

*Forty-second*  
**Annual Report**  
*of the*  
**United States Tariff Commission**  
*Fiscal Year Ended June 30*  
**1958**



UNITED STATES  
GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1959

**UNITED STATES TARIFF COMMISSION**

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LETTER OF TRANSMITTAL

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UNITED STATES TARIFF COMMISSION,  
*Washington, December 1, 1958.*

SIR: I have the honor to transmit to you the Forty-second Annual Report of the United States Tariff Commission, in compliance with the provisions of section 332 of the Tariff Act of 1930.

Respectfully,

EDGAR B. BROSSARD,  
*Chairman.*

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

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## INTRODUCTION

Beginning with this—the Forty-second Annual Report—the annual reports of the United States Tariff Commission<sup>1</sup> will cover the 12-month period ending June 30 of each year. References in this report to the year 1958 will therefore (unless otherwise indicated) refer to the fiscal year ending June 30, 1958, rather than to the calendar year 1958.

Before 1954 the Commission's annual reports covered the 12-month period ending November 30 of each year; from 1954 through 1957 they covered the 12-month period ending September 30 of each year. The change that the Commission is making commencing with this report places its annual reports to the Congress on a fiscal-year basis—the reporting basis used by most United States Government agencies. It also makes the period that the Commission employs in reporting on its own activities coincide with the period that it uses in its annual reports to the Congress and to the President on the operation of the trade agreements program.

For the purposes of this report, the current work of the Tariff Commission—described in parts I, II, III, and IV—has been classified under the following headings: Public investigations; special reports and activities; furnishing technical information and assistance; and other activities. Part V of the report deals with the membership and staff of the Commission, and its finances and appropriations. As required by law, summaries of all reports that the Commission made during 1958 appear under the appropriate headings in parts I and II of this report.

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<sup>1</sup> The United States Tariff Commission was created by act of Congress approved September 8, 1916 (39 Stat. 795), and was formally organized on March 31, 1917.





## PART I. PUBLIC INVESTIGATIONS

Specific provisions of law and certain Executive orders direct the United States Tariff Commission to conduct various investigations and to make certain studies and reports. These directives are contained in sections 3<sup>1</sup> and 7<sup>2</sup> of the Trade Agreements Extension Act of 1951, as amended; Executive Orders 10082<sup>3</sup> and 10401;<sup>4</sup> sections 332,<sup>5</sup> 336,<sup>6</sup> and 337<sup>7</sup> of the Tariff Act of 1930; section 22 of the Agricultural Adjustment Act, as reenacted and amended;<sup>8</sup> section 201(a) of the Antidumping Act, 1921, as amended;<sup>9</sup> and Public Law 38 (82d Cong.), as amended.<sup>10</sup>

During 1958 the Commission undertook or continued investigations under all these statutes and Executive orders. As in the last several years, activities relating to public investigations continued in 1958 to account for a major part of the Commission's work.

### Section 3 of the Trade Agreements Extension Act of 1951

Sections 3 and 4 of the Trade Agreements Extension Act of 1951, as amended, set forth the statutory requirements for so-called peril-point determinations in connection with proposed trade-agreement negotiations. The peril-point provisions of the 1951 act require the President, before entering into any trade-agreement negotiation, to transmit to the Tariff Commission a list of the commodities that may be considered for possible concessions. The Commission is then required to make an investigation, including a public hearing, and to report its findings to the President on (1) the maximum decrease in duty, if any, that can be made on each listed commodity without causing or threatening serious injury to the domestic industry producing like or directly competitive products, or (2) the minimum increase in the duty or the additional import restrictions that may be necessary on any of the listed products to avoid serious injury to such domestic industry.

The President may not conclude a trade agreement until the Commission has submitted its report to him, or until 120 days from the date he transmits the list of products to the Commission.<sup>11</sup> Should the President conclude a trade agreement that provides for greater reductions in duty than the Commission specifies in its report, or that

<sup>1</sup> 65 Stat. 72; 19 U.S.C. 1360.

<sup>2</sup> 65 Stat. 74; 67 Stat. 472; 69 Stat. 166; 19 U.S.C. 1364.

<sup>3</sup> 14 F. R. 6105; 3 CFR, 1949 Supp., 125.

<sup>4</sup> 17 F. R. 9125; 3 CFR, 1952 Supp., 105.

<sup>5</sup> 46 Stat. 698; 19 U.S.C. 1332.

<sup>6</sup> 46 Stat. 701; 48 Stat. 944; 70 Stat. 946; 19 U.S.C. 1336; 19 U.S.C. 1352.

<sup>7</sup> 46 Stat. 703; 54 Stat. 724; 19 U.S.C. 1337, 1337a.

<sup>8</sup> 64 Stat. 261; 65 Stat. 75; 67 Stat. 472; 7 U.S.C. 624.

<sup>9</sup> 42 Stat. 11; 68 Stat. 1138; 19 U.S.C. 160.

<sup>10</sup> 65 Stat. 44; 67 Stat. 4; 68 Stat. 330; 69 Stat. 170.

<sup>11</sup> The Trade Agreements Extension Act of 1958, which was approved by the President on August 20, 1958, increases this period to 6 months.

fails to provide for the minimum increase in duty or the additional import restrictions specified, he must transmit to the Congress a copy of the trade agreement in question, identifying the articles concerned and stating his reason for not carrying out the Tariff Commission's recommendations. Promptly thereafter, the Commission must deposit with the Senate Committee on Finance and the House Committee on Ways and Means a copy of the portions of its report to the President dealing with the articles with respect to which the President did not follow the Commission's recommendations.

During fiscal 1958 the Commission conducted no peril-point investigations under the provisions of section 3 of the Trade Agreements Extension Act of 1951, as amended. The trade-agreement negotiations that the United States engaged in during the period covered by this report consisted entirely of negotiations with countries that desired to modify or withdraw concessions in their own schedules of the General Agreement. Since the negotiations did not involve the granting of concessions by the United States, there was no occasion for the Tariff Commission to make any peril-point determinations.

### **Section 7 of the Trade Agreements Extension Act of 1951**

Section 7 of the Trade Agreements Extension Act of 1951, as amended (which established a statutory escape-clause procedure), provides that the Tariff Commission, upon the request of the President, upon resolution of either House of Congress, upon resolution of either the Senate Committee on Finance or the House Committee on Ways and Means, upon its own motion, or upon application by any interested party, must promptly conduct an investigation to determine whether any product on which a trade-agreement concession has been granted is, as a result, in whole or in part, of the customs treatment reflecting such concession, being imported in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry producing like or directly competitive products. The Commission must complete its investigation and make a report thereon within 9 months of the date it receives the application.<sup>12</sup> As a part of each investigation, the Commission generally holds a public hearing at which interested parties are afforded an opportunity to be heard. Section 7(a) of the Trade Agreements Extension Act of 1951, as amended, requires the Commission to hold such a hearing whenever it finds evidence of serious injury or threat of serious injury, or whenever so directed by resolution of either the Senate Committee on Finance or the House Committee on Ways and Means. In arriving at its findings and conclusions, the Commission is required to consider several factors expressly set forth in section 7(b) of the extension act of 1951, as amended.

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<sup>12</sup> The Trade Agreements Extension Act of 1958 reduces to 6 months the period within which the Commission must complete an escape-clause investigation.

Should the Commission find, as a result of its investigation, the existence or threat of serious injury as a result of increased imports, either actual or relative, due, in whole or in part, to the customs treatment reflecting the concession, it must recommend to the President, to the extent and for the time necessary to prevent or remedy such injury, the withdrawal or modification of the concession, or the suspension of the concession in whole or in part, or the establishment of an import quota. The Commission must immediately make public its findings and recommendations to the President, including any dissenting or separate findings and recommendations, and must publish a summary thereof in the *Federal Register*. When, in the Commission's judgment, there is no sufficient reason to recommend to the President that a trade-agreement concession be modified or withdrawn, the Commission must make and publish a report stating its findings and conclusions.

#### Status of investigations pending during 1958

Work on escape-clause investigations under section 7 of the Trade Agreements Extension Act of 1951, as amended, constituted a very important activity of the Tariff Commission during 1958, as it has for a number of years. On July 1, 1957, a total of 7 escape-clause investigations were pending before the Commission. During the ensuing 12 months the Commission instituted 5 additional investigations.<sup>13</sup> Of a total of 12 escape-clause investigations that were pending before the Commission at one time or another during the period July 1, 1957–June 30, 1958, the Commission, at the close of that period, had completed 9 investigations; the remaining 3 investigations were in process.<sup>14</sup>

With respect to the 9 completed investigations, the Commission took the actions indicated below:

Commodity	Vote of the Commission	
	For escape action	Against escape action
Safety pins (2d investigation).....	4	2
Spring clothespins (4th investigation).....	4	1
Bicycles (3d investigation).....	0	6
Nonwoven wool felts.....	0	5
Stainless-steel table flatware.....	6	0
Umbrella frames.....	3	2
Clinical thermometers.....	3	2
Garlic (2d investigation).....	0	5
Lead and zinc (2d investigation).....	6	0

<sup>13</sup> Between April 20, 1948, when it received the first application for an escape-clause investigation, and June 30, 1958, the Commission accepted a total of 87 applications.

<sup>14</sup> The Commission's reports on the completed investigations—all of which have been released—are summarized in a subsequent section of this report.

The nature and status of the individual escape-clause investigations that were pending before the Commission at one time or another during the period July 1, 1957–June 30, 1958, are shown in the following compilation:<sup>15</sup>

*Escape-clause investigations pending before the United States Tariff Commission at one time or another during the period July 1, 1957–June 30, 1958*

Commodity	Status
<p>1. Safety pins (2d investigation). (Investigation No. 53; sec. 7)</p>	<p><i>Origin of investigation:</i> Application by DeLong Hook &amp; Eye Co., Philadelphia, Pa., and others. <i>Application received:</i> Apr. 30, 1956. <i>Investigation instituted:</i> May 10, 1956. <i>Hearing held:</i> Sept. 19–20, 1956. <i>Investigation completed:</i> Jan. 30, 1957. <i>Recommendation of the Commission:</i> Modification of concession. <i>Vote of the Commission:</i> 4–2. <i>Action of the President:</i> The President on Mar. 29, 1957, requested that the Commission supply additional information. <i>Supplemental report submitted to the President:</i> Sept. 30, 1957. <i>Action of the President:</i> Concession modified by Presidential Proclamation 3212 of Nov. 29, 1957 (22 F.R. 9687; 3 CFR, 1957 Supp., 51), effective after the close of business on Dec. 30, 1957. <i>Reference:</i> U.S. Tariff Commission, <i>Safety Pins: Report to the President on Escape-Clause Investigation No. 53 . . .</i>, 1957 [processed]; <i>Safety Pins: Supplemental Report to the President on Escape-Clause Investigation No. 53 . . .</i>, 1957 [processed].</p>
<p>2. Spring clothespins (4th investigation). (Investigation No. 57; sec. 7)</p>	<p><i>Origin of investigation:</i> Application by Clothespin Manufacturers of America, Washington, D.C., and others. <i>Application received:</i> Dec. 20, 1956. <i>Investigation instituted:</i> Jan. 2, 1957. <i>Hearing held:</i> May 7, 1957. <i>Investigation completed:</i> Sept. 10, 1957. <i>Recommendation of the Commission:</i> Modification of concession (establishment of an absolute quota).</p>

<sup>15</sup> This compilation shows the status of only those escape-clause investigations that were pending before the Commission at one time or another during the period covered by this report. Lists of applications received before the period covered by this report, and their status on various dates, are given in earlier annual reports of the Commission. For a résumé of the status of all escape-clause applications filed with the Commission between April 20, 1948, and February 24, 1958, see U.S. Tariff Commission, *Investigations Under the "Escape Clause" of Trade Agreements: Outcome or Current Status of Applications Filed with the United States Tariff Commission for Investigations under the "Escape Clause" of Trade Agreements, As of February 24, 1958*, 9th ed., 1958 [processed].

*Escape-clause investigations pending before the United States Tariff Commission at one time or another during the period July 1, 1957—June 30, 1958—Continued*

Commodity	Status
2. Spring clothespins—Continued	<p><i>Vote of the Commission:</i> 4-1.  <i>Action of the President:</i> The President concurred with the Commission's finding of injury, but rejected the remedy it proposed. By Proclamation 3211 of Nov. 9, 1957 (22 F.R. 9043; 3 CFR, 1957 Supp., 50), effective after the close of business on Dec. 9, 1957, he withdrew the concession in its entirety.  <i>Reference:</i> U.S. Tariff Commission, <i>Spring clothespins: Report to the President on Escape-Clause Investigation No. 57 . . .</i>, 1957 [processed].</p>
3. Bicycles (3d investigation). (Investigation No. 58; sec. 7)	<p><i>Origin of investigation:</i> Application by Bicycle Manufacturers Association of America, New York, N.Y.  <i>Application received:</i> Jan. 11, 1957.  <i>Investigation instituted:</i> Jan. 28, 1957.  <i>Hearing held:</i> Apr. 9-11, 1957.  <i>Investigation completed:</i> Aug. 19, 1957.  <i>Recommendation of the Commission:</i> No modification of concession.  <i>Vote of the Commission:</i> 6-0.  <i>Reference:</i> U.S. Tariff Commission, <i>Bicycles: Report on Escape-Clause Investigation No. 58 . . .</i>, 1957 [processed].</p>
4. Nonwoven wool felts----- (Investigation No. 60; sec. 7)	<p><i>Origin of investigation:</i> Application by American Felt Co., Glenville, Conn., and others.  <i>Application received:</i> Apr. 8, 1957.  <i>Investigation instituted:</i> Apr. 12, 1957.  <i>Hearing held:</i> July 23-25, 1957.  <i>Investigation completed:</i> Jan. 6, 1958.  <i>Recommendation of the Commission:</i> No modification of concession.  <i>Vote of the Commission:</i> 5-0.  <i>Reference:</i> U.S. Tariff Commission, <i>Nonwoven Wool Felts: Report on Escape-Clause Investigation No. 60 . . .</i>, 1958 [processed].</p>
5. Stainless-steel table flatware. (Investigation No. 61; sec. 7)	<p><i>Origin of investigation:</i> Application by Stainless Steel Flatware Manufacturers Association, Englishtown, N.J.  <i>Application received:</i> Apr. 11, 1957.  <i>Investigation instituted:</i> Apr. 18, 1957.  <i>Hearing held:</i> July 16-19, 1957.  <i>Investigation completed:</i> Jan. 10, 1958.  <i>Recommendation of the Commission:</i> Withdrawal of concessions. (Commissioners Brossard, Schreiber, and Sutton recommended withdrawal of the concessions on stainless-steel table flatware valued under \$3.00 per dozen pieces. Commissioners Talbot, Jones, and Dowling recommended withdrawal of the concessions on stainless-steel table flatware regardless of value.)  <i>Vote of the Commission:</i> 6-0.</p>

*Escape-clause investigations pending before the United States Tariff Commission at one time or another during the period July 1, 1957-June 30, 1958—Continued*

Commodity	Status
5. Stainless-steel table flatware—Continued	<p><i>Action of the President:</i> On Mar. 7, 1958, the President announced that, in view of Japan's voluntary limitation of exports to the United States, he was deferring action on the Commission's recommendation. He requested the Commission to keep the matter under review and to report to him as soon as practicable after Dec. 31, 1958.</p> <p><i>Supplemental investigation instituted:</i> Mar. 19, 1958.</p> <p><i>Hearing scheduled:</i> Not yet scheduled.</p> <p><i>Investigation in process.</i></p> <p><i>Reference:</i> U.S. Tariff Commission, <i>Stainless-Steel Table Flatware: Report to the President on Escape-Clause Investigation No. 61 . . .</i>, 1958 [processed].</p>
6. Umbrella frames----- (Investigation No. 62; sec. 7)	<p><i>Origin of investigation:</i> Application by Umbrella Frame Association of America, Inc., Philadelphia, Pa., and individual members thereof.</p> <p><i>Application received:</i> Apr. 22, 1957.</p> <p><i>Investigation instituted:</i> Apr. 25, 1957.</p> <p><i>Hearing held:</i> July 30-31, 1957.</p> <p><i>Investigation completed:</i> Jan. 14, 1958.</p> <p><i>Recommendation of the Commission:</i> Withdrawal of concession.</p> <p><i>Vote of the Commission:</i> 3-2.</p> <p><i>Action of the President:</i> On Mar. 12, 1958, the President requested the Commission to submit a supplemental report on umbrella frames.</p> <p><i>Supplemental investigation instituted:</i> Mar. 19, 1958.</p> <p><i>Hearing held:</i> May 27, 1958.</p> <p><i>Investigation in process.</i></p> <p><i>Reference:</i> U.S. Tariff Commission, <i>Umbrella Frames: Report to the President on Escape-Clause Investigation No. 62 . . .</i>, 1958 [processed].</p>
7. Clinical thermometers----- (Investigation No. 63; sec. 7)	<p><i>Origin of investigation:</i> Application by American Clinical Thermometer Guild, Inc., New York, N. Y.</p> <p><i>Application received:</i> May 23, 1957.</p> <p><i>Investigation instituted:</i> May 29, 1957.</p> <p><i>Hearing held:</i> Sept. 4-5, 1957.</p> <p><i>Investigation completed:</i> Feb. 21, 1958.</p> <p><i>Recommendation of the Commission:</i> Withdrawal of the concession.</p> <p><i>Vote of the Commission:</i> 3-2.</p> <p><i>Action of the President:</i> Concession withdrawn by Presidential Proclamation 3235 of Apr. 21, 1958 (23 F.R. 2721), effective after the close of business on May 21, 1958.</p> <p><i>Reference:</i> U.S. Tariff Commission, <i>Clinical Thermometers, Finished or Unfinished: Report to the President on Escape-Clause Investigation No. 63 . . .</i>, 1958 [processed].</p>

*Escape-clause investigations pending before the United States Tariff Commission at one time or another during the period July 1, 1957—June 30, 1958—Continued*

Commodity	Status
8. Garlic (2d investigation)---- (Investigation No. 64; sec. 7)	<p><i>Origin of investigation:</i> Application by California Garlic Growers Association, Gilroy, Calif.</p> <p><i>Application received:</i> July 9, 1957.</p> <p><i>Investigation instituted:</i> July 12, 1957.</p> <p><i>Hearing held:</i> Dec. 3, 1957.</p> <p><i>Investigation completed:</i> Feb. 19, 1958.</p> <p><i>Recommendation of the Commission:</i> No modification of concession.</p> <p><i>Vote of the Commission:</i> 5-0.</p> <p><i>Reference:</i> U.S. Tariff Commission, <i>Garlic: Report on Escape-Clause Investigation No. 64 . . .</i>, 1958 [processed].</p>
9. Lead and zinc (2d investigation). (Investigation No. 65; sec. 7)	<p><i>Origin of investigation:</i> Application by Emergency Lead-Zinc Committee, Washington, D.C.</p> <p><i>Application received:</i> Sept. 27, 1957.</p> <p><i>Investigation instituted:</i> Oct. 4, 1957.</p> <p><i>Hearing held:</i> Nov. 19-26, 1957.</p> <p><i>Investigation completed:</i> Apr. 24, 1958.</p> <p><i>Recommendation of the Commission:</i> Modification of concessions. The Commission unanimously found that escape-clause relief is warranted with respect to unmanufactured lead and zinc. The Commissioners divided evenly on the remedy that is necessary, and each group of 3 issued a separate statement in support of its finding of serious injury and its recommendations for remedying that injury. Commissioners Brossard, Talbot, and Schreiber recommended the application of the maximum permissible rates of duty, as well as quantitative restrictions. Commissioners Sutton, Jones, and Dowling recommended the reimposition of the rates of duty originally imposed by the Tariff Act of 1930, but opposed quota limitations of any kind.</p> <p><i>Vote of the Commission:</i> 6-0.</p> <p><i>Action of the President:</i> On June 19, 1958, the President announced that he was suspending his consideration of the Commission's recommendations with respect to lead and zinc. A final decision would be appropriate, he stated, after the Congress completed its consideration of the Minerals Stabilization Plan presented with his approval by the Secretary of the Interior.</p> <p><i>Reference:</i> U.S. Tariff Commission, <i>Lead and Zinc: Report to the President on Escape-Clause Investigation No. 65 . . .</i>, 1958 [processed].</p>
10. Fine mesh wire cloth----- (Investigation No. 66; sec. 7)	<p><i>Origin of investigation:</i> Application by 12 domestic producers.</p> <p><i>Application received:</i> Jan. 20, 1958.</p> <p><i>Investigation instituted:</i> Jan. 24, 1958.</p> <p><i>Hearing held:</i> May 20-21, 1958.</p> <p><i>Investigation in process.</i></p>

*Escape-clause investigations pending before the United States Tariff Commission at one time or another during the period July 1, 1957—June 30, 1958—Continued*

Commodity	Status
11. Certain machine-woven pile floor coverings. (Investigation No. 67; sec. 7)	<p><i>Origin of investigation:</i> Application by Carpet Institute, Inc., New York, N.Y. (name later changed to American Carpet Institute, Inc.).  <i>Application received:</i> Jan. 22, 1958. (The application originally covered Wilton and velvet floor coverings classifiable under par. 1117(a) of the Tariff Act of 1930.)  <i>Investigation instituted:</i> Jan. 29, 1958.  <i>Application amended:</i> Apr. 15, 1958. (The amended application requested the Commission to extend the investigation to cover all floor coverings provided for in par. 1117(a) of the Tariff Act of 1930, except Axminster carpets, rugs, and mats; and carpets, rugs, and mats like in character or description to Axminsters.)  <i>Amended application accepted by the Commission:</i> Apr. 16, 1958.  <i>Hearing held:</i> June 10–13, 1958.  <i>Investigation in process.</i></p>
12. Barium chloride----- (Investigation No. 68; sec. 7)	<p><i>Origin of investigation:</i> Application by Barium Reduction Corp., South Charleston, W. Va.  <i>Application received:</i> Feb. 21, 1958.  <i>Investigation instituted:</i> Mar. 3, 1958.  <i>Hearing scheduled:</i> June 24, 1958; postponed to July 15, 1958.  <i>Investigation in process.</i></p>

**Investigations completed during 1958**

*Safety pins (second investigation).*—On May 10, 1956, in response to an application by the DeLong Hook & Eye Co., of Philadelphia, Pa., and others, the Tariff Commission instituted a second escape-clause investigation of safety pins provided for in paragraph 350 of the Tariff Act of 1930. The Commission held a public hearing on September 19 and 20, 1956.

In this investigation, a report on which was submitted to the President on January 30, 1957,<sup>16</sup> the Commission found (Commissioners Schreiber and Sutton dissenting) that escape-clause relief was warranted with respect to safety pins. The Commission also found that in order to prevent serious injury to the domestic industry concerned it was necessary that the duty on safety pins be increased to 35 percent ad valorem. Accordingly, the Commission recommended that the President modify the tariff concession that the United States had granted on safety pins in the General Agreement on Tariffs and Trade.

<sup>16</sup> U.S. Tariff Commission, *Safety Pins: Report to the President on Escape-Clause Investigation No. 53* . . ., 1957 [processed].



On March 29, 1957, the President asked the Commission to supply additional information on a number of points raised by its report on safety pins. The Commission transmitted its supplemental report to the President on September 30, 1957.<sup>17</sup> Since the supplemental report contained information that revealed the operations of individual companies, and since the Commission is not authorized to disclose such information to the public, only that part of the report which did not contain such information was released for general distribution.

On November 29, 1957, the President announced that he had accepted the Commission's recommendation with respect to safety pins. By Proclamation 3212 of November 29, 1957, effective after the close of business on December 30, 1957, he modified the concession on such pins by increasing the rate of duty on them from 22½ percent ad valorem to 35 percent ad valorem.

*Spring clothespins (fourth investigation).*—In response to an application by the Clothespin Manufacturers of America, of Washington, D. C., and others, the Tariff Commission on January 2, 1957, instituted a fourth escape-clause investigation of spring clothespins provided for in paragraph 412 of the Tariff Act of 1930. The Commission held a public hearing on May 7, 1957.

The Commission submitted a report of its investigation of spring clothespins to the President on September 10, 1957.<sup>18</sup> In its report the Commission found (Commissioner Sutton dissenting) that escape-clause relief was warranted with respect to spring clothespins.<sup>19</sup> The Commission also found that in order to remedy the serious injury to the domestic industry concerned it was necessary, for an indefinite period, to limit the quantity of spring clothespins that may be entered, or withdrawn from warehouse, for consumption, to 650,000 gross a year.

On November 9, 1957, the President announced that he concurred with the finding of the majority of the Commission that the domestic spring clothespin industry was entitled to relief under the terms of section 7 of the Trade Agreements Extension Act of 1951, as amended. He stated, however, that he did not find sufficient justification for imposing the absolute quota that the majority of the Commission had recommended. Instead, by Proclamation 3211 of November 9, 1957, effective after the close of business on December 9, 1957, he withdrew the concession on such clothespins in the General Agreement on Tariffs and Trade, and increased the rate of duty on them from 10 cents per gross to 20 cents per gross.

<sup>17</sup> U.S. Tariff Commission, *Safety Pins: Supplemental Report to the President on Escape-Clause Investigation No. 53* . . ., 1957 [processed].

<sup>18</sup> U.S. Tariff Commission, *Spring Clothespins: Report to the President on Escape-Clause Investigation No. 57* . . ., 1957 [processed].

<sup>19</sup> Because of absence, Commissioner Jones did not participate in the hearing and findings in this investigation.

*Bicycles (third investigation).*—On January 28, 1957, in response to an application by the Bicycle Manufacturers Association of America, of New York, N. Y., the Tariff Commission instituted a third escape-clause investigation of bicycles provided for in paragraph 371 of the Tariff Act of 1930. The Commission held a public hearing from April 9 to 11, 1957.

In this investigation, the report on which was issued on August 19, 1957,<sup>20</sup> the Commission unanimously found that escape-clause relief was not warranted with respect to the specified bicycles and that, accordingly, no sufficient reason existed for a recommendation to the President under the provisions of section 7 of the Trade Agreements Extension Act of 1951, as amended.

*Nonwoven wool felts.*—In response to an application by the American Felt Company, of Glenville, Conn., and others, the Tariff Commission on April 12, 1957, instituted an escape-clause investigation of felts, not woven, wholly or in chief value of wool, provided for in paragraph 1112 of the Tariff Act of 1930. The Commission held a public hearing from July 23 to 25, 1957.

The Commission issued a report on its investigation of nonwoven wool felts on January 6, 1958.<sup>21</sup> In its report the Commission unanimously found that escape-clause relief was not warranted with respect to the specified nonwoven wool felts and that, accordingly, no sufficient reason existed for a recommendation to the President under the provisions of section 7 of the Trade Agreements Extension Act of 1951, as amended.

*Stainless-steel table flatware.*—On April 18, 1957, in response to an application by the Stainless Steel Flatware Manufacturers Association, of Englishtown, N.J., the Tariff Commission instituted an escape-clause investigation of table knives, forks, and spoons, wholly of metal and in chief value of stainless steel, classifiable under paragraph 339 or paragraph 355 of the Tariff Act of 1930. The Commission held a public hearing from July 16 to 19, 1957.

In this investigation, a report on which was submitted to the President on January 10, 1958,<sup>22</sup> the Commission unanimously found that the specified stainless-steel table flatware was being imported into the United States in such increased quantities, both actual and relative, as to cause serious injury to the domestic industry producing like products. The 6 members of the Commission divided 3 to 3 with respect to the remedy that was necessary. Commissioners Brossard, Schreiber, and Sutton recommended the withdrawal of the concessions granted in the General Agreement on Tariffs and Trade on the

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<sup>20</sup> U.S. Tariff Commission, *Bicycles: Report on Escape-Clause Investigation No. 58* . . . , 1957 [processed].

<sup>21</sup> U.S. Tariff Commission, *Nonwoven Wool Felts: Report on Escape-Clause Investigation No. 60* . . . , 1958 [processed].

<sup>22</sup> U.S. Tariff Commission, *Stainless-steel Table Flatware: Report to the President on Escape-Clause Investigation No. 61* . . . , 1958 [processed].

specified stainless-steel table flatware valued at less than \$3.00 per dozen pieces. Commissioners Talbot, Jones, and Dowling recommended the withdrawal of the concessions on such stainless-steel table flatware regardless of value. On January 31, 1958, the Commission notified the President that, as a result of an oversight, its report of January 10, 1958, did not correctly reflect the intention of both groups of Commissioners in one respect—that the increased duties on stainless-steel table flatware found to be necessary were not intended by either group of Commissioners to be applied to flatware over 10 inches in overall length.

On March 7, 1958, the President announced that, in view of Japan's voluntary limitation of exports of stainless-steel table flatware to the United States, he was deferring action on the Commission's recommendation. He had decided that a full evaluation of Japan's voluntary limitation of shipments to the United States was necessary, since this voluntary limitation signified an important reduction in the volume of imports and thus held considerable promise of relieving the situation of the domestic producers. He therefore requested the Commission to keep the matter under review, and to report to him as soon as practicable after December 31, 1958, with particular reference to the experience of the domestic industry in 1958, during which Japan's limitation on exports to the United States will have been in effect.

For the purpose of carrying out the President's request, the Commission on March 19, 1958, instituted a supplemental investigation of the stainless-steel table flatware covered in its original escape-clause investigation. A public hearing in the supplemental investigation will be announced at a later date. On June 30, 1958, the close of the period covered by this report, the supplemental investigation was in process.

*Umbrella frames.*—In response to an application by the Umbrella Frame Association of America, Inc., of Philadelphia, Pa., and individual members thereof, the Tariff Commission on April 25, 1957, instituted an escape-clause investigation of umbrella and parasol ribs and stretchers, wholly or in chief value of metal, in frames or otherwise, and tubes for umbrellas, wholly or partly finished, provided for in paragraph 342 of the Tariff Act of 1930. The Commission held a public hearing on July 30 and 31, 1957.

The Commission submitted a report on its investigation of umbrella frames to the President on January 14, 1958.<sup>23</sup> In its report the Commission found (Commissioners Talbot and Jones dissenting) that escape-clause relief was warranted with respect to certain of the specified umbrella frames. The Commission also found that in order to remedy the serious injury to the domestic industry concerned it was necessary that the duty on such umbrella frames valued at \$4 or less

<sup>23</sup> U.S. Tariff Commission, *Umbrella Frames: Report to the President on Escape-Clause Investigation No. 62 . . .*, 1958 [processed].

per dozen be increased from 30 percent ad valorem to 60 percent ad valorem, and recommended that the concession on the specified articles be withdrawn for an indefinite period.

On March 12, 1958, the President requested the Tariff Commission to submit a supplemental report in the escape-clause case involving umbrella frames. In identical letters to the chairmen of the House Committee on Ways and Means and the Senate Committee on Finance, the President noted some of the salient facts of the case and stated that although some clear interpretations could be drawn from the present record, the domestic producers and other parties should be given the opportunity to present further information before he made his final decision in this case. He therefore requested that the Commission submit to him a supplemental report, including data on the period ending March 31, 1958, and such other material as the Commissioners might deem appropriate.

For the purpose of carrying out the President's request, the Commission on March 19, 1958, instituted a supplemental investigation of the umbrella frames covered in its original escape-clause investigation. A public hearing was held on May 27, 1958. On June 30, 1958, the close of the period covered by this report, the supplemental investigation was in process.

*Clinical thermometers.*—On May 29, 1957, in response to an application by the American Clinical Thermometer Guild, Inc., of New York, N.Y., the Tariff Commission instituted an escape-clause investigation of clinical thermometers, finished or unfinished, classifiable under paragraph 218(a) of the Tariff Act of 1930. The Commission held a public hearing on September 4 and 5, 1957.

In this investigation, a report on which was submitted to the President on February 21, 1958,<sup>24</sup> the Commission found (Commissioners Jones and Dowling dissenting) that escape-clause relief was warranted with respect to clinical thermometers. The Commission also found that in order to remedy the serious injury to the domestic industry concerned it was necessary to withdraw the concession on such thermometers.

On April 21, 1958, the President announced that he had accepted the Commission's recommendation with respect to clinical thermometers. By Proclamation 3235 of April 21, 1958, effective after the close of business on May 21, 1958, he withdrew the concession on such thermometers. The concession rate of duty on clinical thermometers was 42½ percent ad valorem. With the withdrawal of the concession the original rate of duty provided in the Tariff Act of 1930—85 percent ad valorem—again became the effective rate.

*Garlic (second investigation).*—In response to an application by the California Garlic Growers Association, of Gilroy, Calif., the Tariff Commission on July 12, 1957, instituted a second escape-clause investi-

<sup>24</sup> U.S. Tariff Commission, *Clinical Thermometers, Finished or Unfinished: Report to the President on Escape-Clause Investigation No. 63* . . ., 1958 [processed].

gation of garlic, provided for in paragraph 770 of the Tariff Act of 1930. The Commission held a public hearing on December 3, 1957.

The Commission issued a report on its investigation of garlic on February 19, 1958.<sup>25</sup> In its report the Commission unanimously found that escape-clause relief was not warranted with respect to garlic and that, accordingly, no sufficient reason existed for a recommendation to the President under the provisions of section 7 of the Trade Agreements Extension Act of 1951, as amended.

*Lead and zinc (second investigation).*—On October 4, 1957, in response to an application by the Emergency Lead-Zinc Committee, of Washington, D.C., the Tariff Commission instituted a second escape-clause investigation of the articles provided for in paragraphs 391, 392 (except Babbitt metal, solder, lead in sheets, pipe, shot, glaziers' lead, and lead wire), 393, and 394 (except zinc dust and zinc in sheets) of the Tariff Act of 1930. The Commission held a public hearing from November 19 to 26, 1957.

In this investigation, a report on which was submitted to the President on April 24, 1958,<sup>26</sup> the Commission unanimously found that escape-clause relief was warranted with respect to unmanufactured lead and unmanufactured zinc. The 6 members of the Commission divided evenly on the remedy that was necessary, and each group of 3 issued a separate statement in support of its finding of serious injury and its recommendations for remedying that injury.

Commissioners Brossard, Talbot, and Schreiber recommended the application of the maximum permissible rates of duty to imports of unmanufactured lead and zinc, as well as quantitative restrictions on such imports. The increased duties that they recommended are as follows for the principal articles covered: On lead-bearing ores,  $1\frac{1}{2}$  cents per pound on the lead content; on lead pigs and bars,  $2\frac{1}{20}$  cents per pound on the lead content; on zinc-bearing ores,  $1\frac{1}{2}$  cents per pound on the zinc content; on zinc blocks, pigs, or slabs,  $2\frac{1}{10}$  cents per pound; and on zinc scrap, dross, and skimmings,  $2\frac{1}{4}$  cents per pound. The annual quota limitation they recommended for unmanufactured lead is 221,700 short tons (of lead content), and that for unmanufactured zinc is 325,600 short tons (zinc content of ores and gross weight of imports of unmanufactured zinc in other forms).

Commissioners Sutton, Jones, and Dowling recommended the reimposition of the rates of duty originally imposed by the Tariff Act of 1930, but they opposed quota limitations of any kind. The increased duties that they recommended are as follows for the principal articles covered: On lead-bearing ores,  $1\frac{1}{2}$  cents per pound on the lead content; on lead pigs and bars,  $2\frac{1}{8}$  cents per pound on the lead content; on zinc-bearing ores,  $1\frac{1}{2}$  cents per pound on the zinc content; on zinc blocks, pigs, or slabs,  $1\frac{3}{4}$  cents per pound; and on zinc scrap, dross, and skimmings,  $1\frac{1}{2}$  cents per pound.

<sup>25</sup> U.S. Tariff Commission, *Garlic: Report on Escape-Clause Investigation No. 64 . . .*, 1958 [processed].

<sup>26</sup> U.S. Tariff Commission, *Lead and Zinc: Report to the President on Escape-Clause Investigation No. 65 . . .*, 1958 [processed].

On June 19, 1958, in identical letters to the chairmen of the House Committee on Ways and Means and the Senate Committee on Finance, the President announced that he was suspending his consideration of the Tariff Commission's recommendations in the escape-clause case involving lead and zinc. A final decision would be appropriate, the President said, after the Congress completed its consideration of the Mineral Stabilization Plan presented with his approval by the Secretary of the Interior. He stated that early action by the Congress on this plan, which offers a more effective approach to the problems of the lead and zinc industries, would help assure a healthy and vigorous minerals industry in the United States.

#### **Reports made under Executive Order 10401 during 1958**

The standard escape clause in trade agreements and section 7(a) of the Trade Agreements Extension Act of 1951, as amended, provide that any escape-clause action taken by the President with respect to a particular commodity is to remain in effect only "for the time necessary to prevent or remedy" the injury to the domestic industry concerned.

By Executive Order 10401 of October 14, 1952, the President established a formal procedure for reviewing escape-clause actions. Paragraph 1 of that Executive order directs the Tariff Commission to keep under review developments with respect to products on which trade-agreement concessions have been modified or withdrawn under the escape-clause procedure, and to make periodic reports to the President concerning such developments. The Commission is required to make the first such report in each case not more than 2 years after the original escape-clause action, and thereafter at intervals of 1 year as long as the concession remains modified in whole or in part.

Paragraph 2 of Executive Order 10401 provides that the Commission is to institute a formal investigation in any case whenever, in the Commission's judgment, changed conditions of competition warrant it, or upon the request of the President, to determine whether, and, if so, to what extent, the withdrawal, suspension, or modification of a trade-agreement concession remains necessary in order to prevent or remedy serious injury or the threat thereof to the domestic industry concerned. Upon completing such an investigation, including a public hearing, the Commission is to report its findings to the President.

During 1958 the Commission reported to the President, under the provisions of Executive Order 10401, on developments with respect to watch movements, bicycles, dried figs, and hatters' fur.

*Watch movements.*—Effective at the close of business July 27, 1954, after an escape-clause investigation and report by the Tariff Commission, the President modified the concession that the United States granted on watch movements in the bilateral trade agreement with Switzerland, and increased the import duties on such watch movements.

As required by paragraph 1 of Executive Order 10401, the Commission submitted to the President its second periodic report with respect to the watch movements involved in the escape-clause action. In its

report,<sup>27</sup> which was submitted on July 25, 1957, the Commission unanimously concluded that the conditions of competition with respect to the trade in imported and domestic watch movements had not so changed as to warrant the institution of a formal investigation under the provisions of paragraph 2 of Executive Order 10401. On October 4, 1957, the President approved the Commission's conclusion.

*Bicycles.*—Effective after the close of business August 18, 1955, after an escape-clause investigation and report by the Tariff Commission, the President modified the concession that the United States granted on bicycles in the General Agreement on Tariffs and Trade, and increased the import duties on such bicycles.

As required by paragraph 1 of Executive Order 10401, the Commission submitted to the President its first periodic report on developments with respect to the bicycles involved in the escape action.<sup>28</sup> The Commission reported to the President on August 19, 1957, concurrently with the release of its report on the third escape-clause investigation of bicycles. In its letter to the President, the Commission unanimously concluded that the developments in the trade in bicycles that had transpired since the issuance of the proclamation of August 18, 1955, did not indicate such a change in the competitive situation as to warrant institution of a formal investigation under the provisions of paragraph 2 of Executive Order 10401. On October 11, 1957, the President approved the Commission's conclusion.

*Dried figs.*—Effective at the close of business on August 29, 1952, after an escape-clause investigation and report by the Tariff Commission, the President modified the concession that the United States granted on dried figs in the General Agreement on Tariffs and Trade, and increased the import duty on such figs from 2½ cents to 4½ cents per pound.

Pursuant to paragraph 1 of Executive Order 10401, the Chairman of the Tariff Commission on September 17, 1957, advised the President that the Commission was unanimously of the view that developments in the trade in dried figs since August 30, 1956, did not indicate such a change as to warrant the institution of a formal investigation under paragraph 2 of Executive Order 10401.<sup>29</sup>

*Hatters' fur.*—Effective after the close of business February 8, 1952, after an escape-clause investigation and report by the Tariff Commission, the President modified the concession that the United States granted in the General Agreement on Tariffs and Trade on hatters'

<sup>27</sup> U.S. Tariff Commission, *Watch Movements: Report to the President (1957) Under Executive Order 10401*, 1957 [processed].

<sup>28</sup> Letter from the Chairman of the U.S. Tariff Commission to the President. (See also U.S. Tariff Commission, *Bicycles: Report on Escape-Clause Investigation No. 58 . . .*, 1957 [processed].)

<sup>29</sup> Letter from the Chairman of the U.S. Tariff Commission to the President. (See also U.S. Tariff Commission, *Dried Figs and Fig Paste: Report to the President on Investigation No. 18 Under Section 22 of the Agricultural Adjustment Act, as amended*, 1957 [processed].)

fur, and imposed on that product a duty of 47½ cents per pound, but not less than 15 percent nor more than 35 percent ad valorem.

On January 24, 1958, the Tariff Commission, on its own motion, instituted an investigation for the purposes of paragraph 2 of Executive Order 10401 to determine whether, and if so, to what extent, the modification by Presidential Proclamation 2960 of January 5, 1952, of the concession on hatters' fur granted in the General Agreement on Tariffs and Trade remains necessary in order to prevent or remedy serious injury or the threat thereof to the domestic industry producing like or directly competitive products.

In its report to the President on June 26, 1958,<sup>30</sup> the Commission unanimously found that continuation of the increased duty on hatters' fur was no longer necessary to prevent serious injury or the threat thereof. Accordingly, the Commission recommended to the President that the original concession granted in the General Agreement be restored in full. The duty in effect before the escape-clause action—15 percent ad valorem—became effective January 1, 1948, pursuant to a concession granted in the General Agreement.

By June 30, 1958, the close of the period covered by this report, the President had not yet acted on the Commission's recommendation with respect to hatters' fur.

### Section 22 of the Agricultural Adjustment Act

Section 22 of the Agricultural Adjustment Act, as amended,<sup>31</sup> authorizes the President to restrict imports of any commodity, by imposing either fees or quotas (within specified limits), whenever such imports render or tend to render ineffective, or materially interfere with, programs of the United States Department of Agriculture relating to agricultural commodities or products thereof. Section 22 requires the Tariff Commission, on direction of the President, to conduct an investigation of the specified commodity, including a public hearing, and to make a report and appropriate recommendation to the President. Under subsection (f) of section 22, as amended by section 8(b) of the Trade Agreements Extension Act of 1951, no trade agreement or other international agreement entered into at any time by the United States may be applied in a manner inconsistent with the requirements of section 22.

Section 8(a) of the Trade Agreements Extension Act of 1951, as amended, sets up special procedures for invoking section 22 in emergency conditions due to the perishability of any agricultural commodity. When the Secretary of Agriculture reports to the President and to the Tariff Commission that such emergency conditions exist, the Commission must make an immediate investigation under section 22 (or sec. 7 of the Trade Agreements Extension Act of 1951), and make appropriate recommendations to the President. The Com-

<sup>30</sup> U.S. Tariff Commission, *Hatters' Fur: Report to the President on Investigation No. 2 Under Paragraph 2 of Executive Order 10401*, 1958 [processed].

<sup>31</sup> 7 U.S.C. 624.



mission's report to the President and the President's decision must be made not more than 25 calendar days after the case is submitted to the Commission. Should the President deem it necessary, however, he may take action without awaiting the Commission's recommendations.

An amendment to section 22 of the Agricultural Adjustment Act by section 104 of the Trade Agreements Extension Act of 1953<sup>32</sup> provides that the President may take immediate action under section 22 without awaiting the Tariff Commission's recommendations whenever the Secretary of Agriculture determines and reports to him, with regard to any article or articles, that a condition exists requiring emergency treatment. Such action by the President may continue in effect pending his receipt of, and his action on, the report and recommendations of the Commission after an investigation under section 22. Under section 8(a) of the Trade Agreements Extension Act of 1951, the President's authority to act before he had received a report from the Commission was limited to perishable agricultural products. During fiscal 1958 no action was taken under either subsection (f) of section 22 or section 8(a) of the Trade Agreements Extension Act of 1951.

At one time or another during the period covered by this report 9 investigations were pending before the Commission under the provisions of section 22 of the Agricultural Adjustment Act, as amended. One of these investigations—that of extra-long-staple cotton—was dismissed after the interested parties withdrew their request for the investigation, but was followed by a closely related investigation of long-staple cotton. With respect to the 8 investigations that the Commission completed during the period covered by this report, it took the actions indicated below:

Commodity	Vote of the Commission	
	For imposition or continuation of import restrictions	Against imposition or continuation of import restrictions
Tung oil.....	5	0
Certain articles containing butterfat.....	3	2
Almonds.....	4	2
Dried figs and fig paste.....	2	4
Dates.....	1	4
Short harsh cotton.....	0	6
Tung nuts.....	6	0
Long-staple cotton <sup>1</sup> .....	5	0

<sup>1</sup> For details of the Commission's vote in this investigation, see the following section of this report.

<sup>32</sup> 67 Stat. 472.

The individual section 22 investigations that were pending before the Commission at one time or another during the period July 1, 1957–June 30, 1958, are discussed further below.

**Cotton and cotton waste (continuing investigation)**

Since 1939, under the provisions of section 22 and in accordance with recommendations of the Tariff Commission, the United States has restricted imports of most types of cotton and some types of cotton waste. During the period 1939–51, the Commission conducted a number of investigations to determine whether further restrictions were required (as on short harsh or rough cotton), whether supplemental import quotas were necessary for certain types of long-staple cotton, or whether certain minor changes were advisable to facilitate administration of the quotas. From 1952 through 1956 the Commission conducted no investigations relating to short-staple cotton, long-staple cotton, or cotton waste, but continued to watch developments with respect to those products.

*Short harsh cotton (supplemental investigation).*—On August 23, 1957, the Tariff Commission instituted a supplemental investigation of harsh or rough cotton having a staple of less than three-fourths of 1 inch in length, under the provisions of section 22. Such cotton was subjected to an annual absolute import quota of 70 million pounds by Presidential Proclamation 2715 of February 1, 1947, after an investigation under section 22 by the Tariff Commission. In the proclamation the President found that imposition of this annual quota was then necessary to protect cotton programs of the United States Department of Agriculture. The purpose of the 1957 supplemental investigation was to determine whether there was in fact need for continuing the quota restrictions on the short harsh cotton described above. The Commission held a public hearing in the investigation on November 13, 1957.

The Commission reported the results of its investigation to the President on December 23, 1957.<sup>33</sup> On the basis of its investigation, the Commission unanimously found that the circumstances requiring the import quota of 70 million pounds per year on harsh or rough cotton having a staple of less than three-fourths of 1 inch in length, established by Presidential Proclamation 2715 of February 1, 1947, had ceased to exist. The Commission, therefore, recommended to the President that he terminate the quota.

On January 28, 1958, the President announced that he had accepted the Commission's recommendation with respect to short harsh cotton. By Proclamation 3220 of the same date,<sup>34</sup> the President terminated the quota on short harsh cotton, effective immediately.

<sup>33</sup> U.S. Tariff Commission, *Short Harsh Cotton: Report to the President on Investigation Supplemental to Investigation No. 1 Under Section 22 . . .*, 1957 [processed].

<sup>34</sup> 23 F.R. 635.

*Extra-long-staple cotton (supplemental investigation).*—On January 29, 1958, the Tariff Commission instituted a supplemental investigation of cotton having a staple of  $1\frac{3}{8}$  inches or more in length, under the provisions of section 22. Cotton having a staple of  $1\frac{1}{8}$  inches or more in length was subjected to an annual absolute quota of 45,656,420 pounds by Presidential Proclamation 2351 of September 5, 1939, effective September 20, 1939, after an investigation under section 22 by the Tariff Commission. The quota year begins on August 1 of each year. The Commission was informed that the quota for the year ending July 31, 1958, had been filled as of December 30, 1957. It was further informed that, because of unusual circumstances, a substantial part of the quota for that year was filled by cotton of a staple length that normally has not entered under this quota, with resultant hardship to importers normally entering cotton of a greater staple length, thus threatening domestic users of foreign extra-long-staple cotton with a short supply. The purpose of the 1958 supplemental investigation was to determine whether the admission during the quota year ending July 31, 1958, of an additional quantity of cotton having a staple of  $1\frac{3}{8}$  inches or more in length might be permitted without materially interfering with the cotton programs of the United States Department of Agriculture. The Commission scheduled a public hearing in the investigation for April 8, 1958.

Interested parties who had sought the modification of the existing quota regulations on imports of long-staple cotton, to permit the entry of an additional quantity of extra-long-staple cotton during the quota year ending July 31, 1958, subsequently withdrew their request. Accordingly, the Commission on April 4, 1958, dismissed the supplemental investigation and canceled the scheduled hearing.

*Long-staple cotton (supplemental investigation).*—On April 8, 1958, as directed by the President in a letter of April 7, 1958, the Tariff Commission instituted a supplemental investigation of cotton having a staple of  $1\frac{1}{8}$  inches or more in length, under the provisions of section 22. The purpose of the investigation was to determine whether changed circumstances required the modification of the quota established for such cotton pursuant to section 22.

Annual absolute quotas on imports of cotton having a staple of  $1\frac{1}{8}$  inches or more in length were originally made effective on September 20, 1939, by Presidential Proclamation 2351 of September 5, 1939. Imports of this cotton are restricted by an annual global quota of 45,656,420 pounds; the quota year begins on August 1 of each year. The "changed circumstances" referred to by the President in his letter of April 7, 1958, were the entry within the quota of large and increasing quantities of Mexican Upland cotton having staple lengths of less than  $1\frac{3}{8}$  inches. This resulted in the exclusion of substantial quantities of cotton having a staple length of  $1\frac{3}{8}$  inches or more. The Commission held a public hearing in the investigation on May 13, 1958.

The Commission reported the results of its investigation to the President on June 20, 1958.<sup>35</sup> On the basis of its investigation, the Commission unanimously found<sup>36</sup> that changed circumstances required the further modification of the President's Proclamation 2351 of September 5, 1939, as modified, in order to carry out the purposes of section 22.

The Commission recommended (Commissioners Schreiber and Sutton dissenting) that the President's proclamation of September 5, 1939, as modified, be further modified so that of the total quantity of 45,656,420 pounds of cotton having a staple of  $1\frac{1}{8}$  inches or more in length that may be entered, or withdrawn from warehouse, for consumption during the year beginning August 1, 1958, and any subsequent year beginning August 1, not more than 39,590,778 pounds shall consist of cotton having a staple of  $1\frac{3}{8}$  inches or more in length, and not more than 6,065,642 pounds shall consist of cotton having a staple of  $1\frac{1}{8}$  inches or more but less than  $1\frac{3}{8}$  inches in length: *Provided*, That of such 6,065,642 pounds, not more than 1,500,000 pounds shall consist of harsh or rough cotton (except cotton of perished staple, grabbots, and cotton pickings) white in color and having a staple of  $1\frac{5}{32}$  inches or more in length (Tanguis cotton), and not more than 4,565,642 pounds shall consist of other cotton.

Commissioners Schreiber and Sutton concurred with the finding of the majority of the Commission that changed circumstances required the modification of the quota on long-staple cotton, but were of the view that long-staple cotton was being and was practically certain to continue to be imported under such conditions and in such quantities as to materially interfere with the price-support program for that commodity undertaken by the Department of Agriculture. They, therefore, recommended that the overall quota be reduced to 24,000,000 pounds, which is not less than 50 percent of the imports for consumption of long-staple cotton during the representative period—the crop years 1934/35 through 1938/39. They further recommended that the reduced quota be allocated to foreign supplying countries as follows: Egypt, 18,948,000 pounds; Peru, 3,979,200 pounds, of which not more than 1,500,000 pounds shall consist of harsh or rough cotton (except cotton of perished staple, grabbots, and cotton pickings), white in color and having a staple of  $1\frac{5}{32}$  inches or more but less than  $1\frac{3}{8}$  inches in length (Tanguis cotton), and not more than 2,479,200 pounds shall consist of other cotton; the Sudan, 724,800 pounds; Mexico, 309,600 pounds; the British West Indies, 19,200 pounds; and all other foreign countries, 19,200 pounds.

By June 30, 1958, the close of the period covered by this report, the President had not yet acted on the Commission's recommendations with respect to long-staple cotton.

<sup>35</sup> U.S. Tariff Commission, *Long-Staple Cotton: Report to the President on Investigation Supplemental to Investigation No. 1 Under Section 22 . . .*, 1958 [processed].

<sup>36</sup> Commissioner Jones did not participate in the decision in this supplemental investigation or in the preparation of the report on it.

**Wheat and wheat flour (continuing investigation)**

Since 1941, under the provisions of section 22 and in accordance with recommendations of the Tariff Commission, the United States has restricted imports of wheat and wheat flour, semolina, crushed or cracked wheat, and similar wheat products, in order to prevent interference with programs of the Department of Agriculture to control the production or marketing of domestic wheat. Imports in any quota year are limited to 800,000 bushels of wheat and to 4 million pounds of wheat flour, semolina, and similar wheat products. The quotas are allocated by country; in general, they are in proportion to imports from the several countries in the 12-year period 1929-40. Since their adoption in 1941 the basic quotas have not been changed, but exceptions have been made for distress shipments, seed wheat, wheat for experimental purposes, and wheat imported during World War II by the War Food Administrator (virtually all of which was used for animal feed). Since 1943 the Commission has completed no investigations relating to wheat, wheat flour, and other wheat products, but has continued to watch developments with respect to those products.<sup>37</sup>

**Tung oil**

At the direction of the President, the Tariff Commission on March 22, 1957, instituted an investigation of tung oil, under the provisions of section 22. The Commission held a public hearing on May 2 and 3, 1957.

The Commission reported the results of its investigation to the President on May 31, 1957.<sup>38</sup> On the basis of its investigation, the Commission unanimously found that tung oil was being and was practically certain to continue to be imported under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, the price-support program for tung nuts and tung oil undertaken by the Department of Agriculture pursuant to section 201 of the Agricultural Act of 1949, as amended, and to reduce substantially the amount of products processed in the United States from domestically produced tung nuts and tung oil. To prevent such interference, the Commission recommended to the President that, for an indefinite period, an import fee of 3 cents per pound but not more than 50 percent ad valorem be imposed on imports of tung oil.

On September 9, 1957, by Proclamation 3200,<sup>39</sup> the President restricted imports of tung oil for the remainder of the crop year ending October 31, 1957, and for the 3 crop years ending October 31 of 1958, 1959, and 1960. In taking this action, the President accepted the

<sup>37</sup> Early in 1955 the Commission—at the applicant's request—discontinued and dismissed an investigation of durum wheat (class II) or flour, including semolina, produced from such wheat.

<sup>38</sup> U.S. Tariff Commission, *Tung Oil: Report to the President on Investigation No. 15 Under Section 22* . . ., 1957 [processed].

<sup>39</sup> 3 CFR, 1957 Supp., 43.

unanimous finding of the Tariff Commission that imports were interfering with the price-support program for tung oil. However, instead of imposing the 3-cent-per-pound import fee that the Tariff Commission recommended, the President decided upon a quota restriction. The proclamation established 3 annual quotas of 26,000,000 pounds each. The period covered by the first quota, however, included the remainder of the then current crop year, as well as the crop year beginning November 1, 1957. For the first quota period, the proclamation provided for imports not exceeding a monthly rate of 1,154,000 pounds through January 1958. For the second and third crop years, not more than one-fourth of the annual quotas may be imported during the first quarter of each year. Of the annual quotas of 26,000,000 pounds, not more than 22,100,000 pounds may be imported from Argentina, not more than 2,964,000 pounds, from Paraguay, and not more than 936,000 pounds, from other countries.

#### **Certain articles containing butterfat**

On May 21, 1957, at the direction of the President, the Tariff Commission instituted an investigation of certain articles containing butterfat,<sup>40</sup> under the provisions of section 22. The Commission held a public hearing on June 11, 1957.

The Commission reported the results of its investigation to the President on July 2, 1957.<sup>41</sup> On the basis of its investigation, the Commission found that certain articles containing 45 percent or more of butterfat or of butterfat and other fat and oil were being or were practically certain to be imported under such conditions and in such quantities as to materially interfere with the price-support program undertaken by the Department of Agriculture with respect to whole milk and butterfat, and to reduce substantially the amount of products processed in the United States from domestic milk and butterfat. To prevent such interference, the Commission recommended to the President (Commissioners Talbot and Dowling dissenting) that imports of such products be prohibited.

By Proclamation 3193 of August 7, 1957,<sup>42</sup> effective immediately, the President—as recommended by the Commission—prohibited fur-

<sup>40</sup> The articles included in the investigation were articles containing butterfat, the butterfat content of which is commercially extractable, or which are capable of being used for any edible purpose for which products containing butterfat are used, but not including the following: (1) Articles the importation of which is restricted under quotas established pursuant to sec. 22 of the Agricultural Adjustment Act, as amended; (2) cheeses the importation of which is not restricted by quotas established pursuant to sec. 22; (3) evaporated milk and condensed milk; and (4) products imported packaged for distribution in the retail trade and ready for use by the purchaser at retail for an edible purpose or in the preparation of an edible article.

<sup>41</sup> U.S. Tariff Commission, *Certain Articles Containing 45 Percent or More of Butterfat or of Butterfat and Other Fat or Oil: Report to the President on Investigation No. 16 Under Section 22 . . .*, 1957 [processed].

<sup>42</sup> 3 CFR, 1957 Supp., 38.

ther imports of articles containing 45 percent or more of butterfat, except articles already subject to quota under the provisions of section 22, cheeses, evaporated and condensed milk, and products imported in retail packages.

#### Almonds

At the direction of the President, the Tariff Commission on June 28, 1957, instituted an investigation of shelled almonds and blanched, roasted, or otherwise prepared or preserved almonds, under the provisions of section 22. The Commission held a public hearing on August 8 and 9, 1957.

The Commission reported the results of its investigation to the President on September 23, 1957.<sup>43</sup> On the basis of its investigation, the Commission found (Commissioners Jones and Dowling dissenting) that shelled almonds, and blanched, roasted, or otherwise prepared or preserved almonds (not including almond paste) were practically certain to be imported into the United States during the period October 1, 1957, to September 30, 1958, both dates inclusive, under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, the United States Department of Agriculture marketing-agreement-and-order program with respect to almonds undertaken pursuant to the Agricultural Marketing Agreement Act of 1937, as amended. The Commission also found that in order to prevent such interference it was necessary that a fee of 10 cents per pound, but not more than 50 percent ad valorem, be imposed on all such products entered, or withdrawn from warehouse, for consumption during the 12-month period beginning October 1, 1957, in excess of an aggregate quantity of 3,500,000 pounds. The fee recommended by the Commission would be in addition to the regular customs duties presently in effect, irrespective of the quantities imported, of 16½ cents per pound on shelled almonds and 18½ cents per pound on blanched, roasted, or otherwise prepared or preserved almonds.

On October 23, 1957, by Proclamation 3209,<sup>44</sup> the President imposed a tariff quota on imports of shelled almonds and blanched, roasted, or otherwise prepared almonds (not including almond paste). The proclamation provided for a fee of 10 cents per pound but not more than 50 percent ad valorem on imports in excess of 5 million pounds during the period beginning October 23, 1957, and ending September 30, 1958, such fee to be in addition to the regular import duties imposed on the importation of the specified almonds.

#### Dried figs and fig paste (second investigation)

On July 19, 1957, at the direction of the President, the Tariff Commission instituted an investigation of dried figs and fig paste, under

<sup>43</sup> U.S. Tariff Commission, *Almonds: Report to the President on Investigation No. 17 under Section 22 . . .*, 1957 [processed].

<sup>44</sup> 3 CFR, 1957 Supp., 49.

the provisions of section 22. The Commission held a public hearing August 20-22, 1957.

The Commission reported the results of its investigation of dried figs and fig paste to the President on September 17, 1957.<sup>45</sup> On the basis of its investigation, the Commission found (Commissioners Brossard and Schreiber dissenting) that dried figs and fig paste were not practically certain to be imported during the 1957/58 crop year under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, the marketing-agreement-and-order program and other programs with respect to figs and fig paste undertaken by the Department of Agriculture, or to reduce substantially the amount of products processed in the United States from domestic figs or fig paste with respect to which such programs are being undertaken. The Commission, therefore, made no recommendation to the President for the imposition of import restrictions on dried figs and fig paste under the provisions of section 22.

On October 23, 1957, the President announced that he had accepted the Commission's report on dried figs and fig paste.

#### **Dates (second investigation)**

At the direction of the President, the Tariff Commission on August 7, 1957, instituted an investigation of dates, under the provisions of section 22. The Commission held a public hearing on September 10 and 11, 1957.

The Commission reported the results of its investigation to the President on November 4, 1957.<sup>46</sup> On the basis of its investigation, the Commission found (Commissioner Brossard dissenting) that dates were not being and were not practically certain to be imported during the 1957/58 crop year under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, the Department of Agriculture date marketing-order program and its program for the diversion of dates to new uses, or to reduce substantially the amount of products processed in the United States from domestic dates for which those programs are being undertaken. The Commission, therefore, made no recommendation to the President for the imposition of import restrictions on dates under the provisions of section 22.

On November 29, 1957, the President announced that he had accepted the Commission's report on dates.

#### **Tung nuts**

On February 21, 1958, at the direction of the President, the Tariff Commission instituted an investigation of tung nuts, under the provisions of section 22. The Commission held a public hearing on March 10, 1958.

<sup>45</sup> U.S. Tariff Commission, *Dried Figs and Fig Paste: Report to the President on Investigation No. 18 Under Section 22 . . .*, 1957 [processed].

<sup>46</sup> U.S. Tariff Commission, *Dates: Report to the President on Investigation No. 19 Under Section 22 . . .*, 1957 [processed].



The Commission reported the results of its investigation to the President on March 19, 1958.<sup>47</sup> On the basis of its investigation, the Commission found that tung nuts are practically certain to be imported into the United States under such conditions and in such quantities as to interfere materially with the price-support program for tung oil and tung nuts undertaken by the Department of Agriculture. To prevent such interference, the Commission recommended to the President that the oil content of imported tung nuts be charged against the existing quotas applicable to imported tung oil.

By Proclamation 3236 of April 28, 1958,<sup>48</sup> effective immediately, the President—as recommended by the Commission—subjected imports of tung nuts to the existing quota on imports of tung oil established by Proclamation 3200 of September 9, 1957. The proclamation specified that, for its purposes, the oil content of tung nuts shall be computed on the basis of 15.9 pounds of oil for each 100 pounds of whole nuts, and on the basis of 35.8 pounds of oil for each 100 pounds of decorticated nuts. The proclamation also made a technical adjustment which provides that only direct shipments from supplying countries may be imported under the quota on tung oil and tung nuts.

### Section 332 of the Tariff Act of 1930

Section 332 of the Tariff Act of 1930 directs the Tariff Commission to place at the disposal of the President, the House Committee on Ways and Means, and the Senate Committee on Finance—when ever requested—all information at its command. It also directs the Commission to make such investigations and reports as may be requested by the President, by either of the above-mentioned committees, or by either House of Congress.

At one time or another during 1958, five investigations under the provisions of section 332 of the Tariff Act of 1930 were pending before the Commission.

#### Whisky

On February 7, 1957, pursuant to a resolution adopted by the Senate Committee on Finance on February 6, 1957, the Tariff Commission instituted an investigation—under the provisions of section 332—with respect to whisky. The resolution directed the Commission to make a thorough investigation of the whisky industry of the United States and, in its report, to set forth the facts affecting the relative competitive position of foreign-owned and domestically owned whisky distilleries, including the impact of trade practices, methods of distribution, and imports on American-owned distilleries. The resolution also directed the Commission to make its report to the committee on or before July 1, 1957. On May 22, 1957, however,

<sup>47</sup> U.S. Tariff Commission, *Tung Nuts: Report to the President on Investigation No. 20 Under Section 22 . . .*, 1958 [processed].

<sup>48</sup> 23 F.R. 2959.

the chairman of the Senate Committee on Finance advised the Commission that the committee had rescinded the resolution directing the Commission to investigate the whisky industry of the United States. Accordingly, on May 23, 1957, the Commission dismissed the investigation.

Pursuant to a resolution adopted by the Senate Committee on Finance on August 12, 1957, the Commission on August 14, 1957, instituted an investigation, under the provisions of section 332, of the conditions of competition in the United States between whisky produced in the United States and in foreign countries. The committee's resolution directed the Commission to make its report to the committee on or before March 31, 1958. The Commission was directed to set forth in its report a summary of the facts obtained in its investigation, including a description of the domestic industry, domestic production, foreign production, imports, consumption, channels and methods of distribution, prices, United States exports, United States customs treatment since 1930, and other factors affecting the competition between domestic and imported whisky. The Commission held a public hearing in the investigation on January 21 and 22, 1958.

On March 31, 1958, the Commission submitted to the committee a report of the results of its investigation with respect to whisky.<sup>49</sup> The Commission's report described the structure of the domestic whisky industry; pointed out the differences in the various types of whisky produced in the United States and in foreign countries; gave information on United States customs treatment and excise taxes, domestic production and bottling, stocks, imports, exports, consumption, channels and methods of distribution, prices, and world production and trade; and summarized competitive conditions that exist in the marketing of domestic and imported whiskies, as they are affected by such factors as the bonding period, use of new or used cooperage in the maturation of whisky, labeling, the reduction of import duties and the increase in excise taxes, and restrictions by foreign countries on imports of whisky from the United States.

#### **Tuna fish**

Pursuant to a resolution adopted by the Senate Committee on Finance on August 20, 1957, the Tariff Commission on August 26, 1957, instituted an investigation of tuna fish, under the provisions of section 332. The investigation supplemented the investigation that the Commission made under section 332 pursuant to the committee's resolution of June 26, 1952.

In response to the resolution of June 26, 1952, the Commission on March 20, 1953, submitted to the committee a report of the results of its investigation of tuna fish. In its resolution of August 20, 1957,

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<sup>49</sup> U.S. Tariff Commission, *Whisky: Report on Investigation Conducted Pursuant to a Resolution by the Committee on Finance of the United States Senate dated August 12, 1957, 1958* [processed].

the committee instructed the Commission to make a supplementary investigation similar in scope to the investigation it made in accordance with the committee resolution of June 26, 1952, and to report the results of its investigation to the committee on or before February 1, 1958. The committee subsequently extended to May 1, 1958, the date for submission of the report.

On May 1, 1958, the Commission submitted to the committee a report of the results of its supplemental investigation of tuna fish.<sup>50</sup> The Commission's report discussed the consumption of tuna fish in the United States in recent years; provided general information on the domestic tuna fishery and detailed information on the operations of the bait-boat, purse-seine, and albacore fishing fleets; discussed at some length the operations of the domestic tuna-canning industry; and provided information on a number of other subjects, including tariff rates, tuna imports, and the tuna fisheries of Japan and Peru. The report supplemented the factual data contained in the Commission's report of March 20, 1953.

#### **Mercury (quicksilver)**

Pursuant to a resolution adopted by the Senate Committee on Finance on March 17, 1958, the Tariff Commission on March 19, 1958, instituted an investigation—under the provisions of section 332—of the conditions of competition in the United States between mercury (quicksilver) produced in the United States and in foreign countries.

The resolution directed the Commission to set forth in its report a summary of the facts obtained in its investigation, including a description of the domestic industry; domestic production; foreign production; comparative costs of domestic and foreign production, including labor costs; imports; consumption; channels and methods of distribution; prices, including comparative London and New York prices quoted by foreign producers; United States exports; United States customs treatment since 1930; the impact of the Government purchase program authorized under title III of the Defense Production Act of 1950 on domestic production, and the possible effect of the termination of that program on world prices and domestic production; and other factors affecting the competition between domestic and imported mercury.

The Commission scheduled a public hearing in its investigation of mercury for August 5, 1958. On June 30, 1958, the close of the period covered in this report, the investigation was in process.

#### **Tungsten ore and concentrates**

Pursuant to a resolution adopted on March 19, 1958, by the Senate Committee on Finance, the Tariff Commission on March 20, 1958, instituted an investigation—under the provisions of section 332—of the

<sup>50</sup> U.S. Tariff Commission, *Tuna Fish: Report on Investigation Conducted Pursuant to a Resolution by the Committee on Finance of the United States Senate dated August 20, 1957, 1958* [processed].

conditions of competition in the United States between tungsten ore and concentrates produced in the United States and in foreign countries.

The resolution directed the Commission to set forth in its report a summary of the facts obtained in its investigation, including a description of the domestic industry; domestic production; foreign production; comparative costs of domestic and foreign production, including labor costs; imports; consumption; channels and methods of distribution; prices, including comparative London and New York prices quoted by foreign producers; United States exports; United States customs treatment since 1930; the impact of the Government purchase program authorized under title III of the Defense Production Act of 1950 on domestic production, and the possible effect of the termination of that program on world prices and domestic production; and other factors affecting the competition between domestic and imported tungsten ore and concentrates.

The Commission scheduled a public hearing in its investigation of tungsten ore and concentrates for July 29, 1958. On June 30, 1958, the close of the period covered by this report, the investigation was in process.

#### **Carpet wool and wool for papermakers' felts**

Pursuant to a resolution adopted on April 28, 1958, by the Senate Committee on Finance, the Tariff Commission on April 29, 1958, instituted an investigation—under the provisions of section 332—of the grades and qualities of wool imported into the United States for use in the manufacture of carpets and papermakers' felts and of domestic wools similar in grade and character. The resolution directed the Commission to report the results of its investigation to the committee on or before September 30, 1959.

In addition to other pertinent data, the Commission was directed by the resolution to include in its report information on the following subjects:

- (1) World production of wools which are suitable for use in the manufacture of both carpets and papermakers' felts and the amount available to the United States from domestic and foreign sources; also the quantities of the various grades and qualities of such wools imported into the United States;
- (2) The characteristics of domestic wools and imported wools from the standpoint of relative suitability for use in the manufacture of floor coverings;
- (3) Availability of domestic wools suitable for the manufacture of floor coverings, and economic factors controlling the use of domestic wools for the manufacture of floor coverings; and
- (4) An analysis of the present method of grading and sampling of imported wools, and an analysis of any alternative methods of grading and/or sampling, as the Commission's study may develop.

On June 30, 1958, the close of the period covered by this report, the investigation of carpet wool and wool for papermakers' felts was in process.

### **Section 336 of the Tariff Act of 1930**

Section 336 of the Tariff Act of 1930—the so-called flexible-tariff provision—sets forth the procedure under which the import duty on an article may be changed by proclamation of the President to equalize differences in costs of production at home and abroad after investigation and report by the Tariff Commission of the differences between the costs of production in the United States and in the country that is the principal foreign supplier. The Trade Agreements Act, however, made the provisions of section 336 inapplicable to any commodity on which a tariff concession is in effect pursuant to a trade agreement. As the United States has progressively extended the coverage of trade-agreement concessions, it has correspondingly reduced the scope of possible action under the provisions of section 336.

During fiscal 1958 one investigation under the provisions of section 336 was pending before the Commission.

On August 30, 1957, in accordance with Senate Resolution 195, 85th Congress, 1st session, dated August 28, 1957, the Commission instituted an investigation, under the provisions of section 336, of the differences in the cost of production of domestically produced tungsten ore and concentrates and the cost of production of foreign-produced tungsten ore and concentrates provided for in paragraph 302(c) of the Tariff Act of 1930. The resolution directed the Commission to report the results of its investigation on or before March 1, 1958.

The Commission submitted its report on tungsten ore and concentrates to the President on February 28, 1958.<sup>51</sup> In its report, the Commission concluded that, because of the highly abnormal and extraordinary developments that have affected the tungsten industries of all free-world countries since 1950, it was then impracticable to obtain information on either foreign or domestic production costs that would be representative of normal operations as required by the statute. Accordingly, on February 28, 1958, the Commission discontinued and dismissed the investigation.

### **Section 337 of the Tariff Act of 1930**

Section 337 of the Tariff Act of 1930 authorizes the Tariff Commission to investigate alleged unfair methods of competition and unfair acts in the importation of articles or in the sale of imported articles in the United States. When the effect or tendency of such methods or acts is to destroy or substantially injure a domestic industry, efficiently and economically operated, or to prevent the establishment of such an industry, or to restrain or monopolize trade and com-

<sup>51</sup> U.S. Tariff Commission, *Tungsten Ores and Concentrates: Report to the President on Investigation No. 120 Under Section 336 . . .*, 1958 [processed].

merce in the United States, the articles involved may, pursuant to Executive order, be excluded from entry into the United States.

At one time or another during 1958, 7 complaints under section 337 were pending before the Commission. One complaint on which the Commission has suspended action—that on certain map-making instruments—will continue in suspension until the Federal court renders a final decision in a civil action that is pending before it.

#### **Household canisters**

On December 29, 1955, the Kromex Corp., of Cleveland, Ohio, filed with the Tariff Commission a complaint alleging violation of section 337 in the importation and sale of household canisters. The complaint charged that the imports infringed the complainant's design patent.

On April 23, 1956, after a preliminary inquiry, the Commission by unanimous vote suspended action on the complaint. In its notice of suspension the Commission stated that the suspension of action on the complaint would continue until a final decision was rendered in the case of the *Kromex Corp. v. L. Batlin & Son, Inc.*,<sup>52</sup> which was pending in the United States District Court for the Southern District of New York. The suit, which was brought against the importer by the complainant before the Commission, was for infringement of the patent in question. On June 26, 1957, the court dismissed the aforementioned action on stipulation of the parties to it, and on February 17, 1958, the Commission dismissed the complaint under section 337.

#### **Certain expansion bracelets and parts thereof**

On October 23, 1956, the Speidel Corp., of Providence, R. I., filed with the Tariff Commission two complaints alleging violation of section 337 in the importation and sale of certain foreign expansion bracelets and parts thereof. The complaints charged that the imports infringed the complainant's patents.

On February 4, 1957, the Commission suspended action on the two complaints, pending the outcome of certain patent litigation. The Commission based its action in part on the fact that certain of the patents involved in the complaints are the subject of pending patent suits in the Federal courts.

On June 18, 1958, after preliminary inquiry, the Commission dismissed the two complaints relating to certain expansion bracelets and parts thereof. The principal reason for the dismissal of the complaints was that while the prayer in the complaints was for the total exclusion from entry into the United States of foreign articles made in accordance with United States patents because the effect or tendency of such imports is to destroy, substantially injure, or prevent the establishment of, domestic industries producing expansible bracelets of construction and design covered by the claims of such United

<sup>52</sup> Civil Action No. 106-222.

States patents, Speidel Corp., since the filing of the complaints, has entered into extensive licensing arrangements with major importers of allegedly offending bracelets.

In dismissing the complaints, the Commission stated that section 337 is not an extension of the patent laws and its purpose is not to protect patent rights as such. The complaints set forth that the domestic-manufacturer licensees are not granted licenses to import, and pray for the exclusion from entry of all bracelets which infringe complainant's patents in order that the public will not "lose an important domestic industry developed by private capital" whose economic justification was based on the protection of the patents. Complainant's action in granting import privileges to several of the large importers charged in the complaints as violating section 337 indicates that complainant was not so much concerned with the protection from injurious import competition of domestic industries that owe their existence to the patents involved as he was with royalties, whether the royalties come from domestic producers or from importers.

#### **Phonograph pickup cartridges, elements, and needles**

On February 25, 1957, the Brush Electronics Co. (a division of Clevite Corp., of Cleveland, Ohio, and The Astatic Corp., of Conneaut, Ohio, filed with the Tariff Commission 2 complaints alleging violation of section 337 in the importation and sale of certain foreign phonograph pickup cartridges, elements, and needles. The 2 complaints, involving a total of 13 patents, allege in part that certain imported articles each infringe 1 or more of the patents.

On March 15, 1957, the Commission ordered a preliminary inquiry into these complaints to determine whether the institution of an investigation under section 337 was warranted and whether the issuance of a temporary order of exclusion under section 337 was warranted. On October 7, 1957, the Commission instituted a formal investigation of the complaints. The Commission held a public hearing in the investigation on February 4-7, 10-14, 18-19, 21, 26-28, and on March 3, 6-7, and 14, 1958. On June 30, 1958, the close of the period covered by this report, the investigation was in process.

#### **Certain mapmaking instruments**

On September 3, 1957, the Kelsh Instrument Co., Inc., of Baltimore, Md., filed a complaint with the Tariff Commission alleging violation of section 337 in the importation and sale in the United States of certain mapmaking instruments (stereoscopic photogrammetric projection instruments).

On March 20, 1958, the Commission suspended action on the complaint, pending the outcome of certain patent litigation. The Commission based its action in part on the fact that certain patents involved in the complaint are the subject of a pending patent suit in the Federal courts.

**Certain steak knives and carving sets**

On October 30, 1957, Chas. B. Briddell, Inc., of Crisfield, Md., filed with the Tariff Commission a complaint alleging violation of section 337 in the importation and sale in the United States of certain steak knives and carving sets. After preliminary inquiry, the Commission held that the allegations in the complaint were insufficient to warrant a formal investigation and, on February 10, 1958, dismissed the complaint.

**Section 201(a) of the Antidumping Act, 1921, as Amended**

Section 301 of the Customs Simplification Act of 1954<sup>53</sup> amended the Antidumping Act, 1921, and transferred to the Tariff Commission the function—formerly exercised by the Treasury Department—of making “injury” determinations for the purposes of the Antidumping Act. The transfer became effective October 1, 1954.

Whenever the Secretary of the Treasury determines that imports are entering or are likely to enter at less than their “fair value,” within the meaning of that term as used in the Antidumping Act, 1921, as amended,<sup>54</sup> he must refer the matter to the Tariff Commission for determination as to whether a domestic industry is being or is likely to be injured, or is prevented from being established, by reason of the importation of such merchandise. If the Commission makes an affirmative finding, it so reports to the Secretary of the Treasury, who thereupon issues a “finding of dumping”; the antidumping duties are thenceforth collected.

During 1958 the Commission made 2 injury determinations under the provisions of section 201(a) of the Antidumping Act, 1921, as amended.

**Hardboard from the Union of South Africa**

On November 7, 1957, in response to advice it received from the Secretary of the Treasury on November 5, 1957, the Tariff Commission instituted an investigation of imports of hardboard from the Union of South Africa, under the provisions of section 201(a).

The Commission ordered no hearing in connection with this investigation but, in accordance with its Rules of Practice and Procedure relating to investigations under the Antidumping Act, gave interested parties an opportunity to request a hearing within 15 days after the date that the Commission’s notice of the investigation was published in the *Federal Register*. The Commission also invited interested parties to submit written statements of information pertinent to the investigation. No request for a hearing was made by any interested party; the only written matter submitted by interested parties consisted of affidavits by 8 of the 9 domestic producers of hardboard disclaiming any injury or likelihood thereof as a result of imports of

<sup>53</sup> 68 Stat. 1138.

<sup>54</sup> 42 Stat. 11; 68 Stat. 1138; 19 U. S. C. 160.



hardboard from the Union of South Africa at less than fair value. These 8 concerns operate 10 of the 11 domestic hardboard plants and account for approximately 98 percent of the current domestic production of hardboard. Nothing was heard from the remaining firm that produces hardboard. The imports in question were made by Masonite Corp., the largest domestic producer of hardboard in the United States, and were the product of Masonite, Ltd., of South Africa, an affiliate of Masonite Corp. The imports were made because of a scarcity of hardboard in the United States during the latter part of 1955 and most of 1956, when Masonite Corp. had a large backlog of orders that it was unable to fill promptly because of structural changes in both its domestic plants.

In a notification sent to the Secretary of the Treasury on December 23, 1957, the Commission informed him that, under the circumstances, it had determined that an industry in the United States is not being, and is not likely to be, injured or prevented from being established by reason of the importation of hardboard from South Africa at less than fair value within the meaning of the Antidumping Act, 1921, as amended. On December 27, 1957, the Treasury Department instructed customs field officers to discontinue the withholding of appraisement of entries of hardboard from the Union of South Africa and to process entries of such merchandise without regard to any question of dumping.

#### **Hardboard from Canada**

In response to advice it received from the Secretary of the Treasury on November 5, 1957, the Tariff Commission on November 7, 1957, instituted an investigation of imports of hardboard from Canada, under the provisions of section 201(a).

The Commission ordered no hearing in connection with this investigation but, in accordance with its Rules of Practice and Procedure relating to investigations under the Antidumping Act, gave interested parties an opportunity to request a hearing within 15 days after the date that the Commission's notice of the investigation was published in the *Federal Register*. The Commission also invited interested parties to submit written statements of information pertinent to the investigation. No request for a hearing was made by any interested party; the only written matter submitted by interested parties consisted of affidavits by 8 of the 9 domestic producers of hardboard disclaiming any injury or likelihood thereof as a result of imports of hardboard from Canada at less than fair value. These 8 concerns operate 10 of the 11 domestic hardboard plants and account for approximately 98 percent of the current domestic production of hardboard. Nothing was heard from the remaining firm that produces hardboard.

In a notification sent to the Secretary of the Treasury on December 19, 1957, the Commission informed him that, under the circumstances, it had determined that an industry in the United States is not being, and is not likely to be, injured or prevented from being established by

reason of the importation of hardboard from Canada at less than fair value within the meaning of the Antidumping Act, 1921, as amended. On December 27, 1957, the Treasury Department instructed customs field officers to discontinue the withholding of appraisement of entries of hardboard from Canada and to process entries of such merchandise without regard to any question of dumping.

### Public Law 38, as Amended

Public Law 38 (82d Cong.),<sup>55</sup> as amended by Public Law 91 (84th Cong.),<sup>56</sup> suspended certain import taxes on copper until June 30, 1958. It provided, however, that the President must revoke the suspension of such taxes at an earlier date if the Tariff Commission determined that the average market price of electrolytic copper in standard shapes and sizes (delivered Connecticut Valley) had been below 24 cents per pound for any 1 calendar month during the period. When this market condition occurred the Commission was required to advise the President within 15 days after the conclusion of such calendar month, and the President was required to reimpose the taxes not later than 20 days after the Commission had so advised him.

In 1951, upon the enactment of Public Law 38, the Commission established the necessary procedure for carrying out its responsibilities under the law. During 1958, as in previous years, it kept informed on current copper prices and competitive conditions. Inasmuch as the price of copper did not fall below 24 cents per pound during the year, the Commission had no occasion to make a report to the President.

Public Law 38, as amended, which provided for suspension of the import taxes on copper under specified conditions, expired on June 30, 1958. Effective July 1, 1958, therefore, copper again became subject to import taxes. Under the provisions of item 4541 (1), (2), and (3) of the United States schedule (schedule XX) of the General Agreement on Tariffs and Trade, the Tariff Commission is required to advise the Secretary of the Treasury as to changes in the prices of copper in the same manner that it advised the President under Public Law 38, as amended.

<sup>55</sup> 65 Stat. 44.

<sup>56</sup> 69 Stat. 170.

## PART II. SPECIAL REPORTS AND ACTIVITIES

Besides the public investigations that it conducts and the services that it renders to the Congress, to the President, and to other Government agencies, the United States Tariff Commission is directed by law and by Executive orders to make certain special reports and to engage in certain special activities.

Section 332 of the Tariff Act of 1930, which sets forth the general powers of the Tariff Commission, directs the Commission to investigate and report on a wide range of subjects related to tariffs, commercial policy, and international trade. These subjects include, among others, the fiscal and industrial effects of, and the operation of, the customs laws; the effects of various types of import duties; tariff relations between the United States and foreign countries; commercial treaties; the volume of imports compared with domestic production and consumption; and the competition of foreign industries with those of the United States. Over the years, the Commission has, under the provisions of section 332, issued various editions of its *Summaries of Tariff Information*; various editions of its compilation of information on United States import duties; periodic reports on synthetic organic chemicals; reports on the commercial policies of certain foreign countries; and other special reports, including those on specific commodities and industries.

The Tariff Commission is one of the agencies from which the President seeks information and advice in negotiating trade agreements with foreign countries. Executive Order 10082, of October 5, 1949, requires the Commission to supply to the interdepartmental trade agreements organization factual data on all articles on which the United States proposes to consider granting concessions in trade agreements. Since 1947 various Executive orders have directed the Commission to keep informed concerning the operation and effect of provisions relating to duties and other import restrictions of the United States contained in trade agreements, and to submit a factual report to the President and to the Congress, at least once each year, on the operation of the trade agreements program. Under section 350(e) (2) of the Tariff Act of 1930, as amended by the Trade Agreements Extension Act of 1955, this function is made mandatory by statute.

### Summaries of Tariff Information

Under its general powers, the Tariff Commission's most extensive work is the preparation of its summaries of tariff information, which are designed to provide the Congress and the executive agencies with complete and up-to-date information on the commodities listed in the

tariff act. These summaries contain the tariff history of the commodities in each classification specified in the tariff act; a discussion of the nature and uses of each commodity; an analysis of the trends in United States production, imports, and exports; data on output and the conditions of production in foreign countries; and an analysis of the factors that affect the competition of imports with the domestic product. Continuous revision of these summaries, which were first published in 1920, is an important activity of the Commission.

The Commission issued its most recent complete edition of *Summaries of Tariff Information* in 1948-50. This edition, which consists of some 2,300 separate summaries and comprises a total of 44 volumes, has been widely used by the Congress and other Government agencies, and by industrial, agricultural, commercial, labor, and other organizations.

Because of budgetary limitations and the pressure of high-priority work, the Commission has been unable to maintain a regular schedule for publishing revisions of its *Summaries of Tariff Information*. During 1958, as in previous years, the statistical and certain other information in several hundred of the summaries was brought up to date and made available to defense and other Government agencies. Besides this regular work of keeping the summaries current, the Commission in 1957 initiated a project for publishing a substantial number of completely revised summaries on selected commodities, and considerable work has been done on the project. Interruptions by such high-priority work as escape-clause investigations and the tariff classification study have made it impossible to publish the revised summaries as originally scheduled. As time permits, however, work on the project will continue.

### Information on United States Import Duties

To supply in convenient form information regarding changes made in the duties on imported articles since the passage of the Tariff Act of 1930, for the use of the customs service, the public, and the Congress, the Tariff Commission issued documents periodically—from the late thirties until 1948—showing these changes. In 1948, after the multilateral trade-agreement negotiations that resulted in the General Agreement on Tariffs and Trade, the Commission issued a complete restatement of the Tariff Act of 1930, as modified and amended, including the special and administrative provisions. In 1950 the Commission issued a revised edition and in 1952, a second revision. These compilations, which the Commission prepares in cooperation with the Bureau of Customs, are furnished to appropriate congressional committees and to reference libraries throughout the United States, and are distributed by the Bureau of Customs to all its field offices.

The latest revision, *United States Import Duties (1952)*,<sup>1</sup> is a loose-leaf publication consisting of two sections. Section I presents the rates

<sup>1</sup> U.S. Tariff Commission, *United States Import Duties (1952)*, misc. ser., TC 1.10: Im 7/4/952.

of duty that are applicable to imported commodities, a list of the items that are free of duty, a list of the items that are subject to import taxes under the Internal Revenue Code, and references to various statutes that provide for special and additional import duties or for special exemptions from duty under certain circumstances. Section II presents the special and administrative provisions of the Tariff Act of 1930. Supplement I to the 1952 edition, which consists of new pages for insertion in the original publication, was issued in November 1953. Supplement II, which incorporates the changes that resulted from United States trade-agreement negotiations in 1955 with Japan and other countries, and with Switzerland, and from legislative action, was issued in January 1956. Supplements III and IV, which incorporate the changes that resulted from United States trade-agreement negotiations with 21 countries during 1956, were issued in October 1956 and July 1957, respectively. A revision of section I of the present publication in up-to-date form is in preparation and will be issued late in 1958. It is expected that section II of the present publication in up-to-date form will be issued at a later date.

### **Reports on Synthetic Organic Chemicals**

In accordance with its usual procedure, the Tariff Commission in 1958 released preliminary and final reports of United States production and sales of synthetic organic chemicals. These reports continue the annual series that the Commission has published since 1918.

#### **Preliminary report on production and sales, 1956**

The Tariff Commission's preliminary report on production and sales of synthetic organic chemicals in 1956 consisted of 14 separate sections, each of which dealt with a segment of the industry. Each section was released as soon as the statistics were substantially complete. The information was thus made available to industry and to Government agencies at the earliest date possible, a fact that enhanced its usefulness. The first section, covering elastomers (synthetic rubbers) was released in May 1957, and all sections had been released before the end of August 1957. The preliminary report covered production and sales of tars and tar crudes; crude products from petroleum and natural gas; cyclic intermediates; coal-tar dyes; toners and lakes; bulk medicinal chemicals; flavor and perfume materials; plastics and resin materials; rubber-processing chemicals; elastomers (synthetic rubbers); plasticizers; surface-active agents; pesticides and other agricultural chemicals; and miscellaneous chemicals.

#### **Final report on production and sales, 1956**

In November 1957 the Tariff Commission issued its final report on United States production and sales of synthetic organic chemicals in 1956.<sup>2</sup> The statistics given in the report for each segment of the

<sup>2</sup> U.S. Tariff Commission, *Synthetic Organic Chemicals, United States Production and Sales, 1956*, Rept. No. 200, 2d ser., 1957.

industry were compiled from data—supplied by 620 companies—on approximately 6,000 individual chemicals and chemical products. Also included in the report are a directory of manufacturers, which identifies the producers of the individual products covered in the report; statistics on United States imports of coal-tar products under paragraphs 27 and 28 of the Tariff Act of 1930; and statistics on the number of persons engaged in research by the reporting companies, as well as on the expenditures for such research.

Production of tar in the United States from all sources in 1956 was 881 million gallons—3.6 percent less than the 914 million gallons reported for 1955. Of the output in 1956, coal tar accounted for 833 million gallons, and water-gas and oil-gas tars, for 48 million gallons. The most important products recovered from coke-oven gas and from coal tar are benzene, toluene, xylene, creosote oil, naphthalene, and tar pitches. The section of the report covering crude products from petroleum and natural gas includes some products derived from petroleum that are identical with those produced from tar (e. g., benzene, toluene, and xylene). The output of crude products from petroleum and natural gas in 1956 amounted to 18 billion pounds, compared with 16 billion pounds in 1955.

The output of cyclic intermediates in 1956 amounted to 6,600 million pounds—an increase of 9.7 percent over the 6,016 million pounds reported for 1955. In 1956 about 61 percent of the total quantity of intermediates produced was used by the same manufacturers in the production of more advanced products such as dyes, medicinal chemicals, plastics, surface-active agents, and agricultural chemicals. In 1956, production of all intermediates and finished products covered in the report amounted to 40,752 million pounds, compared with 35,206 million pounds in 1955. Cyclic intermediates and finished products accounted for 13,069 million pounds of the total output in 1956, and acyclic intermediates and finished products, for 27,684 million pounds.

Compared with production in 1955, the output of 9 individual groups of finished products was greater in 1956, and the output of 3 groups was smaller. In the order of the magnitude of the percentage increase, the groups for which production increased were miscellaneous chemicals, 20.6 percent; medicinals, 13.5 percent; pesticides and other agricultural organic chemicals, 12.6 percent; surface-active agents, 11.4 percent; elastomers, 11.1 percent; cyclic intermediates, 9.7 percent; flavor and perfume materials, 6.4 percent; plastics and resin materials, 6.4 percent; and plasticizers, 5.2 percent. The groups for which production declined in 1956 compared with 1955, in the order of the magnitude of the percentage decline, were dyes, 9.8 percent; toners and lakes, 7.8 percent; and rubber-processing chemicals, 5.6 percent.

#### **Specified synthetic organic chemicals: Monthly releases on production**

During 1958 the Tariff Commission continued to conduct a monthly survey of United States production of a selected list of synthetic organic chemicals. The statistics, which are collected from about 160 companies, cover approximately 80 different chemical items.

Upon request, the Commission furnishes the Business and Defense Services Administration with reported data that are necessary to its operations. During 1957, committees in Government and industry reviewed the list of chemicals on which monthly data are collected. Certain of the changes recommended by these committees were adopted in January 1958. The releases on production of selected synthetic organic chemicals, designated as Facts for Industry Series 6-2 and published jointly with those on production and sales of plastics and resins (Facts for Industry Series 6-10), are obtainable from the Superintendent of Documents, United States Government Printing Office, on a subscription basis.

**Synthetic plastics and resin materials: Monthly releases on production and sales**

During 1958 the Tariff Commission also continued to issue reports on United States production and sales of synthetic plastics and resin materials. This monthly report, Facts for Industry Series 6-10, which is issued in conjunction with the above-mentioned report on production of specified synthetic organic chemicals, covers production and sales of synthetic plastics and resins grouped according to chemical composition and broad end uses. The chemical classes for which statistics are given include cellulose plastics, phenolic and other tar-acid resins, styrene resins, urea and melamine resins, alkyd resins, vinyl resins, polyester resins, polyethylene resins, and miscellaneous plastics and resins. Some of the end uses covered are molding, extruding, casting, textile treating, and paper treating. Synthetic plastics and resins are also used for sheeting and film, adhesives, and protective coatings.

**Imports of coal-tar products, 1956**

In July 1957 the Tariff Commission released its annual report on United States imports of coal-tar intermediates entered under paragraph 27 of the Tariff Act of 1930, and on coal-tar dyes, medicinals, pharmaceuticals, flavor and perfume materials, and other coal-tar products entered under paragraph 28.<sup>3</sup> The data in the report, which covers imports through all United States customs districts, were obtained from invoice analyses made by the Commission's New York office.

The report shows that in 1956 general imports of coal-tar chemicals under paragraph 27 totaled 6.7 million pounds, with a foreign invoice value of 4.8 million dollars, compared with imports of 6.4 million pounds, valued at 4.5 million dollars, in 1955, and 8.6 million pounds, also valued at 4.5 million dollars, in 1954. More than two-thirds of all imports of intermediates in 1956 came from West Germany and the United Kingdom. Imports from West Germany totaled 3.2 million pounds in 1956, compared with 3 million pounds in 1955. Imports from the United Kingdom were 1.3 million pounds in 1956, compared with 822,000 pounds in 1955. In 1956 sizable quantities of intermediates also were imported from Switzerland (406,000 pounds),

<sup>3</sup> U.S. Tariff Commission, *Imports of Coal-Tar Products, 1956, 1957* [processed].

France (382,000 pounds), Italy (360,000 pounds), the Netherlands (337,000 pounds), and Denmark (331,000 pounds); lesser quantities came from Canada, Belgium, and Sweden.

In 1956, imports of all finished coal-tar products that are dutiable under paragraph 28 comprised 1,515 items, with a total weight of 5.1 million pounds and a foreign invoice value of 10.4 million dollars. In 1955, imports consisted of 1,128 items, with a total weight of 5.4 million pounds and a foreign invoice value of 11.1 million dollars. As in previous years, dyes were the most important group of finished coal-tar products imported during 1956. In that year imports of dyes amounted to 4.8 million dollars (foreign invoice value), or 46 percent of the total value of all imports under paragraph 28. In 1955, imports of dyes amounted to 6.2 million dollars (foreign invoice value), or 56 percent of the total value of all imports under paragraph 28.

Medicinals and pharmaceuticals were the next most important group of products imported under paragraph 28 during 1956. In that year imports of these products were valued at 4.3 million dollars, or 41 percent of the total value of all imports under paragraph 28. In 1955, imports of medicinals and pharmaceuticals were valued at 3.3 million dollars, or 30 percent of the total value of all imports under paragraph 28. Imports of flavor and perfume materials declined slightly in value to \$500,000 in 1956 from \$514,000 in 1955. Imports of other coal-tar products under paragraph 28 declined in value to \$844,000 in 1956 from 1 million dollars in 1955.

### Tariff Classification Study

Title I of the Customs Simplification Act of 1954, as amended, directs the Tariff Commission to make a comprehensive study of United States laws prescribing the tariff status of imported articles, and to submit to the President and to the chairmen of the House Committee on Ways and Means and the Senate Committee on Finance, on or before January 1, 1959,<sup>4</sup> a revision and consolidation of those laws, that, in the Commission's judgment, will accomplish to the extent practicable the following purposes:

(1) Establish schedules of tariff classifications that will be logical in arrangement and terminology and adapted to the changes that have occurred since 1930 in the character and importance of articles produced in and imported into the United States and in the markets in which they are sold;

<sup>4</sup> Public Law 768, 83d Cong. (68 Stat. 1136), which was approved on September 1, 1954, directed the Commission to complete the study within 2 years. Public Law 934, 84th Cong. (70 Stat. 955), which was approved on August 2, 1956, extended the time for completion of the study to March 1, 1958. In response to a request from the Commission, the two congressional committees in August 1957 agreed that the Commission might have additional time—up to June 1, 1958—if such time were necessary to complete the study. Subsequently, Public Law 85-418, 85th Cong. (72 Stat. 120), which was approved on May 19, 1958, extended the time for completion of the study to January 1, 1959.



(2) Eliminate anomalies and illogical results in the classification of articles; and

(3) Simplify the determination and application of tariff classifications.

On March 15, 1955, in accordance with section 101(d) of the Customs Simplification Act of 1954, the Commission submitted an interim progress report on the tariff classification study to the President and to the chairmen of the Senate Committee on Finance and the House Committee on Ways and Means.<sup>5</sup> The interim report was confined to a treatment of the fundamental problems underlying the simplification of the tariff schedules, the principles that the Commission will follow in formulating the proposed revision of them, and methods for putting the proposed revision into force and effect.

During the fiscal year 1958 the Commission made considerable progress on the tariff classification study. On January 17, 1958, the Commission gave notice that on March 4, 1958, hearings would begin on the proposed revised and consolidated tariff schedules that it has prepared pursuant to title I of the Customs Simplification Act of 1954, as amended. In the proposed revision, the existing tariff classification laws have been consolidated into 8 schedules; 7 of these schedules relate to specified groups of commodities and 1 relates to special classification provisions. An appendix will embrace temporary tariff measures. By June 30, 1958, the close of the period covered by this report, 5 complete schedules and part of another had been released to the public. The Commission expects that the proposed revised tariff schedules and related material will be submitted to the President and to the chairmen of the House Committee on Ways and Means and the Senate Committee on Finance before the opening of the first session of the 86th Congress in January 1959.

The proposed revised and consolidated tariff schedules that the Commission has prepared, together with the dates on which they were released to the public and the dates on which public hearings were held on them, are as follows:

<i>Schedule</i>	<i>Title</i>	<i>Date released to public</i>	<i>Date of public hearing</i>
1.	Animal and vegetable products.	Jan. 20, 1958-----	Mar. 4, 1958.
2.	Wood and cork and products thereof; paper and paper products.	Mar. 10, 1958-----	Apr. 10, 1958.
3.	Textile fibers and textile products.	Apr. 18, 1958-----	June 3-4, 1958.
4.	Chemicals and related products.	Feb. 7, 1958-----	Mar. 11-12, 1958.
5.	Nonmetallic minerals and products thereof.	Not released by June 30, 1958.	Not held by June 30, 1958.
6.	Metallic minerals; metals and metal products.	Not released by June 30, 1958.	Not held by June 30, 1958.
7.	Miscellaneous products-----	Apr. 18, 1958 <sup>1</sup> -----	June 5, 1958. <sup>1</sup>
8.	Special classification provisions.	Mar. 10, 1958-----	Apr. 10, 1958.

<sup>1</sup> Release and hearing covered only part 1 of this schedule.

<sup>5</sup> U.S. Tariff Commission, *Tariff Simplification Study: Interim Report to the President and to the Chairmen of the Committee on Finance of the Senate and of the Committee on Ways and Means of the House pursuant to Section 101(d) of the Customs Simplification Act of 1954, 1955* [processed].

### Postwar Developments in Japan's Foreign Trade

In April 1958 the Tariff Commission issued a report entitled *Postwar Developments in Japan's Foreign Trade*. In the foreword to the report, the Commission observed that the efforts of Japan to re-establish its economy after World War II have posed serious problems not only for Japan but also for some of its trading partners, including the United States. Japan's ability to maintain a viable economy is of necessity dependent on maintaining an expanding volume of foreign trade. Its choice of trading partners, however, is dependent upon the willingness of various countries to receive the kinds of goods that Japan can profitably make. Those countries, in turn, must consider the impact on their respective economies of receiving such goods. The Commission undertook its analysis of Japan's foreign trade in the belief that the problems posed for the United States by various imports from Japan can best be evaluated on the basis of an understanding of the needs, capabilities, and limitations of Japan's economy.

With the recovery of its economy after World War II, Japan's foreign trade revived markedly from the low level to which it had fallen during and immediately after the war. By 1956, exports were valued at 2.5 billion dollars and imports, at 3.2 billion dollars. In that year the volume of Japan's exports was 2.7 times as large as in 1950, and the volume of imports, 3.4 times as large. Despite the rapid recovery of its foreign commerce, Japan has not yet fully resumed the position in world trade that it held before the war. In recent years its imports and exports have accounted for a smaller share of world trade than they did in the mid-thirties. In 1956 Japan ranked eighth among the major trading nations of the world, whereas in 1935 it ranked fifth.

The Commission's report calls attention to the marked shift in the composition of Japan's export trade over the past three decades, reflecting largely two developments—the great deterioration in the position of raw silk in world trade and the concurrent expansion of the industrial segment of Japan's economy. In the late 1920's raw silk was by far the predominant export from Japan, accounting for more than 35 percent of the total value of all its exports; currently, raw silk accounts for only about 2 percent of Japan's exports. Manufactured products comprised nearly 90 percent of the value of exports in 1956, compared with approximately 50 percent in the late 1920's.

Japan's trade with the United States in recent years has increased in about the same proportion as Japan's total foreign trade. In 1956 Japan was the third most important market for United States exports, and the fourth most important supplier of United States imports. Trade between the two countries, however, accounted for a far smaller percentage of total United States trade in 1956 than in the mid-thirties: Japan took 5 percent of United States exports in 1956, whereas it took 9 percent in 1934-36; it supplied only 4 percent of United States imports in 1956, compared with 7 percent in 1934-36.

Nevertheless, the United States in recent years has been by far the principal source of Japan's imports, as well as the most important market for its exports. In 1956 the United States supplied about a third of Japan's total imports and purchased nearly a fourth of Japan's total exports.

The declining importance of raw silk and the increasing predominance of manufactured products in Japan's export trade are strikingly manifest in its trade with the United States. Imports of raw silk accounted for nearly three-fifths of the value of United States imports from Japan in 1934-36, but for only about 5 percent in 1956. Contrariwise, manufactured products constituted only about a fourth of the value of such trade in 1934-36, but nearly four-fifths in 1956.

The Commission's report discusses the difficulties that the Japanese Government has had since World War II in establishing and maintaining adequate reserves of monetary gold and foreign exchange. Japan's ability to earn foreign exchange was severely impaired by wartime damage to its industrial plant, the drastic decline in world consumption of raw silk, the virtual destruction of Japan's merchant marine, and the decline in importance of export markets that had been important in the prewar period. Moreover, worldwide international-payments difficulties and attendant inconvertibility of the currencies of many trading nations limited Japan's trade with many areas. On the other hand, Japan's need for foreign exchange during the postwar years has been exceptional; it has had to purchase increased quantities of food for its growing population, to rehabilitate and expand its industrial plant, and to import essential raw materials and supplies. All these factors have exerted serious pressure on Japan's payments position. In these circumstances, Japan's postwar foreign-trade policy has been oriented primarily toward the promotion of exports, as well as the limitation of imports to levels commensurate with foreign-exchange earnings and reserve requirements. Only by careful planning and management has Japan been able to obtain sufficient foreign exchange to finance current requirements. Its ability to do so thus far, however, has depended heavily on dollar exchange made available by the United States in the form of direct grants, loans, and military and foreign-aid procurement, as well as expenditures by United States military and civilian personnel in Japan. Without such dollar exchange, Japan would have been obliged to reduce the volume of its imports and to accept a much slower rate of recovery of its economy.

The report also presents an analysis of competition between United States and Japanese goods in third-country markets. Between 1934-36 and 1954-56 United States exports to third-country markets increased more than did Japan's exports to those same markets. Between the two periods the average annual value of exports to third markets increased by 11.2 billion dollars for the United States and by 1.1 billion dollars for Japan. In 1934-36 the value of United States exports to third markets was about four times that of Japan's;

by 1954-56 it had increased to eight times that of Japan's. The pattern of trade for individual articles, of course, did not generally follow the overall trade pattern. As illustrative of different competitive situations, the report compares the export trade of the United States and Japan in cotton cloth, rayon fabrics, iron and steel products, internal-combustion engines, textile machinery, sewing machines, cameras, and toys.

### **Compilations of Information on Status of Investigations**

During 1958 the Commission continued to issue a series of compilations showing the outcome or current status of the various types of investigations that the Commission is directed by law to conduct. These compilations, which are brought up to date from time to time, are as follows:

- (1) Investigations under the "escape clause" procedure;
- (2) Investigations under the "peril point" provision;
- (3) Investigations under section 22 of the Agricultural Adjustment Act, as amended;
- (4) Investigations under section 332 of the Tariff Act of 1930;
- (5) Investigations under section 336 of the Tariff Act of 1930;
- (6) Investigations under section 337 of the Tariff Act of 1930; and
- (7) Injury determinations under the Antidumping Act, 1921, as amended.

### **Trade-Agreement Activities**

Not only is the Tariff Commission the agency directed to make peril-point and escape-clause investigations under the provisions of the Trade Agreements Extension Act of 1951, as amended, and Executive Order 10401, but it is also one of the agencies from which the President seeks information and advice before concluding trade agreements with foreign countries. Executive Order 10082, of October 5, 1949, requires the Commission to supply to the Interdepartmental Committee on Trade Agreements factual data concerning the production and consumption of, and trade in, all articles on which the United States proposes to consider granting concessions in trade agreements. When trade-agreement negotiations are in progress the Commission furnishes such information to the Trade Agreements Committee and to its "country" committees. The Chairman of the Tariff Commission serves as a member of the Trade Agreements Committee, and also as chairman of the interdepartmental Committee for Reciprocity Information; the Vice Chairman of the Commission serves as his alternate on both Committees.

It is a matter of Commission policy that the Tariff Commission member of the Interdepartmental Committee on Trade Agreements shall not participate by voting in the making of any decisions of that Committee; and that members of the Commission's staff assigned to work in connection with the planning or conduct of trade-agree-

ment negotiations shall act only as technical advisers or consultants in furnishing facts, statistics, and other information of a technical nature, and shall not participate by voting in any decision in any way connected with tariff or foreign-trade policy matters or with the planning or conduct of trade-agreement negotiations, and that they shall not be named or constituted as members of negotiating teams.

During 1958, Commissioners and members of the Tariff Commission's staff assisted the Trade Policy Committee and the Trade Agreements Committee as consultants and technical advisers in dealing with a variety of problems. Principal among these were preparations for United States participation in the 12th and 13th Sessions of the Contracting Parties to the General Agreement and in the meetings of the Intersessional Committee; preparations for the trade-agreement negotiations between the United States and Brazil under article XV of the General Agreement; and preparations for the trade-agreement negotiations between the United States and Austria, Canada, Ceylon, Greece, and the Union of South Africa under article XXVIII of the General Agreement.

### **Report on Operation of the Trade Agreements Program**

Section 3 of the Trade Agreements Extension Act of 1955 directs the Tariff Commission to keep informed at all times concerning the operation and effect of provisions relating to duties or other import restrictions of the United States contained in trade agreements heretofore or hereafter entered into by the President, and to submit to the Congress, at least once a year, a factual report on the operation of the trade agreements program.

Before the passage of the Trade Agreements Extension Act of 1955, various Executive orders had directed the Commission to prepare similar reports annually and to submit them to the President and to the Congress. The latest of such orders—Executive Order 10082, of October 5, 1949—is still in effect. The 10 reports that the Commission has issued in compliance with these directives provide a detailed history of the trade agreements program since its inception in 1934. The Commission's first 9 reports on the operation of the trade agreements program cover developments from June 1934 through June 1956.

The 10th report, which was issued in June 1958, covers the period from July 1956 through June 1957.<sup>6</sup> During all or part of this period the United States had trade-agreement obligations in force with 41 countries. Of these, 33 countries were contracting parties to the General Agreement on Tariffs and Trade, and 8 were countries with which the United States had bilateral trade agreements.

During the period covered by the 10th report, the Contracting Parties to the General Agreement on Tariffs and Trade did not spon-

<sup>6</sup> First released in processed form, the report was subsequently printed as *Operation of the Trade Agreements Program: 10th Report, July 1956-June 1957*, Rept. No. 202, 2d ser., 1959.

sor any multilateral tariff negotiations. The United States, however, engaged in limited trade-agreement negotiations, under the General Agreement, with Cuba and with the United Kingdom and Belgium. The report describes the negotiations with Cuba and with the United Kingdom and Belgium, and analyzes the concessions that the United States granted to and obtained from Cuba, as well as the compensatory concessions that it granted to the United Kingdom and Belgium.

The 10th report also covers other important developments during 1956-57 with respect to the trade agreements program. These include the proposed legislation concerning United States participation in the Organization for Trade Cooperation; the major developments relating to the general provisions and administration of the General Agreement; the actions of the United States relating to its trade agreements program; the recent developments with respect to European economic integration, such as the Common Market and the proposed European free-trade area; the present relationship to the General Agreement of the various multilateral associations and regional groupings of countries that have grown up since the war; and the changes made in exchange controls and quantitative trade restrictions by countries with which the United States has trade agreements.

### **PART III. FURNISHING TECHNICAL INFORMATION AND ASSISTANCE**

A considerable part of the work of the United States Tariff Commission relates to furnishing technical information and assistance to the Congress and to other agencies of the United States Government, as required by law, and to furnishing information to industrial and commercial concerns and to the general public. Section 332 of the Tariff Act of 1930 directs the Commission to gather information relating to the tariff and commercial policy and to place it at the disposal of the President, the Senate Committee on Finance, and the House Committee on Ways and Means, "whenever requested." Section 334 of the Tariff Act of 1930 directs the Commission to cooperate with other Government agencies in appropriate matters.

#### **Work for the Congress**

During 1958, as in previous years, the Commission's work in response to directives or requests from the Congress, congressional committees, and individual Members of Congress constituted an important part of its activities. This section of the report deals only with direct requests from congressional committees and from Members of Congress for information or comments on proposed legislation, and for assistance at congressional hearings. Other phases of the Commission's work, even though based directly or indirectly on congressional directives or requests, are discussed in other sections of this report.

#### **Reports to committees on proposed legislation**

The Congress regularly requests the Tariff Commission to analyze proposed legislation relating to tariff and trade matters. Most of the requests come from the Senate Committee on Finance and the House Committee on Ways and Means. Preparation of comments on bills and resolutions usually involves considerable work by the Commission, and often the reports required are extensive.

At the request of the Senate Committee on Finance or the House Committee on Ways and Means, the Commission during 1958 prepared analyses of an exceptionally large number of bills and resolutions.<sup>1</sup> These bills and resolutions related to a wide variety of subjects, as the following list of representative titles indicates:

**To amend the Tariff Act of 1930 to provide for the temporary free importation of casein ;**

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<sup>1</sup> During the period covered by this report, congressional committees requested the Commission to prepare analyses of, or comments on, 83 bills and resolutions.

- To amend the Tariff Act of 1930 to provide for the free importation of amorphous graphite;
- To facilitate the importation of commercial samples and advertising matter;
- To amend the Tariff Act of 1930 as it relates to unmanufactured mica and mica films and splittings;
- To amend the Tariff Act of 1930 with respect to istle or Tampico fiber;
- To amend the Tariff Act of 1930 with respect to the marking of imported articles and containers;
- To amend the Tariff Act of 1930 with respect to the importation of certain articles for religious purposes;
- To amend the Tariff Act of 1930 to reduce the rate of duty on jute yarn when used wholly in the manufacture of backing for tufted rugs and carpets;
- To amend the Internal Revenue Code of 1954 to impose import taxes on lead and zinc;
- To amend the Tariff Act of 1930 with respect to footwear;
- To provide that certain caps shall be dutiable under paragraph 1504 of the Tariff Act of 1930;
- To regulate the foreign commerce of the United States by establishing quantitative restrictions on the importation of hardwood plywood;
- To regulate the foreign commerce of the United States by establishing quantitative restrictions on the importation of plumbing brass goods;
- To define certain types of footwear;
- To provide assistance to communities, industries, business enterprises, and individuals to facilitate adjustments made necessary by the trade policy of the United States;
- To continue the temporary suspension of the duty on certain alumina and bauxite;
- To impose a duty on the importation of residual fuel oil;
- To amend the Tariff Act of 1930 to extend the privilege of substitution for the purpose of obtaining drawback upon reexportation to all classes of merchandise;
- To continue until the close of June 30, 1959, the suspension of duties and import taxes on metal scrap, and for other purposes;
- To amend the Internal Revenue Code of 1954 relating to the imposition of an import tax on copper;
- To make permanent the existing privilege of free importation of guar seed;
- To reduce from 15 to 13 inches the minimum width of paper in rolls which may be imported into the United States free of duty as standard newsprint paper;
- To extend the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended, and for other purposes;
- To continue for 2 years the existing suspension of duties on certain lathes used for shoe-last roughing or for shoe-last finishing;
- To permit certain educational organizations to import free of duty scientific and laboratory apparatus for educational or scientific purposes;



- To amend the Tariff Act of 1930 with respect to the rates of duty on hammers, axes, and other cutting tools;
- To protect producers and consumers against misbranding and false advertising of the fiber content of textile fiber products;
- To amend the Tariff Act of 1930 to exempt from duty pistols and revolvers not using fixed ammunition;
- To amend the Tariff Act of 1930 to transfer natural gas from the free list to the dutiable list;
- To regulate the importation of tuna;
- To provide a 5-year program of assistance to depressed segments of the fishing industry;
- To provide for increased customs duties on fluorspar under certain conditions;
- To amend the Trade Agreements Extension Act of July 1, 1954, so as to assure the availability of materials essential to national security;
- To amend the Tariff Act of 1930 as it relates to spring clothespins;
- To amend the Tariff Act of 1930 to place certain pumice stone on the free list;
- To amend the Tariff Act of 1930 to impose an import quota on iron ore;
- To regulate the foreign commerce of the United States by establishing quantitative restrictions on the importation of women's fur felt hats and hat bodies;
- To amend the Internal Revenue Code of 1954 so as to increase the import taxes on petroleum and petroleum products;
- To extend for 2 years the authority of the President to enter into trade agreements under section 350 of the Tariff Act of 1930, as amended;
- To amend the Tariff Act of 1930 to change the rate of duty on shovels, spades, scoops, etc.; and
- To amend the Tariff Act of 1930 to change the rate of duty on blacksmiths' hammers, sledges, and track tools.

#### **Special services to committees of the Congress**

In considering proposed legislation, congressional committees often ask the Tariff Commission not only for reports, but also for the services of Commission experts. The experts are frequently asked to assist the committees at congressional hearings, or to supply technical and economic information orally in executive sessions of the committees.

During 1958, at the request of the House Committee on Ways and Means, members of the Commission's staff appeared before the committee to supply technical assistance during consideration of proposed legislation on a number of the subjects mentioned in the immediately preceding section of this report.

During the spring of 1958 the Commission's staff assisted the Subcommittee of the Senate Committee on Appropriations by preparing an index for the committee's hearings on the 1959 appropriations for the Department of Commerce and related agencies.

### **Services to individual Senators and Representatives**

Each year the Commission receives many requests from individual Senators and Representatives for various types of information.<sup>2</sup> Some of these requests can be answered from data that are readily available in the Commission's files; others require research and often the preparation of extensive statistical compilations and trade analyses. Many of the requests relate to investigations that are pending before the Commission.

During 1958 the Commission continued to furnish to several Members of Congress, at their request, tabulations prepared by its Ceramics Division on a quarterly basis showing United States imports (for consumption) of glassware and pottery, by kinds and by principal sources.

During the year the Commission also continued to furnish to Members of Congress, at their request, monthly and cumulative monthly statistics, prepared by its Textiles and Statistical Divisions, on imports of wool tops, yarns of wool, and woolen and worsted fabrics.

The Commission also regularly furnishes information to the interdepartmental Committee for Reciprocity Information to help that Committee in responding to inquiries by Members of Congress.<sup>3</sup>

### **Cooperation With Other Government Agencies**

Over the years, cooperation with other Government agencies has accounted for a considerable part of the Commission's activity. Among the more important instances of such cooperative work is the Commission's continuing collaboration with the Bureau of the Census, the Bureau of Customs, and the Department of State.

During 1958 the Commission carried on various kinds of work in cooperation with a score of other Government agencies. Including the various trade-agreement committees, Commissioners and staff members serve on about 25 interdepartmental committees. The assistance that the Commission gives to other Government agencies ranges from handling simple requests for factual information to executing projects that require considerable research and sometimes as much as several hundred man-hours of staff work. At times cooperation with other Government agencies involves detailing members of the Commission's staff to other agencies for short periods.

<sup>2</sup> During the period covered by this report, the Commission received 617 congressional letters requesting information on various matters. In addition, the Commission received a large number of congressional telephone requests for information. Many of these requests, like those contained in congressional letters, involved considerable work by the Commission and its staff.

<sup>3</sup> The primary functions of the Committee for Reciprocity Information, created by Executive Order 6750 in 1934, are (1) to hold hearings to provide an opportunity for all interested parties to present their views on proposed trade agreements, and (2) to see that those views are brought to the attention of the Interdepartmental Committee on Trade Agreements.

Selected aspects of the work that the Commission conducted in cooperation with other Government agencies during 1958 are reviewed below.

**Work for defense and emergency agencies**

During 1958 the United States Government agencies concerned with the problems of defense continued to call upon the Tariff Commission for needed information on strategic and critical materials. All the technical divisions of the Commission supplied such information.

The Commission's commodity divisions continued to furnish the Office of Defense Mobilization with information on strategic and critical materials similar to that which the Commission furnished to the Munitions Board before it was abolished on June 30, 1953. Members of the Commission's commodity divisions served, at the specific request of the Office of Defense Mobilization, on each of the seven interdepartmental commodity advisory committees established by that agency. These committees are concerned with the following groups of commodities: Iron, steel, and ferroalloys; light metals; nonferrous metals; nonmetallic minerals; chemicals and rubber; forest products; and fibers. In addition, members of the Commission's commodity divisions served as chairmen of several of the commodity subcommittees established by the interdepartmental commodity advisory committees.

During the year most of the Commission's commodity divisions furnished information to the Business and Defense Services Administration of the Department of Commerce. For example, the Chemicals Division continued to supply that agency with monthly data on United States production and sales of the most important organic chemicals and plastics materials, and annual data on production and sales of synthetic organic chemicals. These data were used by the Business and Defense Services Administration for allocating chemicals, issuing certificates of necessity, and establishing normal consumption levels. The Ceramics Division also continued to supply the Business and Defense Services Administration with semiannual tabulations of invoice analyses of United States imports of mica.

**Work for other Government agencies**

Besides assisting the Department of State in trade-agreement matters, the Commission during 1958 furnished that Department with a wide range of data on United States tariffs and trade. A member of the Sundries Division served on the Rubber Panel, which is under the chairmanship of the Department of State.

During the year the Commission supplied the Department of Agriculture with considerable information on agricultural, chemical, and forest products, and exchanged information in connection with investigations that the Commission conducted under section 22 of the Agricultural Adjustment Act, as amended. During the year the Commission also assisted the interdepartmental sugar committee, which studies the operation of the Sugar Act of 1948, as amended,

United States participation in the International Sugar Agreement, and other matters relating to sugar. Members of the Commission's Agricultural and Economics Divisions served during the year as members of the interdepartmental sugar committee.

The Commission during 1958 furnished assistance to the following bureaus of the Department of Commerce: The National Bureau of Standards, the Bureau of the Census, and the Bureau of Foreign Commerce (besides the Business and Defense Services Administration, mentioned in the preceding section of this report). The Commission's commodity divisions assisted the Bureau of the Census in the analysis of "basket" classifications of import statistics and in matters concerning the proper coding and classification of imported articles for statistical purposes. The Agricultural, Ceramics, and Chemicals Divisions supplied the Bureau of Foreign Commerce with market and consumption data on certain articles of commerce for which they had unique information.

Other agencies assisted by the Commission during the year included the Bureau of Customs, the Division of Foreign Assets Control, and the Internal Revenue Service of the Treasury Department; the Bureau of Mines of the Department of the Interior; the Department of Labor; the Department of Justice; the Bureau of the Budget; the Board of Governors of the Federal Reserve System; the Federal Trade Commission; the Federal Supply Service of the General Services Administration; and the Legislative Reference Service of the Library of Congress.

#### **Work on statistical classification of imports and exports**

Section 484(e) of the Tariff Act of 1930 provides for a statistical classification of imports, and authorizes the Secretary of the Treasury, the Secretary of Commerce, and the Chairman of the Tariff Commission to direct its preparation. Under this provision the representatives of those officials on the interdepartmental Advisory Committee on Foreign Trade Commodity Classification prepare, for statistical purposes, an enumeration of articles for reporting merchandise imported into the United States. A member of the Commission's Statistical Division serves on the Advisory Committee.

Many factors—such as changes in description and rates of duty by reason of trade agreements, changes in the character of various products, the appearance of new products, and the need for recording separate statistics for some products previously included in groups of loosely related articles—make advisable the frequent revision of *Schedule A, Statistical Classification of Commodities Imported Into the United States*.

Effective July 1, 1957, the format for *Schedule A* was changed in order to show reduced rates of duty becoming effective on or after June 30, 1958. These reduced rates, resulting from United States concessions granted at Geneva in 1956, involved approximately 1,000 commodity classes. A reprint of the 1954 edition of *Schedule A*, as

amended, was issued in its new form on July 1, 1957. To supplement this edition, a schedule entitled *Statistical Requirements for Reporting Imports of Cotton Manufactures* was issued at the same time. This enumeration of statistical requirements, which was prepared by the United States Department of Commerce with the cooperation of the Bureau of Customs and the Tariff Commission, enables those agencies to follow in the resulting reports the implementation of Japan's 5-year program for controlling its exports of cotton textiles to the United States.

In 1958 the Commission continued to assist in the preparation of *Schedule A* and the bulletins that authorize changes since its publication, such as changes resulting from the limited tariff negotiations conducted with Cuba, the United Kingdom, and the Benelux countries, and changes authorized by Presidential proclamations and acts of the Congress. During the year, the Commission's representative on the interdepartmental Advisory Committee reviewed, in terms of *Schedule A*, the proposed revised and consolidated tariff schedule prepared pursuant to the Customs Simplification Act of 1954, as amended. This review was made in an effort to evaluate the effect the proposed revisions would have on the 5,000 statistical items set forth in the existing *Schedule A*.

During 1958 the Commission also continued to cooperate with the Department of Commerce in revising *Schedule B, Statistical Classification of Domestic and Foreign Commodities Exported from the United States*. Since the Department of Commerce had authorized a general revision of *Schedule B* for 1958, the Commission designated 11 of its commodity specialists to serve on the various subcommittees participating in this work. In addition, 25 of the Commission's commodity specialists served as consultants in this major undertaking. The member of the Statistical Division who serves on the interdepartmental Advisory Committee assisted in coordinating the revisions and acted as liaison between the two agencies. A review was also made of the convertibility of the import and export statistical schedules to other coding manuals such as the *Standard International Trade Classification*, issued by the Statistical Office of the United Nations, and the *Industry Products Code*, prepared by the Bureau of the Census.

#### **Assistance to Nongovernmental Research Agencies**

During 1958 the Commission also assisted certain quasi-official organizations by providing information on trade and tariff matters. For example, a member of the Ceramics Division served during the year on a committee of the American Society for Testing Materials, a national technical society composed of representatives of industry, the Federal Government, and engineering schools. The assistance given this society related chiefly to nomenclature and classification of ceramic products.

### Assistance to Business Concerns and the Public

On specific matters within its field, the Tariff Commission furnishes information in response to many requests from outside the Federal Government. These requests come from industrial and commercial organizations, as well as from research workers, lawyers, teachers, editors, students, and others. Supplying the requested information entails a variety of work, such as preparation of appropriate letters and statistical compilations, and conferences with individuals and representatives of organizations. The Commission maintains no public relations staff for dealing with the public.

To assist individuals and organizations that are interested in studying recent developments in United States commercial policy, the Commission periodically issues a list of selected publications relating to the United States tariff and commercial policy and the General Agreement on Tariffs and Trade. The compilation lists certain pertinent publications of the Tariff Commission, the Department of State, the Department of Commerce, the Congress, special governmental boards and commissions, and the Contracting Parties to the General Agreement on Tariffs and Trade, and indicates where those publications may be obtained.<sup>4</sup>

To assist individuals and organizations, as well as other Government agencies, that are interested in data on the trade agreements that the United States has entered into under the authority of the Trade Agreements Act of 1934, as amended and extended, the Commission periodically issues a *Trade Agreements Manual*. The *Trade Agreements Manual* is designed to provide the answers to certain common questions about United States trade agreements. Part I of the *Manual* considers United States trade-agreement obligations, present and past. Part II is devoted to information about the General Agreement on Tariffs and Trade. To assist the user, brief explanatory comments precede each tabulation, and various technical points are explained in the footnotes.<sup>5</sup>

<sup>4</sup>The latest edition of this compilation is U.S. Tariff Commission, *List of Selected Publications Relating to the United States Tariff and Commercial Policy and the General Agreement on Tariffs and Trade*, 4th ed., 1957 [processed].

<sup>5</sup>The latest edition of this compilation is U.S. Tariff Commission, *Trade Agreements Manual: A Summary of Selected Data Relating to Trade Agreements That the United States Has Negotiated Since 1934*, 2d ed., 1957 [processed].

## PART IV. OTHER ACTIVITIES

### General Research and Assembling of Basic Data

Prerequisite to the varied activities of the United States Tariff Commission is the continuing task of assembling, maintaining, coordinating, and analyzing basic economic, technical, and statistical information pertinent to its work. Section 332 of the Tariff Act of 1930 directs the Commission to gather such information and to place it at the disposal of the President, the House Committee on Ways and Means, and the Senate Committee on Finance "whenever requested." It also directs the Commission to make such investigations and reports as may be requested by the President, by either of the above-mentioned committees, or by either branch of the Congress. Over the years the Commission's staff has devoted a large part of its time to such work.

Basic information on many thousands of individual commodities is collected by the Commission's various divisions. This basic information includes technical data on the nature of the commodities and their processes of production; on United States production, imports, exports, marketing practices, and prices; on production, imports, exports, and prices for the leading foreign producing and exporting countries; and on the conditions of competition between foreign and domestic products. Such information is obtained primarily through the assembly, collation, and analysis of data obtained from Foreign Service reports, from Government publications, from trade journals, and from individual firms, and through extensive fieldwork by the Commission's technical experts. On commodities involved in special investigations, the Commission also obtains data—through questionnaires and public hearings—on costs, profits, employment, and other pertinent subjects. Another major class of the Commission's basic data has to do with foreign countries—their exports, imports, industries, and resources; their economic, financial, and trade position; and their commercial policies.

The Tariff Commission Library, which contains an outstanding collection of material on the tariff, commercial policy, and international trade, primarily serves the Commission and its technical experts. This material, together with a large collection of foreign trade statistics from original sources, is also available to other Government agencies and to private organizations and individuals. The Legal Division's legislative reference service closely follows congressional legislation that is of interest to the Commission and its staff, and maintains a complete file of pertinent legislative documents.

### Fieldwork

Fieldwork by the Commission's commodity and economic experts is essential to the gathering of information for the investigations that the Commission is charged with conducting. A substantial part of the data that the Commission uses in preparing its *Summaries of Tariff Information* and its other reports is obtained by personal visits of its staff members to manufacturers, importers, and other groups. Through years of experience the Commission has found that neither public hearings nor inquiries by mail can supply all the details needed for making decisions in its investigations and for verifying information on production, costs, industrial practices, and competitive factors.

In 1958, as in the past several years, the Commission found it necessary to devote an exceptionally large amount of time to fieldwork. During 1958 the Commission's experts made field trips in connection with the investigations that the Commission conducted under the escape-clause provision, under sections 336 and 337 of the Tariff Act of 1930, and under section 22 of the Agricultural Adjustment Act, as amended. In order to keep abreast of technical and trade developments, the Commission's experts visited representative manufacturing and importing firms in their fields of specialization. Representatives of the Commission also attended several conferences of trade and technical associations in order to follow developments affecting competition in domestic markets.

### Work of the Invoice Analysis Section and the New York Office

With respect to analyses of import invoices and other work carried on by the New York office, the Invoice Analysis Section of the Commission's Technical Service serves as liaison between the Washington office and the New York office, and also between the Commission and other Government agencies. This section coordinates all requests for invoice analyses, for special tabulations connected with the regular work and investigations of the Commission, and for special analyses the Commission makes for other Government agencies. The Invoice Analysis Section also compiles—from the invoice cards it receives from the New York office—such special tabulations as are required by the Commission and other Government agencies.

The office that the Commission maintains in the customhouse at the port of New York performs several related functions. Through its invoice analyses, it assists in the field aspects of the Commission's investigations in the New York area and provides the Commission with more detailed information on imports of commodities than is available from the regular tabulations of import statistics. Through personal calls and interviews the New York office also maintains contacts with manufacturers, importers, exporters, customs examiners and appraisers, and others in the New York area. In this way it assists the Commission's specialists in maintaining up-to-date information in their respective fields.



In its analysis of imports entered through the customs district of New York, the New York office uses the original customhouse documents, to which are attached consular and commercial invoices that have been reviewed and passed upon by the appraisers and examiners. These invoices describe imports in detail with regard to type, grade, size, quantity, and value and provide other data not available elsewhere. The analysis of the statistical copies of import entries through customs districts other than New York is handled by personnel of the Invoice Analysis Section in Washington and at Suitland, Md. Should the Commission require additional detail for these entries from other districts, the Invoice Analysis Section obtains the customhouse documents that are on file at the other ports of entry.

During 1958 the New York office and the Invoice Analysis Section analyzed the data on about 550 commodity classifications of imports. In addition, the New York office and the Invoice Analysis Section made special analyses for use in the Commission's investigations under section 7 of the Trade Agreements Extension Act of 1951, as amended, under sections 332, 336, and 337 of the Tariff Act of 1930, under section 22 of the Agricultural Adjustment Act, as amended, and under Executive Order 10401. It also made, for the defense agencies, several analyses of imports of certain critical and strategic materials, as well as special analyses for the use of other Government agencies.



## PART V. ADMINISTRATION AND FINANCES

### Membership of the Commission

The United States Tariff Commission consists of 6 members appointed by the President and confirmed by the Senate for terms of 6 years, one term expiring each year. Not more than 3 Commissioners may be of the same political party. The President designates the Chairman and Vice Chairman annually from the membership of the Commission.

#### Members of the Commission on June 30, 1958

On June 30, 1958, the close of the period covered by this report, the members of the Commission and the dates on which their respective terms expire were as follows:

Chairman.....	Edgar B. Brossard, Republican from Utah (June 16, 1962).
Vice Chairman.....	Joseph E. Talbot, Republican from Connecticut (June 16, 1959).
Commissioner.....	Walter R. Schreiber, Republican from Maryland (June 16, 1964).
Commissioner.....	Glenn W. Sutton, Democrat from Georgia (June 16, 1960).
Commissioner.....	J. Weldon Jones, Democrat from Texas (June 16, 1961).
Commissioner.....	William E. Dowling, Democrat from Michigan (June 16, 1963).

#### Appointments during 1958

On April 25, 1958, the President designated Edgar B. Brossard as Chairman of the Commission for the year ending June 16, 1959.

On April 25, 1958, the President designated Joseph E. Talbot as Vice Chairman of the Commission for the year ending June 16, 1959.

On April 21, 1958, the President nominated Walter R. Schreiber as a member of the Commission for the 6-year term that will expire on June 16, 1964. The Senate confirmed the nomination on April 30, 1958. Mr. Schreiber, who entered on duty under his new appointment on June 17, 1958, had served as a member of the Commission since August 5, 1953, under a previous appointment.

### Staff of the Commission

On June 30, 1958, the personnel of the Tariff Commission consisted of 6 Commissioners and 213 staff members. The total of 219 persons consisted of 121 men and 98 women.

The following tabulation shows the average size of the Commission's staff during successive 5-year periods from 1931 to 1955 and the number of persons on its staff on June 30 of the years 1951 through 1958:

<i>Period or year</i>	<i>Number on staff</i>
<b>5-year average:</b>	
1931-35.....	315
1936-40.....	306
1941-45.....	306
1946-50.....	233
1951-55.....	199
<b>Annual:</b>	
1951.....	211
1952.....	195
1953.....	196
1954.....	192
1955.....	199
1956.....	208
1957.....	217
1958.....	219

On June 30, 1956, the number of persons on the roll of the Commission was 208; on June 30, 1957, it was 217; and on June 30, 1958, it was 219. The size of the Commission's staff during 1956, 1957, and 1958 was somewhat larger than the average of 199 persons for the 5-year period 1951-55, but was still below the average of 233 persons for the 5-year period 1946-50, and far below the averages of 315 persons for the 5-year period 1931-35 and of 306 persons for both the 5-year prewar period 1936-40 and the 5-year war period 1941-45.

As a result of the sharp reductions in the size of its staff and the heavy additional duties that have been given to it since the war, the Commission for more than a decade has been able to devote its time only to current work of the very highest priority.<sup>1</sup> During this period the Commission has had virtually no opportunity to undertake projects on other subjects that fall within the scope of its statutory functions, and that would be of great interest to the Congress, the Executive, and the public.

### **Finances and Appropriations, Fiscal Year 1958**

The appropriated funds available to the United States Tariff Commission during the fiscal year 1958 amounted to \$1,700,000. Reimbursements received amounted to \$10,092. The total cost of the retroactive pay increase was \$68,147, of which \$68,096 was made available under the provisions of Public Law 85-472, approved June 30, 1958. The total funds available to the Commission for the fiscal year 1958 amounted to \$1,778,188; the unobligated balance as of June 30, 1958, was \$161.

<sup>1</sup> The nature of the reductions in the Commission's staff and the additional duties that have been given to the Commission were described in the Commission's annual report for 1957.

Expenditures for the fiscal year 1958 were as follows:

Salaries:	
Commissioners .....	\$120,500
Employees:	
Departmental .....	1,428,246
Field .....	35,320
Overtime .....	1,909
Federal Insurance Contributions Act tax .....	171
Federal Employees' Group Life Insurance Act contributions .....	4,645
Federal employees' retirement contributions .....	98,724
Travel expense .....	17,833
Transportation of things .....	23
Books of reference and publications .....	4,717
Communications service .....	9,312
Penalty mail .....	5,855
Contractual services .....	10,643
Office supplies and equipment .....	34,048
Printing and reproduction .....	6,081
	<hr/>
Total .....	1,778,027

The Commission does not own or operate any motor vehicles.











**RECENT REPORTS OF THE UNITED STATES TARIFF COMMISSION  
ON SYNTHETIC ORGANIC CHEMICALS**

**Synthetic Organic Chemicals, United States Production and Sales, 1956  
(Rept. No. 200, 2d ser.), 1957, 65¢**

**Synthetic Organic Chemicals, United States Production and Sales, 1957  
(Rept. No. 203, 2d ser.), 1958, 60¢**

**6-2 and 6-10. Organic Chemicals and Plastics Materials, 50¢ (annual sub-  
scription price); 50¢ additional for foreign mailing**

**OTHER RECENT REPORTS**

**United States Import Duties (1958), \$3.00 (subscription price); \$1.00 addi-  
tional for foreign mailing**

**Postwar Developments in Japan's Foreign Trade (Rept. No. 201, 2d ser.),  
1958, 60¢**

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**NOTE.**—The reports listed above may be purchased from the Superintendent of Documents U.S. Government Printing Office, Washington 25, D.C. (See inside front cover for other available reports.) All U.S. Tariff Commission reports reproduced by the U.S. Government Printing Office may be consulted in the official depository libraries throughout the United States.