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*Fiftieth*  
**Annual Report**  
*of the*  
**United States Tariff Commission**



*Fiscal Year Ended June 30*  
**1966**

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TC Publication 193

**REPORTS OF THE UNITED STATES TARIFF COMMISSION ON THE  
OPERATION OF THE TRADE AGREEMENTS PROGRAM**

**\*Operation of the Trade Agreements Program, June 1934 to April 1948 (Rept. No. 160, 2d ser., 1949):**

Part I. Summary

Part II. History of the Trade Agreements Program

Part III. Trade-Agreement Concessions Granted by the United States

Part IV. Trade-Agreement Concessions Obtained by the United States

Part V. Effects of the Trade Agreements Program on United States Trade

**\*Operation of the Trade Agreements Program: Second Report, April 1948-March 1949 (Rept. No. 163, 2d ser., 1950)**

**\*Operation of the Trade Agreements Program: Third Report, April 1949-June 1950 (Rept. No. 172, 2d ser., 1951)**

**\*Operation of the Trade Agreements Program: Fourth Report, July 1950-June 1951 (Rept. No. 174, 2d ser., 1952)**

**\*Operation of the Trade Agreements Program: Fifth Report, July 1951-June 1952 (Rept. No. 191, 2d ser., 1954)**

**\*Operation of the Trade Agreements Program: Sixth Report, July 1952-June 1953 (Rept. No. 193, 2d ser., 1954)**

**\*Operation of the Trade Agreements Program: Seventh Report, July 1953-June 1954 (Rept. No. 195, 2d ser., 1955)**

**\*Operation of the Trade Agreements Program: Eighth Report, July 1954-June 1955 (Rept. No. 197, 2d ser., 1956)**

**\*Operation of the Trade Agreements Program: Ninth Report, July 1955-June 1956 (Rept. No. 199, 2d ser., 1957)**

**\*Operation of the Trade Agreements Program: 10th Report, July 1956-June 1957 (Rept. No. 202, 2d ser., 1959)**

**\*Operation of the Trade Agreements Program: 11th Report, July 1957-June 1958 (Rept. No. 204, 2d ser., 1959)**

**\*Operation of the Trade Agreements Program: 12th Report, July 1958-June 1959 (TC Publication 9, 1961)**

**\*Operation of the Trade Agreements Program: 13th Report, July 1959-June 1960 (TC Publication 51, 1962)**

**Operation of the Trade Agreements Program: 14th Report, July 1960-June 1962 (TC Publication 120, 1964), 35¢**

**Operation of the Trade Agreements Program: 15th Report, July 1962-June 1963 (TC Publication 147, 1965), 35¢**

**Operation of the Trade Agreements Program: 16th Report, July 1963-June 1964 (TC Publication 164, 1966), 30¢**

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**NOTE.**—The reports preceded by an asterisk (\*) are out of print. Those followed by a price may be purchased from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. (See inside back cover for other available reports.) All U.S. Tariff Commission reports reproduced by the Government Printing Office may be consulted in the official depository libraries throughout the United States.

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**Annual Report**  
*of the*  
**United States Tariff Commission**  
*Fiscal Year Ended June 30*  
**1966**



U.S. GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1967

**UNITED STATES TARIFF COMMISSION**

**PAUL KAPLOWITZ, *Chairman***

**GLENN W. SUTTON, *Vice Chairman***

**JAMES W. CULLITON**

**DAN H. FENN, Jr.**

**PENELOPE H. THUNBERG**

**DONN N. BENT, *Secretary***

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**Address all communications**

**UNITED STATES TARIFF COMMISSION**

**Washington, D.C. 20436**

**LETTER OF TRANSMITTAL**

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UNITED STATES TARIFF COMMISSION,  
*Washington, December 1, 1966.*

SIR: Transmitted herewith is the *Fiftieth Annual Report of the  
United States Tariff Commission.*

Respectfully,

PAUL KAPLOWITZ,  
*Chairman.*

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



## PREFACE

This, the *Fiftieth Annual Report of the United States Tariff Commission*, describes the Commission's activities during the year July 1, 1965, through June 30, 1966. During the period under review, the Commission devoted its time principally to special studies and investigations related to U.S. trade, activities related to the Kennedy Round of trade negotiations, and services rendered to congressional committees, Members of the Congress, and the business community.

During the year, the Commission devoted a major share of its time to investigations under section 332 of the Tariff Act of 1930. The more important of these studies dealt with (1) the drawback provisions of the Tariff Act of 1930, their role in U.S. manufacturing and trade, and proposals for their modification and improvement; (2) the "American selling price" basis for assessing ad valorem duties on designated import items; and (3) the methods of valuation currently used by the United States and its principal trading partners in determining the dutiable value of imports, with a view to making recommendations for improving U.S. customs valuation laws.

Under the Automotive Products Trade Act of 1965, the Commission prepared reports for the Automotive Agreement Adjustment Assistance Board. The Board used the reports in determining the eligibility of auto workers to apply for adjustment assistance. The Commission also conducted one investigation under section 22 of the Agricultural Adjustment Act, four dumping investigations, two investigations concerning unfair trade practices, one investigation related to the adjustment assistance provisions of the Trade Expansion Act of 1962, and various annual reviews of escape-clause actions taken in earlier years.

Throughout the year, work continued on a new series of the Commission's *Summaries of Trade and Tariff Information*, which will replace a series published in 1948-50. The revised 62-volume version, the first volume of which was released in June 1966, will provide a concise compendium of trade information on all articles included in the Tariff Schedules of the United States.

The Commission continued to supply both personnel and technical assistance to U.S. officials responsible for the Kennedy Round negotiations. As in previous years, the Commission submitted its annual report to the Congress on the operation of the trade agreements program and supplied trade information to the Congress, the President, and the public.



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## **PART I. PUBLIC INVESTIGATIONS**

Specific provisions of law direct the U.S. Tariff Commission to conduct a variety of investigations relating to U.S. import trade. During the year under review, the Commission conducted investigations under the following statutes: The Antidumping Act of 1921, the Agricultural Adjustment Act, the Automotive Products Trade Act of 1965, the Tariff Act of 1930, and the Trade Expansion Act of 1962 (TEA). These investigations are summarized below.

### **Trade Expansion Act of 1962**

During the period covered by this report, the Commission conducted six investigations under the Trade Expansion Act. That act, which provided the President with new and far-reaching tariff-reducing authority, includes provisions to safeguard segments of the U.S. economy adversely affected by trade concessions. As in earlier legislation, the President is authorized to increase duties or impose quotas to aid industries injured by imports. In addition, the act enables the President to authorize adjustment assistance (in the form of technical assistance, loans, and tax benefits) for adversely affected firms and (in the form of unemployment compensation, provisions for retraining, and relocation allowances) for groups of workers. To aid the President in making determinations under these and other provisions, the Tariff Commission is required to conduct investigations relating to the economic circumstances of the industries, firms, or workers concerned.

#### **Section 301(c)(1)**

During the year, the Commission conducted one investigation under section 301(c)(1) of the Trade Expansion Act.<sup>1</sup> In such investigations the Commission, upon petition by a firm or its representative, determines whether, as a result in major part of concessions granted under trade agreements, an article like or directly competitive with an article produced by the firm is being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to that firm. If the Commission's report to the President contains an affirmative finding, the President may certify that the firm involved is eligible to apply for adjustment assistance.

On petition by the General Plywood Corp. of Louisville, Ky., the Commission on September 3, 1965, instituted an investigation to determine the effect on that firm of the importation of birch and lauan

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<sup>1</sup> 19 U.S.C. 1901(c)(1).

plywood door skins. A public hearing was held October 5, 1965. The Commission reported to the President on October 29, 1965,<sup>2</sup> that, the four Commissioners present and voting being equally divided, there was no affirmative finding on whether, as a result in major part of concessions granted under trade agreements, plywood door skins were being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to the General Plywood Corp., and, accordingly, no occasion for action by the President.

#### Section 351(d)(1)

During the year, the Commission, under section 351(d)(1) of the Trade Expansion Act,<sup>3</sup> reviewed conditions in four domestic industries in whose interest import restrictions had previously been imposed by escape-clause action. Section 351(d)(1) provides that, as long as increased import restrictions proclaimed pursuant to section 7 of the Trade Agreements Extension Act of 1951 or section 351 of the Trade Expansion Act remain in effect, the Commission shall keep under review developments relating to the industry concerned and make annual reports thereon to the President.

The reports on the four annual reviews conducted during the year are summarized below.

*Wilton, Brussels, velvet, and tapestry carpets and rugs.*—After an escape-clause investigation and report by the Tariff Commission, in 1962 the President increased the rate of duty applicable to Wilton, Brussels, velvet, and tapestry carpets and rugs. The increased rate became effective after the close of business on June 17, 1962.

On September 13, 1965, the Commission submitted to the President its third periodic report concerning such carpets and rugs.<sup>4</sup> The report emphasized developments that had occurred after those described in the Commission's report in September 1964.

*Cotton typewriter-ribbon cloth.*—In 1960, following an escape-clause investigation and report by the Tariff Commission, the President restored the higher statutory rates of duty on broadwoven cotton typewriter-ribbon cloth. The increased rates became effective after the close of business on September 22, 1960.

On September 23, 1965, the Commission submitted its fourth annual report on developments concerning such cloth,<sup>5</sup> emphasizing changes that had occurred after those described in the Commission's report to the President in September 1964.

<sup>2</sup> *Tariff Commission Reports to the President on Petition for Adjustment Assistance by General Plywood Corp.* (TEA-F-6), TC Publication 162, 1965 [processed].

<sup>3</sup> U.S.C. 1981(d)(1).

<sup>4</sup> *Wilton, Brussels, Velvet, and Tapestry Carpets and Rugs: Report to the President (No. TEA-IR-5-65) Under Section 351(d)(1) of the Trade Expansion Act of 1962*, TC Publication 160, 1965 [processed].

<sup>5</sup> *Cotton Typewriter-Ribbon Cloth: Report to the President (No. TEA-IR-6-65) Under Section 351(d)(1) of the Trade Expansion Act of 1962*, TC Publication 161, 1965 [processed].

*Watch movements.*—After an escape-clause investigation and report by the Tariff Commission, the President increased the import duties applicable to watch movements, effective at the close of business July 27, 1954. Accordingly, the Commission submitted its 10th annual report on such watch movements on March 4, 1966;<sup>6</sup> it focused on developments that had occurred since the Commission submitted its report to the President on March 5, 1965, under section 351(d)(2) of the TEA.

*Blown or drawn flat glass (sheet glass).*—Following an escape-clause investigation and report by the Tariff Commission, the President increased the rates of duty on “cylinder, crown, and sheet glass,” effective after the close of business June 17, 1962.

On June 10, 1966, the Commission sent to the President its third annual report involving sheet glass,<sup>7</sup> emphasizing developments that had occurred since its report to the President on June 11, 1965, under section 351(d)(2) of the TEA.

#### Section 351(d)(2)

On June 16, 1966, the Commission announced its investigation pursuant to section 351(d)(2) of the TEA, with respect to cotton typewriter-ribbon cloth. This section directs the Commission to advise the President, either at his request or upon its own motion, of its judgment regarding the probable economic effect on the industry concerned of moderating any increased restrictions that had been proclaimed pursuant to either section 7 of the 1951 act or section 351 of the 1962 act. The Commission’s advice must be taken into account by the President before he can reduce or terminate these restrictions prior to the date on which they would terminate under section 351(c) of the TEA.<sup>8</sup> At the close of the period covered by this report, the above investigation was still in process.

### Tariff Act of 1930

During the period under review the Commission conducted investigations under sections 332 and 337 of the Tariff Act of 1930. Several of these investigations were extensive.

The Tariff Act of 1930 empowers the Commission to investigate and report on a broad range of subjects relating to international trade and

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<sup>6</sup> *Watch Movements: Report to the President (No. TEA-IR-4-66) Under Section 351(d)(1) of the Trade Expansion Act of 1962*, TC Publication 169, 1966 [processed].

<sup>7</sup> *Sheet Glass (Blown or Drawn Flat Glass): Report to the President (No. TEA-IR-7-66) Under Section 351(d)(1) of the Trade Expansion Act of 1962*, TC Publication 178, 1966 [processed].

<sup>8</sup> Under sec. 351(c) of the 1962 act, increased import restrictions proclaimed pursuant to sec. 7 of the Trade Agreements Extension Act of 1951 will terminate on Oct. 11, 1967, and those proclaimed pursuant to sec. 351(a) of the 1962 act will terminate 4 years after such increases are proclaimed, unless action under sec. 351(d)(3) is taken to extend them.

requires the Commission to supply the Congress and the President with information at its command whenever requested to do so. The act also authorizes the Commission to investigate unfair trade practices in the importation of articles into the United States.

#### Section 332

During the year, the Tariff Commission instituted four investigations under section 332 of the Tariff Act of 1930.<sup>9</sup> This section sets forth the Commission's general powers to conduct investigations on a broad range of subjects; directs the Commission to place at the disposal of either the President, the House Committee on Ways and Means, or the Senate Committee on Finance all information at its command whenever requested to do so; and 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. The four investigations instituted during the year are discussed below.

*Title 19 of the United States Code.*—On March 30, 1966, the Commission issued an interim report covering the first phases of its study, initiated in July 1965, of the U.S. drawback and related laws. The statutory provisions authorizing the payment of drawback are included in title 19 of the United States Code. They provide for the temporary importation of merchandise without the payment of ordinary duties, or authorize the refund of duties paid, when the imported merchandise, or its domestic equivalent, is exported either in its original form or in a changed condition. In its interim report, the Commission reviewed the legislative objectives of the various provisions under consideration. In the projected final report, the Commission will discuss the extent to which each provision is accomplishing its purposes, the impact of each on the U.S. export trade, and the extent to which the economic forces which led to the creation of the statutes have altered sufficiently to warrant their modification.

*Valuation laws.*—On February 11, 1966, in response to a resolution of the Senate Committee on Finance, the Commission instituted a comprehensive investigation of the customs valuation laws of the United States and those of its principal trading partners in order to report to the committee suggestions and recommendations for improving the U.S. customs valuation laws, including the Commission's views on the feasibility and desirability of adopting the Brussels definition of value<sup>10</sup> for customs purposes. By June 30, 1966, the Commission had nearly completed a preliminary report, containing a description of the methods of valuation used by the United States and

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<sup>9</sup> 19 U.S.C. 1332.

<sup>10</sup> The Brussels definition identifies customs value as the "normal price", i.e., the price imported goods would fetch at the time the import duty becomes payable on a sale in the open market between buyer and seller independent of each other for delivery at the place of importation.

by its principal trading partners in determining the duty applicable to imports, together with an analysis of the basic differences between these methods and between the results they produce. The final report is to be submitted not later than February 28, 1967.

*Textured yarns.*—On December 10, 1965, the Commission reported to the President that it is feasible, though not necessary from a technical standpoint, to establish a separate classification in the Tariff Schedules of the United States (TSUS) for textured yarns of man-made fibers. The report followed an investigation conducted in response to a Presidential request of October 1, 1965;<sup>11</sup> in connection with the investigation, a public hearing was held on November 8 and 9, 1965. The report presented information on production processes, domestic producers, U.S. consumption, production, exports, imports, and prices of textured yarns.

*American-selling-price basis of valuation.*—At the direction of the President, the Special Representative for Trade Negotiations on December 22, 1965, requested the Tariff Commission to make an investigation with respect to certain products subject to ad valorem rates of duty based on the American-selling-price (ASP) method of valuation. The Commission instituted its investigation on December 23, 1965.

Under the ASP system, the dutiable value of an import is based on the wholesale price in the United States of a domestic product that is either “like or similar” to, or “competitive” with, the imported article, depending on the type of merchandise involved. The dutiable value thus derived is generally substantially higher than it would be if the more usual basis of export value (foreign wholesale price of an imported product) was employed.

The products and the provisions of the TSUS involved in the investigation were as follows:

1. Canned clams—schedule 1, part 3E, headnote 1; item 114.05.
2. Chemical products—schedule 4, part 1, headnotes 4 and 5; all items in subparts B and C.
3. Footwear—schedule 7, part 1A, headnote 3(b), item 700.60.
4. Knit gloves—schedule 7, part 1C, headnote 4, item 704.55.

The Commission was requested to determine and report to the Special Representative those rates of duty which, in the absence of the pertinent headnote provisions, would have provided “an amount of collected duty on imports of such products during a recent period substantially equivalent to that amount provided under such headnote provisions . . . in such period.” On May 2, 1966, the Commission published tentative converted rates of duty for the cited products together with explanatory material; on June 8, 13, and 14, 1966, a public hearing was held in connection therewith. The investigation was still in process at the end of fiscal 1966.

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<sup>11</sup> The President's request was made pursuant to sec. 2 of Public Law 89-229.

**Section 337**

During fiscal 1966, the Commission dealt with four complaints under section 337 of the Tariff Act of 1930.<sup>12</sup> It completed an investigation of watches, watch movements, and watch parts; instituted an investigation of hearing aids; and dismissed a complaint involving walkie-talkie units. The Commission also initiated a preliminary inquiry into a complaint regarding vehicle seat suspension systems.

Section 337 provides that if the President is satisfied that unfair methods of competition or unfair acts in the importation of articles or in the sale of imported articles in the United States exist and that their effect or tendency is either to destroy or substantially injure an efficiently and economically operated industry, to prevent the establishment of such an industry, or to monopolize trade and commerce, he shall exclude the articles involved from entry into the United States as long as the conditions which led to the exclusion continue. To "assist the President in making" decisions under section 337, the Commission is authorized, on complaint or upon its own initiative, to investigate alleged unfair methods of competition and unfair acts and to submit its findings to the President.

*Watches, watch movements, and watch parts.*—Following receipt on December 28, 1964, of an amended complaint filed jointly by the Elgin National Watch Co. of Elgin, Ill., and the Hamilton Watch Co. of Lancaster, Pa., the Commission on April 23, 1965, instituted an investigation under section 337, regarding watches, watch movements, and watch parts. A public hearing was held July 19 and 20 and November 23, 1965.

On June 8, 1966, the Commission reported to the President that it did not find unfair methods of competition or unfair acts in the sale or importation of Swiss watches, watch movements, or watch parts the effect or tendency of which was to restrain or monopolize trade and commerce in the United States. The Commission report traced major developments within the Swiss watchmaking industry in the preceding four decades, with emphasis on events of the 12 years following the civil antitrust action brought by the Department of Justice in 1954.

*In-the-ear hearing aids.*—A complaint was filed with the Commission on June 15, 1965, and amended on September 3 and September 21, 1965, by Dahlberg Electronics, Inc., of Minneapolis, Minn., alleging unfair acts in the importation and sale of in-the-ear hearing aids. Following a preliminary inquiry into the complaint, the Commission on September 28, 1965, instituted a full investigation; a public hearing was held January 18–20, 1966. At the close of fiscal 1966, the investigation was still in process.

*Walkie-talkie units.*—After a preliminary inquiry, the Commission, on December 1, 1965, dismissed the complaint filed on June 11, 1965, by the Electrosolids Corp. of Los Angeles, Calif., alleging unfair acts in the importation and sale of certain walkie-talkie units. Inasmuch

<sup>12</sup> 19 U.S.C. 1337, 1337a.

as certain patented circuits forming the basis of the complaint were not produced in the United States by or on behalf of the complainant, the Commission held that section 337 was not applicable in this situation.

*Vehicle seat suspension systems.*—Following receipt on February 11, 1966, of a complaint by the Bostrom Corp. of Milwaukee, Wis., alleging unfair acts in the importation and sale of certain vehicle seat suspension systems, the Commission announced on March 11, 1966, that it had initiated a preliminary inquiry to determine whether there was sufficient reason for a full investigation. At the close of the period covered by this report, the inquiry was in process.

### **Automotive Products Trade Act of 1965**

During the year under review, the Commission conducted three investigations under section 302 of the Automotive Products Trade Act of 1965.<sup>13</sup> That act, which provided for the implementation of the United States-Canadian automotive agreement signed in January 1965, authorizes the President to proclaim duty-free treatment of Canadian motor vehicles and original-equipment parts for motor vehicles.

Section 302 of the Automotive Products Trade Act established special procedures whereby firms or groups of workers that consider themselves dislocated as a result of the United States-Canadian automotive agreement may petition for adjustment assistance. During a transitional period—January 20, 1966, through June 30, 1968—firms and groups of workers may apply to the President for a determination of their eligibility for adjustment assistance, rather than to the Tariff Commission (as under the Trade Expansion Act).<sup>14</sup> On the basis of criteria set forth in the act, the President must determine whether dislocation of the firm or group of workers has occurred or threatens to occur, and whether the operation of the United States-Canadian automotive agreement has been the primary factor causing such dislocation or threat thereof. Dislocation is defined in the act generally as serious injury to a firm or as unemployment or underemployment of a group of workers. If a firm or group of workers is certified eligible, such firm or group of workers may apply for the adjustment assistance provided for in the Trade Expansion Act of 1962.

Section 302(e) of the act stipulates that the Tariff Commission, upon request of the President, must conduct an investigation and report within 50 days to provide a factual record on which the President may base his determination. The President is required to make his determination within 15 days following receipt of the Commission's report, unless within that period he requests additional information

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<sup>13</sup> 19 U.S.C. 2022.

<sup>14</sup> Under sec. 301 of the Automotive Products Trade Act, petitions for tariff adjustment or for a determination of eligibility for adjustment assistance may be filed under title III of the Trade Expansion Act of 1962.

from the Commission. In such event, the Commission must, within 25 days, furnish a supplemental report, and the President must make his determination not later than 10 days after receiving the supplemental report.

By Executive Order 11254 the President created the Automotive Agreement Adjustment Assistance Board, consisting of the Secretaries of the Treasury, Commerce, and Labor, and delegated all of his functions under section 302 to the Board. The Board, in turn, established an Automotive Assistance Committee, composed of Assistant Secretaries of the executive departments concerned, to undertake most of the delegated functions.

**Workers of the Ford Motor Co., Pennsauken, N.J.**

Upon receipt of a request from the Automotive Assistance Committee on February 8, 1966, the Tariff Commission instituted an investigation concerning workers in the Delaware Valley Parts Depot of the Ford Motor Co. at Pennsauken, N.J. In this petition for adjustment assistance, the workers alleged in effect that they were threatened with unemployment because of the transfer of the export packing of knocked-down cars and trucks from the New Jersey depot to Canada. The Commission's report,<sup>15</sup> made on March 30, 1966, contained information on the employment status of the workers involved, and on the decision by the Ford Motor Co. to transfer the packaging operation to Canada.

On April 14, 1966, the Automotive Agreement Adjustment Assistance Board determined that dislocation of workers in the Delaware Valley Parts Depot had occurred or threatened to occur and that the operation of the United States-Canadian automotive agreement had been the primary factor causing or threatening to cause such dislocation. The Board certified that the workers were eligible to apply for adjustment assistance.

**Workers of the General Motors Corp., Fisher Body Plant No. 2, Grand Rapids, Mich.**

Following receipt of a request from the Automotive Assistance Committee, the Commission on April 19, 1966, instituted an investigation concerning a group of workers of the General Motors Corp. employed at Fisher Body Plant No. 2 in Grand Rapids, Mich. On June 8, 1966, the Commission made its report,<sup>16</sup> which contained information relating to the workers' allegation that the production of interior soft trim for Chevy II and Chevelle models had been trans-

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<sup>15</sup> *Tariff Commission Reports to the President on Petition for Adjustment Assistance by Certain Workers of the Ford Motor Company, Pennsauken, New Jersey (APTA-W-1)*, TC Publication 171, 1966 [processed].

<sup>16</sup> *Tariff Commission Reports to the President on Petition for Adjustment Assistance by Certain Workers of the General Motors Corporation, Fisher Body Plant No. 2, Grand Rapids, Michigan (APTA-W-2)*, TC Publication 176, 1966 [processed].

ferred from Grand Rapids to Canada, and that dislocation had resulted therefrom.

On June 23, 1966, the Committee requested certain additional information from the Commission. At the close of the period covered by this report, the Commission was in the process of preparing a supplemental report, which was due on July 18, 1966.

**Workers of the Fram Corp., Birmingham, Ala.**

Upon receipt on June 21, 1966, of a request from the Automotive Assistance Committee, the Tariff Commission instituted an investigation respecting a petition for adjustment assistance by workers at a plant of the Fram Corp. in Birmingham, Ala. The petition alleged that some workers were unemployed and others were threatened with unemployment because of the phasing out of the production of carburetor air filters at the Birmingham facility of the Fram Corp. and the transfer of production to the Chatham, Ontario, plant of the Fram Corp. subsidiary, Canadian Filters, Ltd. At the close of the period covered by this report, the Commission's investigation was in process.

**Agricultural Adjustment Act, Section 22**

During fiscal 1966 the Tariff Commission conducted one investigation under section 22 of the Agricultural Adjustment Act, as amended.<sup>17</sup> This section 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 U.S. Department of Agriculture relating to agricultural commodities or products thereof. It requires the Commission, when so directed by the President, to conduct an investigation concerning a specified commodity, including a public hearing, and to submit a report with appropriate recommendations to him. The section also authorizes the President to modify or terminate import restrictions imposed thereunder if, after investigation and report by the Commission, he finds that the circumstances requiring the restrictions have changed or ceased to exist.

An amendment to section 22 by section 104 of the Trade Agreements Extension Act of 1953 provides that whenever the Secretary of Agriculture determines and reports to the President, with regard to any agricultural commodity or product thereof, that a condition exists requiring emergency treatment, the President may take immediate action under section 22 without awaiting the recommendations of the Tariff Commission. Such action by the President may continue in effect pending his receipt of, and his action on, the report and recommendations of the Commission.

Imports of various dairy products, including Cheddar and certain other cheeses, were placed under quota restriction in 1953 by Presidential proclamation under section 22 in order to prevent material

<sup>17</sup> 7 U.S.C. 624.

interference with the price-support programs of the Department of Agriculture for milk and butterfat. On March 31, 1966, the President took action, under the emergency provision of section 22, to enlarge the quota quantity for Cheddar cheeses, and cheese and cheese substitutes containing, or processed from, Cheddar cheese, from 2,780,100 pounds to 3,706,800 pounds for the quota year ending June 30, 1966. At the request of the President, the Tariff Commission on April 1, 1966, instituted an investigation<sup>18</sup> to determine (1) whether for the current quota year ending June 30, 1966, the then existing quota of 2,780,100 pounds could be increased by 926,700 pounds (emergency action); (2) whether the quota of 2,780,100 pounds could for an indefinite period be enlarged to 4,005,100 pounds, not more than 2,780,100 pounds of which would be products other than natural Cheddar cheese made from unpasteurized milk and aged not less than 9 months; and (3) whether for the quota year beginning July 1, 1966, and ending June 30, 1967, the quota of 2,780,100 pounds could be increased to 9,565,300 pounds, not more than 8,340,300 pounds of which would be products other than natural Cheddar cheese made from unpasteurized milk and aged not less than 9 months, without rendering or tending to render ineffective or materially interfering with the price-support programs of the Department of Agriculture for milk and butterfat.

In connection with its investigation, the Commission held a public hearing on April 28 and 29, 1966. Its report on the President's emergency action was submitted on May 16, 1966; that relating to items 2 and 3 above was submitted to the President on June 1, 1966. At the close of the period covered by this report, the President had not taken any further action with respect to the quotas on Cheddar cheese.

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

During the period under review the Tariff Commission conducted four investigations under the Antidumping Act of 1921,<sup>19</sup> completing two of these by June 30, 1966. Section 201(a) provides that whenever the Secretary of the Treasury advises the Commission that a class or kind of foreign merchandise is being, or is likely to be, sold in the United States or elsewhere at less than its fair value, the Commission shall determine within 3 months 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.

On completion of its investigation the Commission notifies the Secretary of the Treasury of its determination. If the determination is affirmative, the Secretary issues a "finding" of dumping, and dumping duties are thenceforth applicable. The law provides that an evenly

<sup>18</sup> Supplemental to investigation No. 6 under sec. 22 of the Agricultural Adjustment Act, as amended.

<sup>19</sup> 19 U.S.C. 160 et seq.

divided vote of the Commission shall be considered an affirmative determination.

**Titanium dioxide from West Germany**

On January 14, 1966, the Commission instituted an investigation of titanium dioxide from West Germany. A public hearing was held on March 1 and 2, 1966. On April 12, 1966, the Commission announced that it had unanimously determined that an industry in the United States was not being, and was not likely to be, injured, or prevented from being established, by reason of the importation of titanium dioxide from West Germany, sold at less than fair value within the meaning of the Antidumping Act.<sup>20</sup>

**Titanium dioxide from Japan**

The Commission instituted an investigation of titanium dioxide from Japan on February 24, 1966; a public hearing was held on April 18, 1966. On May 18, 1966, the Commission announced that it had unanimously determined that an industry in the United States was not being, and was not likely to be, injured, or prevented from being established, by reason of the importation of titanium dioxide from Japan, sold at less than fair value within the meaning of the Antidumping Act.<sup>21</sup>

**Leather work shoes from Czechoslovakia**

On May 12, 1966, the Commission announced that it had instituted an investigation of leather work shoes from Czechoslovakia. A public hearing was held on June 21 and 22, 1966. The Commission had not completed its investigation by the close of the period covered by this report.

**Steel jacks from Canada**

The Commission instituted an investigation of steel jacks from Canada on May 19, 1966. At the close of the period covered by this report, the investigation was still in process.

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<sup>20</sup> U.S. Tariff Commission, *Titanium Dioxide From West Germany: Determination of No Injury or Likelihood Thereof*, TC Publication 172, 1966 [processed]; 31 F.R. 5852.

<sup>21</sup> U.S. Tariff Commission, *Titanium Dioxide From Japan: Determination of No Injury or Likelihood Thereof*, TC Publication 174, 1966 [processed]; 31 F.R. 7495.



## **PART II. REPORTS AND OTHER ACTIVITIES**

The Tariff Commission regularly supplies a variety of services in addition to the public investigations described above. It provides the President with information necessary to the conduct of trade-agreement negotiations with foreign countries; in this connection it supplies the Office of the Special Representative for Trade Negotiations with extensive data on articles on which the United States is considering trade-agreement concessions. Information thus supplied may include production and trade analyses of specific foreign industries. Moreover, the Commission is required to keep informed concerning the operation and effect of trade-agreement provisions relating to duties or other import restrictions of the United States, and to submit periodic reports to the Congress on the operation of the trade agreements program.

The Commission investigates and reports on the fiscal and industrial effects of the customs laws, the effect 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. Periodically the Commission has issued *Summaries of Tariff Information*; other studies have provided compilations of information on U.S. import duties, periodic reports on synthetic organic chemicals, reports on the commercial policies of certain foreign countries, and special reports on specific commodities and industries.

### **Activities Relating to the Trade Agreements Program**

#### **Tariff negotiations**

During the period under review, the Commission devoted a substantial amount of time to supplying trade agreements information to the President and those administering the trade agreements program. This work was generally carried out at the request of the Special Representative for Trade Negotiations, who, under section 241 of the Trade Expansion Act of 1962, is chief representative of the United States at trade-agreement negotiations. The Tariff Commission is represented on the Trade Staff Committee, an interagency committee created by the Special Representative to fulfill the requirements of section 222 of the Trade Expansion Act. The Committee obtains information and advice from Government agencies and other sources on trade-agreement matters and recommends policies and actions to the

Trade Executive Committee<sup>1</sup> concerning the trade agreements program.<sup>2</sup> The Commission representative has no vote and does not participate in discussion of policy matters.

The Commission usually supplies both professional and clerical staff for U.S. delegations to trade negotiations. In fiscal 1966, 11 members of the Commission's staff served on the U.S. delegation at the sixth (Kennedy) round of GATT tariff negotiations in Geneva. Other Commission staff members, in Washington, supplied extensive data and analyses to the negotiators in Geneva.

During fiscal 1966, the Commission continued its work on reconciling U.S. commitments in existing trade agreements with the provisions of the revised Tariff Schedules of the United States (TSUS), which went into effect in August 1963. The Commission provided technical assistance and personnel in the negotiations with individual countries and prepared most of the supporting material for the negotiations.

#### **Sixteenth annual report on the operation of the trade agreements program**

On November 1, 1965, the Tariff Commission issued its 16th report on the operation of the trade agreements program, covering events from July 1, 1963, to June 30, 1964.<sup>3</sup> The report described (1) developments relating to the General Agreement on Tariffs and Trade, including the preparations for the sixth round of multilateral trade-agreement negotiations and activities in the interest of the less-developed countries; (2) actions by the United States relating to its trade agreements program; and (3) major commercial policy developments in countries with which the United States has trade agreements.

By June 30, 1966, the Commission was preparing the 17th report, covering the period July 1, 1964–December 31, 1965. Reports thereafter have been scheduled to be issued on a calendar-year rather than a fiscal-year basis. These reports are submitted in conformity with section 402(b) of the Trade Expansion Act, which requires that the Tariff Commission submit to the Congress, at least once a year, a factual report on the operation of the trade agreements program.

#### **Other Activities Relating to U.S. Foreign Trade**

During the period covered by this report, the Commission supplied considerable technical assistance to the Congress in conjunction with its

<sup>1</sup> A subcabinet-level interagency committee chaired by a Deputy Special Representative for Trade Negotiations that recommends policies and actions direct to the Special Representative.

<sup>2</sup> Sec. 242(c) of the Trade Expansion Act provides that the interagency organization established pursuant to that section to assist the President in carrying out his functions under the act "shall, to the maximum extent practicable, draw upon the resources of the agencies represented in the organization, as well as such other agencies as it may determine, including the Tariff Commission."

<sup>3</sup> *Operation of the Trade Agreements Program: 16th Report, July 1963–June 1964*, TC Publication 164, 1966.

consideration of suggested amendments to the TSUS. The amendments considered were generally limited to those provisions in the TSUS requiring clarification, or those where, through oversight or lack of information, errors had been made. The amendments ultimately adopted were incorporated in the Tariff Schedules Technical Amendments Act of 1965, which became law on October 7, 1965.

Section 484(e) of the Tariff Act of 1930 authorizes the Chairman of the Tariff Commission, the Secretary of the Treasury, and the Secretary of Commerce to establish for statistical purposes an enumeration of articles comprehending all merchandise imported into the United States. For many years this work was accomplished through a committee composed of representatives of these officials and the publication of a statistical enumeration of imports entitled *Schedule A—Statistical Classification of Commodities Imported Into the United States*.

The Tariff Classification Act of 1962, which provided for the effectuation of the new Tariff Schedules of the United States, provides in section 201 that the Tariff Commission "is authorized to issue, at appropriate intervals, and to keep up to date, a publication containing current tariff schedules and related matters, including such matter as may be needed for reporting statistics." This led to the establishment of the Committee for Statistical Annotation of Tariff Schedules, which is chaired by a staff member of the Commission; other members of the Committee are representatives of the Bureau of Customs and the Bureau of the Census. By this means, statistical enumerations established pursuant to section 484(e) of the Tariff Act of 1930 are incorporated as annotations to the Tariff Schedules of the United States (TSUS) and published as *Tariff Schedules of the United States Annotated* (TSUSA). Under the authority of section 201 of the Tariff Classification Act of 1962, in October 1965 the Commission published the *Tariff Schedules of the United States Annotated (1965)*, to replace the *TSUSA (1963)*, as supplemented. By the close of the period covered by this report, the Commission had issued four supplements to the *TSUSA (1965)* to incorporate amendments made by legislation to the tariff schedules and additions, revisions, and deletions of statistical enumerations found to be necessary in the continuous review of the statistical enumerations under section 484(e) of the Tariff Act of 1930. Aside from its wide use by importers, customs brokers, and others of the interested public, the *TSUSA* is supplied by the Bureau of Customs to its officials at the various ports of entry for use in determining the rates of duty applicable to imported articles and to assure compliance with the requirements for statistical reporting of imports.

Meanwhile, the Commission completed work on a concordance between the nomenclature employed in the TSUS and that in the Standard Industrial Classification (SIC). The SIC provides the basis on which statistics on the domestic economy, such as those published by the Bureau of the Census and the Bureau of Labor Statistics, are is-

sued. This cross-reference facilitated the publication of U.S. import statistics in terms of the SIC, thereby making them more nearly comparable with domestic economic data.

During the year, the Commission continued a study of the difference between the value of imported merchandise as reported for import statistics (roughly equivalent to f.o.b.<sup>4</sup> value) and the value on a c.i.f. basis.<sup>5</sup> By the close of the period covered by this report, most of the data for this study had been assembled and were being reviewed for use in preparing the Commission's report on the aforementioned investigation of U.S. valuation laws.<sup>6</sup> During the year preliminary tabulations were prepared and data on certain commodities were made available for use in the trade negotiations at Geneva.

The Commission also gave technical assistance to the Bureau of the Census in the interpretation of the TSUS in connection with the statistics and tabulations which were to be presented in *Foreign Commerce and Navigation of the United States*. This publication, which had not been issued since the adoption of the TSUS, was expected to contain detailed information on U.S. foreign trade.

#### Summaries of Trade and Tariff Information

During the period under review, the Commission was engaged in preparing a new edition of its long-established publication *Summaries of Trade and Tariff Information*. The preceding series, published in 1948-50, needed updating to take into account changed trade conditions and new developments, and particularly to present import data in terms of the new classifications of the Tariff Schedules of the United States (August 1963).

The revised series of summaries, when completed, will provide concise information on domestic and foreign trade in the articles enumerated in the TSUS. Each summary includes (1) data on consumption, production, exports, and imports; (2) a discussion of U.S. tariff treatment; and (3) pertinent statistical tables. The summaries thus contain statistical and analytical data essential to the formulation of domestic and foreign trade policy and useful to producers, distributors, business concerns, and consumers.

The summaries are divided into eight schedules of commodities co-extensive with the eight TSUS schedules. It is contemplated that the approximately 1,800 summaries will be published in 62 volumes, each dealing with groups of related articles. The first volume, which covers cereal grains, malts, starches, and animal feeds, was published on June 29, 1966.

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<sup>4</sup> Free on board.

<sup>5</sup> Cost, insurance, freight.

<sup>6</sup> See p. 4.

### Reports on Synthetic Organic Chemicals

During the year under review the Commission published the following reports on U.S. production, sales, and imports of synthetic organic chemicals:

- Production and sales of synthetic organic chemicals:
  - Annual report for 1964
  - Preliminary annual reports for 1964 and 1965
  - Preliminary monthly reports
- Imports of benzenoid chemicals and products in 1964

These reports continue the annual series on production and sales that the Commission first published in 1918.

#### **Annual report on production and sales of synthetic organic chemicals in 1964**

On January 13, 1966, the Commission issued its annual report on U.S. production and sales of synthetic organic chemicals in 1964,<sup>7</sup> bringing together, in one volume, data on the 14 segments of the industry for which preliminary information had been supplied earlier in separate reports. The report, using statistics supplied by approximately 800 primary manufacturers, covers the production and sale of more than 6,000 chemicals and chemical products and supplies data for many of them separately. It lists the manufacturers of each item for which data were reported in 1964 and records U.S. general imports of products entered under schedule 4, parts 1B and 1C of the TSUS—benzenoid intermediates, dyes, medicinal chemicals, and other finished coal-tar products.

#### **Preliminary annual reports on production and sales of synthetic organic chemicals in 1964 and 1965**

As soon as complete statistics became available, the Commission issued preliminary reports on production and sales in 1964 and 1965 for each of the 14 segments of the synthetic organic chemicals industry. Data were reported for each of the following: Tars and tar crudes, crude products from petroleum and natural gas for chemical conversion, cyclic intermediates, coal-tar dyes, synthetic organic pigments (lakes and toners), bulk medicinal chemicals, flavor and perfume materials, plastics and resin materials, rubber-processing chemicals, elastomers (synthetic rubbers), plasticizers, surface-active agents, pesticides and other organic agricultural chemicals, and miscellaneous chemicals.

#### **Preliminary monthly reports on production and sales of synthetic organic chemicals**

The Commission also published preliminary monthly reports on U.S. production and sales of the most important synthetic organic

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<sup>7</sup> *Synthetic Organic Chemicals, United States Production and Sales, 1964*, TC Publication 167, 1966.

chemicals.<sup>8</sup> One series of such reports (the C series) supplied data on the production of selected synthetic organic chemicals, except plastics and resin materials. Another series (the P series) supplied production and sales data on plastics and resin materials. The data in the C series were obtained from 191 companies. The 65 chemicals for which data were thus reported in this series were grouped as coal-tar crudes, intermediates, bulk medicinal chemicals, pesticides and other organic agricultural chemicals, and miscellaneous chemicals and products. The data reported in the P series were obtained from 250 companies. The 96 items involved were classified as thermosetting resins—such as alkyd, epoxy, polyester, phenolic, urea, and melamine resins; as thermoplastic resins—such as styrene and polyolefin plastics, vinyl resins, and polypropylene; and as cellulose plastics.

#### **Report on imports of benzenoid chemicals and products in 1964**

On July 30, 1965, the Commission issued a report on U.S. imports of benzenoid chemicals and products in 1964,<sup>9</sup> including benzenoid intermediates, dyes, medicinals and pharmaceuticals, flavor and perfume materials, and other benzenoid products.<sup>10</sup> The data in the report covered all benzenoid chemicals and products imported into the United States during 1964.

#### **Research and Assembling of Basic Data**

A basic Commission function is the assembly of information on major import commodities; such information includes technical data on the commodities and their uses, the processes of their production, and U.S. production, imports, exports, marketing practices, and prices. Data are also assembled on production, exports, and prices in leading foreign producing countries and on the conditions of competition between foreign and domestic products. Information is acquired through the assembly and analysis of data obtained from other Government agencies, from standard sources, from individual firms, through fieldwork by the Commission's personnel, and through questionnaires and public hearings.

The Tariff Commission Library maintains a unique and comprehensive collection of material, totaling approximately 64,000 volumes and 1,200 periodicals, on U.S. tariff and commercial policy, international trade, business conditions, and the technical and economic aspects of production in the United States and foreign countries. The library's original source material includes extensive files of official foreign-trade statistics. Although the library was established primarily for use by the Commission's staff, its resources are available to individuals and organizations engaged in research, and to other Government agencies.

<sup>8</sup> S.O.C. (Synthetic Organic Chemicals) Series C; S.O.C. Series P.

<sup>9</sup> Formerly titled *Imports of Coal-Tar Products*.

<sup>10</sup> *Imports of Benzenoid Chemicals and Products, 1964*, TC Publication 159, 1965 [processed].

As an additional source, the legislative reference service—in the Commission's Legal Division—maintains a comprehensive file of documents on legislation affecting U.S. import trade.

#### **Work of the Commission's Office in New York City**

The Tariff Commission's duties frequently require that original customhouse documents (invoices and related papers) be analyzed at the New York customhouse to obtain data not available elsewhere. The New York City office is continuously engaged in such analysis, particularly of imports entering through the customs district of New York. The New York office also maintains contacts with manufacturers, importers, exporters, and customs examiners and appraisers in the New York area, to assist the Commission's specialists in assembling information in their respective fields.



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

In its unique position as a repository of technical information on tariffs, domestic production, and imports, the Commission furnished technical information and assistance to the Congress, other Federal agencies, industrial and commercial concerns, and the general public.

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

The following section of the report deals only with direct requests from congressional committees and from individual Members of Congress for information or comments on proposed legislation, or on inquiries from constituents relating to tariff and trade matters, 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 elsewhere in the report.

#### **Services to committees of the Congress**

When considering bills and resolutions on tariff and trade matters, congressional committees (primarily the Senate Committee on Finance and the House Committee on Ways and Means) frequently request the Commission to analyze, and at times to assist in drafting, proposed legislation. During the 89th Congress the Commission received from these committees approximately 350 requests for reports on bills concerning tariffs and matters related to international trade. During fiscal 1966, reports were submitted on bills involved in approximately 90 of these requests. In addition to the reports, members of the Commission's staff afforded to the committees substantial assistance on certain of these bills—notably those subsequently enacted as the Tariff Schedules Technical Amendments Act of 1965 (Public Law 89-241), the Automotive Products Trade Act of 1965 (Public Law 89-283), the Educational, Scientific, and Cultural Materials Importation Act of 1966 (Public Law 89-651), and the resolution "To give effect to the Agreement for Facilitating the International Circulation of Visual and Auditory Materials of an Educational, Scientific, and Cultural Character, approved at Beirut in 1948" (Public Law 89-634). Two of the Commission's staff members were called upon to testify at the public hearings held by the Senate Finance Committee on the Automotive Products Trade Act of 1965.

Commission personnel may be loaned to individual committees, sometimes for extensive periods. During the period under review, one Commission staff member was loaned to the House Committee on Appropriations for nearly 6 months.

**Services to individual Senators and Representatives**

The Commission also receives requests for information from individual Senators and Representatives. Some requests can be answered from data readily available in the Commission; others require research and often the preparation of new statistical compilations and trade analyses.

**Cooperation With Government Agencies**

During the course of the year, the Commission participated in the work of interdepartmental committees and worked closely with the Bureau of the Census, the Bureau of Customs, and the Office of the Special Representative for Trade Negotiations.

Commission staff served on the following interdepartmental committees: Trade Staff Committee, Technical Committee on Standard Industrial Classification, Committee for Statistical Annotation of Tariff Schedules, Interdepartmental Chemical Statistics Committee, Interagency Committee on Foreign Trade Statistics, Federal Committee on International Statistics, Interagency Committee on Automatic Data Processing, Schedule B Government Coordinating Committee (exports), and Interdepartmental Committee on Foreign Commerce Statistical Regulations.

The Office of Emergency Planning of the Executive Office of the President, the Business and Defense Services Administration, and other Government agencies concerned with the problems of defense continued to call upon the Commission for information on strategic and critical materials.

**Assistance to Nongovernmental Research Agencies**

The Commission assisted quasi-official organizations by providing information on trade and tariff matters. A member of the Commission's staff served on the Committee on Ceramic Whitewares of the American Society for Testing and Materials, a national technical society composed of producers, consumers, and representatives of various agencies and institutions, such as branches of the Federal Government, engineering schools, and research laboratories. The assistance given this society by the Commission related chiefly to the selection of nomenclature and classification of ceramic products and to the editing of committee publications. Members of the Commission's Chemicals Division served on the Committee on the *SOCMA Handbook: Commercial Organic Chemical Names*, sponsored by the American Chemical Society and the Synthetic Organic Chemical Manufacturers Association, and on the *Colour Index* Editorial Committee of the American Association of Textile Chemists and Colorists.

**Assistance to Business Concerns and the Public**

In response to requests from industrial and commercial organizations, researchers, lawyers, teachers, editors, students, and others, the Commission regularly furnishes information on a broad range of sub-

jects. Inasmuch as the Commission does not maintain a public relations staff, requests for information are referred directly to professional staff members—commodity analysts, lawyers, or international economists—who prepare letters and statistical compilations and confer with individuals and representatives of organizations.



## PART IV. ADMINISTRATION AND FINANCES

### Membership of the Commission

Section 330 of the Tariff Act of 1930 provides that the U.S. Tariff Commission shall be composed of six members, each appointed by the President and confirmed by the Senate for a term of 6 years, one term expiring each year. Not more than three Commissioners may be of the same political party. During the period under review the President appointed Paul Kaplowitz to the Commission and named him Chairman; Glenn W. Sutton was appointed Vice Chairman. Mrs. Penelope H. Thunberg was also appointed to the Commission during the period. On June 30, 1966, 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:

Commissioner-----	Paul Kaplowitz, Democrat from the District of Columbia (June 16, 1967). <sup>1</sup>
Commissioner-----	Glenn W. Sutton, Democrat from Georgia (June 16, 1972). <sup>2</sup>
Commissioner-----	James W. Culliton, political independent from Indiana (June 16, 1968).
Commissioner-----	Dan H. Fenn, Jr., Democrat from Massachusetts (June 16, 1969).
Commissioner-----	Penelope H. Thunberg, political independent from Maryland (June 16, 1970). <sup>3</sup>
Commissioner-----	Vacancy. <sup>4</sup>

<sup>1</sup> Mr. Kaplowitz was nominated by the President on Jan. 13, 1966, and was confirmed by the Senate on Jan. 20, 1966. He assumed office on Jan. 26, 1966, filling the vacancy left by the retirement of Ben Dorfman on July 6, 1965. Mr. Kaplowitz was also designated to serve as Chairman of the Commission until June 16, 1967.

<sup>2</sup> Mr. Sutton's term expired on June 16, 1966. His reappointment by the President to fill the term ending June 16, 1972, was confirmed by the Senate on June 9, 1966. The President also designated Mr. Sutton to serve as Vice Chairman of the Commission for the period expiring June 16, 1967.

<sup>3</sup> Mrs. Thunberg was nominated by the President on July 13, 1965; she assumed office on Aug. 3, 1965.

<sup>4</sup> Mr. Talbot, Republican from Connecticut, died in Washington on Apr. 30, 1966. He had been a Commissioner since Apr. 15, 1953, serving as Vice Chairman from Aug. 8, 1953, to May 4, 1959, and as Chairman from May 5, 1959, to June 16, 1961.

### Organization

The operating divisions of the Commission's staff consist of the Office of the Director of Investigation; the Office of the General Counsel; the Economics Division; and, under the direction of the Chief of Technical Services, seven commodity divisions, the Accounting

Division, the Statistical Division, and an Invoice Analysis Section. Personnel and budget activities, as well as general administrative and auxiliary services, are under the Director of Administration. The Office of the Secretary serves the Commission generally in the conduct of its business, including relations with the public and other Government agencies; issues public notices in formal proceedings; receives documents filed in connection with formal proceedings and requests for appearances at public hearings; schedules the order of appearances at hearings; and records minutes of Commission meetings.

In June 1965 the Commission engaged the services of C. W. Robinson & Co., a management consulting firm, to examine its organization and administration and recommend measures to enable the Commission to make the most effective use of its personnel and resources. The survey, which examined management policies, structure, personnel procedures, and budgetary processes, was submitted to the Commission in November 1965.

On June 30, 1966, the Tariff Commission was composed of 5 Commissioners and 269 staff members.<sup>1</sup>

#### Finances and Appropriations, Fiscal Year 1966

The appropriated funds available to the U.S. Tariff Commission during the fiscal year 1966 totaled \$3,446,000. Reimbursements received amounted to \$19,458, making a grand total available of \$3,465,458. The unobligated balance as of June 30, 1966, was \$196,417. Expenditures for the fiscal year 1966 were as follows:

Salaries:	
Commissioners .....	\$132,560
Employees:	
Departmental .....	2,631,311
Field .....	59,994
Overtime .....	12,336
Federal Insurance Contributions Act tax.....	826
Federal employer's group life insurance contributions.....	9,088
Federal employer's retirement contributions.....	179,657
Federal employer's health benefits contributions.....	15,379
Travel expense and transportation of persons.....	55,356
Transportation of things.....	1,957
Books of reference and other publications.....	11,814
Rentals and communications service.....	37,482
Penalty mail and postage.....	5,375
Contractual services.....	47,810
Office supplies and equipment.....	41,692
Printing and reproduction.....	26,404
Total .....	3,269,041

<sup>1</sup> Total does not include temporary employees.



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

**Synthetic Organic Chemicals, United States Production and Sales, 1963  
(TC Publication 143, 1964), \$1.50**

**Synthetic Organic Chemicals, United States Production and Sales, 1964  
(TC Publication 167, 1965), \$1.25**

**OTHER RECENT REPORTS**

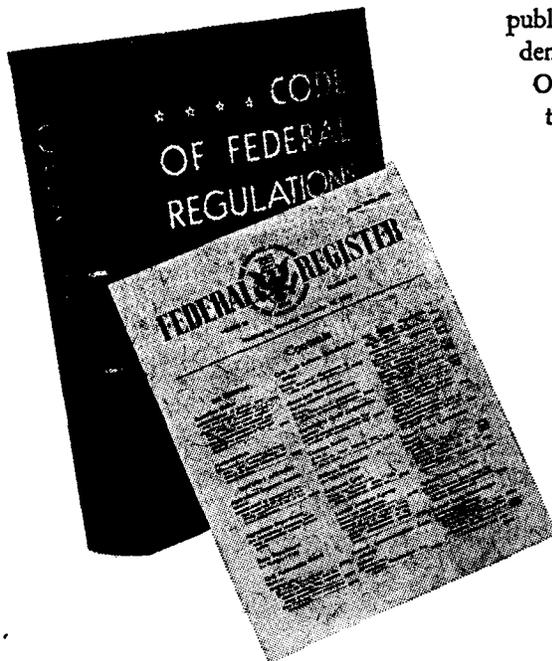
**Tariff Schedules of the United States Annotated (1965) (TC Publication 163),  
\$6.00 (including supplementary service for an indefinite period); \$1.50  
additional for foreign mailing**

**Tariff Schedules of the United States, Effective August 31, 1963 (TC Publica-  
tion 112), \$4.00 (including supplementary service for an indefinite period);  
\$1.00 additional for foreign mailing**

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**NOTE.—The reports listed above may be purchased from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. (See inside front cover for other available reports.) All U.S. Tariff Commission reports reproduced by the Government Printing Office may be consulted in the official depository libraries throughout the United States.**

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