the output of Buna S, the principal type of synthetic rubber, would be made from alcohol, of which probably more than 350 million gallons would be required.

The report points out that even if alcohol continues to be a major material for synthetic rubber after the war the consequent saving in the use of petroleum, the alternative material, would be a very small fraction of the petroleum output. Even the greatly expanded output of alcohol in 1944 is equal to only about 1½ percent of the peacetime consumption of liquid fuels in the United States. The mixture of alcohol with gasoline has sometimes been advocated as a much more effective method both of consuming farm surpluses and of conserving petroleum. The report indicates that the mixture of alcohol with gasoline in motor fuel on a scale sufficient to permit any considerable conservation of petroleum resources would necessitate an

increase in the production of alcohol far above even the wartime levels. If such an increased production of alcohol were to be derived from domestic materials an enormous increase in agricultural production would be required. Sound public policy requires careful comparison of costs of liquid fuels obtained from various sources before any decision is reached with regard to use of alcohol for this purpose.

#### Mercury.

In June 1944 the Tariff Commission issued, as No. 4 in the War Changes in Industry Series, a report on Mercury.

Mercury, also known as quicksilver, is one of the strategic metals essential for both civilian and military use. The domestic consumption in 1928 amounted to 34,942 flasks (of 76 pounds each); by 1943 it had increased to 54,500 flasks. The increase is a direct result of the war, chiefly because of the military demands for mercury in pharmaceuticals and in chemical warfare. This increased demand stimulated domestic production and resulted in the opening of many new mines. In part the increase in domestic output was made possible by Government assistance to the producers. Contracts were made by the Metals Reserve Co. with small domestic producers for the purchase of mercury at official ceiling prices which were far above pre-war prices. Other Government measures included advances on production contracts by Metals Reserve Co., loans by the Reconstruction Finance Corporation for development of small mines, and a limited exemption from excess profit taxes for mercury producers. By the end of 1943 large supplies had been accumulated and the contracts of the Metals Reserve Co. with the domestic producers were canceled, effective February 1, 1944.

Both the world price and the domestic price of mercury have increased greatly during the war; nevertheless for the first time the price in New York has been consistently less than the price quoted abroad. The price of mercury rose from \$84 per flask in August 1939, just before the outbreak of the war in Europe, to \$202 a flask during January 1942. To prevent further increase the Office of Price Administration, in February 1942, imposed a ceiling price of \$191 per flask.

Before the war the United States generally imported, principally from Italy, Spain, and Mexico, about one-third of the mercury it used. In order to assure an adequate supply during the war, early in 1940 the Metals Reserve Co. and the United States Commercial Co. purchased mercury abroad, mainly from Spain, Chile, and Mexico.

Before the war in Europe, the output of the major producing areas—Spain and Italy—was controlled by a Spanish-Italian cartel. This cartel greatly influenced world production and sale. The report emphasizes the part played by the international cartel in the past and outlines the steps which might be taken by the United States to protect its interests should similar conditions arise after the war. It also makes suggestions for the disposition of the United States stock pile, which is equivalent to 3 years' domestic peacetime requirements.

At the end of the war, the mercury industry in the United States will be faced with almost certain reduction in demand, a consequent drop in price, and adjustment to the resumption of world competition. The facts presented in the Commission's report indicate that under

these circumstances the national interests would be best served by a policy of conserving our very limited resources of mercury. The grade of ore treated in this country has steadily, though slowly, declined and this trend has been accelerated by the large wartime production.

Dehydrated vegetables.

In September the Tariff Commission completed report No. 5, War Changes in Industry Series, on Dehydrated Vegetables, which shows that from its beginning the practice of dehydrating vegetables has been primarily a war measure. In the United States the industry attained its first great development in World War I, but only about 9 million pounds were shipped overseas for the military forces during the war. When the Army contracts were canceled, the industry, lacking a civilian market, almost closed down; output declined from 10 million pounds, valued at 2.5 million dollars and produced in 30 plants in 1919, to production valued at less than \$200,000 in 1925. By 1940, with the development of improved methods, the industry had reached an output equal in value to that of 1919, although only half as much in aggregate weight because between the First and Second World Wars the industry had specialized in dehydrated soup ingredients and in powdered vegetables for condiments, relatively high priced articles. There were no exports and imports were negligible.

Dehydrated vegetables weigh only one-ninth as much as the canned product and take up one-fifth as much space. Therefore, as the shipping situation became acute after the United States entered the present war, and as supplies of tin ran low, the Government again encouraged dehydration of vegetables as a war measure. Almost an entirely new industry had to be created. By the end of 1943, 160 plants representing an investment of about 12 million dollars were in operation, and by the 1943-44 season production had increased to 180 million pounds valued at 75 million dollars, or nearly 40 times the amount produced in 1940. Most of this has been allocated to the Army and Navy and Lend-Lease.

It is generally expected that after the war 90 percent of the vegetable-dehydrating plants depending upon war contracts alone will close down. However, disposal of the equipment is not expected to involve serious problems; dehydrating equipment will be in demand for other industries, and indeed a shortage of dehydrating machinery is expected in the next few years after the war. In other ways the situation after the Second World War will differ from that which followed the last war: a well-established civilian market for dehydrated soups and powdered-vegetable condiments will remain, and the greatly improved quality of the product may possibly win a civilian market for considerable quantities of unmixed vegetables such as potatoes, onions, beets, and spinach. An important export market for dehydrated vegetables is not anticipated, but neither is it expected that there will be any serious competition from imports. In the pre-war period dehydrated soups had been widely advertised under brand names and were on the road to becoming fairly well known to consumers. There will certainly be excess capacity to supply this recently developed market in the post-war period and further development of consumer demand will probably require considerable time.

## Rubber.

For a number of years rubber has been one of the most important raw materials of our economy. The pre-war dependence of the United States upon foreign sources of supply, the loss of most of those sources early in the war, the rapid development of a huge domestic synthetic rubber industry, and the effect this additional production capacity may have on foreign producing areas in the post-war period have created very difficult problems. The Commission's report on Rubber (No. 6 in the War Changes in Industry Series) gives a comprehensive analysis of those problems with reference to natural, synthetic, and reclaimed rubber.

In formulating a national post-war policy in respect to rubber, the most important considerations are these: The provision of adequate safeguards to national security, the protection of consumers against possible exactions of combinations of foreign producers, the avoidance of unnecessary restrictions on our foreign trade, and the prevention of unwarranted burdens on United States consumers and taxpayers. Should the United States maintain a rubber stock pile; should it undertake, as a matter of post-war policy, to maintain in operation some considerable part of the present synthetic capacity, even though this should require Government aid; and, if so, what type of aid might be given; to what extent, if at all, should it plan to keep the plants in stand-by condition; what, in the light of the policy considerations mentioned above are the main points that emerge for further appraisal in arriving at a decision with reference to post-war policy? Facts and considerations bearing on this whole matter are presented with considerable fullness in this report.

Just before the war, world output amounted to about 1½ million tons, of which British Malaya and the Netherlands Indies each supplied about two-fifths. The United States consumed about half of this world output. Prices fluctuated widely before 1934, plantation rubber selling for as much as \$1.25 and as little as 3 cents a pound. Thereafter prices were made relatively steady at from 12 to 21 cents per pound, by an international committee. The production of synthetic rubber on a commercial scale began in Germany and the Soviet Union about 1934, but up until 1941 the United States produced only small quantities of special-purpose synthetic rubber.

As soon as the Far Eastern sources of natural rubber were cut off, however, synthetic-rubber production was greatly expanded in the United States, mainly by Government aid. Today the domestic industry has a theoretical productive capacity of about 850,000 tons of various kinds of synthetic rubber, but the actual effective capacity is much larger. Buna S, a general-purpose type, composed of about three parts of butadiene to one of styrene, accounts for over 80 percent of the total. It was planned to use petroleum as the raw material for about 66 percent of the butadiene and alcohol for 34 percent. Demands for high-octane gasoline, however, necessitated a greater relative use of alcohol; up to October 1944 the ratio had been about 40 percent for petroleum to 60 percent for alcohol. About 750 million dollars has been invested in the synthetic rubber industry, of which the Government has supplied about 700 million dollars. In May 1944 the cost of producing Buna S by the petroleum method was as low as 18½ cents a pound; for Buna S produced from alcohol, the cost was 48 cents at the current (1944) price of 95 cents per gallon for alcohol. On the same basis

for conversion costs a decline in the price of alcohol to 50 cents a gallon would reduce the cost of Buna S made from alcohol to 32 cents, and a decline to 25 cents a gallon would reduce the cost of Buna S to 23 cents a pound.

During the war the annual production of reclaimed rubber was increased from less than 200,000 tons to more than 300,000 tons. A large project for planting guayule was started, but this was thereafter sharply curtailed. Efforts on the part of the United States to obtain wild rubber from Latin America have somewhat augmented the domestic supply though to less extent than has been hoped.

At the end of the war the United States synthetic-rubber plants will probably be able to produce, under normal operating conditions, from 950,000 to 1,100,000 tons of rubber annually. This amount far exceeds the United States pre-war consumption of rubber. The deferred civilian demand for rubber goods, especially automobile tires and tubes, after the war is expected to be large enough to absorb all the natural and synthetic rubber that will be available for 2 to 3 years after the Far Eastern natural rubber areas are recovered from the Japanese, particularly since temporarily the natural rubber output will probably be much below pre-war levels. After the Far Eastern areas have regained their normal production and the immediate backlog of demand has been satisfied, world producing capacity is likely greatly to exceed the quantity that can be consumed, even though, if prices are low enough, many new uses are likely to be found.

The Commission's report suggests that, since the demand for rubber for a period after the close of the war will probably be sufficient to absorb the available supplies both synthetic and natural, the problems concerning rubber, resulting from the war, although extremely important, do not require immediate decision on all the matters of policy. Developments during the next 2 or 3 years will throw more light than now is available on the ability of synthetic rubber to compete with natural rubber in quality and cost.

#### Other Reports of the Tariff Commission

##### Treaties affecting the northeastern fisheries.

In December of this year the Tariff Commission published a report covering treaties, agreements, and international arbitration awards affecting the activities of United States (principally New England) fishermen operating along the northern Atlantic coast of North America.

Publication of the report coincides with current discussions of international post-war fishery problems. It will furnish comprehensive background material useful in the determination of such problems and will be valuable for other purposes to persons connected with or interested in the industry.

From the time of the settlement of North America the northeastern fisheries have played an important part in international relations. They have been the source of recurrent disputes between nations, and at times the activities of United States fishermen in the waters concerned have been stimulated, and at other times retarded, by the

treaties, awards, and regulations growing out of such disputes. Probably no other industry of the United States has been as directly affected by international treaties in its development as the fisheries industry has been. Most of the basic material presented in this report has been available in reports and documents issued by Congress and by Government departments, and in other publications, dealing with specific controversies, treaties, or the economic importance of the fisheries. However, no previously published official document has chronologically interrelated the substance of the treaties and their effects upon the fisheries.

United States consumption of food in terms of fats, proteins, carbohydrates, and calories, 1939-43.

In January 1943 the Commission released, for official Government use, a statistical publication, United States Consumption of Principal Food Nutrients in 1940. The general interest shown in this report led the Commission to revise and expand the data for 1940, and to compile similar data for the years 1939, 1941, and 1942, as well as estimates for 1943. These data were released for general distribution in February 1944 in the Commission publication United States Consumption of Food in Terms of Fats, Proteins, Carbohydrates, and Calories, 1939-43.

Many statistics have been published on the quantity of the various individual foodstuffs produced and consumed in the United States. This report, however, deals with food from a different point of view--that of their content of basic nutrients and their caloric value. Comprehensive data on United States production, imports, exports, and human consumption for each foodstuff are expressed in pounds of fats, proteins, carbohydrates, and numbers of calories.

During the period covered the food value of imports in terms of these nutrient elements declined, and the value of exports increased. The effect of these changes on food supplies for the domestic population, however, was more than offset by the increase in quantities, and changes, in the relative importance of the different kinds of foodstuffs, produced within the country, with the result that the diet of the average person was materially higher in fats, proteins, carbohydrates, and caloric content in 1942-43 than it was in 1939, a comparatively prosperous pre-war year.

The rayon industry.

In response to numerous requests for information pertaining to rayon, the Commission in 1944 released selected material from a report on the rayon industry which was drafted in 1937-38 but never completed because of other demands upon the Tariff Commission staff. Although its statistical data are not up to date, the report supplies much background information of both a technical and economic nature, and serves as a reference work on the pre-war trade and tariff problems of the industry.

The introduction to the report sketches the historical interrelationship of rayon with the pyroxylin arts, pointing out how textile fibers were evolved from cellulose solutions and compounds first used commercially for plastics, electric-light filaments, films, and protective coatings. The history is traced by decades from 1890, showing

the extension of the rayon industry from its birthplace in France to Germany, England, and United States, Italy, and Japan, the most important of the score or more countries now producing rayon. World production of rayon yarn increased from an estimated total of 25 million pounds in 1913 to approximately 450 million pounds in 1930. In that year the manufacture of rayon staple fiber (filaments cut in short lengths) was begun on a small scale in Germany, Great Britain, Italy, and the United States. By 1937 world output of filament rayon yarn had expanded to more than a billion pounds while staple fiber had increased from 6 million pounds in 1930 to more than 600 million pounds in 1937. Data available since the preparation of this report show unprecedented gains in production of staple fiber which in 1942 attained a world total of over 2 billion pounds. Rayon filament yarn also increased materially, to about 1½ billion pounds. The combined production of the two main products of the rayon industry, which totals 3½ billion pounds, now exceeds the total of all other textile clothing fibers except cotton.

The manufacture of rayon was introduced into the United States from Europe. The first commercially successful plant, established by a British company in Pennsylvania in 1910, was the sole domestic producer until 1920. After that year, when many of the basic patents began expiring, a score of companies commenced operations; some of these received technological assistance from foreign producers during their organizational period and a few were subsidiaries of foreign concerns. As rayon manufacture requires large capital investment, expert technological skill, and large-scale operations, the elimination of marginal producers in the decade before the war reduced the total number of companies in the United States industry to 15; of these 4 were large enterprises having from 2 to 7 establishments per company. Of the 26 plants in the rayon industry 20 are located in southern States which account for about two-thirds of the production. Virginia and Tennessee lead in the number of plants.

During the first decade of its existence as a competitive industry in the United States (1920-1930) rayon production made an uninterrupted expansion from 10 million pounds to 127 million pounds. By 1937 when staple fiber was beginning to become an important product, the combined domestic output of filament and cut rayon had increased to 342 million pounds. The 1944 output is expected to approximate 700 million pounds.

A section of the report traces the tariff history of rayon in the United States. The equivalent ad valorem of the duties averaged 38 percent in the act of 1909, when provision was first made for "artificial silk," 35 percent in the act of 1913, and 53 percent in the act of 1922. The act of 1930 provides ad valorem rates of 45 to 55 percent on regular-twist rayon yarn depending on size-groups and construction, but the duty may not be less than 45 cents per pound. For the standard types of rayon which have constituted the bulk of the imports, the rate of duty is identical with that in the act of 1922. However, the ad valorem equivalent rate of duty under this act has increased because of declining prices, changes in the type and grade of yarn imported, and shifts in the sources of imports. During the early and middle thirties when the foreign value of imports, predominantly from Germany, France, and the United Kingdom averaged about 74 cents per pound, the duty was equivalent to 63 percent ad valorem. After 1935 when imports largely from Japan, Italy, and the Netherlands consisted of low-grade rayon averaging 37 cents per pound, the specific duty became equivalent to about 120 percent ad valorem.



Imports of rayon yarn were small before 1925. From 1925 to 1930 imports averaged  $10\frac{1}{2}$  million pounds per year. At their maximum in 1929 imports of rayon amounted to over 15 million pounds or about 11 percent of the domestic consumption. Between 1931 and 1939 average annual imports declined to less than 300,000 pounds, constituting less than 1 percent of domestic consumption.

In another section of the report dealing with the technological development of rayon staple fiber at home and abroad, emphasis is placed on its importance as a blending medium in the cotton and wool manufacturing industries. Imports of staple fiber, dutiable at 25 percent ad valorem, have averaged over 12 million pounds annually since 1930. At their maximum in 1939, staple fiber imports amounted to over 47 million pounds or 92 percent of the domestic production. Japan was the chief supplier in 1935, 1936, and 1937 and the United Kingdom thereafter. Staple fiber not only contributes to the reduction of costs but also permits styling of new fabrics and novelties, thus opening up wide fields of consumption not heretofore tapped. The bulk of the staple fiber is used by the cotton industry which before the war put much of its idle spinning equipment to work on spun rayon yarns and yarns of staple fiber blended with wool or cotton. In recent years cotton mills have enlarged their production to include goods formerly preempted by the wool-manufacturing industries. The production by cotton mills of blended worsted fabrics containing staple fiber is a development of far-reaching importance in its effect on future competition between the cotton and wool manufacturing industries.

#### Cost of production of wool in 1943.

This report continues the study of sheep-ranching costs made in 1942 and issued as Costs of Wool, Sheep, and Lambs, 1940-43. Prepared in cooperation with the Farm Credit Administration, the earlier report showed actual costs for 1940-42, and advance estimates of the probable costs for 1943. The Cost of Production of Wool in 1943, also based on data supplied by the Farm Credit Administration, shows the 1940-42 data together with the actual costs as reported for 1943. Costs for 1943, however, reflect operations on 233 ranches in 9 States compared with returns from 300 ranches in 12 States in 1942 and from 532 ranches in 12 States in 1940 and 1941. For this reason the actual costs for 1943, while representative for the 9 States are not considered fully representative for the 12 States.

With interest, paid and imputed, included in costs, the reported actual total cost per head of sheep in 1943 differed from the advance estimate of cost by only 2 cents per head in the 9 States involved. Owing to a smaller lamb crop than had been expected, however, the distribution of costs between the two joint products, wool, and sheep and lambs, was changed considerably. Since joint costs are prorated to the joint products on the basis of relative income from them, this decline in the lamb crop, and in income therefrom, necessitated heavier charges against wool. As a result, the cost of wool per pound (including interest paid and imputed) was larger than had been estimated, 46.1 cents per pound compared with an advance estimate cost of 40.7 cents. On the basis of the advance estimate, a small profit per head had been expected in 1943. With the lamb crop falling below expectations, a small loss per head was incurred when interest paid and imputed is included in costs. With interest excluded from costs, the



raw materials for them. In the most important groups, these increases in production were as follows: Intermediates, 23 percent; cyclic medicinals, 38 percent; cyclic flavors and perfumes, 2 percent; cyclic resins, 28 percent; and all noncyclic synthetic organic chemicals, 30 percent. There was a decrease in only one group—dyes, which decreased 5 percent.

A considerable number of products were added to the 1943 report. Many of these were products of the petroleum industry which are used as raw materials by the chemical industry; however, the report does not cover products manufactured by chemical process but consumed as household, industrial, and motor (including aviation) fuel. Another large group consisted of surface active agents. The classification of synthetic elastomers was expanded to include several new groups of compounds.

Analysis of United States imports of miscellaneous crude drugs, 1940 and 1941.

The Commission issued statistical analyses of miscellaneous crude drugs, not separately classified, entered, under paragraph 1669 of the Tariff Act of 1930, through the New York customs district in 1940 and 1941. These reports itemize imports, by countries, of crude drugs of vegetable and animal origin, not specifically mentioned in the tariff act. These data, not available elsewhere, were not publicly distributed until 1944.

In 1940 the total value of all imports of crude drugs under paragraph 1669 amounted to about 5 million dollars, of which imports valued at 3.4 million, or nearly 68 percent of the total, were in the "basket" classifications covered by this report. Imports in these classifications entered through the port of New York only accounted for nearly 30 percent of the value of imports through all ports. The imports analyzed by the Commission were valued at \$888,000, of which drugs of animal origin accounted for nearly \$600,000, and those of vegetable origin for nearly \$300,000.

In 1941 the value of all United States imports of crude drugs, entering under paragraph 1669, amounted to 4.5 million dollars, of which nearly 56 percent consisted of items in the basket classifications. Because of the importance of fish livers, which accounted for more than half of the total imports in the basket classifications under paragraph 1669, the analysis of imports of fish livers for 1941 was not restricted (like that of other crude drugs) to entries through the port of New York but was extended to include all ports. The imports in 1941 that were analyzed in the Commission's report had a value of \$1,975,000, of which crude drugs of animal origin accounted for \$1,290,000, and those of vegetable origin, \$685,000. Of the imports analyzed, those entering in the greatest quantity were shark, tuna, and other fish livers, their total value amounting to \$1,147,000. Among the sources of the imports analyzed, Japan ranked first, supplying 37.5 percent of the total; imports from Japan were mainly fish livers.

Analysis of United States imports of miscellaneous chemicals and medicinal preparations, 1940 and 1941.

The Commission issued statistical analyses of "basket-clause" imports of chemicals and medicinal preparations that are dutiable under

paragraph 5 of the Tariff Act of 1930, and that were entered through the New York customs district in 1940 and 1941. This information, not available elsewhere, was not publicly distributed until 1944.

In 1940 the total value of all imports in the basket classification of paragraph 5 was about 1.2 million dollars, of which 1 million was entered through the port of New York. The value of the imports analyzed by the Commission was equal to 59 percent of the total entries through the New York customs district. Imports from Switzerland were valued at more than \$500,000.

In 1941 the Commission's analysis of the basket classifications of imports under paragraph 5 entered through the port of New York were valued at 1.3 million dollars. Total imports in these classifications which entered through the port of New York were valued at 1.3 million, and through all ports, at 1.6 million. Total United States imports under paragraph 5 through all ports amounted to 2.2 million dollars. Of the imports analyzed, Switzerland was the principal source, supplying, in terms of value, more than 51 percent.

#### Trade agreements with Iceland and with Iran.

During the past year the Tariff Commission has issued two reports relating to trade agreements. One is entitled Trade Agreement Between the United States and Iceland and the other Trade Agreement Between the United States and Iran. The introduction in each of these reports contains a discussion of the economy of the country and a brief analysis of the trade of the United States with it.

The main body of each report consists of digests of trade data relating to the classes of imported merchandise upon which the United States, under the terms of the agreement, granted tariff concessions, in the form of rate reductions on some commodities and of commitments to continue others on the free list. The information contained in these digests had been made available in advance to the interdepartmental organization responsible for the negotiation of the agreements.

#### United States imports in 1939 classified according to type of duty.

This series of five tables with explanatory text has been issued to show the proportion of dutiable imports into the United States subject to each of the three types of duty—specific, ad valorem, and compound. Dutiable imports in 1939 were used as the basis of the tabulations, as those in more recent years have been too greatly affected by war conditions. Statistics of duty-free imports, which constituted almost two-thirds of the total imports in 1939, are not included in the analysis.

A table for each type of duty gives the value of imports, the duty collected, and the average equivalent ad valorem rate under each schedule of the Tariff Act of 1930.

In terms of value, 62 percent of total dutiable imports in 1939 entered at specific rates, 32 percent at ad valorem rates, and 6 percent at compound rates.

Changes in import duties since 1930--supplement.

In March 1943 the Tariff Commission issued a printed compilation of the changes in United States import duties since the passage of the Tariff Act of 1930, which is the present basic tariff law of the United States. A supplement released in July 1944 brings the information up to date.

List of recent publications.

In 1939 the Tariff Commission issued a list of its publications, which includes the subject of the report, the number of pages in the report, the year published, and the cost per copy of those publications available by purchase from the Superintendent of Documents. To facilitate reference to the 500 or more subjects included in the list, it is divided into three sections.

A supplement was prepared during the past year, which lists additional reports issued up to and including November 1944.

